Irish Economy Watch

AIB Treasury Economic Research Unit

Friday 20 December 2024

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
MANUFACTURING								
AIB Manufacturing PMI	47.6	49.8	47.4	50.1	50.4	49.4	51.5	49.9
AIB Manufacturing PMI - Future Output	64.4	64.0	66.3	67.9	63.0	64.3	68.8	67.5
Industrial Production (Ex-Modern)	117.0	112.2	115.6	114.8	115.7	121.4	122.9	#N/A
Production (Ex-Modern) : 3mma YoY%	8.7	4.6	3.4	0.6	1.3	1.9	5.4	#N/A
3mth / 3mth % seas. adj.	0.5	-0.9	-1.2	-2.3	-0.2	2.1	5.1	#N/A
SERVICES / RETAIL								
AIB Services PMI	53.3	55.0	54.2	53.6	53.8	55.7	53.8	58.3
CSO Services Index (Value)	181.5	178.6	179.5	180.0	183.0	180.9	184.1	#N/A
- YoY %	11.8	9.6	11.1	10.3	11.4	8.1	8.1	#N/A
- 3mth / 3mth % seas. adj.	4.8	3.9	3.7	1.6	1.4	0.8	1.8	#N/A
SIMI Car Registrations	8,562	6,394	1,488	25,665	7,532	5,116	2,416	1,118
- 12 mth cum total	126,376	125,225	123,723	122,052	121,323	120,712	120,920	121,117
- 3 mma YoY %	-0.2	-13.3	-15.4	-11.4	-10.1	-7.3	-7.0	-2.3
Retail Sales Index	111.9	112.3	111.9	112.6	111.2	111.8	111.7	#N/A
- YoY %	-0.5	-1.1	-1.1	1.4	-1.9	0.4	0.9	#N/A
- 3mth / 3mth % seas. adj.	-0.1	-0.3	-1.2	-0.6	-0.8	-0.1	-0.6	#N/A
Ex Autos Index	111.9	112.0	111.3	111.6	111.2	112.1	111.9	#N/A
- YoY %	1.5	-0.3	-1.2	0.4	-1.4	0.7	0.9	#N/A
- 3mth / 3mth % seas. adj.	-0.4	-0.1	0.1	-0.2	-0.5	-0.1	0.1	#N/A
RESIDENTIAL CONSTRUCTION ACTIVITY								
BNP Paribas Construction PMI	53.2	49.8	47.5	49.9	50.0	49.0	49.4	47.5
- Housing Activity	53.4	52.0	52.4	53.2	49.8	51.0	56.4	50.3
- Commercial Activity	54.6	51.4	43.3	49.9	51.1	47.9	47.0	47.2
- New Orders	53.9	52.9	51.8	54.9	51.8	52.4	48.4	52.5
- Business Expectations	59.5	61.2	61.7	61.6	64.7	62.9	63.6	63.5
Commencements: 12mth Total	53,011	51,935	51,024	49,613	49,107	57,885	59,510	57,741
- 3 Month Avg YoY %	242.5	182.2	165.8	-39.4	-34.0	82.0	123.7	103.8
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	3,796	3,894	3,806	4,603	3,933	3,731	4,088	#N/A
- 3 Month Avg YoY %	0.0	-5.1	-2.8	-2.3	0.6	5.6	5.4	#N/A
- 12 Mth Total	42,399	42,011	41,642	42,109	42,090	42,294	42,706	#N/A
RPPR Transactions : Month	4,413	5,230	4,844	5,709	4,900	5,056	6,055	4,399
- 3 Month Avg YoY %	-5.2	-3.8	-2.7	-1.6	-6.4	-5.4	-4.6	-7.6
- 12 Mth Total	62,091	62,114	61,495	61,838	61,054	60,609	61,059	59,787
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.4	0.4	1.0	1.2	0.9	0.7	0.8	#N/A
- YoY %	7.9	8.5	8.9	9.7	10.1	9.9	9.7	#N/A
Daft Asking Prices: MoM %	2.0	1.4	0.9	1.3	0.8	0.6	#N/A	#N/A
- YoY %	6.4	6.1	7.7	7.3	8.8	8.4	#N/A	#N/A
RENTS: CSO Private Rents - MoM%	0.2	0.4	0.7	0.4	0.7	1.1	0.4	0.5
- YoY %	5.1	4.9	4.9	4.7	4.0	4.4	4.8	5.1
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	22.3	22.8	23.5	23.5	23.7	24.0	#N/A	#N/A

The manu. PMI fell to 49.9 in Nov, consistent with a marginal contraction in activity in the sector. Output rose for a second consecutive month but new orders declined

Traditional industrial production rose by 5.1% in the 3mths to Oct, and it was up by 5.4% YoY

The serv. PMI jumped to 58.3 in Nov, indicating a sharp increase in the pace of expansion. New business, and new export orders rose sharply. Input price inflation remained elevated but output inflation slowed somewhat

The CSO services index was up by 8.1% YoY in October

After a solid start to 2024, new car sales have been trending lower. 12mth running total remains below 121k in Nov

Retail sales fell by 0.6% in the 3mths to Oct. Likewise, core sales declined by a more modest 0.1% over the same period

The construction PMI printed below 50 in Nov, falling to its lowest level since Jun. Housing activity declined and just stayed in expansion mode. Commercial activity deteriorated once again

Commencements still distorted by waiver/rebate deadlines. YTD they are up by 84.2% in Nov. 12mth running total is just below the 58k mark

Mortgage approvals rose by 5.4% YoY in the 3mths to Oct. 12 mth total above 42k

Transactions 3mma to Nov down by 7.6% YoY. 12 mth run rate falls back below 60k

House prices continue to rise, up by 0.8% m/m in Oct. For a second successive month, the YoY rate eased slightly to +9.7%

Asking prices on Daft.ie stayed on an upward trajectory in Q3, rising by 8.2% YoY

CSO rental index rose by 0.5% in Nov. The YoY rate accelerated to 5.1% also

Affordability deteriorated again in Q3, as house price growth outpaced wage growth

Sources: Refinitiv, CSO, DoF, DoECLG, Daft.ie, BPFI, ILCU, PSRA, SIMI, BNP Paribas, European Commission, AIB ERU Calculations

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
CONSUMER PRICES - YoY %	2.6	2.6	2.2	2.2	1.7	0.7	0.7	1.0
- MoM %	0.2	0.5	0.4	0.2	0.1	-0.9	0.3	-0.5
HICP - YoY %	1.6	2.0	1.5	1.5	1.1	0.0	0.1	0.5
- MoM %	0.2	0.6	0.3	0.2	0.1	-1.0	0.3	-0.5

Consumer prices fell by 0.5% in Nov, but CPI inflation rose to 1.0%, led by increases in hospitality and entertainment. HICP decreased by 0.5% in Nov also, with the annual rate rising to 0.5%

PERSONAL / FINANCIAL	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
ILCU Consumer Sentiment Index	67.8	65.7	70.5	74.9	72.0	71.9	74.1	74.1
Credit Growth YoY %								
- Private Sector	-1.3	-0.3	0.6	1.4	1.3	2.4	1.8	#N/A
- *of which* : Household	2.0	2.0	2.2	2.4	2.3	2.6	2.8	#N/A
- *of which* : Mortgage Lending	1.6	1.7	2.0	2.1	2.0	2.3	2.6	#N/A

Sentiment index unchanged in Nov, at 74.4, which is well below its long-run average of 84.4

Private sector credit growth rate slowed in Oct, but household/ mortgage credit growth rates continued to accelerate

LABOUR MARKET	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Live Register	173,100	172,700	171,900	171,800	170,700	168,200	169,200	162,900
- Change In Month	-600	-400	-800	-100	-1,100	-2,500	+1,000	-6,300
Unemployment Rate %	4.4	4.4	4.4	4.5	4.1	4.1	4.2	4.1
PMI Employment Indices								
- AIB Manufacturing	50.0	52.7	50.2	52.1	53.5	49.6	49.6	49.3
- AIB Services	52.9	53.3	50.8	52.0	54.0	52.5	51.0	52.1
- BNP Paribas Construction	52.7	51.8	51.7	50.9	47.7	51.7	51.8	52.2

The unemployment rate has remained quite low and steady throughout this year. It averaged 4.3% in Q1, 4.4% in Q2, and just 4.2% in Q3. So far in Q4 it has printed at 4.2% & 4.1%

The employment sub-indices of the services and construction PMIs remained above the key 50 level in Nov. The manu. PMI stayed in contraction territory

MERCHANDISE TRADE	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Export Values - 3M / 3M %	11.5	5.8	-0.9	-5.4	-3.2	8.4	17.3	#N/A
- 3MMA YoY %	7.7	12.1	8.1	4.1	3.7	21.3	23.3	#N/A
Import Values - 3M / 3M %	-5.5	2.8	4.2	3.5	8.7	7.1	1.3	#N/A
- 3MMA YoY %	-3.0	-3.9	-6.2	-4.6	2.3	3.5	1.2	#N/A

Goods trade surplus widened to €77.1bn in Oct, up 48.2% YTD. Exports rose by 12.6% YTD to €187.1bn, led by a strong increase in pharma and medical products (up 26.9% YTD). Imports stood at €110.1bn YTD, down 3.6% YoY

PUBLIC FINANCES	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Total Tax Receipts: Cum YTD %	2.6	6.2	9.3	9.5	12.6	11.0	14.9	20.8
Voted Spending : Cum YTD %	12.8	15.3	13.2	14.1	13.7	12.8	12.7	11.3
Exchequer Bal: 12 Mth Total €m	3,637	2,586	4,005	3,825	5,286	5,070	3,326	9,576

Total tax take up 20.8% YTD in Nov. Voted expenditure rose by 11.3% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus jumps to €9.6bn

QUARTERLY DATA

	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24
GDP - YoY %	8.8	-0.2	-3.9	-8.4	-9.1	-4.8	-3.2	2.9
*Domestic Demand - YoY%	3.7	6.0	0.9	-0.2	4.2	2.4	2.8	4.1
Consumer Spending - YoY %	8.2	7.4	6.5	1.7	4.0	3.0	2.4	1.7
Services Exports - YoY % (3Q Avg)	2.7	-0.2	-1.6	0.6	3.7	9.2	17.8	18.2

** Excludes Some Investment Related to the Multinational Sector*

GDP rose sharply by 3.5% in Q3, mainly driven by an uptick in investment. In YoY terms GDP was 2.9% higher

MDD rose by 1.3% in Q3 and it was 4.1% higher YoY. Consumer spending up 1.7% YoY

EMPLOYMENT & EARNINGS	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24
Employment YoY %	2.6	3.7	3.1	3.6	3.4	1.9	2.7	3.7
Labour Force YoY %	1.8	2.8	3.0	3.8	3.5	2.0	2.9	3.5
Average Earnings YoY %								
- Hourly	6.1	4.0	5.3	6.1	1.9	4.9	5.5	4.7
- Weekly	4.6	4.4	4.4	4.4	2.6	5.0	5.7	5.3
Weekly Earnings YoY %								
- Private Sector	2.4	3.5	3.9	3.8	4.1	5.3	5.9	5.3
- Public Sector	10.8	7.8	6.1	5.9	-1.3	4.0	4.5	4.4

Employment increased by 3.7% YoY in Q3'24, putting it 17.5% above pre-COVID levels. The employment rate rose to 75.3% in Q3. The labour force grew by 3.5% YoY in the quarter

Weekly average earnings rose by 5.3% YoY in Q3'24. Public sector pay was up by 4.4% YoY. Private sector earnings rose by 5.3% YoY

CSO DWELLING COMPLETIONS	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24
	9089	6642	7272	8411	10223	5844	6851	8939
- YoY %	31.3	18.6	-4.2	14.0	12.5	-12.0	-5.8	6.3
- Cum 12 Mth Total	29662	30702	30380	31414	32548	31750	31329	31857

Despite rising in YoY terms in Q3, completions are 3.1% lower YTD compared to 2023. 12mth total just below 32k

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