BoE Review: November 2025

Statement/Minutes release link
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Where is the bar for December?

Tim Davis, 10 November 2025

The title of our BOE Preview was "It's All About Bailey" and we expected a 5-4 vote (without much confidence over which way the 5-4 vote would swing). The outcome was a 5-4 vote to leave Bank Rate on hold and the new individual member paragraphs in the Minutes indicated that Governor Bailey was the only MPC member who did have see their vote as a clear cut decision at this meeting.

We look more into the near-term projections as we assess the likelihood of Governor Bailey supporting a December cut. We think it unlikely barring very large surprises that we would see any of the other 8 MPC members not repeating their votes at the December meeting.

Governor Bailey's fundamental view seems more aligned with the doves despite his vote

Looking at Governor Bailey's explanation of his vote in the Minutes there were several dovish elements that suggested that he was more comfortable with the views of the doves than the more hawkish members of the MPC, but he has largely justified his vote to keep Bank Rate on hold by not thinking that one month of CPI data was sufficient to vote for an immediate cut, he also points to the downside scenario being "more likely" but overall that he "would prefer to wait and see if the durability in disinflation is confirmed in upcoming economic developments this year." Governor Bailey also pointed to Boxes A, B and F to support his overall views, these boxes discuss firms not being able to rebuild profit margins due to weak demand (A), that despite food prices increasing near-term inflation expectations the actual impact on future inflation is small (B) and that "Previous negative labour supply shocks could be less important for the trajectory of inflation today" (F).

Bailey noted that he was looking for evidence in the data to be confirmed "this year"…

Based on the evidence in the Minutes alone the key phrase to us was in looking for developments to be confirmed "this year". This could be viewed in one of two ways: assessing the data at the December meeting or waiting until the outturns of the 2026 data (which would more likely suggest waiting for February). However, in the press conference the Governor was more explicit in pointing towards an assessment of the data in December he said that:

"The latest data points on inflation was encouraging, but it was only one data point. Leading up to our December meeting, we will get more data on inflation and cost pressures in the economy to help us make the right decision, and we will be able to analyse how this year's Budget might affect the economy and the out like look for inflation."

… and then explicitly pointed towards assessing the data at the December meeting

He reiterated these comments later in the press conference when he said "My own view is… that because we really do need to see more than one number to establish that that is sort of in the picture as it were. So, I will be looking very carefully at… the data that we will get before the December meeting. That will be a very important consideration for me."

For us this clearly points to a December cut being very much on the table, and in some ways the consumer inflation expectations that we had been focusing on moving down in importance for near-term policy (despite it being probably the key indicator for the hawks). We think that unless there are huge surprises elsewhere that Governor Bailey's December vote will be almost entirely determined by inflation, wage and broader labour market data. The Bank's near-term projections for both of these have been revised lower, but the remaining question is whether the data needs to come in line with the Bank's expectations for Bailey to support a December cut (to confirm existing progress) or whether it needs to come in lower than expected (to show greater progress).

We receive two more inflation and labour market prints ahead of December MPC decision

With this in mind, it is important to look at the changes in the near-term projections in more detail and recall that we will receive two labour market and two inflation prints ahead of the December MPC meeting. And note that the labour and inflation data that is due for public release in the week of the December MPC meeting will be provided to the MPC on the Monday morning of the meeting week (so will be available to be extensively reviewed by the MPC).

Private regular AWE due tomorrow forecast four tenths lower than in August projections

The first of the releases that we will see will be labour market data on Tuesday 11 November. Bank staff revised down their Q3 private regular earnings expectations to 4.23%Y/Y from the previous forecast of 4.62% (a 4 tenth downward forecast revision). Looking further ahead the Q4 forecast has seen a smaller downgrade from 3.66% to 3.51% (around 0.15ppt). Note that there has been a downgrade of the Q4-25 forecast in each of the three most recent MPRs from a peak of 3.9% in the February MPR. Two further near-term quarters have been added to the projections with a slight uptick from Q4's levels to 3.56% in Q1-26 before falling to 3.25% in Q2-26 and then ending 2026 at 3.2%Y/Y by Q4. The Q4-26 estimate is unchanged from August but had been lower in MPRs prior to that.

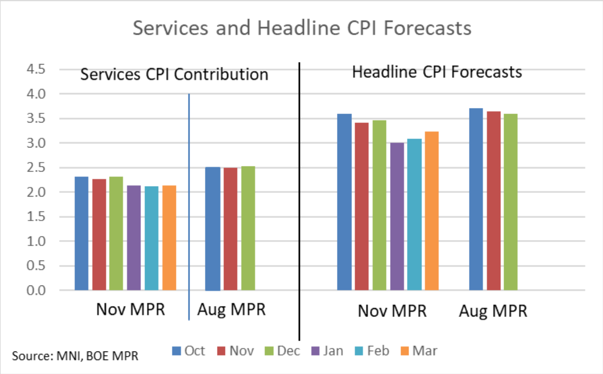
The Bloomberg consensus for the Q3 data sees the mean come in at 4.23% (exactly in line with the Bank's forecast) but individual analyst views are largely split between 4.2% and 4.3%, thereby providing a minor upside risk relative to the Bank's near-term forecast. Indeed, if we assume that the Bank's projections are assuming no revisions to prior data, the single month number for September would need to be 3.99%Y/Y. The same cohort's reported Y/Y growth in June was 4.55%, so this would be around a 0.56ppt drop. To put this into context the Y/Y drop in the August single month Y/Y cohort (versus May) was 0.70ppt from 4.91% to 4.21%. So the projection is not unrealistic but is relatively optimistic.

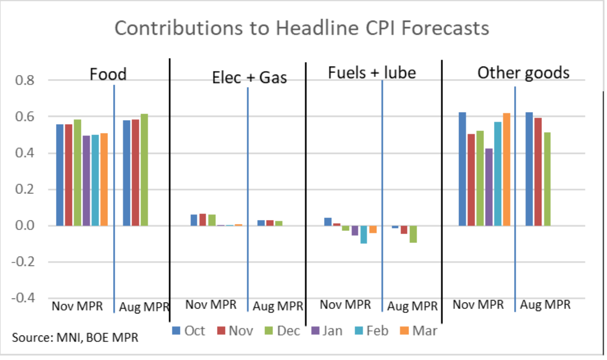
The unemployment projection for Q3 is 4.87%, up from 4.76% in the August MPR with V/U estimated at 0.41x, marginally below the 0.42x in the August MPR. The equilibrium V/U is broadly unchanged at 0.53x (indicating continued slack in the labour market). Q4-25 has been revised up to 4.97% from 4.9% in the August MPR.

Short-term CPI forecasts also markedly revised down

Turning to the short-term CPI projections, headline CPI is now expected to be 3.60% in October (3.71% August MPR), 3.41% in November (3.65% in August MPR) and 3.46% in December (3.59% in

August MPR). Recall that September CPI surprised 0.21ppt to the downside of the August MPR and none of these forecasts are revised down by the full 0.21ppt (-0.11ppt Oct, -0.15ppt Nov, -0.13ppt Dec).





However, looking into the subcomponents there is a different story, the contribution of services CPI to headline CPI has seen a similar downward revision to the October forecast as the surprise seen in September. And then November and December services CPI are expected to see an even larger negative contribution to headline CPI than had been seen in September. Indeed, after surprising 0.36ppt to the downside to the August MPR forecast in September, the new forecasts see services CPI at 4.6%Y/Y in October (5.0%Y/Y in Aug MPR), 4.5% in November (5.0% Aug MPR) and 4.6% in December (5.1% Aug MPR). So the deceleration of services CPI is not only expected to not see a reversal of the September surprise, but to continue to fall at a faster pace, too.

For “food and non-alcoholic beverages”2-3 tenths have been taken off forecasts, a smaller a adjustment than the -0.48ppt surprise in September. While “other goods” have only seen minor adjustments.

Offsetting some of the services CPI slowdown will be energy inflation. The BOE estimates energy will add around a tenth more to CPI over the next three months than it expected in the August MPR – note that September CPI only saw around a 0.03ppt larger upward contribution (part of the further differences are due to electricity and gas bills and part due to further increases in vehicle fuels that will not be reversed. However, bear in mind that these forecast changes are largely marking-to-market commodity price / exchange rate moves since August – and so are less open to interpretation.

In essence, downside surprises to headline CPI are going to be much harder to achieve than the previous forecasts. These forecasts are likely to be closer to sellside expectations, whereas the August forecasts were already a little higher than some expected at the time of publication.

We think overall meeting the forecasts with a disinflationary Budget should be enough for Bailey to support a December cut

We will therefore be watching both CPI and labour market data incredibly carefully over the next two prints, but we will also be watching closely for any comments from Governor Bailey as to whether data in line with these forecasts is enough for a cut or whether the data needs to come in softer. We tentatively would assume that data in line would probably be enough for Bailey to support a December cut. Of course, thrown into the mix will be any updates to the Agents’ 2026 pay settlements expectations. Recall that these were encouraging in November and December 2024 (for the 2025 round) but then by February expectations were markedly higher). Also in focus will be any inflationary / disinflationary measures in the Budget, how front-loaded any changes in fiscal policy are and whether there will be any changes in income tax (which would add to Bailey's views that a downside scenario could be more likely).

Other MPC members' votes seem to be more set in stone for December

Looking to other MPC members, we think their votes barring huge surprises are largely set in stone for the December meeting (and don't think that it matters that it is a non-quarterly meeting now that November has been skipped).

Both Ramsden and Breeden's dovish views seem more entrenched than we had expected

On balance we had seen both Ramsden and Breeden as supporting a cut at this meeting (which they did). But we had seen risks that one or both of them could vote alongside Bailey in the case of a hold. The consensus expectation was closer to only one of these two members dovishly dissenting. It turns out that both of their views were expressed in stronger terms that we had expected, however.

Breeden opened her paragraph noting that "Data since August have provided me with greater confidence that the disinflation process remains on track and that upside risks to inflation are not materialising." She added that "While the upside risks to inflation have diminished somewhat since the August Report, downside risks from the outlook for demand have become more prominent... Combined with my view that policy remains restrictive and slack continues to build, this gives me enough confidence to cut now."

Ramsden as expected is very focused on how inflation and labour market slack will feed through to wage expectations: "I place weight on our central projection and see risks around it as broadly balanced, although the downside risks are now more prominent for me relative to August, particularly as previous uncertainties around the disinflation process have reduced. Activity is subdued, the labour market is loosening materially and the inflation hump has played out largely as expected. Bank staff analysis on firms' costs and margins suggest that, as labour cost pressures dissipate, prices will follow suit… I find the mechanisms in the downside scenario plausible… When assessing upside risks, analysis on the salience of different components for inflation expectations has persuaded me that the impact on the current wage-setting process will be modest… I judge that our policy stance continues to be restrictive and, based on my outlook, expect that a gradual removal of policy restraint will remain appropriate."

Taylor and Dhingra remain their dovish mantra

Taylor and Dhingra both saw clear need for a 25bp cut – with Taylor noting that he didn't support the MPR central forecasts and Dhingra talking of the potential for a policy mistake – that was all expected too.

The bar for August's four hawkish members to change view seems high despite a "skip" having now been delivered

The four August dissenters (Greene, Lombardelli, Mann and Pill) saw a clear case for a hold again as unanimously expected. They remain concerned largely about inflation expectations potentially leading to second round effects.

MNI Instant Answers

- Ahead of each policy meeting the MNI Markets team select a number of questions that should capture the essence of the central bank meeting in questions that can largely be answered either numerically or with a yes or no, and which represent all of the expected tradable possibilities.
- These questions will be published within the Preview document and 15 minutes before the announcement on both MNI Bullets and the interactive chat.
- We aim to publish the answers within a few seconds of the embargo being released via the MNI Bullets and our interactive chat.

Advantages

- No need to scroll through 30 newswire headlines.
- All of the tradable info you need delivered concisely straight to your bullet feed or the interactive chat.
- Gives you the confidence that you can quickly trade at the announcement time.

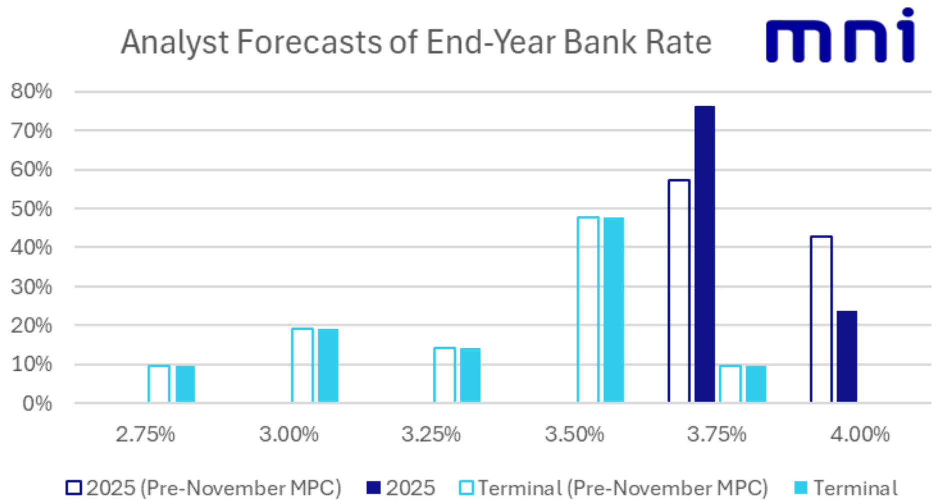
November Questions (and Answers) (for MNI Bullets / Chat)

1. Was the Bank Rate changed, and if so by how much? No - Hold At 4.00%
2. Number of members voting for unchanged rate? 5 - Bailey, Greene, Lombardelli, Mann, Pill
3. Number of members voting for 25bp cut? 4 - Breeden, Dhingra, Ramsden, Taylor
4. Number of members voting for 50bp cut? Zero
5. Number of members voting for other rate decision? Zero
   NB: On questions 2-5 we will name the dissenters (and the direction / magnitude of dissent)
6. Did the MPC keep reference to a "gradual approach" in its guidance? Yes - "If progress on disinflation continues, Bank Rate is likely to continue on a gradual downward path"
7. Did the MPC keep reference to "careful" in its guidance? No
8. Did the MPC keep reference to "the restrictiveness of monetary policy has fallen as Bank Rate has been reduced" in its guidance? Yes
9. Did the MPC again say the "timing and pace of future reductions in the restrictiveness of policy will depend on the extent to which underlying disinflationary pressures continue to ease"? Yes - "the extent of further reductions will therefore depend on the evolution of the outlook for inflation"
10. Did the MPC leave its guidance paragraph materially unchanged versus the previous policy statement? No
11. Did any members state that their decision was "finely balanced" at this meeting? Bailey's view in the Minutes: "Rather than cutting Bank Rate now, I would prefer to wait and see if the durability in disinflation is confirmed in upcoming economic developments this year".
12. UK CPI central projection in 1/2/3 years time? 2026Q4 - 2.5%; 2027Q4 - 2.0%; 2028Q4 - 2.1%
    Previous: 2.5% / 2.0% / 2.0%
13. UK GDP central projection (2025/2026/2027/2028)? 2025Q4 - 1.4%; 2026Q4 - 1.4%; 2027Q4 - 1.7%; 2028Q4 - 1.8%
    Previous 1.25%/1.25%/1.5%

Comment from Governor Bailey provided to reporters in the lock-up: "We held interest rates at 4% today. We still think rates are on a gradual path downwards, but we need to be sure that inflation is on track to return to our 2% target before we cut them again.

Summary of Analyst Views

- Just over three quarters (16/21) of the analyst reviews that we have read expect a December rate cut. This compares to 12/21 analysts who had expected a Q4 rate cut ahead of the November meeting.
- Of those who look for a December cut, RBC expects this to be the last of the cycle. 4 analysts look for a sequential cut in February, 2 analysts in Q1 (unspecified month), 3 analysts in March, 4 analysts in April and 2 analysts did not specify the timing of the second cut.
- Of those who look for a February cut, NatWest Markets see this as the last in the cycle while the other 4 analysts all look for the following cut to be in April.
- Terminal rate expectations haven't shifted despite the timing shifts. The median and modal expectation remains for a 3.50% terminal rate (favoured by just under half 10/21 analysts) with a downside tail. 2/21 look for a 3.75% terminal rate, 3/21 for 3.25%, 4/21 for 3.00% and 2/21 for 2.75%.



Summary of Analyst Views (Sorted by Hawkish to Dovish)

Institution	Pre-November MPC	Post-November MPC
NatWest Markets	7-2 vote for Bank Rate on hold but risk of 6-3. "Maintain our forecast for -25bp in February 2026 to a 3.75% terminal rate, with ongoing downside risks to 3.5%"	"Forecast remains for a final 25bp cut in February 2026 to a terminal rate of 3.75%... risks are tilted increasingly towards slightly earlier easing (Dec) and to a slightly lower terminal level (3.5%) following the BoE's 'dovish hold' in November and ahead of the expected fiscal tightening in the Budget."
Rabobank	"We think the Bank of England will hold rates at 4.00% at its November 6 decision, but the MPC's pivot to genuine data dependence has made each meeting truly 'live'." Look for cuts in Feb26 and Apr26 to terminal 3.50%.	"Continue to expect two more 25bp cuts and are still eyeing February and April 2026. We'll consider bringing that forward if inflation data comes in soft and if fiscal consolidation is front-loaded."
Berenberg	6-3 vote for Bank Rate on hold. Look for at least 2x25bp cuts in 2026. "A front-loaded fiscal tightening would open the door to a third cut in 2026, to 3.25%."	"Suspect solid demand and sticky core inflation in the forthcoming data to delay the next reduction to" Feb26. If "more aggressive and front-loaded fiscal consolidation in the Budget... would likely revise down our forecast for the terminal bank rate from our current forecast of 3.5%."
Bank of America	6-3 vote with risk Taylor votes for 50bp cut. "Expect the gradual, careful and meeting by meeting guidance to remain." Don't expect strong signal for Dec cut. ""continue to expect the next cut in February and April to 3.5%. However, a cut in December is becoming a bit more live."	Expect Feb26 and Apr26 cuts to 3.50% "but risks of an earlier cut in December have increased... by February, inflation is likely to fall closer to 3.5% in Q4, the MPC would have greater evidence on wage awards for 2026 and it can incorporate the tightening impact of the Autumn Budget on its forecasts."
JP Morgan	6-2-1 vote. Comms point to cut at Dec/Feb with timing determined by clarity on pay settlements, Budget and data surprises. "Our central forecast still assumes a February cut. The data above have clearly raised the odds of another ease this year."	"Forecast for a February cut unchanged for now... But we see this call as close, and will revisit after seeing the next monthly round of data as well as the Budget." "Our terminal rate forecast is 3.5%. While there are downside risks to this, the BoE is clearly still cautious in highlighting that possibility."
RBC	7-2 for hold. "We adjust our Bank Rate call, pushing our expectation for when the MPC will deliver its next, and what we still see as its last, cut in the current cycle to February 2026."	**"Now see the MPC delivering a 25bps rate cut at its December meeting rather than in February." " While the path of Bank Rate is still 'gradually downward' the MPC now seems to be suggesting that the end of the current cycle is near, in line with our own view."**
Danske	5-4 vote for 25bp cut with risk of rate cut "slightly above 50%." "With the economy holding up and inflation still quite sticky above target, we expect the BoE to cut rates for the last time in February leaving the Bank Rate at 3.50%."	**"Next cut in the Bank Rate in December, where we also think fresh government spending cuts will call for further easing." As restrictiveness falls "the bar will increase for the following rate cut... expect the April meeting to conclude the easing cycle with the Bank Rate at 3.50%."**
Nomura	5-4 vote for 25bp cut but is a "close call." If cut delivered, expect "restrictive" references to be removed from guidance. If on hold expect guidance broadly unchanged. Assuming cut is delivered expect final 25bp cut in February 2026 to 3.50% terminal.	**"Continue to expect another cut before year-end (at the Bank's 18 December meeting). Consistent with a slowing pace of easing we have pushed out our view of the final cut to April next year (from February). We continue to see the terminal rate at 3.50%."**
Santander	5-4 for for Bank Rate on hold. View November as a "live meeting." "Expect the general tone of the minutes to be one of greater confidence in disinflationary momentum than a month ago." 25bp cuts in Dec25 and Apr26 but near-term depends on Budget.	"We remain very comfortable with our view that Bank Rate will be cut to 3.75% in December. That will be a four-month gap since the August move, and we expect the same wait for the next cut in April, to our terminal rate forecast of 3.50%."
ING	6-3 vote for Bank Rate on hold but 5-4 possible. Bailey has "done little to downplay the chances of a pause in November." Next cut expected in December with two further cuts in 2026 to terminal 3.25%.	"Barring any major upsets in the two inflation releases between now and December's meeting – and assuming no surprises in the Autumn Budget – then it sounds like Bailey will vote for a cut at that meeting. That's our base case – and we're more convinced of that following the latest decision."
Société Générale	6-3 vote for Bank Rate on hold. Base case for sequential cuts between Feb26 and Jun26 to terminal 3.00%. See 40% probability of a Dec25 cut.	**"Messaging suggests a December cut is now highly likely and it has become our base case." Don't "expect the limited labour and inflation data available" justify a Feb26 cut. Data should "support sequential rate cuts from April until Bank Rate reaches our estimated neutral level of 3%."**
TD Securities	5-4 vote for 25bp cut. "Think by the spring the BoE will have reached the bottom of this cycle, with Bank Rate at 3.50%. Risks are balanced, in our view, that it will have to cut into outright stimulative territory (i.e., to below 3.50%) vs remaining above neutral into 2025H2."	**"We shift our anticipated November cut to December and move the February 2026 cut to March to maintain the quarterly pace after this month's skip until the BoE reaches terminal of 3.50%."**
Barclays	5-4 vote for 25bp cut with guidance alluding to "Bank Rate now approaching neutral." Assuming November cut look for continued quarterly cuts to terminal 3.50% in April.	**"Expect the next cut to come in December once the Budget has passed." See food inflation lower than BOE's forecast which "might be seen as enough to motivate" a Feb26 cut but "think that the bar for sequential cuts is high." Look for Mar26 cut to terminal 3.50%.**
Deutsche	6-2-1 vote. "Option value to wait may be slightly higher" but decision is "finely balanced between November and December." "Expect Bank Rate to drop to 3.25% by mid-next year, pulling the Bank's key policy rate to just around the middle of our estimated neutral rate range (2.75% to 3.75%)."	Dec25 cut expected "see growth, labour market, and inflation data moving broadly in line with the Bank's updated central projections... stick to our call for quarterly rate cuts, with the next rate cuts coming in March and June, taking Bank Rate to 3.25% - our cyclical low. We see balanced risks."
BNP Paribas	5-4 vote split. Risk of Taylor voting for 50bp cut and Breeden preferring Bank Rate on hold. Bailey to take "option value" of waiting for more data. Guidance "broadly unchanged." "Maintain our long-held view for a terminal Bank Rate of 3.50% in Q1 2026 and expect the next rate cut in December."	"Decisively dovish rate hold reinforces our conviction" regarding Dec25 cut. "Anticipate further cooling in underlying price pressures and fiscal consolidation in the autumn budget to support the case for further rate cuts and maintain our long-held expectation of a terminal rate of 3.50% in Q1 2026."
Daiwa	5-4 or 6-3 for Bank Rate on hold (but cannot rule out 5-4 for a 25bp cut). "The statement might have a softer tone than we saw at September's meeting." Daiwa sees 25bp cut in December then 25bp cuts in Q1-26 and Q2-26 then another 25bp cut in 2027; Bank Rate at 3.00% by end-2027.	"Given the expectation that fiscal policy will be tightened non-negligibly, we continue to expect the MPC to cut Bank Rate by 25bps to 3.75% next month." "We maintain our view that... the MPC will reduce rates by a further 25bps in Q126 and Q226, taking Bank Rate to 3.25%."
Jefferies	5-4 vote on hold. "Expect the Bank to cut rates in December and see rates falling to 3% in 2026."	"We continue to expect a rate cut in December, followed by a deeper easing cycle in 2026, with Bank Rate falling to 3% by mid-year."
UBS	On hold decision with 2-3 dovish dissents."Expect the Bank to deliver three 25bp rate cuts (Feb/Apr/Jul-26) to the terminal rate of 3.25%.... the chances of a cut in December have increased... closely watching Governor Bailey's comments during the press conference."	**Given dovish meeting, expected CPI below BOE forecast in Oct25 and Budget "creating the conditions for BoE rate cuts, we shift our forecast for the next rate cut from February to December. We expect the MPC to cut twice more in 2026 - in February and April to" 3.25%.**
Goldman Sachs	5-4 vote for 25bp cut. Continue to look for a 3.00% terminal rate. GS had previously looked for a November skip followed by quarterly cuts to November 2026 but now expects the terminal rate to be reached a quarter earlier at the July meeting.	**"Bailey's comments indicate that he would likely support a cut at the next meeting if the upcoming inflation data evolve in line with our forecasts and if the Budget turns out as we expect" so expect 25bp cut in Dec25. Expect 3% terminal by Jul26.**
UniCredit	Expect 25bp cut. "We still expect a quarterly pace of rate cuts throughout 2026, taking the bank rate to 2.75%."	"Expect the MPC to cut rates in December, followed by a quarterly pace of rate cuts next year to 2.75%."
Morgan Stanley	5-2-2 for a hold. Risk that Breeden votes for a hold. See 60% subjective probability of a hold. "Our base case is for the next move in February, although the risks of a cut in 4Q are high." Look for sequential cuts thereafter to 2.75% terminal.	**"Governor Bailey is seemingly shifting away from Chief Economist Pill's view of the world. We move the first projected cut from February into December, and stick with our view of consecutive cuts thereafter." Look for 2.75% terminal reached by Jun26.**

Source: Analyst previews and MNI

Note: Sorted by timing of next cut, then timing of next two subsequent cuts, then end-2026 rate, then terminal rate, then date reached, then balance of risks (if specified).