## **AIB Treasury Economic Research Unit**



## 13 July 2016

								May. 3mth/3mth growth slo
								but at 1.3%, it remains at a
124.8								level
								Timelier manufacturing P
-2.0	-4.9	-2.5	-2.9	1.0	1.5	1.3	#IN/A	records healthy increase
53.3	54.2	54.3	52.9	54.9	52.6	51.5	53.0	June, after falling in May Suggests sector finished Q
100.8	100.6	100.4	100.2	100.0	99.8	#N/A	#N/A	a solid footing
								Services index continues
120.1	117.5	123.8	124.1	123.3	122.4	122.8	#N/A	show very strong pace of growth—at 7.8% in Ma
7.5	0.8	0.9	8.0	5.1	6.3	7.8	#N/A	
0.4	-0.8	1.6	2.0	4.0	2.3	0.8	#N/A	Services PMI remained v
63.6	61.8	64.0	62.1	62.8	59.8	61.7	61.2	strong in Q2, averaging 6 Suggests sector continue
940	342	39,722	21,574	21,531	10,383	6,503	1,625	grow at a robust pace
124,953	124,945	134,859	140,655	143,253	144,185	143,769	143,946	Car sales slow further in a ahead of new number pla
22.9	21.2	32.5	34.2	28.4	21.1	8.8	3.9	July. Sales still up 23% Y
								Growth in core retail sales
								cars) has been solid so fa
1.8	-0.5	3.0	3.9	4.3	#IN/A	#IN/A	#IN/A	Q2, gaining 1.3% in April/ after increasing by the sa
114.3	113.1	114.0	114.5	114.5	115.1	116.5	#N/A	amount in Q1. Underlying
8.9			6.7	6.1	3.3		#N/A	show improvement is related
1.8	1.4	2.1	1.3	1.3	0.8	1.3		broad based
55.5	58.6	63.6	68.8	62.3	56.4	55.9	59.7	Construction PMI rises in .
55.2	58.3	65.9	71.2	63.6	58.4	57.4	61.8	New orders component ba at 60. Expectations sub-inc
								its highest level since end
								Growth in housing registra
	79.7	79.0	01.4	11.1	03.0	73.4	04.9	has continued to pick up p after a somewhat sluggish
								to 2016
,								Commencements have sh
-9.9	-4.0	-17.1	-15.7	60.1	63.0	66.2	#N/A	improvement so far this y
8,074	8,098	8,425	8,867	8,848	8,790	9,231	#N/A	YoY comparison still distored by 2014 policy change
103.6	64.9	79.2	80.8	56.3	19.7	15.8	#N/A	
1.262	1.352	920	1,192	1.032	1,149	#N/A	#N/A	Housing completions on co for improved performanc
12,503	12,666	12,893	13,249	13,181	13,384	#N/A	#N/A	2016, up 20% YTD
i and								Mortgage approvals gro
2 110	1,756	1.627	1,699	1,767	2,631	2,642	#N/A	picking up again. YoY gro back in positive territory (6
-13.5	-20.3	-20.3	-18.9	-17.0	-4.6	5.9	#N/A	3mths to May—sector s
26,634	26,030	25,840	25,446	24,985	25,546	25,841	#N/A	negatively impacted by Ce
4 045	5 511	2 616	3 646	3 362	3 601	3 647	#N/Δ	Bank mortgage rules
								Annual house price inflation
50,244	48,566	47,813	47,825	47,543	47,483	47,474	#N/A	around 7%. Data show t
								ex-Dublin prices continu grow more strongly than D
o -	o -	o -	~ ~	~ 1	~ .	~ ~	//h.1/ A	prices, in part due to CB r
-0.5 6.5	0.5 6.6	-0.5 7.6	0.0 8.0	0.4 7.4	0.4 7.1	0.2 6.9	#N/A #N/A	Although, Dublin prices h shown signs of reaccelera
-0.9	0.3	1.9	0.7	2.3	-0.6	0.8	1.4	Rents rise strongly in M
8.6	7.8	8.2	4.5	5.5	5.3	5.5	8.1	(+9.7% YoY)—now 6.1% a previous peak
0.4	0.3	1.2	1.1	0.2	1.0	0.5	#N/A	
10.0	9.6	9.4	9.7	9.2	9.7	9.7	#N/A	Pick-up in earnings and lo mortgage interest mean
trial Wage,	90% LTV,	30Yr Mort	gage, AIB	Mortgage F	Rate, Price	s: CSO/Pe	rm' TSB	affordability remains a favourable levels
	5.8 -2.6 53.3 100.8 120.1 7.5 0.4 63.6 940 124,953 22.9 109.9 9.5 1.8 114.3 8.9 1.8 55.5 55.2 56.0 60.9 81.5 55.5 55.2 56.0 60.9 81.5 7.5 8,074 103.6 1,262 12,503 2,110 -13.5 26,634 4,045 4.8 50,244	5.8       3.1         -2.6       -4.9         53.3       54.2         100.8       100.6         120.1       117.5         7.5       0.8         0.4       -0.8         63.6       61.8         940       342         124,953       124,945         22.9       21.2         109.9       109.3         9.5       6.3         1.8       -0.5         114.3       113.1         8.9       5.2         1.8       1.4         55.5       58.6         55.2       58.3         56.0       59.7         60.9       60.4         81.5       79.7         VITY       4,384       4,290         -9.9       -4.0         8,074       8,098         103.6       64.9         1,262       1,352         12,503       12,666         2,110       1,756         -13.5       -20.3         26,634       26,030         4,045       5,511         4.8       -10.0         50,244       48,56	5.8 $3.1$ $3.0$ $-2.6$ $-4.9$ $-2.5$ $53.3$ $54.2$ $54.3$ $100.8$ $100.6$ $100.4$ $120.1$ $117.5$ $123.8$ $7.5$ $0.8$ $0.9$ $0.4$ $-0.8$ $1.6$ $63.6$ $61.8$ $64.0$ $940$ $342$ $39,722$ $124,953$ $124,945$ $134,859$ $22.9$ $21.2$ $32.5$ $109.9$ $109.3$ $114.3$ $9.5$ $6.3$ $10.9$ $1.8$ $-0.5$ $3.0$ $114.3$ $113.1$ $114.0$ $8.9$ $5.2$ $6.5$ $1.8$ $1.4$ $2.1$ $55.5$ $58.6$ $63.6$ $55.2$ $58.3$ $65.9$ $56.0$ $59.7$ $62.4$ $60.9$ $60.4$ $62.5$ $81.5$ $79.7$ $79.6$ $VITY$ $4,384$ $4,290$ $4,242$ $-9.9$ $-4.0$ $-17.1$ $8,074$ $8,098$ $8,425$ $103.6$ $64.9$ $79.2$ $1,262$ $1,352$ $920$ $12,503$ $12,666$ $12,893$ $2,110$ $1,756$ $1,627$ $-13.5$ $-20.3$ $-20.3$ $26,634$ $26,030$ $25,840$ $4,045$ $5,511$ $2,616$ $4.8$ $-10.0$ $-14.5$ $50,244$ $48,566$ $47,813$ $-0.5$ $0.5$ $-0.5$ $6.5$ $6.6$ $7.6$ $-0.9$ $0.3$ $1.9$	5.8 $3.1$ $3.0$ $0.5$ $-2.6$ $-4.9$ $-2.5$ $-2.9$ $53.3$ $54.2$ $54.3$ $52.9$ $100.8$ $100.6$ $100.4$ $100.2$ $120.1$ $117.5$ $123.8$ $124.1$ $7.5$ $0.8$ $0.9$ $8.0$ $0.4$ $-0.8$ $1.6$ $2.0$ $63.6$ $61.8$ $64.0$ $62.1$ $940$ $342$ $39,722$ $21,574$ $124,953$ $124,945$ $134,859$ $140,655$ $22.9$ $21.2$ $32.5$ $34.2$ $109.9$ $109.3$ $114.3$ $114.6$ $9.5$ $6.3$ $10.9$ $10.8$ $1.8$ $-0.5$ $3.0$ $3.9$ $114.3$ $113.1$ $114.0$ $114.5$ $8.9$ $5.2$ $6.5$ $6.7$ $1.8$ $1.4$ $2.1$ $1.3$ $55.5$ $58.6$ $63.6$ $68.8$ $55.2$ $58.3$ $65.9$ $71.2$ $56.0$ $59.7$ $62.4$ $68.5$ $60.9$ $60.4$ $62.5$ $67.4$ $81.5$ $79.7$ $79.6$ $81.4$ $79.9$ $4.0$ $-17.1$ $-15.7$ $8,074$ $8,098$ $8,425$ $8,867$ $103.6$ $64.9$ $79.2$ $80.8$ $1,262$ $1,352$ $920$ $1,192$ $12,503$ $12,666$ $12,893$ $13,249$ $2,110$ $1,756$ $1,627$ $1,699$ $-0.5$ $0.5$ $-0.5$ $0.0$ $6.5$	5.8       3.1       3.0       0.5       1.7         -2.6       -4.9       -2.5       -2.9       1.0         53.3       54.2       54.3       52.9       54.9         100.8       100.6       100.4       100.2       100.0         120.1       117.5       123.8       124.1       123.3         7.5       0.8       0.9       8.0       5.1         0.4       -0.8       1.6       2.0       4.0         63.6       61.8       64.0       62.1       62.8         940       342       39,722       21,574       21,531         124,953       124,945       134,859       140,655       143,253         22.9       21.2       32.5       34.2       28.4         109.9       109.3       114.3       114.6       111.9         9.5       6.3       10.9       10.8       4.7         1.8       -0.5       3.0       3.9       4.3         114.3       113.1       114.0       114.5       114.5         8.9       5.2       58.3       65.9       71.2       63.6         56.0       59.7       62.4       68.5	5.8 $3.1$ $3.0$ $0.5$ $1.7$ $0.3$ $-2.6$ $-4.9$ $-2.5$ $-2.9$ $1.0$ $1.5$ $53.3$ $54.2$ $54.3$ $52.9$ $54.9$ $52.6$ $100.8$ $100.6$ $100.4$ $100.2$ $100.0$ $99.8$ $120.1$ $117.5$ $123.8$ $124.1$ $123.3$ $122.4$ $7.5$ $0.8$ $0.9$ $8.0$ $5.1$ $6.3$ $0.4$ $-0.8$ $1.6$ $2.0$ $4.0$ $2.3$ $63.6$ $61.8$ $64.0$ $62.1$ $62.8$ $59.8$ $940$ $342$ $39,722$ $21,574$ $21,531$ $10,383$ $124,953$ $124,945$ $134,859$ $140,655$ $143,253$ $144,185$ $22.9$ $21.2$ $32.5$ $34.2$ $28.4$ $21.1$ $109.9$ $109.3$ $114.3$ $114.6$ $111.9$ $113.0$ $9.5$ $6.3$ $10.9$ $10.8$ $4.7$ $5.3$ $1.8$ $0.5$ $6.7$ $6.1$ $3.3$ $1.8$ $1.4$ $2.1$ $1.3$ $1.3$ $0.8$ $55.5$ $58.6$ $63.6$ $68.8$ $62.3$ $56.4$ $55.5$ $58.6$ $63.6$ $68.8$ $62.3$ $56.4$ $55.5$ $58.6$ $63.6$ $68.8$ $62.3$ $56.4$ $55.5$ $58.6$ $63.6$ $68.8$ $62.3$ $56.4$ $55.5$ $58.6$ $63.6$ $68.8$ $62.3$ $56.4$ $55.5$ $58.6$ $63.6$ $68.8$ <	5.8       3.1       3.0       0.5       1.7       0.3       -1.6         -2.6       -4.9       -2.5       -2.9       1.0       1.5       1.3         53.3       54.2       54.3       52.9       54.9       52.6       51.5         100.8       100.6       100.4       100.2       100.0       99.8       #NVA         120.1       117.5       123.8       124.1       123.3       122.4       122.8         7.5       0.8       0.9       8.0       5.1       6.3       7.8         0.4       -0.8       1.6       2.0       4.0       2.3       0.8         63.6       61.8       60.0       62.1       62.8       59.8       61.7         940       342       39.722       21.574       21.531       10.383       65.03         124.953       124.945       134.859       140.655       143.253       144.185       143.769         22.9       21.2       32.5       3.0       3.9       4.3       #NVA       #NVA         114.3       113.1       114.0       114.5       114.5       115.1       116.5         1.8       0.4       21.1       1.3 <td>5.8       3.1       3.0       0.5       1.7       0.3       -1.6       <math>\#N/A</math>         2.2.6       -4.9       -2.5       -2.9       1.0       1.5       1.3       <math>\#N/A</math>         53.3       54.2       54.3       52.9       54.9       52.6       51.5       53.0         100.8       100.6       100.4       100.2       100.0       99.8       <math>\#N/A</math> <math>\#N/A</math>         7.5       0.8       0.9       8.0       5.1       6.3       7.8       <math>\#N/A</math>         63.6       61.8       64.0       62.1       62.8       59.8       61.7       61.2         940       342       39,722       21,574       21,531       10,383       6,503       1,625         124,953       124,945       134,859       140,655       143,253       144,155       143,769       143,946         22.9       21.2       32.5       34.2       28.4       21.1       8.3       3.9         109.9       100.3       114.3       114.6       111.9       113.0       113.7       <math>\#N/A</math>         1.8       -0.5       3.0       3.9       4.3       <math>\#N/A</math> <math>\#N/A</math>         8.9       5.2</td>	5.8       3.1       3.0       0.5       1.7       0.3       -1.6 $\#N/A$ 2.2.6       -4.9       -2.5       -2.9       1.0       1.5       1.3 $\#N/A$ 53.3       54.2       54.3       52.9       54.9       52.6       51.5       53.0         100.8       100.6       100.4       100.2       100.0       99.8 $\#N/A$ $\#N/A$ 7.5       0.8       0.9       8.0       5.1       6.3       7.8 $\#N/A$ 63.6       61.8       64.0       62.1       62.8       59.8       61.7       61.2         940       342       39,722       21,574       21,531       10,383       6,503       1,625         124,953       124,945       134,859       140,655       143,253       144,155       143,769       143,946         22.9       21.2       32.5       34.2       28.4       21.1       8.3       3.9         109.9       100.3       114.3       114.6       111.9       113.0       113.7 $\#N/A$ 1.8       -0.5       3.0       3.9       4.3 $\#N/A$ $\#N/A$ 8.9       5.2

	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	
CONSUMER PRICES YoY %	-0.2	0.1	0.1	-0.1	-0.3	-0.1	0.0	#N/A	CPI inflation flat in May, as increased drag from oil prices is
- MoM %	-0.3	-0.1	-0.8	0.4	0.4	0.2	0.5	#N/A	offset by higher insurance costs
HICP - YoY %	-0.1 -0.3	0.2	0.0	-0.2 0.4	-0.6	-0.2 0.3	-0.2 0.5	#N/A #N/A	HICP inflation remains in negative territory at 0.2% in May
- MoM %	-0.3	-0.1	-0.9	0.4	0.3	0.3	0.5	#IN/A	negative territory at 0.2 /6 in May
PERSONAL / FINANCIAL									Consumer confidence rises in
KBC/ESRI Consumer Confidence	103.1	103.9	108.6	105.8	100.6	102.7	98.1	103.4	June, from already strong level. Increase led by improved view
Credit Growth YoY %									of job prospects. Survey done pre-Brexit vote—index may fall
<ul> <li>Private Sector (Underlying)</li> <li>of which : Household</li> </ul>	-11.7 -2.7	-7.9 -2.8	-7.3 -2.6	-7.8 -2.7	-7.1 -2.6	-6.5 -2.4	-5.8 -2.3	#N/A #N/A	back in coming months
- of which : Mortgage Lending	-2.6	-2.6	-2.5	-2.4	-2.4	-2.3	-2.2	#N/A	Pace of decline in private sector credit slows further in May
LABOUR MARKET									Live Register continues to
Live Register	330,100	328,200	323,500	320,700	317,200	312,700	309,100	305,600	decline at a healthy pace— down 23k in first half of 2016.
- Change In Month	-2,200	-1,900	-4,700	-2,800	-3,500	-4,500	-3,600	-3,500	Unemployment rate held at a 7½-year low of 7.8% in June
Unemployment Rate %	9.1	8.9	8.6	8.3	8.1	7.9	7.8	7.8	Slight spike in redundancies in
Redundancies -12 Mth Total	388 4,467	260 4,342	282 4,203	223 4,101	670 4,332	#N/A #N/A	#N/A #N/A	#N/A #N/A	March, but they remain at low levels overall
PMI Employment Indices	52.4	52.0	50.4	54.0	54.0	52.0	54.0	50 F	The main PMI employ' indices
<ul> <li>Investec Manufacturing</li> <li>Investec Services</li> </ul>	53.4 62.0	52.0 58.6	52.1 59.7	54.0 61.0	54.8 59.7	52.0 59.4	51.8 60.1	53.5 57.2	continue to point to labour market improvement. But, they
- Ulster Bank Construction	57.9	58.2	60.7	61.5	58.4	55.2	55.5	57.1	did slow slightly in Q2 versus the levels seen in Q1
MERCHANDISE TRADE									The firmer tone to the euro has
Export Values - 3M / 3M %	6.2	12.4	0.7	-3.1	-11.3	-7.4	#N/A	#N/A	weighed on the value of Irish exports this year
- 3MMA YoY %	26.1	24.7	15.0	5.6	3.8	0.9	#N/A	#N/A	Lower import prices, especially
Import Values - 3M / 3M % - 3MMA YoY %	5.5 13.4	9.7 16.0	-2.6 6.2	-13.0 0.3	-22.3 -6.6	-13.4 -8.2	#N/A #N/A	#N/A #N/A	oil, have seen the value of imports decline too—YoY
			0.2	0.0	0.0	0.2			growth -8.2% in 3mths to April
PUBLIC FINANCES									Tax receipts continued to show strong YoY growth in first half of
Total Tax Receipts: Cum YTD %	10.0	10.5	7.4	7.1	6.4	9.1	9.0	9.2	2016
Voted Spending : Cum YTD %	-0.4	1.5	-7.2	-4.6	-0.7	-0.5	-0.5	1.8	Budget deficit of below 1% of GDP possible this year
Exchequer Bal: 12 Mth Total €m	-2,081	-62	356	1,651	-1,429	1,202	-828	-912	
QUARTERLY DATA									Irish GDP data were heavily distorted in 2015 by the impact
	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	of corporate restructuring,
GDP - YoY %	7.9	3.6	11.1	28.1	24.3	24.3	28.4	2.3	relocation & reclassification as well as aircraft leasing
- QoQ% seas. adj.	2.6	3.2	-0.1	21.4	-0.4	3.1	2.3	-2.1	Domestic economy continues to
Total Exports - Volume YoY % Total Imports - Volume YoY %	12.2 12.7	17.9 19.1	16.6 19.6	39.1 21.5	29.8 21.6	31.9 23.1	37.3 20.6	1.3 2.6	perform strongly, consumer spending rose by 4.5% in 2015.
	12.7	13.1	19.0	21.5	21.0	23.1	20.0	2.0	Spending up 5% YoY in Q1
EMPLOYMENT & EARNINGS									YoY employment growth edges up to 2.4% in Q1. Underlying
Employment YoY %	1.7	1.5	1.5	2.2	3.0	2.9	2.3	2.4	data show broad based gains in employment—construction
Labour Force YoY %	-0.7	-0.4	-0.5	-0.2	0.6	0.6	0.8	0.6	sector particularly encouraging
Average Earnings YoY % - Hourly	-2.2	-1.6	1.4	0.5	1.4	2.1	-0.7	0.7	YoY growth in earnings
- Weekly	-2.2	-1.0	1.4	1.2	1.4	3.2	-0.7	1.1	remained very modest in Q1. Underlying data show
Weekly Earnings YoY % - Private Sector	-1.0	-0.6	2.8	1.2	2.5	4.1	0.9	2.5	unbalanced growth, with wages falling in many sectors, while
- Public Sector	-1.1	-1.1	0.4	0.4	-0.1	0.3	1.9	-1.2	others see double digit rises



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