

### Dollar sold on poor ADP report while stocks see two-way trade

- **SNAPSHOT:** Equities mixed, Treasury futures up, Crude up, Dollar down, Gold up.
- **REAR VIEW:** Weekly ADP report sees private employers shed jobs in 4wks ending 25th Oct.; Softbank sells all NVDA stake; CRWV cuts FY revenue guide; US Senate successfully pass legislation to fund Federal govt and end shutdown, will go to House; Switzerland and US close to securing a 15% tariff deal; China devising a plan to keep US military from getting rare earth magnets; Ukraine military struck Russia's Saratov oil refinery; Poor UK jobs report.
- **COMING UP:** **Data:** German CPI Final (Oct), Italian Industrial Output (Sep). **Events:** BoC Minutes (Oct), EIA STEO, OPEC MOMR **Speakers:** ECB's Schnabel, de Guindos; Fed's Paulson, Bostic, Williams, Barr, Waller, Miran, Collins; US Treasury Secretary Bessent. **Supply:** Australia, Germany, US. **Earnings:** Bayer, Infineon, Cisco, On.

### MARKET WRAP

US indices turned around initial losses seen in what was a day of two halves. At the cash open, and US equity futures prior to it, weakness was seen, which was led by CoreWeave cutting revenue guidance, and Softbank selling its whole stake in NVIDIA. While both those names still notched notable losses, with the former down in excess of 11%, and Technology the only sector in the red, broader indices pared losses. S&P 500 and Russell 2000 settled with gains, while Nasdaq 100 had marginal losses as risk sentiment turned around after European players left for the day, albeit on no specific newsflow. Prior to this, T-Notes saw gains, while the Dollar was sold after a dismal weekly ADP employment change metric – the four weeks, ending 25th October 2025, private employers shed an average of 11,250 jobs a week, suggesting that the labour market struggled to produce jobs consistently during the second half of the month. In FX, the Dollar was sold, while the Pound pared its initial weakness seen on a terrible UK labour figure, which showed employment surprisingly contracting in October and unemployment moving higher. CHF was the clear outperformer and supported by positive US/Switzerland trade talks, as reports continue to suggest the US will lower the tariff rate to 15%. The crude complex was firmer and buoyed by the turnaround in risk sentiment alongside continued Russian refinery attacks. As mentioned above, T-Note futures were bid after soft preliminary weekly ADP figures, but note cash bonds were closed due to Veterans Day.

### US

**ADP:** The preliminary weekly ADP report for the four weeks ending 25th October saw private employers cut an average of 11,250 jobs per week. This suggests the labour market struggled to produce jobs consistently during the second half of October. Amid the current lack of government data, the ADP reports are highly watched to gauge the health of the labour market. This report has bolstered labour market concerns and saw traders boost Fed rate cut bets, despite Powell's pushback against a December cut being a foregone conclusion at the October FOMC meeting. Markets are currently pricing in c. 17bps of easing, implying a 68% probability of a 25bps rate cut. With prospects improving of the government reopening, we may be in a position where the September and October NFP reports, as well as the October inflation reports, will be seen before the Fed meeting on December 10th.

### FIXED INCOME

**T-NOTE FUTURES (Z5) SETTLED 11 TICKS HIGHER AT 113-01**

**T-Note futures bid after soft preliminary weekly ADP figures. Cash bonds closed due to Veterans Day.**

**INFLATION BREAKEVENS:** 1-year BEI +2.3bps at 2.791%, 3-year BEI +1.0bps at 2.503%, 5-year BEI +1.9bps at 2.334%, 10-year BEI +1.3bps at 2.286%, 30-year BEI +1.2bps at 2.238%.

**THE DAY:** T-note futures meandered throughout the European morning with little follow-through impact seen after the weak UK labour market report. However, T-note futures rallied in the wake of the Weekly ADP Employment report. The preliminary report saw employers shed jobs on average by 11.25k jobs per week in the four weeks to October 25th. The average weekly job losses added to concerns surrounding the labour market, and saw money market pricing move more dovishly vs Monday. Given that cash treasuries were closed for Veterans Day, it was a quiet session in the US aside from the ADP report, with no other data, Fed speakers, or auctions. Auctions resume on Wednesday with the 10-year offering ahead of the 30-year on Thursday. Fed's Williams, Paulson, Waller, Bostic, Miran and Collins are set to speak on Wednesday. There is also the Treasury Market Conference, with a speech from Treasury Secretary Bessent also expected.

**SUPPLY:**

**Notes**

- The Treasury will be selling USD 42bln of 10-year notes on Wednesday and USD 25bln of 30-year bonds on Thursday.

**Bills**

- US to sell USD 69bln of 17-wk bills on November 12th; to sell USD 110bln of 4-wk bills and USD 95bln of 8-wk bills on November 13th; all to settle on November 18th.

## STIRS/OPERATIONS

- **Market Implied Fed Rate Cut Pricing: Dec 17bps (prev. 15bps), January 27bps (prev. 25bps), March 39bps (prev. 35bps).**
- No Fed operations today due to Veterans Day.

## CRUDE

**WTI (Z5) SETTLED USD 0.91 HIGHER AT 61.04/BBL; BRENT (F6) SETTLED USD 1.10 HIGHER AT 65.16/BBL**

The crude complex was firmer and buoyed by the turnaround in risk sentiment alongside continued Russian refinery attacks. WTI and Brent saw mild weakness in the European morning to hit troughs of USD 59.66/bbl and 63.39, respectively, before rising after Ukraine's military said it struck Russia's Saratov oil refinery. Thereafter, benchmarks ground higher for the duration of the European session, and through the US afternoon, and were largely supported by the risk-averse environment abating. US indices initially saw notable weakness on CRWV & NVDA induced losses, but as Europe left for the day, so did the souring sentiment, which saw WTI and Brent reverse to peaks of USD 61.28/bbl and 64.98/bbl, respectively. According to Reuters, Russian oil exports have held steady so far in November despite the latest set of sanctions. Otherwise, energy-specific newsflow was sparse on Tuesday, and the weekly private inventory data is delayed a day due to the US Veterans Day.

## EQUITIES

**CLOSES:** SPX +0.21% at 6,847, NDX -0.31% at 25,533, DJI +1.18% at 47,928, RUT +0.11% at 2,458

**SECTORS:** Technology -0.72%, Industrials +0.01%, Utilities +0.05%, Consumer Discretionary +0.19%, Financials +0.42%, Communication Services +0.45%, Materials +1.07%, Real Estate +1.08%, Consumer Staples +1.20%, Energy +1.29%, Health +2.33%.

**EUROPEAN CLOSES:** Euro Stoxx 50 -0.15% at 5,697, Dax 40 +0.06% at 24,139, FTSE 100 +0.04% at 9,760, CAC 40 -0.53% at 8,157, FTSE MIB -0.09% at 43,202, IBEX 35 -0.72% at 16,034, PSI +0.73% at 8,446, SMI -0.10% at 12,301, AEX +0.64% at 982

### STOCK SPECIFICS:

- **Centene (CNC)** and **Elevance Health (ELV)** reiterated FY guidance ahead of UBS healthcare conference.
- **CoreWeave (CRWV):** Lowering FY revenue guide & data-centre delays overshadowed solid Q3 metrics. [Full Newsquawk analysis available here.](#)
- **Google (GOOGL)** will invest c. USD 5.8bln in Germany.
- **Meta (META)** Chief AI scientist Yann LeCun plans to leave to start his own start-up, via FT.
- **Mosaic (MOS)** downgraded at JPMorgan to 'Neutral' from 'Overweight'.
- **Paramount Skydance (PSKY)** further cost cuts & plans to invest USD 1.5bln in '26 reassured investors despite ongoing industry headwinds.
- **Rocket Lab (RKLB):** Shallower loss per shr. than expected, revenue topped with strong guidance.
- Softbank sold its entire stake in **NVIDIA (NVDA)** for USD 5.83bln
- **ViaSat (VSAT)** upgraded at JPM to 'Overweight' from 'Neutral'.
- **Vertex (VRTX)** in 'advanced' talks with large PBM on journavx coverage and conversations are advanced, positive, and productive, according to Bloomberg; Co. has secured 18 States for journavx medicaid coverage, and the goal is all 50 states.
- **Boeing (BA)** October deliveries: 53 (prev. 55), YTD gross orders 836 (prev. 821).
- **AMD (AMD)** CEO said data centre segment accounts for 47% of total business, growing significantly faster than other divisions; Sees tens of billions of data centre revenue in 2027, data centre revenue growth of more than 80% CAGR, PC market CPU share of more than 40%, and 3-5yr annual revenue growth of 35% CAGR.

## FX

The Dollar was sold in Tuesday trade as the weekly ADP report unveiled an average loss of 11,250 jobs a week in private employment in the four weeks ending 25th October, 2025. Immediate USD weakness and upside in T-Note futures followed. Dovish repricing was seen in Fed pricing, with a 67% chance of a 25bps December rate cut from 60%. Elsewhere, the Nfib Business Optimism Index hit its lowest level in six months as small business owners reported lower sales and reduced profits. Attention will be on the government in the next couple of weeks as the House will return to vote on the bill passed by the Senate on Monday to end the government shutdown.

CHF outperformed in the G10 space as reports continued to point towards Switzerland and the US closing in on a tariff deal that would secure a 15% tariff rate. Reuters report that a deal could be finished as soon as Thursday or Friday, albeit finalisation remains uncertain and is contingent on Trump's approval. USD/CHF traded between 0.7987-8061, and currently sits around 0.8000.

Sterling managed to recover initial weakness seen in response to a poor UK jobs report, which saw the unemployment rate rise more than expected to 5.0% (exp. 4.9%, prev. 4.8%). Job growth was negative at -32k following a downward revision to the September figure, -32k (was -10k), while Average Earnings (Ex bonus) eased as expected to 4.6% from 4.7%. BoE's Greene described the report as not great, believing the market pricing of 3.25-3.50% for the neutral rate is reasonable. BoE pricing increased bets for a 25bps rate cut at the December meeting with a 75% chance (prev. 60%). Cable resides at 1.3160 from earlier 1.3117 lows.

In Germany, the ZEW Economic Sentiment Index unexpectedly fell to 38.5 (exp. 41.0, prev. 39.3), as structural problems persist,

said the ZEW President. Current Conditions rose to -78.7 (prev. -80.0), albeit short of the expected -78.0. **EUR/USD** was muted towards the release as USD weakness on the ADP report was the main driver of the intraday move to 1.1605 from overnight lows of 1.1548.

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