mni

All Signal, No Noise

MARKET ANALYSIS

U.S. Payrolls Preview: Delayed Nov'25 Report

MNI View: Double NFPs Plus Single U/E Update

December 15, 2025 - By Chris Harrison

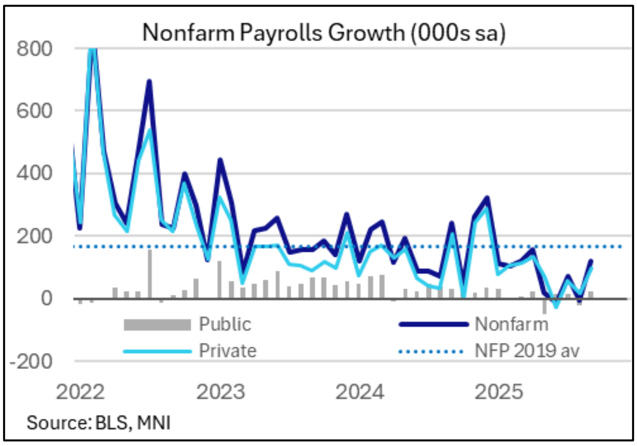
CONTENTS

Executive Summary

- It's an unusual payrolls release this month, with two months of data for the establishment survey (payrolls, hours worked and wages) for October and November plus a single report for the household survey (unemployment and participation rates) in November.
- The BLS wasn't able to conduct a household survey for October under the government shutdown and will have had to run the November survey shortly after the government re-opened.
- Nonfarm payrolls growth is seen at 50k in November after slipping circa -25k in October, with the latter coming from a wide range of expectations for the impact of DOGE deferred resignations.
- The unemployment rate is seen nudging higher again to 4.5% in November after 4.44% back in Sept, but with analysts on balance seeing a risk of 4.4%. The median FOMC participant eyed 4.5% in 4Q25 but with seven participants penciling in 4.6-4.7%.
- The unemployment rate has been a better gauge of underlying labor market health than payrolls growth but Fed Chair Powell has warned of potentially "very technical" factors at play in this household survey.
- Expect continued sensitivity to any surprises here with the labor market at the forefront of policymaker concerns, although the December report due Jan 9 could be more influential for January FOMC views.

Eyeing Limited Jobs Growth In November After A DOGE Hit In October

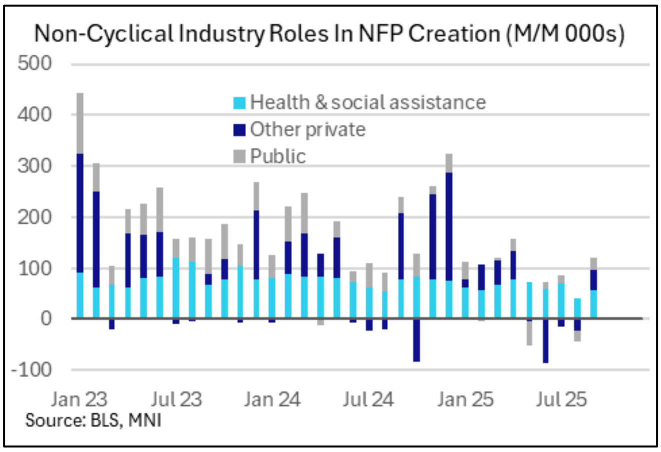
This month's release is unusual in that we'll receive a full report for November (originally scheduled for Dec 5) plus half a report for October (originally scheduled for Nov 7). The BLS was unable to conduct the household survey for October, the side of the payrolls report with an interview-heavy approach that can't be collected retrospectively. There won't be an October unemployment rate along with other household survey metrics such as participation rates, employment breakdowns by full-time and part-time, underemployment and estimates of those not at work due to bad weather. There will however be October details for the establishment survey included with this update, covering actual nonfarm payrolls, average hours worked and earnings. As such, at 0830ET on Tuesday the BLS should release two months of payrolls/hours/earnings data for Oct and Nov along with revisions to September's delayed figure, plus a single month for household survey figures for November with no revisions.



Bloomberg consensus sees nonfarm payrolls growth of 50k in November, matching the median primary dealer analyst. A smaller subset of primary dealer analysts looks for a 25k decline in payrolls in October with a wide range of views on the extent to which deferred resignations will show up this month. Media reports noted as much as 150k were due end-September but JOLTS data suggest a smaller decline has been seen, with some possibly coming later this year – see the table summary table and selected comments below for more color. This estimated limited net jobs growth over the latest two months follows a surprisingly strong 119k increase in the delayed September report, which pushed three- and six-month trend rates to circa 60k vs just 18k for the three-month in August. As such, trend job growth rates were at the lower end of the range of "breakeven" estimates, rather than pushing more materially below, which over a long enough period would chime with a stabilization in the unemployment rate. These breakeven estimates are however highly sensitive to assumptions on immigration growth, an area of high uncertainty under the second Trump administration, and should continue to see payrolls growth viewed at least in tandem with the unemployment rate as we'll discuss.

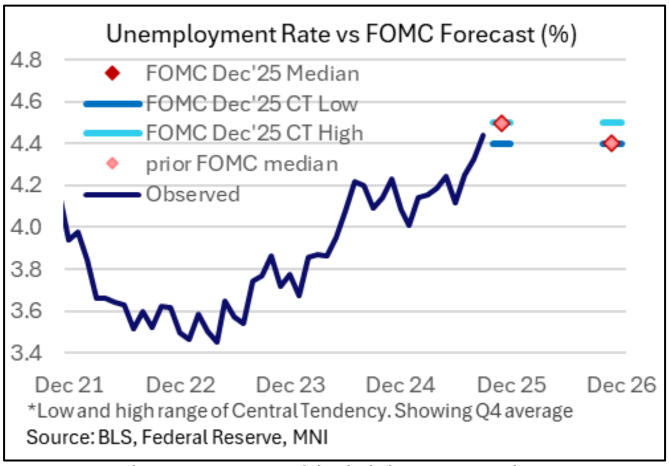
Before that, Fed Chair Powell on Wednesday reminded investors of likely ongoing overstatement in payrolls growth. When asked in Q&A why the FOMC cut on Wednesday, he offered a couple factors starting with the continued “gradual cooling” in the labor market. “*Unemployment is now up three tenths from June through September. Payroll jobs averaging 40,000 per month since April. We think there is an overstatement in these numbers by 60,000, so that would be negative 20,000 per month. And also to point out one other thing, surveys of households and businesses both showed declining supply and demand for workers, so I think you can say that the labor market has continued to cool gradually, maybe just a touch more gradually than we thought*”. We suspect this overstatement estimate of 60k per month comes from assumptions using preliminary benchmark revision estimates, which showed a tentative -911k that is likely to be revised lower come the full benchmark revision in February. This benchmark revision will be to the level of payrolls up to Mar 2025, with further assumptions needed to extend this overstatement trend more recently.

Away From Govt Resignations, Breadth Of Job Gains Watched After Rare Improvement In September



We’ll watch the extent to which private sector job creation held onto September’s 97k increase. In particular, private payrolls excluding the cyclically insensitive health & social assistance category increased by 40k in September for its first increase since April, albeit having lost a cumulative 126k jobs through May-Aug. Supporting a rosier September, the 1-month diffusion index increased to 55.6, its highest since February after five months below 50 (with <50 indicating more than half of the 250 industries monitored declined on the month). We discuss alternative labor indicators in more detail below but ADP employment has been sending mixed directional messages: it slipped with -29k in September (when BLS private sector payrolls jumped 97k) and has since increased 47k in October, dropped -31k in November before some renewed stabilization in latest weekly data up until Nov 22. Combined, these recent ADP values point to a weaker trend than the 97k for BLS private payrolls growth implied but they haven’t continued to deteriorate. Away from jobs growth, weekly hours worked have started to see more 34.2 hours readings (three of the latest four months). These are already low compared to a pre-pandemic range primarily at 34.4-34.5 with a few 34.3 and 34.6 readings, and in the past year have only been lower once in January at 34.1 on particularly adverse weather.

Unemployment Rate Nears Peak For Forecast Increase

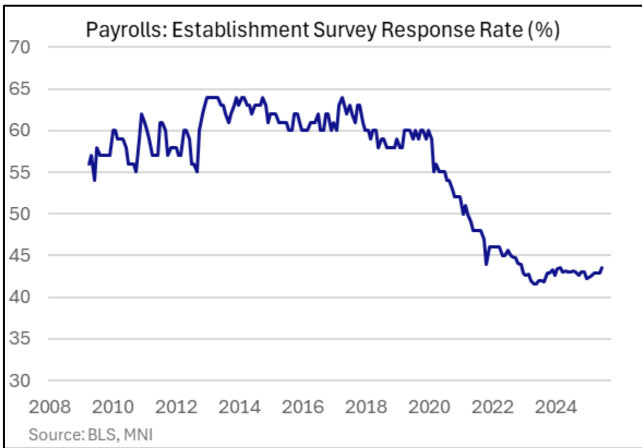


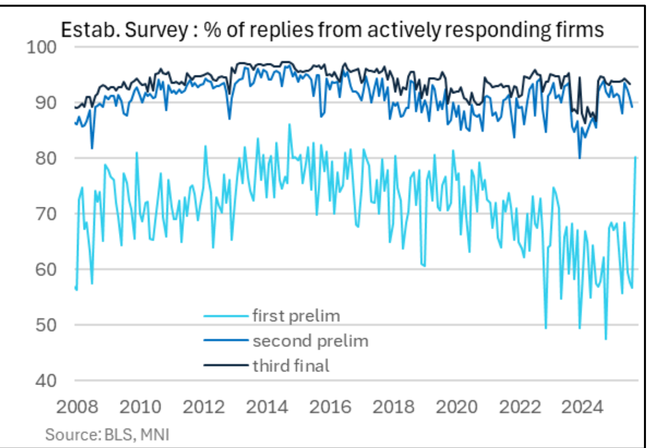
Turning to the household survey and its sole monthly update for November, the unemployment rate is likely a close call between rounding to 4.4% or 4.5% after the 0.12pp increase to 4.44% back in September, but with analysts slightly favoring 4.5%. The September increase played an important role in bringing the core of FOMC voters to agree to a third consecutive 25bp cut last week. Indeed, the median FOMC forecast for the u/e rate in 4Q25 was seen at 4.5% for a third SEP in a row but seven participants eyed a 4.6-4.7% average u/e rate in Q4 vs three in the Sept SEP. Given that 13 participants penciled in a rate cut in the end-2025 projections, it stands to reason that a majority of those supporting the cut based their view on the unemployment rate continuing to rise meaningfully in the final months of the year. Looking ahead, the median FOMC participant looks for the u/e rate to dip to 4.4% in 4Q26 (with a reasonably narrow central tendency of 4.4-4.5%) and then further to 4.2% in 4Q27. As such, we suspect there are two-sided risks to surprises in the unemployment rate but imagine them to have a longer-lasting impact in the event of a further upside surprise.

When asked in Wednesday’s press conference about what gives him confidence that the unemployment rate won’t continue rising in 2026 after its gradual increase for the better part of two years, Powell talked on the policy normalization seen so far. “*The idea is with now having cut 75 basis points more now, and having policy, you know, call it in a broad range of plausible estimates of neutral, that that will be a place which will enable the labor market* *to stabilize, or to only tick up one or two more tenths. But we won't see, you know, any kind of sharper downturn, which we haven't seen any evidence of it at all*." Indeed, weekly jobless claims data point to no sign of a recent deterioration and initial are close to levels historically consistent with a particularly tight labor market. Further, broader trackers such as the Chicago Fed's unemployment rate nowcast point to a stabilization in their latest two months of tracking, at 4.44% in Nov and 4.46% in October. However, as Powell has warned for some time now, the low hire rate means that the Fed will have to be particularly attentive to any signs of more pronounced labor market pressure.

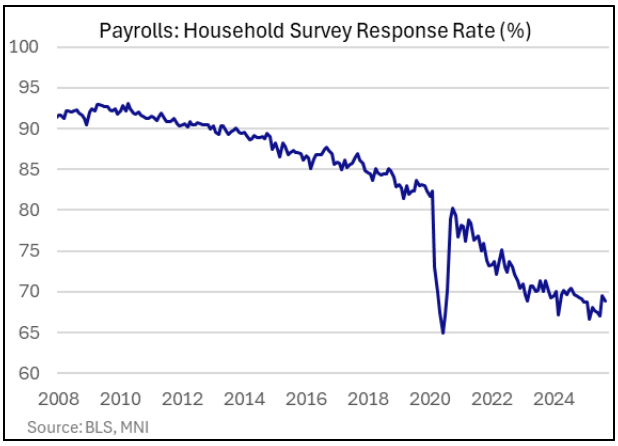
Response Rates And Prospects For Revisions/Noise

Establishment Survey: When it comes to prospects for the potential size of revisions to the level of nonfarm payrolls in September, the BLS had a longer than usual window for putting the report together which meant a much higher response rate compared to other "initial" results. Specifically, it jumped to 80.2% in September from 56.7% in August and a prior twelve-month average of 62%. That helps limit the size of revisions that we'll see but they can still be large. Seeing as we're essentially jumping straight to a "third" release for September with Tuesday's double publication of October and November data, a typical third response of almost 95% would see an increase from this 80% level rather than typically closer to 90% for a second release. We'll watch the October and November response rates for revision implications ahead, with the November report likely having a slightly longer collection period but starting to get back into a regular cadence of monthly reporting with the December report set for publication on its usual release date of Jan 9. Beyond response rates, another factor at play will be any larger than normal net birth-death and seasonal adjustment tweaks.





Household Survey: As usual the household survey won't be revised this month, with revisions saved for annual seasonal adjustment changes with the December report released in January. Response rates will still be looked at closely though to judge how much confidence the Fed and markets can have in the latest signal from November data. The household survey reported a 69% response rate for September, up from lows of 66-67% seen this year but still historically depressed as the right hand chart shows. November will have provided some unique challenges for the collection of the household survey, with the US government shutdown ending on Nov 12 after 43 days. This interview-heavy survey sees fieldwork "conducted during the calendar week that includes the 19th of the month" with questions referring to "activities during the prior week; that is, the week that includes the 12th of the month." As such, it should in theory have been possible to collect this survey in essentially the same manner as in a typical month but there was very little time for this month's interview process to be set up.



Powell alluded to this at Wednesday's FOMC press conference: *"[W]e're going to need to be careful in assessing particularly the household survey data. There are very technical reasons about the way data are collected in some* *of these measures, both in, you know, inflation and in the labor market so that the data may be distorted. And not just sort of more volatile, but distorted. And that's really because data was not collected in October and half of November. So we're going to get data, but we're going to have to look at it carefully and with a somewhat skeptical eye by the time of the January meeting, notwithstanding that we will have a lot of the December data by the time of the January. So we expect to see a lot more, but I'm just saying that the -- what we get for, for example, CPI or for the, you know, household survey, we're going to look at that really carefully and understand that it may be distorted by very technical factors."*

NFP Growth Eyed At 50k In Nov After -25k In Oct, With The U/E Rate Nudging Higher

- Our latest survey of primary dealer analyst expectations shows a median estimate of 50k nonfarm payroll gains in November after -25k in October (following +119k in September).
- Public sector payrolls are seen contracting heavily in October, largely reflecting deferred DOGE layoffs rather than the federal government shutdown, before a relatively flat figure in November. The October public sector range is wide, from -135k (BNP Paribas) to -15k (Jefferies) with a median of -87.5k that lands between -75k and -100k estimates.
- The unemployment rate is on balance seen ticking up to 4.5% in November from an unrounded 4.44% in September (reminder, no Household Survey and therefore no unemployment rate will be published for October).
- Two look for a further upward surprise at 4.6% (MS and Jefferies, the latter despite being the strongest for estimated NFP growth) but risk is generally skewed lower with seven analysts eyeing an unchanged 4.4%.
- Average hourly earnings growth is seen relatively steady at 0.3% M/M in both months (vs 0.25% in September) but with risk skewed a little lower for October.

Unemployment Rate On Balance Seen Edging Higher In Nov

mni	Payrolls (k, chg M/M)						AHE (% M/M)		Unemp %
	Nov			Oct			Nov	Oct	Nov
	Total	Private	Public	Total	Private	Public			
BNP Paribas	20	5	15	-100	35	-135			4.5
BMO	30								4.5
UBS	35	40	-5	-40	70	-110	0.41	0.29	4.5
Nomura	40	50	-10	20	70	-50	0.3	0.2	4.4
Societe Generale	40	40	0		40		0.3		4.4
Wells Fargo	45			-60	65	-110	0.3	0.3	4.5
Barclays	50	75	-25	0	75	-75	0.3		4.5
BofA	50	50	0	-65	50	-115	0.3		4.5
Deutsche Bank	50	50	0				0.3		4.5
HSBC	50						0.3		4.5
J.P.Morgan	50	50	0	-25	50	-75	0.3	0.3	4.5
Morgan Stanley	50	50	0	-30	50	-80	0.3	0.3	4.6
Scotiabank	50						0.3		4.4
Goldman Sachs	55	50	5	10	70	-60	0.35	0.3	4.5
Santander	65	70	-5				0.3		4.4
TD Securities	70	80	-10	-60	-15	-45	0.3	0.1	4.5
Mizuho	75								4.4
Citi	80	80	0						4.5
RBC	89			93					4.4
NatWest	100	100	0	-25	75	-100	0.3	0.2	4.4
Jefferies	115	125	-10	85	100	-15	0.3		4.6
Median	**50**	**50**	**0**	**-25**	**65**	**-77.5**	**0.3**	**0.3**	**4.5**
Prior (Sept)	*119*						*0.25*		*4.44*

Entered in Bloomberg Finance L.P. survey or seen by MNI.
Red denotes tighter than consensus, blue looser

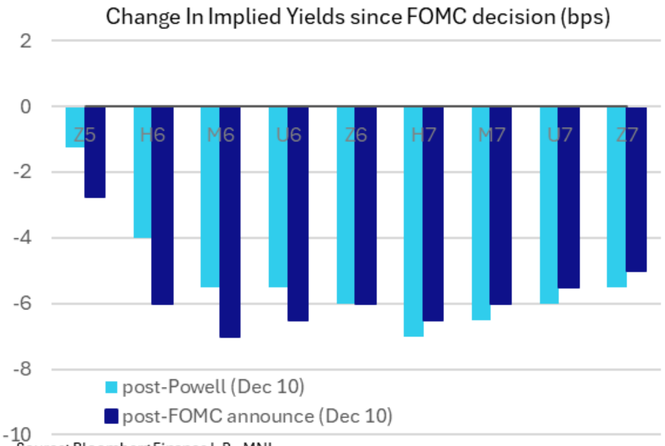
Still Sensitive To Further Unemployment Rate Increases But Jan 9 Report Could Be A Better Test

The higher unemployment rate clearly had a longer lasting impact after the delayed September payrolls report on Nov 20 than its strong payrolls growth, although it needed NY Fed’s Williams to really drive this home the next day. We suspect there is greater sensitivity to a further increase in the unemployment rate here although its impact could be limited by the fact that a non-trivial share of the FOMC have already forecast as such and that it played a role in last week’s third consecutive rate cut. Further, with increased survey quality concerns as a result of conducting the surveys straight after the government shutdown, expect greater questioning of any surprises here with Powell warning on potential disruption from “very technical” factors. Odds of a fourth consecutive cut are currently viewed as low, with ~6bp priced, and a next 25bp cut currently not fully priced until the June meeting under a new Fed Chair. In terms of January pricing, this report can of course continue to be important but we expect the December report due Jan 9 – with the BLS managing to return to its original schedule for both NFP and CPI releases in the new year – to have more sway. In the interim, Tuesday’s nonfarm payrolls report will also land simultaneously with the October retail sales release, an important barometer for consumer spending after a generally robust Q3 saw a softer end to the quarter, before Thursday’s November CPI report in what’s a busy week for US macro.

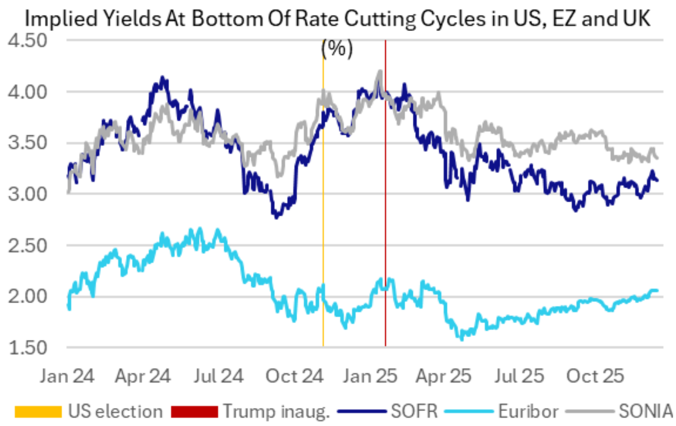
FOMC-dated Fed Funds futures implied rates

Meeting	Latest			pre Powell (Dec 10)			*chg in rate*	pre FOMC (Dec 10)			*chg in rate*
	%	step (bp)	cum. (bp)	%	step (bp)	cum. (bp)	*bp*	%	step (bp)	cum. (bp)	*bp*
Effective	3.64			3.64				3.64			
Jan'26	3.57	-6.8	-6.8	3.59	-5	-5.2	*-1.6*	3.59	-5	-5	*-2.0*
Mar'26	3.50	-7.1	-13.9	3.52	-6	-11.6	*-2.3*	3.53	-6	-11	*-2.8*
Apr'26	3.44	-6.3	-20.2	3.47	-6	-17.3	*-2.9*	3.47	-6	-17	*-3.5*
Jun'26	3.30	-13.7	-33.9	3.34	-13	-30.1	*-3.8*	3.34	-13	-30	*-4.3*
Jul'26	3.23	-7.4	-41.3	3.27	-7	-37.3	*-4.0*	3.28	-7	-36	*-5.0*
Sep'26	3.14	-8.4	-49.7	3.19	-7	-44.8	*-4.9*	3.20	-8	-44	*-5.6*
Oct'26	3.11	-3.5	-53.2	3.16	-3	-48.2	*-5.0*	3.16	-4	-48	*-5.4*
Dec'26	3.07	-3.6	-56.8	3.12	-4	-52.1	*-4.7*	3.12	-4	-52	*-4.9*

Source: Bloomberg Finance L.P., MNI.
Assuming same EFFR-target lower bound spread from latest fix going ahead (& showing pre-FOMC/Powell for ease)



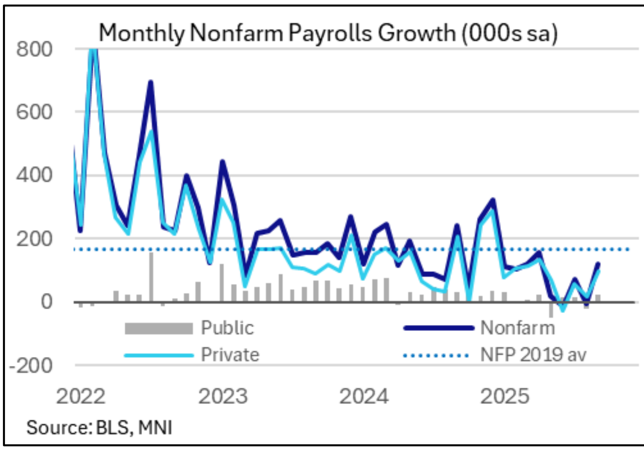
Source: Bloomberg Finance L.P., MNI

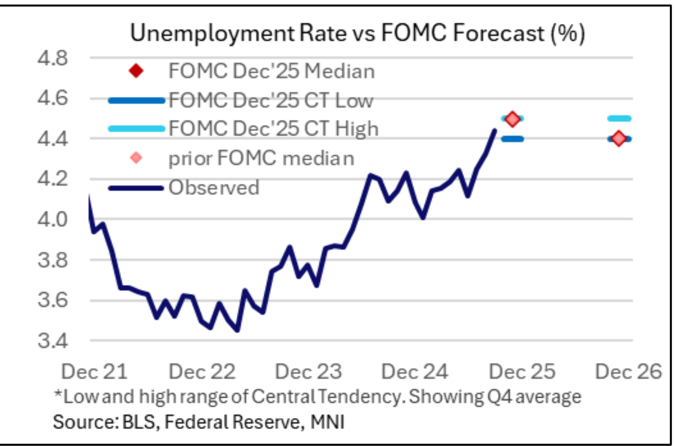


Source: Bloomberg Finance L.P., MNI. Minimum implied yield looking out to end-2027

Recent Labor Market Developments

The September payrolls recap on a mixed report that saw hawks lean on job gains and doves lean on the surprise latest push higher in the unemployment rate (**link here**).

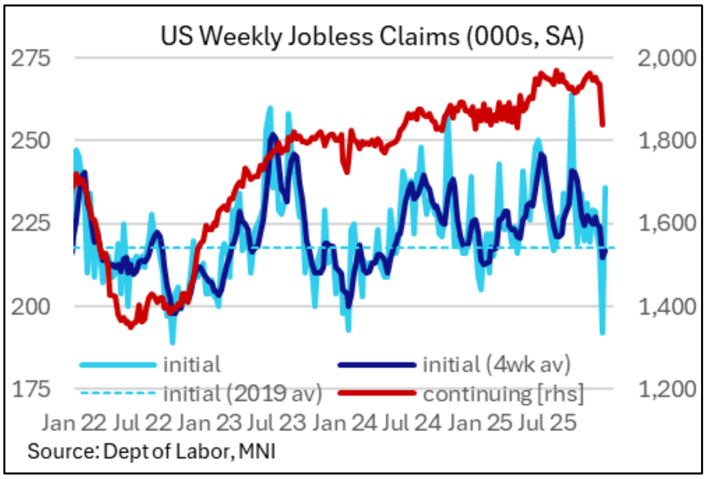




Recapping subsequent labor indicator updates on net over the past two months for October and November:

Upside

Very Low Initial Claims When Looking Through Thanksgiving Distortion
We downplay the supposed upside for initial jobless claims as it appears to just be reflecting a reversal of a particularly low week before that under adjustment difficulties around the Thanksgiving holiday. Surprisingly low continuing claims were also likely a factor of this distortion. For now, a two-week average for initial claims remains particularly low and shows no sign of labor market distress, whilst prior trends for continuing claims in payrolls reference periods are broadly in keeping with recent months rather than eyeing further deterioration.

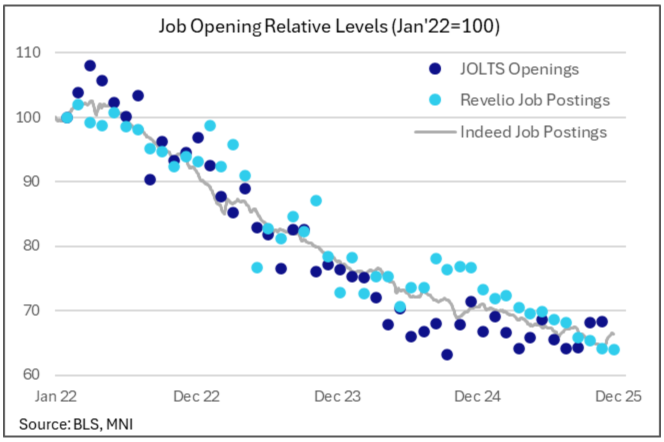


- Initial jobless claims 'surprised' higher at 236k (sa, cons 220k) in the week to Dec 6, a consensus reading that had looked for surprisingly little rebound considering it followed the 3+ year low of 219k in the week to Nov 29 in what had looked likely down to difficulty in adjusting around the Thanksgiving holiday.
- The average of the two is 214k, a still very low figure considering it averaged 218k in 2019, following 220k in the two weeks before that.
- Within the NSA details, California and Texas provided some upside after large declines the week prior (+14.5k after -19.8k for California and +7.7k after -7.8k for Texas) although there was also a notable increase for NY with +10.6k after -3.5k.
- Continuing claims meanwhile were also lower than expected at 1838k (sa, cons 1938k) in the week to Nov 29 after a marginally downward revised 1937k (initial 1939k), but we suspect the same Thanksgiving issue is now at play here.
- We'll need to see the next couple weeks of continuing claims data to have a better idea of trend though, which will coincidentally take us into the reference period for the December payrolls report. For now, a reminder ahead of Tuesday's November payrolls report that continuing claims at 1944k in the Nov payrolls reference week leaves a more favorable comparison compared to the Oct payrolls reference period (1957k) but a less favorable one compared to Sept (1916k, the last known BLS payrolls report) and was back close to the 1944k of Aug and 1946k of Jul.

Mixed

Much Higher Than Expected JOLTS Job Openings…
Job openings in the delayed BLS JOLTS report were far higher than expected in October. There was rare relative outperformance to alternative sources such as Indeed or Revelio that had helped form expectations of a modest steady decline compared to August data last released just prior to the government shutdown.

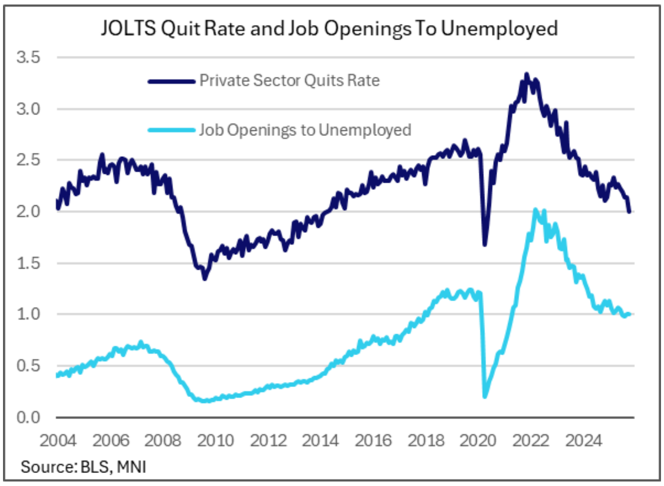
- Job openings were far higher than expected in October at 7670k (sa, cons 7117k) whilst September job openings were also higher than presumably expected at 7658k in September also released today.
- It's a marked increase compared to the 7227k seen in August shortly before the government shutdown. As the chart below shows, the size of this deviation from alternate indicators such as Indeed or Revelio isn't new but JOLTS being relatively higher than them certainly is.
- It saw the ratio of openings to unemployed more than reverse its dip from 1.00 to 0.98 in August (a fresh low and technically its first sub-1.0 since Apr 2021) with 1.01 in September. This increase was limited by September's already known large increase in unemployment.



- This will have remained at 1.01 in October assuming the same level of unemployment (there won't ever be household survey details for October), leaving four months averaging 1.00 for a further steady moderation from the 1.04 averaged in Feb-Jun. Powell in September noted the ratio remained near 1 as a part of a number of other labor market indicators that remain broadly stable, but we assume greater sensitivity if this starts falling materially lower. For context, it averaged 1.2 in 2019 and 1.0 in 2017-18.

… But Alternate JOLTS Indicators Read Softer
The quits rate fell further in October to its lowest since 2014 when excluding two pandemic months of 2020 and the hires rate broadly confirmed August's decline to lows since 2021

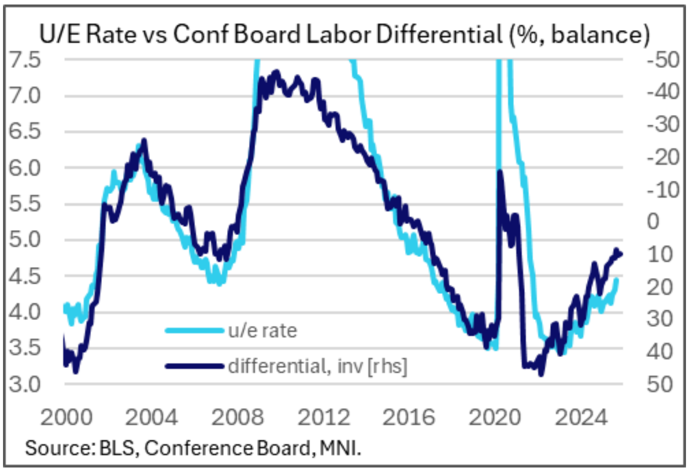
- The quits rate was reported at 1.8%, down from 1.96 in September and 1.94 in August.
- We have taken this October quits rate from the 1.d.p value reported by the BLS rather than our usual unrounded calculations which use the usually already known level of payrolled employment in the month.
- Of course, we will only officially know the October level of payrolls with the delayed November report on Dec 16. It's unclear whether the BLS has used what it currently estimates to have been payrolls employment in October or whether it just references September instead (the latter would yield a 1.84 quit rate so it would just hold).
- Those details aside, this 1.8% quit rate is its lowest since 2014 outside of Apr and May 2020 pandemic months, clearly pointing to greater caution in the labor market. It steps below a range of 1.9-2.1% seen since mid-2024.



- The hires rate meanwhile broadly confirmed a shift to new recent lows, reported at 3.2% in October (it would be 3.23 assuming zero payrolls growth since September) for close to the 3.21 in August that had been its lowest since Sep 2021 when excluding the pandemic-hit Apr 2020. This briefly increased to 3.36% in September.
- Finally, layoffs increased further to 1854k in October and 1781k in September after the 1725k in August to hit the highest since early 2023. It paints a weaker picture than that painted by higher frequency weekly jobless claims data although is a less severe increase than the surge in layoff announcements from back in the October Challenger report.
- Context is important for the level of these JOLTS layoffs, only just pushing back above the 1818k averaged in 2019 when the labor market was historically tight.

Conference Board Labor Differential Stabilizes

The Conference Board labor differential, the share of those seeing jobs as "plentiful" minus those seeing "hard to get" was little changed at 9.7 in November after a slightly upward revised 10.3 (initial 9.4) in Oct. The 8.7 from Sept remains its recent low. It continues to point to a trend increase in the unemployment rate, which of course most recently saw an increase to 4.44% in September from 4.32% in August in Thursday's release, but the historical fit isn't precise. Whilst it's improved from September, we still mark as mixed because it continues to point to upside risks to the unemployment rate.

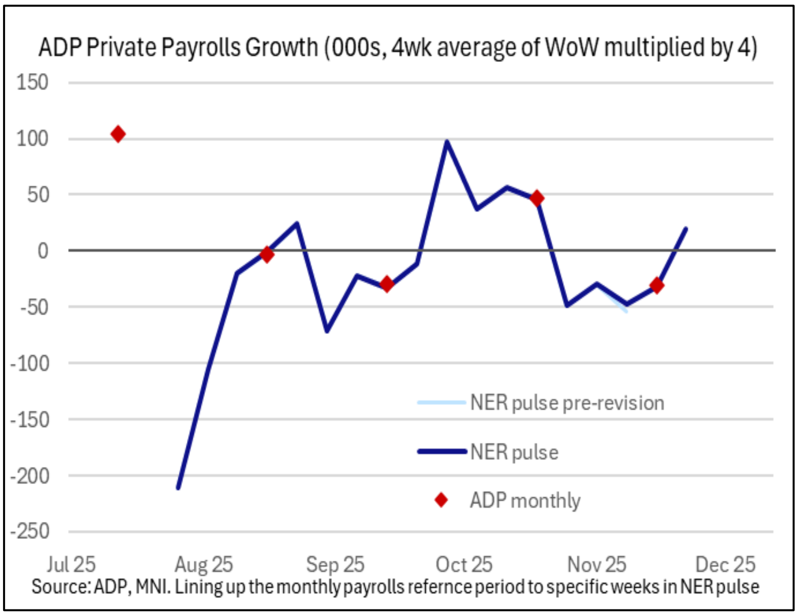


U/E Rate vs Conf Board Labor Differential (%, balance)
Source: BLS, Conference Board, MNI.

Downside

ADP Employment At Best Moving Sideways

The latest ADP employment update saw an average week-on-week increase of 4.75k in the four weeks to Nov 22, a reasonable turnaround after declining into the reference period earlier in November. It left a monthly equivalent of 19k in this latest update although the underlying data must be reasonably volatile to shift four-week averages around to this extent. The monthly ADP reports have seen seasonally adjusted private employment declines in three of the past four months, with -31k in Nov, +47k in Oct, -29k in Sep and -3k in Aug (all capturing a reference week including the 12th of the month to broadly mimic the BLS nonfarm payrolls report). Whilst this latest data is better characterized as mixed, the ADP series continue to point to downside risk to actual BLS payrolls growth, especially when looking at the monthly November release that better chimes with the payrolls reference period.

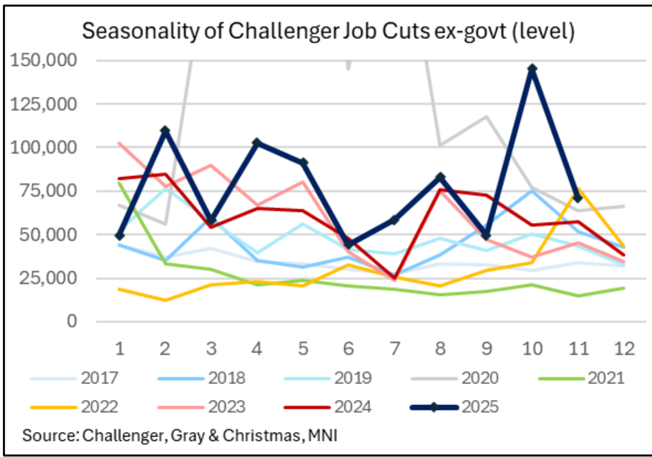


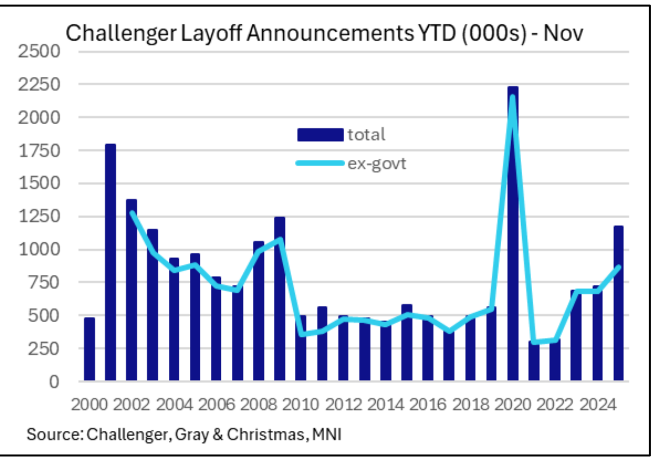
ADP Private Payrolls Growth (000s, 4wk average of WoW multiplied by 4)
Source: ADP, MNI. Lining up the monthly payrolls refernce period to specific weeks in NER pulse

A Less Drastic Increase In Challenger Layoff Announcements

Challenger job cut announcements pulled back after October's surge although still saw a solid increase on an year ago. Latest weekly initial jobless claims for the week to Nov 22 (Nov 29 lands at 0830ET) don't yet appear to show signs of these recent increases but will continue to be watched as lags can be quite long.

- Challenger reports job cut announcements summed to 71.3k in November, a 24% Y/Y increase. It's after a particularly sharp increase to 153k in October, a 175% Y/Y rise for its highest October since 2003.
- Latest optics are still weak however with the 71k for a November last higher in 2022 and before that 2008.
- With little contribution from government layoffs this month, the ex-government measure came in at 70.9k for also a 24% Y/Y increase.
- Year-to-date, ex-govt layoff announcements have summed to 863k, a 26% increase after two years around 685k. Exclude the 2020 pandemic-driven surge in layoffs and this is the most amount of layoffs since 2008.
- From the press release on why companies are cutting: "In November, Restructuring led all reasons with 20,217 for a total of 128,255 in 2025. Store, unit, or department Closing accounted for 17,140 in November, and 178,531 for the year. Artificial Intelligence (AI) was cited for 6,280 cuts in November. So far this year, AI is responsible for 54,694 layoff plans. Since 2023, when this reason was first cited, AI has led to 71,683 job cut announcements."





Selected Sell-Side Views

Ranked from largest to smallest NFP figure for November:

Jefferies: Forecasting Confusion

- NFP growth of 115k in Nov (private 125k) and 85k in Oct (private 100k), U/E rate at 4.6% in Nov
- “We view the uncertainty shock following the Liberation Day announcement as the primary cause of the slowdown in hiring over the Spring and Summer. As more time passes following the announcement, the recovery in the stock market, and the walk back from the most extreme rates, we expect that payroll growth will rebound back towards the trend that prevailed at the end of 2024 and beginning of 2025.”
- “There are obviously some downside risks surrounding our forecasts. The buyout offers for federal workers offered by DOGE earlier this year might put downward pressure on federal government payrolls in October (or possibly November, depending on how the payroll data is treated during the shutdown period). We are skeptical that this factor is going to have a significant impact, however. We are unsure how credible the estimates are of how many workers took these offers, and we do not know if those workers were most likely to retire, move immediately into the private sector, or to wait until their buyout packages expired before starting to work again.”
- On the unemployment rate, “the confidence interval around our estimates is quite wide. If we were to assume that the change in household employment and unemployment were in-line with the trend of the 3 months prior to the shutdown, and we similarly expect the trend in population growth to persist, this would result in a 0.2% increase in the unemployment rate from September to November, to 4.6%.”
- “It surely looks counterintuitive for us to expect a return to growth in payrolls, based on stability in jobless claims, and an increase in the unemployment rate. However, this is mostly the consequence of some biases that we are seeing in the surveys. It looks like the Household Survey is overestimating population growth based on 2024 immigration flows, and the Establishment Survey is overestimating payroll growth according to the preliminary Benchmark Revisions. The disconnect should narrow once the annual revisions are published early next year.”

ABN Amro: Unemployment Reading Should Be Taken With A Grain Of Salt

- NFP growth of 110k in Nov after 0k in Oct, U/E rate at 4.5% in Nov
- “We expect a week October reading of around 0k, as the major impact of DOGE resignations hits. For November, we expect a strong reading around 110k.”
- “There will be an unemployment reading, but it should be taken with a grain of salt. There's no October data, and the November survey was collected later than normal.”
- “We expect an uptick to 4.5%, predominantly on the back of the October reading, with some upside risk depending on how furloughed workers during the shutdown answered. Any of that upside risk should therefore reverse, with 4.5% being the more fundamental figure.”

RBC: Labor Market Advances Its Low Hiring, Low Firing Backdrop

- NFP growth of 89k in Nov after 93k in Oct, U/E rate at 4.4% in Nov
- “We expect that 93k jobs were added to the US economy in October, which is in-line with job gains suggested by October JOLTS data after netting out total separations from new hires (keeping in mind BLS temporarily suspended the alignment process so we could see revisions to JOLTS data). Furloughed federal workers who were not paid during the shutdown will be counted as employed in the NFP report so we will not see a distortion from the government sector in the October data.”
- “For November, we expect that an additional 89k jobs were added. We continue to see the bulk of job gains stemming from structural job creation in sectors like health care while trade-exposed sectors, like manufacturing where we expect continued declines. Still, cyclical services sector hiring improved in September (notably in leisure and hospitality), and we expect these improvements will continue.”
- “Despite stabilization to prior months’ weakness, we face a labor market that advances its low-hiring, low-firing backdrop. We will not get an unemployment rate print for October due to shutdown disruptions to the household survey, but we anticipate that the unemployment rate will hold steady at 4.4% in November.”
- “Despite our estimates pointing to a breakeven employment pace of 40K monthly, we still do not expect the unemployment rate to fall despite consecutive payroll prints at more than double that pace. The reason for this is that the CES (payroll) data will likely be revised lower. The annual QCEW benchmark revisions (911,000 through March 2025) earlier this year pointed to monthly payroll gains that were on average -70k lower than what was previously published. Chair Powell acknowledged this himself at the December FOMC meeting when he stated, "So, there is an overcount in the payroll job numbers we think, continuing, and it will be corrected." If we continue to see an overestimation of a similar magnitude, we would still likely be witnessing employment growth that is either at or slightly below breakeven levels.”
- “Additionally, administrative data from the Social Security Administration suggests retirements are exceeding the pace of labor force exits reported in the household survey. Both revisions will likely show up in the data in Q1 2026.”

TD Securities: DOGE Resignations To Have Weighed In October Before Recovering

- NFP growth of 70k in Nov (private 80k) after -60k in Oct (private -15k), U/E rate of 4.5% in Nov
- “Weakness in both months will likely be led by the government sector after DOGE resignations. We also look for the UE rate to edge higher to 4.5% in Nov as the labor market gradually softens. Average hourly earnings likely rebounded to 0.3% m/m after a subdued 0.1% in October.”
- For November, “Homebase data suggest private sector job gains were weaker this year than November 2024, which posted a strong +244k”.
- “Although the employment report will likely be dovish, we believe that a potential report like this is one of the reasons the FOMC opted to cut one more time in December. Additionally, most of the dovishness in this report is concentrated in October, with some normalization in November. A November 4.5% UE rate is in line with the FOMC's expectations in the December SEP as well.”
- That said, “Markets are likely to react to the increase in the unemployment rate. With yields still at the upper end of the recent range and markets pricing in relatively low odds of January and March rate cuts, this outcome could prove bullish for Treasuries and help steepen the curve modestly.”
- “We continue to expect that the FOMC will keep rates on hold in January as they shift to a quarterly pace of rates cuts in 2026.”

UniCredit: A Small Recovery In November After October Weighed By Deferred Resignations

- NFP growth of 60k in Nov after a “soft” Oct, U/E rate at 4.4% in Nov
- “We expect payrolls rose 60k in November, while the October figure is likely to be soft due to the government’s deferred resignation program (employees who accepted the offer were paid in full through 30 September, at which point they dropped off the payroll).”

Westpac: High Likelihood Of Abnormal Noise Given Shutdown

- NFP growth of 60k in Nov, U/E rate at 4.4% in Nov
- “Given the impact of the shutdown, there is a high likelihood of abnormal noise in the data. As such, the multi-month trend will be the focus, with market participants closely scrutinising any evidence of a deterioration.”
- “The hourly earnings data are meanwhile likely to confirm the benign but solid pace of wage growth reported by the employment cost index for the September quarter.”
- “Missing for Oct, the household survey will offer only limited value in this update.”

- “Into 2026, labour supply is likely to remain in excess of demand, gradually building up slack.”

Goldman Sachs: Private Payrolls To Provide A Cleaner Read Of Underlying Job Growth

- NFP growth of 55k in Nov (50k private) and 10k in Oct (70k private), U/E rate at 4.5%.
- “On the positive side, big data indicators showed a moderate pace of private sector job growth. On the negative side, we expect a large drag from the DOGE deferred resignation program.”
- “That said, a surprisingly moderate increase in federal government separations in last week’s JOLTS report suggests that the hit to nonfarm payrolls could be more limited than we had previously expected. We now assume a 70k hit to October payrolls and an additional 10k hit to November.”
- “While the impact of the deferred resignation program is a key point of uncertainty for payroll growth, it will not provide meaningful information about the state of the labor market. Private payroll growth will not be impacted by the program and will provide a cleaner read of underlying job growth.”
- “We estimate that the unemployment rate edged up to 4.5% in November, a low bar from the unrounded 4.44% in September. Continuing claims have rebounded slightly, and some furloughed federal workers who did not work during the reference week could be counted as unemployed.”
- “We estimate average hourly earnings rose 0.30% month-over-month in October and 0.35% in November, reflecting neutral and positive calendar effects, respectively.”

Barclays: Unemployment Direction Of Travel To Be Sideways Over Medium Term

- NFP growth of 50k in Nov after 0k in Oct, U/E rate at 4.5%
- “We think the fluctuations in recent payroll prints were due mostly to government payrolls, with many federal government employees likely dropping out of employment in October and November due to the DOGE-related fork-in-the-road option given to employees earlier this year.”
- “Specifically, we expect federal government employment to have declined by 75k in October and by another 25k in November. Meanwhile, we expect private nonfarm payroll employment to have increased 75k both in October and November.”
- Barring revisions, “our forecast would imply an average increase of 56k in headline employment over the three-month period ending in November, surpassing the 18k pace over the preceding three-month period ended in August, but roughly in line with the 59k pace in the six-month period ended in August.”
- “We expect the unemployment rate to show an increase to 4.5% in November, from its unrounded level of 4.44% in September. Had the BLS produced an October print, we would have expected it to be around 4.6-4.7%, with furloughed federal government workers being on temporary unemployment due to the government shutdown. With the shutdown ending on November 12, just before the end of the reference week, we expect most of these workers to be again considered employed in the household survey.”
- “We continue to think that the direction of travel for unemployment will be sideways over the medium term. Although we expect job gains to level out at around 50k for the rest of 2025, we think declines in immigration and aging of the domestic labor force will slow monthly labor market entries.”

Commerzbank: New Figures To Confirm Cooling Labor Market Trend

- NFP growth of 50k in Nov.
- “We assume that the new figures will confirm the trend of a cooling labor market and that the six-month average of employment growth will continue to fall. However, we consider the estimates of a decline in employment in November to be too negative. Instead, we expect a slight increase of 50,000.”
- “Our higher estimate is also based on the view that the official data may currently be inflated for technical reasons, as Fed chair Powell pointed out this week.”

Morgan Stanley: Unemployment Rate To Surprise Clearly Higher

- NFP growth of 50k in Nov after -30k in October, U/E rate at 4.6% in Nov
- “We estimate payrolls fell 30k in October and rebounded 50k in November. The swing reflects federal government layoffs. Private payrolls growth stabilizes at 50k per month. Federal jobs fall 100k in October—as about 2/3 of the DOGE deferred layoffs occur; we do not expect the rest until December.”
- “We expect the unemployment rate rises to 4.6% in November. October will not be reported. September’s increase to 4.4% was accompanied by a rise in the labor force participation rate that we think is maintained into November. We also incorporate a small boost to the unemployment rate from the federal employees who took deferred resignation.”

JPMorgan: Possibly Fewer Deferred Resignations In October Than Previously Reported

- NFP growth of 50k in Nov (50k private) after -25k in Oct (50k private), U/E rate at 4.5% in Nov
- "Recent trends have put total and private payroll growth at around 60k per month through September, and a range of other labor indicators suggest that overall conditions haven't changed much in the last couple months. However, we do expect a drop in overall payrolls in October as federal workers start to leave the federal government through the deferred resignation program."
- "News reports have put overall federal employee deferred resignations at about 150k, with 100k of those coming at the end of September. However, the October JOLTS report suggested a smaller number, with federal separations only about 45k above trend in September and 10k above in October, with about two-thirds being quits and the rest retirements. Based on the original deferred resignation guidance from February, quits and retirements could both occur on September 30, with retirements occurring up to December 31. It is possible some agencies re-opened the offer later and allowed quits to extend beyond September 30."
- "We also don't foresee the solid 119k increase in payrolls for September as the first step in a winter employment re-acceleration, similar to the same period last year. While it is true that some leading indicators are no worse in November than a year earlier, such as claims, PMI, or the Census BTOS, there is a range of metrics that are worse. For example, the ADP three-month average was 206k in November 2024, but just -5k in November 2025."
- "We expect the unemployment rate rose to 4.5% in November. The September unrounded level was 4.44%, thus almost already rounding to 4.5%, and it has risen 43bp since January. Thus the trend clearly favors a further increase and also raises the risk of hitting 4.6%."

BofA: Scope For Downward Revisions

- NFP growth of 50k in Nov (private 50k) after -65k in Oct (private 55k), U/E rate at 4.5% in Oct.
- "Oct NFP will likely slow down to -65k due to the end of the DOGE buyout program in Sep. Private jobs will likely come in stronger at 55k. In Nov, NFP and private payrolls are both expected to soften to 50k."
- "Continuing claims were higher in Oct and Nov relative to Sep. However, Sep could see some downward revisions as well."
- "The u-rate should rise to 4.5%, in part due to the impact from furloughed employees and stay there in Nov."

Wells Fargo: Coming Data Deluge Expected To Continue Existing Trends

- NFP growth of 45k in Nov after -60k in Oct, U/E rate at 4.5%
- "We expect nonfarm payrolls declined by 60K in October, largely reflecting a one-time drop in federal employment due to deferred resignations. Excluding federal payrolls, we expect employment rose by 65K in October."
- "November's report will provide the full set of indicators, though technical distortions remain possible after the record 43-day shutdown. We forecast payrolls rose 45K over the month, with the unemployment rate edging up to 4.5%, above estimates for full employment and the Fed's long-run projection."
- "Recent data tell us employers remain reluctant to expand headcount but are hesitant to let go of existing staff in droves, leaving job growth slow and wage gains modest. On balance, our expectation is that the coming data deluge will continue existing trends."

Nomura: Labor Market Remains Resilient With U/E Rate Likely Near Its Peak

- NFP growth of 40k in Nov (private 50k) after 20k in Oct (private 70k), U/E rate at 4.4% in Nov
- "We expect private employment growth remained solid in October and November, averaging 60k across the two months. Federal government employment was likely a substantial drag though due to DOGE deferred resignations. We forecast government employment fell 50k in October, followed by a 10k decline in November."
- "The headline u-rate was close to rounding higher to 4.5% in September, adding upside risk this month, but fundamentals appear to have improved modestly. Initial jobless claims have declined since September, while the labor differential and JOLTS job openings suggest labor demand has improved."
- AHE growth "likely remained subdued in October before ticking higher in November. The average workweek appears to have improved in November as well, adding further support to labor income growth."
- "In our view, the labor market remains resilient. We expect the unemployment rate is near its peak, with a move lower likely to begin in early 2026."

SocGen: A Harder To Interpret Set Of Employment Reports

- NFP growth of 40k in Nov (private 40k), U/E rate at 4.4% in Nov
- “This release combines partial October payrolls, November payrolls, and the November household survey, making forecasting challenging and results harder to interpret. There are also concerns on data quality and technical issues with seasonal adjustments. That said, markets are likely to focus on the two-month change in private payrolls and the November unemployment rate.”
- “The record shutdown adds complexity but likely had limited impact on November estimates. About 650,000 federal employees were furloughed from October 1 to November 12, covering the entire October reference week and half of November’s. While unprecedented in scale and duration, the establishment survey counts furloughed federal workers as employed, minimizing distortion in payrolls, hours, and earnings. The household survey may also be little affected for a different reason: only those not working the entire reference week are classified as unemployed, and most returned by November 13. However, roughly 150,000 federal employees who opted for early retirement came off payrolls in October, likely causing a sharp drop in government employment that month. This factor could cause the NFP change to dip in October and tick back up in November.”
- “we expect further deceleration in private job growth. Private payrolls likely added about 80k across October and November—less than half September’s pace. We forecast the unemployment rate to hold steady at 4.4%, assuming some mean reversion in labor force growth (after the surges in September and August) lower the participation rate very slightly and offset the impact of moderately slower job creation on the unemployment rate.”

UBS: Wider Than Usual Risk To Projections

- NFP growth of 35k in Nov (private 40k) after -40k in Oct (private 70k), U/E rate at 4.5%
- “We expect that total nonfarm payroll employment fell -40K in October with participants in the Deferred Resignation Program denting federal employment, which we expect declined -110K, and private employment likely rose 70K.
- “In November, we expect total nonfarm payroll employment rose 35K with a 40K gain in private and a -5K decline in government employment.”
- “We don't expect a household survey from the BLS for October but expect that the unemployment rate will be 4.5% by November.”
- AHE seen rising “0.29% in October and 0.41% in November, combined this would leave the annual rate of AHE at 3.7% by November.”
- “The risks to the projections are wider than usual given the lack of visibility in November, without the October report.”

BNP Paribas: A Soft Report Could Easily Tip The Scales For More Policy Easing At Start Of 2026

- NFP growth of 20k in Nov (private 5k) after -100k in Oct (private 35k), U/E rate at 4.5%
- “A soft nonfarm payrolls report this week could thus easily tip the scales for more policy easing at the start of the new year. The key issue, however, is defining actual weakness to which the Fed would react.”
- “It is well known that DOGE job cuts, government shutdown effects and weak seasonal hiring will weigh on the upcoming print. We forecast -100k for October and 20k for November, with the November unemployment rate inching up to 4.5% (there will be no October unemployment rate). But we (and seemingly the Fed) perceive this labor market weakness as transitory, driven by one-time shocks that should largely reverse by the January payrolls release.”
- Three signs of underlying weakness that would ring alarm bells at the Fed:
- “First, a rise in the unemployment rate to 4.6-4.7% would be notable, as the government shutdown should have a minor effect. The BLS has moved the reference week in a way that should classify furloughed federal workers as employed. Ultimately, we doubt that the Fed will want to split hairs about (for example) whether a rise is due to a change in participation. The removal from last week’s meeting statement of the text that the unemployment rate “remained low” is a sign that policymakers have little tolerance for upward movement, and are unlikely to tolerate a further grind higher without acting.”
- “Second, we’ll look for weakness that is not at least plausibly explained by (1) DOGE and shutdown effects and (2) temporary and related knock-on impacts on (for example) travel and leisure categories, on account of expected and actual travel delays and flight cancellations. The simplest read will be private payrolls, which we forecast at 35k in October and 5k in November. Our estimates are likely at the low end of the range the Fed will be comfortable with, particularly alongside Powell’s assertion that job growth may be overstated by 60k/month.”

- “Third, soft wage numbers would probably get the Fed’s attention as well, as an indirect read that the job market is softening. Wages have risen about 0.3% on average year to date, and we see the October/November average on the stronger side of this. Averaging closer to 0.2% would start to represent a break from the recent sideways trend and point to both (1) a further easing in the demand/supply balance and (2) a moderation in the labor income trend that would attenuate upside risks to inflationary pressures in 2026.”

MNI Policy Team Insights

MNI: Fed Biased To Ease With Focus On Jobs - Ex-Officials

By Pedro Nicolaci da Costa, Jean Yung and Evan Ryser (Dec 12, 2025)

WASHINGTON - The Federal Reserve is still inclined to keep cutting interest rates as policymakers worry predominantly about employment weakness, even if the bar for additional easing is higher with borrowing costs closer to neutral, former central bank officials and staffers told MNI.
“I read the direction of travel as dovish. While the SEP highlighted the hawkish disagreement around the table, the chair's comments clearly placed more weight on the cooling labor market dynamics than inflation,” said former Kansas City Fed President Esther George.

Fed Chair Jerome Powell "dismissed any consideration of higher rates, leaned pretty clearly I thought on productivity effects without saying that suggests higher neutral, and protested too loudly in my opinion that ‘reserve management purchases’ were not at all related to monetary policy," she added.

Policymakers are putting too little weight on persistently high inflation, and the Fed could hold off on further cuts until it waits for a leadership transition, George said.

"I worry that pressures are growing on the Fed to accommodate massive Treasury issuances through asset purchases and lower capital requirements for banks," she said. "Continuing to de-emphasize inflation is a mistake regardless of assumptions about tariffs and expectations."

PERSUADABLE

Joseph Wang, a former New York Fed staffer, said the FOMC could well be persuaded to ease again over the next couple of meetings.

“Powell mentioned he viewed jobs data as significantly overstated, and also that he viewed inflation excluding tariffs as only slightly above target. That seems to me to qualify for an easy policy stance, even as we are currently above neutral,” Wang said. “So cuts in January and March sound reasonable. This would be derailed by strong jobs prints.”

Rick Roberts, a former Fed system executive who also worked at the Kansas City Fed, thinks the Fed remains in easing mode despite the effort to message renewed caution, which was likely a compromise to get the hawks on board.

“Three sequential cuts plus bill buys read as the opening salvo of an ongoing and likely to continue easing cycle unless incoming data argues otherwise. Moreover, the data will have to be very convincing given the administration's ongoing influence on the FOMC — it seems to be the early part of an ongoing easing cycle to me, not the conclusion of an adjustment period,” he said.

PRODUCTIVITY

Importantly, Powell's embrace of the possibility that strong productivity growth could be a more permanent feature of the economy also portends lower rates.

“The Fed's soft endorsement of the productivity story widens its tolerance band. So, strong growth no longer equals inflation risk, while soft labor data equals a reason to cut. The reaction function becomes asymmetric -- ease on weak data, but don't tighten simply because of strong growth,” Roberts added.

“This provides Powell's Trump-appointed successor with more analytical headroom to argue that deeper or faster cuts are consistent with the Fed's mandate. By leaning in a narrative of stronger supply side performance and productivity gains, the Chairman has effectively broadened the set of policy rates that the Fed can defend as consistent with stable inflation.” (See MNI INTERVIEW: Fed Faces Politically Tumultuous Year - Bullard)
Peter Ireland, a former Richmond Fed economist, said the latest rate cut was a prudent move given relief in non-tariff inflation and weakening labor market conditions -- as is the decision to "wait-and-see" before making any further cuts.

“The implicit message that the Committee will await further news on the evolving state of the economy before committing to additional reductions in rates strikes me as appropriate as we still haven't gotten inflation back down to the 2% target,” he said.

MNI INTERVIEW: Fed Faces Politically Tumultuous Year - Bullard

By Jean Yung (Dec 8, 2025)

WASHINGTON - The Trump administration's efforts to gain influence over U.S. monetary policy are setting up for the most consequential showdown over Fed independence in decades with a wide range of potential outcomes, former Federal Reserve Bank of St. Louis President James Bullard said in an interview.

"2026 is going to be a very tumultuous year for the Fed," he told MNI. "For an organization that's been through a lot of tumultuous years, by comparison this will be pretty fundamental to see if the institution's underpinnings can hold up."

On the U.S. economy itself, Bullard is bullish. The AI spending boom and Trump's tax and spending legislation are major forces driving growth, while the relatively low unemployment rate and looser financial conditions bode well for consumption, he said.

"Growth will be good in 2026, and that lessens the pressure for the Fed to do any more than what they’ve done already," he said.

COMPETING INTERESTS

That investors are voicing concern Kevin Hassett will agitate for aggressive rate cuts to align with Trump could have an effect on the ultimate pick of a president sensitive to market reaction, Bullard said. A Fed chair must satisfy three criteria: political standing inside the Beltway, the academic community and credibility on Wall Street that they'll pursue low and stable inflation, he said.

Powell's successor is also likely to be tested by markets, and his view on policy may shift as a result, Bullard said. Alan Greenspan initiated a tightening cycle to combat inflationary pressures shortly after taking office in 1987, but the Black Monday stock market crash just two months later forced him to abandon his hawkish stance, he noted.

"It’s often the case that a new chair gets tested early in their term, and even if they know the organization, they don’t always appreciate how sensitive markets can be," he said, adding the smoothest transitions have been those of the past three Fed leaders, all of whom were elevated from the Board of Governors.

Aside from the new Fed chair, potential changes to the institution are set to test the century-old Federal Reserve Act that sought to balance short-run political with longer-run economic interests as well as national and local interests, Bullard said.

The Supreme Court's interpretation of law around the removal of governors could deliver Trump a 4-3 majority on the Board of Governors, expanding presidential influence in Washington. That in turn opens up an option not to re-authorize the 12 regional Fed presidents for their five-year terms.

The proposed three-year residency rule for Fed bank presidents also suggests the administration is preparing to exert leverage over the regional network -- potentially remaking how the Fed works from top to bottom.

"There's a wide range of outcomes," Bullard said.

NEAR NEUTRAL

The FOMC should wait until January to lower rates, rather than pushing ahead with a rate cut this week having little new data in hand, Bullard said.

"It's going to be a minor mistake," he said. "The risk is they go ahead and make this move, and the outlook brightens up with strong data, and now you can’t take that move back."

The jobs data released since the federal government shutdown ended indicated improved hiring in September than over the summer, while other indicators point to a steady state labor market, Bullard said. Meanwhile, headline and core PCE inflation were last seen at 2.8% in September.

The hawks' argument that inflation hasn't budged in 18 months is a good one, Bullard said. The median official is likely to continue to see just one more cut next year, he said. "They risk ongoing inflation well above the 2% target and I don’t think they want to risk that." (See: MNI INTERVIEW: Fed Risks Overcutting As Inflation Lingers) Monetary policy is modestly restrictive now, but "if they continue to go down, they’ll take the pressure off inflation and risk it going to the 3% range. That’s something that needs to be priced in."

MNI INTERVIEW: ISM Services Will Continue To See Improvement

By Evan Ryser (Dec 3, 2025)

WASHINGTON - U.S. services activity expanded at a slightly faster pace in November, and there are signs that mild growth will continue as demand holds up, Institute for Supply Management services chair Steve Miller told MNI Wednesday.

Business activity, new orders, and supplier deliveries indexes are all above their 12-month average, and the services PMI has shown a positive trend since May, he said.

"I feel pretty positive about where we're headed," Miller said. "Looking at the trends together – and the more aggregation the better – gives you a pretty good signal for where things are going."

The ISM composite increased 0.2 to 52.6 last month, above market expectations and the highest since February. The prices paid index fell 4.6 to 65.4, the lowest since April and below its 12-month average.

GRADUAL IMPROVEMENT

The new orders index fell 3.3 to 52.9 and the supplier deliveries index jumped 3.3 to 54.1, representing slower performance and the second highest reading since October 2022.

"I'm a little more confident in a gradual improvement from all of the uncertainty this summer, seeing an ongoing trend of improvement since May," Miller said. "This gave me good confidence that we're seeing a back-to-business kind of mentality, even with the uncertainty on the Supreme Court."

"We've got some consistency in new orders being above 50 for the last six months. And the backlog of orders, despite being in the 40s for two out of the last four months, is a gradual trend increase since the May timeframe."

The employment index rose 0.7 to 48.9 in the month to its highest reading since May, though remained in contraction territory for the sixth month in a row.

"I would say there's positive signs in the services economy, growth returning, and – without a significant negative – that employment number will continue to kind of hover around 50," Miller said, citing a lack of commentary among survey participants on significant layoffs.

"There just aren't more people to take out without a signal that the economy is in the tank," Miller said. (See: MNIINTERVIEW: Fed To Slow Easing, '26 Cuts Not Certain-Clouse)

SUPPLIER DELIVERIES

A rise in supplier deliveries, reflecting the disruptions to air travel due to the government shutdown, boosted the November ISM services PMI. Without that, the gauge might have seen a small monthly drop, Miller said.

"We'd be at about 51.8 on the overall services PMI number if we come in the same as last month on supplier deliveries, which would be representative of the disruptions," he said. "It was only a partial month of disruption, so it would have probably been somewhere in the 52.0 area, maybe a little bit above 52."

All in all, it is not a huge difference, he said. "I think it would go from an increase month-over-month to a slight decrease month-over-month, but still the continued trend from May" of slight expansion remains.

MNI INTERVIEW: ISM Chief Sees No End In Sight To Factory Slump

By Evan Ryser (Dec 1, 2025)

WASHINGTON - U.S. manufacturing will remain in contraction as demand remains weak and for as long as trade uncertainty continues to be a drag on businesses, Institute for Supply Management manufacturing chair Susan Spence told MNI.

"I do not see anything that will turn the ship," Spence said in an interview. "The [trade] uncertainty still continues to kill us."

Two of the four demand indicators from ISM decreased over the month. The ISM manufacturing index declined 0.5pt to 48.2 in November, almost a full percentage point below expectations and a ninth consecutive month of contraction. A level at 50 represents the breakeven point dividing expansion and contraction.

"There's nothing that we're reading or seeing in the news and what's going on with tariffs that give me any confidence that all of a sudden the customers are going to come start ordering from us," she said.

New orders decreased 2.0pts to 47.4, employment fell 2.0pts to 44.0, and prices increased 0.5pt to 58.5. The new export orders component increased 1.7pts to 46.2. The production measure increased 3.2pts to 51.4.

DEMAND, TARIFFS

The ISM manufacturing chief noted contracting demand and said she has little confidence that new orders will expand in coming months as some analysts predict.

"These are not customers who are all of sudden being confident and ordering from U.S. manufacturers," she said. "It seems to be that the customer inventories are so low that they have to reorder in certain, specific sectors. And it's just not sustainable."

"We see this wave going through the supply chain as where we're going to continue to be sitting," she said. "That is possibly until we see tariffs get decided from the Supreme Court, or maybe until people start making decisions, which they're not apt to do if there's so so much uncertainty."

UNCERTAINTY

Spence is increasingly concerned about the loss of foreign demand for U.S. manufacturing products. "The longer the uncertainty goes on, the longer customers outside of the U.S. have to go figure out who else they're going to buy from, if they can," Spence said.

Overall policy uncertainty, tariff uncertainty, and the looming decision from the Supreme Court on tariffs weighs on businesses' decision-making and growth, she said.

"It's not helping. Not only is it not driving manufacturing back to the U.S., it is giving customers outside of the U.S. time to go develop other sources. And that really worries me," Spence said. "Perhaps once it all gets straightened out, maybe the customers aren't going to be there."

Spence noted that supplied deliveries sped up in November, but suggested it may be due to weak demand. "That's not necessarily a good thing. We think that means that there's just not a whole lot of work there," Spence said. (See: MNI INTERVIEW: Fed To Slow Easing, '26 Cuts Not Certain-Clouse)

WORKFORCE

The ISM employment index in November was the lowest since August and has been in contraction for ten straight months.

"Without understanding what's going to happen with tariffs, we really can't expand our workforce, and there's not an order flow coming in anyway," Spence said. "We want to hold on to folks, but that can't happen forever."

MNI INTERVIEW: US Job Market Continues To Slow - Glassdoor

By Evan Ryser (Nov 14, 2025)

WASHINGTON - The U.S. job market is continuing to slow but there are no signs of a more worrisome decline, Glassdoor chief economist Daniel Zhao told MNI, adding that the Federal Reserve should continue its fight against inflation.

"The Fed is taking out an insurance premium at a time when the rest of their household budget might not be able to afford it," he said. "There's still the inflation side of the dual mandate that the Fed needs to worry about, and we aren't seeing signs yet of a sharp deterioration in the job market."

"Overall, the holistic picture we're seeing is still a job market that is slowing, if not sluggish," Zhao said about Glassdoor labor market data. "The job market is still slowing steadily. We don't see any reason to believe that trend has stopped."

The Fed lowered borrowing costs for a second straight meeting in October, though recent speeches and appearances from policymakers have shown officials are so far split on the prospect of a third cut in December. The government's data deluge will be key for the Fed and half of interest-rate traders bet the Fed would cut its interest rate in December, according to the CME FedWatch tool. (See: MNI INTERVIEW: High Bar For More Cuts As Neutral Nears-Kaplan)

SLOWING STEADILY

Glassdoor, an employment site that is part of Indeed, collects tens of thousands of employee ratings and their data suggest layoffs were down in October but increased significantly year-over-year, Zhao said in an interview. Employee anxiety about layoffs has risen over the last few years.

"The recent wave of layoff announcements came at the end of October, so its possible workers have not had the opportunity to react. Instead, we might see employee sentiment at the start of November start to incorporate this news."

Glassdoor's employee confidence index, a new report that provides a real-time pulse on the economy from the lens of employees, dropped in October and is now at the lowest level since June, which was a record low, he said. "Clearly, employees feel sour about the current job market," Zhao said.

"We've seen that in the past where a small rise in the unemployment rate tends to beget a much larger one," he said. But, "we aren't seeing signs of those cracks really starting to take hold in the labor market quite yet."

Salaries dropped month-over-month in October and September but increased year-over-year in October. "The picture for pay is that it is slowing in the short run, but overall it has not deteriorated rapidly," Zhao said. (See: MNI INTERVIEW: Fed Will Cut In Dec, More Next Year-Reinhart)

CLEAN READ

Zhao is expecting continued impacts from the government shutdown in the monthly jobs report, particularly when it comes to government payrolls, and a negative overall payrolls print is "absolutely" possible. He's not expecting a "clean read" in the BLS jobs reports until the December report is released in January.

The impetus for hiring growth is largely limited to the healthcare sector, he said. "Healthcare is really the only industry that is consistently adding jobs month-over-month, whereas if you look at all the other industries put together, they've actually lost jobs."

"We know that there are tens of thousands of federal workers who have rolled off of federal payrolls because their voluntary severance payments are ending. That is a real trend, regardless of how it shows up in the data."