



The non-farm payrolls data for November largely met expectations, rebounding from the weather-related weakness seen in the previous month. (UBS)

CIO First Take: November payrolls showed no surprises

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Non-farm payrolls data for November was near consensus, confirming that the labor market remains solid. The household survey showed the unemployment rate edging up to 4.2%, from 4.1% in October.

More specifically, non-farm payrolls came in at 227,000 in November, just slightly above market expectations of 220,000. Furthermore, there was a net upward revision of 56,000 jobs in the prior two months' data.

The household survey showed the unemployment rate rising by 0.1 percentage point to 4.2% in November. Meanwhile, average hourly earnings were resilient at 0.4% m/m, maintaining a positive backdrop for domestic demand.

The payroll figures for November confirm that October's unusual weakness was largely related to the adverse weather phenomena that impacted the US Southeast, helping allay concerns about any imminent decline in job creation. As a reminder, policymakers have noted they are not inclined to see a further loosening of employment conditions.

Bottom line: Further rate cuts remain underway

Following an unsurprising jobs report, we continue to stand by our base case that the FOMC will cut the fed funds rate by 25bps at its December meeting, and by another 100bps next year.

Resilient domestic demand coupled with disinflation and lower rates should provide a positive backdrop for US equities. Our December 2025 S&P 500 target stands at 6,600. We rate the following sectors as Attractive: information technology, consumer discretionary, communication services, financials, and utilities.

For further details, please see our latest notes on the outlook for the [US economy](#) and the [equity market](#).

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