

Initial Jobless Claims Rose by 12K in the Week Ending June 8 and Continuing Claims Jumped by 30,000 in late-May. The Labor Market Remains Strong but Better-Balanced.

- **Initial claims for unemployment insurance rose by 12,000 to 242,000 in the week ending June 8 and the four week moving average rose by 5,000 to 227,000.**
- **Continuing claims jumped by 30,000 to 1.820 million in the week ending June 1 and the four-week moving average rose by 9,000 to 1.797 million.**

Initial Unemployment Insurance (UI) claims rose by 12,000 to 242,000 in the week ending June 8, following a 14,000 rise in the previous two weeks combined. This is the highest level of initial claims since mid-August 2023. The four-week moving average of claims, which smooths out some of the weekly volatility in this data rose by 5,000 to 227,000, the highest since mid-September 2023. UI Claims have remained unusually steady and low by historical standards signaling that the labor market remains strong but the rise in the past three weeks bears close watching. The 200,000 mark appears to be a floor and the 230,000 mark appeared to be a ceiling for the Initial claims measure, with the weekly results having bounced around in that narrow range in the second half of 2023 and again in the first five months of 2024. So this rise to 242,000 in early-June could be a sign of growing layoffs if initial claims keep rising throughout June.

Continuing claims rose by 30,000 to 1.820 million in the week ending June 1 from a downward revised 1.790 million in the previous week (was 1.792 million). This is the highest level since mid-January 2024. The four-week moving average of continuing claims, which smooths out some of the weekly volatility in this data set, moved up by 9,000 to 1.797 million from a downward revised 1.788 million in previous week (was 1.789). A rise in continuing claims suggests that laid-off workers are taking more time to find a new job.

While UI Claims are still at healthy levels in an historical context, the labor market is becoming better balanced between demand for and supply of workers which will help moderate upward wages pressures, especially as legal immigration has risen by over 1 million in each of the past two years. This is a theme that Chair Powell emphasized again yesterday at his post June 12 FOMC meeting press conference.

PNC expects that this labor market moderation and slower wage and price inflation data for May, June and July will pave the way for 25 basis points rate cuts at both the November and December 2024 FOMC meetings with additional cuts in the first half of 2025. The Bank of Canada and the ECB started a rate cutting cycle last week with both cutting their benchmark rates by 25 bps. The Fed will start later in this global Central Bank rate cutting process.

PNC Economics

economics@pnc.com

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Gus Faucher
Chief Economist

Stuart Hoffman
Senior Economic Advisor

Kurt Rankin
Senior Economist

Ershang Liang
Economist