

Economic Outlook

NOVEMBER 2025

September Jobs Report Surprises to the Upside; Fed Meeting Will Be a Close Call



Olu Omodunbi, PhD
Chief Economist for the Private Bank
Huntington Bank



Nick Blizniak
Senior Research Analyst
Huntington Bank

HIGHLIGHTS

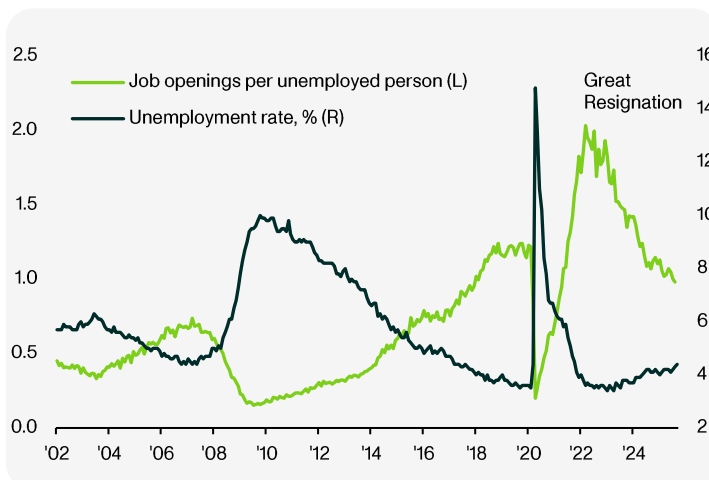
- The September jobs report offered a mixed picture of the U.S. economy.
- Small business optimism dipped to a six-month low in October.
- While the December FOMC meeting will be a close call, Huntington's Chief Investment Office anticipates a 25-basis-point cut to the fed funds rate.

U.S. job growth in September exceeded expectations, according to the Bureau of Labor Statistics' delayed September jobs report. The U.S. economy added 119,000 jobs in September, more than double market expectations of 53,000, based on a survey of employers from the BLS. The unemployment rate, which is derived from the household survey, rose slightly to 4.4% (4.44% unrounded) from 4.3% in August. The uptick in the unemployment rate reflects the labor force growing faster than employment.

Employment breadth improved in September, with the BLS one-month diffusion index rising to 55.6 from 49 in August. A diffusion index value greater than 50 indicates that more industries are adding jobs than losing them. Employment gains occurred in health care, leisure and hospitality, construction and government, while declines were seen in manufacturing, mining and logging and professional and business services.

FIGURE 1. U.S. JOB MARKET

Unemployment rate rose to a four-year high

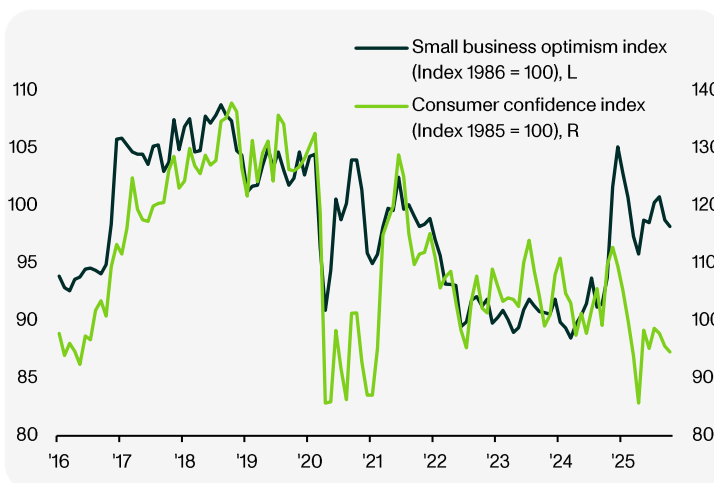


Source: BLS

Small business optimism fell in October, according to the National Federation of Independent Business (NFIB), dropping from 98.8 in September to a six-month low of 98.2. 60% of small business owners reported that supply chain disruptions affected their operations to some degree. The NFIB's Small Business Optimism Index is a coincident economic indicator which assesses how small business owners feel about the U.S. economy.

FIGURE 2. SOFT CONSUMER AND BUSINESS DATA

Small business optimism fell to a six-month low



Source: The Conference Board, NFIB

Consumer sentiment fell in November to the lowest level since June 2022, according to the University of Michigan’s Surveys of Consumers. The index dopped to 51 in November, near the all-time low of 50, from 53.6 in October. Weakening incomes and persistent high prices remain concerns for consumers.

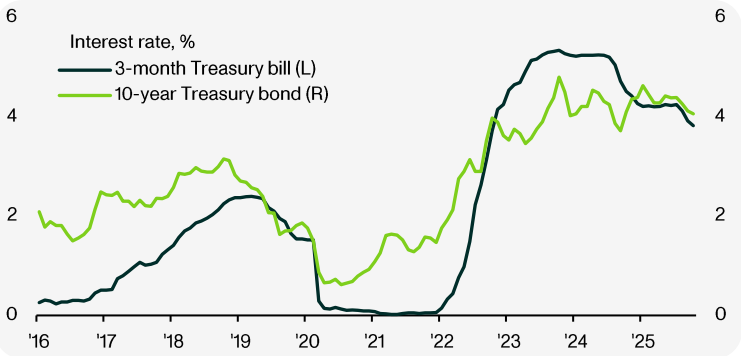
The December Federal Open Market Committee (FOMC) meeting will be a close call, given the FOMC’s dueling mandates and the absence of official data during the federal government shutdown. While employment increased more than expected in September, the details of the jobs report showed weak momentum in the U.S. labor market. Huntington’s Chief Investment Office projects the FOMC to lower the fed funds rate by 25 basis points in December, bringing the target range to 3.5%-3.75%.

The Congressional Budget Office (CBO) estimates the annualized quarterly growth rate of real GDP in Q4 2025 could be 1.5 percentage points lower as a result of the longest government shutdown in U.S. history. However, given strong business

investment and better-than-expected trade data, Huntington’s Chief Investment Office projects real GDP growth of 2% in 2025, up from 1.6% in the September forecast. Recent tariff agreements between the U.S. and its trading partners are positive for both U.S. and global economies. The U.S. economic expansion is expected to continue through 2026, supported by accommodative monetary and fiscal policies, healthy consumer balance sheets and continued investment in artificial intelligence. Risks to the outlook remain elevated due to economic policy uncertainty.

At Huntington, we remain focused on prudent diversification via cash, stock and bond investments formed around client investment outcome objective(s). Call your Huntington team to see how we can help or visit huntington.com for more from our team.

FIGURE 3. DECEMBER FOMC MEETING
Rising unemployment suggests Fed rate cut



Source: Federal Reserve

*Forecast
Historical data sources: Federal Reserve, BLS, BEA and Bloomberg

FIG. 4: BASELINE ECONOMIC OUTLOOK	2020	2021	2022	2023	2024	2025*	2026*
Real GDP Annual Growth Rates, 2017 Chained Prices							
Pers. Consumption Expenditures	-2.5	8.8	3.0	2.5	2.8	2.7	2.9
Government Expenditures	3.4	-0.3	-1.1	3.9	3.4	0.9	1.2
Private Investment	-4.5	8.8	6.0	0.1	4.0	3.0	2.5
Exports	-13.1	6.5	7.5	2.8	3.2	1.2	1.0
Imports	-9.0	14.7	8.6	-1.2	5.4	2.0	0.5
Total Real GDP	-2.2	6.1	2.5	2.9	2.8	2.0	2.3
CPI (1982-1984=100), % Change Annualized	1.2	4.7	8.0	4.1	3.0	2.8	2.9
Core CPI (1982-1984 = 100), % Change Annualized	1.7	3.6	6.2	4.8	3.4	3.2	3.3
PCE Price Index (2017=100), % Changed Annualized	1.1	4.2	6.5	3.8	2.5	2.7	2.8
Core PCE Price Index (2017=100), % Change Annualized	1.3	3.6	5.2	4.1	2.8	3.0	3.0
Crude Oil WTI, (\$/barrel)	\$39	\$68	\$95	\$78	\$76	\$60	\$55
Effective Federal Funds Rate, % (Average)	0.37	0.08	1.68	5.02	5.14	4.21	3.27
10-Yr. Treasury Rate, % (Average)	0.92	1.51	3.88	3.88	4.21	4.20	4.10
30-Yr. Fixed Rate Mortgage, %	2.87	3.27	6.66	6.99	6.72	6.20	5.90
Industrial Production (YoY%)	-7.0	4.9	3.4	0.2	0.2	1.0	1.6
Payroll Jobs, Average Monthly Difference, Thousands	-774	606	399	225	168	70	75
Unemployment Rate, Annual Average	8.1	5.4	3.6	3.6	4.0	4.4	4.4
DXY Dollar Index	89.9	95.7	103.5	101.3	104.2	98.0	95.0

The information provided in this document is intended solely for general informational purposes and is provided with the understanding that neither Huntington, its affiliates nor any other party is engaging in rendering tax, financial, legal, technical or other professional advice or services or endorsing any third-party product or service. Any use of this information should be done only in consultation with a qualified and licensed professional who can take into account all relevant factors and desired outcomes in the context of the facts surrounding your particular circumstances. The information in this document was developed with reasonable care and attention. However, it is possible that some of the information is incomplete, incorrect, or inapplicable to particular circumstances or conditions. NEITHER HUNTINGTON NOR ITS AFFILIATES HAVE LIABILITY FOR ANY DAMAGES, LOSSES, COSTS OR EXPENSES (DIRECT, CONSEQUENTIAL, SPECIAL, INDIRECT OR OTHERWISE) RESULTING FROM USING, RELYING ON OR ACTING UPON INFORMATION IN THIS DOCUMENT EVEN IF HUNTINGTON AND/OR ITS AFFILIATES HAVE BEEN ADVISED OF OR FORESEEN THE POSSIBILITY OF SUCH DAMAGES, LOSSES, COSTS OR EXPENSES.

Investment, Insurance and Non-deposit Trust products are: NOT A DEPOSIT • NOT FDIC INSURED • NOT GUARANTEED BY THE BANK • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY LOSE VALUE

Huntington offers a full range of wealth management and financial services through dedicated teams of professionals within The Huntington National Bank and Huntington Financial Advisors®, as follows:

- Banking solutions, including loans and deposit accounts, are provided by The Huntington National Bank, Equal Housing Lender and Member FDIC.
- Trust and investment management services are provided by The Huntington National Bank, a national bank with fiduciary powers, under the service mark Huntington Private Bank®.
- Certain investment advisory solutions, securities, and insurance products are provided by Huntington Financial Advisors®.
- Certain insurance products are offered by Huntington Insurance, Inc., a licensed insurance agency, and underwritten by third-party insurance carriers not affiliated with Huntington Insurance, Inc.

Huntington Financial Advisors® is a federally registered service mark and a trade name under which The Huntington Investment Company does business as a registered broker dealer, member FINRA and SIPC, a registered investment advisor with the U.S. Securities and Exchange Commission, and a licensed insurance agency.

The Huntington National Bank, The Huntington Investment Company, and Huntington Insurance, Inc., are wholly-owned subsidiaries of Huntington Bancshares Incorporated.

Huntington Private Bank® is a federally registered service mark of Huntington Bancshares Incorporated under which The Huntington National Bank provides individualized services to certain customers who qualify based upon minimum investment or deposit criteria. Please contact a Huntington Private Bank colleague for more information on eligibility requirements.

While your Huntington Preferred Banker may hold securities and/or insurance licenses in order to facilitate more complete conversations surrounding the full range of products and services available, they do not directly sell retail investment or insurance products. Retail investment and insurance products are made available through various Huntington affiliates, including Huntington Financial Advisors® and Huntington Insurance, Inc. as further described above.



The Huntington National Bank is an Equal Housing Lender and Member FDIC. Huntington, Huntington Bank and the Huntington Brandmark are service marks of Huntington Bancshares Incorporated. © 2025 Huntington Bancshares Incorporated.

Third-party product, service and business names are trademarks / service marks of their respective owners.