Irish Economy Watch





10 October 2016

	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Production (ex-
MANUFACTURING									remains in dea
Industrial Production (Ex-Modern)	121.6	119.4	123.1	119.4	122.7	120.5	120.7	#N/A	level of food
Production (Ex-Modern) : 3mma YoY% 3mth / 3mth % seas. adj.	0.7 -2.6	1.1 0.3	-0.2 0.4	-1.8 0.2	-1.8 0.5	-4.7 -0.4	-4.1 0.6	#N/A #N/A	Manufacturing 51.1 in Q3 follov
									compared to
Investec Manufacturing PMI OECD Leading Indicator	52.9 100.2	54.9 99.9	52.6 99.6	51.5 99.5	53.0 99.5	50.2 99.6	51.7 #N/A	51.3 #N/A	Suggests some growth in t
SERVICES / RETAIL									Services index
Monthly Services Index (Value)	124.3	123.1	122.2	123.2	123.9	124.3	125.6	#N/A	upward trajecting co
- YoY %	8.1	5.0	6.2	8.3	6.4	0.0	7.4	#N/A	growth in
- 3mth / 3mth % seas. adj.	1.9	4.1	2.4	0.9	-0.5	0.5	1.4	#N/A	Services PMI a
Investec Services PMI	62.1	62.8	59.8	61.7	61.2	59.5	59.7	56.2	in over 3 year
SIMI Car Registrations	21,574	21,531	10,383	6,501	1,624	29,888	7,288	4,692	averaging 58. points to str
- 12 mth cum total	140,655	143,253	144,185	143,767	143,943	146,237		147,044	Car sales slow
- 3 mma YoY %	34.2	28.4	21.1	8.8	3.9	5.7	9.5	8.0	following July'
Retail Sales Index	114.4	111.8	112.8 5.2	113.6	105.4	119.9 7.8	114.3	#N/A	plate related jui 8% Yo
- YoY % - 3mth / 3mth % seas. adj.	10.6 3.5	4.7 4.0	1.8	7.8 0.2	5.3 -2.4	0.0	5.2 0.4	#N/A #N/A	
Ex Autos Index	114.4	114.3	114.7	116.3	115.2	114.7	115.7	#N/A	Core retail sal relatively sta
- YoY %	6.7	6.1	3.2	6.3	5.0	3.2	4.1	#N/A #N/A	months, thoug
- 3mth / 3mth % seas. adj.	1.1	1.2	0.6	1.2	1.1	0.8	0.1	#N/A	growth h
CONSTRUCTION PMI: Ulster Bank	68.8	62.3	56.4	55.9	59.7	61.0	58.4	58.7	Construction PN Brexit vote. Ind
- Housing Activity	71.2	63.6	58.4	57.4	61.8	61.3	63.1	59.5	59.4 in Q3 \
- Commercial Activity - New Orders	68.5 67.4	65.1 64.0	56.5 59.4	59.7 56.7	62.0 59.8	66.2	63.9	61.3 61.4	Housing regists
- New Orders - Business Expectations	81.4	77.7	83.8	73.4	59.8 84.9	60.2 74.7	60.8 81.6	78.1	YoY in August,
PECIDENTIAL CONCEDUCTION ACTIVIT	24								strong perform Underlying tre
RESIDENTIAL CONSTRUCTION ACTIVIT		4764	4.004	4.070	4.000	5405	4.675	// 5.1 / 6	Commence
Housing Registrations: 12Mth Total - 3 Month Avg YoY %	4,257 -15.7	4,764 60.1	4,831 63.0	4,973 66.2	4,898 11.6	5,105 23.6	4,675 -17.4	#N/A #N/A	improved this year
Commencements: 12mth Total	8,859	8,816	8,780	9,206	9,553	9,646	9,906	#N/A	at low lev
- 3 Month Avg YoY %	80.0	53.9	19.2	15.1	31.8	34.4	29.2	#N/A	Housing comple
Completions: Month	1,192	1,032	1,149	1,294	1,055	1,110	1,415	#'N/A	for improved
- 12 Mth Total	13,249	13,181	13,384	13,687	13,683	13,673	14,139	#'N/A	2016, up 19% ir
LIGHTING MARKET ACTIVITY									Mortgage ap
HOUSING MARKET ACTIVITY	1 726	1 752	2,601	2.616	2,000	2,908	#NI/A	#NI/A	shown a marke in recent month
BPFI Mortgage Approvals : Month - 3 Month Avg YoY %	1,726 -17.8	1,753 -16.1	-4.9	2,616 4.9	2,909 19.9	14.5	#N/A #N/A	#N/A #N/A	abating impact
- 12 Mth Total	25,516	25,041	25,572	25,841	26,388	26,638	#N/A	#N/A	lending rules. E remain ne
RPPR Transactions : Month	3,651	3,391	3,655	3,814	3,972	4,302	3,687	#N/A	remainne
- 3 Month Avg YoY % - 12 Mth Total	-17.0 47,834	-9.1 47,598	-2.1 47,592	-0.9 47,750	-1.1 47,469	-3.4 47,161	-3.7 47,291	#N/A #N/A	New CSO hou shows prices
HOUSING MARKET PRICES									July. Price infla
CSO (Mortgaged Transactions) - MoM	-1.0	-0.1	0.4	0.5	1.0	2.5	#N/A	#N/A	elsewher
- YoY %	5.4	5.5	5.8	5.4	4.9	6.7	#N/A	#N/A	CSO rents mea
Daft Asking Prices: MoM %	0.7	2.3	-0.6	0.8	1.4	0.9	0.9	0.6	to rise strongl
- YoY %	4.5	5.5	5.3	5.5	8.1	7.1	8.1	7.7	8.9% YoY. The above their p
RENTS: CSO Private Rents - MoM%	1.1	0.2	1.0	0.5	0.5	0.9	0.7	#N/A	
- YoY %	9.7	9.2	9.7	9.7	9.3	9.1	8.9	#N/A	Lower mortg taxes mean
AFFORDABILITY: Couple on Avg Indust	rial Wage,	90% LTV,	30 Years	, AIB Mort	gage Rate	e, Prices: (CSO/Perm	n' TSB	remains at fav
									despite slow

Production (ex-modern sector) remains in decline on a YoY basis—largely reflects lower level of food production

Manufacturing PMI averaged 51.1 in Q3 following Brexit vote, compared to 52.4 in Q2. Suggests some moderation in growth in the quarter

Services index remains on an upward trajectory in August, indicating continued solid growth in the sector

Services PMI at its lowest rate in over 3 years in Sept. But, averaging 58.5 in Q3, it still points to strong growth

Car sales slow further in Sept, following July's new number plate related jump. Sales up by 8% YoY in Q3

Core retail sales have been relatively stable in recent months, though pace of YoY growth has slowed

Construction PMI held firm after Brexit vote. Indeed, it averaged 59.4 in Q3 vs 57.3 in Q2

Housing registrations negative foY in August, due to unusually strong performance in Aug'15. Underlying trend still positive

Commencements have nproved this year, up by c.30% 'oY in recent months—but still at low levels overall

Housing completions on course for improved performance in 2016, up 19% in year to August

Mortgage approvals have shown a marked improvement n recent months—may suggest abating impact of CB mortgage lending rules. But, transactions remain negative YoY

New CSO house price index shows prices up 6.7% YoY in July. Price inflation is rising in both Dublin (+3.8%) and elsewhere (+11.3%)

CSO rents measure continued to rise strongly in August, up 8.9% YoY. They are now 8.4% above their previous peak

Lower mortgage rates and taxes mean affordability remains at favourable levels, despite slow wage growth

	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	CPI inflation back in negative	
CONCLIMED DDICES V-V 0/	0.1	0.2	0.1	0.0	0.4	0.5	0.1	#N1/A	territory in Aug—largely reflects a sharp fall in volatile 'airfares',	
CONSUMER PRICES YOY % - MOM %	-0.1 0.4	-0.3 0.4	-0.1 0.2	0.0	0.4	0.5 -0.2	-0.1 -0.2	#N/A #N/A	as well as lower petrol,	
HICP - YoY %	-0.2	-0.6	-0.2	-0.2	0.1		-0.4	#N/A	electricity and insurance costs	
- MoM %	0.4	0.3	0.3	0.5	0.7	-0.3	-0.2	#N/A	HICP inflation also turns negative in August	
PERSONAL / FINANCIAL									Consumer confidence remains	
KBC/ESRI Consumer Confidence	105.8	100.6	102.7	98.1	103.4	99.6	102.7	102.0	near multi-year highs in September on more upbeat	
Credit Growth YoY %									view of personal finances/	
- Private Sector (Underlying)	-7.8	-7.1	-6.5	-5.8	-5.1		-5.7	#N/A	employment situation	
- of which : Household - of which : Mortgage Lending	-2.7 -2.4	-2.6 -2.4	-2.4 -2.3	-2.4 -2.3	-2.1 -2.0	-1.9 -1.9	-1.8 -1.9	#N/A #N/A	Pace of decline in private sector credit has reaccelerated somewhat in recent months	
LABOUR MARKET									Live Register continues to	
Live Register - Change In Month	320,900	317,300 -3,600	312,800 -4,500	309,000	305,100 -3,900	300,000 -5,100	298,300 -1,700	290,600 -7,700	decline at a very healthy pace. Unemployment rate fell to 7.9% in September, an eight-year low	
Unemployment Rate %	8.4	8.3	8.3	8.3	8.4	8.3	8.2	7.9	Redundancies rise slightly in	
Redundancies -12 Mth Total	223 4,101	670 4,332	439 4,371	616 4,568	418 4,511	#N/A #N/A	#N/A #N/A	#N/A #N/A	Q2—back above 4,500 on a 12mth cumulative basis	
PMI Employment Indices									PMI employment components	
- Investec Manufacturing - Investec Services	54.0 61.0	54.8 59.7	52.0 59.4	51.8 60.1	53.5 57.2	52.6 54.9	52.8 58.7	49.9 54.4	softer in September, with manufacturing index below 50.	
- Ulster Bank Construction	61.5	58.4	55.2	55.5	57.2		59.7	54.4	But, the indices still point to healthy growth in Q3 overall	
MERCHANDISE TRADE									Value of goods exports boosted	
Export Values - 3M / 3M %	-3.5	-10.9	-5.0	-0.4	6.4	3.1	#N/A	#N/A	this year by strong performance by electrical machinery	
- 3MMA YoY %	5.2	4.4	3.1	2.6	2.9	1.6	#N/A	#N/A		
Import Values - 3M / 3M % - 3MMA YoY %	-11.8 1.6	-18.5 -2.4	-8.2 -2.6	1.5 -1.8	8.4 -1.5	7.5 -2.2	#N/A #N/A	#N/A #N/A	Higher oil prices have boosted import values recently, though they are still negative YoY	
PUBLIC FINANCES									Tax receipts have been weaker	
Total Tax Receipts: Cum YTD %	7.1	6.4	9.1	9.0	9.2	8.4	6.2	5.7	in recent months, though they remain ahead of target YTD	
Voted Spending : Cum YTD %	-4.6	-0.7	-0.5	-0.5	1.8	5.9	1.2	2.0	Budget deficit of below 1% of GDP possible this year	
Exchequer Bal: 12 Mth Total €m	1,651	-1,429	1,202	-828	-912	1,448	1,558	17		
QUARTERLY DATA										
	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Irish GDP was heavily distorted in 2015	
GDP - YoY %	3.6	11.1	28.1	24.3	24.4	28.4	3.9	4.1	Economy grew by 4% YoY in H1 2016. But still, there were signs	
*Core Domestic Expd - YoY% (3Q Avg)	4.4		6.4		7.0		4.3	3.3	of some slowdown in the	
Consumer Spending - YoY % Services Exports - YoY % (3Q Avg)	1.3 12.8	2.5 14.4	4.9 15.7		5.0 12.0		5.1 8.2		underlying domestic economy during the period	
* Excludes Aircraft, R&D/Intangibles	12.0	14.4	13.7	13.4	12.0	10.4	0.2	7.5	daming the period	
EMPLOYMENT & EARNINGS									YoY employment growth rises to 2.9% in Q2. Underlying data	
Employment YoY %	1.5		2.2		2.9		2.4	2.9	show broad based gains. YoY	
Labour Force YoY %	-0.4	-0.5	-0.2	0.6	0.6	0.8	0.6	1.5	growth in the labour force jumps to 1.5% (partly due to return to net inward migration)	
Average Earnings YoY % - Hourly	-1.6	1.4	0.5	0.3	2.1	-0.7	1.2	0.2	YoY growth in earnings slowed in Q2. Underlying data show unbalanced growth, with wages falling in some sectors, while rising strongly in others	
- Weekly	-1.0	1.9	1.2		3.2		1.8	0.5		
Weekly Earnings YoY %	0.5	2.0	10	10	A 4	0.0	2.2	4 -		
- Private Sector - Public Sector	-0.6 -1.1	2.8 0.4	1.2 0.4		4.1 0.3		3.3 -0.5			



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