



**NEW YORK, June 23 (Reuters) - New U.S. claims for unemployment benefits rose more than expected last week, a government report showed on Thursday, suggesting little improvement in the labor market this month after employment stumbled in May.**

COMMENTS:

**BERNARD BAUMOHL, CHIEF GLOBAL ECONOMIST, ECONOMIC OUTLOOK GROUP, PRINCETON, N.J.**

"The jobless numbers are disappointing, yet they corroborate a lot of other economic indicators showing that the U.S. recovery is stumbling. Companies are reluctant to add to their payrolls when it appears the economy is losing steam. Keep in mind that the U.S. already produces a record amount of goods and services. The national output is greater than ever before, and the economy is able to do this with many fewer workers, so there is less incentive to hire workers."

"It shows a very lackluster economy, but not the kind of emergency that would lead the Fed to another round of quantitative easing."

"I think the stock market will probably lose a little following these numbers because there's going to be more concern that with the economy slowing, companies will likely see fewer earnings, so we'll see a movement into fixed income, like bonds, or an increase in short-term funds."

**MICHAEL FEROLI, CHIEF U.S. ECONOMIST, JP MORGAN, NEW YORK**

"We have been disappointed already. If we are above 400 (thousand) by August... I think that raises some questions about the second half rebound story."

**SEAN INCREMONA, ECONOMIST, 4CAST LTD, NEW YORK**

"Another disappointing number -- it is really showing a flat trend there, again no quick rebound in employment. We're still in the soft patch that we have had for a couple of months now. There were technical problems cited, but overall it seems the trend is going nowhere."

"Over the course of the next few weeks and few months we will definitely be able to pin this down, but our base case is that we will crawl out of this and chug along with a moderate recovery."

DAVID SLOAN, ECONOMIST, IFR ECONOMICS, A UNIT OF THOMSON  
REUTERS

"Initial jobless claims for the week to June 18 increased by 9k to 429k, with the preceding week's number revised up to 420k from 414k. The market had expected this week's level to remain at 414k, so the data is a disappointment, and coming in the survey week for June's non-farm payroll hints at subdued growth there, if not necessarily quite as slow as in May. We suspected a fall in initial claims last week, originally reported as 16k, now seen at 10k, was assisted by more favorable seasonal adjustments. This week's seasonal adjustments were less helpful. Unadjusted claims fell by 6k but the adjusted number rose by 9k. The number may be more prone to revision than usual, as technical problems caused the totals for 6 states to be estimated. The 4 week average is unchanged at 426.25k. This is down from 440.25k in the May payroll survey week when one week was inflated by special factors, notably a spring break in New York. Excluding that week the picture looks similar to that in May and up from sub-400k 4 week averages in the March and April payroll survey weeks, suggesting that a slowing in the labor market recovery that the Fed noted yesterday persists."