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Chart of the Day

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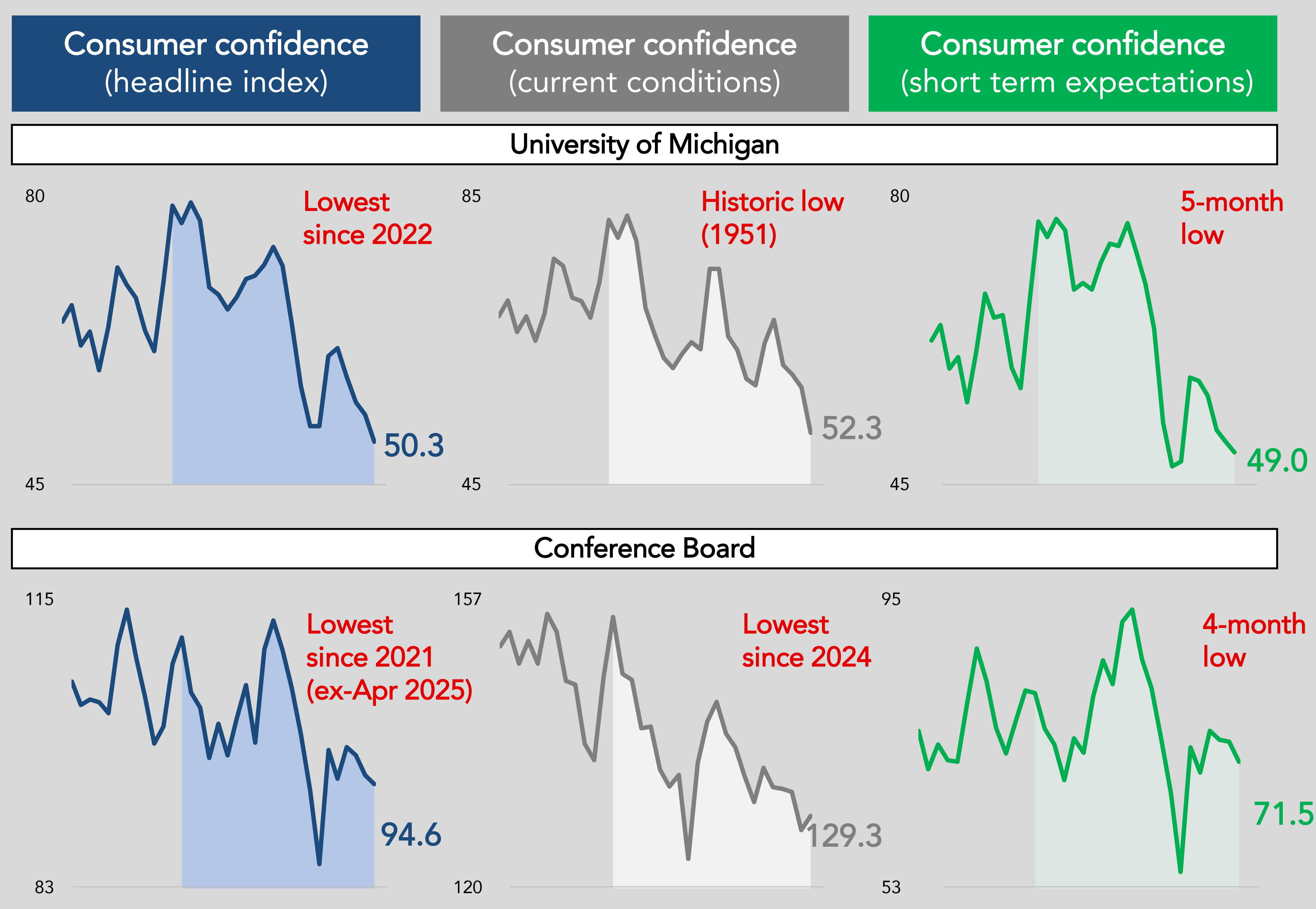
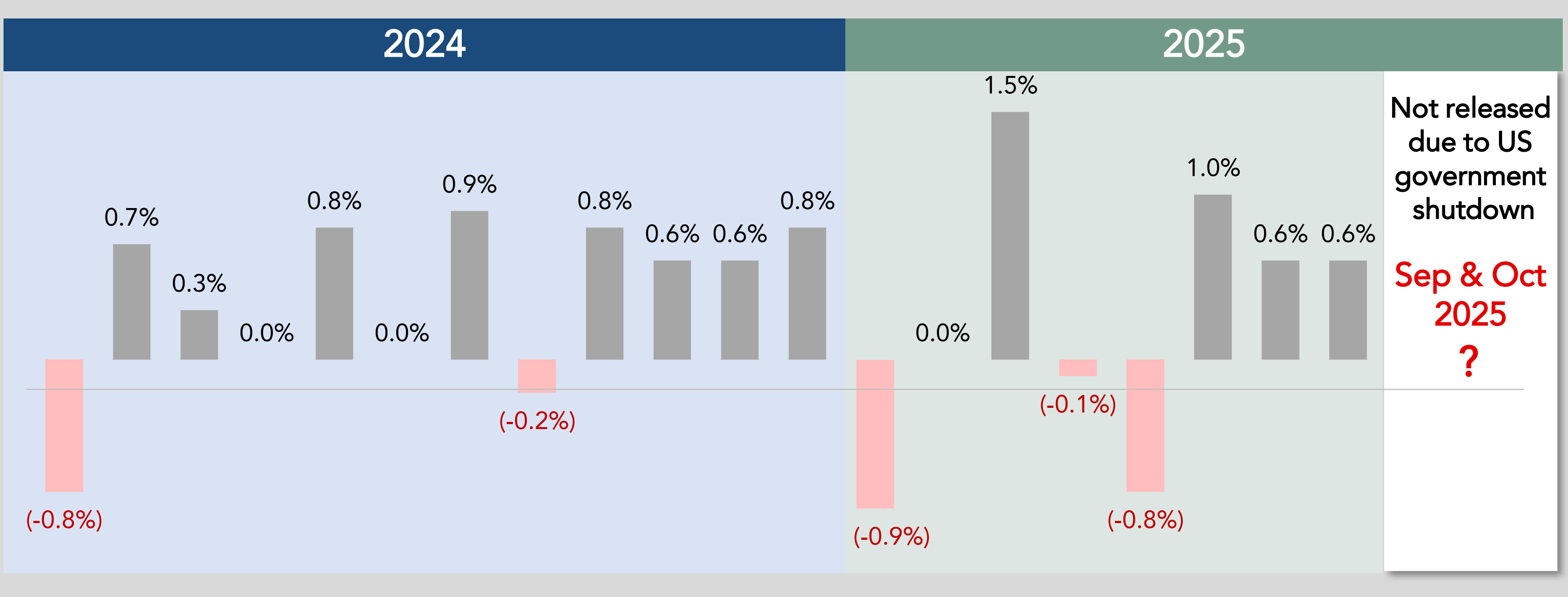
The Conference Board Consumer Confidence Survey and the University of Michigan Consumer Sentiment Survey are both private sector data releases which operate independently of federal data agencies and therefore have continued to publish during the US Government shutdown. In the past two weeks, both survey results were released, showing considerable and concerning declines in US consumer sentiment to multi-year lows. Notably, the "current conditions" component of the Michigan sentiment index recorded its lowest reading in history based on data going back to 1951, surpassing previous lows set during past crises.

US consumer confidence



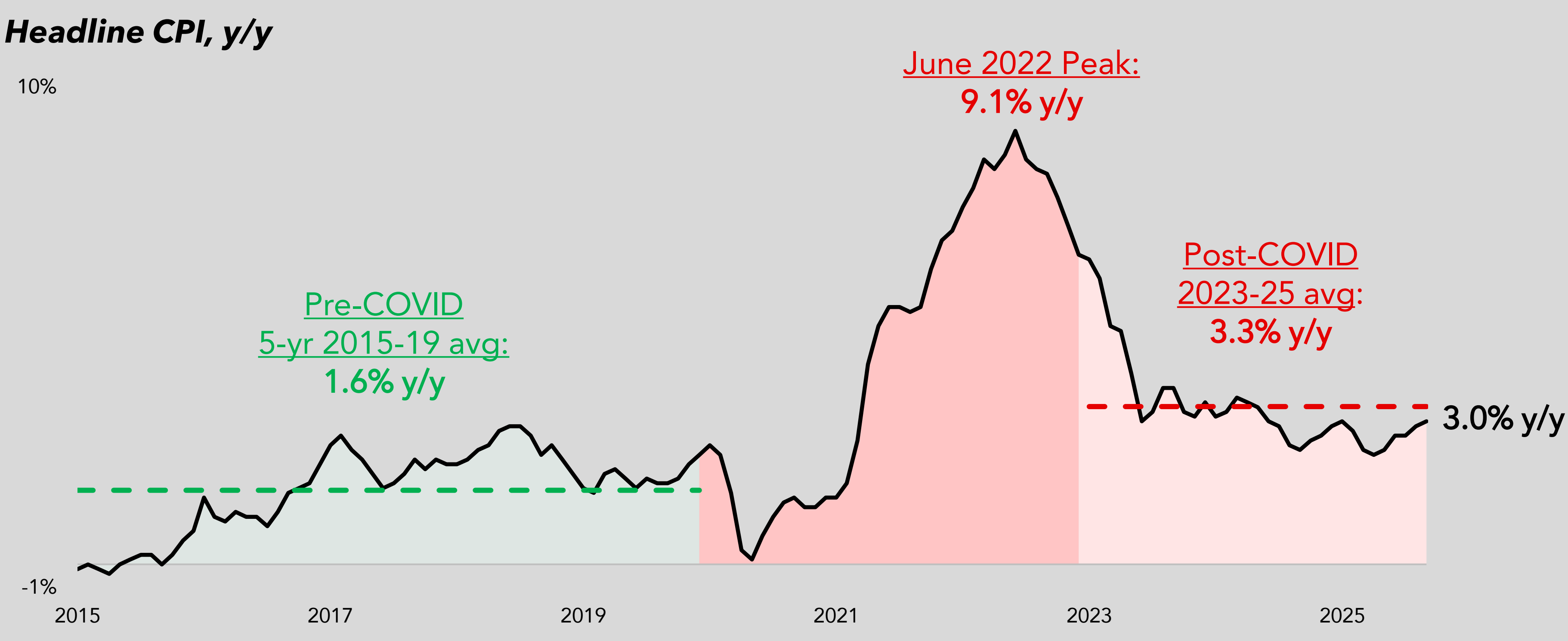
The US Census Bureau, which publishes the official US retail sales numbers, halted the data collection and dissemination during the current US Government shutdown, thereby delaying the September and October data. Though the most recent available data from August is fairly dated at this point, retail sales have been fairly resilient and consistent in 2025 despite the trade war and "sticky" inflation.

US retail sales, m/m



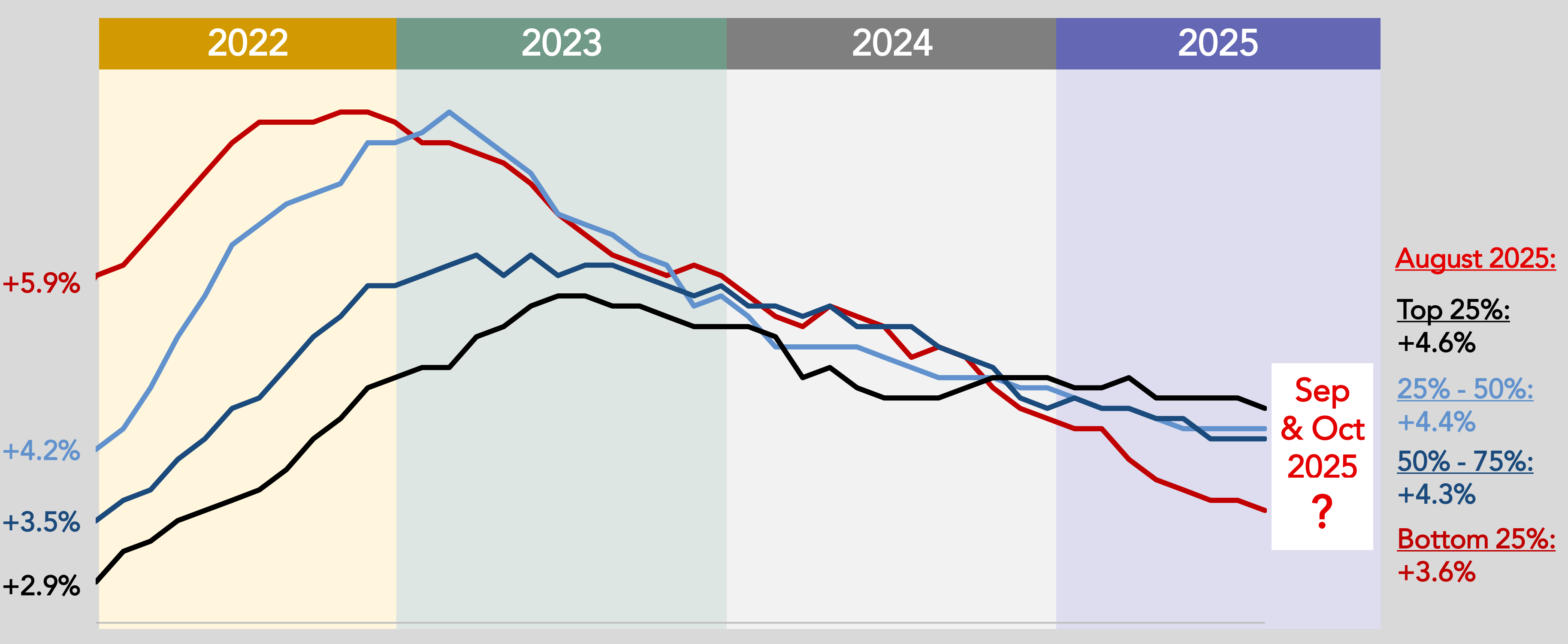
The pass through from tariffs to US inflation has been more muted than anticipated in 2025 due to inventory pre-ordering, absorption of costs by US importers and lower energy prices YTD. Nonetheless, inflation remains a strong headwind for the US consumer, especially considering the repricing higher of the entire US economy in the post-COVID period. In 2025, US inflation has been sticky at 3%, nearly double the pre-COVID average. Tariff-affected goods, housing and services continue to drive higher pricing pressures for the consumer.

Headline CPI, y/y



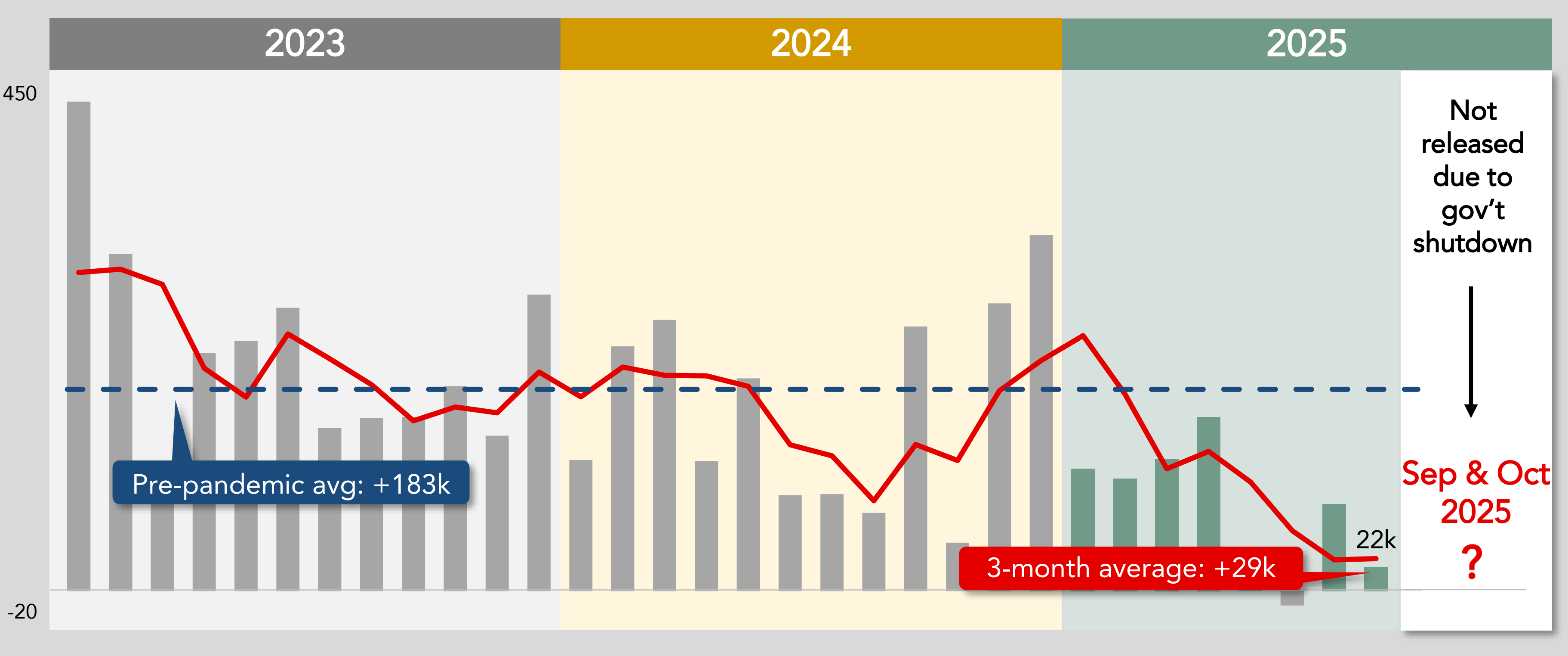
Official US wage growth data from the Bureau of Labor Statistics (BLS) for September and October have been delayed. The most recently released data showed a few notable trends including: modest deceleration in wages in 2025; still positive real wage growth; and a repositioning of the low income earners (bottom 25%) to the lowest tier of wage growth.

Hourly wage growth by quartile, 12 month moving avg



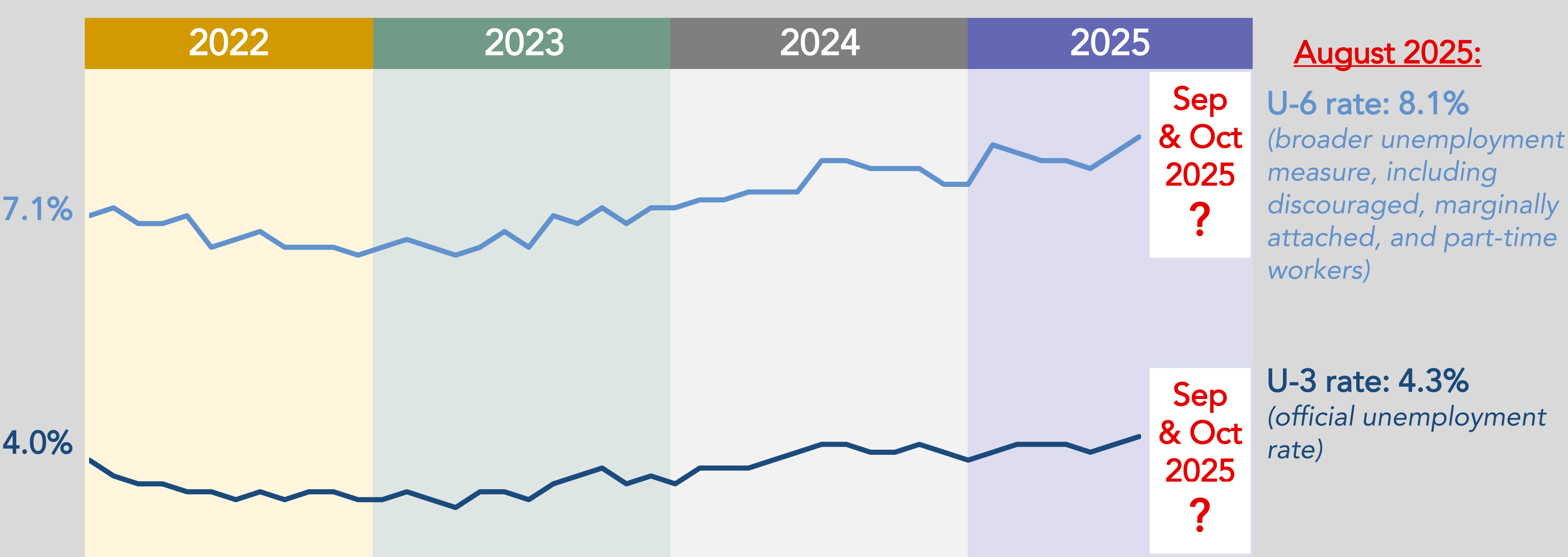
The BLS has also not released September and October US nonfarm payrolls data, but the pace of gains since April 2025 are at half the 2024 rate has been a concern. In August 2025, the most recently available data, US nonfarm employment rose just 22,000, a very weak monthly gain well below economist forecasts and prior period averages. The direction of travel on US labor data has also been consistent as evidenced by gains of 147,000 in June, 79,000 in July and 22,000 in August.

US nonfarm payrolls, monthly change, thousands



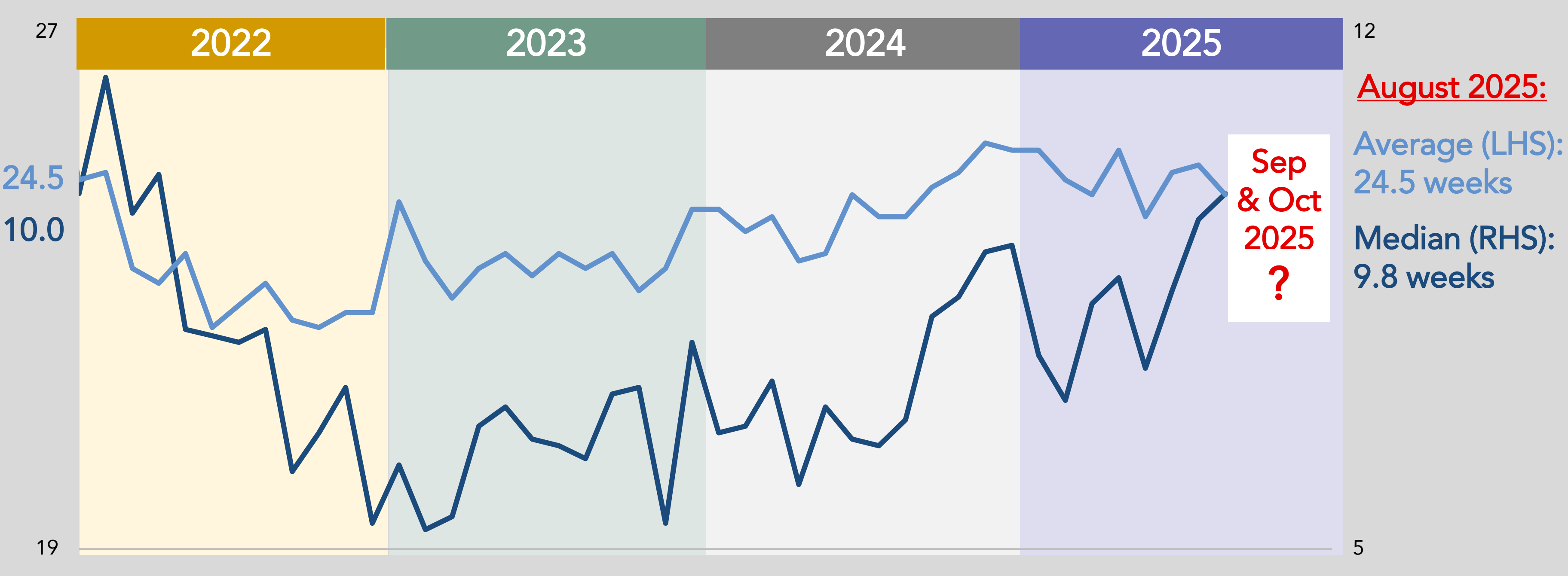
Though a lagging indicator, and with data unavailable since August, the US unemployment rate has nonetheless been on a gradual upward trend in recent months. Though less common historically, the current US Government shutdown has also exacerbated US labor market weakness by virtue of its timing and duration. The recent rise in U6 unemployment is consistent with rising underemployment and labor market slack.

US unemployment rate



US unemployment duration has lengthened notably in 2025, with both average and long-term measures rising to multi-year highs and solidifying the picture of a cooling US labor market. Measures of long-term unemployment (27+ weeks jobless) have also risen considerably in 2025, rising to 26% of all unemployed persons as of August 2025 (versus 21% in 2024).

US unemployment duration, weeks unemployed



Source: (1-12) Bloomberg. Data as of November 10, 2025. University of Michigan consumer sentiment is preliminary through November 2025. Conference Board consumer confidence is through October 2025. PCE data through August 2025. Nonfarm payrolls data through August 2025.

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