

The Weekly Macro Outlook: The Shadow US Jobs Report

The key events shaping the w/c 6 October 2025: US Govt shutdown progress, FOMC Minutes & Fed speeches, ECB Minutes, RBNZ Decision

Recap from last week: The Week Without US Non-Farm Payrolls

Despite the absence of key U.S. government labor market data (due to the shutdown), other reports provided a clear flavor of current U.S. labor market conditions. This composite “shadow jobs report” data broadly validated the Fed’s recent shift to its labor-focused risk narrative, reinforcing concerns over rising downside risks to the U.S. labor market. At the same time, the various PMI reports for Sep showed diverging views over the growth momentum backdrop for the U.S. into the final month of Q3.

Insights from the various labor market reports reinforce the case that softer, more subdued US labor market conditions continued into Sep. The JOLTS report for Aug and the ADP payrolls report for Sep showed the economy remained in a low-hiring, weaker labor demand environment. The [ADP report](#), factoring in its latest benchmark revision, showed private payrolls contracted by 32k in Sep – following a path of slowing payroll growth in the YTD. From the JOLTS report, the implied net employment change (hires less separations) has remained low at near near-stalled pace for the last three months and slowed to +15k at the end of Aug. This was the result of a further fall in hiring, but also a further fall in separations. The hiring rate fell to 3.2%, just above the pandemic low of 3.1%. The job openings rate (labor demand) remained unchanged at a 4.3% rate in Aug, and remains below the 12-month average of 4.5%. Separations fell due to decreases in both layoffs and quits this month. The layoff rate remained unchanged at 1.1% around its 12-month average. The quits rate fell back to 1.9% – the equal low for this cycle – likely reflecting eroding confidence in labor market conditions and job availability.

This sentiment was reinforced in the [Conference Board Consumer Sentiment](#) report for Sep. The headline consumer confidence reading fell again in Sep. The present situation component “registered its largest drop in a year”, driven in part by another fall in consumers’ assessments of current job availability, falling for the ninth month running and reaching a new multi-year low. Consumers’ views of the labor market continued to weaken in Sep, with those saying jobs were “plentiful” falling from 30.2% in Aug to 26.9% in Sep. The proportion of consumers who said “jobs were hard to get” remained unchanged at 19.1%.

Corporate sentiment around labor demand also remained cautious in Sep. The [Challenger Job Cut Announcement survey](#) showed that announced job cuts eased over the month to 54k from 85k in Aug. However, the YTD view of the total of planned layoffs is now the highest since 2020 at 946k planned layoffs – led by government, technology, and retail sectors. Crucially, seasonal hiring announcements are subdued (lowest YTD since 2009), signalling risk management by employers.

This backdrop of notable and elevated layoff announcements in the YTD, together with the slower hiring environment, is consistent with the unemployment rate edging higher. Using the Aug BLS data, the unemployment rate has increased by +0.3%pts since Jan 2025 to 4.32% in Aug. The total number of unemployed persons is now +535k higher than at the start of the year. The latest [Chicago Fed](#) estimate of the unemployment rate in Sep shows that the unemployment rate likely continued to edge higher to 4.34%.

The ISM and S&P PMI reports for September offered a final look at labor market conditions by sector. The ISM employment indexes remained in contraction across both manufacturing and services, signalling more widespread hiring caution through Q3. While the S&P PMI's painted a firmer picture of the employment situation in Sep, it noted that services employment only saw a "marginal overall increase" due to "some reluctance amongst US service companies to add to their staffing levels".

Broadly, the two PMI reports for Sep show a divergent view of US growth momentum at the end of Q3. The US ISM surveys showed a more subdued view of conditions, as pockets of strength in AI/infrastructure activity were offset by housing market stagnation. The ISM services and manufacturing PMIs languished at a stalled/neutral level of 50 and 49, respectively, at the end of Q3. Conversely, the US S&P PMIs reflected a more moderate but sustained pace of expansion through Q3, with services output remaining little changed at 54.2 and manufacturing edging down to a still positive 52 in Sep. The Atlanta Fed GDP nowcast for Q3 GDP growth remains at an elevated +3.8% annualized rate – and this incorporates the ISM manufacturing report for Sep.

Fed speeches didn't add much to or change the outlook for the FOMC and the path of rates. In his speech during the week, Fed [Vice Chair Jefferson](#) noted that he supported a 25bps cut at the last meeting to "balance the risk of persistent above-target inflation and the risk of a deteriorating labor market". He noted that this change "moved our policy rate closer to a more neutral stance while maintaining a balanced approach to promoting our dual-mandate objectives". For now, markets are continuing to price in two rate cuts for the remainder of the year (source: [CME Fedwatch](#)).

The composite evidence from the JOLTS, ADP, and corporate sentiment reports shows that U.S. labor market conditions likely remained subdued in Sep. The data reflected stalled hiring momentum, ongoing risk management by employers (including elevated layoffs and subdued seasonal hiring), and eroding worker confidence. In the absence of official payroll data, this "shadow jobs report" confirms that the labor market fragility continued. This likely strengthens the view that if labor market conditions continue to deteriorate, the Fed has set the stage to follow through on the path of additional cuts signalled in its SEP.

Outside of the US, the RBA stayed on hold as expected, with concerns that the decline in underlying inflation in Australia has slowed. The Board cited this inflation concern amid a more positive backdrop for the economy, noting signs that private demand is recovering and labor market conditions remain stable. The RBA Governor will appear before the Senate Economics Committee later this week.

Outlook for the week ahead: US Govt shutdown progress, FOMC Minutes & Fed speeches, ECB Minutes, RBNZ Decision

The "shadow jobs report" of the past week reinforced the FOMC's shift toward incorporating labor-focused risk. However, with the official employment data still pending and mixed signals on growth momentum persisting, the market's scrutiny of policy communication remains high.

Progress on resolving the US government shutdown will be in focus this week. An update on the schedule of backdated releases is likely to be announced once a resolution has been reached and the Federal government resumes operations.

For now, it will be a quiet data week. Consequently, the focus shifts almost entirely to central bank communication: the FOMC minutes, Fed speeches, the ECB minutes, and the RBNZ meeting are all scheduled this week.

Key factors & events to watch this week:

US Federal Reserve

- FOMC Minutes of the 17 Sep meeting will reflect the decision to restart the rate-cutting cycle – citing the shift in the balance of risks, now that downside risks to employment have risen. The key will be discussion around the path/outlook for policy rates, especially around balancing the ‘data dependent’ approach with an acknowledgement that this cut would be part of a series of rate cuts over the rest of the year, towards neutral.
- There will be a number of [Fed speeches](#) this week, including Fed Chair Powell. The comments by the Fed Chair are currently scheduled as “welcoming remarks”. The new Fed Governor Miran will also take part in several discussions on 7 Oct.

Canada Labor Market survey - Sep

- The Canadian labor market report for Sep is expected to show employment growth stabilized at +2.8k in Sep after falling -65k in Aug.
- The unemployment rate is still expected to tick higher to 7.2% in Sep from 7.1% in Aug.

The latest ECB meeting minutes will be released this week.

The RBNZ will meet this week, and markets are expecting a 25bps cut.

US Treasury Issuance; 6 - 10 Oct 2025

This week, the US Treasury will auction and settle approx. \$511bn in ST Bills, raising approx. \$31bn in new money. The US Treasury will also auction the 3-year and 10-year Notes and the 30-year Bond this week – all will settle on 15 Oct.

QT this week: Approx \$13bn in ST Bills will mature on the Fed balance sheet and will be reinvested.

WEEK	Auction Date	Settlement Date	Marketable Securities	Auction Amount \$B (TBAC)	Amount Maturing \$B	New Money \$B	Prior Auction High Rate %
6-10 Oct 2024	02-Oct	07-Oct	4 week bill	105			Actual 4.060%
	02-Oct	07-Oct	8 week bill	90			Actual 3.960%
	01-Oct	07-Oct	17-week Bill	67			Actual 3.785%
0.745				262	245	17	
	06-Oct	09-Oct	13 week bill	84			Announced 3.860%
	06-Oct	09-Oct	26 week bill	75			Announced 3.715%
12.226	07-Oct	09-Oct	6-week bill	90			Announced 4.020%
				249	235	14	
			Total - securities settling this week	511	480	31	
			Net New Cash Raised Qtr to Date	801	760	41	
			<i>Estimated Net Cash to be Raised Q4</i>			<i>590</i>	
			Face value of US Federal Reserve SOMA securities maturing	\$B			
			Maturing & reinvestment				
		07-Oct	ST Bills	0.7			
		09-Oct	ST Bills	12.2			
				13.0			
			Maturing & redemption (balance sheet roll-off)				
			Nil	0.0			
			Upcoming Auctions	\$B			
	07-Oct	15-Oct	3yr Note	58			
	08-Oct	15-Oct	10yr Note	39			
	09-Oct	15-Oct	30yr Bond	22			
				119			

Quantitative Tightening Overview – Oct 2025

The cap on US Treasury redemptions was lowered to \$5bn effective Apr 2025. In Oct, the face value of Coupons maturing on the Fed balance sheet is approx. \$21.7bn. This is more than the \$5bn monthly cap on Treasury redemptions. So of the \$21.7bn of Coupons maturing in Oct, \$5bn will roll off the Fed balance sheet (redeemed) and \$16.7bn will be reinvested. It also means that all ST Bills maturing in Oct will be reinvested.

Summary of Total Coupons & Bills to Redeem at the \$5bn redemption cap - Oct				
			\$5	
			Redeem \$Bn	Reinvest \$ Bn
15-Oct-25	TIPS		0.7	2.2
31-Oct-25	Notes and Bonds		4.3	14.5
	Bills		0.0	66.5
Total Notes & Bonds			5.0	83.2

ST Bill maturity schedule – Oct 2025;

Bill Maturity Schedule - Oct			Weekly Totals \$Bn	
	Par Value of Bills Maturing	% Maturity by Wk	Bill Redemption	Bill Reinvestment
2025/10/02	16.66	25%	0.00	16.66
2025/10/07	0.74	1%	0.00	0.74
2025/10/09	12.23	18%	0.00	12.23
2025/10/14	0.74	1%	0.00	0.74
2025/10/16	8.39	13%	0.00	8.39
2025/10/21	0.75	1%	0.00	0.75
2025/10/23	8.94	13%	0.00	8.94
2025/10/28	0.77	1%	0.00	0.77
2025/10/30	17.26	26%	0.00	17.26
	66.48	100%	0.0	66.48

<https://www.newyorkfed.org/markets/treasury-rollover-faq>

Recommended US Treasury Financing Q3 2025 and Est Q4 2025

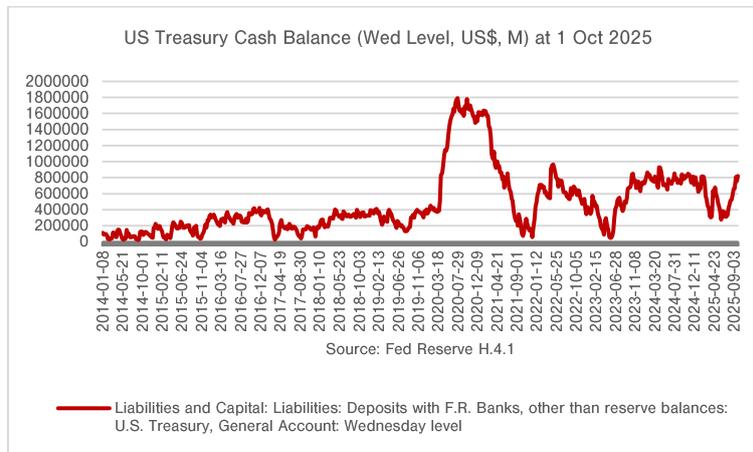
The latest update of the US Treasury borrowing requirements for Q3 and Q4 (estimate) can be found on the US Treasury website [here](#).

There was a notable upward revision to the Q3 net borrowing requirement due to the lower opening cash balance for Q3 - the US Treasury expects to borrow \$1.007 trillion in privately held net marketable debt, assuming an end-of-Q3 cash balance of \$850 billion.

Est Q4 - the US Treasury expects to borrow \$590 billion in privately held net marketable debt, assuming an end-of-December cash balance of \$850 billion.

US Treasury Cash Levels (TGA)

As of Wed 1 Oct 2025, the level of the TGA increased to \$819bn (+\$61bn compared to the week prior). The TGA balance is now approx. \$4bn lower than the same week a year ago.



<https://www.federalreserve.gov/datadownload/Download.aspx?rel=H41&series=53198152b62add5ad59ae42b6d3d720d&filetype=sheetml&label=include&layout=seriescolumn&from=01/01/2002&to=01/27/2021>

QE Program

There are no Treasury or MBS purchase operations scheduled at this time. Links to historical operation schedules: - <https://www.newyorkfed.org/markets/domestic-market-operations/monetary-policy-implementation/treasury-securities/treasury-securities-operational-details>

https://www.newyorkfed.org/markets/ombs_operation_schedule

CALENDAR W/C 6 October 2025

MONDAY 6 OCTOBER (US Eastern Time, unless stated otherwise)

Europe	Eurozone Retail Sales (Aug), ECB President Lagarde speech
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UK	BoE Governor Bailey speech
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US	CB Employment Trends Index (Sep) - tbc
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Australia	Westpac Consumer Confidence (Oct), ANZ Job Ads (Sep)
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TUESDAY 7 OCTOBER

Europe	Germany Factory Orders (Aug)
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US	International Trade/Goods Trade Balance – Final (Aug) – TBC, Consumer Credit Change (Aug), Fed speeches: Miran (discussion), Bowman, Bostic, Kashkari
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NZ	RBNZ Monetary Policy Meeting
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Japan	BoJ Governor Ueda speech
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WEDNESDAY 8 OCTOBER

Europe	Germany Industrial Production (Aug)
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US	MBA Mortgage Applications wk ending 4 Oct, FOMC Minutes, Fed speeches: Barr, Kashkari
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THURSDAY 9 OCTOBER

Europe	ECB Minutes
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US	Initial Jobless Claims wk ending 4 Oct – TBC, Fed speeches: Chair Powell (welcoming remarks), Bowman, Kashkari, Barr (economic outlook)
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Australia	RBA Governor Bullock speaks (appearance at Senate Estimates hearings)
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FRIDAY 10 OCTOBER

Canada	Labour Market Report (Sep)
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US	Michigan Consumer Sentiment – Prelim (Oct)
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