

**Flash Update: US RATE MARKETS – FRIDAY OCTOBER 3, 2025**

The government shutdown continues – as such, the September Employment Report was *not* released this morning. Currently, rates are holding relatively steady as traders pause, given the absence of new data. Markets remain hopeful that politicians will be able to come to an agreement quickly, but with each passing day, that may become more challenging to achieve. Looking ahead, there is no data scheduled for release on Monday 10/6.

Even without the marquee jobs data from the Bureau of Labor Statistics, a number of private-sector indicators out in recent days pointed to sluggish hiring, limited layoffs, modest pay gains and easing demand for workers in September (See Chart 2).

This morning we will see ISM Services and Prices Paid data at 10:00 AM. The numbers are not anticipated to have a dramatic impact on rates. However, should the prices paid component spike, we could see rates drift a touch higher today. That said, traders now see a 96.7% chance for a 25 bp October rate cut. Market pricing implies 46.4 bps of cumulative rate cuts for the remainder of the year. Market participants are still counting on two more, 25 bp rate cuts this year.

**SOFR Swap Rate Summary:** The **1Y** SOFR swap rate is trading flat to up ~1 bp this morning. **2Y** and **3Y** SOFR swap rates are flat to up ~1 bp this morning. **5Y** and **10Y** SOFR swap rates are currently trading flat to up ~1 bp. The very back-end of the swap curve is currently trading flat to last night’s closing levels.

For the week, SOFR swap rates are down a touch across the curve. The 2-year SOFR swap rate opened the week at 3.427% and is currently trading at 3.328%. The 10-year SOFR swap rate began the trading week at 3.683% and is now trading at 3.603%.

**CHART 1: US RATES SNAPSHOT: 9:30 AM Eastern**

*\*For SOFR Swap Rates & Change-On-Day (In Bps) – Refer Two Far Right Columns (SOFR Swap Rates)*

UST YIELDS			SWAP SPREADS		SOFR SWAP	
RATES						
2Y	3.549	+0.010	-22.2307	-0.5107	3.3282	+0.0046
3Y	3.561	+0.010	-28.0211	-0.4471	3.2830	+0.0056
4Y	3.627	+0.008	-32.7500	-0.3765	3.2958	+0.0076
5Y	3.682	+0.012	-35.1225	-0.2475	3.3308	+0.0087
7Y	3.872	+0.013	-43.6806	-0.5116	3.4358	+0.0078
10Y	4.092	+0.010	-49.0000	-0.3750	3.6030	+0.0056
20Y	4.657	+0.005	-73.4811	-0.4018	3.9235	+0.0012
30Y	4.691	+0.003	-79.5000	-0.2885	3.8968	-0.0001

Source: Bloomberg, LLP | 9:30 AM NY Rates Snapshot

**CHART 2: Private Sector Jobs Reports Show Labor Market Is Cooling-Off**

