Irish Economy Watch





14 November 2017

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	
MANUFACTURING	mai*1/	Whi.TI	may-11	Jun'17	Jui-17	Aug-11	26b-11	OCC-17	Manufacturing PMI averaged 55.3 in Q3, pointing to solid
	50.6	55.0	55.0	56.0	546	F.C. 4		544	growth in the sector. The index
Investec Manufacturing PMI OECD Leading Indicator	53.6 100.9	55.0 100.9	55.9 100.9	56.0 100.8	54.6 100.8	56.1 100.7	55.4 100.6	54.4 #N/A	remained at a very encouraging level in October
OECD Leading Indicator	100.9	100.9	100.9	100.6	100.6	100.7	100.6	#IN/A	
Industrial Production (Ex-Modern)	124.6	119.7	121.1	119.4	120.7	116.4	115.1	#N/A	This is in contrast to production (ex-modern), which declined by
Production (Ex-Modern) : 3mma YoY%	3.6	1.1	1.2	-1.5	0.1	-1.9	-4.5	#N/A	2.2% in Q3 after falling by 3.6%
3mth / 3mth % seas. adj.	2.3	-1.2	-1.7	-3.6	-1.7	-2.4	-2.2	#N/A	in Q2
SERVICES / RETAIL									The services PMI averaged 58.5
Investec Services PMI	59.1	61.1	59.5	57.6	58.3	58.4	58.7	57.5	in Q3, suggesting further strong growth in the sector. Index still
Monthly Services Index (Value)	127.4	125.5	127.5	125.2	131.7	122.4	122.6	#N/A	strong (57.5) in Oct
- YoY %	3.2	1.6	3.2	0.6	8.3	-2.5	-2.9	#N/A	
- 3mth / 3mth % seas. adj.	2.1	-0.4	-1.0	-2.2	0.8	-0.3	-0.4	#N/A	Volatile services index fell slightly (0.4%) in Q3
SIMI Car Registrations	19,893	7,844	5,994	1,401	27,711	5,735	3,900	1,947	N
- 12 mth cum total	139,769	137,231	136,726	136,503	134,331	132,780	131,992	131,699	New car sales are down 10% in the year to October. The decline
- 3 mma YoY %	-8.3	-16.2	-12.2	-17.6	-7.6	-10.2	-10.8	-18.5	is being offset by rise in imports
Retail Sales Index	126.7	126.1	128.6	121.9	135.9	129.6	126.4	#N/A	of second hand cars, largely due
- YoY %	3.1	1.4	4.3	4.4	2.8	4.6	1.2	#N/A	to the sharp fall in sterling
- 3mth / 3mth % seas. adj.	1.5	0.2	0.0	-1.5	1.5	1.6	4.1	#N/A	Core retail sales continue to
Ex Autos Index	120.6	121.3	122.8	122.8	123.3	123.5	125.1	#N/A	grow very strongly, up 1.4% in
- YoY %	6.1	6.6	7.2	7.0	7.6	6.7	7.8	#N/A	Q3. Underlying data show broad based improvement
- 3mth / 3mth % seas. adj.	1.9	1.7	2.1	1.8	1.9	1.3	1.4	#N/A	broad based improvement
CONSTRUCTION PMI: Ulster Bank	60.8	61.3	63.6	58.2	56.6	55.1	56.5	54.5	Construction PMI eased back in
- Housing Activity	61.3	61.9	69.2	59.5	57.4	57.4	56.1	55.5	October. Expectations in the sector remain very strong
- Commercial Activity	63.5	59.6	65.3	60.8	56.1	55.7	58.4	54.7	, ,
- New Orders	59.3	63.7	66.2	61.2	62.5	59.9	56.7	56.1	Housing registrations up 91% in the year to September. But,
- Business Expectations	77.9	78.2	76.0	81.0	74.9	77.7	75.7	74.0	remain at an overall low level
RESIDENTIAL CONSTRUCTION ACTIVIT	Υ								12mth cumulative total of
Housing Registrations: 12Mth Total	6,573	6,932	7,155	8,281	8,468	8,623	9,265	#N/A	commencements on a strong upward trend (now c.17k),
- 3 Month Avg YoY %	75.0	70.4	34.4	132.3	107.0	104.0	67.8	#N/A	though still at low level
Commencements: 12mth Total	14,192	14,979	15,579	16,277	16,604	16,945	#N/A	#N/A	Steady improvement in level of
- 3 Month Avg YoY %	33.0	56.2	81.8	62.7	47.1	46.0	#N/A	#N/A	completions, which could reach
Completions (ESB Connection): Month	1,389	1,413	1,686	1,541	1,744	1,606	#N/A	#N/A	almost 20k in 2017. But, still well
- 12 Mth Total	15,684	15,948	16,340	16,826	17,460	17,651	#N/A	#N/A	below market demand
									YoY growth in mortgage
HOUSING MARKET ACTIVITY									approvals slowed in Q3 to
BPFI Mortgage Approvals : Month - 3 Month Avg YoY %	3,167 58.5	2,870 41.5	3,509 37.0	3,682 23.8	3,415 25.8	3,380 19.5	3,081 14.5	#N/A #N/A	14.5%. But, it continues to
- 12 Mth Total	32,949	33,218	34,111	34,884	35,391	35,823	36,138	#N/A	outpace transactions growth
RPPR Transactions : Month	4,269	3,676	4,143	4,596	4,761	4,372	4,594	#N/A	(Q3 8.8%) as lack of supply remains key issue
- 3 Month Avg YoY %	11.5	6.6	9.7	7.4	9.8	10.2	8.8	#N/A	
- 12 Mth Total	48,621	48,629	48,867	49,453	49,802	50,135	50,648	#N/A	CSO house price growth accelerates further in Sept (now
HOUSING MARKET PRICES									12.8%). Prices rising more strongly outside Dublin (13.2%)
CSO Price Index - MoM	0.4	0.3	1.5	1.4	2.4	1.6	2.0	#N/A	than in the Capital (12.2%) again
- YoY %	9.8	9.5	10.9	11.4	11.6	11.8	12.8	#N/A	CSO rent prices continue to rise
Daft Asking Prices: MoM %	0.1	3.5	0.9	-0.9	0.6	0.4	-0.7	#N/A	in October, now 17.7% above
- YoY %	8.0	12.5	12.6	10.0	9.7	9.1	7.7	#N/A	previous peak. Although, pace
									of YoY growth in rents has
RENTS: CSO Private Rents - MoM% - YoY %	0.3 8.6	0.5 7.9	0.1 7.6	0.8 7.9	0.4 7.3	0.8 7.3	0.7 6.1	0.5 5.6	slowed further, now at 5.6%
		House price rises are impacting							
AFFORDABILITY: Couple on Avg Indust	_								affordability, but it remains at relatively accommodative levels
- Mortgage as % of Disposable Income	16.5	16.7	17.2	17.4	17.8	18.1	18.4	#N/A	- 1.1. area, accommodative tevels

Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	CDI : fl-ti :-l d t 0/
0.7	0.0	0.0	0.4	0.0	0.4	0.0	0.6	CPI inflation picked up to 0.6% in October, as drag from food &
								beverages abates and insurance
								costs rise
								HICP inflation also edges
0.6	0.4	-0.2	0.1	0.1	0.4	-0.6	-0.1	higher, from 0.2% to 0.5%
								Consumer confidence remains
101.9	102.0	100.5	105.0	105.1	102.9	105.8	104.8	very strong in Oct, suggesting that spending growth should
								remain at a healthy pace
-4.5	-5.7	-5.8	-6.0	-6.1	-5.7	-4.8	#N/A	D 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
-2.2	-2.1	-2.0	-1.9	-1.8	-1.7	-1.5	#N/A	Pace of private sector credit decline eases, but is still severe.
-2.7	-2.6	-2.6	-2.5	-2.4	-2.3	-2.1	#N/A	Household credit contraction has eased further to -1.5% YoY
								Live Register declined further in
271 100	266 600	263 900	259 200	256 600	249 600	249 300	246 900	Oct, now down 35k YTD. The
-4,000	-4,500	-2,700	-4,700	-2,600	-7,000	-300		unemployment rate fell to a
	,	,	,	,	,			new 9-year low of 6%
								The key services PMI
								employment sub-index remained at a very strong level
3,009	3,001	3,339	3,1/1	3,000	3,005	2,713	#IN/A	in Oct (58.3). The less significant
								manufacturing sub-index
								jumped to 53.7, more than reversing Sept fall. Construction
								sub-index has eased to a 1yr
56.6	61.0	60.6	59.7	60.7	60.9	56.0	54.6	low, but still encouraging
								Value of goods exports down
4.0	0.9	-16	-6.5	-5.7	-93	#N/Δ	#N/Δ	7.5% YoY in 3mths to Aug, largely due to fall in value of
13.1	9.0	7.8	2.2	1.1	-7.5	#N/A	#N/A	chemical & aircraft related sales
6.0	2.6	5.0	12.4		10.7			Import values down by a
-6.2 5.5	2.6 7.3	7.0	6.8	-3.4 -1.7	-12.7 -8.5	#N/A #N/A	#N/A #N/A	greater 8.5% as sterling remains
								weak and aircraft orders fall
								Tax receipts on profile at the end of October. Spending
3.2	0.5	2.9	4.0	4.5	4.9	5.4	6.2	slightly below expectations Thus, finances on track for Govt' deficit of just -0.3% in 2017
5.7	4.0	5.3	5.0	5.1	5.2	5.2	5.0	
-745	-2,494	-504	2,615	-1,874	477	1,357	1,743	
Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Irish GDP grew by 5.8% YoY in Q2, up from 5.2% in Q1
26.7	26.6	2.5	5.4	2.7	9.9	5.2	5.8	Growth in core domestic expenditure has slowed,
4.9	4.5	4.7	4.8	5.2	5.5	5.0	3.8	notably consumer spending.
5.4	4.4	5.9	3.1	1.9	2.2	1.8	1.7	Services exports growth still
16.1	14.7	12.4	10.7	10.2	10.6	13.4	13.8	very strong
								Employment grows at a strong 3% YoY in H1. Underlying data
2.9	2.3	2.4	2.9	2.9	3.3	3.5	2.4	show jobs growth in most
0.6	0.8	0.6	1.5	1.5	1.2	1.6	0.1	sectors, with construction particularly encouraging
	<u> </u>	2.5	2 1	2 -				YoY growth in weekly earnings
1.4 2.4								rose further to 2.2% in Q2,
2.4	1.2	1.5	0.9	1.3	0.7	1.5	2.2	partly due to rise in hours
3.3	1.0	2.7	2.1	1.9	1.4	1.7	1.9	worked. Wages now up in nearly all sectors
	-4.5 -2.2 -2.7 271,100 -4,000 6.6 266 3,809 53.9 58.7 58.6 4.0 13.1 -6.2 5.5 3.2 5.7 -745 -745 -745 26.7 4.9 5.4 16.1	0.6 0.4 0.6 0.7 0.6 0.7 0.6 0.4 101.9 102.0 -4.5 -5.7 -2.2 -2.1 -2.7 -2.6 271,100 266,600 -4,000 -4,500 6.6 6.4 266 231 3,809 3,601 53.9 56.2 58.7 58.1 58.6 61.0 4.0 0.9 13.1 9.0 -6.2 2.6 5.5 7.3 3.2 0.5 5.7 4.0 -745 -2,494 Q3-15 Q4-15 26.7 26.6 4.9 4.5 5.4 4.4 16.1 14.7	0.6 0.4 -0.2 0.6 0.7 0.0 0.6 0.4 -0.2 101.9 102.0 100.5 -4.5 -5.7 -5.8 -2.2 -2.1 -2.0 -2.7 -2.6 -2.6 271,100 266,600 263,900 -4,000 -4,500 -2,700 6.6 6.4 6.2 266 231 374 3,809 3,601 3,359 53.9 56.2 57.5 58.7 58.1 55.8 58.6 61.0 60.8 4.0 0.9 -1.6 13.1 9.0 7.8 -6.2 2.6 5.8 5.5 7.3 7.0 3.2 0.5 2.9 5.7 4.0 5.3 -745 -2,494 -504 4.9 4.5 4.7 5.4 4.4 5.9 16.1 14.7 12.4	0.6 0.4 -0.2 0.1 0.6 0.7 0.0 -0.6 0.6 0.4 -0.2 0.1 101.9 102.0 100.5 105.0 -4.5 -5.7 -5.8 -6.0 -2.2 -2.1 -2.0 -1.9 -2.7 -2.6 -2.6 -2.5 271,100 266,600 263,900 259,200 -4,000 -4,500 -2,700 -4,700 6.6 6.4 6.2 6.1 266 231 374 230 3,809 3,601 3,359 3,171 53.9 58.1 55.8 58.6 58.7 58.1 55.8 58.6 58.6 61.0 60.8 59.7 4.0 0.9 -1.6 -6.5 13.1 9.0 7.8 2.2 -6.2 2.6 5.8 13.4 5.7 4.0 5.3 5.0 -745 -2,494 -504 2,615 4.9 4.5	0.6 0.4 -0.2 0.1 0.0 0.6 0.7 0.0 -0.6 -0.2 0.6 0.4 -0.2 0.1 0.1 101.9 102.0 100.5 105.0 105.1 -4.5 -5.7 -5.8 -6.0 -6.1 -2.2 -2.1 -2.0 -1.9 -1.8 -2.7 -2.6 -2.6 -2.5 -2.4 271,100 266,600 263,900 259,200 256,600 -4,000 -4,500 -2,700 -4,700 -2,600 6.6 6.4 6.2 6.1 6.2 266 231 3,359 3,171 3,086 53.9 56.2 57.5 54.9 53.4 58.7 58.1 55.8 58.6 59.4 58.6 61.0 60.8 59.7 60.7 4.0 0.9 -1.6 -6.5 -5.7 13.1 9.0 7.8 2.2 1.1 -6.2 2.6 5.8 13.4 -3.4	0.6 0.4 -0.2 0.1 0.0 0.4 0.6 0.7 0.0 -0.6 -0.2 0.4 0.6 0.4 -0.2 0.1 0.1 0.4 1019 102.0 100.5 105.0 105.1 102.9 -4.5 -5.7 -5.8 -6.0 -6.1 -5.7 -2.2 -2.1 -2.0 -1.9 -1.8 -1.7 -2.7 -2.6 -2.6 -2.5 -2.4 -2.3 271,100 266,600 263,900 259,200 256,600 249,600 -4,000 -4,500 -2,700 -4,700 -2,600 -7,000 6.6 6.4 6.2 6.1 6.2 6.1 266 231 374 230 252 337 3,809 3,601 3,359 3,171 3,086 3.085 53.9 56.2 57.5 54.9 53.4 58.5 58.6 61.0 6	0.6 0.4 -0.2 0.1 0.0 0.4 -0.6 0.6 0.7 0.0 -0.6 -0.2 0.4 0.2 0.6 0.4 -0.2 0.1 0.1 0.4 -0.6 1019 102.0 100.5 105.0 105.1 102.9 105.8 -4.5 -5.7 -5.8 -6.0 -6.1 -5.7 -4.8 -2.2 -2.1 -2.0 -1.9 -1.8 -1.7 -1.5 -2.7 -2.6 -2.6 -2.5 -2.4 -2.3 -2.1 271,100 266,600 263,900 259,200 256,600 249,600 249,300 -4,000 -4,500 -2,700 -4,700 -2,600 -7,000 -300 6.6 6.4 6.2 6.1 6.2 6.1 6.1 266 231 374 230 252 337 249 3.8 56.2 57.5 54.9 53.4 5	0.6 0.4 -0.2 0.1 0.0 0.4 -0.6 -0.1 0.6 0.7 0.0 -0.6 -0.2 0.4 0.2 0.5 0.6 0.4 -0.2 0.1 0.1 0.4 0.2 0.5 0.6 0.4 -0.2 0.1 0.1 0.4 0.2 0.5 0.6 0.4 -0.2 0.1 0.1 0.4 0.2 0.5 1019 102.0 100.5 105.0 105.1 102.9 105.8 104.8 4.0 -2.7 -2.6 -2.0 -1.9 -1.8 -1.7 -1.5 #N/A 271,00 -2.6 -2.6 -2.5 -2.4 -2.3 -2.1 #N/A 271,00 -4.500 -2.700 -4.700 -2.600 -7.000 -300 -2.400 6.6 6.4 6.2 6.1 6.2 6.1 6.1 6.0 2.6 2.31 3.74 230<



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