

MacroX IJC Trading Model

Key Takeaways:

- US NFP and Unemployment rate have been the most tracked government data releases in the World, but their declining quality - crystallized by Trump's firing of the BLS chief- has traders searching for options. (see [here](#) for why these data break down)
- MacroX believes Initial Jobless Claims (IJC) could become the new official gold standard employment data as they are timely, and being an actual count are much less likely to be revised.
- MacroX's 100% alternative-data based IJC nowcast is available three days ahead of the official release, enabling pre-release trading. The model has been live since May 2025 and has achieved an ~85% hit rate on directional surprise over 34 predictions
- We simulate simple trading strategies based upon MacroX nowcasted surprises and show these strategies are all cumulatively profitable.
- Finally, MacroX nowcasts help profitably fade the noise when government IJC claims spike/fall without any underlying economic rationale. For example, going "the other way" would have yielded ~\$20k (risking \$5k/01) if noise trading around Hurricane Beryl.
- For more information about the strategy including how to position and in what size, please comment on this post or reach out to us directly at communications@macroxstudio.com

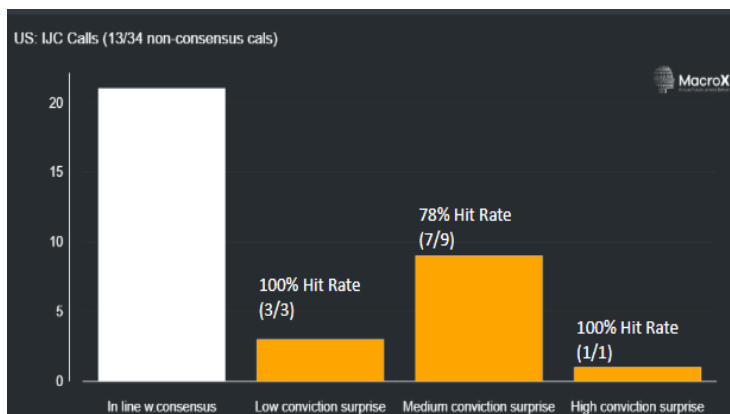


Fig: Distribution of MacroX 13 non-consensus calls by conviction level with associated hit rates

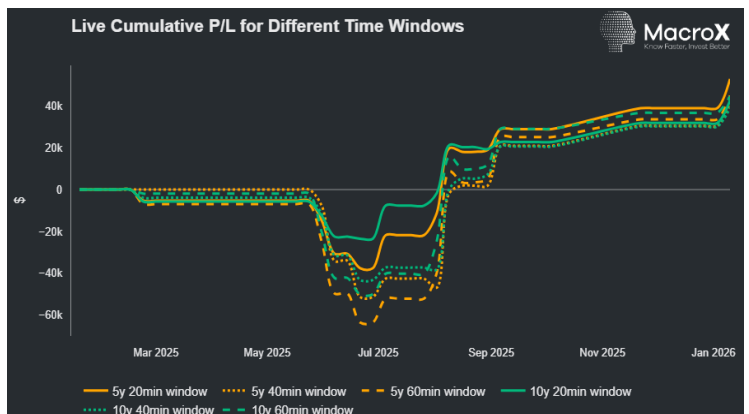


Fig: Trading the 20min yield change of the 5y UST around the IJC release would have generated the most P/L since MacroX's IJC model went live

US Labor Market Data Quality is deteriorating - Initial Jobless Claims (IJC) however do not suffer from these data quality issues

As discussed in a previous piece, the quality of US labor market data is deteriorating. However, IJCs are not subject to the declining response rates or modelling assumptions inherent in survey-based measures which have caused the decline in quality of other economic data. Indeed, the Department of Labor produced IJCs are simply an aggregation of the total number of fresh unemployment claims in each state i.e. they are an actual count. IJCs are also the timeliest labor market data produced by the government, produced with only a 1-week lag.

MacroX Nowcasts IJCs 3 days in advance of the release and has a ~85% hit rate on non-consensus calls

MacroX nowcasts Initial Jobless Claims using its multi-modal, alternative-data engine, with estimates available three days ahead of the official release—enabling pre-release trading. We have published weekly IJC nowcasts since May 31, 2025, covering 34 weeks of claims data. Over this period, MacroX has issued contrarian calls versus consensus 13 times (roughly once every three weeks), with a ~85% hit rate.

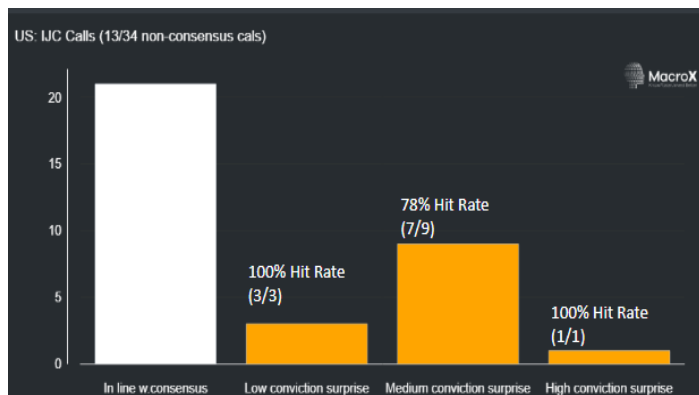


Fig: Distribution of MacroX 13 non-consensus calls by conviction level with associated hit rates

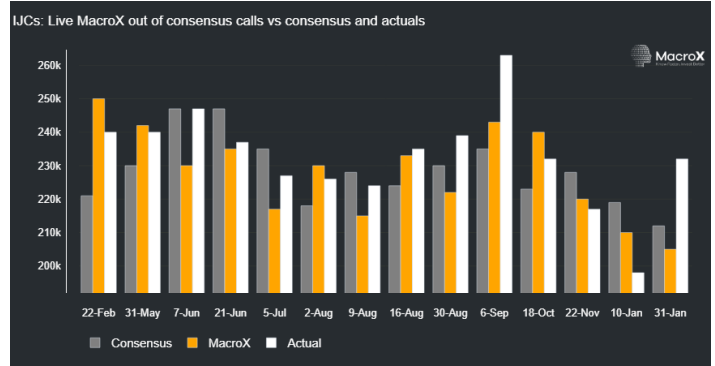


Fig: History of MacroX's out of consensus calls versus actual and consensus

Performance

We simulated trading strategies based upon these calls and find that a simple fixed income strategy is profitable across instruments and time windows. The most profitable strategy involves trading the 5y UST in the 20min window around the release.

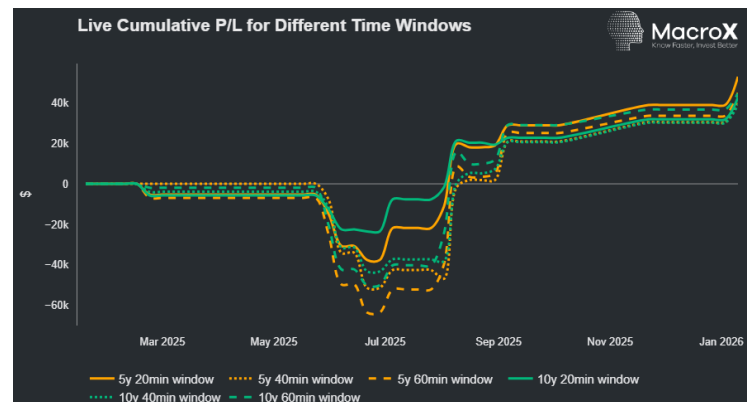


Fig: Trading the 20min yield change of the 5y UST around the IJC release would have generated the most P/L since MacroX's IJC model went live

Cutting through the noise

Unfortunately, occasionally claims data can be a source of noise. One-off events—such as extreme weather or labor strikes—can generate temporary spikes in claims that are unrelated to underlying labor market conditions. These episodes can trigger outsized market reactions, even as claims typically

normalize in subsequent weeks once the transitory effects fade.

A key advantage of MacroX's claims data is its ability to cut through this noise. State-level nowcasts provide critical context for large moves in headline claims, helping distinguish transitory shocks from genuine labor market deterioration.

For example, on 08/01/2024, [IJC's spiked to a year-high 249k](#) due to the effects of Hurricane Beryl with 10yr yields falling by 5.2bps on the day (they opened at 4.035% and closed at 3.982%). MacroX showed that the increase in claims was driven primarily by hurricane-affected states such as Texas, even as unemployment concerns in those states were already easing.

The following week, as hurricane-related effects dissipated, [claims normalized](#) — falling by 17k to 233k — consistent with MacroX data. Markets again reacted materially, with 10-year yields rising 4.3bp (opening at 3.954% and closing at 3.997%). This fall in claims surprised consensus to the downside by 7k; under the trading framework above, a \$5k/01 position would have resulted in ~\$20k P/L.

Conclusion

Given the issues traditional labor market data is facing with declining response rates and modeling assumptions which can lead to large revisions, the timely and accurate IJCs are invaluable macroeconomic data. MacroX can nowcast IJCs three days in advance of the release with a live hit rate of ~85%. We show that, using a simple trading strategy, that trading MacroX nowcasted surprises would have been profitable. Furthermore, the granularity provided by our multi-modal engine can provide crucial context for large moves in claims data and help distinguish between moves due to underlying economic conditions and moves due to one-off events e.g. hurricanes or strikes.

To learn more about the trading strategy including how to use MacroX's nowcasts to position in fixed income and the systematic strategy behind position sizing, please comment on this post or reach out to us directly at communications@macroxstudio.com.

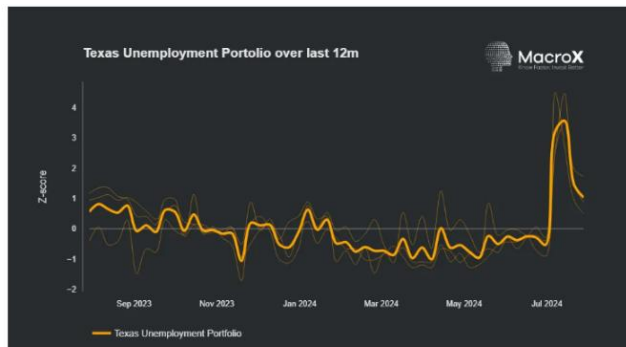


Fig 1: Unemployment fears in Texas surged in the first two weeks of July due to Hurricane Beryl before declining (albeit to slightly elevated levels)

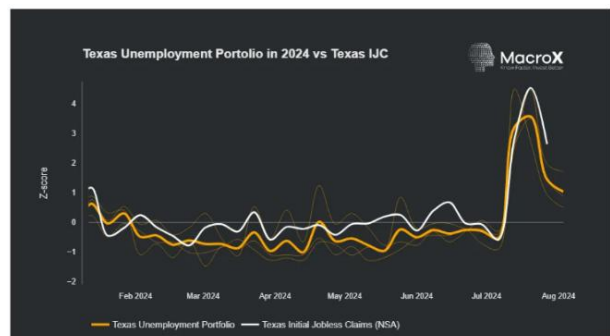


Fig: Texas Initial Jobless Claims data declined in line with our nowcast of Texan Unemployment Fears which is two weeks ahead of the IJC data. Our nowcast expects Texan IJC to continue to decline over the next few weeks

US weekly jobless claims highest in nearly a year amid summer volatility

By Lucia Mutikani

August 1, 2024 10:10 AM PDT - Updated August 1, 2024



US Initial Jobless Claims Decline by Most in Nearly a Year

Initial applications fell 17,000 last week to 233,000

Fig: MacroX use of state-level data helped provide context to the Hurricane Beryl spike in claims in August 2024 and showed that claims in Texas had fallen the following week as official data subsequently showed