

US non-farm payrolls ahead today

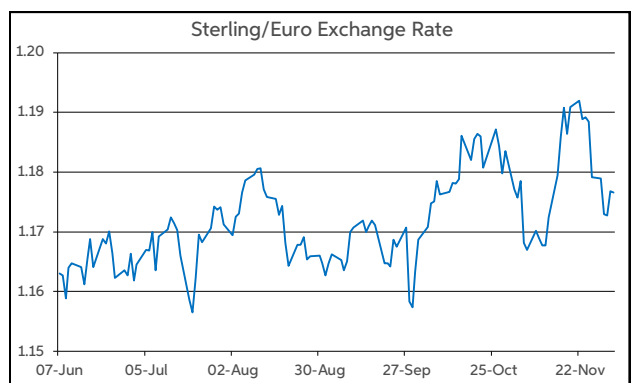
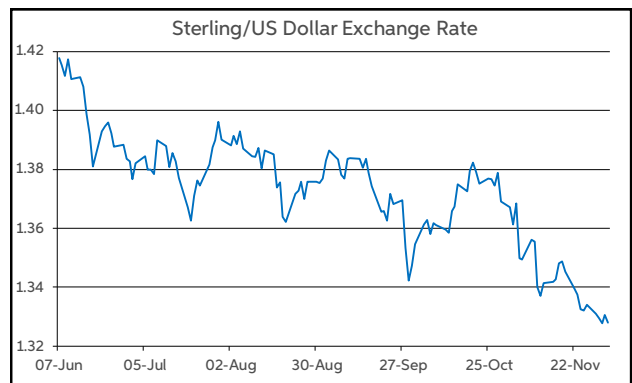
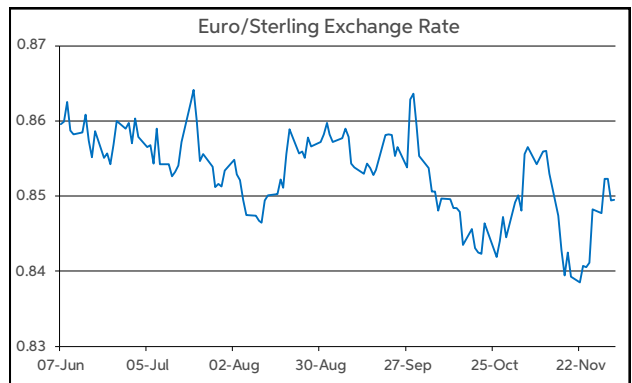
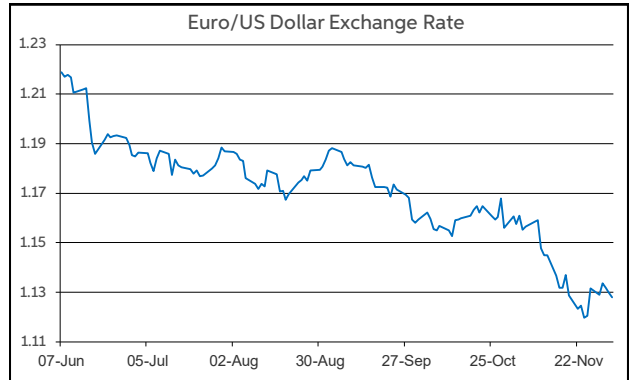
Equity markets on both sides of the Atlantic continued to move in opposite directions yesterday amid an uncertain economic outlook owing to the Omicron variant. The Euro Stoxx 50 lost 1.7%, having gained 2.9% on Wednesday, as Germany moved to impose restrictions on the unvaccinated. In contrast, the S&P 500 finished up 1.4%, having declined by 1.2% the day before. Elsewhere, oil prices stabilised near \$70bbl, despite OPEC+ agreeing to not alter planned production increases in January.

Currency-wise, the main pairs were confined to narrow ranges, although, the euro was slightly weaker. A relatively sparse data schedule likely contributed to the muted action. The only releases of note were from the Eurozone. The unemployment rate declined for the sixth month in-a-row, edging lower to 7.3% from 7.4% in October. Meanwhile, producer prices surged by a record 5.4% in October, meaning they were 21.9% higher year-on-year (also a record). However, the data did not impact on currency markets.

As trading gets underway this morning, the slightly softer tone to the euro sees EUR/USD open back below the \$1.13 threshold. Meantime, EUR/GBP continues to operate around the 85p mark. GBP/USD is changing hands in the top half of the \$1.32-1.33 range.

Ahead today, all eyes will be on the US non-farm payroll data for November. The consensus is for payrolls to rise by 550k, as the US labour market continues to recover. A stronger number would increase speculation the Fed could accelerate QE tapering, as has been mentioned by Chair Powell this week. The unemployment rate is forecast to decline to 4.5% from 4.6%. Investors will also be keeping an eye on Covid related developments, with markets remaining highly sensitive to newsflow in this regard.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1281	-0.31	-7.63
EUR/GBP	0.8495	-0.25	-4.95
GBP/USD	1.3278	-0.06	-2.89
GBP/EUR	1.1766	0.25	5.20
USD/JPY	113.33	0.19	9.77
EUR/JPY	127.87	-0.11	1.36

* 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	0.17	0.40	0.87	1.32
EUR	0.00	-0.57	-0.57	-0.49	-0.36	-0.14
GBP	0.10	0.07	0.11	0.71	1.06	1.16

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

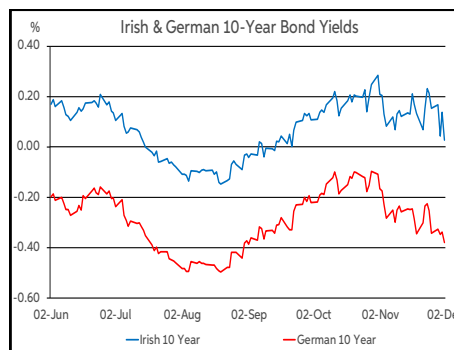
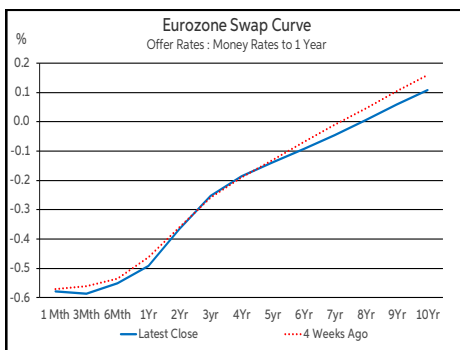
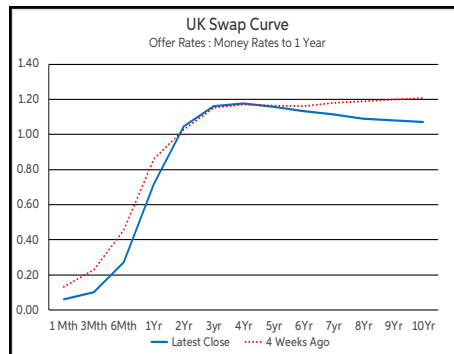
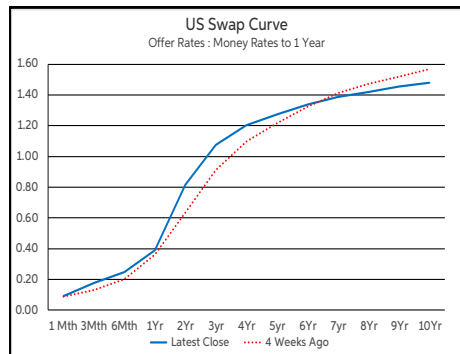
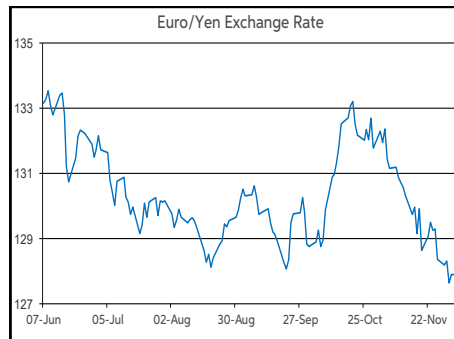
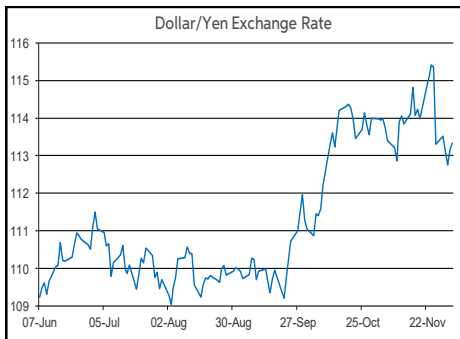
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 03 December 2021
07:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.8495	GBP/EUR	1.1766	USD/JPY	113.33
EUR/USD	1.1281	GBP/USD	1.3278	USD/CAD	1.2816
EUR/JPY	127.87	GBP/CAD	1.7016	USD/CHF	0.9215
EUR/SEK	10.2894	GBP/NZD	1.9582	USD/CNY	6.3693
EUR/DKK	7.4362	GBP/JPY	150.48	USD/BRL	5.6462
EUR/NOK	10.312	GBP/SEK	12.11	USD/RUB	73.7162
EUR/CHF	1.0399	GBP/DKK	8.75	USD/INR	75.035
EUR/AUD	1.5968	GBP/NOK	12.1396	AUD/USD	0.7063
EUR/HKD	8.7885	GBP/CHF	1.2238	NZD/USD	0.678
EUR/CAD	1.4463	GBP/AUD	1.8792		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.44	+4	-9	+53
Germany	-0.37	-4	-15	+20
UK	0.82	-1	-13	+62
Ireland				
Ireland	0.09	-6	-10	+40
Belgium	-0.02	-3	-10	+37
France	-0.01	-4	-13	+33
Italy	0.96	-7	+2	+44
Spain	0.39	-5	-8	+33
Portugal	0.32	-5	-3	+26
Greece	1.21	-1	+9	+58
5 Year Swap %				
US	1.28	+4	+9	+85
Eurozone	-0.14	-2	+0	+32
UK	1.16	-0	-0	+97
2 Year Swap %				
US	0.82	+4	+22	+62
Eurozone	-0.37	-1	+0	+16
UK	1.05	+1	+3	+102
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	-1	+4	+20
Belgium	35	+1	+5	+16
France	36	+0	+2	+13
Italy	133	-3	+17	+23
Spain	76	-1	+7	+13
Portugal	70	-0	+12	+6
Greece	158	+3	+23	+38

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	69.67	+1.16	-13.50	+34.50
West Texas Oil	66.6	+1.77	-15.57	+37.75
Gold \$	1768.6	-0.79	-1.29	-6.74

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