Weekly Market Brief

AIB Treasury Economic Research Unit

23rd – 27th November 2026

A labour force to be reckoned with

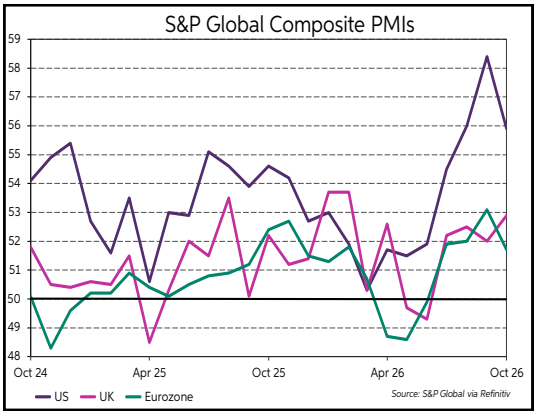
- **The Irish jobs market has been on an incredible run, with the latest Q3 Labour Force Survey (LFS) signalling continued robust activity in the domestic economy despite heightened global uncertainty.** The long-term trend since the beginning of the decade shows that employment has risen by 21% - nearly 500k workers - to 2.87 million people. There had been some signs of cooling in the first half of the year, raising concerns that the domestic economy might be slowing down. However, jobs growth bounced back strongly in Q3 2026, rising by 1.1% on the quarter, with the annual growth rate accelerating to 2.1% from a muted 0.8% gain in Q2. As a result, the unemployment rate fell to 4.8% from 4.9% in the previous quarter, with other indicators of labour market slack also improving, such as labour force participation rising to 66.3% from 65.8% in Q2.

- **However, there were pockets of weakness in some areas.** Indeed, of the 14 main economic sectors, just seven saw growth in the year to Q3 2026, suggesting the jobs market has become a little lopsided of late. The largest gains were in Construction (+13% y/y) and Education (+13%); while the biggest declines were in Professional & Scientific (-9.6%), Agriculture (-4.4%) and Transport & Storage (-4.4%). The number of people working in Tech also fell (-3.8% y/y) and has raised some concerns that AI may now be negatively impacting this sector, given this cohort of workers are thought to be highly exposed.

- **While widely publicised layoffs at some prominent tech companies have heightened fears that AI may already be replacing jobs, it is still too early to say conclusively that this is the case, over a general 'rightsizing' of workforces in these companies following a period of rapid growth in Ireland.** Indeed, monthly payrolls data show tech sector employment was broadly flat in Q3, following prior falls, in contrast to the more negative trends in the LFS.

- **Moreover, the LFS data does not fully tally with other sources suggesting more broad-based jobs growth.** Increasingly, administrative data series are gaining prominence, as survey-based measures such as the LFS can face issues of sampling variability. Payroll jobs data from actual tax records shows employee jobs rising by a healthy 2.4% y/y in Q3 (vs. a LFS rate of 2.1%), with gains in all but two of the 14 main economic sectors. The Central Statistics Office also recently stated that the payrolls are a "more suitable" estimate of short-term jobs growth, ahead of revisions to the LFS following the next census.

- **Employment-searching platforms such as Indeed.ie also show job postings have picked up over the past few months, rising 3.3% in the year to mid-November.** Fears around AI replacement abound, but the number of roles advertised on Indeed mentioning AI terms has surged to over 15%, well ahead of other markets, and suggests that AI has so far been complementary rather than destructive of jobs in Ireland. In any case, there can be no denying that the labour market remains robust - albeit different data sources paint slightly varying pictures as to just how strong.



- **Turning to the week ahead, the flash PMI readings for November in the main advanced economies will be in focus.** In the Eurozone, the manufacturing and services reports expanded throughout Q3 and at the start of Q4, albeit they both edged slightly lower in October. The consensus is for both surveys to be little changed in November. Similarly, the UK PMIs have been in expansion mode since the beginning of Q3, although in contrast to the Eurozone, they improved in October. Expectations are for a marginal rise to 53.0 for each index in November. Meanwhile, the US PMIs have registered very strong monthly readings throughout this year, indicating robust levels of activity in manufacturing and services. The former is forecast to inch lower for a second successive month, while the latter is projected to rise modestly.

- **Elsewhere in the US, despite it being a holiday shortened week for Thanksgiving, a busy macro release calendar includes core-PCE inflation data for October.** Core-PCE was already on an upward trend before the war in the Middle East started, and it has proven to be quite sticky throughout this year. It rose to 3.2% in May, printed at 3.0% between June and August, before inching up to 3.1% in September. A further increase, back up to its peak of 3.2% is pencilled in for October. This would mean that the Fed's preferred measure of inflation will have been above the 2% target for 68 successive months. However, despite the elevated level of inflation, personal consumption has remained robust, rising by 0.2-0.5% per month in real terms every month this year bar January and September. A 0.1% increase is projected in October, supported in part by a 0.4% rise in nominal incomes. Meanwhile, the second reading of US GDP is set to confirm that the economy expanded by 3.4% annualised in Q3.

- **In the Eurozone, the latest ECB monetary policy meeting account will be released.** Aside from that, the EC sentiment survey for November and the monetary statistics for October will garner some attention. In the UK, BoE Governor Bailey, Deputy Governor Lombardelli and external members Dhingra and Mann will appear before the Treasury Select Committee.

Interest Rate Forecasts

	Current	End Q4 2026	End Q1 2027	End Q2 2027
Fed Funds	3.875	4.125	4.375	4.375
ECB Deposit	2.50	2.75	2.75	2.75
BoE Repo	4.00	4.25	4.25	4.25
BoJ OCR	1.25	1.25	1.50	1.50

Current Rates Reuters, Forecasts AIB's ERU

Exchange Rate Forecasts (Mid-Point of Range)

	Current	End Q4 2026	End Q1 2027	End Q2 2027
EUR/USD	1.0979	1.11	1.12	1.13
EUR/GBP	0.8376	0.84	0.84	0.85
EUR/JPY	174.45	177	177	177
GBP/USD	1.3105	1.32	1.33	1.33
USD/JPY	158.88	159	158	157

Current Rates Reuters, Forecasts AIB's ERU

ECONOMIC DIARY

Monday 23rd - Friday 27th November

Date	UK & Irish Time (GMT+1)		Release	Previous	Forecast
This Week:	**ECB Speakers:**		Vujcic (Tue); Vujcic (Fri)		
	BoE Speakers:		Pill (Mon); Greene (Tue); **Bailey,** Lombardelli, Dhingra, Mann (Wed)		
	Fed Speakers:		Williams (Mon)		
Mon 23rd	**SPA:**	08:00	Overnight Stays (October)	Oct'25: 34.2m	
	FRA:	08:15	Flash S&P Composite PMI (November)	46.6	47.0
	GER:	08:30	Flash S&P Composite PMI (November)	53.4	53.2
	EU-21:	09:00	Flash S&P Composite PMI (November)	51.7	51.6
			- Manufacturing / Services	52.7 / 51.4	52.8 / 51.5
	UK:	09:30	Flash S&P Composite PMI (November)	52.9	53.0
			- Manufacturing / Services	52.8 /52.8	53.0 / 53.0
	US:	14:45	Flash S&P Composite PMI (November)	55.9	56.0
			- Manufacturing / Services	54.9 / 56.1	54.8 / 56.4
Tue 24th	**JPN:**	00:30	Flash S&P Composite PMI (November)	52.1	
	GER:	09:00	Ifo Business Climate (November)	90.2	90.5
	UK:	11:00	CBI Distributive Trades (November)	-10.0	
	IRE:	***11:00***	***Earnings & Labour Costs (Q3 2026)***		
	US:	14:00	Case-Shiller House Prices (September)	+0.3% (+2.7%)	+0.2%
	US:	15:00	Conference Board Consumer Confidence (Nov)	91.7	92.5
Wed 25th	**GER:**	07:00	GDP (Q3: Detailed Reading)	+0.2% (+1.3%)	+0.2% (+1.3%)
	FRA:	07:45	INSEE Consumer Confidence (November)	80.0	
	US:	13:30	Personal Income / Consumption	+0.2% / +0.5%	+0.4% / 0.4%
			- Real Personal Consumption	+0.0%	+0.1%
	US:	13:30	PCE Prices (October)	+0.5% (+3.6%)	+0.3% (+3.8%)
			- Core-PCE Prices	+0.3% (+3.1%)	+0.3% (+3.2%)
	US:	13:30	GDP (Q3: Second Reading)	+3.4% S.a.a.r.	+3.4% S.a.a.r.
	US:	13:30	PCE Prices (Q3: Second Reading)	+2.1%	+2.1%
			- Core-PCE prices	+2.5%	+2.5%
Thu 26th			**Thanksgiving (US Public Holiday)**		
	GER:	07:00	Gfk Consumer Sentiment (December)	-30.8	-29.5
	FRA:	07:45	Producer Prices (October)	+1.7% (+6.8%)	
	EU-21:	09:00	M3 Annual growth (October)	(+3.5%)	(+3.5%)
			- Loans to Households	(+3.1%)	
	JPN:	23:50	Tokyo CPI Inflation (November)	(+2.8%)	
			- Ex-Fresh Food	(+2.6%)	(+3.0%)
Fri 27th			**Thanksgiving Friday (US Markets Close Early)**		
	FRA:	07:45	GDP (Q3: Final Reading)	-0.1% (-0.1%)	-0.1% (-0.1%)
	FRA:	07:45	Flash HICP Inflation (November)	+0.4% (+3.7%)	
	SPA:	08:00	Flash HICP Inflation (November	+0.5% (+4.9%)	
	GER:	08:55	Unemployment Rate (November)	6.4%	6.4%
	EU-21:	10:00	EC Business Climate (November)	0.09	
	EU-21:	10:00	EC Economic Sentiment (November)	96.9	96.9
			- Industrial / Services / Consumer	-3.4 / 5.3 / -17.9	-3.3 / 5.0 / -18.0
	IRE:	***11:00***	***Retail Sales (October)***	***-0.4% (+2.9%)***	

♦ *Month-on-month changes (year-on-year shown in brackets)*

AIB Treasury Economic Research

David McNamara
Chief Economist

John Fahey
Senior Economist

Daniel Noonan
Economist

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, plc and Allied Irish Banks (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, plc. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and Allied Irish Bank (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI 018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.