

US Job Numbers Dominate Market

With the day starting off with the UK reporting better than expected UK retail sales as well as a decrease in the Budget deficit the effect on the FTSE remained minimal. This was a fair indicator that sentiment remained squarely focused on the big number coming out later in the day, namely the US jobs claims. With that number being reported as poorer than expected (500k on the week for initial claims) we witnessed a sell-off in the market. Increased M&A activity and moderately positive earnings numbers couldn't prevent a decline in the S&P of 1.7% on the day.

In Irish news Minister Brian Lenihan commented that it's intended that the bank guarantee scheme will be phased out over time, on the same day that Bank of Scotland (Ire) announced its Irish operations was to be wound down.

Commodity	Price	1 Day Change
Brent Crude	75.05	-0.33%
Baltic Dry	2,644.00	3.36%
Gold	1,230.90	-0.24%
Copper	7,305.00	-1.15%
Silver	18.25	-0.26%
Dollar Index	82.89	0.54%

Currency	Price	1 Day Change
Eur / Usd	1.2715	-0.84%
Eur / Gbp	0.81943	0.31%
Eur / Yen	108.62	0.80%
Gbp / Usd	1.5517	-0.54%
Usd / Yen	85.42	-0.04%

Stock Index	Latest	1 Day Change
ISEQ	2,780	-0.80%
FTSE 100	5,180	-0.60%
NIKKEI 225	9,179	-1.96%
DOW JONES	10,271	-1.39%
S&P 500	1,076	-1.69%
NASDAQ	2,179	-1.66%
CAC 40	3,554	-0.52%
DAX 30	6,023	-0.85%
EUROSTOXX	2,660	-0.56%

10 Year Benchmark	Yield %	1 Day Change
United States	2.54	-1.18%
United Kingdom	2.99	-0.63%
Germany	2.28	-1.25%
Japan	0.94	-0.43%
Ireland	5.25	0.08%

Poor US Jobs Number Puts Market on Backfoot

Yet again the US jobs figure proved to be the main driver of the market as a weak number pushed the S&P down again. Weekly claims figures released showed that initial claims were up to 500k, a level not seen since November 2009. With jobs being such a focus it's proved to be a difficult factor for the bulls to argue against, this being despite positive earnings generally and an increase in M&A activity. With the Philly Fed announcing a number of -7.7 compared to expectation of +7.0, it suggested an unexpected level of manufacturing contraction which doesn't help investor sentiment for the US economy.

On the positive side of things it was announced that Intel was to buy McAfee for \$7.68 b. Quite what a chipmakers intention is in buying an anti-virus company is difficult to see, but with a 60% premium over the previous close price stockholders in McAfee could be very happy for themselves. This along with other big stories of the week (RSA/AVIVA; BHP/POTASH) it appears that M&A is very much back on the agenda, which could be a nice spark for an otherwise stifling market.

Overall on the day the S&P was down 1.7% to close at 1075.

Without much of a catalyst from earnings and macro data today it's likely to be a low volume trading day with little to spark trading activity. The US job numbers continues to ring in the ear of would be investors and it appears that in order for the markets to turnaround that upcoming releases in that regard will have to be a lot more positive than they have been recently. Were they to turn positive there appears to be enough good news elsewhere to signal that a revival in risk appetite and therefore equity markets may not be too far away as volume should increase for the last quarter of 2011.

Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
AZN	AstraZeneca Plc	2760	3242.50	+17.48%
LGF	Lions Gate	5.59	6.34	+13.42%
EMC	EMC Corp	16.83	18.55	+10.22%
QQQ	Nasdaq Trust ETF	42.6	44.69	+4.9%
SKG	Smurfit Kappa	7.27	7.00	-3.7%

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