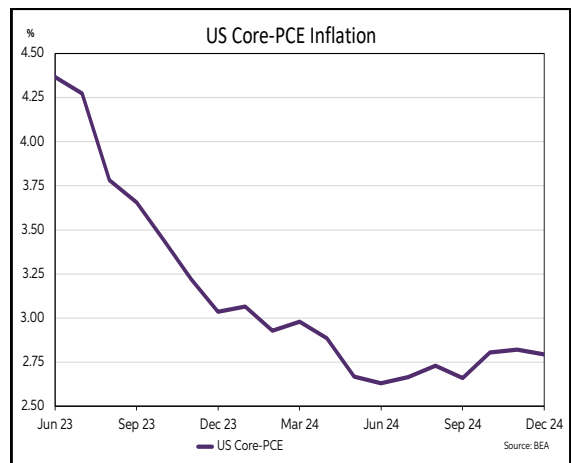


Irish jobs boom takes a pause

- The recent exceptional growth in the Irish jobs market paused in the final quarter of 2024.** The latest labour force survey (LFS) shows employment fell 0.2% in the quarter, and the annual growth rate eased to 2.6% y/y (+3.7% y/y in Q3 2024), with 70,000 jobs created in 2024. Total employment in Ireland is now at 2.78 million, and has grown rapidly by 406,000 (+17%) over the past half-decade, particularly in the post-Covid recovery period.
- At a sectoral level, the out-turn was broadly positive.** Of the 14 sub-sectors, ten registered growth in the year to Q4 2024. Annual growth was led by Transport & Storage (+11%), Construction (+9.1%) and Information & Communications (+8.3%). The weakest performers were Admin & Support Services (-6%), Wholesale & Retail (-5%) and Agriculture (-4.6%).
- Unemployment remains low, ticking down to 4.2% in Q4 2024 from 4.3% in Q3, with timelier data signalling a further fall to 4% in January 2025.** The long term unemployment rate remained low at just 1%, down from 1.1% in Q4 2023, but the participation rate fell to 65.7% from 66.2% in Q3 2024. This follows a period of exceptional growth in labour force participation, particularly for females, but the Q4 data may be an early sign that this trend has largely played out. Inward migration has been a key feature of the labour market expansion, with strong growth in both Irish and non-Irish nationals in the labour force. These factors once again drove robust labour force growth at +2.4% y/y. Of the 70k jobs gain in the year to Q4 2024, this was split roughly evenly between Irish and non-Irish nationals.
- While the near term outlook remains positive, the jobs market is set on a more moderate growth path from here.** The monthly CSO employee payrolls index suggests jobs growth slowed from about September 2024. A jobs market moderation has also been well signalled in industry surveys, such as the AIB PMIs and Indeed.ie job postings, which suggest employer demand waned through 2023 and early 2024, and has stabilised at more normal levels in recent months. The Indeed data also suggest hiring in Dublin has been much weaker than other regions, albeit this has not yet been borne out in the LFS data, with jobs growth in Dublin (+2.7% y/y) surpassing the rest of the country (+2.5% y/y) in Q4 2024. The supply of new labour is also likely to be tighter as the rise in female participation begins to plateau, and the level of inward migration continues to ease, following the surge associated with the war in Ukraine in 2022/23. This suggests annual jobs growth will likely slow towards c.2% in the near term.
- Turning to the week ahead, the data calendar is relatively quiet on both sides of the Atlantic.** In the US, the main release of note will be core-PCE inflation for January. Core-PCE continued to edge lower in the first half of 2024, but the disinflationary process stalled in the second half of the year. It fell to 2.6% in June, its lowest level since March 2021, before printing at 2.7% in Q3 and 2.8% in Q4. The consensus is for core-PCE to inch back to 2.6% in January.
- Elsewhere in the US, personal consumption is forecast to remain solid,** increasing by 0.2% in nominal terms in January, facilitated by a 0.3% rise in incomes. Meantime, the second estimate of Q4 GDP is expected to confirm the economy expanded by 2.3% annualised in the final quarter of 2024. Regarding more timely data, the Conference Board measure of consumer confidence for February is due.
- In the Eurozone, a slew of inflation data and survey indicators will also be released.** Most notably, the flash readings of HICP inflation for February in Germany, France, Italy and Spain are all due. Meanwhile, the EC sentiment indicators for February will feature. A modest improvement in confidence is pencilled in for the services and industrial sectors. In terms of key national survey data for some of the large Eurozone economies, the bellwether German Ifo is forecast to be little changed in February.
- On the monetary policy front, the latest ECB meeting account will warrant close attention from market participants.** Speeches/remarks from a number of officials from the ECB, Fed & BoE are dotted throughout the week, and will be of keen interest. Investors will also be digesting the results from the German parliamentary elections.



	Interest Rate Forecasts			
	Current	End Q1	End Q2	End Q3
		2025	2025	2025
Fed Funds	4.375	4.375	4.375	4.125
ECB Deposit	2.75	2.50	2.25	2.00
BoE Repo	4.50	4.50	4.25	4.00
BoJ OCR	0.50	0.50	0.75	0.75

Current Rates Reuters, Forecasts AIB's ERU

	Exchange Rate Forecasts (Mid-Point of Range)			
	Current	End Q1	End Q2	End Q3
		2025	2025	2025
EUR/USD	1.0468	1.03	1.04	1.05
EUR/GBP	0.8276	0.83	0.83	0.84
EUR/JPY	156.75	155	157	157
GBP/USD	1.2646	1.25	1.26	1.26
USD/JPY	149.72	150	150	149

Current Rates Reuters, Forecasts AIB's ERU

Date	UK & Irish Time	Release	Previous	Forecast
This Week:	ECB Speakers:	Schnabel (Tue); Lagarde , Cipollone (wed); Lagarde , Cipollone (Thu)		
	BoE Speakers:	Lombardelli, Ramsden, Dhingra (Mon); Pill (Tue); Dhingra (Wed); Ramsden (Fri)		
	Fed Speakers:	Barkin (Tue); Barkin (Wed); Harker (Thu);		
Mon 24th	GER:	09:00 Ifo Business Climate (February)	85.1	85.8
	EU-20:	10:00 Final HICP Inflation (January)	-0.3% (+2.5%)	-0.3% (+2.5%)
		- Ex-Food & Energy	(+2.7%)	(+2.7%)
		- Ex-Food, Energy, Alcohol & Tobacco	(+2.7%)	(+2.7%)
Tue 25th	GER:	07:00 GDP (Q4: Detailed Reading)	-0.2% (-0.4%)	-0.2% (-0.4%)
	IRL:	11:00 Earnings & Labour Costs (Q4 2024)		
	US:	14:00 Case-Shiller House Prices (December)	+0.4% (+4.3%)	
	US:	15:00 Conference Board Consumer Confidence (Feb)	104.1	102.9
Wed 26th	GER:	07:00 Gfk Consumer Sentiment (March)	-22.4	-21.0
	FRA:	07:45 INSEE Consumer Confidence (February)	92.0	93.0
Thu 27th	FRA:	07:45 Producer Price Inflation (January)	+1.0% (-3.8%)	
	SPA:	08:00 Flash HICP Inflation (February)	-0.1% (+2.9%)	
	GER:	08:55 Unemployment rate (February)	6.2%	6.2%
	EU-20:	09:00 M3 Annual Money Growth (January)	3.5%	3.8%
		- Loans to Households	1.1%	
	ITA:	09:00 ISTAT Business Confidence (February)	86.8	
	ITA:	09:00 ISTAT Consumer Confidence (February)	98.2	
	EU-20:	10:00 EC Economic Sentiment (February)	95.2	96.0
		- Consumer / Industrial / Services	-13.6 / -12.9 / 6.6	-13.6 / -12.0 / 6.0
	EU-20:	12:30 ECB Meeting Account (29-30 January)		
	US:	13:30 Durable Goods (January)	-2.2%	+2.3%
		- Ex-Transport	+0.3%	+0.4%
		- Ex- Defence	-2.4%	
	US:	13:30 GDP (Q4: Second Estimate)	+2.3% S.a.a.r.	+2.3% S.a.a.r.
	US:	13:30 PCE Prices (Q4: Second Reading)	+2.3% S.a.a.r.	+2.3% S.a.a.r.
		- Core-PCE Prices (Q4: Second Reading)	+2.5% S.a.a.r.	+2.5% S.a.a.r.
	US:	13:30 Initial Jobless Claims (w/e 10th February)	+219,000	+218,000
	JPN:	23:30 Tokyo CPI Inflation (February)	(+3.4%)	(+3.4%)
		- Ex-Fresh Food	(+2.5%)	(+2.3%)
	JPN:	23:50 Industrial Output (January)	-0.2% (-3.2%)	-1.2%
	JPN:	23:50 Retail Sales (January)	(+3.7%)	(+4.0%)
Fri 28th	GER:	07:00 Retail Sales (January)	-1.6% (+1.8%)	-0.2%
	UK:	07:00 Nationwide House Prices (February)	+0.1% (+4.1%)	+0.2% (+3.5%)
	FRA:	07:45 GDP (Q4: Final Reading)	-0.1% (+0.7%)	-0.1% (+0.7%)
	FRA:	07:45 Flash HICP Inflation (February)	-0.2% (+1.8%)	
	ITA:	10:00 Flash HICP Inflation (February)	-0.8% (+1.7%)	
	IRE:	11:00 Flash HICP Inflation (February 2025)	-0.7% (+1.7%)	
	IRE:	11:00 Retail Sales (January)	+1.1% (+0.8%)	
	GER:	13:00 Flash HICP Inflation (February)	-0.2% (+2.8%)	+0.5% (+2.6%)
	US:	13:30 Personal Income / Consumption (January)	+0.4% / +0.4%	+0.3% / +0.2%
	US:	13:30 PCE Prices (January)	+0.3% (+2.6%)	+0.3% (+2.5%)
		- Core-PCE Prices	+0.2% (+2.8%)	+0.3% (+2.6%)

◆ Month-on-month changes (year-on-year shown in brackets)

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