# ECONOMIC PREVIEW

REGIONS

Week of November 3, 2025

| Indicator/Action Economics Survey: | Last Actual: | Regions' View: |
|---|---|---|
| **Fed Funds Rate: Target Range Midpoint**<br>*(After the December 9-10 FOMC meeting):*<br>Target Range Mid-point: 3.625 to 3.875 percent<br>Median Target Range Mid-point: 3.625 percent | Range:<br>3.75% to 4.00%<br>Midpoint:<br>3.875% | As was universally expected, the FOMC cut the Fed funds rate cut by twenty-five basis points at last week's meeting. It also came as little surprise that there were dissents on both sides of that vote, i.e., one member in favor of a fifty-basis point cut and one member in favor of leaving the funds rate unchanged. What was surprising was Chair Powell somewhat forcefully pushing back against the notion that a further twenty-five basis point funds rate cut at the December meeting was a done deal, noting more than once that a December cut was "far from" a foregone conclusion and citing a "growing chorus" of Committee members thinking a pause might be more appropriate. That was evidenced in subsequent comments from Dallas Fed President Logan and Cleveland Fed President Hammack – neither of whom are in this year's voting rotation amongst the regional Fed bank presidents. To be sure, December is, at least as these things go, a long way off and a lot can happen between now and then, but we've consistently argued that three funds rate cuts this year seemed one too many given the persistence of inflation pressures and the possibility, if not likelihood, of at least some further acceleration in core goods price inflation.<br><br>With the ongoing government shutdown, this week's ISM surveys and the weekly data on jobless claims will be it as far as top-tier economic data. |
| **October ISM Manufacturing Index** Monday, 11/3<br>Range: 48.1 to 50.1 percent<br>Median: 49.4 percent | Sep = 49.1% | Up to 49.6 percent. The regional Fed bank surveys of manufacturing conditions suggest at least some improvement in new orders and employment along with some lengthening of supplier delivery times, which should push the headline index higher. While our forecast would leave the headline index on the wrong side of the 50.0 percent break between contraction and expansion for the thirty-fourth time in the past thirty-six months, we think the more noteworthy story is how little the index has actually changed over that span. As we've noted elsewhere, the spread between the minimum and maximum index values over a rolling two-year period has basically been stuck at an all-time low for more than a year, and we've pointed to a similar pattern in the industrial production data on manufacturing output. We bring this up only to make the point that while ISM's headline index taking up residence on the wrong side of that 50.0 percent break may suggest up continually shrinking activity, the reality is that manufacturing activity has been eerily stable, even if at a fairly low level, which seems like quite an achievement given all of headwinds that have confronted the factory sector. At the same time, broadening growth in core capital goods orders, at least modest improvement in the global growth outlook, and the prospect of the U.S. economy picking up pace in early-2026 offer hope of an upside breakout for manufacturing activity as the calendar turns. Back to the here and now, however, we think it unlikely that the ISM's October surveys will show any signs of relief from steady and broad based upward pressure on input prices in either the manufacturing or services sectors. This will further reinforce the point Chair Powell emphasized in his post-meeting press conference about a December funds rate cut being far from a foregone conclusion. |
| **September Construction Spending** Monday, 11/3<br>Range: N/A<br>Median: N/A | Aug = N/A | N/A |
| **September Trade Balance** Tuesday, 11/4<br>Range: N/A<br>Median: N/A | Aug = N/A | N/A |
| **September Factory Orders** Tuesday, 11/4<br>Range: N/A<br>Median: N/A | Aug = N/A | N/A |
| **October ISM Non-Manufacturing Index** Wednesday, 11/5<br>Range: 50.0 to 52.3 percent<br>Median: 50.7 percent | Sep = 50.0% | Up to 51.5 percent. |
| **Q3 Nonfarm Labor Productivity** Thursday, 11/6<br>Range: N/A<br>Median: N/A | Q2 = +3.3% SAAR | N/A |

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| **Q3 Unit Labor Costs** Thursday, 11/6<br>Range: N/A<br>Median: N/A | Q2 = +1.0% SAAR | N/A |
| **October Nonfarm Employment** Friday, 11/7<br>Range: N/A<br>Median: N/A | Sep = N/A | N/A |
| **October Manufacturing Employment** Friday, 11/7<br>Range: N/A<br>Median: N/A | Sep = N/A | N/A |
| **October Average Weekly Hours** Friday, 11/7<br>Range: N/A<br>Median: N/A | Sep = N/A | N/A |
| **October Average Hourly Earnings** Friday, 11/7<br>Range: N/A<br>Median: N/A | Sep = N/A | N/A |
| **October Unemployment Rate** Friday, 11/7<br>Range: N/A<br>Median: N/A | Sep = N/A | N/A |



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