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GLOBAL MACRO RESEARCH

NAVIGATING THE US DATA SHUTDOWN

The US federal government shutdown has delayed several key economic data releases, forcing markets to pay closer attention to alternative data sources and complicating the Fed's decision-making process.

A SHORT PRIMER ON US GOVERNMENT SHUTDOWNS

What are government shutdowns?

Each year Congress is tasked with passing twelve [appropriations bills](#) to authorize federal spending for the next fiscal year (starting October 1). If Congress fails to enact the bills, the federal government enters a full or partial "shutdown", leaving its workers unpaid.

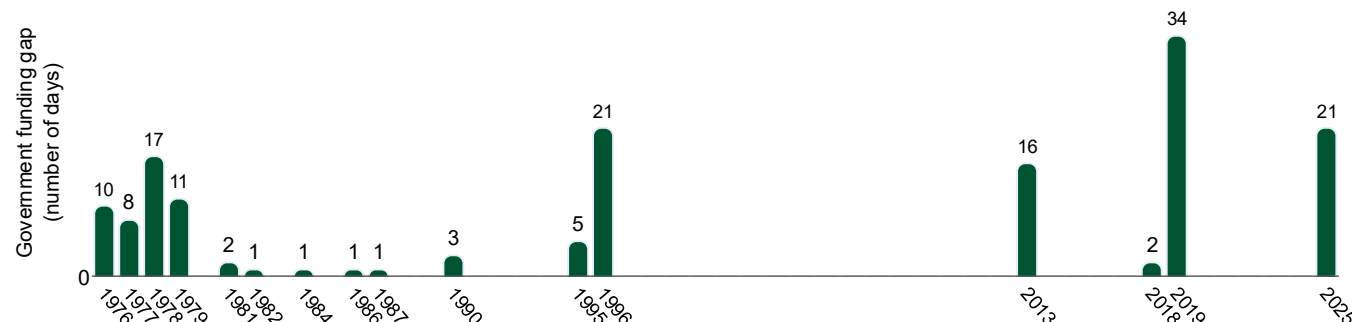
Congress can alternatively keep the "lights on" by enacting a stop-gap measure called a "continuing resolution" (CR) which holds funding at the previous year's level. If gridlock is insurmountable (as was the case in 2025) the government can run on a full-year CR.

What sparked the current standoff?

The Republican administration needs the appropriations bills to execute the spending measures passed under its "[One Big Beautiful Bill Act](#)" (OBBB). But while the OBBB was enacted using the budget reconciliation process that requires only a simple majority in the Senate (51 votes) the appropriations bills require 60 votes in the Senate, and thus now need support from Democrats.

In return for their cooperation, Democrats are demanding reversals or mitigations of the OBBB's Medicaid and Medicare cuts and are pushing to extend enhanced subsidies for Affordable Care Act (ACA) that are set to lapse at the end of the year.

Figure 1: The current shutdown, now in week three, may potentially become the longest in history¹



When will the shutdown end?

So far, Republicans have refused to negotiate with Democrats, demanding a passage of a short-term CR before beginning talks on ACA subsidies, leaving the resolution uncertain. However, political fallout from a protracted government shutdown, coupled with potential disruptions to air travel (particularly around Thanksgiving travel season) could force lawmakers to the table.

What will the economic impact be?

Shutdowns generally tend to have a temporary drag on economic activity, which reverses when the government reopens and federal employees receive [backpay](#). However, a prolonged shutdown could have a more pronounced impact. President Trump has expressed a desire to use the shutdown to permanently reduce the federal government's footprint, which could pose more lasting drags.

¹ History, Art and Archives, US House of Representatives, Macrobond, 20 October, 2025. Days are counted from the first day to the last full day that the government was shut down. The date the Public Law was signed is not included because that law opened the government when it went into effect.

ECONOMIC DATA RELEASES ARE CASUALTIES OF THE SHUTDOWN

A government shutdown temporarily halts the release of official economic indicators such as the monthly jobs report, the Consumer Price Index (CPI), the Producer Price Index (PPI), Personal Consumption Expenditures (PCE) price index, Gross Domestic Product (GDP) reports and a slew of other data closely monitored by markets and the Fed (Figure 2).

Figure 2: The government shutdown has delayed a number of data releases²

Key agencies temporarily closed	Key data releases
Bureau of Economic Analysis	<ul style="list-style-type: none">US GDPPCE inflation
Bureau of Labor Statistics	<ul style="list-style-type: none">US CPI inflationUS employment reportJob Openings and Labour Turnover Survey (JOLTS)PPI inflation
Department of Labor	<ul style="list-style-type: none">Jobless claims
Census Bureau	<ul style="list-style-type: none">International tradeBusiness formation
Department of Treasury	<ul style="list-style-type: none">Public debtUS interest expense
Department of Transportation	<ul style="list-style-type: none">Transportation services
Department of Agriculture	<ul style="list-style-type: none">Agricultural Trade Data

That said, the administration made an exception for the September CPI report, given the needs of the Social Security Administration to calculate the cost-of-living-adjustments for social security benefits. However, it will arrive almost 10 days later than planned. A longer shutdown would likely disrupt the October report and may degrade the quality of economic data.

MAKING THE MOST OF ALTERNATIVE DATA SOURCES

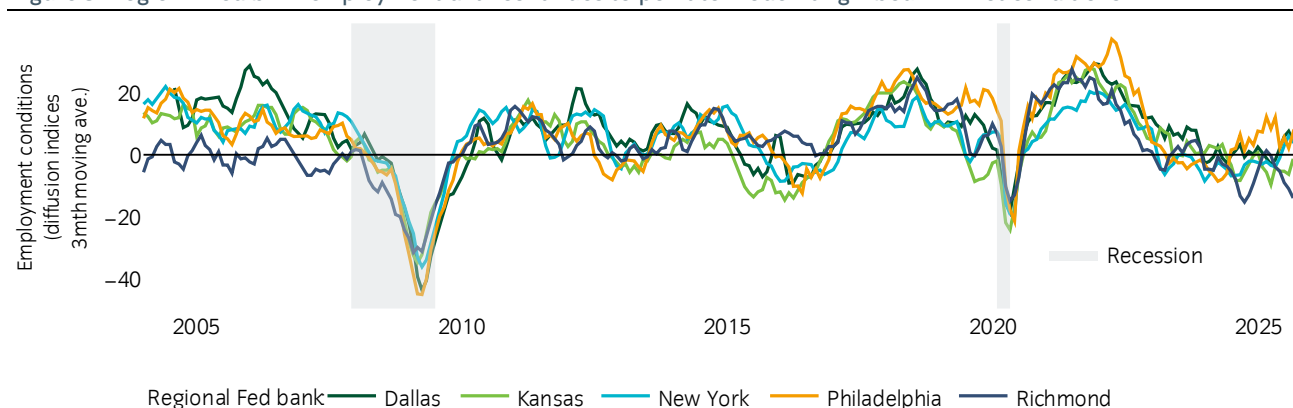
Markets and central bankers increasingly need to lean on alternative data sources, such as those delivered by regional Fed banks, private sector organisations and state-level data not impacted by the federal shutdown.

Regional Federal Reserve banks

The Fed (and its network of regional Fed banks) are free from the Congressional appropriation process and self-funded.

They also produce many quantitative and qualitative indicators that provide insights on the health of the economy. For example, the employment components of their regional manufacturing surveys continue to point to sluggish employment growth (Figure 3).

Figure 3: Regional Fed bank employment data continues to point to moderating labour market conditions³



The regional banks also contribute to the “[Beige Book](#)”, a qualitative summary of anecdotal evidence of economic conditions across the 12 Fed districts, gathered from businesses and other sources. The latest release on October 15 continued to highlight a stagnating labour market and tariff-related uncertainty as well as softening consumer spending, with rising pressure on lower-income households.

Other private data sources

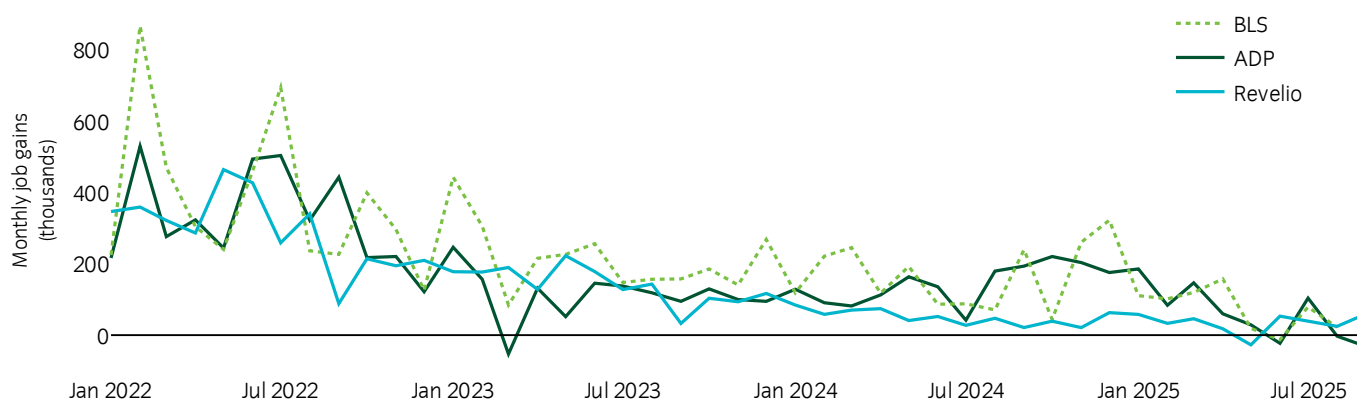
Private alternatives to popular data release offer potentially helpful proxies.

² Insight, for illustrative purposes only

³ Regional Federal Reserve banks, Macrobond, Insight, October 2025

While the BLS is unable to provide monthly non-farm payrolls reports, ADP (a global HR service provider) produces its own estimate of US private sector employment, based on payroll data from its clients' databases. Similarly, Revelio Labs (a workforce intelligence company) aggregates monthly employment data from real-time public data records. While neither is a perfect substitute for the BLS statistics, they do provide valuable insights at a time when data is scarce (Figure 4).

Figure 4: Alternative monthly payrolls offer continuing insights on employment conditions⁴



Elsewhere, private vendors also provide other economic metrics. For example, Bloomberg compiles the Bloomberg Second Measure US Consumer Spend Index, which it compiles using billions of credit and debit card transactions (derived across over 20+ million consumers) which may provide insights into consumer spending in the absence of monthly retail sales report from the Census Bureau.

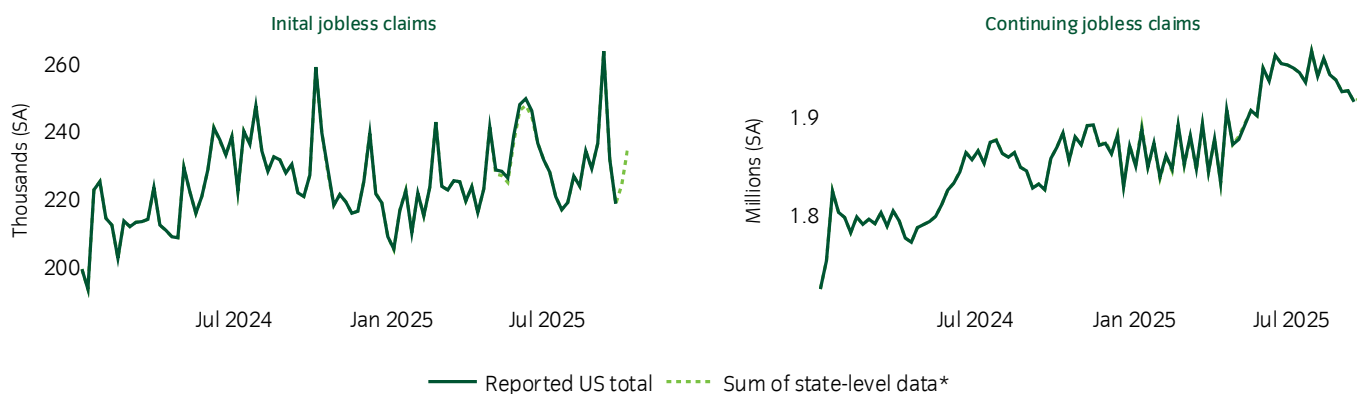
Statewide data

The Department of Labor's weekly US-wide jobless claims data has ceased publication since the shutdown was enacted.

However, the underlying data originates from state workforce agencies, which are funded primarily through state budgets and dedicated trusts, and not subject to federal appropriations. States have continued to collect and transmit unemployment claims data through automated systems.

Investors can aggregate the state-level data to continue estimating trends in US-wide initial and continuing jobless claims data, which show a slight pickup in both initial and continuing claims over the recent weeks but not enough to set off alarm bells (Figure 5).

Figure 5: Statewide jobless claims data offers an opportunity to track overall US jobless claims⁵



CONCLUSION: GOVERNMENT SHUTDOWN EXACERBATES UNCERTAINTY

The current economic shutdown arrives during a period already characterised by a high degree of economic and political uncertainty and a period in which the labour market and inflation have been pulling the Fed in opposite directions.

For the central bank, it exacerbates its already tricky task of calibrating monetary policy. In our view, the Fed will remain biased to continuing its rate-cutting cycle to normalise policy.

For investors, a reduction in available data also exacerbates uncertainty, potentially making bouts of volatility more likely.

⁴ Bureau of Labor Statistics, ADP (Automated Data Processing), Revelio, October 2025

⁵ Department of Labor, Bureau of Labor Statistics (official [seasonal adjustment factors](#)), Bloomberg, October 2025. *Latest state-wide data for the Virgin Islands not available.

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