

# International Economy Watch

26 November 2015



AIB Treasury Economic Research Unit

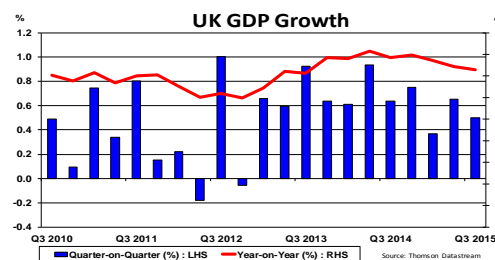
	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15
<b>GDP</b>															
<i>QoQ % Change</i>															
US	0.7	0.5	0.1	0.0	0.5	0.3	0.7	0.9	-0.2	1.1	1.1	0.5	0.2	1.0	0.5
Eurozone	-0.2	-0.3	-0.1	-0.4	-0.2	0.4	0.2	0.2	0.2	0.1	0.3	0.4	0.5	0.4	0.3
German	0.4	0.1	0.2	-0.5	-0.3	0.9	0.4	0.3	0.7	-0.1	0.2	0.6	0.3	0.4	0.3
French	0.0	-0.3	0.3	0.0	0.1	0.8	-0.1	0.2	-0.2	-0.1	0.2	0.1	0.7	0.0	0.3
UK	0.2	-0.2	1.0	-0.1	0.7	0.6	0.9	0.6	0.6	0.9	0.6	0.8	0.4	0.7	0.5
Japan	1.0	-0.5	-0.4	-0.2	1.3	0.6	0.6	-0.2	1.2	-2.0	-0.3	0.3	1.1	-0.2	-0.2
<i>QoQ Seas Adj Annualised Rate</i>															
US	2.7	1.9	0.5	0.1	1.9	1.1	3.0	3.8	-0.9	4.6	4.3	2.1	0.6	3.9	2.1
Eurozone	-0.6	-1.1	-0.4	-1.8	-1.0	1.6	0.9	0.9	0.8	0.3	1.0	1.6	2.1	1.4	1.2
German	1.6	0.2	0.7	-1.9	-1.1	3.7	1.5	1.3	2.9	-0.2	0.8	2.5	1.4	1.8	1.3
French	0.2	-1.1	1.1	-0.1	0.6	3.1	-0.4	0.7	-0.6	-0.5	1.0	0.5	2.9	0.2	1.4
UK	0.9	-0.7	4.1	-0.2	2.7	2.4	3.8	2.6	2.5	3.8	2.6	3.0	1.5	2.6	2.0
Japan	4.3	-2.1	-1.5	-0.6	5.5	2.3	2.5	-0.9	4.7	-7.7	-1.1	1.2	4.6	-0.7	-0.8
<i>YoY % Change</i>															
US	2.8	2.5	2.4	1.3	1.1	0.9	1.5	2.5	1.7	2.6	2.9	2.5	2.9	2.7	2.2
Eurozone	-0.4	-0.8	-0.8	-1.0	-1.1	-0.4	-0.1	0.6	1.1	0.7	0.8	0.9	1.2	1.5	1.6
German	0.9	0.8	0.6	0.1	-0.5	0.3	0.5	1.3	2.3	1.4	1.2	1.5	1.1	1.6	1.7
French	0.4	0.2	0.3	0.0	0.1	1.1	0.8	1.0	0.7	-0.2	0.1	0.1	0.9	1.1	1.2
UK	1.5	1.0	1.2	1.0	1.4	2.2	2.1	2.8	2.8	3.1	2.9	3.0	2.7	2.4	2.3
Japan	3.3	3.4	0.3	0.0	0.3	1.4	2.4	2.3	2.1	-0.5	-1.4	-0.8	-0.8	1.0	1.1

US GDP growth slowed to 2.1% on an annualised basis in Q3 after Q2's reacceleration. Growth was dragged down by inventories, while investment slowed

Eurozone growth slowed again in Q3 to 0.3%. But, the pace of YoY growth continued to pick up, now at 1.6%, its best rate since Q2'11. At a national level, growth was soft in most economies

Pace of growth in the UK slowed to 0.5% in Q3. Breakdown of GDP data show economy heavily reliant on the services sector

Japanese economy slipped into its fourth recession in five years in Q3. Lack of growth may largely reflect a shrinking work force and population



Note: Data sourced from Thomson Reuters, US Bureau of Economic Analysis, US Department of Commerce, Eurostat, Germany Federal Statistics Office, INSEE, ONS, Japanese Cabinet Office, Institute for Supply Management, European Commission, Ifo, German Centre for European Economic Research, ISTAT, Bank of Japan, Chinese National Bureau of Statistics, OECD, JP Morgan, Federal Reserve, Japanese Ministry of Economy, Trade and Industry, CPB Netherlands, US Census Bureau, Conference Board, University of Michigan, Gfk Group, US Bureau of Labor Statistics, Japanese Ministry of Internal Affairs, European Central Bank, Bundesagentur fur Arbeit, Japanese Ministry of Health and Labour, US National Association of Realtors, US National Association of Home Builders, UK Department of Community & Local Government, Bank of England, RICS, HBoS, Nationwide, Standard & Poor's, Dow Jones, STOXX, Deutsche Boerse, FTSE, NIKKEI, ICIS Pricing, London Bullion Market, Commodity Research Bureau.

# Leading Activity Indicators

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
<b>US</b> - Manufacturing ISM	56.1	57.9	57.6	55.1	53.5	52.9	51.5	51.5	52.8	53.5	52.7	51.1	50.2	50.1	#NA
- Services ISM	58.1	56.9	58.8	56.5	56.7	56.9	56.5	57.8	55.7	56.0	60.3	59.0	56.9	59.1	#NA
- Business Activity	62.0	60.5	63.4	58.6	61.5	59.4	57.5	61.6	59.5	61.5	64.9	63.9	60.2	63.0	#NA
<b>Eurozone</b> - EC Econ. Sentiment	100.2	100.8	100.8	100.9	101.5	102.3	103.9	103.8	103.8	103.5	104.0	104.1	105.6	105.9	#NA
- German IFO	105.5	103.6	104.7	105.7	106.8	106.8	108.0	108.6	108.6	107.6	108.0	108.4	108.5	108.2	109.0
- German ZEW	6.9	-3.6	11.5	34.9	48.4	53.0	54.8	53.3	41.9	31.5	29.7	25.0	12.1	1.9	10.4
- French INSEE	96.6	97.5	98.4	98.8	99.2	99.4	98.8	101.9	101.9	100.5	102.6	103.1	104.3	103.1	101.8
- Italian ISTAT	98.2	98.9	99.4	99.5	99.9	100.3	103.6	104.0	103.5	104.0	103.7	102.9	104.4	105.9	#NA
<b>UK</b> - EC Economic Sentiment	114.8	113.0	113.3	113.3	113.9	113.8	111.1	113.1	113.2	109.4	112.9	113.5	110.7	108.3	#NA
- EC Industrial Sentiment	4.9	5.4	6.3	6.8	6.1	8.4	1.3	1.4	2.1	-0.8	0.7	-1.1	-4.1	-3.7	#NA
- EC Services Sentiment	23.3	21.3	22.0	16.6	18.7	15.1	14.2	18.8	22.0	9.0	17.5	26.9	19.6	10.4	#NA
<b>Japan</b> - Tankan Manufacturing	20	27	17	30	25	24	24	27	30	39	27	25	21	27	27
- Tankan Services	35	25	27	27	16	15	27	26	26	21	21	21	19	17	9
<b>China</b> - NBS Manufacturing PMI	51.1	50.8	50.3	50.1	49.8	49.9	50.1	50.1	50.2	50.2	50.0	49.7	49.8	49.8	#NA
- NBS Services PMI	54.0	53.8	53.9	54.1	53.7	53.9	53.7	53.4	53.2	53.8	53.9	53.4	53.4	53.1	#NA
<b>Global</b> - Manufacturing PMI	52.2	52.2	51.8	51.5	51.7	51.9	51.7	51.0	51.3	51.0	51.1	50.7	50.7	51.4	#NA
- Services PMI	55.2	53.6	53.4	52.5	53.0	54.1	55.2	54.8	54.0	53.6	54.1	54.6	53.3	53.7	#NA
- Composite PMI	54.8	53.5	53.2	52.4	53.0	53.9	54.8	54.2	53.6	53.1	53.7	53.9	52.8	53.4	#NA
- OECD Lead Indicator	100.3	100.3	100.3	100.3	100.3	100.3	100.2	100.2	100.1	100.1	100.0	99.9	99.8	#NA	#NA

US ISM surveys continue to indicate strong growth in the services sector, while manufacturing struggles

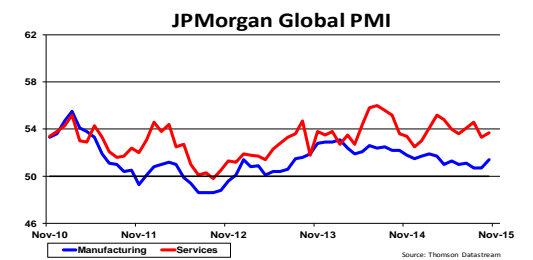
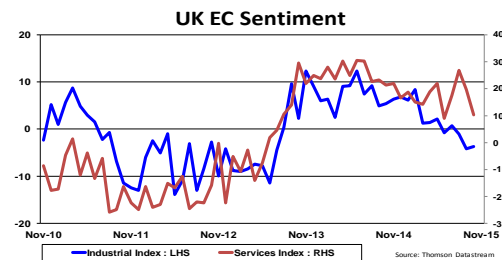
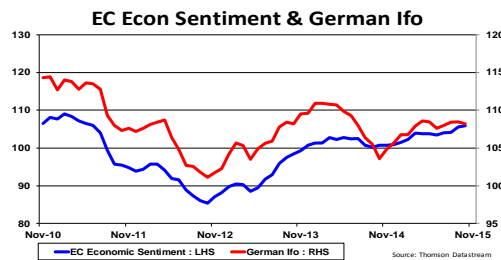
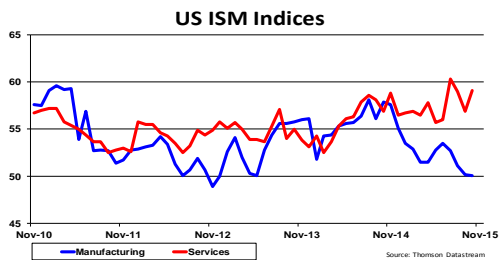
Eurozone EC economic sentiment at an over 4yr high in October, but still points to only modest growth. National level indicators mixed in November

UK EC economic sentiment data suggest that industrial sector remains very weak. Services sector slowed sharply in October

In contrast to other major economies, Japanese Tankan indicates manufacturing is strong, while the services sector is losing momentum

Chinese manufacturing PMI remains very weak

Global PMIs point to improved growth at the start of Q4



# Industrial Output

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
<b>Industrial Production - Volume Indices</b>															
US	106.1	106.7	106.8	107.8	107.9	107.6	107.4	107.2	107.1	106.7	106.7	107.5	107.6	107.4	107.2
Eurozone (ex Construction)	100.5	101.0	101.2	101.3	101.9	102.0	103.0	102.6	102.6	102.5	102.2	102.9	102.5	102.2	#N/A
Germany (inc Construction)	105.9	107.6	107.8	108.0	109.1	109.0	108.9	108.6	109.1	109.5	108.6	109.7	109.0	107.8	#N/A
UK - Total	100.4	100.9	100.8	100.8	100.7	100.6	101.0	101.6	101.6	101.9	101.7	101.3	102.2	102.0	#N/A
- Manufacturing	101.8	102.3	101.5	102.2	102.5	101.6	102.0	102.4	102.0	101.1	101.3	100.5	100.9	101.7	#N/A
Japan	96.7	98.1	98.5	97.9	98.1	102.1	98.9	98.1	99.3	97.2	98.3	97.5	96.3	97.4	#N/A
<b>MoM % Change</b>															
US	0.0	0.5	0.2	0.9	0.1	-0.3	-0.2	-0.2	-0.2	-0.4	0.0	0.8	0.1	-0.2	-0.2
Eurozone (ex Construction)	-1.0	0.5	0.2	0.1	0.6	0.1	1.0	-0.5	0.0	-0.1	-0.3	0.7	-0.4	-0.3	#N/A
Germany (inc Construction)	-2.8	1.6	0.2	0.2	1.0	-0.1	-0.1	-0.3	0.5	0.4	-0.8	1.0	-0.6	-1.1	#N/A
UK - Total	-0.2	0.5	-0.2	0.0	-0.1	0.0	0.3	0.6	0.1	0.2	-0.2	-0.3	0.9	-0.2	#N/A
- Manufacturing	0.0	0.4	-0.7	0.7	0.2	-0.9	0.4	0.5	-0.4	-0.9	0.2	-0.7	0.4	0.8	#N/A
Japan	-0.8	1.4	0.4	-0.6	0.2	4.1	-3.1	-0.8	1.2	-2.1	1.1	-0.8	-1.2	1.1	#N/A
<b>YoY % Change</b>															
US	4.0	3.9	4.1	4.7	4.6	4.5	3.5	2.5	2.1	1.4	0.9	1.3	1.4	0.7	0.3
Eurozone (ex Construction)	-0.5	0.3	0.8	-0.7	0.8	0.7	2.0	2.1	0.7	1.7	1.5	1.8	2.2	1.7	#N/A
Germany (inc Construction)	-2.0	0.4	1.2	-0.3	0.8	0.4	0.2	0.1	0.8	2.5	1.0	0.8	2.7	0.2	#N/A
UK - Total	1.1	0.8	1.1	1.3	0.6	1.0	0.3	1.2	0.8	1.4	1.4	0.7	1.8	1.1	#N/A
- Manufacturing	3.0	2.6	2.1	3.3	2.6	1.3	0.8	1.1	-0.2	0.2	-0.1	-1.2	-0.9	-0.6	#N/A
Japan	-3.0	1.0	-0.5	-3.7	-0.1	-2.6	-2.0	-1.7	0.1	-3.9	2.3	0.0	-0.4	-0.8	#N/A
<b>World Industrial Production (CPB Netherlands Bureau for Economic Policy Analysis)</b>															
MoM %	-0.5	1.1	0.0	0.3	0.6	-0.3	0.1	0.0	0.1	-0.3	0.7	0.2	-0.3	#N/A	#N/A
3 Mth / 3 Mth %	0.3	0.6	0.6	1.0	1.0	1.0	0.6	0.3	0.2	-0.1	0.1	0.2	0.5	#N/A	#N/A
3 Mth Avg YoY %	3.1	3.1	3.0	3.1	3.1	2.9	2.7	2.4	2.2	1.9	2.0	2.0	2.1	#N/A	#N/A
<b>Industrial Orders</b>															
<b>MoM % Change</b>															
US - Factory Goods	-10.5	-1.0	-0.9	-0.7	-3.7	-0.4	-1.0	2.2	-0.7	-1.1	2.2	0.2	-2.1	-1.0	#N/A
Germany	-5.3	1.4	2.7	-2.3	3.3	-2.6	-0.9	1.0	2.2	-0.4	1.9	-2.2	-1.8	-1.7	#N/A
Japan - Core Machinery (Value)	2.3	2.4	-3.5	0.1	5.6	2.5	-1.4	2.9	3.8	0.6	-7.9	-3.6	-5.7	7.5	#N/A
<b>YoY % Change</b>															
US	3.5	3.8	2.0	-2.2	-2.4	-5.3	-6.9	-4.0	-6.5	-8.3	-4.2	-15.1	-7.0	-7.1	#N/A
Germany	-2.6	2.3	2.8	-1.5	6.3	-3.2	-2.5	6.3	1.4	-1.5	13.4	-1.3	2.2	-1.0	#N/A
Japan - Core Machinery (Value)	-3.3	7.3	-4.9	-14.6	11.4	1.9	5.9	2.6	3.0	19.3	16.6	2.8	-3.5	-1.7	#N/A

US industrial production has been virtually static this year, with YoY growth broadly flat in October. Reflects a number of factors including lower oil production and the impact of the stronger dollar

Eurozone production also remains very soft, growing just 0.1% in Q3. Growth weighed down by weakness of intermediate goods output, may reflect slowing demand from emerging markets

Growth in UK production slowed to 0.2% in Q3. Oil extraction continued to grow strongly (+3.2%), but manufacturing declined

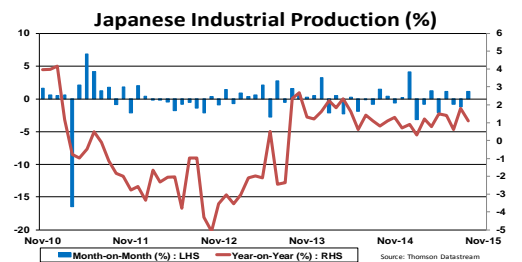
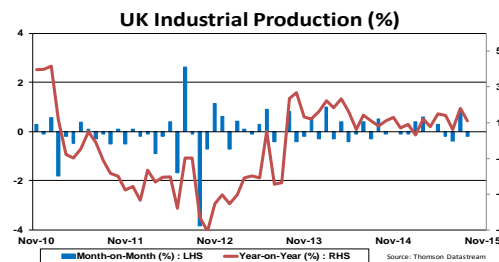
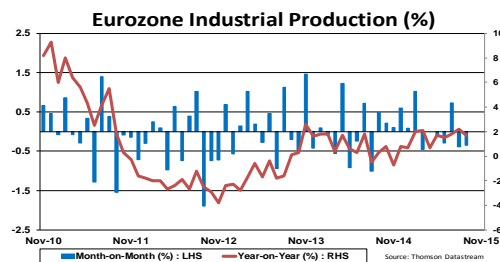
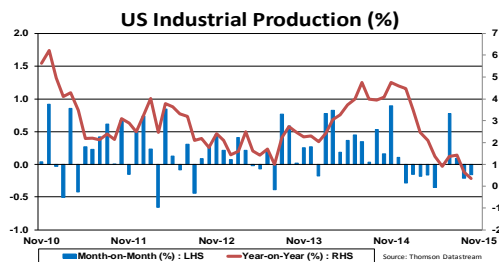
Japanese output remained in decline in Q3, falling by 1.3%. In part reflects impact from slowdown in China

YoY growth in global production holding around 2%

US factory orders fall by 0.4% in Q3 after increasing by the same amount in Q2

German orders also fall in Q3 (-2.8%) after picking up in Q2 (+3%)

Japanese orders were very weak in Q3, falling by 10% after rising by 3% in Q2





# Consumer Confidence & Retail Sales

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
<b>CONSUMER CONFIDENCE INDICATORS</b>															
US - Conference Board	89.0	94.1	91.0	93.1	103.8	98.8	101.4	94.3	94.6	99.8	91.0	101.3	102.6	99.1	90.4
- Expectations	86.4	93.8	89.3	88.5	97.0	90.0	96.0	87.1	86.2	92.8	82.3	91.6	90.8	88.7	78.6
US - Univ. Michigan Sentiment	84.6	86.9	88.8	93.6	98.1	95.4	93.0	95.9	90.7	96.1	93.1	91.9	87.2	90.0	93.1
- Expectations	75.4	79.6	79.9	86.4	91.0	88.0	85.3	88.8	84.2	87.8	84.1	83.4	78.2	82.1	85.6
Eurozone - European Commission	-11.5	-11.3	-11.6	-11.0	-8.5	-6.7	-3.7	-4.6	-5.6	-5.6	-7.2	-6.9	-7.1	-7.7	-6.1
Germany - European Commission	-1.1	-0.7	-1.6	-1.4	0.0	-0.1	3.2	3.3	3.0	2.8	1.4	0.7	-2.9	-4.6	#N/A
- Gfk Consumer Climate	8.6	8.4	8.5	8.7	9.0	9.3	9.7	10.0	10.1	10.2	10.1	10.1	9.9	9.6	9.4
France - INSEE	86.3	86.1	87.7	90.4	90.0	92.2	93.3	94.3	93.6	93.9	93.4	93.5	96.9	95.8	96.3
UK - European Commission	3.5	5.2	2.6	3.1	3.0	3.9	5.6	6.9	1.1	5.1	3.0	2.8	0.4	0.3	#N/A
- Gfk	-1	-2	-2	-4	1	1	4	4	1	7	4	7	3	2	#N/A

Some divergence between Michigan and Conf' Board surveys, but overall US consumer confidence remains strong

Eurozone confidence improves in November, though it continues to point to only modest growth in consumption

EC UK consumer confidence has continued to decline

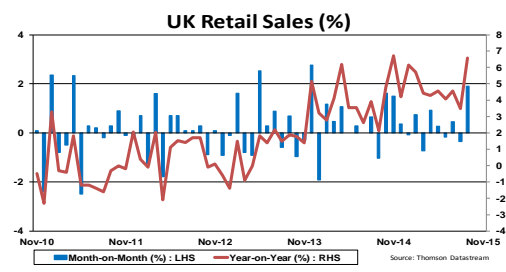
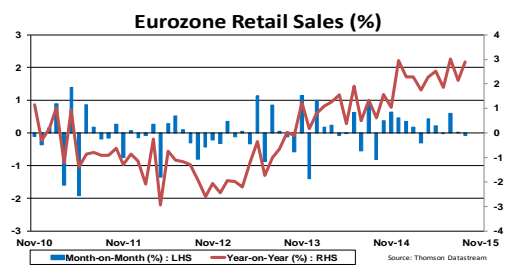
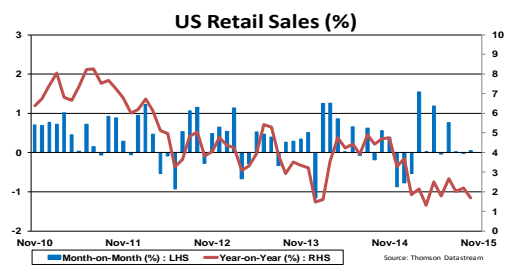
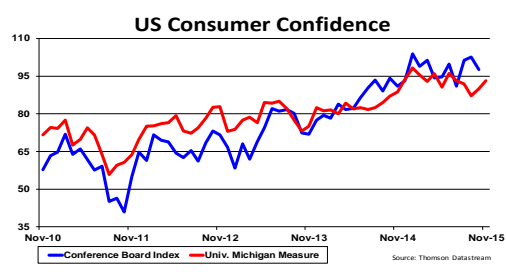
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
<b>RETAIL SALES</b>															
US - Headline (Value \$ m)	437,428	439,829	441,444	437,590	434,225	431,921	438,572	438,717	443,913	443,734	447,097	447,133	447,031	447,255	#N/A
- Ex Autos (Value \$ m)	350,363	351,482	351,692	348,678	344,769	344,404	348,016	347,631	351,113	352,381	354,345	354,099	352,692	353,392	#N/A
- Auto Sales (mln, s.a.a.r.)	16.42	16.46	17.02	16.80	16.63	16.32	17.06	16.70	17.63	16.95	17.47	17.73	18.06	18.12	#N/A
Eurozone (Volume Index)	97.8	98.2	98.8	99.3	99.6	99.8	99.5	99.9	100.2	100.1	100.7	100.7	100.7	100.7	#N/A
UK (Volume Index)	105.0	106.8	108.2	108.6	108.5	109.3	108.5	109.5	109.7	109.5	110.1	109.7	111.5	110.9	#N/A
Japan (Value Index)	11,246	11,368	11,646	13,510	11,489	10,726	12,403	11,556	11,772	11,470	12,030	11,541	11,232	#N/A	#N/A
<b>MoM %</b>															
US - Headline (Value)	-0.2	0.5	0.4	-0.9	-0.8	-0.5	1.5	0.0	1.2	0.0	0.8	0.0	0.0	0.1	#N/A
- Ex Autos (Value)	0.1	0.3	0.1	-0.9	-1.1	-0.1	1.0	-0.1	1.0	0.4	0.6	-0.1	-0.4	0.2	#N/A
Eurozone (Volume)	-0.8	0.4	0.6	0.5	0.4	0.2	-0.3	0.4	0.2	0.0	0.6	0.0	-0.1	#N/A	#N/A
UK (Volume)	-0.9	1.7	1.3	0.4	-0.1	0.7	-0.7	0.9	0.2	-0.2	0.5	-0.4	1.6	-0.5	#N/A
Japan (Value)	-1.8	1.1	2.4	16.0	-15.0	-6.6	15.6	-6.8	1.9	-2.6	4.9	-4.1	-2.7	#N/A	#N/A
<b>YoY %</b>															
US - Headline (Value)	4.4	4.7	4.7	3.3	3.7	1.9	2.1	1.3	2.5	1.8	2.6	2.0	2.2	1.7	#N/A
- Ex Autos (Value)	3.6	3.8	3.8	2.0	1.7	0.7	1.0	0.1	1.1	0.8	1.6	1.2	0.7	0.5	#N/A
- Auto Sales (3MMA)	7.1	7.9	6.5	7.2	7.8	7.7	5.8	3.9	4.2	3.4	4.5	3.5	6.3	7.6	#N/A
Eurozone (Volume)	0.4	1.4	1.1	2.9	2.3	2.3	1.7	2.4	2.5	1.9	3.2	2.2	3.0	#N/A	#N/A
UK (Volume)	2.2	4.9	6.7	4.2	6.3	5.7	4.4	4.3	4.5	4.1	4.7	3.5	6.2	3.8	#N/A
Japan (Value)	2.3	1.4	0.5	0.1	-2.0	-1.7	-9.7	4.9	3.0	1.0	1.8	0.8	-0.1	#N/A	#N/A

US retail sales growth (value) has slowed, with 3mth/3mth rate at 0.3% vs 1%+ rate seen for most of 2015. Falls in prices (esp. oil) have acted as a drag on headline growth

Eurozone sales show a solid 0.6% increase in Q3—now up for 7 consecutive quarters. Sales were aided by the renewed fall in fuel prices

UK retail sales have continued to perform strongly, with the 3mth/3mth rate at 0.9% in October. Benefits from lower oil prices and Rugby World Cup

Japanese sales were flat in Q3 after growing by 0.5% in Q2. Sales have not been helped by falling wages





# Consumer Prices

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
<b>CONSUMER PRICES</b>															
<b>YoY % Change</b>															
US CPI	1.7	1.7	1.7	1.3	0.8	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	0.0	0.2
Eurozone HICP	0.4	0.3	0.4	0.3	-0.2	-0.6	-0.3	-0.1	0.0	0.3	0.2	0.2	0.1	-0.1	0.1
German CPI	0.9	0.9	0.8	0.6	0.2	-0.3	0.1	0.3	0.5	0.7	0.3	0.2	0.2	0.0	0.3
French CPI	0.4	0.3	0.5	0.3	0.1	-0.4	-0.3	-0.1	0.1	0.3	0.3	0.2	0.1	0.0	0.1
UK CPI	1.5	1.2	1.3	1.0	0.5	0.3	0.0	0.0	-0.1	0.1	0.0	0.1	0.0	-0.1	-0.1
- UK CPI : Ex Taxes	1.6	1.2	1.3	1.0	0.5	0.0	-0.2	-0.3	-0.3	0.0	-0.1	0.1	-0.1	-0.2	-0.3
Japanese CPI	3.4	3.3	2.9	2.4	2.4	2.4	2.2	2.3	0.6	0.5	0.4	0.3	0.2	0.0	#N/A
<b>MoM % Change</b>															
US CPI (seas.adj.)	-0.1	0.1	0.1	-0.3	-0.3	-0.7	0.2	0.2	0.1	0.4	0.3	0.1	-0.1	-0.2	0.2
Eurozone HICP	0.1	0.4	-0.1	-0.2	-0.1	-1.6	0.6	1.1	0.2	0.2	0.0	-0.6	0.0	0.2	0.1
German CPI	0.0	0.0	-0.3	0.0	0.0	-1.0	0.9	0.5	0.0	0.1	-0.1	0.2	0.0	-0.2	0.0
French CPI	0.4	-0.4	0.0	-0.2	0.1	-1.0	0.7	0.7	0.1	0.2	-0.1	-0.4	0.3	-0.4	0.1
UK CPI	0.4	0.0	0.1	-0.3	0.0	-0.9	0.3	0.2	0.2	0.2	0.0	-0.2	0.2	-0.1	0.1
Japanese CPI (seas.adj.)	0.1	0.0	-0.2	-0.1	0.1	-0.1	-0.1	0.2	0.2	0.2	0.0	0.0	0.0	-0.2	#N/A
<b>Core CPI</b>															
<b>YoY % Change</b>															
US (1)	1.7	1.7	1.8	1.7	1.6	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.9	1.9
Eurozone (2)	0.9	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.7	0.9	0.8	0.9	0.9	0.8	1.0
UK (3)	1.9	1.5	1.5	1.2	1.3	1.4	1.2	1.0	0.8	0.9	0.8	1.2	1.0	1.0	1.1
Japan (4)	3.1	3.0	2.9	2.7	2.6	2.2	2.0	2.2	0.3	0.0	0.0	-0.1	-0.1	-0.1	#N/A
Japan : Core-Core (5)	2.2	2.2	2.1	2.1	2.1	2.0	2.0	2.1	0.4	0.4	0.5	0.6	0.8	0.9	#N/A
<b>MoM % Change</b>															
US (seas.adj) (1)	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.3	0.1	0.2	0.1	0.1	0.2	0.2
Eurozone (2)	0.3	0.5	0.0	-0.1	0.3	-1.5	0.5	1.2	0.2	0.1	0.0	-0.6	0.3	0.4	0.2
UK (3)	0.5	0.1	0.2	-0.1	0.2	-0.8	0.5	0.2	0.3	0.1	0.1	0.0	0.4	0.1	0.3
Japan (seas.adj) (4)	-0.1	-0.1	0.0	0.0	0.0	-0.3	-0.1	0.2	0.1	0.0	0.1	0.0	0.0	-0.1	#N/A
Japan (seas.adj) : Core-Core (5)	0.0	0.0	0.0	0.1	0.1	-0.2	0.1	0.1	0.1	0.0	0.2	0.1	0.2	0.1	#N/A

US CPI inflation rises to 0.2% in October. Price pressures in services emerging, though weak goods prices mean inflation will remain subdued

Eurozone inflation at 0.1% in Oct' after slipping into negative territory in Sept'. Sluggish growth and weak commodity prices mean inflation will remain very weak

UK inflation remained in negative territory in October

Japanese inflation was flat in September, its weakest reading since May 2013—largely reflects fall in oil prices

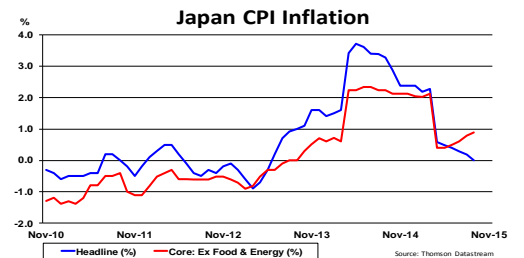
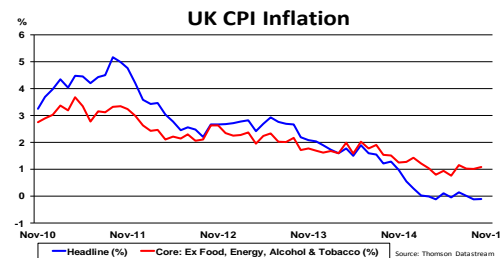
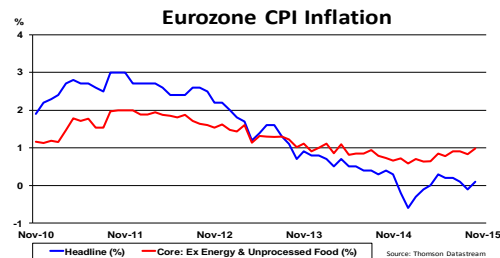
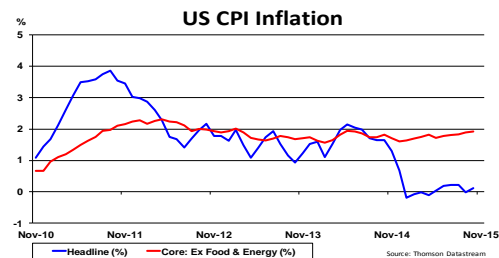
US core CPI (ex-food & energy) stuck in a 1.6-2% range since mid 2012

Core Eurozone inflation edges up to 1% in October, leaving 0.6-0.9% range in place since May 2014

Core UK inflation also higher in October (1.1%). Although, still weak overall

Core Japanese inflation edges up, but is way off levels from one year previous as impact from VAT hike gone

- (1) Excluding Food & Energy
- (2) Excluding Energy & Unprocessed Food
- (3) Excluding Food, Energy, Alcohol & Tobacco
- (4) Excluding Fresh Food
- (5) Excluding Food & Energy



# Labour Market

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
<b>EMPLOYMENT</b>															
US Non-Farm Payroll - Mth ('000)	213	250	221	423	329	201	266	119	187	260	245	223	153	137	271
<b>GROWTH YoY %</b>															
US Civilian Employment	1.5	1.6	2.7	2.0	1.9	2.1	2.1	1.7	1.9	2.0	1.7	1.7	1.8	1.5	1.3
Eurozone (Q)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	#N/A	#N/A	#N/A	#N/A
Germany	0.9	0.9	0.9	0.8	0.8	0.6	0.6	0.7	0.6	0.6	0.6	0.7	0.8	0.9	#N/A
France (Q)	0.5	0.5	0.5	0.5	0.5	0.2	0.2	0.2	0.2	0.2	0.2	#N/A	#N/A	#N/A	#N/A
UK (3 Mth to)	2.4	2.3	1.9	1.7	2.0	2.0	1.8	1.8	1.4	0.9	1.2	1.3	1.2	1.4	#N/A
Japan - Regular Employees	0.5	0.4	0.3	0.3	0.4	0.7	0.9	0.6	1.0	0.9	0.9	1.0	1.0	1.0	#N/A
<b>UNEMPLOYMENT RATE %</b>															
US Civilian Employment	6.1	5.9	5.7	5.8	5.6	5.7	5.5	5.5	5.4	5.5	5.3	5.3	5.1	5.1	5.0
Eurozone	11.5	11.5	11.5	11.5	11.4	11.3	11.2	11.2	11.1	11.0	11.0	10.9	10.9	10.8	#N/A
Germany	5.0	5.0	5.0	4.9	4.8	4.8	4.8	4.8	4.7	4.7	4.6	4.6	4.5	4.5	#N/A
France	10.3	10.4	10.5	10.5	10.5	10.4	10.4	10.3	10.3	10.4	10.5	10.6	10.8	10.7	#N/A
UK (3 Mth to)	6.0	6.0	6.0	5.8	5.7	5.7	5.6	5.5	5.5	5.6	5.6	5.5	5.4	5.3	#N/A
Japan	3.5	3.6	3.5	3.5	3.4	3.6	3.5	3.4	3.3	3.3	3.4	3.3	3.4	3.4	#N/A
<b>EARNINGS GROWTH YoY %</b>															
US - Employment Costs (Wages) (Q)	2.1	2.1	2.1	2.1	2.1	2.5	2.5	2.5	2.1	2.1	2.1	2.1	2.1	2.1	#N/A
- Average Earnings	2.2	2.0	2.0	2.1	1.8	2.2	2.0	2.1	2.3	2.3	2.0	2.2	2.2	2.3	2.5
UK - Weekly Earnings (Ex-bonus)	0.9	1.2	1.6	1.8	1.8	1.7	1.9	2.3	2.7	2.8	2.8	2.9	2.8	2.5	#N/A
Eurozone - Wage Growth (Q)	1.5	1.5	1.1	1.1	1.1	2.0	2.0	2.0	1.9	1.9	1.9	#N/A	#N/A	#N/A	#N/A
Germany - Wage Growth	2.7	2.8	2.9	2.8	2.9	0.9	2.5	3.1	2.6	2.0	2.2	2.4	2.5	2.5	#N/A
Japan - Average Earnings	1.6	1.3	0.7	0.6	2.1	-0.7	-1.2	-1.1	-0.6	-0.1	-4.7	-0.4	-1.2	-1.2	#N/A

US payrolls jump sharply in October after a somewhat disappointing performance in Q3. Unemployment rate falls further to 5%, a 7½ year low

Eurozone employment growth improves slightly in Q2 (0.9%), but remains modest. Unemployment falls to 10.8% in September—lowest rate since January 2012

Pace of growth in UK employment has shown signs of recovery in recent months, but it remains well off its mid 2014 highs. Unemployment falls to a 7½ year low of 5.3%

Japanese unemployment at 3.4%, near an 18 year low. But, labour force is shrinking

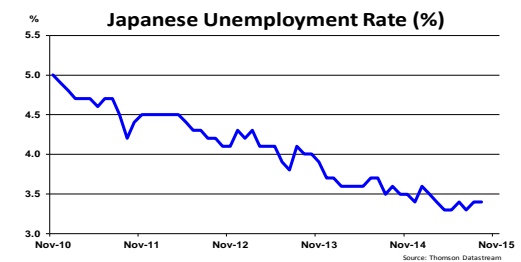
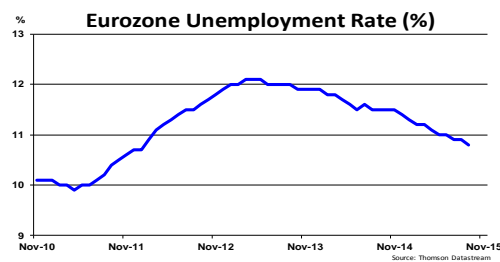
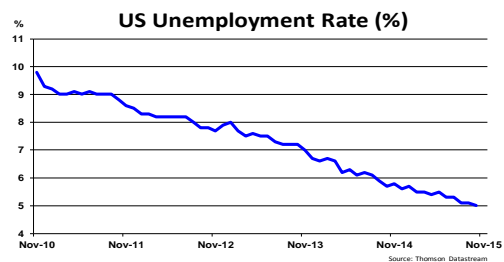
YoY growth in US wages remained at 2.1% in Q3

UK earnings growth slowed to 2.5% in Sept' after being around 2.8% in April-Sept

Eurozone wage growth broadly stable at 1.9% in Q2

Japanese earnings have been in decline throughout 2015, currently at -1.2% YoY

(Q) Monthly data interpolated from quarterly series





# Housing Market

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
<b>RESIDENTIAL CONSTRUCTION ACTIVITY</b>															
US - Starts ('000) s.a.a.r.	1,026	1,079	1,007	1,080	1,080	900	954	1,190	1,072	1,211	1,152	1,116	1,191	1,060	#N/A
US - Permits ('000) s.a.a.r.	1,053	1,120	1,079	1,077	1,059	1,098	1,038	1,140	1,250	1,337	1,130	1,161	1,105	1,150	#N/A
Eurozone - Permits (2000 = 100)	79.2	83.0	69.5	83.6	66.2	66.9	85.5	77.2	75.4	91.2	92.8	#N/A	#N/A	#N/A	#N/A
UK Starts (MQ)	11,913	8,393	8,393	8,393	13,150	13,150	13,150	12,110	12,110	12,110	12,177	12,177	12,177	#N/A	#N/A
US NAHB Sentiment	59	54	58	58	57	55	52	56	54	60	60	61	61	65	62
<b>YoY %</b>															
US - Starts - 3 Mth Avg	16.5	14.6	7.9	4.3	5.5	7.4	4.7	3.1	7.6	17.6	14.2	16.4	12.1	9.6	#N/A
US - Permits - 3 Mth Avg	6.3	7.4	5.3	6.2	5.2	6.2	3.3	3.5	8.8	19.3	20.3	16.5	8.4	6.3	#N/A
Eurozone - Permits	-3.5	-3.6	-3.9	-1.5	-4.7	-6.4	-10.1	-8.4	-8.2	-2.4	2.0	#N/A	#N/A	#N/A	#N/A
UK Starts (MQ)	2.0	-10.1	-10.1	-10.1	6.2	6.2	6.2	-2.8	-2.8	-2.8	2.2	2.2	2.2	#N/A	#N/A
<b>SALES</b>															
US - New Homes ('000) s.a.a.r.	459	472	449	495	521	545	485	508	513	469	503	529	468	#N/A	#N/A
- 3 Mth Avg YoY %	13.9	13.2	7.1	6.4	9.9	19.7	21.8	24.3	17.9	16.9	17.1	18.7	14.0	#N/A	#N/A
US - Existing Homes ('000) s.a.a.r.	5,100	5,160	4,950	5,070	4,820	4,890	5,210	5,090	5,320	5,480	5,580	5,300	5,550	5,360	#N/A
- 3 Mth Avg YoY %	-3.8	-1.7	0.7	2.7	3.1	4.2	6.3	7.7	8.9	8.4	9.3	8.5	8.3	6.2	#N/A
US - Pending Sales Index	103.7	103.7	104.1	102.5	103.7	107.4	108.7	111.6	112.3	110.4	110.9	109.3	106.8	#N/A	#N/A
- 3 Mth Avg YoY %	-1.3	0.2	2.4	3.3	4.9	9.0	11.1	12.9	11.3	10.5	8.8	8.4	5.6	#N/A	#N/A
UK - Transactions over £40k ('000)	100.5	99.3	98.8	97.6	96.7	99.7	99.2	96.8	98.7	104.6	102.3	103.9	105.7	105.5	#N/A
<b>PRICES</b>															
<b>MoM % Change</b>															
US - Case Shiller 20 (seas adj)	0.3	0.7	0.7	0.8	0.7	1.1	1.0	0.0	-0.1	-0.1	-0.1	0.1	0.6	#N/A	#N/A
UK - Halifax	0.9	-0.3	0.4	1.1	1.9	-0.4	0.6	1.6	0.3	1.6	-0.4	2.7	-0.9	1.1	#N/A
- Nationwide	-0.2	0.5	0.3	0.3	0.4	-0.1	0.1	1.0	0.3	-0.2	0.4	0.4	0.5	0.6	#N/A
<b>YoY % Change</b>															
US - Case Shiller 20	4.7	4.4	4.2	4.3	4.4	4.9	4.9	4.9	4.9	4.9	5.0	5.1	5.5	#N/A	#N/A
UK - Halifax (3 Mth Mov Avg)	9.4	8.7	8.2	8.0	8.6	8.3	8.1	8.5	8.8	9.2	7.9	9.0	8.7	9.7	#N/A
- Nationwide	9.5	9.0	8.5	7.2	6.7	5.7	5.2	5.1	4.7	3.3	3.6	3.1	3.8	3.9	#N/A
UK - RICS House Price Balance	28.8	20.2	15.4	14.3	9.8	15.9	23.6	31.2	33.6	40.7	44.1	53.0	44.2	49.1	#N/A

Year-on-year growth in US housing starts and permits slows further in October, though both remain at very encouraging levels

Volatile UK housing starts show YoY growth of 2.2% in Q3 after declining in Q2

YoY growth in US existing home sales slows further in October, but they remain at a strong level

US new home sales fall back in September, but remain at a solid level. Pace of YoY growth remained very strong in Q3 (+14%)

Volume of UK housing transactions has edged higher in recent months

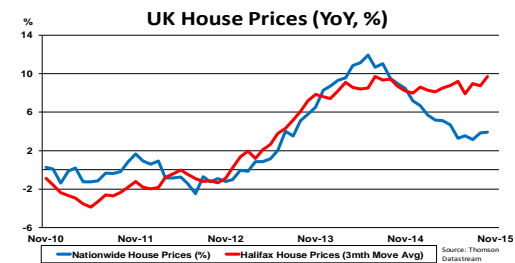
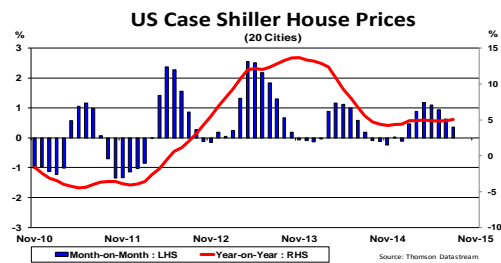
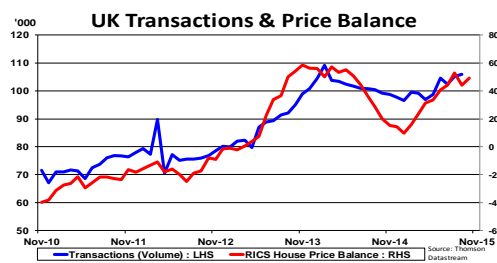
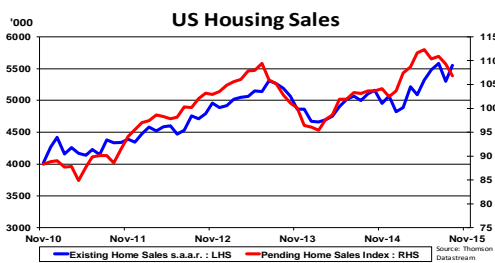
US Case-Shiller prices show solid pick-up in Sept after several subdued months. YoY growth rises to 5.5%

YoY growth in UK Halifax prices jumps to 9.7% in Oct, strongest since July'14.

Nationwide measure of growth more modest, at 3.9%

RICS house price balance recovers somewhat in October. Overall, it points to house price inflation

(MQ) Monthly average of Quarterly data





# Financial & Commodity Markets

Monthly Averages :	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	This Month To Date	Latest Value	
<b>Stock Markets</b>															
US - Dow Jones	17658	17766	17554	17949	17932	17961	18130	17927	17792	17062	16329	17182	17708	17812	Generally positive month for the main equity indices, supported by prospect of further ECB easing  Euro Stoxx 50 gains especially strong in the month  Expectation of rate hike in the US seen as sign of strong economy and thus it aids US equities
US - S&P 500	2046	2055	2029	2083	2080	2094	2113	2099	2093	2040	1943	2025	2079	2089	
EZ - EuroStoxx 50	3126	3162	3204	3454	3655	3732	3618	3522	3545	3444	3165	3275	3429	3410	
DE - Dax 30	9490	9826	10123	10977	11785	11957	11602	11236	11288	10818	9953	10222	10913	10934	
UK - FTSE 100	6644	6548	6613	6879	6885	6996	6984	6783	6647	6446	6087	6341	6294	6277	
JPN - Nikkei	17150	17542	17287	18033	19198	19781	19911	20404	20385	19919	17961	18377	19454	19925	
<b>Exchange Rates</b>															
<b>Trade Weighted Indices</b>															
\$ - Broad	87.7	89.2	92.8	94.4	97.9	97.5	95.2	95.2	96.9	96.4	95.8	95.7	98.9	99.5	The dollar made large gains in November as markets now expect the Fed to start hiking rates in December  At the same time, expectations of further easing by the ECB in December weighed on the euro  The yen remains generally quite stable  Sterling made good gains on a trade weighted basis in November, despite BoE tightening not expected till end 2016
€ - ECB Broad	99.0	99.0	95.3	93.3	90.5	89.7	91.5	92.3	91.3	93.0	93.8	93.6	91.2	90.7	
£ - BoE Effective	87.0	87.5	87.8	90.1	90.4	90.1	91.4	92.1	93.3	93.5	91.9	91.6	93.4	93.1	
¥ - BoE	125	123	126	127	128	128	125	122	124	124	127	127	126	127	
<b>vs Euro</b>															
USD	1.25	1.23	1.16	1.14	1.08	1.08	1.12	1.12	1.10	1.11	1.12	1.12	1.07	1.06	The yen remains generally quite stable  Sterling made good gains on a trade weighted basis in November, despite BoE tightening not expected till end 2016
GBP	0.79	0.79	0.77	0.74	0.72	0.72	0.72	0.72	0.71	0.71	0.73	0.73	0.71	0.71	
JPY	145	147	138	135	130	129	135	139	136	137	135	135	132	131	
<b>vs Dollar</b>															
GBP	1.58	1.56	1.52	1.53	1.50	1.50	1.55	1.56	1.56	1.56	1.53	1.53	1.52	1.51	Oil prices fall further in November on concerns over slowing global demand and still very high level of supply  Broad based sell-off in commodities weighs on CRB index, which is at its lowest level since H1 2009  Gold remains weak as US hike draws nearer & strong \$
JPY	116	119	118	119	120	120	121	124	123	123	120	120	123	123	
<b>Commodity Markets</b>															
Oil - West Texas	75	59	48	51	48	54	59	60	51	43	45	46	43	41	Oil prices fall further in November on concerns over slowing global demand and still very high level of supply  Broad based sell-off in commodities weighs on CRB index, which is at its lowest level since H1 2009  Gold remains weak as US hike draws nearer & strong \$
Oil - Brent \$	79	63	49	58	57	60	65	63	57	48	48	49	45	45	
Oil - Brent €	63	51	42	51	52	55	58	56	52	43	43	44	42	42	
Oil - Brent £	50	40	32	38	38	40	42	40	37	31	31	32	30	30	
CRB Commodity Index	481	463	441	435	420	423	430	424	417	397	393	402	388	384	Oil prices fall further in November on concerns over slowing global demand and still very high level of supply  Broad based sell-off in commodities weighs on CRB index, which is at its lowest level since H1 2009  Gold remains weak as US hike draws nearer & strong \$
Gold (\$ per Oz)	1177	1200	1251	1227	1179	1200	1199	1181	1131	1119	1125	1160	1089	1075	

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