

Furstenau Wealth Update October 13, 2025

The Markets

Filling the data void.

Ancient Greek Philosopher Aristotle theorized that nature abhors a void and fills it. Anyone who has ever cleared a garden patch and delayed planting understands the idea. Before long, the empty ground is teeming with opportunistic plants.

The government shutdown created a data void. Usually, the government delivers robust economic data that analysts and investors rely on to better understand where the American economy has been, where it is now, and where it may be going. It's information the United States Federal Reserve (Fed) relies on to determine whether a rate cut or increase is necessary, reported Megan Leonhardt of Barron's.

One critical piece of data that has been delayed because of the shutdown is the September 2025 unemployment report. With government data unavailable, Wall Street is turning to alternative sources of information—and those sources are telling different stories. For example, we've read that in September U.S. employment:

- **Rebounded.** A top financial firm reported "that the economy added about 80,000 jobs in September, showing a rebound from sluggish labor-market growth during the four preceding months," according to Matt Grossman of Dow Jones via Barron's.
- **Remained steady.** The Chicago Federal Reserve's Real-Time Unemployment Rate Forecast indicated that the unemployment rate remained unchanged at 4.3 percent for September.
- **Slowed.** A global investment company reported, "...data from our portfolio suggest that the collapse in U.S. payroll employment growth continued in September, with monthly gains falling from an average of over 200,000 at the start of the year to just 15,000 over the past three months."
- **Shrank.** A top payroll processor found that "private employers shed 32,000 jobs in September." It's a finding that would be at odds with economists' pre-shutdown forecasts, reported Leonhardt.

The breakeven employment rate, which is the number of new jobs that must be created to keep the employment rate steady, is 32,000 to 82,000, according to the calculations of St. Louis Fed economists Alexander Bick and Victoria Gregory.

Another critical piece of data is the Consumer Price Index (CPI), which measures how prices change from month to month. The October CPI is particularly important because it is used to calculate cost-of-living increases for Social Security recipients. The Social Security Administration is legally required to publish its annual cost-of-living increase for 2026 before November 1, reported Emily Peck of Axios. That's why the Bureau of Labor Statistics began recalling employees last week. The September CPI will be late, but it will be available in October.

Last Friday, major U.S. stock indexes pulled back sharply after trade tensions reignited between the United States and China, reported Connor Smith of Barron's. Yields on most maturities of U.S. Treasuries moved lower on Friday.

Data as of 10/10/25	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	-2.4%	11.4%	13.4%	22.0%	13.1%	12.5%

Dow Jones Global ex-U.S. Index	-1.5	22.9	15.8	17.2	6.6	5.0
10-year Treasury Note (yield only)	4.1	N/A	4.1	3.9	0.8	2.1
Gold (per ounce)	2.3	52.2	51.2	33.33	15.6	13.1
Bloomberg Commodity Index	-1.2	5.4	3.5	-3.6	7.4	1.5

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

A ROOM OF ONE'S OWN. Housing is expensive. Buying a home is out of reach for many Americans because “home prices are historically high relative to incomes”, reported Peyton Whitney of the Joint Center for Housing Studies at Harvard. In 2024, the price of a median single-family home was five times the median household income. (Affordability of homes varies by region.)

Renting isn't cheap either. The Economist analyzed the affordability of American cities for renters who prefer to live alone. They used “...the rule that a tenant should spend no more than 30 [percent] of their gross income on rent. Using rental prices gathered by...an online property platform, we calculated the salary needed to afford a typical studio apartment in each city.”

Based on median rental prices for August 2025, the publication found the most affordable cities in the United States included:

- Wichita, Kansas
- Baton Rouge, Louisiana
- Lincoln, Nebraska

The report found that some previously unaffordable cities have become affordable, including Knoxville, Tennessee; Denver, Colorado; Madison, Wisconsin; and Norfolk, Virginia.

Then, there are the cities that are affordable only if a renter earns a well-above-average income. The least affordable cities for renters hoping to live alone included:

- New York City, New York
- Miami, Florida
- Jersey City, New Jersey

In addition, “Several of the newly prohibitive cities are in Texas...Last year, both Houston and Dallas were deemed affordable...This year, they fell below that threshold. In Austin, monthly studio rents are now \$1,580, a 25 [percent] jump from 2024. This requires a salary of \$63,200, more than \$10,000 higher than the city's median wage...Texas has experienced an influx of people in recent years. Many tech firms and other big companies have moved their offices to the state, drawn by low taxes and favorable regulation. Salaries have increased, but rents are rising faster,” reported The Economist.

Weekly Focus – Think About It

“The ache for home lives in all of us. The safe place where we can go as we are and not be questioned.”

–Maya Angelou, *Memoirist and poet*

Best regards,

Ryan D. Furstenau

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

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- * The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- * The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- * Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.
- * The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- * The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- * The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- * The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- * International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- * The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
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