

Irish Economy Watch

AIB Treasury Economic Research Unit



25 June 2018

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	
MANUFACTURING									
Investec Manufacturing PMI	54.4	58.1	59.1	57.6	56.2	54.1	55.3	55.4	Manufacturing PMI solid in April/May, though it does point to a slightly more modest pace of growth in Q2 vs Q1
OECD Leading Indicator	100.8	100.5	100.3	99.9	99.5	99.1	98.6	#N/A	
Industrial Production (Ex-Modern)	104.7	103.4	104.5	101.6	103.9	101.9	100.9	#N/A	Production (ex-modern) declining, -0.9% on a 3mth/3mth basis—primarily reflects fall in agricultural output due to weather conditions
Production (Ex-Modern) : 3mma YoY%	-1.8	-1.1	1.8	-0.8	-1.5	-8.3	-6.9	#N/A	
3mth / 3mth % seas. adj.	-0.1	1.9	3.0	0.9	0.0	-1.7	-0.9	#N/A	
SERVICES / RETAIL									
Investec Services PMI	57.5	56.0	60.4	59.8	57.2	56.5	58.4	59.3	The services PMI rose in May to 59.3, from an already very strong level. Points to continued robust growth in the sector
Monthly Services Index (Value)	110.0	110.8	110.6	114.6	111.0	109.0	114.7	#N/A	
- YoY %	3.2	3.2	4.1	8.2	1.5	8.0	6.5	#N/A	Volatile services index down 0.4% in April on a 3mth/3mth basis
- 3mth / 3mth % seas. adj.	1.2	1.0	1.2	2.3	2.0	1.0	-0.4	#N/A	
SIMI Car Registrations	1,944	683	159	37,024	17,011	17,744	8,061	6,065	New car sales down by 4.4% YTD. The decline is being broadly offset by imports of used cars, primarily from the UK
- 12 mth cum total	131,684	131,618	131,347	129,366	129,283	127,134	127,351	127,422	
- 3 mma YoY %	-18.6	-15.0	-18.5	-5.8	-4.1	-5.5	-4.5	-5.5	
Retail Sales Index	110.0	112.3	111.6	111.1	111.4	109.3	110.9	#N/A	Core retail sales rose by 1% MoM in April, after harsh weather conditions saw sales fall by 1.3% in March
- YoY %	4.0	5.8	5.6	1.6	2.3	-0.6	4.7	#N/A	
- 3mth / 3mth % seas. adj.	0.6	0.6	-0.8	1.5	0.8	-0.6	-1.0	#N/A	
Ex Autos Index	107.7	110.1	108.8	109.7	109.8	108.4	109.5	#N/A	
- YoY %	5.8	7.8	6.5	5.3	5.6	2.6	3.9	#N/A	
- 3mth / 3mth % seas. adj.	0.3	0.9	1.0	1.6	0.8	0.4	-0.3	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	54.5	56.7	58.0	61.4	59.2	57.5	60.7	61.8	Construction PMI rose to a one-year high of 61.8 in May. Housing sub-index particularly strong (65.2)
- Commercial Activity	55.5	58.6	59.4	60.4	61.0	60.4	62.0	65.2	
- New Orders	54.7	55.6	56.1	61.9	59.4	58.0	63.1	65.6	Registrations recovered in April/May (+12% YoY), following on from March's weather related dip. Trend is flat overall
- Business Expectations	56.1	57.2	59.4	60.5	60.3	58.5	61.6	62.8	
	74.0	72.5	75.1	76.2	80.5	80.4	76.3	78.4	YoY growth in commencements continues to slow, up 15% in the year to April versus +33% in 2017
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	9,441	9,511	9,466	9,464	9,521	9,269	9,385	9,458	
- 3 Month Avg YoY %	68.1	60.4	12.4	1.6	0.5	-8.9	-3.0	-2.6	
Commencements: 12mth Total	17,151	17,633	17,572	17,913	18,544	18,086	18,392	#N/A	
- 3 Month Avg YoY %	14.3	16.5	6.2	24.2	29.5	13.3	10.5	#N/A	
HOUSING MARKET ACTIVITY									
BPFI Mortgage Approvals : Month	3,224	3,243	2,301	2,586	2,523	2,737	3,031	#N/A	Mortgage approvals decline by 3.6% YoY in the three months to April—perhaps partly due to Central Bank lending rules
- 3 Month Avg YoY %	16.1	11.7	9.1	3.7	2.2	-3.9	-3.6	#N/A	
- 12 Mth Total	36,734	36,822	36,868	37,026	36,981	36,551	36,712	#N/A	Growth in transactions is slowing, up just 3.3% YoY in three months to April
RPPR Transactions : Month	4,948	5,070	6,338	3,296	3,953	4,198	3,787	#N/A	
- 3 Month Avg YoY %	11.1	12.6	23.0	23.5	21.2	4.6	3.3	#N/A	CSO house price growth accelerates further to 13% in March. Ex-Dublin growth (13.6%) still outpacing price inflation in the Capital (12.5%)
- 12 Mth Total	51,409	52,332	54,114	54,342	54,709	54,620	54,721	#N/A	
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.3	0.8	0.5	0.4	0.8	0.6	0.7	#N/A	CSO rent price inflation reaccelerating, +7% in May. Rents are now 22% above their previous peak
- YoY %	11.7	11.2	12.1	11.8	12.5	12.6	13.0	#N/A	
Daft Asking Prices: MoM %	0.6	-1.8	2.9	0.1	1.7	0.1	#N/A	#N/A	Lower mortgage rates and personal taxes, as well as higher wages helping housing remain relatively affordable
- YoY %	10.2	7.9	9.4	6.9	7.5	7.5	#N/A	#N/A	
RENTS: CSO Private Rents - MoM%									
- YoY %	0.5	0.0	0.8	0.2	1.1	0.5	0.6	0.6	
	5.6	5.6	6.1	6.3	6.2	6.4	6.5	7.0	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	18.2	17.4	17.4	17.2	17.3	17.4	17.5	#N/A	

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CONSUMER PRICES - YoY %	0.6	0.5	0.4	0.2	0.5	0.2	-0.4	0.4	CPI inflation back in positive territory in May, reflecting higher transport costs (fuel and airfares). Inflation remains very subdued at just 0.4%
- MoM %	-0.1	-0.2	-0.1	-0.7	0.9	0.3	-0.2	0.6	
HICP - YoY %	0.5	0.5	0.5	0.3	0.7	0.5	-0.1	0.7	HICP inflation also very soft at only 0.7%
- MoM %	-0.1	-0.1	-0.1	-0.7	0.9	0.4	-0.2	0.6	
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	104.8	103.6	103.2	110.4	105.2	108.1	104.0	106.7	Consumer confidence rises in May, after dipping in April. The index remains at a strong level
Credit Growth YoY %									
- Private Sector (Underlying)	-3.7	-2.6	-2.2	-1.7	-1.1	-0.6	-0.4	#N/A	Pace of decline in private sector credit eased further to 0.4% in April, a 6½ year low
- of which : Household	-1.5	-1.5	-1.5	-1.5	-1.6	-1.5	-1.5	#N/A	
- of which : Mortgage Lending	-2.1	-2.1	-2.0	-1.9	-1.9	-1.8	-1.8	#N/A	
LABOUR MARKET									
Live Register	248,500	245,100	241,500	238,500	235,100	232,500	229,000	224,900	Live Register continued to decline in May—down 39k in the last 12 months. The unemployment rate has continued to fall, moving down to a 10-year low of 5.3% in May
- Change In Month	-2,000	-3,400	-3,600	-3,000	-3,400	-2,600	-3,500	-4,100	
Unemployment Rate %	6.5	6.4	6.2	6.0	5.8	5.6	5.4	5.3	PMI employment sub-indices continued to point to strong jobs growth in April/May. Construction index particularly strong (61.4 Apr/May avg). Services (56.8) & manufacturing (54.1) also encouraging
Redundancies	291	288	175	132	211	152	#N/A	#N/A	
-12 Mth Total	3,052	3,083	3,056	3,050	3,036	2,922	#N/A	#N/A	
PMI Employment Indices									
- Investec Manufacturing	53.7	57.1	60.2	57.6	57.3	55.8	55.0	53.3	
- Investec Services	58.3	57.6	58.4	56.1	55.9	54.2	57.1	56.4	
- Ulster Bank Construction	54.8	56.7	53.7	57.1	57.3	58.5	62.9	59.9	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-2.6	1.4	3.5	12.2	14.0	11.1	-1.6	#N/A	YoY growth in value of goods exports slowed to 1.2% in 3 months to April. March weather conditions a factor
- 3MMA YoY %	-5.8	-3.9	-1.6	7.2	8.8	4.3	1.2	#N/A	
Import Values - 3M / 3M %	-2.6	4.1	9.2	6.4	4.5	-1.7	-4.2	#N/A	Imports down 1.4%. Weather also an issue. So too is fall in pharma and aircraft imports
- 3MMA YoY %	6.1	4.0	7.1	4.8	5.0	3.5	-1.4	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	6.2	5.8	6.0	5.2	4.1	4.0	4.5	6.0	Tax receipts +6% YTD in May—broadly in line with expectations
Voted Spending : Cum YTD %	5.0	5.0	5.2	25.9	5.0	3.9	8.6	8.4	
Exchequer Bal: 12 Mth Total €m	1,743	2,063	1,908	1,967	1,538	1,697	1,015	1,501	Government targeting deficit of just 0.2% of GDP in 2018
QUARTERLY DATA									
	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	
GDP - YoY %	5.4	2.7	9.9	5.3	6.3	10.9	8.4	#N/A	Irish GDP grew by 8.4% YoY in Q4 and 7.8% in 2017. The data remain heavily distorted by the activity of multi-nationals
*Domestic Demand - YoY% (3Q Avg)	3.3	3.2	5.0	6.2	6.4	5.5	3.4	#N/A	
Consumer Spending - YoY %	3.1	1.9	2.2	1.5	1.5	2.7	1.8	#N/A	Modified final domestic demand, which excludes some multi-national activity, grew by 4% in 2017
Services Exports - YoY % (3Q Avg)	10.7	10.2	10.6	13.4	14.0	12.9	12.1	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	3.8	3.8	3.8	3.7	2.5	2.2	3.1	2.9	Employment grew by a strong 2.9% YoY in Q1. Numbers in work now above pre-recessionary peak, though participation remains well down
Labour Force YoY %	2.3	2.3	1.7	1.8	0.1	0.4	1.9	1.4	
Average Earnings YoY %									Weekly earnings growth picks up to 2.4% in Q1. Dichotomy between sectors remains, with some areas showing strong pick-up in wages, while a few are flat or declining
- Hourly	0.5	0.3	1.3	0.7	1.4	2.8	1.9	2.7	
- Weekly	1.0	1.4	0.9	1.6	2.1	2.2	2.0	2.4	
Weekly Earnings YoY %									
- Private Sector	2.2	2.1	1.8	1.7	1.6	1.8	1.6	1.8	
- Public Sector	-1.0	1.2	-0.8	1.8	3.4	2.7	2.9	3.8	
CSO DWELLING COMPLETIONS									
	2395	2511	3041	2779	3298	3785	4584	3526	CSO completions show housing output lower than old Dept. of Housing estimates. Around 15k completions in 4 quarters to Q1
- YoY %	52.5	23.5	35.5	41.2	37.7	50.7	50.7	26.9	
- Cum 12 Mth Total	8641	9119	9915	10726	11629	12903	14446	15193	



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