

Irish Economy Watch

AIB Treasury Economic Research Unit



Thursday 20 February 2020

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	
MANUFACTURING									
AIB Manufacturing PMI	49.8	48.7	48.6	48.7	50.7	49.7	49.5	51.4	Manufacturing PMI improved from 49.5 to a nine month high of 51.4 in January. Aided by greater certainty regarding Brexit and a better backdrop for the sector globally
OECD Leading Indicator	99.6	99.7	99.7	99.8	100.0	100.2	100.3	#N/A	
Industrial Production (Ex-Modern)	110.2	118.4	115.2	116.8	119.7	115.9	112.3	#N/A	Industrial output eases again in December but YoY growth rate remains solid at 3%
Production (Ex-Modern) : 3mma YoY%	6.1	5.7	4.6	6.8	5.1	4.9	3.0	#N/A	
3mth / 3mth % seas. adj.	0.1	0.1	-0.4	3.1	2.3	2.5	-0.7	#N/A	
SERVICES / RETAIL									
AIB Services PMI	56.9	55.0	54.6	53.1	50.6	53.7	55.9	56.9	In January, the services PMI continued its sharp rebound since October, increasing to a 9-month high of 56.9
CSO Services Index (Value)	126.2	126.2	125.8	129.4	125.0	125.4	124.2	#N/A	
- YoY %	10.7	9.7	8.9	5.6	0.2	-0.9	7.2	#N/A	CSO services index remains volatile. Base effects lift YoY growth rate in December
- 3mth / 3mth % seas. adj.	0.6	1.0	1.6	1.7	0.9	0.4	-1.8	#N/A	
SIMI Car Registrations	1,408	24,862	5,087	3,415	2,177	758	224	31,193	Total car registrations down 6.8% YoY in January, with both new car sales and 2nd hand imports weak in the month
- 12 mth cum total	119,199	117,173	116,362	116,413	116,903	117,018	117,100	115,923	
- 3 mma YoY %	8.3	-4.7	-7.9	-7.7	-0.8	15.2	27.8	-3.0	
Retail Sales Index	117.2	112.0	118.3	122.9	123.4	119.9	124.2	#N/A	Core retail sales were soft in Q4, increasing by just 0.1% on previous quarter's levels. Possibly reflected impact of Brexit uncertainty. In 2019, core sales increased by robust 4.3%
- YoY %	-0.3	-4.5	2.0	3.8	3.9	1.9	5.8	#N/A	
- 3mth / 3mth % seas. adj.	0.9	-2.5	-1.6	-0.1	5.5	5.4	4.0	#N/A	
Ex Autos Index	117.0	119.0	119.7	122.0	120.1	118.8	122.1	#N/A	
- YoY %	1.8	4.0	3.9	4.3	3.7	2.1	5.0	#N/A	
- 3mth / 3mth % seas. adj.	-0.3	-1.5	-0.8	1.5	2.2	1.5	0.1	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	53.1	51.4	53.7	48.3	46.2	48.2	52.0	50.9	Construction PMI weaker in January, declining to 50.9. Key housing activity sub-index fell back into contraction territory, though notable that business expectations rose sharply
- Commercial Activity	58.4	55.9	58.4	52.9	51.3	47.7	51.8	48.0	
- New Orders	52.8	54.7	55.1	47.6	46.9	51.2	53.6	55.7	
- Business Expectations	56.6	53.7	52.6	50.8	48.8	48.3	52.4	54.9	
	65.5	59.0	51.3	52.4	57.6	57.3	63.1	69.4	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	10,604	10,208	10,120	10,224	#N/A	#N/A	#N/A	#N/A	Registrations (measure of developer activity) down 12.7% in Q3 compared to Q3 2018
- 3 Month Avg YoY %	-14.5	-21.3	-18.4	-12.7	#N/A	#N/A	#N/A	#N/A	
Commencements: 12mth Total	24,226	24,467	25,112	26,106	#N/A	#N/A	#N/A	#N/A	Commencements picked up strongly in Q3, ahead of introduction of new building regulations from November 1st
- 3 Month Avg YoY %	-6.8	-3.6	10.8	32.9	#N/A	#N/A	#N/A	#N/A	
HOUSING MARKET ACTIVITY									
BPMI Mortgage Approvals : Month	3,692	4,227	3,581	3,088	3,692	3,358	2,393	#N/A	Mortgage approvals, which came in at close to 40k, rose by 8.5% in 2019 on 2018 levels
- 3 Month Avg YoY %	8.1	13.0	12.3	11.9	6.1	5.0	5.7	#N/A	
- 12 Mth Total	38,085	38,908	39,165	39,240	39,502	39,652	39,753	#N/A	Transactions activity picked up in December, with 12 month total moving back above 58k
RPPR Transactions : Month	4,325	5,501	5,013	5,050	5,504	5,176	6,512	#N/A	
- 3 Month Avg YoY %	4.4	1.9	1.1	6.6	5.3	2.1	0.4	#N/A	
- 12 Mth Total	57,156	57,464	57,588	58,120	58,248	57,919	58,182	#N/A	CSO house price index drops sharply in Nov/Dec, leaving 2019 average annual growth at 2.5%. Dublin prices flat on the year, while ex-Capital inflation registered at 4.8%
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.4	0.8	0.3	0.2	0.1	-0.2	-0.6	#N/A	CSO rental index declines for first time since 2012 in January, having showed no change in November and December
- YoY %	2.0	2.2	1.9	1.1	1.0	1.1	0.9	#N/A	
Daft Asking Prices: MoM %	1.5	-1.1	-0.5	-2.2	-0.1	-2.2	2.4	#N/A	Affordability stable as impact of modest house price rises negated by earnings growth
- YoY %	3.3	0.7	1.3	-2.0	-1.5	-1.4	-0.8	#N/A	
RENTS: CSO Private Rents - MoM%									
- YoY %	0.3	0.3	0.6	1.1	0.2	0.0	0.0	-0.1	
	5.5	5.6	5.2	5.8	5.1	4.5	4.3	3.9	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	18.2	18.4	18.6	18.6	18.6	18.6	18.5	#N/A	

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CONSUMER PRICES - YoY %	1.1	0.5	0.7	0.9	0.7	1.1	1.3	1.3	CPI inflation holds at 1.3% in January. HICP inflation also unchanged at 1.1% in the month. VAT hike has been one factor behind higher inflation in recent months	
- MoM %	0.2	-0.2	0.5	-0.2	-0.3	-0.1	0.2	-0.7		
HICP - YoY %	1.1	0.5	0.6	0.6	0.6	0.8	1.1	1.1	Consumer confidence continues to improve as Brexit uncertainty abates. Index does, though, remain below H1 '19 highs	
- MoM %	0.2	-0.2	0.4	-0.3	-0.2	-0.2	0.2	-0.7		
PERSONAL / FINANCIAL										
KBC/ESRI Consumer Confidence	90.7	85.5	77.2	75.3	69.5	77.1	81.4	85.5	YoY growth of household credit outstanding holds at 0.1% in Dec. Outstanding mortgage stock still in decline	
Credit Growth YoY %										
- Private Sector (Underlying)	-2.2	-2.5	-3.8	-3.7	-3.3	-3.3	-2.9	#N/A	Unemployment rate edges up slightly to 4.8% in January. Meanwhile, gradual decline of Live Register continues. It is at lowest level since 'Jan 08	
- of which : Household	-0.3	-0.2	-0.2	0.1	0.0	0.1	0.1	#N/A		
- of which : Mortgage Lending	-0.9	-0.9	-0.8	-0.7	-0.6	-0.5	-0.4	#N/A		
LABOUR MARKET										
Live Register	190,500	190,000	188,700	189,300	189,300	186,800	185,200	183,900	Employment sub-component of each sector's PMI improves in January, indicating that jobs growth may have picked up some momentum at the beginning of 2020.	
- Change In Month	-1,200	-500	-1,300	+600	+0	-2,500	-1,600	-1,300		
Unemployment Rate %	5.2	5.1	5.0	4.8	4.7	4.7	4.7	4.8		
PMI Employment Indices										
- AIB Manufacturing	51.8	50.1	50.5	50.0	51.2	49.2	49.7	51.2		
- AIB Services	55.3	53.6	53.1	53.3	54.3	54.5	53.4	54.5		
- Ulster Bank Construction	56.0	52.9	51.3	50.6	50.6	51.9	53.2	53.6		
MERCHANDISE TRADE										
Export Values - 3M / 3M %	0.3	5.8	1.1	3.1	1.2	5.0	0.7	#N/A	Value of goods exports at record high in 2019, increasing by 8% over 2018 levels. Pharma sector a significant contributor	
- 3MMA YoY %	8.5	9.9	5.1	10.1	9.0	7.9	4.6	#N/A		
Import Values - 3M / 3M %	-0.9	1.7	3.9	4.5	3.4	0.5	2.8	#N/A	Imports declined by 3% YoY in 2019, largely reflecting decline in chemicals imports	
- 3MMA YoY %	-0.5	-3.7	-7.3	-7.6	-9.0	-10.6	-9.2	#N/A		
PUBLIC FINANCES										
Total Tax Receipts: Cum YTD %	6.9	7.6	8.1	8.7	6.7	6.7	6.8	10.0	Tax receipts up by 10% YoY in Jan, helped by strong income tax take. However, increase mostly offset by rise in fiscal expenditure. Exchequer surplus largely unchanged at €1.7bn	
Voted Spending : Cum YTD %	5.9	6.6	6.8	6.9	7.7	6.2	7.3	8.5		
Exchequer Bal: 12 Mth Total €m	1,189	1,279	1,299	1,615	1,103	1,542	647	670		
QUARTERLY DATA										
		Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	
GDP - YoY %		12.1	10.4	7.4	3.6	7.9	4.9	5.0	#N/A	Irish GDP expanded by 5% YoY in Q3 '19. Data remain distorted by multi-nationals
*Domestic Demand - YoY% (3Q Avg)		4.1	5.2	5.4	4.5	3.0	2.3	2.5	#N/A	
Consumer Spending - YoY %		3.1	4.5	3.4	2.8	3.3	3.7	3.3	#N/A	3 quarter moving average growth rate of modified domestic demand, which aims to strip out multi-national distortions, +2.5% as of Q3 '19
Services Exports - YoY % (3Q Avg)		11.7	10.1	6.5	7.4	9.5	11.9	13.8	#N/A	
* Excludes Some Investment Related to the Multinational Sector										
EMPLOYMENT & EARNINGS										
Employment YoY %		2.9	3.4	3.0	2.3	3.7	2.0	2.4	3.5	Employment growth robust at 3.5% YoY in Q4, leaving average annual rate for 2019 at 2.9%. Labour force growth also picks up to 2.6% YoY at end 2019. Average annual growth at 2.1%
Labour Force YoY %		1.4	2.5	2.0	1.5	2.7	1.3	1.6	2.6	
Average Earnings YoY %										Weekly earnings growth put at a robust 3.4% YoY in Q3. Wage inflation in private sector at 3.9%. Public gains more modest at 1.3% YoY
- Hourly		3.1	3.0	2.1	3.2	2.8	3.3	4.0	#N/A	
- Weekly		2.7	3.4	3.5	3.5	3.6	3.6	3.4	#N/A	
Weekly Earnings YoY %										
- Private Sector		2.1	3.7	3.9	3.9	4.5	4.0	3.9	#N/A	
- Public Sector		4.0	2.8	2.1	1.8	0.8	1.9	1.3	#N/A	
CSO DWELLING COMPLETIONS										
		3469	4400	4638	5445	4256	4837	5698	6450	Completions up 18% to over 21k in 2019. However, supply continues to trail demand (estimated at 35k)
- YoY %		25.1	34.6	22.9	19.5	22.7	9.9	22.9	18.5	
- Cum 12 Mth Total		15070	16200	17065	17952	18739	19176	20236	21241	



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