

Irish Economy Watch

AIB Treasury Economic Research Unit



Thursday 25 July 2024

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	
MANUFACTURING									
AIB Manufacturing PMI	50.0	48.9	49.5	52.2	49.6	47.6	49.8	47.4	The manu. PMI fell to 47.4 in Jun, below 50 for a fourth month running, and consistent with the sharpest pace of contraction in 11 months. Output and new orders were weak
AIB Manufacturing PMI - Future Output	69.7	71.2	67.0	65.6	59.4	64.4	64.0	66.3	
Industrial Production (Ex-Modern)	128.9	133.7	132.8	131.2	137.7	137.5	134.0	#N/A	Traditional industrial production rose by 2.9% in the 3 mths to May and was 11.5% higher YoY
Production (Ex-Modern) : 3mma YoY%	3.6	8.5	12.2	13.9	10.7	12.8	11.5	#N/A	
3mth / 3mth % seas. adj.	2.7	2.2	4.1	3.9	3.6	2.8	2.9	#N/A	
SERVICES / RETAIL									
AIB Services PMI	54.2	53.2	50.5	54.4	56.6	53.3	55.0	54.2	The services PMI edged down to 54.2 in Jun, indicating a continued solid pace of expansion. New business, including new export orders rose. Inflationary pressures remained elevated but slowed
CSO Services Index (Value)	165.0	169.5	171.9	173.1	174.4	180.7	177.8	#N/A	
- YoY %	3.3	6.8	9.2	7.8	7.8	11.7	9.1	#N/A	
- 3mth / 3mth % seas. adj.	2.4	1.9	0.9	2.6	3.0	4.3	3.6	#N/A	The CSO services index was up by 9.1% YoY in May
SIMI Car Registrations	921	345	31,407	16,431	14,643	8,563	6,394	1,488	
- 12 mth cum total	122,264	122,400	126,463	129,772	126,727	126,377	125,226	123,724	Having had a solid start to 2024, new car sales have trended lower recently. 12mth running total fell below 124k in Jun
- 3 mma YoY %	-10.7	-8.8	14.5	18.5	7.4	-0.2	-13.3	-15.4	
Retail Sales Index	130.1	130.6	133.1	131.0	133.8	132.8	132.0	#N/A	Retail sales increased by 1% in the 3 mths to May. However, core sales rose by just 0.3% over the same period
- YoY %	1.0	2.8	5.3	1.6	2.2	-0.2	-1.0	#N/A	
- 3mth / 3mth % seas. adj.	-1.4	-0.6	0.8	1.4	2.0	1.0	1.0	#N/A	
Ex Autos Index	129.2	130.6	130.2	130.6	131.0	131.0	130.6	#N/A	The construction PMI fell to 47.5 in Jun, indicating a sharper pace of contraction. New orders, and housing activity stayed above the key 50 level. Commercial activity printed well below 50
- YoY %	-0.8	1.5	0.9	1.2	1.7	0.2	-0.5	#N/A	
- 3mth / 3mth % seas. adj.	-0.7	0.6	0.9	1.4	1.0	0.7	0.3	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									
BNP Paribas Construction PMI	44.5	45.1	45.9	47.4	51.6	53.2	49.8	47.5	Commencements distorted. They surged in April ahead of the waiver/rebate deadlines. In May/June they were down 35% YoY. 12 mth total at 51k
- Housing Activity	43.5	45.0	48.3	49.8	54.3	53.4	52.0	52.4	
- Commercial Activity	43.8	42.8	44.7	47.2	53.2	54.6	51.4	43.3	Mortgage approvals 3mma to May fell by 5.1% YoY. 12 mth running total down at 42k
- New Orders	46.7	47.2	47.4	47.7	51.5	53.9	52.9	51.8	
- Business Expectations	57.2	59.9	58.6	64.9	63.8	59.5	61.2	61.7	
Commencements: 12mth Total	31,429	32,801	34,050	35,752	37,408	53,011	51,935	51,024	Transactions 3mma down by 6.2% YoY in Q2. 12 mth run rate falls below 61k
- 3 Month Avg YoY %	28.9	47.0	52.4	73.3	62.7	242.5	182.2	165.8	
HOUSING MARKET ACTIVITY									
BPFI Mortgage Approvals : Month	3,614	2,364	2,718	2,922	3,237	3,796	3,894	#N/A	House prices trending higher, albeit the m/m rate has slowed. They were up 8.2% YoY in May
- 3 Month Avg YoY %	-0.4	-2.2	-5.8	-1.9	-5.3	0.0	-5.1	#N/A	
- 12 Mth Total	42,845	42,559	42,399	42,604	41,976	42,399	42,011	#N/A	
RPPR Transactions : Month	5,671	7,112	3,445	4,154	4,407	4,387	5,170	4,406	Asking prices on Daft.ie were revised higher for Q1'24, and continued to trend upwards in Q2, up 6.7% YoY
- 3 Month Avg YoY %	-2.0	1.6	-0.4	0.5	-8.8	-5.8	-4.6	-6.2	
- 12 Mth Total	62,569	62,988	62,802	62,635	61,830	62,002	61,965	60,908	
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.9	1.3	0.7	0.4	0.5	0.4	0.1	#N/A	CSO rental index rose by 0.7% in Jun. However, the YoY rate stayed at 4.9%
- YoY %	3.0	4.1	5.4	6.2	7.3	7.9	8.2	#N/A	
Daft Asking Prices: MoM %	-0.2	1.1	0.7	1.8	-0.1	2.0	1.4	0.7	Affordability improved somewhat in Q1, as average take-home pay increased
- YoY %	5.1	4.9	6.0	6.7	6.3	6.4	6.1	7.5	
RENTS: CSO Private Rents - MoM%	0.2	0.2	0.1	0.4	0.0	0.2	0.4	0.7	
- YoY %	6.3	6.2	6.0	5.3	5.1	5.1	4.9	4.9	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	22.8	22.9	21.9	21.6	21.2	#N/A	#N/A	#N/A	

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CONSUMER PRICES - YoY %	3.9	4.6	4.1	3.4	2.9	2.6	2.6	2.2	Consumer prices rose by 0.4% in Jun, amid an increase in transport and hospitality costs. However, the YoY rate fell to 2.2%. HICP inflation rose by 0.3% in the month, with the annual rate declining to 2.0%
- MoM %	-0.8	0.5	-1.3	1.0	0.5	0.2	0.5	0.4	
HICP - YoY %	2.5	3.2	2.7	2.3	1.7	1.6	2.0	1.5	
- MoM %	-0.9	0.4	-1.4	1.1	0.3	0.2	0.6	0.3	
PERSONAL / FINANCIAL									
ILCU Consumer Sentiment Index	61.9	62.4	74.2	70.2	69.5	67.8	65.7	70.5	Sentiment rose for the first time in five months, amid a more favourable HH finances outlook
Credit Growth YoY %									
- Private Sector	-2.1	-1.8	2.1	1.4	2.5	-1.3	-0.3	#N/A	Private sector credit growth rate declined in May. The household and mortgage credit growth rates were little changed
- of which : Household	1.9	2.0	2.0	1.9	2.1	2.0	2.0	#N/A	
- of which : Mortgage Lending	1.6	1.8	1.8	1.5	1.7	1.6	1.7	#N/A	
LABOUR MARKET									
Live Register	175,500	175,300	177,000	174,800	174,200	173,500	172,800	171,500	Revisions to the data show the unemployment rate averaged 4.2% in Q1'24 down from 4.5% in Q4'23. In Q2, the jobless rate fell again to 4.1%
- Change In Month	-900	-200	+1,700	-2,200	-600	-700	-700	-1,300	
Unemployment Rate %	4.5	4.5	4.6	4.1	4.0	4.0	4.0	4.2	In Jun, the employment sub-indices of the manufacturing services and construction PMI's moved lower. Crucially though, all three indices stayed in expansion mode
PMI Employment Indices									
- AIB Manufacturing	51.1	50.0	50.6	52.5	51.7	50.0	52.7	50.2	
- AIB Services	53.3	51.9	52.7	54.4	53.2	52.9	53.3	50.8	
- BNP Paribas Construction	49.1	52.3	53.5	52.5	53.9	52.7	51.8	51.7	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-2.9	1.1	-0.8	5.9	9.3	10.9	5.1	#N/A	Goods trade surplus stood at €38.7bn YTD to May, up 54.6% YoY. Exports rose by 9.9% YTD to €90.9bn, led by a strong increase in pharma and medical products (up 26.8% YTD). Imports stood at €52.2bn YTD in May, down 9.6% YoY
- 3MMA YoY %	-8.7	-5.2	1.6	2.1	4.8	7.0	11.2	#N/A	
Import Values - 3M / 3M %	4.2	4.0	1.5	-12.8	-13.1	-6.2	1.2	#N/A	
- 3MMA YoY %	-1.2	1.0	-2.2	-11.1	-9.5	-4.3	-6.7	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	5.8	6.0	4.8	5.5	1.8	2.6	6.2	9.3	Total tax take up by 9.3% YTD in H1. Voted expenditure rose by 13.2% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus rose to €4.0bn
Voted Spending : Cum YTD %	12.9	7.6	20.0	23.2	15.4	12.8	15.3	13.2	
Exchequer Bal: 12 Mth Total €m	-1,722	1,178	602	3,612	3,512	3,637	2,586	4,005	
QUARTERLY DATA									
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	
GDP - YoY %	9.2	8.8	-0.2	-3.9	-8.4	-9.1	-4.7	#N/A	GDP expanded by 0.7% in Q1 amid a sharp rise in exports. In YoY terms though, GDP was down 4.7%
*Domestic Demand - YoY%	8.5	3.7	6.0	0.9	-0.2	4.2	2.2	#N/A	
Consumer Spending - YoY %	7.2	8.2	7.4	6.5	1.7	4.0	2.1	#N/A	MFDD rose by 1.0% in Q1, supported by a rise in modified investment and consumption
Services Exports - YoY % (3Q Avg)	9.2	2.7	-0.2	-1.6	0.6	3.7	9.3	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	3.5	2.6	3.7	3.1	3.6	3.4	1.9	#N/A	Employment rose by 1.9% YoY in Q1'24, putting it 14.4% above pre-COVID levels. Employment rate eased to 73.8% in Q1, down slightly from Q4'23. The labour force grew by 2% YoY in Q1
Labour Force YoY %	2.1	1.8	2.8	3.0	3.8	3.5	2.0	#N/A	
Average Earnings YoY %									Weekly average earnings rose by 4.7% YoY in Q1'24. Public sector pay was up by 4.9% YoY. Private sector earnings rose by 4.0% YoY
- Hourly	3.6	6.1	3.9	5.3	6.1	1.9	4.5	#N/A	
- Weekly	3.6	4.5	4.3	4.4	4.4	2.6	4.7	#N/A	
Weekly Earnings YoY %									
- Private Sector	4.9	2.4	3.5	3.9	3.8	4.1	4.9	#N/A	
- Public Sector	0.8	10.4	7.7	5.9	5.8	-1.2	4.0	#N/A	
CSO DWELLING COMPLETIONS									
	7377	9093	6646	7277	8425	10234	5846	6884	Having trended higher in 2023, completions declined by 8.6% YoY in H1. 12mth total back at circa 31.4k
- YoY %	59.1	31.3	18.4	-4.4	14.2	12.5	-12.0	-5.4	
- Cum 12 Mth Total	27521	29690	30725	30393	31441	32582	31782	31389	



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