

Irish Economy Watch

AIB Treasury Economic Research Unit



13 November 2014

	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	
MANUFACTURING									
Manufacturing Output Index : seas adj	111.3	130.2	127.0	98.2	112.7	112.1	115.8	#N/A	Manufacturing output up strongly in September—rises by 21% YoY in Q3
Mfg Output : 3 mma YoY %	13.2	22.9	28.4	23.6	18.1	14.6	21.3	#N/A	
3mth / 3mth % seas. adj.	8.2	13.7	17.4	9.6	-3.6	-12.3	-4.2	#N/A	
Investec Manufacturing PMI	55.5	56.1	55.0	55.3	55.4	57.3	55.7	56.6	Mfg PMI rises to 56.6 in Oct, ahead of Q3 avg 56.1, suggests further growth at start of Q4
OECD Leading Indicator	100.9	100.9	101.0	101.1	101.3	101.4	#N/A	#N/A	
SERVICES / RETAIL									
Monthly Services Index (Value)	109.7	112.6	110.2	111.8	113.6	112.1	113.3	#N/A	Services index shows robust growth of 1.3% in Q3 after Q2's 1.6% increase
- YoY %	0.2	4.8	1.8	2.8	5.9	5.0	5.1	#N/A	
- 3mth / 3mth % seas. adj.	3.5	1.7	1.4	1.6	1.6	1.5	1.3	#N/A	While the services PMI fell to 61.5 in October, below Q3 avg. 62.1, it still suggests growth in the sector remained very strong at the start of Q4
Investec Services PMI	60.7	61.9	61.7	62.6	61.3	62.4	62.5	61.5	
SIMI Car Registrations	14,297	7,823	6,272	1,685	18,723	4,866	3,912	2,039	
- 12 mth cum total	84,738	86,416	86,742	86,758	93,861	95,031	95,780	96,128	Car sales on course for their best annual performance since 2008 (sales c.100k) - sales up 30% YTD in October
- 3 mma YoY %	26.4	22.8	19.6	14.7	38.7	48.8	48.8	26.6	
Retail Sales Index	97.4	96.2	96.9	94.8	102.8	99.6	99.7	#N/A	Growth in core retail sales slows in Q3 to +0.1% from a strong +1.3% in Q2
- YoY %	8.5	5.8	5.8	5.0	8.8	6.4	6.0	#N/A	
- 3mth / 3mth % seas. adj.	2.3	0.6	0.6	-1.0	1.7	2.3	4.9	#N/A	
Ex Autos Index	101.8	103.7	103.3	103.9	103.9	103.9	103.3	#N/A	
- YoY %	2.8	5.0	3.5	4.0	3.2	3.3	3.1	#N/A	
- 3mth / 3mth % seas. adj.	0.6	0.3	0.2	1.3	1.0	0.9	0.1	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	60.2	63.5	60.2	59.9	62.6	61.4	61.5	64.9	Construction PMI jumps to 64.9 in October, a 10 year high. New orders component very strong at 67.8, also a 10 year high
- Commercial Activity	59.9	63.4	61.0	61.3	65.4	63.7	68.4	66.4	
- New Orders	61.3	63.6	61.4	59.4	64.6	63.2	62.7	66.8	Housing registrations have been stronger in recent months, but still remain at low levels overall
- Business Expectations	61.7	63.8	60.0	60.2	64.8	60.6	63.5	67.8	
	77.7	80.8	74.6	76.8	77.2	80.5	79.8	79.5	<i>Housing commencements data has been delayed since February</i>
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	1,596	1,652	1,604	1,699	1,839	1,879	1,961	2,205	Completions on course for 11k in 2014—highest level since 2010
- 3 Month Avg YoY %	123.3	110.7	24.3	25.2	51.2	89.0	62.8	99.7	
Commencements: 12mth Total	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
- 3 Month Avg YoY %	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Completions: Month	803	766	1,085	891	992	782	#N/A	#N/A	
- 12 Mth Total	8,700	8,767	9,245	9,433	9,720	9,898	#N/A	#N/A	
HOUSING MARKET ACTIVITY									
IBF Mortgage Approvals : Month	1,622	1,858	2,185	2,263	2,633	2,222	2,281	#N/A	Mortgage approvals pick-up in September, pace of YoY growth at a very strong 45% in Q3
- 3 Month Avg YoY %	54.6	47.7	43.3	43.1	46.5	45.6	45.2	#N/A	
- 12 Mth Total	18,597	19,155	19,760	20,505	21,404	21,989	22,726	#N/A	Transactions also pick-up in September, pace of YoY growth slows slightly in Q3, but at 41% it remains very strong
RPPR Transactions : Month	2,573	2,649	3,007	3,345	4,229	3,336	3,568	#N/A	
- 3 Month Avg YoY %	39.5	45.5	41.7	45.1	47.7	46.1	41.1	#N/A	
- 12 Mth Total	28,828	29,656	30,472	31,627	33,073	33,916	34,871	#N/A	House prices continue to rise strongly, up by 7% in Q3 after a 3.6% increase in Q2. Recovery being led by Dublin, but rising elsewhere too
HOUSING MARKET PRICES									
CSO (Mortgaged Transactions) - MoM	-0.7	1.5	2.3	2.9	2.0	2.3	1.8	#N/A	Rents pick up again in October (+0.5%) - YoY growth remains strong at 8.9%
- YoY %	7.8	8.5	10.6	12.5	13.4	14.9	15.0	#N/A	
Daft Asking Prices: MoM %	4.7	0.8	2.5	0.4	1.9	1.1	1.5	#N/A	The pick-up in house prices and falling wages have impacted on affordability, though it remains relatively accommodative
- YoY %	6.3	7.7	9.8	9.6	13.3	13.8	15.8	#N/A	
RENTS: CSO Private Rents - MoM%	0.8	0.2	0.4	0.5	0.0	0.9	1.4	0.5	
- YoY %	10.0	9.1	9.0	8.7	8.2	8.7	9.3	8.9	
AFFORDABILITY: Couple on Avg Industrial Wage, 92% LTV, 30Yr Mortgage : Mortgage cost as % of Disposable Income									
	15.2	15.5	15.9	16.4	16.7	17.1	17.4	#N/A	

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CONSUMER PRICES YoY %	0.2	0.3	0.4	0.4	0.3	0.4	0.3	0.2	CPI inflation slows for a third consecutive month in October to a very subdued +0.2%
- MoM %	0.7	0.1	0.0	0.1	-0.2	0.2	-0.2	-0.3	
HICP - YoY %	0.3	0.4	0.4	0.5	0.5	0.6	0.5	0.4	HICP inflation also falls for a third month in October—now at just +0.4%
- MoM %	0.6	0.0	0.0	0.2	-0.1	0.3	-0.3	-0.3	
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	83.1	87.2	79.4	81.1	89.4	87.1	92.8	85.5	Consumer confidence falls back in October. May reflect a number of factors, e.g. water charges, lending restrictions
Credit Growth YoY %									
- Private Sector (Underlying)	-6.6	-6.9	-6.7	-7.3	-7.3	-8.1	-8.1	#N/A	YoY credit growth remains in decline for all the main categories
- of which : Household	-3.8	-3.7	-3.7	-3.9	-3.9	-3.7	-3.7	#N/A	
- of which : Mortgage Lending	-3.1	-3.1	-3.0	-3.1	-3.1	-3.1	-3.0	#N/A	
LABOUR MARKET									
Live Register	396,300	392,800	390,600	386,200	382,700	379,600	374,900	371,400	Further fall in the Live Register in October, now down 32k YTD. Unemployment rate falls to 11%, its lowest level since March 2009
- Change In Month	-2,300	-3,500	-2,200	-4,400	-3,500	-3,100	-4,700	-3,500	
Unemployment Rate %	11.9	11.7	11.5	11.4	11.3	11.2	11.1	11.0	Redundancies continue their marked decline in Q3
Redundancies	700	517	461	626	560	655	482	#N/A	
-12 Mth Total	10,735	9,581	8,810	8,496	8,211	7,987	7,878	#N/A	PMI employment components indicate pace of job growth has picked up at the start of Q4—should see further falls in unemployment in coming mths
PMI Employment Indices									
- Investec Manufacturing	54.6	54.5	56.4	54.1	53.9	55.2	55.7	56.4	
- Investec Services	58.5	60.0	56.6	59.6	58.8	59.6	59.2	59.3	
- Ulster Bank Construction	57.4	60.9	56.5	53.4	58.5	55.3	59.4	62.2	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-3.6	-4.0	-1.9	5.4	5.3	2.5	-1.1	#N/A	Value of goods exports falls by 1.1% in Q3 after a strong 5.4% increase in Q2
- 3MMA YoY %	-0.7	-3.5	-1.2	3.6	1.8	0.7	0.9	#N/A	
Import Values - 3M / 3M %	-3.6	-2.4	6.7	2.9	8.2	1.8	3.9	#N/A	Growth in value of imports accelerates in Q3 to 3.9% after picking up by 2.9% in Q2
- 3MMA YoY %	7.9	7.6	10.7	6.9	9.2	6.0	7.1	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	4.7	5.6	5.6	4.9	6.4	8.7	7.4	9.3	October Exchequer Returns continue to show that tax receipts are ahead of target
Voted Spending : Cum YTD %	-6.1	-2.3	-2.7	-2.1	7.5	-1.7	-2.0	-1.4	
Exchequer Bal: 12 Mth Total €m	-10,118	-10,107	-9,671	-9,842	-11,511	-10,495	-10,316	-9,481	Deficit on course to come in well below its 4.8% target in 2014

QUARTERLY DATA

	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	
GDP - YoY %	-0.7	1.1	0.3	-0.2	1.8	-1.2	3.8	7.7	GDP up strongly (+1.5%) again in Q2—rises by +7.7% YoY
- QoQ% seas. adj.	0.7	2.8	-3.4	0.1	2.2	-0.1	2.8	1.5	
Total Exports - Volume YoY %	3.5	3.7	-2.3	1.5	1.5	3.8	7.3	13.0	Growth in exports was very strong in Q2 (+13% YoY) - as pharma sector continues to recover. Imports +11.8% YoY
Total Imports - Volume YoY %	7.8	5.6	-2.9	-0.4	1.4	4.4	5.9	11.8	
EMPLOYMENT & EARNINGS									
Employment YoY %	-0.2	0.1	1.1	1.8	3.2	3.3	2.3	1.7	Employment up (+1.7%) YoY in Q2 for a 7th consecutive quarter. Though growth slowing
Labour Force YoY %	-0.4	-0.8	-0.4	0.5	0.8	0.9	0.4	-0.7	
Average Earnings YoY %									Labour force falls by 0.7% in Q2, reversing recent positive trend
- Hourly	1.0	-0.6	0.2	0.2	-2.0	-0.7	-0.3	-1.7	
- Weekly	0.6	-0.8	-0.6	0.4	-2.1	-0.4	0.0	-1.1	Earnings continue to fall in Q2. Weekly earnings down 1.1% YoY—mainly driven by declines in public sector pay
Weekly Earnings YoY %									
- Private Sector	1.2	0.1	0.0	1.1	-1.2	0.3	1.1	-0.3	
- Public Sector	1.0	0.3	-0.2	1.2	-1.3	-1.5	-1.4	-1.0	



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