



Wall Street Pushes Higher Despite U.S. Shutdown as Weak Jobs Data Raises Market Crosscurrents.

October 1, 2025

by Francisco Rodríguez-Castro
frc@birlingcapital.com

The U.S. and European stock markets closed with gains as Wall Street brushed off the start of a new government shutdown, with traders wagering the impasse would be short-lived and carry minimal damage to growth.

The **S&P 500** rose 0.34%, closing above 6,700 for the first time, a new record, while the **Nasdaq Composite** added 0.42%, and the **Dow Jones** advanced 0.09%. Health-care names led the rebound, with strong rallies in **Regeneron Pharmaceuticals** and **Moderna** fueling the broader index's push upward.

The uptick comes on the heels of a strong September, during which the S&P 500 climbed more than 3.5%. The **ADP Employment Change** fell sharply to **-32,000 jobs**, compared with **-3,000** in the prior month and well below the **194,000 jobs gained a year ago**. This marks a striking reversal from steady job growth to outright contraction, raising concerns that the labor market, which has long been a source of economic resilience, may finally be losing momentum.

The shutdown began after Senate Republicans failed to advance a temporary funding bill late Tuesday. Democrats are pushing to extend health-care tax credits as part of any stopgap deal, leaving the standoff unresolved.

Still, investors showed little alarm, as the *markets seemed, for now, unconcerned.*

U.S. Government Shutdown – What Investors Need to Know

At midnight on September 30, the U.S. government entered its **22nd shutdown since 1976**, after the Senate failed to pass a continuing resolution. Approximately **750,000 federal employees** are facing furloughs, while essential services, including Social Security, Medicare, defense, and air safety, continue to operate.

History shows shutdowns are disruptive but temporary: each week costs **0.1%–0.2% of quarterly GDP growth** (about **\$6–8 billion**), but activity usually rebounds once funding is restored. Markets often react with short-term volatility; however, in **80% of past shutdowns, equities were higher six months later.**

What's different this time: the White House has warned of **potential permanent layoffs**, and the **Bureau of Labor Statistics** will suspend jobs and inflation data, leaving the Fed with less visibility ahead of its October 30 policy meeting.

For investors, the S&P 500 is already up **30% since April**, making markets more sensitive to headlines. Still, shutdowns typically delay—not destroy—economic activity. **Volatility can be used as an opportunity to rebalance portfolios strategically.**

We have attached a chart that illustrates the historical impact of government shutdowns on GDP growth and equity markets for your review.

European Markets Open Mixed as Investors Track U.S. Shutdown Developments

European equities showed a mixed opening on Wednesday as global investors digested political gridlock in Washington while weighing a strong end to the third quarter.

The main Eurozone indexes closed broadly higher, even as investors weighed fresh macroeconomic data on Wednesday, with September's inflation figures confirming expectations.

Eurostat's flash estimate showed consumer prices in the euro area rising **2.30% YoY**, in line with forecasts and slightly above August's 2% increase.

The data reinforced the narrative of a gradual but steady inflationary backdrop across the bloc, keeping policymakers and markets alert to how the European Central Bank might calibrate rates in the coming months.

Pharmaceutical stocks were broadly higher, lifted by U.S. President Donald Trump's push to cut drug costs.

- **AstraZeneca** climbed 7.2%, as speculation continues over a possible move of its primary listing from London to New York.
- **Roche Holdings** advanced 6.5%, **Zealand Pharma** rose 3.8%, and **Novo Nordisk** gained 2.6%.

The combination of resilient sector momentum, corporate buybacks, and leadership transitions is keeping European markets buoyant despite geopolitical and policy uncertainty abroad.

Economic Data:

- **ADP Employment Change:** fell -32,000, down from -3,000 last month.
- **ADP Median Pay YoY:** rose to 4.50%, compared to 4.40% last month.
- **U.S. ISM Manufacturing PMI:** rose to 49.10, up from 48.70 last month, up 0.82%.
- **U.S. Construction Spending MoM:** is at -0.07%, compared to -0.40% last month.
- **Eurozone Inflation Rate:** is unchanged at 2.30%, compared to 2.30% last month.
- **Japan Consumer Confidence Index:** rose to 34.90, up from 33.70 last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 564.62, up 6.44 points or 1.15%.
- **FTSE 100:** Closed at 9,446.43.43, up 96.00 or 1.03%.
- **DAX Index:** Closed at 24,113.62, up 232.90 points or 0.98%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 46,441.10, up 43.21 points or 0.09%.
- **S&P 500:** closed at 6,711.20, up 22.74 points or 0.34%.
- **Nasdaq Composite:** closed at 22,755.16, up 95.14 points or 0.42%.
- **Biriling Capital Puerto Rico Stock Index:** closed at 4,209.88, down 24.41 points or 0.58%.
- **Biriling Capital U.S. Bank Index:** closed at 8,313.11, down 92.42 points or 1.10%.
- **U.S. Treasury 10-year note:** closed at 4.12%.
- **U.S. Treasury 2-year note:** closed at 3.55%.

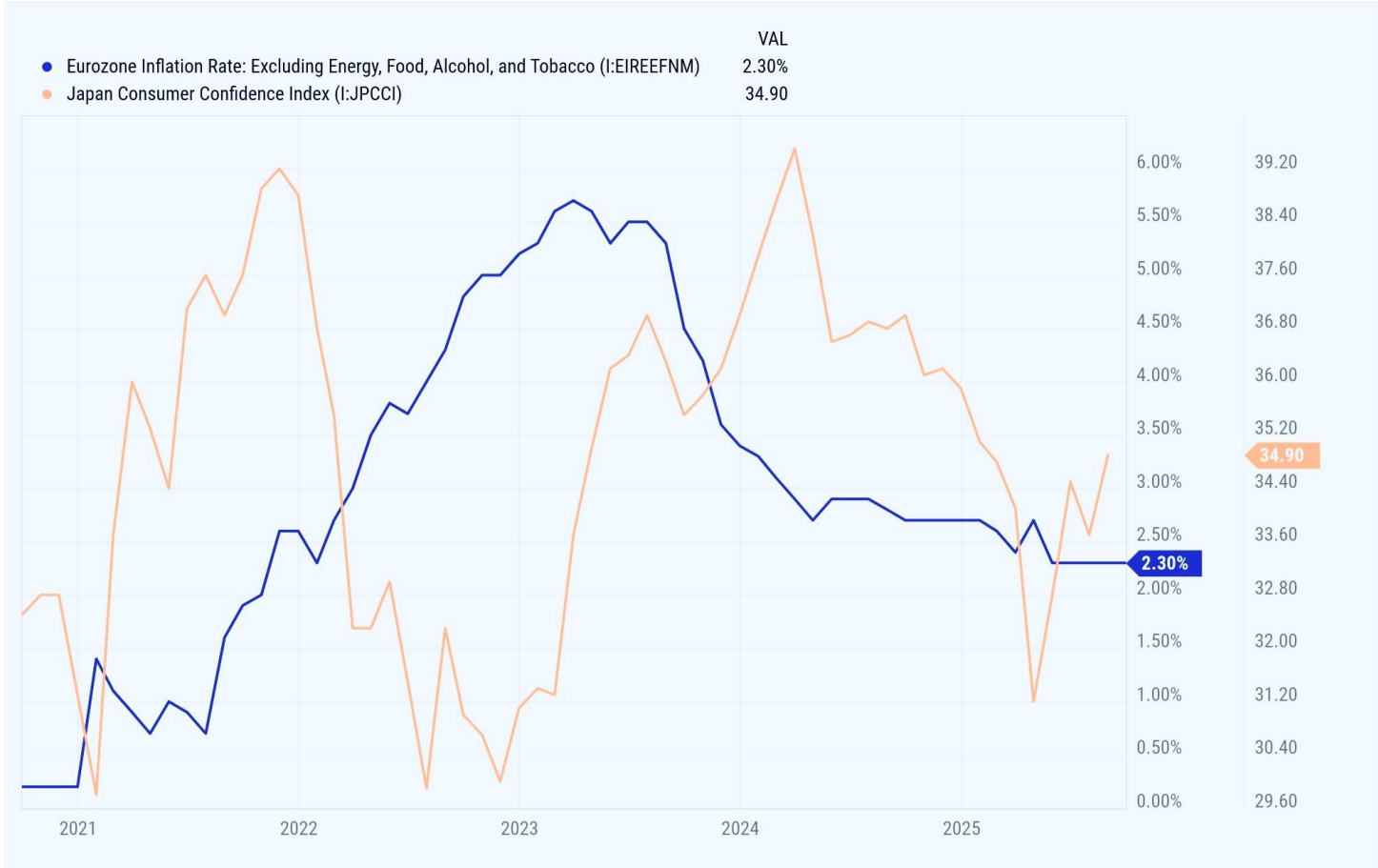
US Government Shutdowns 1976-2025

Start Date	End Date	Duration	GDP Impact	S&P 500 During (%)	S&P 500 3M After
30-Sep-76	11-Oct-76	10	-0.20%	-2.00%	4.50%
30-Sep-77	13-Oct-77	12	-0.10%	0.50%	2.10%
31-Oct-77	9-Nov-77	8	-0.10%	-1.10%	3.20%
30-Nov-77	9 dic 1977	8	-0.10%	-0.60%	2.00%
30-Sep-78	18-Oct-78	18	-0.30%	-3.20%	5.00%
31-Oct-79	9-Nov-79	9	-0.20%	-2.00%	4.20%
20-Nov-81	23-Nov-81	2	-0.10%	-0.30%	2.30%
30-Sep-82	2-Oct-82	1	0%	0.20%	1.80%
17 dic 1982	21 dic 1982	4	-0.10%	-0.60%	2.00%
10-Nov-83	14-Nov-83	3	0%	0.10%	1.50%
30-Sep-84	3-Oct-84	3	-0.10%	-0.20%	1.90%
3-Oct-84	5-Oct-84	2	0%	0.30%	1.40%
16-Oct-86	18-Oct-86	3	-0.10%	-0.20%	3.20%
18 dic 1987	20 dic 1987	2	0%	0.10%	2.50%
5-Oct-90	9-Oct-90	4	-0.10%	-0.50%	2.10%
13-Nov-95	19-Nov-95	5	-0.20%	-3.70%	4.80%
15 dic 1995	6 ene 1996	21	-0.50%	0.40%	5.20%
1-Oct-13	16-Oct-13	16	-0.30%	-2.90%	7.50%
22 dic 2018	25 ene 2019	35	-0.50%	-2.70%	6.40%
30-Sep-25	Present	1			

ADP Employment Change; ADP Median Pay YoY; US ISM Manufacturing PMI & US Construction Spending MoM



Eurozone Inflation Rate: Excluding Energy, Food, Alcohol, and Tobacco & Japan Consumer Confidence Index





Wall Street Recap October 1, 2025



Global Market Square © es una publicación preparada por Birling Capital LLC y resume los recientes desarrollos geopolíticos, económicos, de mercado y otros que pueden ser de interés para los clientes de Birling Capital LLC. Este informe está destinado únicamente a fines de información general, no es un resumen completo de los asuntos a los que se hace referencia y no representa asesoramiento de inversión, legal, regulatorio o fiscal. Se advierte a los destinatarios de este informe que busquen un abogado profesional adecuado con respecto a cualquiera de los asuntos discutidos en este informe teniendo en cuenta la situación de los destinatarios. Birling Capital no se compromete a mantener a los destinatarios de este informe informados sobre la evolución futura o los cambios en cualquiera de los asuntos discutidos en este informe. Birling Capital. El símbolo de registro y Birling Capital se encuentran entre las marcas registradas de Birling Capital. Todos los derechos reservados.