

Irish Economy Watch

AIB Treasury Economic Research Unit



14 December 2018

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	
MANUFACTURING									
Investec Manufacturing PMI	55.3	55.4	56.6	56.3	57.5	56.3	54.9	55.4	Manufacturing PMI edged upwards in November. Index pointing to a good pace of activity. OECD indicator, though, on a weakening trend
OECD Leading Indicator	99.8	99.5	99.2	98.9	98.6	98.3	97.9	#N/A	
Industrial Production (Ex-Modern)	101.9	109.4	109.0	108.7	112.1	108.6	116.2	#N/A	Industrial output (ex-modern) jumped in October. Food sector performing strongly.
Production (Ex-Modern) : 3mma YoY%	-7.1	-4.3	3.9	6.9	8.8	8.6	10.4	#N/A	
3mth / 3mth % seas. adj.	0.0	1.3	3.8	5.9	5.0	2.8	3.0	#N/A	
SERVICES / RETAIL									
Investec Services PMI	58.4	59.3	59.5	57.4	58.0	58.7	57.2	57.1	The services PMI edged down to 57.1 in November, although the index remains at a level consistent with strong growth
CSO Services Index (Value)	117.6	117.0	115.8	116.3	116.2	122.9	123.9	#N/A	
- YoY %	9.9	8.5	8.0	6.0	5.7	13.2	13.9	#N/A	Pace of YoY growth in the volatile services index continues to pick-up—at 13.9% in Sept.
- 3mth / 3mth % seas. adj.	1.2	2.6	4.7	3.0	1.2	1.4	4.0	#N/A	
SIMI Car Registrations	8,053	6,055	1,248	26,888	5,898	3,183	1,732	643	New car sales down by 4.4% YTD. The decline is being more than offset by imports of used cars, primarily from the UK
- 12 mth cum total	127,351	127,419	127,266	126,441	126,609	125,895	125,683	125,574	
- 3 mma YoY %	-4.5	-5.5	0.9	-2.6	-2.3	-3.7	-6.6	-15.5	
Retail Sales Index	114.9	116.5	117.8	117.8	116.9	119.0	119.0	#N/A	Core retail sales fell in October but index remains at an elevated level. Most sectors have recorded solid YoY growth, with core sales up 4.1%
- YoY %	4.6	4.3	6.4	5.4	2.8	6.4	5.7	#N/A	
- 3mth / 3mth % seas. adj.	-0.4	0.8	3.3	3.7	2.9	1.3	0.8	#N/A	
Ex Autos Index	113.5	115.1	115.2	114.6	115.4	117.1	115.8	#N/A	
- YoY %	3.7	3.6	4.5	3.0	3.9	6.1	4.1	#N/A	
- 3mth / 3mth % seas. adj.	0.1	0.8	1.8	2.0	1.4	1.0	1.0	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	60.7	61.8	58.4	60.7	58.3	56.2	52.9	55.5	Construction PMI improved in November but remains below the Q3 average of 58.4. Housing sub-index at 58.2
- Commercial Activity	62.0	65.2	60.4	63.9	60.4	56.1	53.6	58.2	
- New Orders	63.1	65.6	62.0	60.9	57.7	58.1	53.9	57.5	
- Business Expectations	61.6	62.8	62.2	58.8	56.2	57.3	56.4	59.1	
	76.3	78.4	75.7	76.7	77.7	75.0	71.6	68.1	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	9,385	9,458	9,036	9,269	9,263	#N/A	#N/A	#N/A	Growth in registrations (measure of developer activity) has remained soft—down 3% in the year to August
- 3 Month Avg YoY %	-3.0	-2.6	-7.8	-3.9	-6.8	#N/A	#N/A	#N/A	
Commencements: 12mth Total	18,392	18,453	18,805	19,451	20,371	#N/A	#N/A	#N/A	12mth cumulative total of commencements on a steady upward trend (now above 20k), though still at low level
- 3 Month Avg YoY %	10.5	-1.7	13.3	20.9	44.2	#N/A	#N/A	#N/A	
HOUSING MARKET ACTIVITY									
BPMI Mortgage Approvals : Month	3,031	3,595	3,512	3,404	3,324	3,013	3,430	#N/A	Mortgage approvals have stagnated—partly reflects tighter Central Bank lending rules and affordability issues
- 3 Month Avg YoY %	-3.6	-1.9	0.8	-0.9	-2.3	-1.4	0.8	#N/A	
- 12 Mth Total	36,712	36,798	36,628	36,617	36,561	36,493	36,699	#N/A	Transactions fell back by 0.6% YoY in the 3 months to October. Flat trend overall
RPPR Transactions : Month	3,912	4,621	4,583	5,174	4,855	4,473	5,147	#N/A	
- 3 Month Avg YoY %	4.5	4.5	4.1	4.7	2.6	0.8	-0.6	#N/A	
- 12 Mth Total	55,336	55,757	55,664	55,979	56,126	55,777	55,893	#N/A	
HOUSING MARKET PRICES									
CSO Price Index - MoM	1.0	0.7	1.0	0.7	0.6	0.9	0.3	#N/A	CSO house price growth continues to moderate—at 8.4% in the year to October. YoY ex-Dublin price inflation (10.6%) continues to outpace the capital (6.3%)
- YoY %	13.3	12.4	11.9	10.0	8.9	8.5	8.4	#N/A	
Daft Asking Prices: MoM %	1.6	0.5	0.1	1.4	-1.1	1.1	#N/A	#N/A	CSO rent inflation still in a 6-7% range. Rents now 25.9% above their previous peak
- YoY %	5.5	5.1	6.2	7.1	5.4	7.4	#N/A	#N/A	
RENTS: CSO Private Rents - MoM%	0.6	0.6	0.0	0.3	1.0	0.5	0.8	0.5	Higher house prices means that housing affordability has continued to dis-improve
- YoY %	6.5	7.0	6.1	6.0	6.2	6.1	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	17.7	17.9	18.1	18.3	18.4	18.6	18.7	#N/A	

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CONSUMER PRICES - YoY %									
- MoM %	-0.4	0.4	0.4	0.8	0.7	0.9	0.9	0.6	CPI inflation moderated to 0.6% in November—a very subdued level. HICP edged down to 0.8%, but has risen since earlier in the year
HICP - YoY %	-0.1	0.7	0.7	1.0	0.9	1.2	1.1	0.8	
- MoM %	-0.2	0.6	0.1	0.4	0.3	-0.4	-0.1	-0.5	
- MoM %	-0.2	0.6	0.1	0.4	0.3	-0.3	-0.2	-0.4	
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	104.0	106.7	102.1	107.6	102.4	96.4	93.5	96.5	Consumer confidence recovered somewhat in November after recent falls
Credit Growth YoY %									
- Private Sector (Underlying)	0.2	0.2	-0.1	0.6	0.8	0.7	-0.7	#N/A	YoY growth in private sector credit turned negative in October. Household credit contraction slowed to 1.2%
- of which : Household	-1.5	-1.6	-1.4	-1.4	-1.4	-1.4	-1.2	#N/A	
- of which : Mortgage Lending	-1.8	-1.8	-1.6	-1.5	-1.5	-1.4	-1.4	#N/A	
LABOUR MARKET									
Live Register	228,800	224,600	220,000	217,700	211,000	212,100	210,300	207,200	The Live Register continued its decline in November, falling to a level not seen since May 2008. Contracted by 38k in the last 12 months. The unemployment rate dipped to just 5.3%, near an 11-year low
- Change In Month	-3,300	-4,200	-4,600	-2,300	-6,700	+1,100	-1,800	-3,100	
Unemployment Rate %	5.8	5.9	5.8	5.8	5.7	5.6	5.4	5.3	The PMI employment sub-indices suggest that the pace of new jobs creation may have slowed slightly in November, while remaining strong
Redundancies	163	315	178	321	174	228	362	#N/A	
-12 Mth Total	2,854	2,795	2,743	2,812	2,649	2,628	2,699	#N/A	
PMI Employment Indices									
- Investec Manufacturing	55.0	53.3	53.9	53.3	53.4	56.7	54.4	53.2	
- Investec Services	57.1	56.4	57.5	57.9	58.0	58.2	58.3	57.4	
- Ulster Bank Construction	62.9	59.9	61.2	59.6	55.4	54.3	56.1	54.8	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-1.6	-2.5	2.1	8.3	5.0	0.7	1.4	#N/A	YoY growth in value of goods exports has accelerated, largely due to a rise in chemical and pharmaceutical exports
- 3MMA YoY %	2.2	5.4	14.6	17.3	20.2	17.7	21.9	#N/A	
Import Values - 3M / 3M %	-3.1	-6.0	4.2	10.3	18.4	12.9	7.8	#N/A	Imports up 23.3% in value terms, as imports of aircraft have rebounded
- 3MMA YoY %	0.7	-2.0	1.2	13.0	22.4	27.5	23.3	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	4.5	6.0	6.5	6.7	6.4	6.6	8.1	8.8	Tax receipts running ahead of target, reflecting strong corporation tax take
Voted Spending : Cum YTD %	8.6	8.4	8.5	8.2	8.3	8.9	9.2	11.0	
Exchequer Bal: 12 Mth Total €m	1,015	1,501	-1,400	-1,735	-1,728	-1,907	-1,112	-769	Government could be on course to run a small budget surplus
QUARTERLY DATA									
	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	
GDP - YoY %	12.7	2.9	6.2	13.2	6.5	9.0	8.7	4.9	Irish GDP slowed to 4.9% YoY in Q3'18, reflecting base effects from 2017. Data distorted by activity of multi-nationals
*Domestic Demand - YoY% (3Q Avg)	5.8	4.9	3.7	2.3	3.7	4.7	5.6	5.1	
Consumer Spending - YoY %	3.1	-0.3	1.0	3.1	2.8	2.6	3.8	2.9	Modified final domestic demand, which excludes some multi-national activity, +5.1% YoY in three quarters to Q3'18
Services Exports - YoY % (3Q Avg)	11.7	16.3	17.9	17.0	15.0	8.9	5.7	4.3	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	3.8	3.7	2.6	2.3	3.1	2.9	3.4	3.0	YoY employment growth remained strong at 3.0% in Q3. Labour force growth at 2.0% YoY, aided by stronger inward migration
Labour Force YoY %	1.7	1.8	0.1	0.5	1.9	1.4	2.5	2.0	
Average Earnings YoY %									Weekly earnings growth moderated slightly to +3.2% YoY in Q3. Growth relatively broad based, although gains were more substantial in the private than in the public sector
- Hourly	1.2	0.6	1.4	2.8	1.9	3.1	3.0	2.1	
- Weekly	0.9	1.5	2.0	2.1	2.0	2.7	3.4	3.2	
Weekly Earnings YoY %									
- Private Sector	1.9	1.6	1.5	1.7	1.5	2.1	3.7	3.6	
- Public Sector	-0.8	1.8	3.4	2.7	2.9	4.0	2.8	1.9	
CSO DWELLING COMPLETIONS									
- YoY %	3040	2775	3295	3786	4579	3490	4419	4673	CSO data show completions up 23.4% (to 17k) in year to Q3. However, supply continues to trail demand (estimated at 35k)
- Cum 12 Mth Total	35.4	41.3	37.6	50.9	50.6	25.8	34.1	23.4	
- Cum 12 Mth Total	9907	10718	11619	12896	14435	15150	16274	17161	



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