

Irish Economy Watch

AIB Treasury Economic Research Unit



16 April 2019

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
MANUFACTURING									
AIB Manufacturing PMI	57.5	56.3	54.9	55.4	54.5	52.6	54.0	53.9	Manufacturing PMI broadly unchanged in March. Continues to point to solid growth but remains below 2018 levels
OECD Leading Indicator	98.8	98.6	98.4	98.4	98.4	98.5	98.5	#N/A	
Industrial Production (Ex-Modern)	111.8	109.0	116.9	113.4	108.4	109.7	113.2	#N/A	Industrial output (ex-modern) fell by 2.4% on a 3mth/3mth basis in February. However, YoY output growth still strong
Production (Ex-Modern) : 3mma YoY%	8.8	8.6	10.6	9.9	8.5	6.8	6.4	#N/A	
3mth / 3mth % seas. adj.	4.9	2.8	3.4	3.2	2.9	-1.8	-2.4	#N/A	
SERVICES / RETAIL									
AIB Services PMI	58.0	58.7	57.2	57.1	56.3	54.2	55.9	55.3	Service PMI lower, at 55.3 in March, a level still consistent with strong growth. Dip coincided with a fall in the new exports orders sub-index
CSO Services Index (Value)	116.5	122.6	123.6	123.8	117.0	122.0	124.2	#N/A	
- YoY %	5.7	13.0	13.6	12.0	5.5	7.2	12.4	#N/A	Volatile CSO services index improved again in February. Underlying data show ICT sector performing very strongly
- 3mth / 3mth % seas. adj.	1.7	1.3	3.6	5.8	2.5	0.0	-1.8	#N/A	
SIMI Car Registrations	5,898	3,183	1,732	643	142	32,331	15,100	16,703	
- 12 mth cum total	126,609	125,895	125,683	125,574	125,557	120,865	118,916	117,847	Second hand imports have failed to offset the 11% fall in new car sales this year. Total regs down 7% YTD in March
- 3 mma YoY %	-2.3	-3.7	-6.6	-15.5	-11.2	-12.5	-12.3	-10.7	
Retail Sales Index	116.0	118.4	118.8	117.7	117.4	116.0	118.4	#N/A	Core retail rose by a strong 0.8% in three months to February. YoY growth (+5.2%) has been broad based
- YoY %	2.6	6.3	6.4	3.0	3.3	-0.4	5.1	#N/A	
- 3mth / 3mth % seas. adj.	2.7	1.0	0.7	1.1	0.6	-0.6	-0.9	#N/A	
Ex Autos Index	115.2	117.0	115.8	116.4	116.3	117.1	118.7	#N/A	Core retail rose by a strong 0.8% in three months to February. YoY growth (+5.2%) has been broad based
- YoY %	3.8	6.1	4.2	1.8	3.8	4.0	5.2	#N/A	
- 3mth / 3mth % seas. adj.	1.4	1.0	1.1	1.4	0.5	0.5	0.8	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	58.3	56.2	52.9	55.5	56.3	54.6	60.5	55.9	Construction PMI moved down to 55.9 in March, after spiking higher in February. However, the housing activity sub-index remained at a very high level
- Commercial Activity	60.4	56.1	53.6	58.2	56.0	55.7	64.3	60.8	
- New Orders	57.7	58.1	53.9	57.5	58.5	55.4	62.2	55.5	
- Business Expectations	56.2	57.3	56.4	59.1	56.2	57.1	60.2	58.5	
- Business Expectations	77.7	75.0	71.6	68.1	70.2	71.5	67.6	65.1	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	9,263	9,593	9,824	10,107	10,265	10,807	10,863	#N/A	YoY growth in registrations continues to increase—at 40% in 3 months to February
- 3 Month Avg YoY %	-6.8	22.9	23.1	35.8	36.9	65.8	40.4	#N/A	
Commencements: 12mth Total	20,371	20,460	21,211	21,836	22,467	22,719	23,392	#N/A	12 month cumulative total of commencements remains on a steady upward trend (now close to 23.5k)
- 3 Month Avg YoY %	44.2	40.8	40.3	30.2	47.3	38.6	39.0	#N/A	
HOUSING MARKET ACTIVITY									
BPMI Mortgage Approvals : Month	3,324	3,013	3,430	3,208	2,292	2,438	2,741	#N/A	Mortgage approvals have stagnated—reflecting both tighter Central Bank lending rules and affordability issues
- 3 Month Avg YoY %	-2.3	-1.4	0.8	1.1	1.8	-2.4	0.8	#N/A	
- 12 Mth Total	36,561	36,493	36,699	36,664	36,655	36,507	36,725	#N/A	Transactions showing flat trend overall. 12 month total holding steady in a 56-57k range
RPPR Transactions : Month	4,889	4,518	5,376	5,505	6,249	3,219	3,948	#N/A	
- 3 Month Avg YoY %	3.1	1.5	1.5	2.7	3.2	1.6	-3.6	#N/A	
- 12 Mth Total	56,284	55,980	56,325	56,692	56,514	56,319	56,219	#N/A	
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.6	0.9	0.2	-0.3	-0.4	-0.6	-0.1	#N/A	CSO house price inflation has slowed markedly in recent months—at 4.3% in Feb. Ex-Dublin YoY price growth (+7.5%) outpacing the capital (+1.4%)
- YoY %	8.9	8.5	8.3	7.2	6.3	5.2	4.3	#N/A	
Daft Asking Prices: MoM %	-1.1	1.1	-0.5	-2.3	1.8	0.9	1.6	1.4	CSO rent inflation at 5.6% in March. Rents now 27.4% above their previous peak
- YoY %	5.4	7.4	6.2	5.7	4.5	5.4	5.3	6.7	
RENTS: CSO Private Rents - MoM%	1.0	0.5	0.8	0.5	0.2	0.4	0.3	0.4	Strong earnings growth and a moderation of house price inflation has seen affordability improve somewhat recently
- YoY %	6.2	6.1	6.5	7.0	6.4	6.6	5.7	5.6	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	18.5	18.5	18.4	18.3	18.2	18.0	18.0	#N/A	

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CONSUMER PRICES - YoY %	0.7	0.9	0.9	0.6	0.7	0.7	0.6	1.1	CPI inflation picked up to 1.1% in March. This reflected an higher prices in the hostelry sector, as well as a rise in housing costs
- MoM %	0.3	-0.4	-0.1	-0.5	0.0	-0.7	0.8	0.8	
HICP - YoY %	0.9	1.2	1.1	0.8	0.8	0.8	0.7	1.1	HICP inflation also moved up to 1.1% in the month
- MoM %	0.3	-0.3	-0.2	-0.4	-0.1	-0.7	0.8	0.8	
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	102.4	96.4	93.5	96.5	96.5	98.8	86.5	93.1	Consumer confidence recovered some ground in March, having fallen sharply in February on Brexit related concerns
Credit Growth YoY %									
- Private Sector (Underlying)	0.8	0.7	-0.7	-1.6	-2.8	-3.2	-3.3	#N/A	Private sector credit fell by 3.3% YoY in Feb. Household credit contracted by 0.7%
- of which : Household	-1.4	-1.4	-1.2	-1.1	-0.8	-0.7	-0.7	#N/A	
- of which : Mortgage Lending	-1.5	-1.4	-1.4	-1.2	-1.1	-1.1	-1.1	#N/A	
LABOUR MARKET									
Live Register	214,100	211,200	208,800	205,900	203,500	200,300	197,100	194,800	The unemployment rate moved down to 5.4% in March, dropping out of the 5.6-5.7% range it occupied from August. Live Register declined by 2,300 in the same month
- Change In Month	-3,700	-2,900	-2,400	-2,900	-2,400	-3,200	-3,200	-2,300	
Unemployment Rate %	5.6	5.7	5.7	5.6	5.7	5.7	5.6	5.4	PMI employment sub-indices continued to point to good jobs growth in March. Construction index particularly strong (59.6). Services (55.6) and manufacturing (54.1) readings also encouraging
Redundancies	174	228	362	269	340	#N/A	#N/A	#N/A	
-12 Mth Total	2,649	2,628	2,699	2,680	2,845	#N/A	#N/A	#N/A	
PMI Employment Indices									
- Investec Manufacturing	53.4	56.7	54.4	53.2	52.7	52.4	54.0	54.1	
- Investec Services	58.0	58.2	58.3	57.4	57.4	56.3	55.5	55.6	
- Ulster Bank Construction	55.4	54.3	56.1	54.8	55.5	54.6	56.1	59.6	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	5.1	0.7	-0.4	2.9	6.6	10.0	10.8	#N/A	YoY growth in value of goods exported at 17.3% in February. Increase driven by a rise in pharma and chemical exports
- 3MMA YoY %	19.9	17.6	19.8	20.0	21.7	17.0	17.3	#N/A	
Import Values - 3M / 3M %	22.2	12.2	6.3	0.4	0.6	-6.2	-8.4	#N/A	Weaker demand for imports sees YoY growth rate fall to 7.8% in the same month
- 3MMA YoY %	21.4	24.8	21.2	20.2	19.0	11.8	7.8	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	6.4	6.6	8.1	8.8	9.5	7.0	3.7	7.1	Tax receipts up 7.1% YTD. Spending up 7.2% YTD but is 2.6% below profile. Overall, public finances close to target at end Q1
Voted Spending : Cum YTD %	8.3	8.9	9.2	11.0	9.0	6.5	8.1	7.2	
Exchequer Bal: 12 Mth Total €m	-1,728	-1,907	-1,112	-769	106	220	28	254	
QUARTERLY DATA									
	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	
GDP - YoY %	2.9	6.2	13.2	6.5	9.6	9.5	5.4	3.0	Irish GDP expanded by 6.7% in 2018. Data remains distorted by activity of multi-nationals
*Domestic Demand - YoY% (3Q Avg)	4.9	3.7	2.3	3.7	4.9	6.0	5.6	4.1	
Consumer Spending - YoY %	-0.3	1.0	3.1	2.8	2.6	3.8	3.0	2.6	Modified final domestic demand, which excludes some multi-national activity, increased by 4.5% in 2018, though slowed in H2 of the year
Services Exports - YoY % (3Q Avg)	16.3	17.9	17.0	15.0	8.9	5.7	3.7	6.6	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	3.7	2.6	2.3	3.1	2.9	3.4	3.0	2.3	Employment growth slowed in Q4, with average 2018 growth rate at 2.9%. Strong construction jobs growth of 11.6% encouraging
Labour Force YoY %	1.8	0.1	0.5	1.9	1.4	2.5	2.0	1.5	
Average Earnings YoY %									Weekly earnings growth picked up to 4.1% YoY in Q4. Growth relatively broad based, although gains were more substantial in the private than in the public sector
- Hourly	0.6	1.4	2.8	1.9	3.1	3.0	2.1	3.8	
- Weekly	1.5	2.0	2.1	2.0	2.7	3.4	3.5	4.1	
Weekly Earnings YoY %									
- Private Sector	1.6	1.5	1.7	1.5	2.1	3.7	3.9	4.4	
- Public Sector	1.8	3.4	2.7	2.9	4.0	2.8	2.1	2.3	
CSO DWELLING COMPLETIONS									
	2775	3295	3786	4579	3490	4404	4671	5522	CSO data show completions up 25% (to 18k) in 2018. However, supply continues to trail demand (estimated at 35k)
- YoY %	41.3	37.6	50.9	50.6	25.8	34.5	23.3	20.9	
- Cum 12 Mth Total	10718	11619	12896	14435	15150	16233	17117	18072	



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