



# US November jobs report

## US November jobs report shows a steady economy

The November US jobs report showed the unemployment rate increasing to 4.2% from 4.1% while 227k jobs were created, bouncing back from the upwardly revised October numbers of 36k. The November jobs data reflected workers getting back to work after Hurricane Helene hit the US at the end of September and Hurricane Milton hit Florida in early October. This report is unlikely to change the Fed's trajectory of rate cuts, meaning they will likely cut by another 25bps at their next meeting in a couple of weeks.

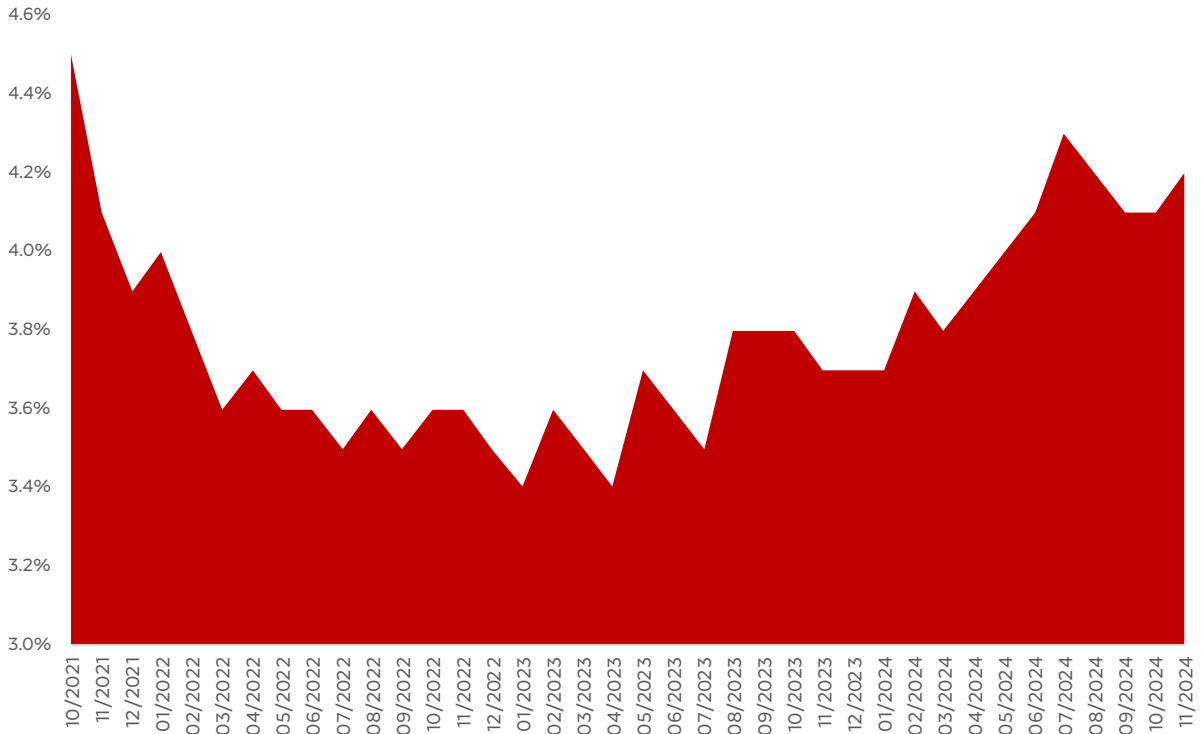
Manufacturing jobs saw a boost after the Boeing strike was settled. The sector added 22k jobs during the month though the Transportation Equipment industry added 32k jobs. The strike started in mid-September and union members had rejected an offer earlier in October but Boeing had presented an improved offer which the union members accepted at the end of October. The Health Care sector continues to add workers at a strong pace, the sector added 72k jobs in November and has averaged 77k jobs added since February of 2022. Leisure and Hospitality also saw a rebound in jobs added, likely linked to the holiday season while 33k Government jobs were added. Trade and Transportation was the only sector where jobs decreased. The sector erased 23k jobs though all of that came from Retail Trade, which dropped 28k jobs in November.

The past two months of jobs were revised higher by 56k. October's initial reading of 12k was revised higher by 24k jobs to 36k, while September's number was revised to 255k from 223k. The unemployment rate increased to 4.2% from 4.1%, but still reflects a labor market that remains healthy. Of slight concern is a second consecutive decline in the labor force participation rate to 62.5% from 62.6% while analyst expected it to climb back to 62.7%. The participation rate has been in its current range for much of the past year but has struggled to climb to higher pre-pandemic levels.

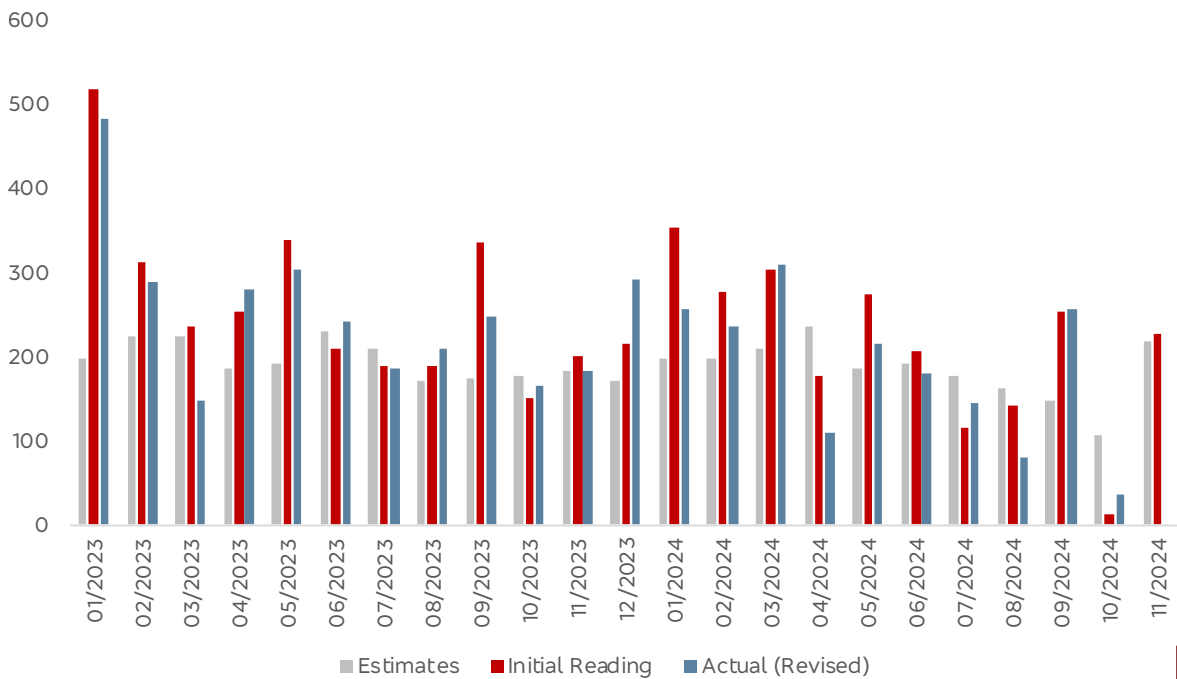
The report also showed average weekly hours remained at 34.3 while the average hourly earnings grew at a pace of 4% from a year ago and 0.4% from a month ago, both at the same pace as in October. The strong pace of wage growth should support consumer spending in the coming months but also shows that underlying inflation pressures remain. While the Fed will likely cut rates by 0.25% at its December meeting, persistent high inflation means the Fed may need to pause in its rate cutting cycle in 2025.

The overall picture shows the US economy remains healthy. The Fed seems to be on track to deliver another cut at their next meeting on December 18, after delivering a cut of 50bps in September and a 25bps cut in November. During the December meeting, the Fed will publish its updated economic outlook, and we believe there is a possibility that it will indicate less rate cuts in 2025 than it had originally expected due to the strong economy. The Fed must for now ignore the effects of Trump's election in early November and continue delivering what they believe is the right path to reach the terminal rate until his policies are fully known. However, Trump's policies are seen as largely inflationary and could even have a negative effect on the growth of the economy. We believe that the Fed will deliver a 0.25% cut at the next meeting and then deliver only two cuts of 0.25% in 2025, as opposed to the 4 cuts in 2025 that the Fed currently has in its outlook.

### Unemployment rate increases to 4.2% from 4.1%



### Jobs bounce back, adding 227k jobs during November



Source: Bloomberg/Bradescio

## Disclosures

Nothing in this presentation shall be regarded as an offer, solicitation, recommendation, or advice (whether financial, accounting, legal, tax or other) given by Bradesco BAC Florida Investments (BBFI) and/or its officers or employees, irrespective of whether or not such communication was given at your request. Any solicitation or offer to buy, sell or hold any security must be made and discussed with your financial consultant at Bradesco BAC Florida Investments for it to be considered a solicitation for a transaction. In this regard, BFI will make all efforts to only recommend and/or solicit investments that in your best interest. Please be aware that the securities, including mutual funds, investment views or strategies described herein may not be in the best interest for all investors and are subject to investment risks. Investors may get back less than they invested, and past performance is not a reliable indicator of future results. Asset allocation does not guarantee a profit or protect against loss. Nothing in the presentation should be relied upon in isolation for the purpose of making an investment decision. You are urged to consider carefully whether the services, products, asset classes (e.g. equities, fixed income, alternative investments, commodities, etc.) or strategies discussed are suitable to your needs. You must also consider the objectives, risks, charges, any potential conflict of interest, costs and expenses associated with an investment service, product or strategy prior to making an investment decision.

Model Portfolios are a set combination of asset classes designed by Bradesco Asset Management, approved by Bradesco International Asset Allocation Committee and by Bradesco BFI Investments Solutions Committee. The model portfolios are based on investor profiles. Please be aware that the model portfolios are comprised on individual securities which have underlying investment strategies. Therefore, the investor that wishes to implement any of the model portfolio will be investing in individual securities, which could be equities, bonds, or a combination of these. When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. Due to their narrow focus, sector-based investments typically exhibit greater volatility. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance.

The information contained in this presentation is created using information from third parties that are believed to be reliable; however, BBFI does not represent or warrant its accuracy, reliability or completeness, or accept any liability for any loss or damage (whether direct or indirect) arising out of the use of all or any part of the materials within this presentation. No representation or warranty should be made with regard to any computations, graphs, tables, diagrams or commentary, which are provided for illustration/reference purposes only. The views, opinions, estimates and strategies expressed constitute our judgment based on current market conditions and are subject to change without notice.

Broker-dealer services are provided by BBFI and not by Bradesco BAC Florida Bank®.

Securities products purchased or sold in a transaction are: (i) not insured by the Federal Deposit Insurance Corporation ("FDIC"), (ii) not deposits or other obligation of Bradesco BAC Florida Bank® and are not guaranteed by Bradesco BAC Florida Bank®; and (iii) subject to investment risk, including possible loss of the principal invested.

BBFI, Bradesco BAC Florida Bank (BAC), Bradesco Global Advisors (BGA) and Banco Bradesco, SA are affiliated entities under common control. In the US investments and brokerage services are provided by BBFI, US SEC Registered broker/dealer, member of FINRA and SIPC. For more information on BFI, its business including possible conflict of interest please visit: <https://brokercheck.finra.org/firm/summary/19453>. BBFI clears on a fully disclosed basis through Pershing, LLC. Investment Advisory services are provided by Bradesco Global Advisors, a Florida State registered investment advisor. More information on BGA please visit: <https://adviserinfo.sec.gov/firm/summary/134416>.