

# Volatile trading week ends with disappointing US payroll numbers

Equity markets endured a volatile week as the Omicron variant dominated news flow and trading sentiment. Non-farm payrolls grew by 210,000, well below the 550,000 figure in October and less than half the forecast amount. However, it is worth noting that the data also showed a decrease in the unemployment rate to 4.2% whilst the participation rate ticked up to 61.8%. Such mixed results can be difficult to interpret, but the general consensus is that the latest reading will do little to alter the Fed's tapering path.

Fed Chair Jerome Powell testified to Congress on Tuesday, where he signalled the possible acceleration of the tapering of the bond purchase programme, with further information to be revealed at the Fed meeting on 15th December. Developments regarding the Omicron variant over the coming week are also liable to feed into the Fed's thinking. Whilst there has been a degree of market 'noise' in respect to the variant, it is still liable to be a number of weeks before the full impact can be determined.

Other US economic releases were positive last week, with manufacturing and services PMIs both staying well in expansion territory. The ISM Manufacturing index climbed to 61.1, with Services coming in at 69.1, another all-time high reading. Commercial construction spending also rose as the Residential sector continues to moderate as supply chain blockages persist. In the Eurozone, November inflation came in above expectations with a positive reading of 4.9% (YoY), with energy costs being the main driver. Eurozone Retail Sales also rose 0.2% over the course of the last monthly reading, which was slightly lower than the consensus forecast of 0.3%. Finally, in China, manufacturing activity unexpectedly rose and moved back into expansion territory with a reading of 50.1.

**Our regular market information continues on the next page.**

## Snapshot



Sovereign Bonds

Corporate Bonds



World Equities

Oil

Gold

Copper

## The week ahead

7 Dec

The German economic sentiment index is published.

9 Dec

The latest Chinese inflation data is released.

10 Dec

US inflation for November goes to print.



	1 Week Return 29.11.21 to 06.12.21		Year to Date Return 01.01.21 to 06.12.21	
	Local Currency	Euro	Local Currency	Euro
World	-2.2%	-2.3%	16.3%	26.1%
U.S.	-2.8%	-2.9%	20.6%	30.8%
Europe	-1.0%	-1.0%	18.0%	18.0%
Ireland	-1.5%	-1.5%	6.9%	6.9%
U.K.	0.4%	-0.3%	15.3%	21.0%
Japan	0.2%	0.5%	11.3%	10.0%
Hong Kong	-1.2%	-1.2%	-2.9%	4.8%
Corporate Bonds	0.7%	0.7%	-1.5%	-1.5%
Sovereign Bonds	0.8%	0.8%	-2.2%	-2.2%

### Equities

- Global stocks were down last week by -2.3% in euro terms and down -2.2% in local terms.
- Year-to-date global markets are up 26.1% in euro terms and 16.3% in local terms.
- The U.S. market, the largest in the world, was down -2.9% in euro terms and -2.8% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 1.38% last week. The German equivalent finished at -0.39%. The Irish 10-year bond yield finished at 0.07% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.13, whilst Euro/GBP finished at 0.85.

### Commodities

- Oil finished the week at \$68 per barrel and is up 51.1% year-to-date in euro terms.
- Gold finished the week at \$1,783 per troy ounce and is up 1.7% year-to-date in euro terms.
- Copper finished the week at \$9,486 per tonne.

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