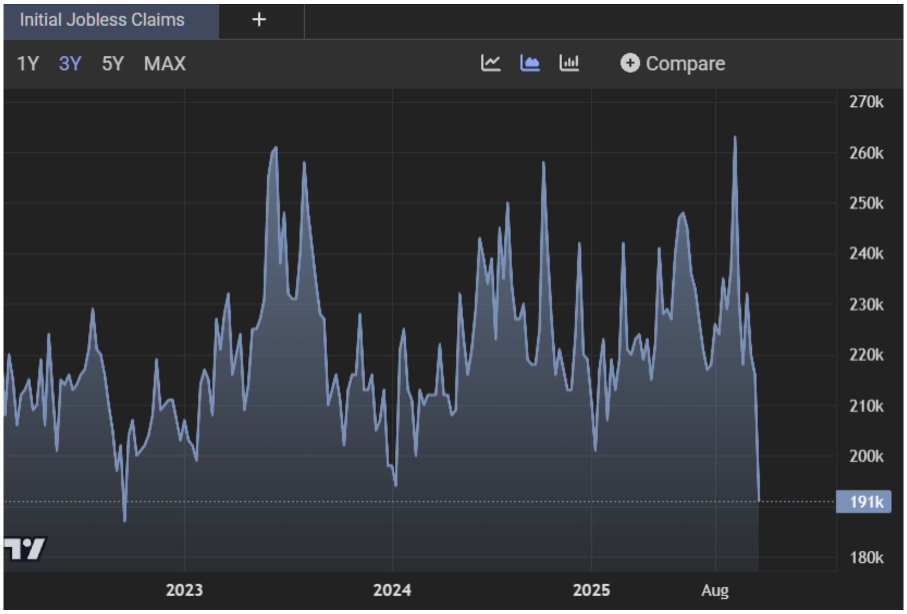
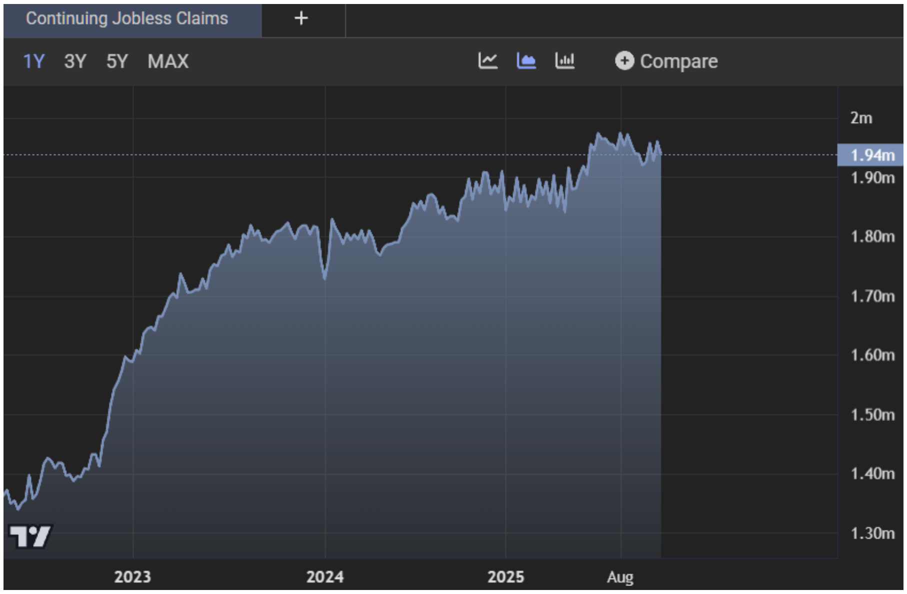
The Day Ahead: Lowest Initial Jobless Claims Reading Since 2022

Bonds were already slightly weaker in the overnight session, but the Jobless Claims data won't be any help. Initial claims fell to 191k--the lowest they've been since 2022 and one of the lowest readings since the 1960s. An isolated extreme in weekly data isn't worth as much market drama as a similarly extreme result in something like the big jobs report--especially when continued jobless claims aren't doing anything interesting--but at the very least, this argues against serious labor market concern. The Revelio payroll count of -9k came out 15 minutes later, and argues back in the other direction to some extent--but it didn't generate even a fraction of the volume associated with initial claims (and essentially zero reaction in yields).





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Monthly change in non-farm employment

Thousands of persons, seasonally adjusted