

DATE: November 21, 2025

TITLE: Soft Jobs, Hard Edges, and a Fed With No Visibility

TRANSCRIPT:

Host:

Eric, a big week for markets — the delayed US jobs report finally showed up, Nvidia delivered, and yet sentiment still feels fragile. Let's start with the jobs number. What stood out?

Eric:

What stood out is that the labour market is softening, but it's absolutely not breaking. The September payroll report came in at 119,000 jobs — more than double the consensus. Not strong enough to change the narrative, but certainly not weak enough to justify panic either. Healthcare was the main driver as usual, and the surprise was the job losses in transportation and warehousing, which is probably an early sign of automation reshaping that part of the economy. Unemployment stayed at 4.4%, participation barely moved, and wage growth is easing steadily. So the big picture is one of gradual cooling. Historically, this kind of 100–150k monthly job growth is perfectly consistent with an economy running near potential. So the report didn't send any dramatic message.

But the context around the report is what matters. This number landed in a vacuum. The Fed is heading into its December meeting with no October payrolls, no November payrolls, and no October CPI. All of it is delayed. So while the economy is cooling, the Fed simply doesn't have the data it needs to take a confident step. And that's why markets immediately priced out the chance of a December rate cut. There's a sense the Fed may stay cautious simply because it has no visibility. You could see that discomfort in markets. Equities slipped after an initially positive reaction. The Nasdaq dropped a bit more than two percent. Bond yields edged lower later in the day. Even gold rolled over, with some technicians calling for a deeper correction before any rebound. It wasn't panic — it was just a market trying to operate in the dark.

Host:

And part of that discomfort is the growing stress among US consumers. How serious is that becoming?

Eric:

It's becoming much more visible. Beneath the softness in the labour data, you're seeing clear signs of strain. Consumer bankruptcies are up sharply over the past year, and the auto sector is flashing some of the loudest warning signals we've seen since the financial crisis. The US is tracking close to three million auto repossessions this year. Subprime delinquencies are at record levels. So you've got this split economy: wealthier households still spending comfortably, and lower-income households struggling under the weight of high borrowing costs. And the reality is the top end of the consumer cannot power the entire economy forever. These cracks matter. They're the first places stress shows up when rates stay high for too long.

Host:

Let's shift to geopolitics. There were headlines this week about US plans for a ceasefire proposal in Ukraine, which seemed to pressure oil briefly. Do you think this is meaningful?

Eric:

Not in any immediate sense. Europe doesn't view the US proposal as realistic, and Ukraine isn't going to accept something that involves giving up territory and reducing its military capacity. So the idea that we're close to a quick peace that collapses oil prices doesn't hold. This is still a long grind. Oil dipped briefly, but the fundamentals haven't changed.

Host:

And Japan made headlines as well with a big move in 10-year yields.

Eric:

Yes — the 10-year JGB hit a seventeen-year high at around 1.85%, driven by expectations of a very large fiscal package from the new Prime Minister. Japan is shifting into a more expansionary stance, and rising JGB yields have a habit of pulling other bond markets with them. It's been one of the under-discussed stories of the week, but an important one.

Host:

Before we finish, let's talk Nvidia. Another huge print. How is the market interpreting it?

Eric:

Nvidia delivered another exceptional set of results. Revenues were up more than sixty percent year-on-year, data-centre sales smashed expectations, and guidance for next quarter was even stronger. The important message is that AI infrastructure demand remains incredibly robust. This doesn't look like the top of a bubble — it looks like a long, sustained capital-investment cycle. There are still watch-points — regulatory risks, competition, and even electricity supply constraints — but for now, Nvidia remains the anchor for global tech sentiment. If Nvidia holds up, the AI trade holds up.

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