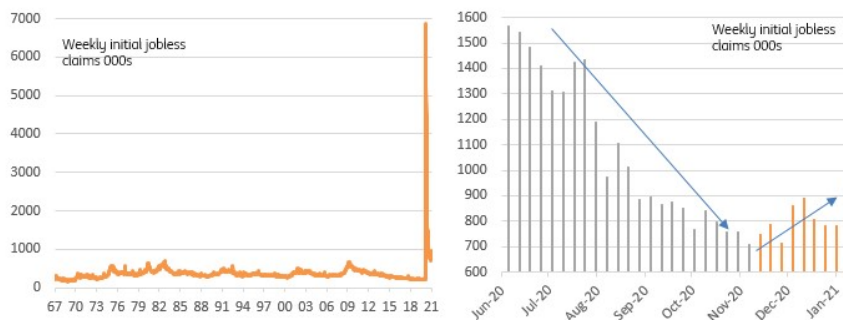


## US: Job fears mount

US jobless claims are breaking higher, underlying the strains that Covid continues to exert on the economy. There will be no improvement in the jobs market until containment measures are eased and that won't happen soon given the slow rate of vaccination



US initial jobless claims jumped to 965k last week – an awful outcome – 176k above expected while continuing claims came in 271k above expectations at 5.27mn. To put this in context the worst reading during the Global Financial Crisis was 665k, so the ongoing stress in the jobs market is clear for all to see. After a fall in employment in December we need to be braced for another decline in jobs in January.



Source: Macrobond, ING

There will be no real improvement in the jobs market until Covid containment measures are relaxed and businesses have the confidence to hire. As of January 13th, 10.3mn vaccination doses have been administered, equivalent to a little over 3% of the population. At this rate it is going to be many months before we get to herd immunity, which Dr Anthony Fauci has said could require up to 90% of the population being vaccinated.

We will see what Joe Biden's fiscal plan is tonight at 7:15pm ET, but these sorts of economic numbers suggest better management and more money is required to accelerate the vaccination program. Hopefully that will happen, but the likely futile attempt to convict President Trump risks distracting/delaying politicians from the task in hand.

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