

## MNI UK Labour Market Preview: November 2025 Release

10 November, Tim Davis and Jonathan Nazar

Labour market data has risen in prominence again with the main focus on private regular earnings (AWE). We see risks tilted slightly to the upside – which might see a larger-than-usual initial market reaction if we round up to 4.3%Y/Y (given the emphasis Governor Bailey is placing on the data ahead of the December MPC meeting and that markets already price in 17bp of cuts for this meeting).

BOE November MPR looks for private regular earnings at 4.23%Y/Y – around 0.4ppt lower than the August MPR projection

Bank of England staff revised down their Q3 private regular earnings expectations to 4.23%Y/Y in last week's MPR from the August MPR forecast of 4.62% (a 4 tenth downward forecast revision). This is very close to sellside expectations. The median of the previews that we have read look for a 4.2%Y/Y in the 3-months to September (with the mean even closer to the Bank's forecast at 4.22%). In the 3-months to August the print was 4.42%Y/Y.

If we assume that the Bank's projections are not looking for revisions to prior data, the single month number for September would need to be 3.99%Y/Y (in order to reach the 4.23% 3-month average). 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 in any way unrealistic but is relatively optimistic.

We see risks tilted to a slightly higher print – it would not take much to round to 4.3%Y/Y

We see marginal upside risks (particularly if there were upgrades to the August single month data). It would not take a large upside surprise to either of the single month prints to see a 4.3%Y/Y print for Q3 rather than rounding down to 4.2%. Also worth noting is that the August print saw the lowest M/M print since March (at 0.11%). A similar M/M print would see a 4.3%Y/Y print – so we would need to see another low M/M print.

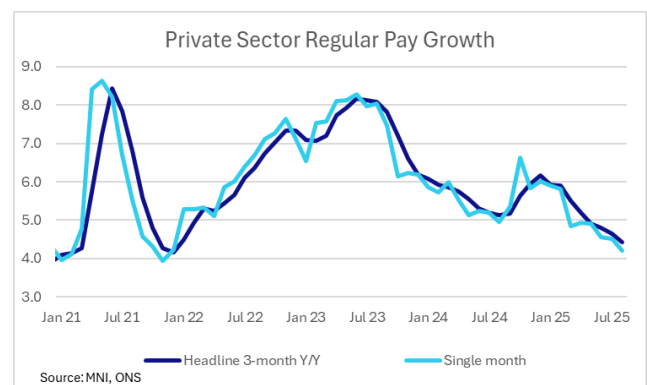
MPR Forecast for Q4 downgraded by about 0.15ppt

Looking further ahead the new MPR forecast for Q4 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.

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Whole economy wage expectations expected a tenth softer than August

Looking at wider earnings numbers, of the 10 sellside previews we have read, 9 look for a 4.6%Y/Y print in whole economy regular earnings for the 3-months to September. Morgan Stanley looks for a tenth higher at 4.7% - a print that would match the rounded 3-months to August print which came in at 4.73%Y/Y. Most analysts expecting the whole economy including bonus measure to remain at 5.0%Y/Y in the 3-months to September.

### Unemployment rate expected to tick up

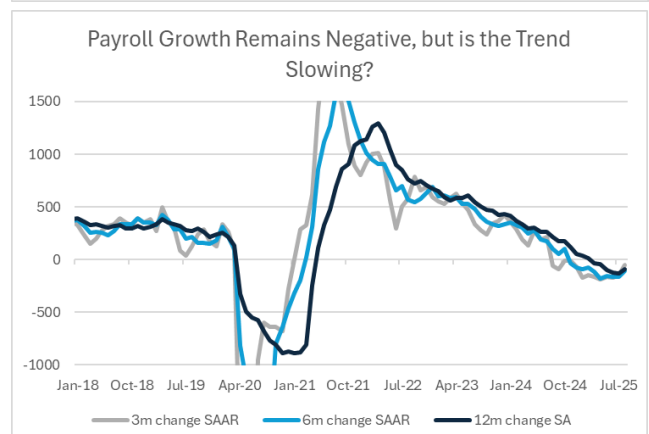
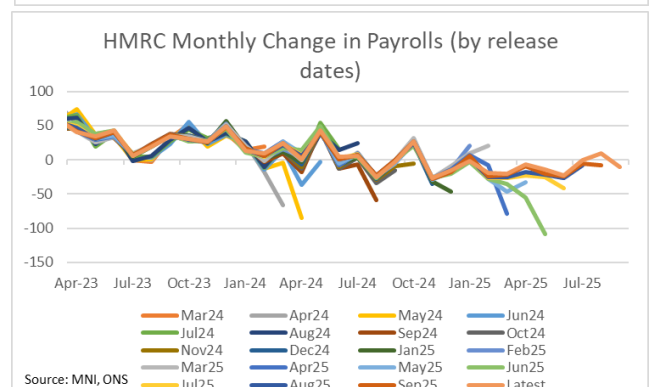
The unemployment projection for Q3 is expected at 4.87% in the new MPR projections with 11/12 sellside previews we have read also looking for a number that rounds to 4.9%. This would be up from 4.83% in the 3-months to August. Expectations for the 3-month change in LFS employment are rather wide, however, with the previews we have read ranging from -35k to +90k. Most analysts are expecting a number closer to flat (with the June single month change dropping out of the headline calculation). The Bloomberg consensus is for a +5k print.

### Vacancies hit a cycle low in September

The MPR estimates the V/U estimated at 0.41x, in line with the September flash print. The equilibrium V/U is estimated by the Bank at 0.53x so this illustrates the slack in the labour market. Vacancies fell to a cycle low of 717k in the 3-months to September.

### Will payrolls stabilise or start to track lower?

The main bright spot in last month's report was the payrolls revisions which have left the series looking as though it has stabilised rather than fallen over the past 3-months. We haven't seen much discussion on whether there will be further revisions here but the median of the previews that we have read looks for a flat flash October print (while the Bloomberg consensus looks for -3k).



## Summary of Analyst UK Labour Market Expectations (November Release)



	AWE ex bonus	Total AWE	Private AWE ex bonus	Unemployment	Employment (3m change)	HMRC Payrolls M/M
Jun-Aug	4.73	4.98	4.42	4.83	91	-10 (Sep)
Jul-Sep (median)	4.6	5.0	4.2	4.9	0	0 (Oct)
Jul-Sep (mean)	4.61	4.98	4.22	4.91	11	2 (Oct)
BOE Q3 forecast			4.23	4.87		
BOE Q4 forecast			3.51	4.97		
Bbg consensus	4.6	5.0	4.2	4.9	5	-3 (Oct)
Bank of America	4.6		4.2	4.9	90	-5
Barclays	4.6	5.0	4.14	4.9		
Deutsche Bank	4.6	5.0	4.2	4.9		7
Goldman Sachs	4.6	5.0	4.2	4.9		0
ING	4.6	4.8	4.3	4.9	10	
JP Morgan	4.6	5.0	4.2	4.9		15
Lloyds	4.6	5.0		4.9	-35	
Morgan Stanley	4.7	5.0	4.25	4.9	-6	-5
NatWest Markets	4.6	5.0	4.2	4.9	20	-6
Nomura	4.6	5.0		4.9	0	5
RBC			4.3	5.0		
TD Securities			4.2	4.9	-4	

\*AWE: Average weekly earnings

Source: Analyst previews, Bloomberg (consensus), MNI

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