
Weekly Market Flash

No News Is...No News

October 3, 2025

On Wall Street, traders and other denizens of the market have their own way of processing the daily news feed. Generally, every news item gets processed through the prism of what it might mean for interest rates, taxes and (maybe) one or two other things that markets care about. When you wonder why the pundits on CNBC are all excited about a bad jobs report, it means that the Street is abuzz with hopes for a looming Fed funds rate cut. Bad news is good news, in other words. Throw in a few bad macroeconomic reports, and there might be a pony out back in the form of another tax cut.

Catch the Drift

The news today – the first Friday of the month and therefore by all rights Jobs Friday – is neither good nor bad. It just isn't. Over at the Bureau of Labor Statistics, the September employment report probably exists somewhere, in somebody's desk drawer. But it won't be coming out today, because the lights are off at the BLS due to the government shutdown that started on Wednesday and appears likely to continue at least into the early part of next week. What is the latest unemployment rate? Did nonfarm payrolls increase or decrease last month, and by how much? Presumably we will find out sometime after the shutdown ends, but that will not be today.

In the absence of this key piece of economic data, markets are likely to drift. That's not such a bad thing, necessarily, because the trend of late has been upwards, and in the absence of a catalyst to force a change of direction, it would be a rational assumption that the drift will continue to bear prices aloft. US stock markets open in about 10 minutes, and premarket indicators are showing small moves to the upside. Nature may abhor a vacuum, but markets are happy to drift in the absence of hard data.

Earnings Season, Shopping Season

We don't know, of course, how much more government data will be delayed on account of the shutdown. The next big items – meaning the ones that matter most to the Fed in its interest rate deliberations – are due to come out in a couple weeks when the BLS releases its Consumer Price Index report (October 15) and Producer Price Index report (October 16). That's the same week that corporate earnings season kicks off in earnest, so at least there will be plenty to chew over as management teams present their third quarter results and provide guidance for the year ahead. That could be another excuse for traders to push stock prices higher. The current analyst consensus for Q3, according to data research company FactSet, is for sales to grow a bit more than six percent and net earnings to increase by nearly eight percent. Those estimates are higher now than they were three months ago, with the general sentiment seeming to be that, at least for now, the worst-case scenarios around tariffs and stagflation haven't materialized.

Towards the end of October the Federal Open Market Committee will meet again (with or without updated data about jobs and inflation). Markets are betting on another rate cut to follow from the 0.25 percent cut in September. That brings us into the holiday season, where expectations are for modest growth as shoppers continue to spend, though at a slower pace. Our current expectation is that these developments will be supportive of ongoing strength in equity markets, though we will be interested to

see what happens in the year's final weeks. Sometimes, the holiday season giddiness loses steam as Christmas comes and goes, and points towards a reversal of sentiment come January. Time will tell. Hopefully, by then we will at least have more hard data to peruse.

Masood Vojdani
President & CEO

Arian Vojdani
Principal & Investment Adviser

Katrina Lamb, CFA
Head of Investment Strategy & Research

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