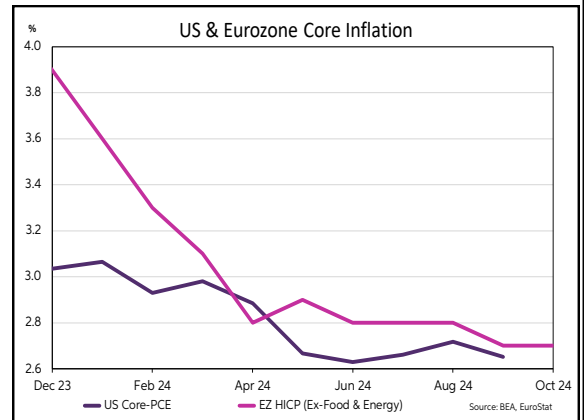


## Irish jobs market on rising trajectory for now

- **The Irish labour market expanded at an exceptional pace again in Q3. Employment increased by 1.4% in the quarter, and the annual growth rate accelerated to 3.7% y/y (+2.7% y/y in Q1 2024).** Total employment in Ireland is now at a record high of 2.79 million, and is 422,000 or 17% above its pre-pandemic levels in Q4 2019, following several years of rapid jobs growth.
- **At a sectoral level, the out-turn was mixed, with a small number of sectors driving the growth.** However, most sectors were still higher on the year. The biggest annual increases in employment were in the Professional, Scientific, and Technical sector (+11.8% y/y), Public Admin (+12%) and Accommodation & Foods Services (+9.2%) The weakest performers were Wholesale & Retail Trade (-0.2%), perhaps reflecting more challenging trading conditions in those sector, and Agriculture (-1.6%). Overall then, employment growth remains strong but the gains are more narrowly based across a couple of high-growth sectors at present.
- **Unemployment remains low, ticking up to 4.5% in Q3 2024 from 4.4% in Q2, with other measures of labour market ‘slack’ pointing to slightly looser conditions.** The long term unemployment rate remained low at just 0.9%, down from 1.1% in Q3 2024, and the participation rate ticked higher again to 66.3%, just short of the record high of 66.7% reached in 2007. Notably, a sharp rise in male participation is now matching the prior increases in female participation. Inward migration was also a feature of job creation, with strong growth in both Irish and non-Irish nationals in the labour force. These factors once again drove exceptional labour force growth at +3.5% y/y.
- **However, we expect this exceptional growth to cool in the coming quarters.** Indeed, the monthly CSO employee payroll index suggests jobs growth had already slowed sharply in Q3 2024, diverging from the main Labour Force Survey, discussed above. A jobs market slowdown has also been well signalled in industry surveys, such as the PMIs and ‘Indeed.ie’ job postings, which suggest employer demand has waned in recent months. The supply of new labour is also likely to be tighter as the rise in female participation begins to plateau, and the level of inward migration continues to ease, following the surge associated with the war in Ukraine in 2022/23. This suggests annual jobs growth will likely slow towards 2% in the near term.

■ **This week, the main release of note in the Eurozone will be the flash reading of HICP inflation for November.** Having declined to 1.7% in September, below the 2% target for the first time since June 2021, the headline rate rose to 2.0% in October. Meantime, little progress has been made in core inflation in recent months. The ex-food & energy rate printed at 2.7% in September and October, having been stuck at 2.8% in the three months prior. Furthermore, services inflation remains quite elevated and sticky, at 3.9% in October, in the heart of the 3.7-4.1% range that has persisted throughout this year. Worryingly, both the headline and core rates are forecast to rise in November, to 2.4% and 2.9%, respectively. Elsewhere in the Eurozone, the EC sentiment indices for November are due. In recent months, industrial sector sentiment has deteriorated, while services sector sentiment has edged marginally higher. However, the consensus is for both metrics to fall in November.



- **Elsewhere in the Eurozone, a number of updates from the large national economies are due.** The highlight of a busy data calendar in Germany will be the November reading of the bellwether Ifo survey. The headline index is projected to be little changed in the month. Like-wise, the latest reading of German consumer confidence is forecast to be unchanged also, having moved higher recently. Consumer confidence data for France and Italy will also feature. A modest improvement in both surveys is pencilled in for November.
- **In the US, the main focus of a holiday shortened week will be core-PCE inflation for October.** Core-PCE declined gradually in the first six months of 2024, falling to a low of 2.6% in June from 3.1% at the start of the year. However, it rose to 2.7% in July and has remained at that level ever since. Expectations are for a marginal increase to 2.8% in October. Meantime, a 0.3% increase in nominal personal incomes is forecast to underpin a 0.3% rise in personal consumption in October. In terms of more timely data, the Conference Board measure of consumer confidence is projected to jump to 112.0 in November, its highest level since July 2023. Elsewhere in the US, the Fed FOMC meeting minutes from the November gathering will be released a day earlier than usual, on Tuesday instead of Wednesday.

### Interest Rate Forecasts

	Current	End Q4	End Q1	End Q2
		2024	2025	2025
Fed Funds	4.625	4.375	3.875	3.375
ECB Deposit	3.25	3.00	2.50	2.25
BoE Repo	4.75	4.75	4.50	4.25
BoJ OCR	0.25	0.25	0.25	0.25

Current Rates Reuters, Forecasts AIB's ERU

### Exchange Rate Forecasts (Mid-Point of Range)

	Current	End Q4	End Q1	End Q2
		2024	2025	2025
EUR/USD	1.0405	1.05	1.06	1.06
EUR/GBP	0.8308	0.84	0.84	0.85
EUR/JPY	161.08	160	160	162
GBP/USD	1.2520	1.25	1.26	1.25
USD/JPY	154.80	152	151	153

Current Rates Reuters, Forecasts AIB's ERU

Date	UK & Irish Time	Release	Previous	Forecast
<b>This Week:</b>	<b>ECB Speakers:</b>	Lane (Mon); Lane (Wed); Lane (Thu); de Guindos (Fri)		
	<b>BoE Speakers:</b>	Lombardelli (Mon);		
	<b>Fed Speakers:</b>			
<b>Mon 25th</b>	<b>GER:</b>	09:00 Ifo Business Climate (November)	86.5	86.2
<b>Tue 26th</b>	<b>US:</b>	14:00 Case-Shiller House Prices (September)	+0.4% (+5.2%)	+0.3% (+5.0%)
	<b>US:</b>	15:00 Conference Board Consumer Confidence (Nov)	108.7	112.0
	<b>US:</b>	15:00 New Home Sales (October)	+0.74m / +4.1%	+0.72m / -1.9%
	<b>US:</b>	19:00 Fed FOMC Meeting Minutes (6-7th November)		
<b>Wed 27th</b>	<b>FRA:</b>	07:45 INSEE Consumer Confidence (November)	94.0	94.2
	<b>GER:</b>	09:30 Gfk Consumer Sentiment (December)	-18.3	-18.3
	<b>US:</b>	13:30 Durable Goods (October)	-0.7%	+0.4%
		- Ex-Transport	+0.5%	+0.3%
	<b>US:</b>	13:30 GDP (Q3: Second Reading)	+2.8% s.a.a.r.	+2.8% s.a.a.r.
	<b>US:</b>	13:30 PCE Prices (Q3: Second Reading)	+1.5% s.a.a.r.	+1.5% s.a.a.r.
		- Core-PCE Prices (Q3: Second Reading)	+2.2% s.a.a.r.	+2.2% s.a.a.r.
	<b>US:</b>	13:30 Initial Jobless Claims (w/e 18th November)	+213,000	+220,000
	<b>US:</b>	15:00 Personal Income / Consumption (October)	+0.3% / +0.5%	+0.3% / +0.3%
	<b>US:</b>	15:00 PCE Prices (October)	+0.2% (+2.1%)	+0.2% (+2.3%)
		- Core-PCE Prices	+0.3% (+2.7%)	+0.3% (+2.8%)
<b>Thu 28th</b>	<b>US:</b>	<b>Thanksgiving (Public Holiday)</b>		
	<b>SPA:</b>	08:00 Flash HICP Inflation (November)	+0.4% (+1.8%)	
	<b>EU-20:</b>	09:00 M3 Annual Growth (October)	+3.2%	+3.3%
	<b>ITA:</b>	09:00 INSEE Business Confidence (November)	85.8	
	<b>ITA:</b>	09:00 INSEE Consumer Confidence (November)	97.4	97.6
	<b>EU-20:</b>	10:00 EC Business Climate (November)	-0.96	
	<b>EU-20:</b>	10:00 EC Economic Sentiment (November)	95.6	95.3
		- Consumer / Industrial / Services	-12.2 / -13.0 / 7.1	-13.7 / -13.2 / 6.5
	<b>IRE:</b>	<b>11:00 Retail Sales (October)</b>	<b>+0.5% (+0.2%)</b>	<b>+0.3% (+0.8%)</b>
	<b>GER:</b>	13:00 Flash HICP Inflation (November)	+0.4% (+2.4%)	-0.5% (+2.5%)
	<b>JPN:</b>	23:30 Tokyo CPI Inflation (November)	(+1.8%)	(+2.1%)
		- Ex-Fresh Food	(+1.8%)	(+2.1%)
	<b>JPN:</b>	23:30 Jobs / Applicants Ratio (October)	1.24	1.24
	<b>JPN:</b>	23:30 Unemployment Rate (October)	2.4%	2.5%
	<b>JPN:</b>	23:50 Industrial Output (October)	+1.6% (-1.8%)	+3.9%
	<b>JPN:</b>	23:50 Retail Sales (October)	(+0.5%)	(+2.2%)
<b>Fri 29th</b>	<b>IRE:</b>	<b>General Election 2024</b>		
	<b>GER:</b>	07:00 Retail sales (October)	+1.2% (+3.8%)	+0.2% (+2.4%)
	<b>FRA:</b>	07:45 GDP (Q3: Final Reading)	+0.4% (+1.3%)	+0.4% (+1.3%)
	<b>FRA:</b>	07:45 Flash HICP Inflation (November)	+0.2% (+1.2%)	
	<b>FRA:</b>	07:45 Producer Prices Inflation (October)	-0.1% (-7.0%)	
	<b>GER:</b>	08:55 Unemployment Rate (November)	6.1%	6.1%
	<b>UK:</b>	09:30 Mortgage Approvals (October)	+65,647	
	<b>ITA:</b>	10:00 Flash HICP Inflation (November)	+0.3% (+1.0%)	+% (+%)
	<b>EU-20:</b>	10:00 Flash HICP Inflation (November)	+0.3% (+2.0%)	-0.2% (+2.4%)
		- Ex-Food & Energy	+0.3% (+2.7%)	-0.4% (+2.9%)
		- Ex-Food, Energy, Alcohol & Tobacco	+0.2% (+2.7%)	-0.4% (+2.9%)

◆ Month-on-month changes (year-on-year shown in brackets)

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