ECONOMIC PREVIEW

REGIONS

Week of November 10, 2025

Indicator/Action Economics Survey:	Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the December 9-10 FOMC meeting):* Target Range Mid-point: 3.625 to 3.875 percent Median Target Range Mid-point: 3.625 percent	Range: 3.75% to 4.00% Midpoint: 3.875%	With what is now the longest government shutdown on record leaving a growing gap in the regular economic data, we and others are making do with what we have at our disposal. Not ideal, but neither is it a totally blank slate. The information and data still at our disposal suggest little has changed in terms of the state of the U.S. economy. The labor market seems to be neither improving nor, recent headlines notwithstanding, deteriorating further. The weekly data jobless claims data show nothing out of the ordinary, though there are instances of motor vehicle plants being put on temporary break due to parts shortages, which is visible in the claims data for certain states. Recall that well before the shutdown was a thing, we were pointing to the not seasonally adjusted data on initial claims as the single most important labor market indicator we were tracking. The data, still available each week, show no breaks from typical seasonal patterns. Other alternative labor market data series show hiring remains rather listless, though we continue to argue this is just as much, if not more, of a labor supply story than a labor demand story. Some of these measures are picking up the federal government workers who dropped off the books as of October 1 not due to the shutdown but due to efforts earlier in the year to trim the size of the federal government workforce. While ADP's estimate of private sector employment rising by 42,000 jobs in October may not inspire much confidence, this is not far from where we and many others put the estimate of "breakeven" job growth, i.e., monthly job growth required to keep the unemployment rate steady, given what is now a much slower pace of growth in the labor force. The ISM's October surveys show an acceleration in the pace of activity in the services sector while the manufacturing sector remains stuck in a rather uncomfortable holding pattern. One thing we continue to see in both surveys is that the prices paid indexes show continued broadly based upward pressure on input prices, which does not bode well for those looking for a retreat in broader inflation pressures in the near term and which does not sit well with those, including some FOMC members, still concerned about lingering upside risks to inflation. Various trackers show continued moderate growth in consumer spending which may seem at odds with sour consumer moods as reported in the sentiment/confidence surveys but which is consistent with growth in labor earnings and with overall household financial conditions. It is also worth noting that the Q3 earnings season has been a strong one, characterized by upside beats on both top and bottom lines by sizable majorities of companies that have reported to date with mostly constructive guidance. Obviously, not all is well with the economy, and the longer the shutdown persists the greater the odds of it leaving a lasting impression on the economy. On the whole, however, we see little suggesting an economy on the verge of rolling over and see factors that could prompt a pick-up in growth in early 2026.
October Consumer Price Index Thursday, 11/13 Range: N/A Median: N/A	Sep = +0.3%	N/A
October Retail Sales: Total Friday, 11/14 Range: N/A Median: N/A	Sep = N/A	N/A
October Retail Sales: Ex-Auto Friday, 11/14 Range: N/A Median: N/A	Sep = N/A	N/A
October Retail Sales: Control Group Friday, 11/14 Range: N/A Median: N/A	Sep = N/A	N/A
October Producer Price Index Friday, 11/14 Range: N/A Median: N/A	Sep = N/A	N/A
September Business Inventories Friday, 11/14 Range: N/A Median: N/A	Aug = N/A	N/A

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