

Irish Economy Watch

AIB Treasury Economic Research Unit



08 October 2014

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	
MANUFACTURING									
Manufacturing Output Index : seas adj	109.0	111.0	130.0	126.6	98.8	112.8	110.2	#N/A	Manufacturing output off its recent highs but still well up YoY
Mfg Output : 3 mma YoY %	7.6	13.1	22.8	28.3	23.6	18.5	14.8	#N/A	
3mth / 3mth % seas. adj.	4.6	6.5	13.4	17.0	9.6	-3.4	-12.5	#N/A	
Investec Manufacturing PMI	52.9	55.5	56.1	55.0	55.3	55.4	57.3	55.7	Mfg PMI averages 56.1 in Q3, best since Q1'11—suggests strong pace of growth
OECD Leading Indicator	101.3	101.2	100.9	100.6	100.2	99.8	#N/A	#N/A	
SERVICES / RETAIL									
Monthly Services Index (Value)	108.0	109.6	112.5	110.1	111.8	113.8	112.0	#N/A	Services index falls in August, but YoY growth remains at a strong 5.1%
- YoY %	1.6	0.3	4.7	1.7	2.8	5.9	5.1	#N/A	
- 3mth / 3mth % seas. adj.	3.0	3.4	1.6	1.3	1.6	1.7	1.6	#N/A	The services PMI shows no change in Q3 from Q2 (avg. 62.1) - suggests sector maintained its strong growth momentum
Investec Services PMI	57.5	60.7	61.9	61.7	62.6	61.3	62.4	62.5	
SIMI Car Registrations	12,714	14,297	7,823	6,272	1,685	18,723	4,866	3,912	Car sales fall back again in September after July number plate change. Overall though, sales have been strong in 2014—up 30% year-to-date
- 12 mth cum total	82,091	84,738	86,416	86,742	86,758	93,861	95,031	95,780	
- 3 mma YoY %	27.3	26.4	22.8	19.6	14.7	38.7	48.8	48.8	
Retail Sales Index	95.9	97.4	96.2	97.0	94.9	102.9	99.9	#N/A	Core retail sales rise in August, show very healthy YoY growth of 3.6%
- YoY %	4.9	8.5	5.8	5.8	5.1	8.9	6.8	#N/A	
- 3mth / 3mth % seas. adj.	2.2	2.3	0.6	0.6	-0.9	1.8	2.4	#N/A	
Ex Autos Index	102.5	101.8	103.7	103.3	104.0	103.9	104.2	#N/A	
- YoY %	2.7	2.8	5.0	3.4	4.1	3.2	3.6	#N/A	
- 3mth / 3mth % seas. adj.	2.1	0.6	0.3	0.2	1.4	1.0	1.1	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	56.2	60.2	63.5	60.2	59.9	62.6	61.4	#N/A	The construction PMI averaged 62.0 in July/Aug, higher than Q2 avg of 61.2—suggests further pick-up in activity in Q3
- Commercial Activity	57.5	59.9	63.4	61.0	61.3	65.4	63.7	#N/A	
- New Orders	55.5	61.3	63.6	61.4	59.4	64.6	63.2	#N/A	
- Business Expectations	58.1	61.7	63.8	60.0	60.2	64.8	60.6	#N/A	
	79.1	77.7	80.8	74.6	76.8	77.2	80.5	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	1,514	1,596	1,652	1,604	1,699	1,839	1,879	#N/A	Housing registrations continue to recover from very depressed levels—show year-to-date growth of 66% in August
- 3 Month Avg YoY %	151.1	123.3	110.7	24.3	25.2	51.2	89.0	#N/A	
Commencements: 12mth Total	9,310	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	Spike in commencements in Feb ahead of new regulations in March - newer data delayed
- 3 Month Avg YoY %	636.0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Completions: Month	611	803	766	1,085	891	992	#N/A	#N/A	Completions also continue to show signs of recovery—year-to-date growth at 32% in July
- 12 Mth Total	8,473	8,700	8,767	9,245	9,433	9,720	#N/A	#N/A	
HOUSING MARKET ACTIVITY									
IBF Mortgage Approvals : Month	1,476	1,622	1,858	2,185	2,263	2,633	2,222	#N/A	Mortgage approvals slow in August, but YoY growth at a strong +46% in 3mth to August
- 3 Month Avg YoY %	36.2	54.6	47.7	43.3	43.1	46.5	45.6	#N/A	
- 12 Mth Total	18,038	18,597	19,155	19,760	20,505	21,404	21,989	#N/A	Transactions also slower, but pace of YoY growth at a very encouraging +43% YoY in 3mth to August
RPPR Transactions : Month	2,264	2,570	2,644	2,996	3,328	4,189	3,134	#N/A	
- 3 Month Avg YoY %	-4.3	39.3	45.3	41.4	44.6	46.7	42.7	#N/A	House prices continue to rise strongly in August (+2.3%). YoY growth is at its fastest pace (+14.9%) since March'07. Recovery in prices led by Dublin, but rising elsewhere too
- 12 Mth Total	28,045	28,821	29,644	30,449	31,587	32,993	33,634	#N/A	
HOUSING MARKET PRICES									
CSO (Mortgaged Transactions) - MoM	0.1	-0.7	1.5	2.3	2.9	2.0	2.3	#N/A	Rents show (+0.9%) increase in August. YoY growth rises to +8.7%
- YoY %	8.1	7.8	8.5	10.6	12.5	13.4	14.9	#N/A	
Daft Asking Prices: MoM %	-0.7	4.7	0.8	2.5	0.4	1.9	1.1	1.5	Pick-up in house prices and falling wages have impacted on affordability, though it remains relatively accommodative
- YoY %	2.0	6.3	7.7	9.8	9.6	13.3	13.8	15.8	
RENTS: CSO Private Rents - MoM%	1.2	0.8	0.2	0.4	0.5	0.0	0.9	#N/A	
- YoY %	10.2	10.0	9.1	9.0	8.7	8.2	8.7	#N/A	
AFFORDABILITY: Couple on Avg Industrial Wage, 92% LTV, 30Yr Mortgage : Mortgage cost as % of Disposable Income									
	15.3	15.2	15.5	15.9	16.4	16.7	17.1	#N/A	

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CONSUMER PRICES YoY %	-0.1	0.2	0.3	0.4	0.4	0.3	0.4	#N/A	CPI inflation edges back up to 0.4% in August, but still remains very subdued
- MoM %	0.5	0.7	0.1	0.0	0.1	-0.2	0.2	#N/A	
HICP - YoY %	0.1	0.3	0.4	0.4	0.5	0.5	0.6	#N/A	HICP inflation rate also edges up in August (0.6%), but is also at a very subdued level
- MoM %	0.7	0.6	0.0	0.0	0.2	-0.1	0.3	#N/A	
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	85.5	83.1	87.2	79.4	81.1	89.4	87.1	92.8	Consumer confidence rises in September to a near 8 year high. May in part reflect signs of stronger growth and hopes for an easier Budget this month
Credit Growth YoY %									
- Private Sector (Underlying)	-5.6	-6.6	-6.9	-6.7	-7.3	-7.3	-8.1	#N/A	YoY credit growth remains in decline for all the main categories
- of which : Household	-3.8	-3.8	-3.7	-3.7	-3.9	-3.9	-3.7	#N/A	
- of which : Mortgage Lending	-3.1	-3.1	-3.1	-3.0	-3.1	-3.1	-3.1	#N/A	
LABOUR MARKET									
Live Register	398,700	396,300	392,900	390,600	386,200	382,700	379,500	374,800	Further fall in the Live Register in August, now down 29k YTD. Unemployment rate falls to 11.1%, its lowest level since March 2011
- Change In Month	-2,600	-2,400	-3,400	-2,300	-4,400	-3,500	-3,200	-4,700	
Unemployment Rate %	12.0	11.9	11.7	11.5	11.4	11.3	11.2	11.1	Redundancies continue their marked decline in Q2
Redundancies	788	700	517	461	626	#N/A	#N/A	#N/A	
-12 Mth Total	11,415	10,735	9,581	8,810	8,496	#N/A	#N/A	#N/A	Mfg & Services PMI employ components suggest recovery maintained its solid momentum in Q3—we may see further falls in unemploy' in coming mths
PMI Employment Indices									
- Investec Manufacturing	54.9	54.6	54.5	56.4	54.1	53.9	55.2	55.7	
- Investec Services	59.4	58.5	60.0	56.6	59.6	58.8	59.6	59.2	
- Ulster Bank Construction	54.3	57.4	60.9	56.5	53.4	58.5	55.3	#N/A	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	2.0	-3.6	-3.9	-1.5	5.8	5.2	#N/A	#N/A	Growth in value of goods exports remains very strong (+5.2%) on a 3mth/3mth basis
- 3MMA YoY %	6.3	-0.7	-3.3	-0.8	4.0	1.8	#N/A	#N/A	
Import Values - 3M / 3M %	-4.3	-3.4	-2.4	5.7	1.7	8.0	#N/A	#N/A	Growth in value of imports jumps to +8% in July on a 3mth/3mth basis
- 3MMA YoY %	7.4	7.8	7.4	9.4	5.7	8.9	#N/A	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	-0.1	4.7	5.6	5.6	4.9	6.4	8.7	7.4	September Exchequer Returns continue to show that tax receipts are ahead of target
Voted Spending : Cum YTD %	-3.2	-6.1	-2.3	-2.7	-2.1	7.5	-1.7	-2.0	
Exchequer Bal: 12 Mth Total €m	-12,238	-10,118	-10,107	-9,671	-9,842	-11,511	-10,495	-10,316	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 to +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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