

## WEEKLY MARKET RECAP: November 29 – December 3, 2021

Happy Friday, traders. Welcome to our weekly market wrap, where we take a look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market – and may continue to into the future for the US Dollar and other key correlated assets.

Much of the recent focus across all sorts of assets - stocks, commodities, currencies - has been on inflation, and that topic has undoubtedly come back over recent days. But another primary concern has been the emergence of the latest strain of the coronavirus. Nobody knows if the new variant will be more transmissible or deal a significant blow to the current vaccines. These are the best and worst outcomes for the global economy.

The US employment report for November dominated trading in financial markets today as investors grapple with whether the Fed will speed up the tapering process. However, The U.S. labour market lost momentum significantly in November, defying expectations for another strong month of job gains.

The Labour Department had said earlier that nonfarm payroll grew by only 210,000 in October, the smallest monthly gain all year and well below the 550,000-consensus forecast. However, other parts of the report painted a brighter picture, with the unemployment rate falling to 4.2% as labour force participation rose to its highest level since the start of the pandemic. Both permanent and temporary layoffs also fell to their lowest level in over a year.

### Central Bank

The chairman of the Federal Reserve, Jerome Powell acknowledged earlier this week that inflation was likely to remain higher for longer than at first estimated, largely due to such supply-side issues. However, all other things appear increasingly unlikely to stay equal in the near term, given the emergence of a new and seemingly more infectious strain of Covid-19 over the last week. The Omicron strain is now spreading rapidly through South Africa, the first country where it was detected, and has already been identified in more than two dozen countries across the world.

The dollar surrendered most of its gains to trade little changed on Friday after the release of a disappointing U.S. jobs report that suggested the Federal Reserve could pull back from plans to accelerate tapering of its asset purchases and deliver less aggressive interest rate hikes.

**Thanks for reading! Have a great weekend!**



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