

## U.S. JOBLESS CLAIMS DROP TO A 7-MONTH LOW



Last week, fewer Americans than forecast filed first-time claims for unemployment insurance payments, an good indication that the labor market might be gaining traction. The Labor Department figures showed today in Washington that the applications for jobless benefits decreased 5,000 in the week ended Nov. 12 to 388,000, the lowest level its been on since April. According to the median estimate in a Bloomberg News survey, economists forecast 395,000 claims. The number of people on unemployment benefit rolls dropped down to a three-year low. As the firings diminish, U.S. companies may add to payrolls at a faster pace as demand picks up. In October, sales that grew more than expected set the stage for much higher levels of output, which could require more employees. "Layoffs have eased, which is a great sign," says Omair Sharif, who is an economist at RBS Securities Inc. in Stamford, Connecticut. "The other side of the equation, however, is that firms are still very hesitant to hire. You're getting a very gradual improvement in the labor market." In October, builders broke ground on more homes than forecast and construction permits climbed to the highest level since March 2010, thus showing signs that housing may become less of a laggard in the third year of the U.S. recovery, the figures from the Commerce Department also showed today. Starts decreased 0.3 percent to a 628,000 annual rate from September's 630,000 pace, the permits jumped 11 percent. After the reports, the stock-index futures trimmed earlier losses. At 8:46 a.m. the contract on the Standard & Poor's 500 Index maturing in December fell 0.1 percent to 1,230.3. Treasury securities were little changed, with the yield on the benchmark 10-year note at almost 2.01 percent. In the Bloomberg survey of 44 economists, the claims estimate ranged from 382,000 to 405,000. The Labor Department revised the prior week's figure to 393,000 from an initially reported 390,000. Today, a Labor Department official said that there was nothing unusual in the state data last week. The official also said that the seasonal adjustment process projected a drop in claims because of the holiday- shortened week and the actual decrease was larger than the government estimated. The four-week moving average, which is a less-volatile measure, dropped to 396,750 from 400,750. In the week ended Nov. 5, the number of people continuing to collect jobless benefits decreased by 57,000 to 3.61 million, which is the fewest since September of 2008. The continuing claims figure doesn't include the number of workers that are receiving extended benefits under federal programs In the week ended Oct. 29, those who have used up their traditional benefits and are now collecting emergency and extended payments dropped by about 70,400 to 3.46 million. Today's report showed that the unemployment rate among people eligible for benefits, which tends to track the jobless rate, was 2.9 percent in the period Nov. 5 for a fourth straight week.

<https://blog.granted.com/>