

US Payrolls in focus today

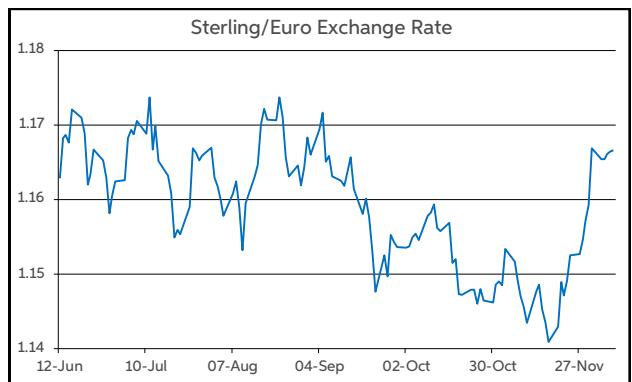
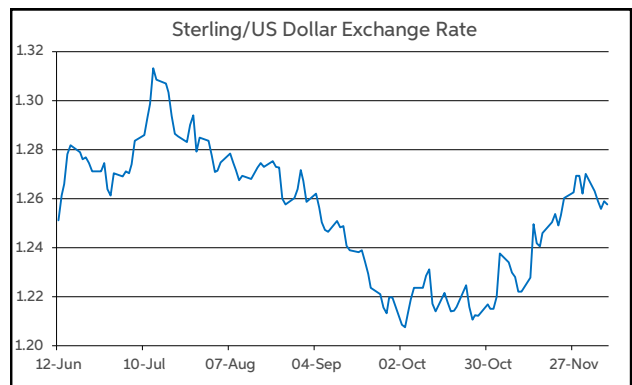
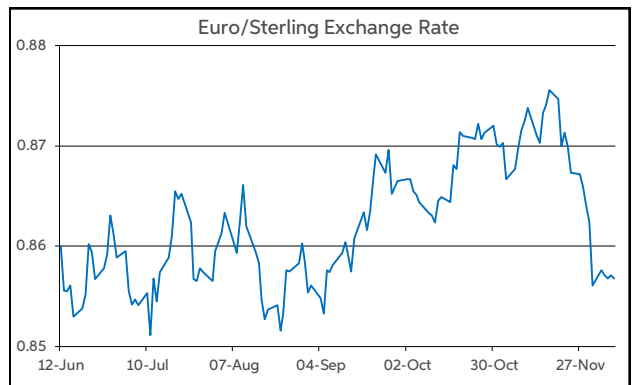
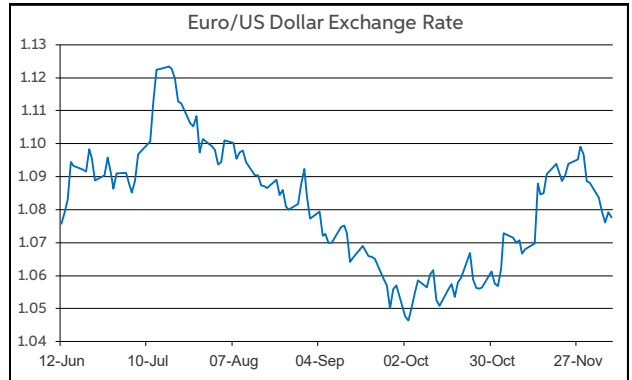
Once again there was a mixed tone to investor sentiment yesterday. However, in a reversal to the pattern from previous days, it was the US that posted equity market gains. The S&P 500 was up 0.8% on the day, while the Euro Stoxx 50 fell by a modest 0.2%. Oil prices stabilised after falling earlier in the week, with Brent crude hovering around \$74-75 a barrel. From a bond market viewpoint, the moves yesterday were much more muted compared to earlier in the week, when yields fell significantly.

Data-wise, yesterday's batch of figures from the Eurozone continued to paint a subdued picture. The second reading of Q3 GDP for the region confirmed that the economy contracted by 0.1% in the quarter. Meanwhile, monthly declines in industrial output from both Germany and Italy suggest a weak start to Q4. The only US release of note was weekly jobless claims. The initial claims number was broadly in line with expectations at 220k (f'cast for 222k). At the same time, the continuing claims total fell back from 1.925m to 1.861m, having risen in October and November.

On the currency front, the yen held onto its upward momentum amid on-going speculation of a policy pivot from the BOJ. It gained around 1.5% against a raft of other currencies. Meanwhile, dollar, euro and sterling respective pairs were once again confined to narrow trading ranges. EUR/USD remained pinned down below \$1.08. Likewise, EUR/GBP was unable to regain the 86p threshold. GBP/USD continued to trade in the upper half of \$1.25-1.26.

Ahead today, we get a raft of top tier US labour market data including the always eagerly anticipated monthly payrolls figure for November. The headline payrolls number is forecast to rise by 180k. The data pose some event risk for the dollar.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0777	0.15	0.70
EUR/GBP	0.8568	-0.06	-3.12
GBP/USD	1.2576	0.22	3.96
GBP/EUR	1.1666	0.06	3.22
USD/JPY	144.26	-1.55	10.03
EUR/JPY	155.48	-1.40	10.82

* 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	5.38	5.47	5.63	5.30	4.72	4.14
EUR	4.50	3.86	3.95	3.64	3.07	2.66
GBP	5.25	5.18	5.21	5.05	4.82	4.27

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

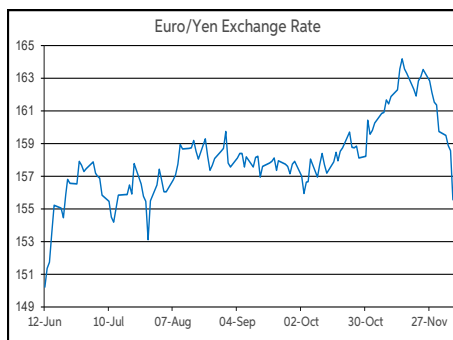
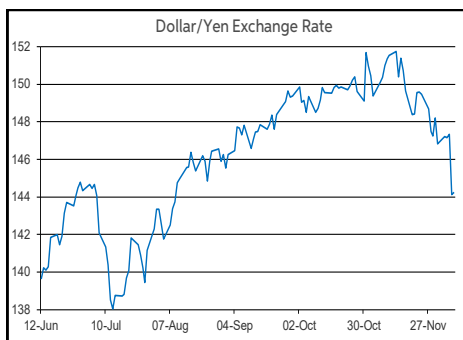
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIB.G.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

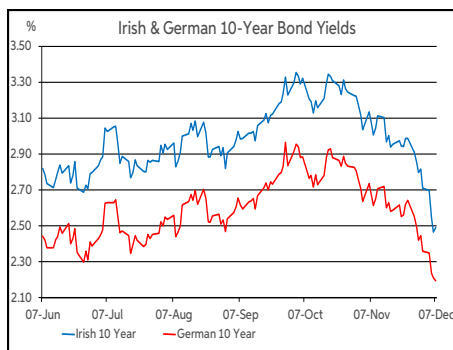
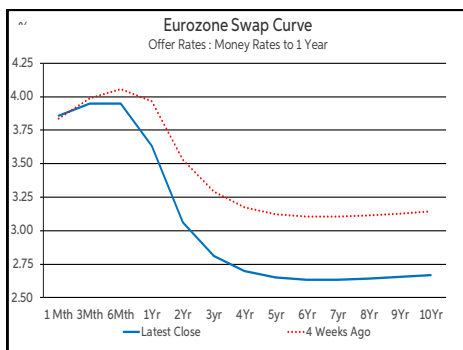
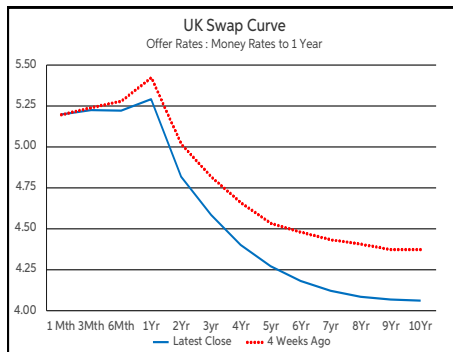
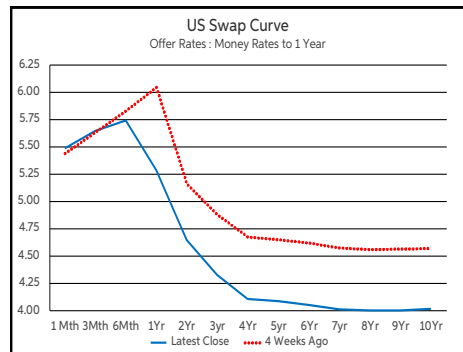
Friday 08 December 2023
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8568	GBP/EUR	1.1666	USD/JPY	144.26
EUR/USD	1.0777	GBP/USD	1.2576	USD/CAD	1.3587
EUR/JPY	155.48	GBP/CAD	1.7087	USD/CHF	0.8755
EUR/SEK	11.2107	GBP/NZD	2.0432	USD/CNY	7.1586
EUR/DKK	7.4557	GBP/JPY	181.42	USD/BRL	4.9115
EUR/NOK	11.7143	GBP/SEK	13.0774	USD/RUB	91.6975
EUR/CHF	0.9437	GBP/DKK	8.6981	USD/INR	83.365
EUR/AUD	1.6313	GBP/NOK	13.662		
EUR/HKD	8.4197	GBP/CHF	1.1012	AUD/USD	0.6605
EUR/CAD	1.4644	GBP/AUD	1.9034	NZD/USD	0.6154



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.15	+3	-48	+27
Germany	2.20	-2	-46	-37
UK	3.97	+2	-30	+30
5 Year Swap %				
US	4.09	+2	-53	+9
Eurozone	2.65	-3	-47	-58
UK	4.27	+1	-21	-3
2 Year Swap %				
US	4.64	-3	-47	-3
Eurozone	3.06	-2	-46	-33
UK	4.82	+0	-19	+13
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+4	-10	-26
Belgium	58	+1	-7	-6
France	53	-0	-5	-2
Italy	175	+1	-11	-39
Spain	100	+1	-5	-10
Portugal	78	+12	+3	-26
Greece	118	+1	-8	-85



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	74.05	-0.34	-7.45	-13.81
West Texas Oil	69	+0.03	-9.61	-13.92
Gold \$	2028.3	+0.17	+3.58	+11.18

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