

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 18 December 2020

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	
MANUFACTURING									
AIB Manufacturing PMI	36.0	39.2	51.0	57.3	52.3	50.0	50.3	52.2	Manufacturing PMI moved higher to 52.2 in November with all 5 components in positive growth territory
OECD Leading Indicator	93.4	94.2	97.6	99.1	99.3	99.6	99.8	100.0	
Industrial Production (Ex-Modern)	87.1	82.4	93.5	110.7	108.9	109.0	111.2	#N/A	Traditional industrial production continued to move higher in October, up 2% m/m. Although, YoY growth is still negative at -2.3%
Production (Ex-Modern) : 3mma YoY%	-10.0	-17.6	-21.2	-14.2	-5.4	-1.2	-1.6	#N/A	
3mth / 3mth % seas. adj.	-9.6	-16.3	-22.9	-6.8	11.1	24.9	14.8	#N/A	
SERVICES / RETAIL									
AIB Services PMI	13.9	23.4	39.7	51.9	52.4	45.8	48.3	45.4	Services PMI declined to 45.4 in November as activity in the sector was impacted by the national lockdown. However, the decline was nowhere near as sharp as in the spring
CSO Services Index (Value)	98.0	101.0	114.1	114.5	115.0	121.4	115.8	#N/A	
- YoY %	-21.8	-19.3	-10.5	-10.6	-9.2	-3.8	-7.4	#N/A	CSO Services Index fell for the first time since April in October. Down 7.4% YoY
- 3mth / 3mth % seas. adj.	-6.3	-13.3	-16.6	-5.3	6.2	12.1	6.9	#N/A	
SIMI Car Registrations	343	1,741	1,006	21,171	4,808	5,651	2,296	913	New car sales up 20.4% YoY in November. Although, weak H1 means YTD total down 25%
- 12 mth cum total	94,207	89,628	89,226	85,716	85,437	87,673	87,792	87,947	
- 3 mma YoY %	-52.1	-74.6	-81.4	-26.2	-13.4	-4.7	19.4	39.5	Core retail sales edged down in October, but remain above their Feb. levels. Recovery remains uneven across sectors
Retail Sales Index	66.8	88.4	122.6	128.3	129.7	132.4	131.4	#N/A	
- YoY %	-43.7	-25.0	3.7	9.5	8.8	11.0	8.1	#N/A	Construction PMI moved above 50 in November for the first time since July. Business expectations (60.5) and new orders (57.3) soar. Housing activity (53.0) and commercial activity (50.0) also improve
- 3mth / 3mth % seas. adj.	-19.8	-28.0	-18.9	17.2	46.8	40.5	16.0	#N/A	
Ex Autos Index	90.3	102.4	123.3	126.7	128.2	131.0	130.7	#N/A	Commencements remain at a subdued level, down 30.7% YTD compared to last year. 12 month cumulative total below 21K
- YoY %	-24.9	-14.1	3.6	5.6	6.8	9.2	8.9	#N/A	
- 3mth / 3mth % seas. adj.	-9.0	-14.1	-12.1	7.2	21.6	22.1	10.6	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Construction PMI: Ulster Bank	4.5	19.9	51.9	53.2	44.0	47.0	48.6	53.5	Strong rebound in mortgage approvals continues. October was the busiest month for approvals since the series began in 2011
- Housing Activity	4.9	21.4	55.8	57.8	44.7	44.1	50.3	53.0	
- Commercial Activity	3.1	25.6	50.9	50.2	41.6	49.2	46.7	50.0	Transactions fell in November, likely due to second lockdown. 3 month average at -13.6% YoY. 12 month total below 47k
- New Orders	10.1	24.6	46.0	53.8	46.5	48.8	51.8	57.3	
- Business Expectations	37.1	48.6	54.6	55.9	53.5	48.7	51.9	60.5	House prices rose by 0.5% in October, the largest monthly increase since July '19. Ex-Dublin price inflation (+0.5%) continues to outpace the capital (-1.2%)
Commencements: 12mth Total	25,606	24,617	23,929	23,379	22,066	21,774	20,823	#N/A	
- 3 Month Avg YoY %	-16.8	-32.0	-45.7	-37.7	-36.8	-28.4	-29.7	#N/A	CSO rental index unchanged in November. YoY rate also unchanged at -3.2%
HOUSING MARKET ACTIVITY									
BPFI Mortgage Approvals : Month	706	1,320	1,688	2,713	3,337	3,927	4,419	#N/A	Affordability measure continues to disimprove, as average industrial wages fall
- 3 Month Avg YoY %	-29.9	-52.4	-66.1	-51.8	-32.7	-8.4	12.8	#N/A	
- 12 Mth Total	37,124	34,484	32,480	30,966	30,722	31,561	32,288	#N/A	
RPPR Transactions : Month	2,620	2,572	3,044	3,640	2,933	4,221	5,361	4,049	
- 3 Month Avg YoY %	-17.6	-30.0	-40.2	-37.2	-35.3	-30.7	-19.7	-13.6	
- 12 Mth Total	56,382	54,052	52,767	50,903	48,816	47,983	47,830	46,678	
HOUSING MARKET PRICES									
CSO Price Index - MoM	-0.1	-0.1	0.1	0.2	0.1	0.2	0.5	#N/A	
- YoY %	0.7	0.4	0.0	-0.7	-0.9	-0.9	-0.5	#N/A	
Daft Asking Prices: MoM %	-5.4	3.8	-0.5	2.5	1.9	0.3	#N/A	#N/A	
- YoY %	-6.6	-1.4	-3.4	0.1	2.6	5.2	#N/A	#N/A	
RENTS: CSO Private Rents - MoM%	-1.8	-1.1	-0.3	0.2	0.2	0.4	-0.5	0.0	
- YoY %	0.8	-0.7	-1.2	-1.4	-1.8	-2.6	-3.2	-3.2	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	17.8	18.1	18.1	18.2	18.3	18.3	#N/A	#N/A	

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CONSUMER PRICES - YoY %	-0.1	-0.5	-0.4	-0.4	-1.0	-1.2	-1.5	-1.1	CPI inflation rises by 0.3% m/m in November but annual rate still negative at -1.1%. Lower energy prices and VAT cut continue to dampen inflation, despite a rise in prices in the hospitality sector. HICP rate at -1.0%	
- MoM %	-0.4	-0.5	0.3	-0.2	-0.1	-0.4	-0.6	0.3		
HICP - YoY %	-0.3	-0.8	-0.6	-0.6	-1.1	-1.2	-1.5	-1.0		
- MoM %	-0.4	-0.6	0.4	-0.2	-0.1	-0.4	-0.5	0.3		
PERSONAL / FINANCIAL										
KBC/ESRI Consumer Confidence	42.6	52.3	61.6	62.6	58.9	60.7	52.6	65.5	Consumer sentiment rebounded sharply in November, as positive vaccine news outweighs the impact of the national lockdown	
Credit Growth YoY %										
- Private Sector (Underlying)	-0.7	-1.8	-2.2	-2.2	-1.8	-2.6	-3.4	#N/A	Household credit declined by 1.4% YoY in October. Mortgage lending down by 0.9% YoY	
- of which : Household	-0.5	-0.8	-0.9	-1.3	-1.3	-1.5	-1.4	#N/A		
- of which : Mortgage Lending	-0.3	-0.5	-0.6	-0.7	-0.8	-1.0	-0.9	#N/A		
LABOUR MARKET										
Live Register	216,900	228,300	214,500	227,500	214,500	215,100	210,800	203,900	Official unemployment rate rises to 7.5% in November. Covid adjusted rate up to 21%, but well below spring level despite restrictions being re-imposed.	
- Change In Month	+8,200	+11,400	-13,800	+13,000	-13,000	+600	-4,300	-6,900		
Unemployment Rate %	4.6	4.8	5.3	6.2	6.7	7.2	7.2	7.5		
PMI Employment Indices									Employment subcomponent of manufacturing PMI edges higher to 51.2 from 50.8 in November. Construction also moves further above 50, while services improves to 49.0	
- AIB Manufacturing	30.5	40.1	46.1	50.8	47.5	49.1	50.8	51.2		
- AIB Services	31.1	32.9	40.1	46.1	47.3	47.0	47.4	49.0		
- Ulster Bank Construction	22.6	26.7	43.3	47.5	48.3	48.9	51.6	52.4		
MERCHANDISE TRADE										
Export Values - 3M / 3M %	5.2	8.0	-12.7	-3.6	-1.3	10.5	3.3	#N/A	In October, exports decreased by €1.2bn (-9%), while imports increased by €484m (+8%) leading to a decrease in the trade surplus to €5.5bn (-24%). However, exports are up by 5% on a YTD basis, while imports are down 8% YTD	
- 3MMA YoY %	9.1	8.6	-1.7	2.5	8.6	8.1	1.6	#N/A		
Import Values - 3M / 3M %	-10.5	-20.3	-16.5	4.3	15.1	15.7	-7.2	#N/A		
- 3MMA YoY %	-4.4	-15.2	-16.0	-6.3	-4.9	-6.1	-13.6	#N/A		
PUBLIC FINANCES										
Total Tax Receipts: Cum YTD %	-0.6	0.0	0.7	-2.5	-2.3	-3.0	-5.3	-6.9	Tax receipts down 6.9% YTD in November. Corporation tax receipts are up 7.1% YTD. However, net-voted expenditure up 23.7% YTD sees the Exchequer deficit rise to €8.9bn	
Voted Spending : Cum YTD %	23.4	24.9	27.3	29.5	28.0	24.9	24.6	23.7		
Exchequer Bal: 12 Mth Total €m	-3,634	-5,434	-4,944	-7,654	-8,180	-8,764	-9,337	-11,627		
QUARTERLY DATA										
		Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Irish GDP rebounded by 11.1% in Q3. YoY rate up 8.1%
GDP - YoY %		3.4	4.4	5.6	6.3	5.9	6.0	-3.2	8.1	
*Domestic Demand - YoY%		3.1	3.8	2.0	4.5	2.9	-1.2	-15.7	-2.4	
Consumer Spending - YoY %		2.0	3.4	3.6	3.0	2.7	-2.6	-21.6	-5.7	
Services Exports - YoY % (3Q Avg)		12.2	12.5	13.2	13.4	13.6	10.1	3.3	-2.4	
* Excludes Some Investment Related to the Multinational Sector										
EMPLOYMENT & EARNINGS										
Employment YoY %		2.3	3.7	2.0	2.4	3.5	2.2	-3.4	-1.4	Employment declined by 1.4% YoY in Q3, but this understates labour market weakness, with many jobs relying on government supports
Labour Force YoY %		1.5	2.7	1.3	1.6	2.6	2.1	-3.7	0.6	
Average Earnings YoY %										Weekly earnings growth at +3.7% YoY in Q3. However, the changing composition of the work force is distorting the data, with job losses concentrated
- Hourly		3.2	2.8	3.3	4.0	3.9	3.0	7.2	3.9	
- Weekly		3.5	3.6	3.6	3.6	3.8	3.7	6.0	3.7	
Weekly Earnings YoY %										
- Private Sector		3.9	4.5	4.0	4.0	4.0	4.0	6.0	3.9	
- Public Sector		1.8	0.8	1.9	1.3	3.1	3.1	2.9	2.3	
CSO DWELLING COMPLETIONS										
- YoY %		5431	4250	4821	5652	6384	4970	3247	5118	Completions down 9.4% YoY in Q3. Hold up better than expected in 2020, running at just below 20K YTD
- Cum 12 Mth Total		17920	18709	19134	20154	21107	21827	20253	19719	
		19.2	22.8	9.7	22.0	17.5	16.9	-32.6	-9.4	



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