

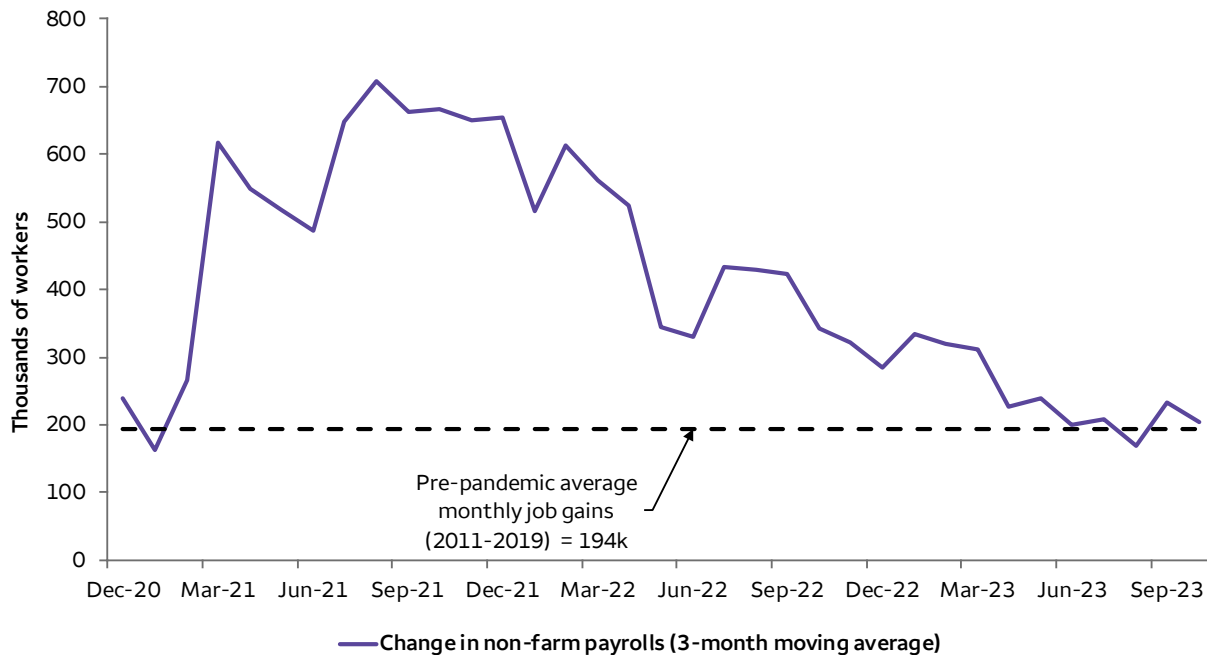


# Chart of the Week

Weekly market analysis on key market indexes

November 28, 2023

## Job growth is slowing to pre-pandemic levels



Sources: Bloomberg, Bureau of Labor Statistics, and Wells Fargo Investment Institute. Monthly data from December 1, 2020 to October 31, 2023.

### Change in non-farm payrolls (3-month moving average)

The change in non-farm payrolls, when smoothed on a three-month rolling basis, fell in August 2023 below the average experienced during the prior economic expansion (dashed line). Despite an uptick in September, the trend in the labor market remains weaker. Job growth slowed in October to a lower-than-expected 150,000.

Job gains had surged in early 2021 as employers added back jobs lost during the 2020 recession, and that job growth peaked in August 2021. While the labor market has remained more resilient than other parts of the U.S. economy, the chart shows that job growth has slowed significantly from its post-pandemic peak.

#### What it may mean for investors

We still view economic and financial headwinds as strong enough to deepen the economic slowdown by early 2024. Our 2023 year-end target for U.S. unemployment is 3.9%, rising to 5.6% by year-end 2024, and we believe households will find it increasingly difficult to maintain the recent pace of spending. We remain defensive and oriented toward quality as the economy likely downshifts in coming months.

Excerpted from *Economic and Market Strategy Update* (November 2023)

**Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value**

### **Risk Considerations**

Forecasts and targets are based on certain assumptions and on views of market and economic conditions which are subject to change.

### **General Disclosures**

Global Investment Strategy (GIS) is a division of Wells Fargo Investment Institute, Inc. (WFII). WFII is a registered investment adviser and wholly owned subsidiary of Wells Fargo Bank, N.A., a bank affiliate of Wells Fargo & Company.

The information in this report was prepared by Global Investment Strategy. Opinions represent GIS' opinion as of the date of this report and are for general information purposes only and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally. GIS does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

The information contained herein constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor. This report is not intended to be a client-specific suitability or best interest analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities. Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. The material contained herein has been prepared from sources and data we believe to be reliable but we make no guarantee to its accuracy or completeness.

Wells Fargo Advisors is registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority, but is not licensed or registered with any financial services regulatory authority outside of the U.S. Non-U.S. residents who maintain U.S.-based financial services account(s) with Wells Fargo Advisors may not be afforded certain protections conferred by legislation and regulations in their country of residence in respect of any investments, investment transactions or communications made with Wells Fargo Advisors.

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company. PM-05212025-6115203.1.1