

## US Payrolls in focus today

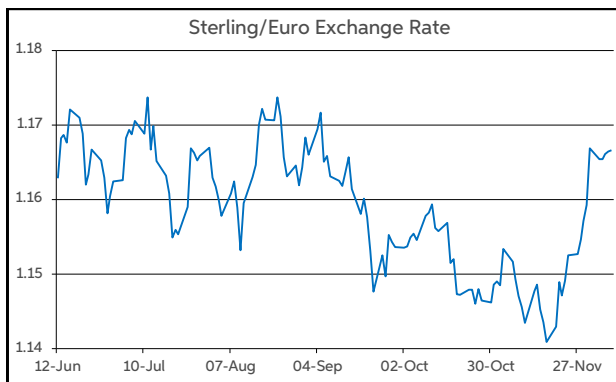
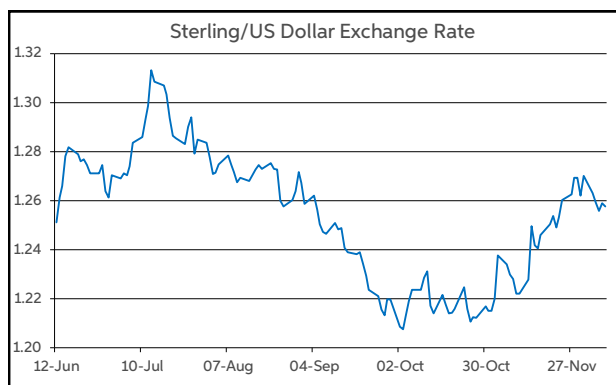
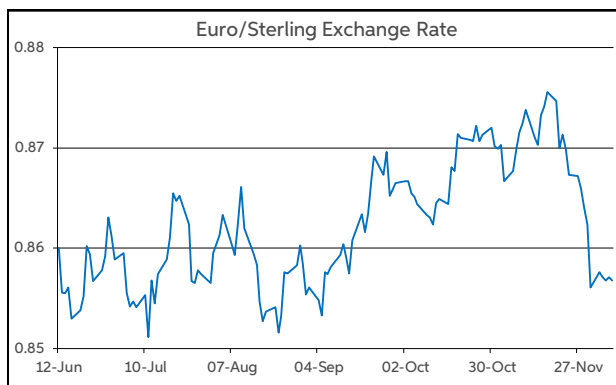
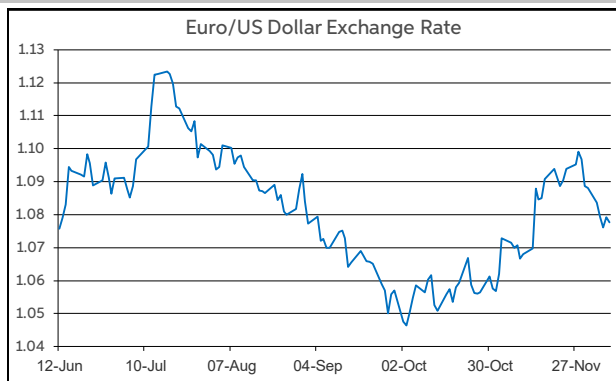
Once again there was a mixed tone to investor sentiment yesterday. However, in a reversal to the pattern from previous days, it was the US that posted equity market gains. The S&P 500 was up 0.8% on the day, while the Euro Stoxx 50 fell by a modest 0.2%. Oil prices stabilised after falling earlier in 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						
	Money Market			Swap Rates		
	Base Rate	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	AIBG.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

EUR/GBP	0.8568
EUR/USD	1.0777
EUR/JPY	155.48
EUR/SEK	11.2107
EUR/DKK	7.4557
EUR/NOK	11.7143
EUR/CHF	0.9437
EUR/AUD	1.6313
EUR/HKD	8.4197
EUR/CAD	1.4644

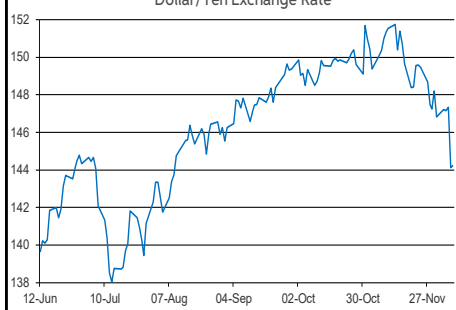
## Sterling

GBP/EUR	1.1666
GBP/USD	1.2576
GBP/CAD	1.7087
GBP/NZD	2.0432
GBP/JPY	181.42
GBP/SEK	13.0774
GBP/DKK	8.6981
GBP/NOK	13.662
GBP/CHF	1.1012
GBP/AUD	1.9034

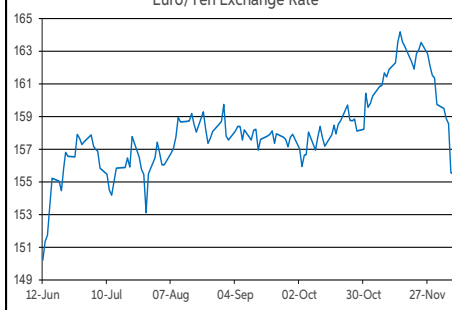
## Dollar

USD/JPY	144.26
USD/CAD	1.3587
USD/CHF	0.8755
USD/CNY	7.1586
USD/BRL	4.9115
USD/RUB	91.6975
USD/INR	83.365
AUD/USD	0.6605
NZD/USD	0.6154

Dollar/Yen Exchange Rate

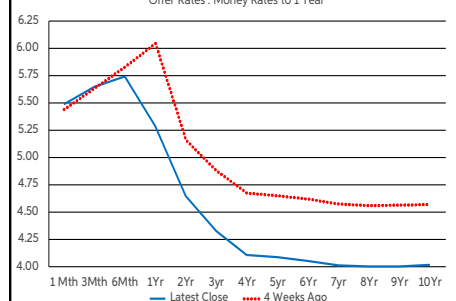


Euro/Yen Exchange Rate



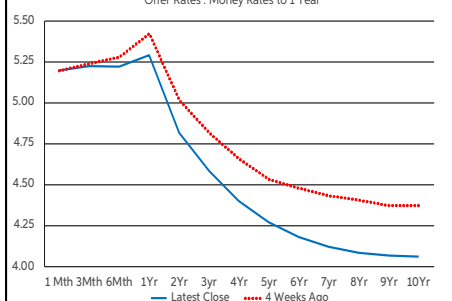
US Swap Curve

Offer Rates : Money Rates to 1 Year



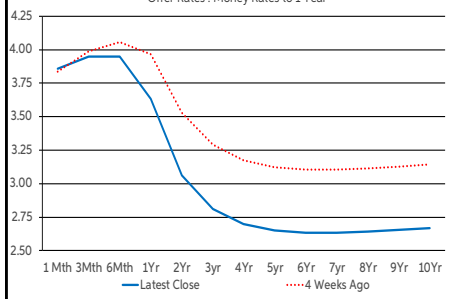
UK Swap Curve

Offer Rates : Money Rates to 1 Year

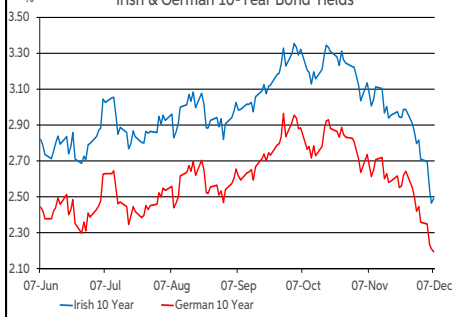


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## 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
Ireland	2.52	+2	-56	-63
Belgium	2.78	-0	-52	-42
France	2.73	-2	-51	-39
Italy	3.95	-0	-57	-76
Spain	3.20	-1	-50	-46
Portugal	2.98	+10	-43	-62
Greece	3.38	-0	-53	-122
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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