

ECONOMIC DATA ANALYSIS

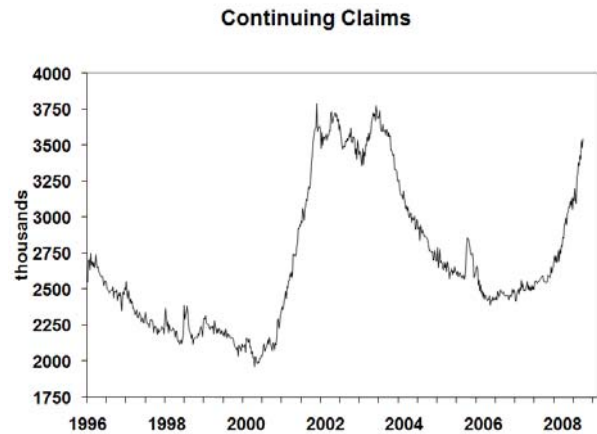
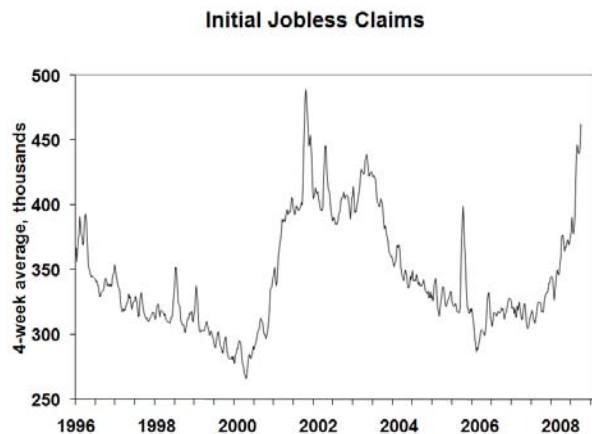
Initial Jobless Claims (September 20th)

- Initial jobless claims jumped 32,000 to 493,000 in the week ending September 20th as claims were boosted by the effects of the hurricanes (the Labor Department reported that excluding the hurricane effects, initial claims would have been 430,000). The four-week average of claims rose 16,000 to 462,500.
- Continuing claims rose 63,000 to 3.542 million in the week ending September 13th, although the insured unemployment rate remained unchanged at 2.6%.

		Initial Claims		Continuing	Insured
		Latest	4-week avg.	Claims	Unemploy.
*	16-Aug	435	446	3429	2.6
	23-Aug	429	441	3404	2.5
	30-Aug	451	440	3532	2.6
	6-Sep	445	440	3479	2.6
*	13-Sep	461	447	3542	2.6
	20-Sep	493	463	n.a.	n.a.

*employment survey week

BOTTOM LINE: Though claims have been elevated by hurricanes Gustav and Ike (claims in the week of September 13th rose 18,400 in Louisiana), its four-week average is at a very recessionary reading of 462,500. Claims are signaling a pick up in the rate of decline in nonfarm payrolls and a possible further rise in unemployment in September. Continuing claims (on a four-week average basis) rose 122,000 between the August and September payroll survey weeks, which roughly equates to a 0.1 percentage point rise in the unemployment rate.



John Ryding
ryding@rdqeconomics.com
(212) 521-4326

Conrad DeQuadros
dequadros@rdqeconomics.com
(212) 521-4327

September 25, 2008