Irish Economy Watch



AIB Treasury Economic Research Unit

Tuesday 18 August 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	
MANUFACTURING									Manufacturing PMI jumped to 57.3 in July from 51.0. Boosted
	49.5	51.4	51.2	45.1	26.0	20.2	51.0	57.3	by strong growth in production
AIB Manufacturing PMI OECD Leading Indicator	100.2	100.1	99.9	98.9	36.0 93.4	39.2 94.1	96.6	98.1	and in new orders as activity
OECD Leading malcator	100.2	100.1	33.3	90.9	93.4	94.1	90.0	90.1	continues to rebound
Industrial Production (Ex-Modern)	107.2	120.2	107.9	111.6	86.7	82.2	92.6	#N/A	Traditional industrial output
Production (Ex-Modern) : 3mma YoY%	0.5	4.2	2.7	1.6	-10.1	-17.8	-21.4	#N/A	recovered by 12.7% in June after a 26.3% fall in April & May
3mth / 3mth % seas. adj.	-0.7	1.0	-0.4	2.1	-9.7	-16.3	-23.0	#N/A	a 20.5% fait in April a May
SERVICES / RETAIL									Services PMI moved back above
AIB Services PMI	55.9	56.9	59.9	32.5	13.9	23.4	39.7	51.9	50 in July for the first time since March. Extent of recovery
CSO Services Index (Value)	122.2	125.3	125.8	125.7	96.8	100.0	115.0	#N/A	reflects cautious approach to
- YoY %	6.1	1.5	0.6	0.1	-22.4	-19.7	-9.6	#N/A	easing Covid restrictions
- 3mth / 3mth % seas. adj.	-2.5	-1.6	-0.9	1.4	-6.4	-13.6	-17.3	#N/A	CSO Services Index moved
,	2.5	1.0	0.5	1.7	0.4	13.0	17.5	1114/71	higher in June, but remained
SIMI Car Registrations	224	30,826	13,132	6,024	344	1,743	1,009	21,212	below pre-Covid levels
- 12 mth cum total	117,100	115,556	113,619	102,956	94,396	89,631	89,229	85,729	Partial recovery in new car sales
- 3 mma YoY %	27.8	-4.1	-7.1	-22.1	-52.0	-74.6	-81.4	-26.1	in July, but weakness in H1
Retail Sales Index	121.3	119.7	118.7	104.0	66.8	88.4	122.4	#N/A	means they are still down circa 30% YoY
- YoY %	4.9	5.4	0.0	-11.3	-43.7	-25.0	3.6	#N/A	30% 101
- 3mth / 3mth % seas. adj.	1.8	0.0	-0.6	-5.6	-19.8	-27.9	-18.9	#N/A	Core retail sales fall 12% in Q2 on
Ex Autos Index	121.1	121.0	120.1	118.3	90.1	101.8	124.5	#N/A	Covid impact. However, they have rebounded strongly in
- YoY %	5.1	3.1	0.8	-0.3	-25.0	-14.2	4.8	#N/A	June, and are now above
- 3mth / 3mth % seas. adj.	0.2	0.1	0.3	-0.5	-9.2	-14.4	-12.0	#N/A	February levels
									Construction PMI moved higher
RESIDENTIAL CONSTRUCTION ACTIVIT									in July to 53.2 from 51.9 as more
Construction PMI: Ulster Bank	52.0	50.9	50.6	28.9	4.5	19.9	51.9	53.2	work on sites resumed. New orders jumped back above 50
- Housing Activity	51.8	48.0	49.7	32.4	4.9	21.4	55.8	57.8	for the first time since Covid
- Commercial Activity	53.6	55.7	52.1	28.2	3.1	25.6	50.9	50.2	restrictions were introduced
- New Orders	52.4 63.1	54.9 69.4	53.6 64.7	33.9 36.0	10.1 37.1	24.6 48.6	46.0 54.6	53.8 55.9	In Q2, commencements
- Business Expectations	03.1	09.4	04.7	30.0	37.1	40.0	54.0	33.9	plummeted by 45.7% YoY. As a
Commencements: 12mth Total	26,237	26,785	26,635	26,541	25,606	24,617	23,929	#N/A	result, 12 month cumulative total
- 3 Month Avg YoY %	2.1	-2.9	11.0	4.6	-16.8	-32.0	-45.7	#N/A	fell below 24K for the first time since February 2019
HOUSING MARKET ACTIVITY									
BPFI Mortgage Approvals : Month	2,393	2,594	2,838	2,995	706	1,320	1,688	#N/A	Bounce back in mortgage
- 3 Month Avg YoY %	2,393 5.7	5.1	2,030 4.7	-0.3	-29.9	-52.4	-66.1	#N/A	approvals continued in June.
- 12 Mth Total	39,753	39,909	40,006	39,725	37,124	34,484	32,480	#N/A	However, 12 month total fell to
RPPR Transactions : Month	6,649	3,424	3,608	4,345	2,602	2,205	2,272	5,521	its lowest level since March 2017
- 3 Month Avg YoY %	1.4	1.8	0.9	-1.9	-18.6	-33.3	-46.3	0.2	Residential property transactions
- 12 Mth Total	58,388	58,563	58,107	58,166	56,230	53,533	51,809	58,698	rebounded strongly in July and
HOUSING MARKET PRICES									are now flat on the year
CSO Price Index - MoM	-1.1	0.0	-0.1	0.0	-0.1	-0.1	0.3	#N/A	House prices rose by 0.3% in June, YoY growth rate at 0.1%.
- YoY %	0.3	0.0	1.0	0.9	0.7	0.3	0.3	#N/A	Ex-Dublin price inflation (+0.9%)
									continues to outpace the capital
Daft Asking Prices: MoM %	2.4	0.5	0.4	1.7	-5.3	3.8	-0.5	#N/A	(-0.7%)
- YoY %	-0.8	-1.1	-2.2	-1.7	-6.5	-1.4	-3.3	#N/A	CSO rental index edges 0.2%
RENTS: CSO Private Rents - MoM%	0.0	-0.1	0.3	-0.4	-1.8	-1.1	-0.3	0.2	higher in July, the first rise since
- YoY %	4.3	3.9	3.9	3.1	0.8	-0.7	-1.2	-1.4	Feb. However, YoY rate slips to -1.4%, a near 10 year low
AFFORDABILITY: Couple on Avg Indust	rial Wage,	90% LTV.	30 Years,	AIB Morta	age Rate.	Prices: CSC)/Perm' TS	В	
- Mortgage as % of Disposable Income	17.7	17.5	17.3	17.3	17.2	17.3	17.3	#N/A	Affordability broadly stable since
Mortgage as 70 or Disposable meetine									the start of the year on flat

CONSUMER PRICES - YOY %		Dec-19	Jan-20	Feb-20	Mar-20	Apr-20) May	-20 J	lun-20	Jul-20	In July, CPI inflation remained in
	CONSUMER PRICES - YoY %	13	13	11	0.7	-0	1 -	-0.5	-0.4	-0.4	deflationary territory, with prices down 0.4% on the year. Reflects negative Covid-19 demand shock. HICP registered at lower
HICP - VP % 11											
PRINCH P	HICP - YoY %	11	11	0.9	0.5	-0.3	3 -	-O 8	-0.6	-0.6	
PRESONAL / FINANCIAL RECIPIENCE NUMBER Section S											
Well-bloow is Feb. Investigation Sept.											
Private Sector (Underlying)	PERSONAL / FINANCIAL										
-Private Sector Underlying)	KBC/ESRI Consumer Confidence	81.4	85.5	85.2	77.3	42.6	5 !	52.3	61.6	62.6	Covid impact saw household
Find table Fin	Credit Growth YoY %										
- Or Which: Household 0.1 0.0 0.0 0.1 0.1 0.5 0.8 0.9 6HV/A 0.6 0.7 0.8 0.9 6HV/A 0.6 0.7 0.8 0.9 0.9 0.8 0.9 0.9 0.8 0.9 0.9 0.8 0.9 0.	, , ,										
Completion											
Section Sect	- or which : Mortgage Lending	-0.4	-0.4	-0.3	-0.5	-0.3) -	-0.5	-0.6	#IN/A	Official unemployment rate at
Like Register	LABOUR MARKET										5.0% in July. Covid adjusted
Change In Month	Live Register	185,100	184,400	183,800	209,200	217,400	228,0	000 2:	13,700	226,600	
Employment Rate %	_	-1,100	-700	-600	+25,400	+8,200	+10,6	500 -1	14,300	+12,900	
Macon Maco	Unemployment Rate %	4.7	4.9	4.8	5.2	5.0)	5.0	4.6	5.0	1/1/1
Milemployment Indices								•			
- AIB Services											
Uster Bank Construction 53.2 53.6 51.3 39.4 22.6 26.7 43.3 47.5 MERCHANDISE TRADE	3										
MERCHANDISE TRADE											in contraction territory
Segret Values - 3M / 3M % 0.8 -2.9 -3.2 10.0 6.1 8.8 -12.5 #N/A medical and pharma products. Import Values - 3M / 3M % 4.6 2.8 1.3 16.2 9.0 8.7 -0.5 #N/A medical and pharma products. Import Values - 3M / 3M % 1.2 -2.0 1.2 -4.9 9.9.7 1.9.1 1.4.3 #N/A #N/A #N/A -7.9 -8.8 1.3 1.4 -3.7 1.4.0 -14.3 #N/A #N/	oloce. Ballik colloci action.			01.0	951.				.0.0	.,	Goods trade surplus widens
Export Values - 3M / 3M 9%	MERCHANDISE TRADE										slightly in June to €6.6bn from
- 3MMA YOY %	Export Values - 3M / 3M %	0.8	-2.9	-3.2	10.0	6.:	1	8.8	-12.5	#N/A	
PUBLIC FINANCES	,	4.6	2.8	1.3	16.2	9.0)	8.7	-0.5		medical and pharma products. Imports modestly lower, which
PUBLIC FINANCES Total Tax Receipts: Cum YTD % 6.8 10.0 13.8 11 -0.6 0.0 0.7 -2.5	Import Values - 3M / 3M %	-12	-20	12	-49	-9 7	7	19 1	-14 3	#N/A	
Total Tax Receipts: Cum YTD % 6.8 10.0 13.8 1.1 -0.6 0.0 0.7 -2.5 5.2											related to aeroplanes
Total Tax Receipts: Cum YTD % 6.8 10.0 13.8 1.1 -0.6 0.0 0.7 -2.5 Voted Spending : Cum YTD % 7.3 8.5 1.7 13.5 23.4 24.9 27.3 29.5 Exchequer Bal: 12 Mth Total €m 647 670 1,509 -9.22 -3,634 -5,434 -4,944 -7,654 QUARTERLY DATA	DURI IC EINANCES										
Voted Spending : Cum YTD % 7.3 8.5 1.7 13.5 23.4 24.9 27.3 29.5 Easthrady east in SW spending of 29.5% sees fiscal position deteriorate further QUARTERLY DATA 03-18 Q4-18 01-19 02-19 03-19 Q4-19 Q1-20 Q2-20 Strong exports in March saw lirish GDP unexpectedly increase by 1.2% (+4.6% YoY) in the opening quarter of 2020 *Domestic Demand - YoY% (3O Avg) 4.7 4.3 4.1 2.9 3.4 3.1 1.8 #N/A However, modified final domestic demand dipped by 1.6% as consumer spending fell by 4.7% EMPLOYMENT & EARNINGS Employment YoY % 3.0 2.3 3.7 2.0 2.4 3.5 2.2 #N/A In %A domestic demand dipped by 1.6% as consumer spending fell by 4.7%		6.0	10.0	12.0	4.4	0.4		0.0	0.7	2.5	
Company Com	•										reasonably well. Increase in gov
### Considerable C											
## Consumer Spending - YoY % (3Q Avg)	Exercequer But 12 Print Total em	0 17	070	1,000	722	3,03	·		1,5 1 1	7,031	
### Compand - YoY% (3Q Avg) #Domestic Demand - YoY% (3Q Avg) ### Available of the Multinational Sector ### Available of the Multinational Sector ### Available of the Multinational Sector #### Available of the Multinational Sector ###################################	QUARTERLY DATA		Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	3 1
*Domestic Demand - YoY% (3Q Avg)	GDP - YoY %		7.9	3.4	4.4	5.6	6.3	5.9	5.2	2 #N/A	by 1.2% (+4.6% YoY) in the
Consumer Spending - YoY % 3.1 2.0 3.4 3.6 3.0 2.7 -2.8 #N/A domestic demand dipped by 1.6% as consumer spending fell by 4.7% EMPLOYMENT & EARNINGS Employment YoY % 3.0 2.3 3.7 2.0 2.4 3.5 2.2 #N/A Labour Force YoY % 2.0 1.5 2.7 1.3 1.6 2.6 2.1 #N/A Average Earnings YoY % 2.1 3.2 2.8 3.3 4.0 3.9 3.2 #N/A Hourly 3.5 3.5 3.6 3.6 3.6 3.8 3.9 #N/A Weekly Earnings YoY % 3.9 3.9 4.5 4.0 4.0 4.0 4.0 4.0 #N/A Covid lockdown in March Covid lockdown Covid lockdown in March Covid lockdown Covid lo	*D		4.7	4.2	4.1	2.0	2.4	2.1			opening quarter of 2020
Services Exports - YoY % (3Q Avg) 11.0 12.2 12.5 13.2 13.4 13.6 10.1 #N/A *Excludes Some Investment Related to the Multinational Sector 13.2 13.4 13.6 10.1 #N/A *Excludes Some Investment Related to the Multinational Sector 13.2 13.2 13.4 13.6 10.1 #N/A *Excludes Some Investment Related to the Multinational Sector 13.2 13.2 13.2 13.4 13.6 10.1 #N/A *Excludes Some Investment Related to the Multinational Sector 13.2 13.2 13.2 13.2 13.2 13.3 13.5 1	. 3.										
EMPLOYMENT & EARNINGS Employment YoY % 3.0 2.3 3.7 2.0 2.4 3.5 2.2 #N/A Labour Force YoY % 2.0 1.5 2.7 1.3 1.6 2.6 2.1 #N/A Average Earnings YoY % 2.1 3.2 2.8 3.3 4.0 3.9 3.2 #N/A Hourly 3.5 3.5 3.5 3.6 3.6 3.6 3.8 3.9 #N/A Weekly Earnings YoY % 3.0 3.9 3.9 4.5 4.0 4.0 4.0 4.0 #N/A Covid lockdown in March Covid lock	, ,										
Employment YoY % Labour Force YoY % 2.0 1.5 2.7 1.3 1.6 2.6 2.1 #N/A Average Earnings YoY % - Hourly - Weekly - Private Sector - Public Sector CSO DWELLING COMPLETIONS 4635 5443 4253 4829 5661 6390 4968 3290 - YoY % 3.0 2.3 3.7 2.0 2.4 3.5 2.2 #N/A 3.5 2.2 #N/A 3.6 2.6 2.1 #N/A 3.7 2.0 2.4 3.5 2.2 #N/A 3.8 3.9 #N/A - 2.8 3.3 4.0 3.9 3.9 4.0 4.0 3.9 3.2 #N/A - Weekly earnings growth edged higher in Q1 2020, with the Covid lockdown in March coming too late to impact the data. Pick up in public sector - Private Sector - 2.1 1.8 0.8 1.9 1.3 3.1 3.3 #N/A CSO DWELLING COMPLETIONS - YoY % - 2.2 23.0 19.4 22.7 9.8 22.1 17.4 16.8 -31.9 Constructions sites close, 12	* Excludes Some Investment Related to the Mult	inational Sector									by 4.7%
Employment YoY % Labour Force YoY % 2.0 1.5 2.7 1.3 1.6 2.6 2.1 #N/A Average Earnings YoY % - Hourly - Weekly Earnings YoY % - Private Sector - Public Sector - Public Sector - YoY % - YoY % - Hourly - Weekly - Weekly - Weekly - Weekly - Private Sector - Public Sector - Public Sector - YoY % - Hourly - Weekly - Wo - Weekly - Weekly - Weekly - Weekly - Weekly - Weekly - Wo - Weekly - Weekly - Weekly - Wo	EMPLOYMENT & EARNINGS										
Labour Force YoY % 2.0 1.5 2.7 1.3 1.6 2.6 2.1 #N/A as much as 12% due to the onset of the Covid lockdown Weekly earnings growth edged higher in Q1 2020, with the Covid lockdown in March Covid loc	Employment YoY %		3.0	2.3	3.7	2.0	2.4	3.5	2.2	2 #N/A	
Average Earnings YoY % - Hourly 2.1 3.2 2.8 3.3 4.0 3.9 3.2 #N/A - Weekly earnings growth edged higher in Q1 2020, with the Covid lockdown in March edged higher in Q1 2020, with the Covid lo											as much as 12% due to the
- Weekly Earnings YoY % - Private Sector - Public Sector - Pub	Average Earnings YoY %										
Weekly Earnings YoY % S.5 S.5 S.6 S.6 S.6 S.8 S.9 #N/A Covid lockdown in March coming too late to impact the data. Pick up in public sector Public Sector S.1 S.8 S.8 S.9 F.0 S.9 S.			2.1	3.2	2.8	3.3	4.0	3.9	3.2	#N/A	
- Private Sector 3.9 3.9 4.5 4.0 4.0 4.0 4.0 #N/A data. Pick up in public sector vage inflation in past 6 months - Public Sector 2.1 1.8 0.8 1.9 1.3 3.1 3.3 #N/A CSO DWELLING COMPLETIONS 4635 5443 4253 4829 5661 6390 4968 3290 Completions down 31.9% YoY in Q2 as pandemic saw constructions sites close. 12	,		3.5	3.5	3.6	3.6	3.6	3.8	3.9	#N/A	
- Public Sector 2.1 1.8 0.8 1.9 1.3 3.1 3.3 #N/A wage inflation in past 6 months CSO DWELLING COMPLETIONS - YoY % 4635 5443 4253 4829 5661 6390 4968 3290 Completions down 31.9% YoY in Q2 as pandemic saw constructions sites close. 12	-		3.0	30	15	4.0	40	4.0	4 0	#NI/A	
CSO DWELLING COMPLETIONS 4635 5443 4253 4829 5661 6390 4968 3290 Q2 as pandemic saw - YoY % 23.0 19.4 22.7 9.8 22.1 17.4 16.8 -31.9 constructions sites close. 12											
- YoY % 23.0 19.4 22.7 9.8 22.1 17.4 16.8 -31.9 construction sites close. 12					40=0	1000	F				



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