

U.S. initial jobless claims rebound aggressively on seasonal factor

WASHINGTON, July 19 (Xinhua) -- The number of Americans initially applying for unemployment aid last week rose sharply after hitting a record low since mid-May in the previous week, the U.S. Labor Department reported Thursday. The figure for seasonally adjusted initial claims for jobless benefits was 386,000 in the week ending July 14, an increase of 34,000 from the previous week's revised figure. The volatile reading was due to a change in the timing of annual automobile plant layoffs, the Labor Department said as the data was released. It is more difficult in recent weeks to determine whether the labor market is improving or not. Typically many automakers shut down plants at this point of the year to prepare for the next model year. But this year the auto industry reduced layoffs to accommodate increased demand. The seasonal distortions may fluctuate the figures, making them hard to analyze. Meanwhile, the four-week moving average, which helps smooth out week-to-week volatility, fell to 375,500, a decrease of 1,500 from the previous week. The number of jobless claims needs to stay below 375,000 to indicate a sustained drop in the unemployment rate. It had been above the benchmark since the week of May 19. The figure for seasonally adjusted insured unemployment during the week ending July 7 was 3.314 million, up 1,000 from the prior week. The latest labor market reports showed that job creation continued but at a slower than expected pace during the second quarter. Overall, there was a net gain of 80,000 payroll jobs in June, bringing the total for the second quarter to 225,000, the lowest quarterly gain in employment in nearly two years and a lackluster result when compared with the first quarter's 677,000 job boost. The U.S. unemployment rate remained elevated at 8.2 percent in June with about 40 percent of workers out of work for more than six months.