



Wall Street Sets Fresh Records as Shutdown Darkens Data Flow and Economic Outlook.

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The U.S. and European stock markets closed with more gains, as investors weighed the ongoing government shutdown and its ripple effects on data releases and fiscal policy. The **S&P 500** eked out an increase of 0.06%, closing at **6,715.35**, another all-time peak. The **Dow Jones Industrial Average** advanced 0.17% to **46,519.72**, while the **Nasdaq Composite** rose **0.39%** to settle at **22,844.05**, also notching a new milestone. Tech stocks continued to fuel momentum, with **Nvidia** rallying to yet another record as investors piled further into the AI leader.

Still, clouds lingered. Treasury Secretary **Scott Bessent** warned in a CNBC interview that U.S. GDP growth could “take a hit” if the shutdown drags on, a remark that sharpened concerns over the durability of economic momentum.

Optimism that the funding lapse would be short-lived helped markets maintain their upward tilt. The S&P 500 had already logged its 29th record close of the year on Wednesday, breaking decisively above the 6,700 marks for the first time. The Dow also reached a fresh closing high in the prior session, underscoring the market's resilience.

The shutdown began after lawmakers failed to reach an agreement on a stopgap spending bill by Tuesday's deadline. Democrats insisted on tying the measure to an extension of health-care tax credits, while Republicans rejected the proposal, sparking the impasse. President **Donald Trump**, for his part, framed the deadlock as a means of leverage. On Thursday, he argued Democrats had given him “an unprecedented opportunity” to push for deeper cuts across federal agencies.

U.S. Treasury yields ticked higher, with the **10-year note at 4.10%**, reflecting caution amid fiscal uncertainty. In currency markets, the **U.S. dollar strengthened against major peers**, reversing its recent pullback. Meanwhile, **WTI crude slipped toward a four-month low**, as concerns about oversupply dominated energy sentiment.

European and Asian Markets Update

Across Europe, equities advanced despite a mixed macro backdrop, with technology and auto shares driving gains. The **Eurozone unemployment rate rose to 6.3% in August**, slightly above consensus forecasts of 6.2%, yet investors leaned into risk assets on optimism about corporate earnings resilience.

In Asia, markets closed broadly higher, led by South Korea's **Kospi index reaching an all-time peak**. Tech heavyweights **Samsung and SK Hynix surged** after announcing a partnership to supply advanced semiconductors to AI leader **OpenAI**, underscoring the strategic alignment between AI adoption and semiconductor capacity.

Autos Accelerate in Europe

The auto sector also contributed to the rally. The **Stoxx Automobiles & Parts Index** advanced **2.3%**, led by **Stellantis**, which jumped **8.3%** after reporting a **6% year-over-year rise in Q3 U.S. sales**. Gains were broad-based across its Jeep, Chrysler, Ram, and Fiat brands. Economists, however, warned that momentum could ease in the final quarter of 2025.

Labor-Market Data Delayed by Shutdown

The shutdown is already disrupting economic transparency. The **Bureau of Labor Statistics (BLS)** **confirmed that tomorrow's September jobs report will be delayed**, depriving markets of a critical labor read. Today's **weekly jobless claims data** was also suspended. Economists had expected a modest rise to **223,000 from 218,000** the prior week.

Consensus estimates for September payrolls indicate **+50,000 jobs**, an improvement from **+22,000 in August**, with unemployment expected to remain steady at **4.3%**. Wage growth is projected at **3.7% YoY**, matching August, and continuing to outpace CPI inflation of 2.9%. That dynamic should provide ongoing support for discretionary consumption.

Despite a gradual cooling in hiring, **7.2 million job openings remain near parity with 7.4 million unemployed workers**, signaling slack but not collapse. Birling Capital's view: while the labor market is losing steam, resilient wage gains keep consumer spending as a stabilizing force for growth.

Government Shutdown: Second Day of Paralysis

The fiscal standoff entered its **second day** after Congress disagreed on a funding path for the fiscal year that began on October 1. The **House passed a short-term bill**, but the measure stalled in the Senate as Democrats pushed to restore health-care funding cut in the summer tax package.

With no deal in place, **nonessential federal agencies have begun implementing furloughs** and shuttering services, adding another layer of uncertainty to financial markets. For a deeper analysis of the fiscal and economic implications, see our complete Birling Capital note on the shutdown's cascading impact.

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GDPNow Update:

- The GDPNow for the third quarter fell to 3.80%, down from 3.90%, a -2.56% decrease.

Economic Data:

- **U.S. Initial Claims for Unemployment Insurance:** fell to 218,000, down from 232,000 last week, decreasing by 6.03%.
- **U.S. 4-Week Moving Average of Initial Claims for Unemployment Insurance:** fell to 237,500, down from 240,250 last week.
- **U.S. Durable Goods New Orders MoM:** is at -2.76%, compared to -9.39% last month.
- **30-Year Mortgage Rate:** rose to 6.30%, compared to 6.26% last week.
- **Eurozone Unemployment Rate:** fell to 6.30%, compared to 6.20% last month.

Eurozone Summary:

- **Stoxx 600:** Closed at 567.60, up 2.98 points or 0.53%.
- **FTSE 100:** Closed at 9,427.73, down 18.70 or 0.20%.
- **DAX Index:** Closed at 24,422.56, up 308.94 points or 1.28%.

Wall Street Summary:

- **Dow Jones Industrial Average:** closed at 46,519.72, up 78.62 points or 0.17%.
- **S&P 500:** closed at 6,715.35, up 4.15 points or 0.06%.
- **Nasdaq Composite:** closed at 22,844.05, up 88.89 points or 0.39%.
- **Birling Capital Puerto Rico Stock Index:** closed at 4,154.35, down 55.53 points or 1.32%.
- **Birling Capital U.S. Bank Index:** closed at 8,144.19, down 168.92 points or 2.03%.
- **U.S. Treasury 10-year note:** closed at 4.10%
- **U.S. Treasury 2-year note:** closed at 3.55%.

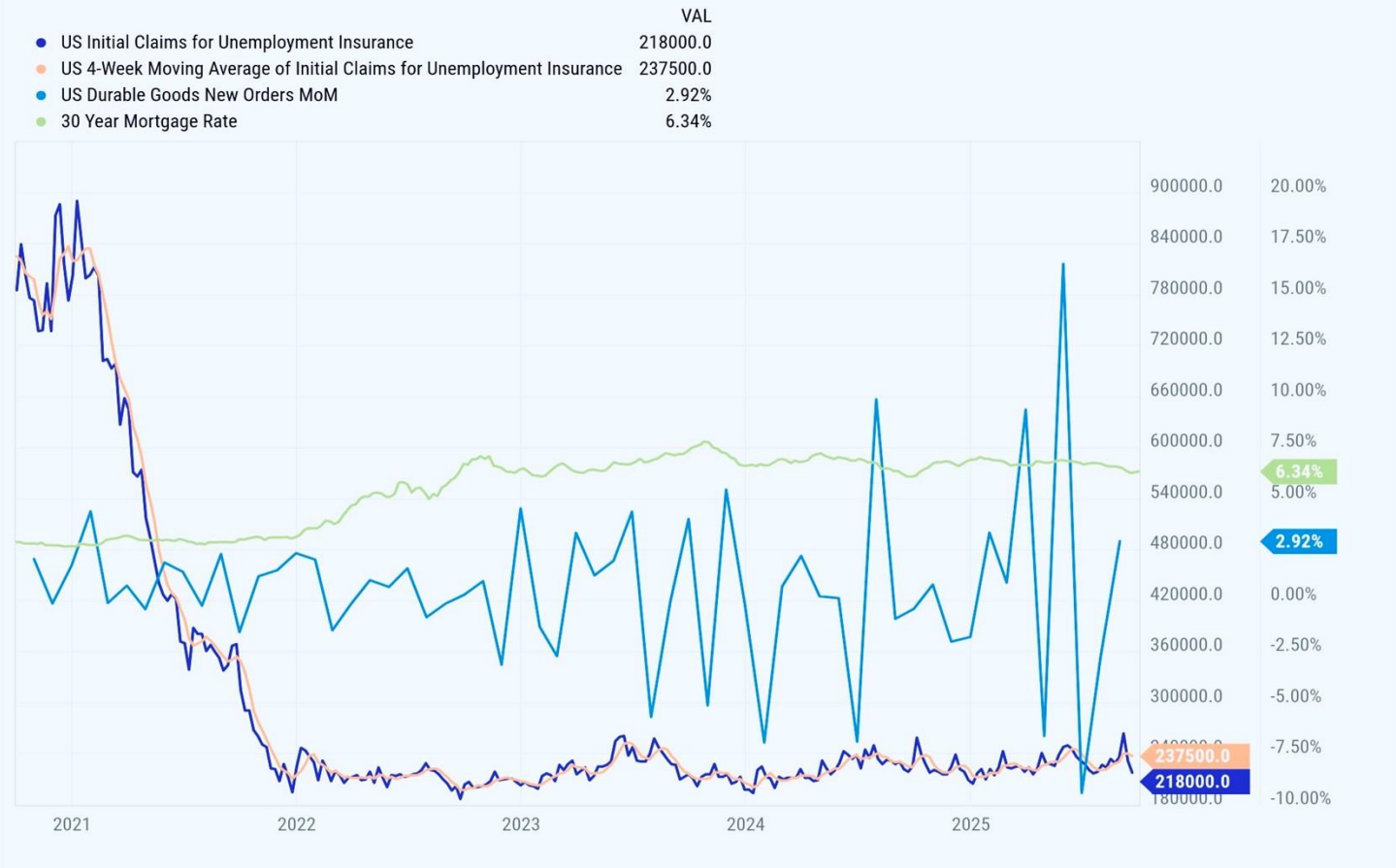


GDPNow

Third Quarter 2025

Date	GDPNow 3Q25	Change
7/31/2025	2.30%	Initial Forecast
8/1/2025	2.10%	-8.70%
8/5/2025	2.50%	19.05%
8/7/2025	2.50%	19.05%
8/15/2025	2.50%	0.00%
8/19/2025	2.30%	-8.00%
8/26/2025	2.20%	-4.35%
8/29/2025	3.50%	59.09%
9/2/2025	3.00%	-14.29%
9/4/2025	3.00%	0.00%
9/10/2025	3.10%	3.33%
9/16/2025	3.40%	9.68%
9/17/2025	3.30%	-2.94%
9/26/2025	3.90%	18.18%
10/1/2025	3.80%	-2.56%

US Initial Claims for Unemployment Insurance; US 4-Week Moving Average of Initial Claims for Unemployment Insurance; US Durable Goods New Orders MoM & 30 Year Mortgage Rate



Wall Street Recap October 2, 2025



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