US Economics Daily (Beta Mode)

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Fed Eyes More Cuts as Shutdown Drags

Prior Close

Asset	Level	Days Change
S&P 500	6654.80	-0.11%
Nasdaq	22521.70	-0.76%
Spot VIX	20.81	+9.35%
2 Year Bond Yield	3.49	-2 bps
10 Year Bond Yield	4.03	-2 bps
EUR/USD	1.1604	-0.03%
USD/JPY	151.76	-0.05%
GBP/USD	1.332	+0.02%
Gold	4160.55	+0.79%
Bitcoin	113469.71	-1.55%

Prior Economic Events

Data	Prior	Cons	Actual
Speech by Fed's Paulson	-	-	-
Speech by Fed's Bowman	-	-	-
Speech by Fed's Chair Powell	-	-	-
Speech by Fed's Waller	-	-	-
Speech by Fed's Collins	-	-	-

Chart of the Day

Today's Economic Events

Data	Prior	Cons	Time
Speech by Fed's Bowman	-	-	08:45
Speech by Fed's Chair Powell	-	-	12:20
Speech by Fed's Waller	-	-	15:25
Speech by Fed's Collins	-	-	15:30
MBA 30-Year Mortgage Rate	6.43	-	07:00
NY Empire State Manufacturing Index	-8.70	-1.80	08:30
Speech by Fed's Bostic	-	-	12:10
Speech by Fed's Miran	-	-	12:30
Speech by Fed's Waller	-	-	13:00

- **Fed officials, including Chair Powell, emphasized the need for additional rate cuts to support employment amid labor market risks.**
- **Government shutdown continues to delay key economic data, prompting reliance on private sector earnings for insights.**
- **Markets remained stable with no significant moves in equities, bonds, or FX, reflecting calm amid policy signals.**

Yesterday's Recap

Equities held steady with the S&P 500 closing at 6654.80.
Bond yields were unchanged, with the 10-year Treasury at 4.03%.
FX pairs showed minimal shifts, as EUR/USD traded at 1.1604 and USD/JPY at 151.76.
Commodities like gold edged slightly higher to 4160.55, while Bitcoin held near 113469.71.
Fed speeches dominated, with Chair Powell and colleagues Paulson, Bowman, Waller, and Collins highlighting labor market vulnerabilities and justifying further easing.

The Day Ahead

Investors await the NY Empire State Manufacturing Index at 8:30am, expected at -1.8 after last month's -8.7.
The MBA 30-Year Mortgage Rate at 7:00am is forecasted without consensus, following 6.43 previously.
Multiple Fed speeches loom, including Bowman at 8:45am, Powell at 12:20pm, Waller at 15:25pm, Collins at 15:30pm, Bostic at 12:10pm, Miran at 12:30pm, and another Waller at 13:00pm, potentially reinforcing dovish tones.
The Fed Beige Book at 14:00pm could provide regional economic insights amid the ongoing shutdown.

Other Economic Notes

The government shutdown enters its 13th day, delaying CPI and employment data, while economists note tariffs are already burdening consumers with up to 55% of costs.
AI investments, like JPMorgan's $1.5 trillion initiative, signal efforts to boost domestic supply chains against foreign dependencies.

Fed Watch

In a cutting cycle, recent speeches from Fed officials indicate

Chart 1

Chart 2

Chart 3

Chart 4

Fed Watch (continued)

Powell and Paulson emphasized balancing employment risks against inflation, with tariffs seen as a modest drag rather than persistent pressure.
Markets price fewer cuts in 2025, but officials like Paulson caution against overly aggressive easing given uncertainties.
The October meeting looms as a likely venue for another 25bps reduction, potentially accelerating the path toward neutrality.