

US payrolls ahead today

Risk appetite remained somewhat weaker than earlier in the week on equity markets yesterday. Similar to their US peers the day before, the main European stock market indices declined. The Euro Stoxx 50 fell by 1.5% in response to the more hawkish tone in the most recent Fed meeting minutes. Meanwhile, in the US, the S&P 500 stabilised, finishing near to flat for the day.

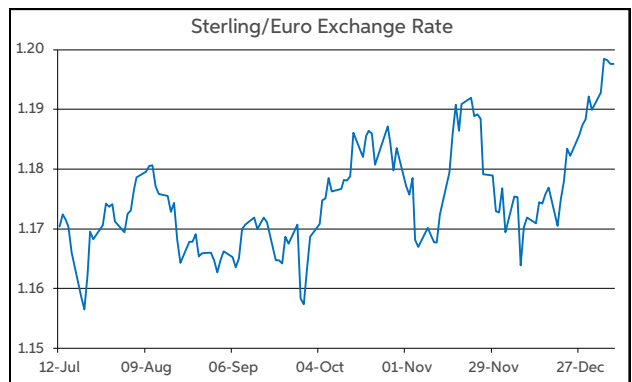
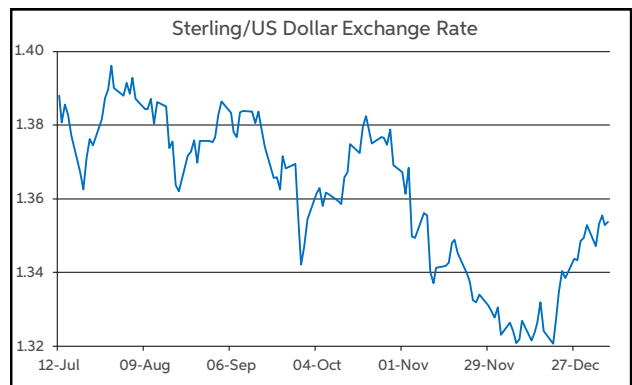
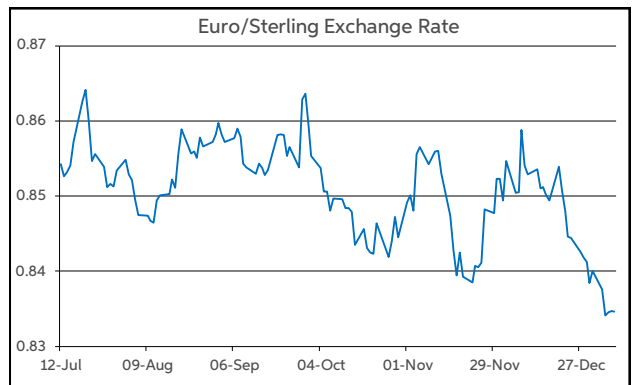
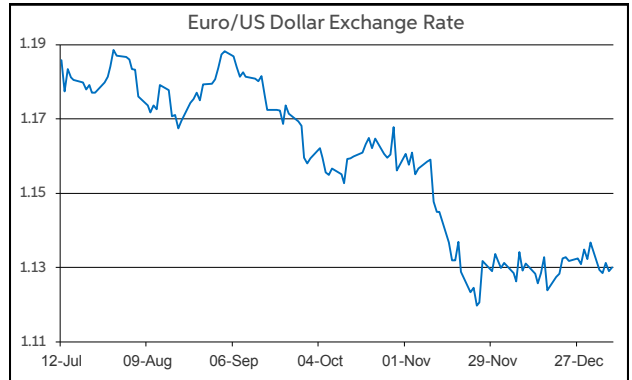
On bond markets, sovereign yields continued to drift higher across the board. The key 10Yr US Treasury yield is currently just below 1.75%, its highest level since March. Currency-wise though, the main FX pairs were confined to narrow trading bands yesterday.

In level terms, the limited moves to register on the exchanges are evidenced by the key rates opening at similar levels to 24 hours ago. EUR/USD continues to straddle the \$1.13 handle. Meantime, EUR/GBP remains at the midpoint of the 83-84p range. GBP/USD is changing hands in the bottom half of \$1.35-1.36.

Today, the main data highlight of the week, the latest official US labour market data for December are due. Non-farm payrolls are expected to rise by 400k, although, there are upside risks to the consensus, with both the ADP and Homebase employment data suggesting a larger increase. The unemployment rate is forecast to edge lower to 4.1% from 4.2% also.

There is a busy data schedule in the Eurozone as well. Inflation is projected to ease slightly, falling to 4.7% from 4.9% in December. Elsewhere, retail sales are forecast to decline by 0.5% in November, as activity in the bloc was dampened by the Delta wave of Covid-19. The more recent Omicron wave is expected to result in a fall in the EC sentiment indices in December also.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1299	-0.07	-0.61
EUR/GBP	0.8347	-0.13	-0.63
GBP/USD	1.3538	0.08	0.07
GBP/EUR	1.1977	0.13	0.63
USD/JPY	115.86	0.00	0.68
EUR/JPY	130.95	-0.05	0.06

* v Previous Day's European Open
See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.10	0.23	0.59	1.07	1.56
EUR	0.00	-0.57	-0.58	-0.48	-0.27	0.07
GBP	0.25	0.25	0.48	0.92	1.26	1.44

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

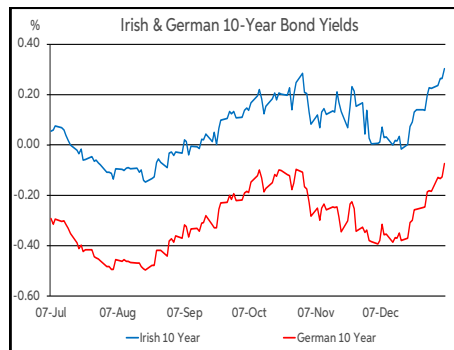
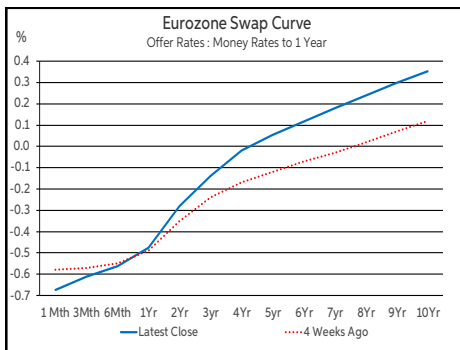
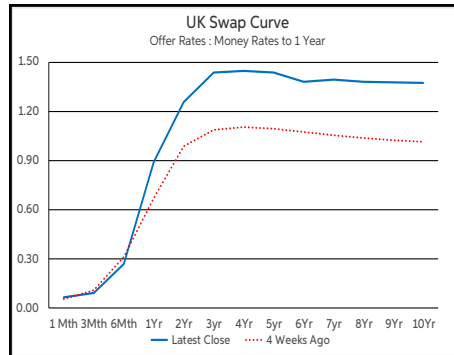
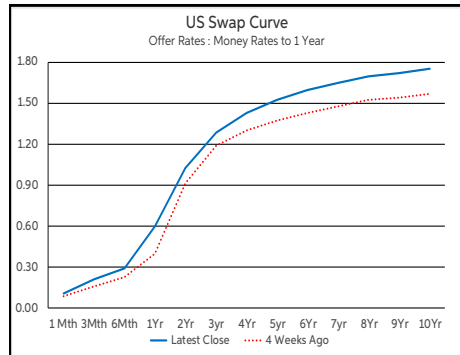
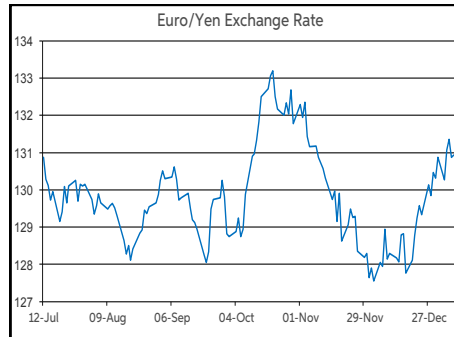
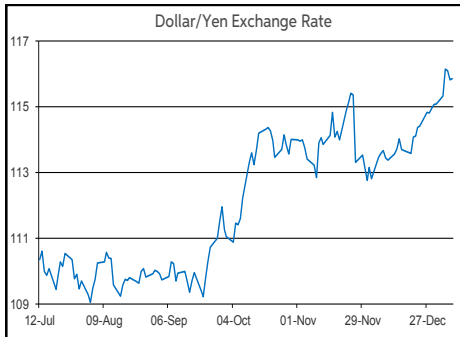
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Opening Levels

Friday 07 January 2022
07:47 am



Euro		Sterling		Dollar	
EUR/GBP	0.8347	GBP/EUR	1.1977	USD/JPY	115.86
EUR/USD	1.1299	GBP/USD	1.3538	USD/CAD	1.2723
EUR/JPY	130.95	GBP/CAD	1.7224	USD/CHF	0.9211
EUR/SEK	10.3247	GBP/NZD	2.006	USD/CNY	6.3729
EUR/DKK	7.4376	GBP/JPY	156.85	USD/BRL	5.6834
EUR/NOK	10.0419	GBP/SEK	12.368	USD/RUB	76.276
EUR/CHF	1.041	GBP/DKK	8.9082	USD/INR	74.324
EUR/AUD	1.5797	GBP/NOK	12.028	AUD/USD	0.7153
EUR/HKD	8.8158	GBP/CHF	1.2471	NZD/USD	0.6748
EUR/CAD	1.4378	GBP/AUD	1.8924		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.73	+3	+23	+22
Germany	-0.07	+6	+28	+11
UK	1.16	+7	+40	+19
5 Year Swap %				
US	1.53	+4	+18	+19
Eurozone	0.05	+3	+18	+4
UK	1.44	+6	+35	+16
2 Year Swap %				
US	1.02	+3	+15	+8
Eurozone	-0.28	+2	+8	+2
UK	1.26	+2	+28	+7
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-2	-5	-4
Belgium	32	-3	-2	-4
France	33	-3	-3	-5
Italy	134	-3	-1	-2
Spain	70	-3	-3	-7
Portugal	61	-3	-7	-6
Greece	147	-3	-26	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	81.99	+1.47	+10.17	+5.41
West Texas Oil	79.47	+2.11	+12.13	+5.50
Gold \$	1788.7	-1.15	+0.80	-2.17

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