

DATE: September 5, 2025

TITLE: Jobs, Oil, and the \$80 Billion Question

TRANSCRIPT:

**Q1: Eric, let's start with the elephant in the room. The U.S. jobs report lands today. Why is everyone so fixated on it?**

**Eric:**

Because this number is the pivot point for everything else right now. Markets are hoping for weakness—strange as that sounds. Consensus is for about 75,000 new jobs. If it's materially lower, investors will take it as a green light for the Fed to cut rates more aggressively.

But here's the irony: the last head of the Bureau of Labor Statistics literally lost her job because of revisions showing the labour market wasn't as strong as first reported. So there's now this odd mix of scepticism and high stakes. It's not just the number, it's whether the market *trusts* the number.

We've already had a soft ADP report—just 54,000 private sector jobs added. Combine that with weak ISM employment readings, and you get a clear picture: hiring momentum is slowing, wages are sticky, and the Fed's September meeting just got more complicated.

**Q2: So the Fed is leaning dovish, but not united. What's the latest from policymakers?**

**Eric:**

Exactly—there's a split camp. Governor Chris Waller went full dove, saying not only should the Fed cut in September, but they should keep going even if tariffs cause temporary bumps in inflation. Atlanta Fed's Raphael Bostic was more cautious, saying “yes, cuts are coming, but let's not rush.” And then you have voices like Alberto Musalem pointing to fragility in the labour market but still worried about inflation.

So it's a messy picture. Markets are already pricing in rate cuts, but the Fed itself hasn't sung from the same hymn sheet. That's why today's jobs data matters so much—it could tip the internal debate.

**Q3: Let's switch gears. Oil prices have been tumbling—what's behind the slide?**

**Eric:**

It's a double whammy. First, speculation that OPEC+ will raise production in October. Second, U.S. data showed an unexpected build in inventories—over 600,000 barrels. Put those together, and Brent crude is now down around \$67.

It's not just about prices. Look at the sector: APA, Occidental—big oil names—sold off heavily. And then ConocoPhillips announced plans to cut up to 25% of its workforce over the next couple of years. That's more than 3,000 jobs. It tells you oil companies are bracing for a structurally softer price environment. They're cutting costs, consolidating, and trying to adapt to a world where oil doesn't have the pricing power it used to.

**Q4: A big headline away from commodities—Citi outsourcing \$80 billion to BlackRock. What's the story here?**

**Eric:**

This is massive. Citigroup is handing over \$80 billion of wealth assets to BlackRock to manage. It's

the largest such transfer in the industry. Citi's logic is: "we'll focus on advice, let BlackRock do the portfolio management."

For BlackRock, it's another feather in the cap. They're already running \$10 trillion. This boosts their multi-asset and private markets reach. Some Citi staff will even move over to ensure continuity.

Now, here's the interesting twist: there's long been chatter that BlackRock's size itself is a systemic risk. If they ever stumbled, the shockwaves would dwarf Lehman in scale. But then again, the S&P 500's total market cap is \$50 trillion—so maybe we should cut them some slack. Still, this deal reinforces just how central BlackRock has become to global finance.

**Q5: Earlier in the week, we saw a bond market tantrum and gold making fresh highs. How do those pieces fit into the puzzle?**

**Eric:**

The bond market was brutal. Yields shot up—particularly at the long end—because of concerns over fiscal deficits in the U.S. and Europe. In the U.K. and France, yields are now at multi-decade highs. That spooked equities, especially semiconductors, which sold off after Nvidia's muted guidance.

Gold, meanwhile, surged through \$3,500 an ounce. It's become the ultimate policy hedge—against inflation, against deficits, against political noise. It's not just safe-haven buying anymore; it's a vote of no-confidence in fiat credibility. Investors are saying: "if central banks are cornered, gold is my insurance."

## DISCLAIMER

This document is for informational purposes only and does not constitute a solicitation or offer by GIS or any of its affiliates to buy or sell any securities, financial instruments, or strategies. Investors are advised to consider the investment objectives, risks, charges, and expenses of any investment carefully before investing. The information and data contained herein have been obtained from sources believed to be reliable but are not guaranteed as to accuracy or completeness. The opinions and estimates constitute our judgment and are subject to change without notice.