

Irish Economy Watch

AIB Treasury Economic Research Unit



Wednesday 18 September 2019

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	
MANUFACTURING									
ALB Manufacturing PMI	52.6	54.0	53.9	52.5	50.4	49.8	48.7	48.6	Manufacturing PMI broadly unchanged at 48.6 in August, 3rd straight month index is below key 50 level, with new orders deep in negative territory
OECD Leading Indicator	99.4	99.6	99.7	99.7	99.6	99.3	98.9	#N/A	
Industrial Production (Ex-Modern)	109.8	113.6	115.3	114.1	115.0	110.0	116.3	#N/A	Industrial production (ex-modern) rose by a strong 5.7% in July, reversing the sharp decline in June
Production (Ex-Modern) : 3mma YoY%	6.8	6.6	10.4	11.8	10.5	6.1	4.8	#N/A	
3mth / 3mth % seas. adj.	-1.8	-2.2	0.0	3.4	3.8	0.1	-0.5	#N/A	
SERVICES / RETAIL									
ALB Services PMI	54.2	55.9	55.3	54.7	57.0	56.9	55.0	54.6	Services PMI edged down to 54.6 in August, the third consecutive monthly decline. However, index still at level consistent with good growth
CSO Services Index (Value)	122.0	124.2	123.4	124.8	125.0	127.6	128.4	#N/A	
- YoY %	7.2	12.0	12.1	6.0	6.1	10.8	10.6	#N/A	Volatile CSO services index improved again in July, leaving the YoY growth rate at 10.6%
- 3mth / 3mth % seas. adj.	-0.1	-2.0	1.5	2.8	2.9	2.1	2.3	#N/A	
SIMI Car Registrations	32,370	15,069	16,687	8,904	6,320	1,406	24,682	5,123	
- 12 mth cum total	120,904	118,962	117,923	118,774	119,039	119,197	116,991	116,216	Second hand car imports have failed to offset the 7.9% fall in new sales. Total registrations down 3.3% YTD in August
- 3 mma YoY %	-12.4	-12.2	-10.6	-5.0	0.2	8.3	-5.2	-8.3	
Retail Sales Index	116.0	117.6	116.9	119.9	116.4	117.2	112.1	#N/A	Core retail sales rose by a robust 1.9% in July. Retail expenditure is up 4.6% YoY in the first 7 months of 2019, with most sectors performing strongly
- YoY %	-0.4	4.3	5.1	4.5	0.5	-0.3	-4.4	#N/A	
- 3mth / 3mth % seas. adj.	-0.6	-1.1	-1.0	0.9	0.6	0.9	-2.5	#N/A	
Ex Autos Index	117.1	119.2	120.2	120.2	118.1	117.0	119.2	#N/A	
- YoY %	4.0	5.7	7.8	6.2	2.8	1.8	4.2	#N/A	
- 3mth / 3mth % seas. adj.	0.5	1.0	2.3	2.8	1.7	-0.3	-1.5	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	54.6	60.5	55.9	56.6	54.9	53.1	51.4	53.7	Construction PMI increased to 53.7 in August. Housing activity reverses fall in July, suggesting continued good growth in house building
- Commercial Activity	55.7	64.3	60.8	60.5	58.3	58.4	55.9	58.4	
- New Orders	55.4	62.2	55.5	54.6	53.1	52.8	54.7	55.1	
- Business Expectations	57.1	60.2	58.5	59.6	56.4	56.6	53.7	52.6	
	71.5	67.6	65.1	66.5	67.1	65.5	59.0	51.3	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	10,807	10,863	11,004	10,817	10,614	10,604	#N/A	#N/A	Registrations (measure of developer activity) 14.5% lower in 3 months to June compared to same period in 2018
- 3 Month Avg YoY %	65.8	40.4	36.7	0.4	-10.6	-14.5	#N/A	#N/A	
Commencements: 12mth Total	22,719	23,392	24,642	24,690	24,438	24,226	#N/A	#N/A	Commencements levelling off just above 24k, but 6.8% lower in Q2 than same quarter in 2018
- 3 Month Avg YoY %	38.6	39.0	49.7	39.0	19.9	-6.8	#N/A	#N/A	
HOUSING MARKET ACTIVITY									
BPMI Mortgage Approvals : Month	2,438	2,741	3,276	3,307	3,960	3,692	4,227	#N/A	Mortgage approvals very strong in July. 12 month running total moves up close to 39k
- 3 Month Avg YoY %	-2.4	0.8	7.8	12.5	12.6	8.1	13.0	#N/A	
- 12 Mth Total	36,507	36,725	37,264	37,540	37,905	38,085	38,908	#N/A	Transactions higher in July but 12 month total holding steady around the 57k level
RPPR Transactions : Month	3,249	4,117	4,263	4,499	4,850	4,249	5,333	#N/A	
- 3 Month Avg YoY %	0.6	-1.2	0.1	5.5	5.9	3.1	-0.1	#N/A	
- 12 Mth Total	56,441	56,548	56,542	57,117	57,304	56,957	57,097	#N/A	Annual CSO house price growth picks up to 2.3% in August. Reflects 4.8% increase outside of the capital, as Dublin property prices are down 0.2% over the year
HOUSING MARKET PRICES									
CSO Price Index - MoM	-0.6	-0.1	0.1	0.2	0.3	0.4	0.9	#N/A	CSO rent inflation at 5.2% in August. Rents now 30% above previous peak
- YoY %	5.2	4.3	3.8	3.0	2.6	2.0	2.3	#N/A	
Daft Asking Prices: MoM %	0.8	1.5	1.3	-0.6	-1.4	3.6	#N/A	#N/A	House price rises have impacted affordability in recent monthly, but it remains at a relatively accommodative level
- YoY %	5.3	5.1	6.3	3.9	1.9	5.4	#N/A	#N/A	
RENTS: CSO Private Rents - MoM%	0.4	0.3	0.4	0.4	0.3	0.3	0.3	0.6	
- YoY %	6.6	5.7	5.6	5.4	5.2	5.5	5.6	5.2	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	17.7	17.6	17.6	17.7	17.9	17.9	18.1	#N/A	

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CONSUMER PRICES - YoY %	0.7	0.6	1.1	1.7	1.0	1.1	0.5	0.7	CPI inflation picks back up to 0.7% in August. Services inflation at 2.3%, but price pressures contained by goods price deflation. HICP inflation at 0.6% in same month	
- MoM %	-0.7	0.8	0.8	0.4	-0.1	0.2	-0.2	0.5		
HICP - YoY %	0.8	0.7	1.1	1.7	1.0	1.1	0.5	0.6		
- MoM %	-0.7	0.8	0.8	0.4	-0.1	0.2	-0.2	0.4		
PERSONAL / FINANCIAL										
KBC/ESRI Consumer Confidence	98.8	86.5	93.1	87.7	89.9	90.7	85.5	77.2	Consumer confidence fell to a 6-year low in August as Brexit related developments weighed on sentiment	
Credit Growth YoY %										
- Private Sector (Underlying)	-3.2	-3.3	-3.6	-3.2	-2.7	-2.2	-2.5	#N/A	Household credit outstanding still contracting, though rate of decline eased to 0.2% in July	
- of which : Household	-0.7	-0.7	-0.5	-0.4	-0.3	-0.3	-0.2	#N/A		
- of which : Mortgage Lending	-1.1	-1.1	-1.1	-1.0	-0.8	-0.9	-0.9	#N/A		
LABOUR MARKET										
Live Register	200,300	197,300	195,200	194,800	191,400	190,400	190,000	188,500	Unemployment rate edged down to 5.2% in August, from 5.3%. Numbers on Live Register continue to decline, though pace of reduction has moderated	
- Change In Month	-3,100	-3,000	-2,100	-400	-3,400	-1,000	-400	-1,500		
Unemployment Rate %	5.2	5.0	5.0	5.2	5.2	5.3	5.3	5.2	PMI employment subcomponents suggest pace of job creation likely slowed further in August, with both services and construction indices easing	
PMI Employment Indices										
- AIB Manufacturing	52.4	54.0	54.1	53.8	51.4	51.8	50.1	50.5		
- AIB Services	56.3	55.5	55.6	54.6	54.7	55.3	53.6	53.1		
- Ulster Bank Construction	54.6	56.1	59.6	58.8	53.5	56.0	52.9	51.3		
MERCHANDISE TRADE										
Export Values - 3M / 3M %	9.6	10.3	1.7	-5.1	-6.9	-0.6	5.3	#N/A	YoY growth in value of goods exported at 9.8% in July as chemical, energy and machinery exports rise	
- 3MMA YoY %	16.7	16.9	12.1	13.1	12.0	8.6	9.8	#N/A		
Import Values - 3M / 3M %	-3.7	-8.8	-16.4	-8.1	-4.7	0.8	-1.3	#N/A	Imports fell sharply in same period as chemical and machinery imports declined	
- 3MMA YoY %	16.6	11.2	6.0	7.7	8.2	-0.4	-4.9	#N/A		
PUBLIC FINANCES										
Total Tax Receipts: Cum YTD %	7.0	3.7	7.1	5.7	5.7	6.9	7.6	8.1	Public finances running slightly ahead of target YTD, reflecting strong tax take. Exchequer recorded deficit of €0.6bn in year to August vs deficit of €1.8bn in same period of 2018	
Voted Spending : Cum YTD %	6.5	8.1	7.2	5.4	8.0	5.9	6.6	6.8		
Exchequer Bal: 12 Mth Total €m	220	28	254	344	68	1,189	1,279	1,299		
QUARTERLY DATA										
		Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Irish GDP expanded by 5.8% YoY in Q2'19. Data remain distorted by multi-nationals
GDP - YoY %		14.2	6.5	12.1	10.4	7.4	3.6	7.4	5.8	
*Domestic Demand - YoY% (3Q Avg)		2.4	3.0	4.1	5.2	5.4	4.5	3.0	2.5	
Consumer Spending - YoY %		4.3	3.0	3.1	4.5	3.4	2.8	2.5	3.1	
Services Exports - YoY % (3Q Avg)		16.8	16.7	11.7	10.1	6.5	7.4	9.5	11.7	3 quarter moving average growth rate of modified domestic demand, which aims to strip out multi-national distortions, +2.5% as of Q2'19
* Excludes Some Investment Related to the Multinational Sector										
EMPLOYMENT & EARNINGS										
Employment YoY %		2.3	3.1	2.9	3.4	3.0	2.3	3.7	2.0	Employment and labour force growth decelerated in Q2 after spike in data in Q1 that looked odd and unsustainable
Labour Force YoY %		0.5	1.9	1.4	2.5	2.0	1.5	2.7	1.3	
Average Earnings YoY %										Weekly earnings growth remains strong at 3.5% YoY in Q2. Gains broad based but more substantial in the private than public sector
- Hourly		2.8	1.9	3.1	3.0	2.1	3.2	2.8	3.8	
- Weekly		2.1	2.0	2.7	3.4	3.5	3.5	3.6	3.5	
Weekly Earnings YoY %										
- Private Sector		1.7	1.5	2.1	3.7	3.9	3.9	4.5	3.9	
- Public Sector		2.7	2.9	4.0	2.8	2.1	1.8	0.8	2.0	
CSO DWELLING COMPLETIONS										
- YoY %		3772	4559	3470	4402	4659	5492	4275	4920	YoY growth of completions eases to 11.8% in Q2. 12 month cumulative total at 19.4k, well below estimated demand (35k)
- Cum 12 Mth Total		51.5	50.3	25.2	34.6	23.5	20.5	23.2	11.8	
		12848	14373	15071	16203	17090	18023	18828	19346	



Oliver Mangan
Chief Economist
oliver.n.mangan@aib.ie

John Fahey
Senior Economist
john.j.fahey@aib.ie

Conor Beakey
Economist
conor.x.beakey@aib.ie

AIB, 10 Molesworth Street, Dublin 2

Tel: 353-1-6600311

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