

NOVEMBER 10, 2025

Paige Wilhelm

Senior Vice President

Senior Portfolio Manager

Federated Investment Counseling

Still in the dark

Scientists tell us that nature abhors a vacuum. The last several weeks have shown the financial markets do, too. The long federal government shutdown has prevented a vast amount of data from reaching investors, leading them to scrounge for information. Some of this — especially surveys — are best understood as providing color to the reams of data generated by the government. That's the case with the University of Michigan Consumer Sentiment Index, which usually complements reports on retail sales and the like. The likelihood is that too much emphasis will be put on it now, particularly because its latest gauge, released Friday, is not pretty. The preliminary November results indicate that consumer confidence fell from 53.6 in October to 50.3. Not since June 2022 has the survey plumbed that depth, a fact made worse as that's also the lowest level on record.

On a positive note, the ADP National Employment Report said the US private sector added 42,000 jobs in October and pay increased and annualized 4.5%: "Last month delivered a rebound from two months of weak hiring, but the bounce wasn't broad-based. Education and health care, and trade/transportation/utilities led the growth." But this nice bump will mean nothing if it turns out that the US as a total actually lost jobs and the unemployment rate increased last month. But to find that out, we will have to wait for the government, specifically the Bureau of Labor Statistics, to get back to work.

Views are as of the date above and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector.

Federated Investment Counseling

G40461-19 (11/25)