

USA: Jobless Claims Remain Low; Trade Deficit Narrows; Boosting Q3 GDP Tracking to +3.7%

BOTTOM LINE: Initial jobless claims edged slightly higher but remained low. The trade deficit narrowed more than expected in August. While we assume a full rebound in imports in September, we nonetheless boosted our Q3 GDP tracking estimate by 0.3pp to 3.7% (qoq ar). Our domestic final sales growth forecast stands at +2.4%.

US MAP:

Initial claims 0 (2, 0)

Continuing claims 0 (1, 0)

Trade balance 0 (2, 0)

Key Numbers:

Initial claims 207k for the week ended September 30 vs. GS 210k, median forecast 210k, prior revised 205k

Continuing claims 1,664k for the week ended September 23 vs. median forecast 1,671k, prior revised 1,665k

Trade balance -\$58.3bn for August vs. GS -\$59.7bn, median forecast -\$59.8bn, prior revised -\$64.7bn

Main Points:

1. Initial jobless claims edged up by 2k to 207k in the week ended September 30. The four-week moving average of claims edged down by 2k to 209k. Claims increased by 6k in California and 2k in New York, and decreased by 2k in Missouri and 2k in Ohio. Nationwide continuing claims—the number of persons receiving benefits through standard programs—edged down by 1k to 1,664k in the week ended September 23. Seasonal distortions have increasingly weighed on the level of continuing claims over the last six months, and we now expect that the reversal of those distortions could exert a cumulative boost of 375k to the level of continuing claims between the end of September and March.

2. The trade deficit narrowed by \$6.4bn to \$58.3bn in August, from a downwardly-revised \$64.7bn in July. The total volume of trade increased, with a \$4.1bn increase in exports and a \$2.3bn decline in imports. The downward revision to the prior level was largely driven by a \$0.3bn upward revision to exports in July.

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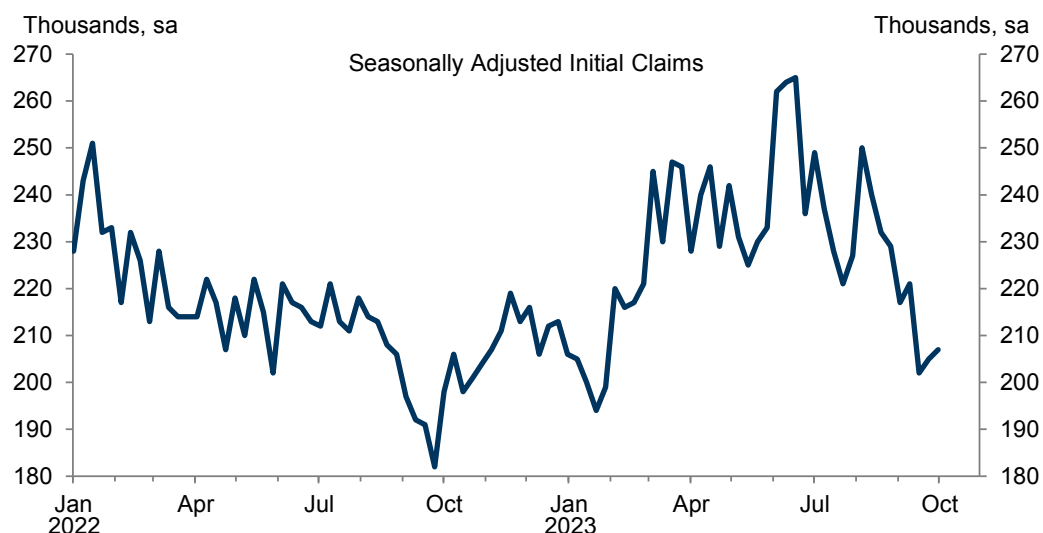
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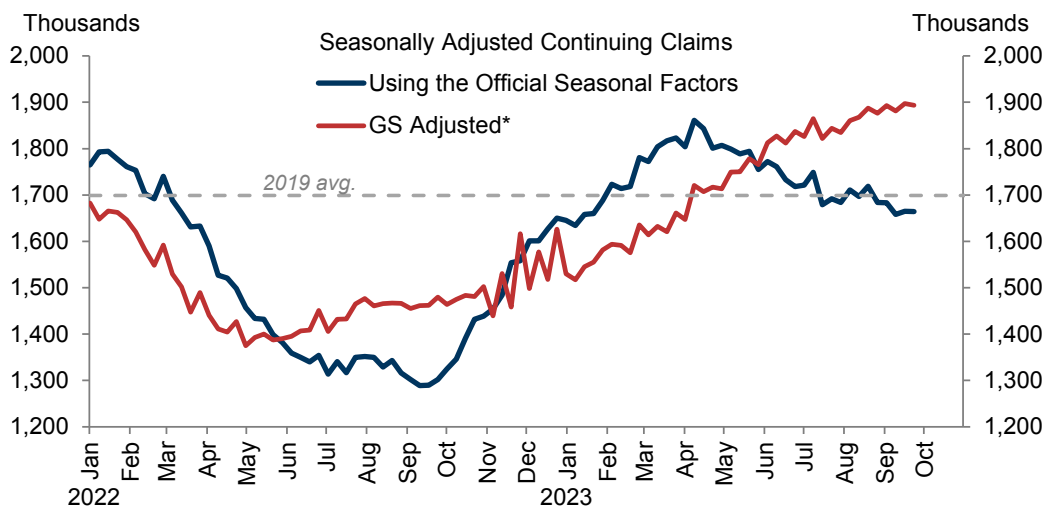
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The decline in the August deficit was largely driven by a \$5.5bn decline in the goods trade deficit, led by a \$2.7bn increase in industrial supplies exports, over half of which reflected higher oil prices.

3. The August foreign trade report indicated an even sharper narrowing in the trade deficit than implied by the advance reading. While we assume a full rebound in imports in September, we nonetheless boosted our Q3 GDP tracking estimate by 0.3pp to 3.7% (qoq ar). Our domestic final sales growth forecast stands at +2.4%.



Source: Department of Labor, Goldman Sachs Global Investment Research



* Uses an average of 2017-2019 seasonal factors (as of 3/31/2022).

Source: Department of Labor, Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

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