

Irish Economy Watch

AIB Treasury Economic Research Unit



Monday 27 May 2024

Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24

MANUFACTURING

AIB Manufacturing PMI	49.6	48.2	50.0	48.9	49.5	52.2	49.6	47.6
AIB Manufacturing PMI - Future Output	71.6	70.0	69.7	71.2	67.0	65.6	59.4	64.4
Industrial Production (Ex-Modern)	128.5	125.3	128.9	133.6	132.7	131.0	137.3	#N/A
Production (Ex-Modern) : 3mma YoY%	5.9	3.4	3.6	8.5	12.2	13.9	10.6	#N/A
3mth / 3mth % seas. adj.	2.7	1.5	2.7	2.2	4.1	3.8	3.4	#N/A

The manu. PMI fell to 47.6 in Apr, signalling the sharpest rate of contraction in the sector since July'23. New business and output declined amid a generally weaker demand environment

Traditional industrial production rose by 3.4% in Q1 and was 10.6% higher YoY

SERVICES / RETAIL

AIB Services PMI	54.5	52.6	54.2	53.2	50.5	54.4	56.6	53.3
CSO Services Index (Value)	166.8	169.5	163.9	169.4	172.1	172.8	173.1	#N/A
- YoY %	4.7	9.0	3.1	6.9	9.2	7.9	7.2	#N/A
- 3mth / 3mth % seas. adj.	1.4	2.9	2.1	1.6	0.8	2.8	3.0	#N/A
SIMI Car Registrations	5,726	2,207	921	345	31,408	16,431	14,645	8,565
- 12 mth cum total	122,721	122,311	122,247	122,383	126,449	129,758	126,723	126,376
- 3 mma YoY %	13.6	-5.2	-10.7	-8.9	14.5	18.5	7.5	-0.2
Retail Sales Index	129.2	129.0	129.5	130.1	132.7	131.2	133.4	#N/A
- YoY %	2.1	0.3	0.9	2.8	5.3	1.7	1.0	#N/A
- 3mth / 3mth % seas. adj.	-2.1	-1.8	-1.7	-0.7	0.8	1.6	2.2	#N/A
Ex Autos Index	128.7	127.7	129.2	130.5	130.2	130.9	131.2	#N/A
- YoY %	1.3	0.5	-0.8	1.4	0.8	1.3	1.5	#N/A
- 3mth / 3mth % seas. adj.	-2.1	-1.2	-0.9	0.4	1.0	1.6	1.3	#N/A

The services PMI eased to 53.3 in Apr, indicating a slowdown in the pace of expansion. New business, including new export orders continued to rise. Prices charged reaccelerated though, as inflation remained elevated

The CSO services index was up by 7.2% YoY in Mar

New car sales enjoyed a strong start to 2024, up 6% YTD in Apr. 12mth running total running at 126k

Retail sales rose by 2.2% in Q1 and were 2.6% higher YoY. Core retail sales were 1.3% higher in the quarter and up 1.4% YoY

RESIDENTIAL CONSTRUCTION ACTIVITY

BNP Paribas Construction PMI	48.6	47.3	44.5	45.1	45.9	47.4	51.6	53.2
- Housing Activity	48.9	45.3	43.5	45.0	48.3	49.8	54.3	53.4
- Commercial Activity	49.2	50.9	43.8	42.8	44.7	47.2	53.2	54.6
- New Orders	49.4	49.6	46.7	47.2	47.4	47.7	51.5	53.9
- Business Expectations	59.2	53.6	57.2	59.9	58.6	64.9	63.8	59.5
Commencements: 12mth Total	29,961	30,744	31,429	32,801	34,050	35,752	37,408	53,011
- 3 Month Avg YoY %	23.5	29.6	28.9	47.0	52.4	73.3	62.7	242.5

The construction PMI rose to 53.2 in Apr, indicating the fastest monthly increase in activity since Mar'23. New orders, housing and commercial activity were all above the key 50 level

Commencements rocketed higher in April as developers rushed to meet waiver and rebate deadlines. 12 mth rolling total surged to 53k

HOUSING MARKET ACTIVITY

BPFI Mortgage Approvals : Month	3,527	3,676	3,614	2,364	2,718	2,922	3,237	3,796
- 3 Month Avg YoY %	7.3	3.7	-0.4	-2.2	-5.8	-1.9	-5.3	0.0
- 12 Mth Total	42,780	43,017	42,845	42,559	42,399	42,604	41,976	42,399
RPPR Transactions : Month	5,501	5,605	5,671	7,112	3,427	4,108	4,332	3,620
- 3 Month Avg YoY %	1.4	3.5	-2.0	1.6	-0.5	0.0	-9.9	-12.3
- 12 Mth Total	62,704	62,861	62,569	62,988	62,784	62,571	61,691	61,096

Mortgage approvals 3mma to Apr matches last years figure. 12 mth running total near 42.5k

Transactions 3mma down by 12.3% YoY, owing to a marked slowdown in Mar/Apr. 12 mth run rate falls to 61k

HOUSING MARKET PRICES

CSO Price Index - MoM	1.0	1.1	0.9	1.3	0.7	0.5	0.3	#N/A
- YoY %	1.4	2.3	3.0	4.1	5.4	6.3	7.3	#N/A
Daft Asking Prices: MoM %	1.0	-1.3	-1.4	1.6	0.0	1.8	-0.1	#N/A
- YoY %	4.5	6.2	4.7	5.1	5.5	6.2	5.8	#N/A
RENTS: CSO Private Rents - MoM%	0.7	0.0	0.2	0.2	0.1	0.4	0.0	0.2
- YoY %	7.1	6.6	6.3	6.2	6.0	5.3	5.1	5.1

House prices continued to trend higher, up 0.3% m/m in Mar. They were 7.3% higher YoY also

Asking prices on Daft.ie were revised higher for Q4'23, and were up 5.8% YoY in Q1

CSO rental index rose by 0.2% in Apr. However, the YoY rate remained at 5.1%

AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB

- Mortgage as % of Disposable Income	23.0	22.9	23.0	23.1	#N/A	#N/A	#N/A	#N/A
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Affordability deteriorated somewhat in Q4, as house prices continued to rise

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24		
CONSUMER PRICES - YoY %	6.4	5.0	3.9	4.6	4.1	3.4	2.9	2.6	Consumer prices rose by 0.2% in Apr. Alcohol and communication costs were the main contributors to the monthly increase. However, the YoY rate dropped to 2.6%. HICP inflation eased to 1.6% also	
- MoM %	0.1	0.3	-0.8	0.5	-1.3	1.0	0.5	0.2		
HICP - YoY %	5.0	3.6	2.5	3.2	2.7	2.3	1.7	1.6		
- MoM %	0.1	0.2	-0.9	0.4	-1.4	1.1	0.3	0.2		
PERSONAL / FINANCIAL										
ILCU Consumer Sentiment Index	58.8	60.4	61.9	62.4	74.2	70.2	69.5	67.8	Consumer sentiment declined, albeit marginally, for a third consecutive month in Apr	
Credit Growth YoY %										
- Private Sector	-2.1	-2.2	-2.1	-1.8	2.1	1.4	2.5	#N/A	Private sector credit growth rate accelerated in Mar, as household and mortgage growth rates picked-up	
- of which : Household	1.6	1.8	1.9	2.0	2.0	1.9	2.1	#N/A		
- of which : Mortgage Lending	1.5	1.6	1.6	1.8	1.8	1.5	1.7	#N/A		
LABOUR MARKET										
Live Register	178,300	176,100	175,200	175,000	176,900	174,900	174,500	174,200	Revisions to the data show the unemployment rate averaged 4.3% in Q1'24 down slightly from 4.5% in Q4'23. However, it rose to 4.4% in Apr from 4.1%	
- Change In Month	+4,200	-2,200	-900	-200	+1,900	-2,000	-400	-300		
Unemployment Rate %	4.6	4.5	4.4	4.5	4.5	4.2	4.1	4.4	In Apr, the employment sub-indices of the manufacturing, services and construction PMI's all moved lower, with the former at 50. The latter pair stayed in expansion mode	
PMI Employment Indices										
- AIB Manufacturing	53.0	50.2	51.1	50.0	50.6	52.5	51.7	50.0		
- AIB Services	53.2	52.0	53.3	51.9	52.7	54.4	53.2	52.9		
- BNP Paribas Construction	51.2	53.4	49.1	52.3	53.5	52.5	53.9	52.7		
MERCHANDISE TRADE										
Export Values - 3M / 3M %	-2.0	0.5	-2.0	1.9	-0.2	4.6	8.1	#N/A	Goods trade surplus stood at €22.1bn in Q1, up 34.7% YoY. Exports rose by 4.5% YTD to €53.2bn, led by a strong increase in pharma and medical products (up 17.4% YTD). Imports stood at €31.2bn in Q1, down 12.2% YoY	
- 3MMA YoY %	-11.6	-12.4	-7.6	-4.2	2.5	2.0	4.5	#N/A		
Import Values - 3M / 3M %	-2.4	-6.6	2.1	2.2	3.0	-11.3	-11.4	#N/A		
- 3MMA YoY %	-9.8	-13.9	-3.0	-1.1	-2.6	-11.3	-9.7	#N/A		
PUBLIC FINANCES										
Total Tax Receipts: Cum YTD %	6.1	4.0	5.8	6.0	4.8	5.5	1.8	2.6	Total tax take up by 2.6% YTD in Apr. Voted expenditure rose by 12.8% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus up slightly to €3.6bn	
Voted Spending : Cum YTD %	10.0	9.9	12.9	7.6	20.0	23.2	15.4	12.8		
Exchequer Bal: 12 Mth Total €m	-1,809	-3,185	-1,722	1,178	602	3,612	3,512	3,637		
QUARTERLY DATA										
		Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	
GDP - YoY %		9.3	9.4	10.2	2.7	-0.3	-5.8	-8.7	-0.8	The preliminary reading indicates GDP expanded by 1.1% in Q1'24, but it remained 0.8% lower in YoY terms
*Domestic Demand - YoY%		10.6	9.0	5.1	4.3	-1.2	-0.1	-0.5	#N/A	
Consumer Spending - YoY %		8.6	5.8	6.5	5.6	2.7	3.0	1.5	#N/A	
Services Exports - YoY % (3Q Avg)		9.2	9.8	3.1	0.6	-0.2	2.0	4.6	#N/A	
* Excludes Some Investment Related to the Multinational Sector										
EMPLOYMENT & EARNINGS										
Employment YoY %		9.2	3.5	2.6	3.7	3.1	3.6	3.4	1.9	Employment rose by 1.9% YoY in Q1'24, putting it 14.4% above pre-COVID levels. Employment rate eased to 73.8% in Q1, down slightly from Q4'23. The labour force grew by 2% YoY in Q1
Labour Force YoY %		6.0	2.1	1.8	2.8	3.0	3.8	3.5	2.0	
Average Earnings YoY %										Weekly average earnings rose by 3.5% YoY in Q4'23. Public sector pay was down by 1.6% YoY. Private sector earnings rose by 3.5% YoY
- Hourly		2.5	3.6	6.0	4.0	5.4	6.1	2.1	#N/A	
- Weekly		2.5	3.6	4.5	4.4	4.5	4.4	2.1	#N/A	
Weekly Earnings YoY %										
- Private Sector		3.6	4.9	2.4	3.6	4.0	3.8	3.5	#N/A	
- Public Sector		1.3	0.8	10.4	7.7	5.9	5.8	-1.6	#N/A	
CSO DWELLING COMPLETIONS										
		7611	7385	9101	6647	7281	8444	10254	5841	Having trended higher in 2023, completions declined by 12.1% YoY in Q1. 12mth total back below 32k
- YoY %		52.9	59.0	31.4	18.4	-4.3	14.3	12.7	-12.1	
- Cum 12 Mth Total		24796	27537	29711	30744	30414	31473	32626	31820	



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