

U.S. Municipal Bond Market

Labor Market Remains Significantly Challenged; Jobless Claims (1.508 Million) Above Consensus Estimate Fuels Relief Demand

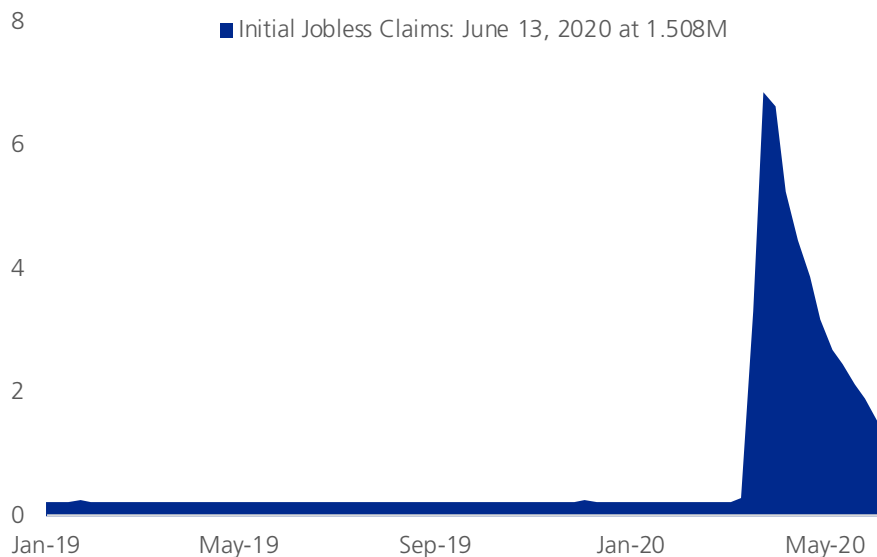
Summary

- Labor market indicators released this morning show significant challenges remain. They provided fuel to lawmakers who may be considering additional relief and stimulus measures.
- Jobless claims came in at 1.508 million for the week ending June 13, above the consensus expectation of 1.290 million and only just below last week's 1.542 million.¹
- Continuing claims of 20.54 million were also above the consensus expectation of 19.85 million for the week ending June 6.
- Overall, this labor market data is still very negative.
- Three months into the COVID-19 crisis, significant layoffs are still occurring at a pace that would have been considered nothing short of momentous, pre-pandemic.
- Highest insured unemployment rates in the week ending May 30 were in Nev. (24.2), Puerto Rico (21.1), Hawaii (20.2), N.Y. (18.0), Mich. (17.6), Conn. (16.3), Calif. (16.2), R.I. (16.2), La. (16.1), and Mass. (16.1).
- State-supplied comments noted layoffs concentrated in service industry (Calif.); waste management, healthcare, social assistance and service (Mass.); education, service (N.Y.); education, service, waste management (Iowa); and retail, service, healthcare, social services (Conn.) for week ending June 6.
- From March to May 2020 state and local governments shed more jobs than they did in the wake of the Great Recession.
- We expect that without federal aid, state and local governments could continue to shed jobs in order to balance budgets.

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Significant Layoffs Still Occurring Three Months Into Pandemic



Source: U.S. Department of Labor and HilltopSecurities.

Please see disclosure starting on page 2.

¹ [Unemployment Insurance Weekly Claims](#); Department of Labor; June 18, 2020.

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