

11 December 2017

US Payrolls Rise 228k in November

Headline employment came in slightly above the consensus for November at 228,000, while the jobless rate held firm at 4.1%. There was also a downward revision to the October print but the net revisions over the last two months added 3,000 jobs in total. Wage growth was a tad weaker with average hourly earnings (AHE) rising by 0.2% month on month versus the expected 0.3%, and the flat reading in October was revised down to a -0.1% contraction. USD was little changed on the release as it was in line with the consensus. The figures while showing good growth in jobs in the month, showed no signs of inflation running out of control.

Brexit deal not binding, Davis says

After the early morning breakthrough in Brexit negotiation the pound rallied to a six month high against the euro on Friday morning. The rally did not last long, however, as the immediate pressure eased on Prime Minister Theresa May and traders were quick to take profits on the day. This could be a sign that the market believes that there are further headwinds facing the British, economy and as the agreement clears the way for the arduous trade and transition arrangements talks. This view was reinforced by UK Brexit secretary David Davis comments over the weekend that the border agreement "was much more a statement of intent than it was a legally enforceable thing".

Central bank meetings the likely highlight of the week ahead

Today will be a quiet day on the data front with just the JOLTS job openings figures from the US in the afternoon. On Tuesday the German ZEW, UK PPI and US PPI are released. The third Federal Reserve interest rate rise of the year is expected on Wednesday with markets keen to hear how many more might be in the pipeline for next year. Bank of England and ECB meet on Thursday and we also have retail sales figures from both the US and UK. The two day EU summit also begins on Thursday.

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Opening Market Levels

| | |
|---------|--------|
| EUR/GBP | 0.8803 |
| EUR/USD | 1.1784 |
| EUR/JPY | 133.68 |
| GBP/USD | 1.3386 |
| USD/JPY | 113.44 |

Today's Main Data/Events

| Time | Region | Indicator | Period | Median* | Previous |
|-------|--------|--------------------|--------|---------|----------|
| 15:00 | US | JOLTS Job Openings | Nov | 6.030m | 6.093m |

* refers to Bloomberg/Reuters median of forecasts

Upcoming Events

| Date | Region | Event |
|---------------|--------|--------------------------|
| 13th December | US | FoMC Policy Announcement |
| 14th December | UK | BoE Policy Announcement |
| 14th December | EZ | ECB Policy Announcement |

You can also find our commentary on our website [here](#)



EUR/GBP, £



EUR/USD, \$



GBP/USD, \$



Charts cover past 12 months using Bloomberg data

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Foreign Exchange Markets

| | | | |
|--------|--------|--------|--------|
| EURGBP | 0.8792 | GBPEUR | 1.1379 |
| EURUSD | 1.1774 | GBPUSD | 1.3391 |
| EURAUD | 1.5679 | GBPAUD | 1.7845 |
| EURCAD | 1.5127 | GBPCAD | 1.7203 |
| EURJPY | 133.60 | GBPJPY | 152.03 |
| EURHKD | 9.190 | GBPHKD | 10.448 |
| EURCHF | 1.1691 | GBPCHF | 1.3294 |

Stocks & Commodities

| | |
|--------------------|--------|
| Dow | 24,329 |
| Nasdaq | 6,840 |
| FTSE | 7,394 |
| ISEQ | 7,067 |
| NIKKEI | 22,939 |
| S&P 500 | 2,652 |
| OIL (London Brent) | 63 |
| Gold | 1,248 |

Yesterday's EURIBOR / LIBOR Settings

| | EUR | GBP | USD |
|-----------|-------|------|------|
| Overnight | -0.33 | 0.47 | 1.18 |
| 1 Week | -0.38 | 0.48 | 1.34 |
| 1 Month | -0.37 | 0.50 | 1.44 |
| 2 Month | -0.34 | 0.51 | 1.49 |
| 3 Month | -0.33 | 0.52 | 1.55 |
| 6 Month | -0.27 | 0.59 | 1.73 |
| 9 Month | -0.22 | n/a | n/a |
| 1 Year | -0.19 | 0.78 | 2.01 |

Ulster Bank Cost of Funds Rate (365 day count) = 0.58%

Euro rates are quoted in 360-day convention.

To convert to 365 day count, divide by 360, & multiply by 365.

Note: the rates on this page are indicative only, refer to closing levels from the previous session, and are sourced from Bloomberg

Contact

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