Irish Economy Watch



AIB Treasury Economic Research Unit

Friday 26 February 2021

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Manufacturing PMI fell to 51.8 in
MANUFACTURING									January. Covid restrictions and post-Brexit regulations were
AIB Manufacturing PMI	51.0	57.3	52.3	50.0	50.3	52.2	57.2	51.8	sighted as headwinds. Howeve firms more optimistic on outloo
OECD Leading Indicator	97.3	99.0	99.4	99.7	100.1	100.3	100.6	100.9	
Industrial Production (Ex-Modern)	93.5	110.6	108.6	108.5	110.7	108.4	113.7	#N/A	Traditional industrial production moved above its pre-Covid level in December. 3m\3m up 1.6%, but 3mma down 0.3% YoY
Production (Ex-Modern) : 3mma YoY%	-21.2	-14.2	-5.4	-1.2	-1.6	-2.9	-0.3	#N/A	
3mth / 3mth % seas. adj.	-23.0	-6.9	11.3	24.7	14.4	4.8	1.6	#N/A	
SERVICES / RETAIL									Services PMI fell sharply to 36.2 in January as the sector went
AIB Services PMI	39.7	51.9	52.4	45.8	48.3	45.4	50.1	36.2	back into lockdown. However,
CSO Services Index (Value)	114.8	114.2	115.0	120.7	115.2	111.8	121.4	#N/A	the index remained well above last spring's lows. Employment
- YoY %	-10.0	-10.9	-9.1	-4.2	-7.3	-10.4	-0.3	#N/A	relatively stable and firms
- 3mth / 3mth % seas. adj.	-16.6	-5.5	5.9	11.5	6.3	1.1	-0.4	#N/A	outlook remained upbeat
SIMI Car Registrations	1,006	21,171	4,808	5,651	2,296	913	601	25,152	CSO Services Index rose to its highest level since March, up
- 12 mth cum total	89,226	85,716	85,437	87,673	87,792	87,947	88,324	82,826	8.6% m/m in December
- 3 mma YoY %	-81.4	-26.2	-13.4	-4.7	19.4	39.5	20.6	-15.7	,
Retail Sales Index	125.6	127.1	129.0	131.6	130.6	114.7	131.1	#N/A	New car sales down 17.9% YoY in January following a very
- YoY %	5.0	9.0	8.6	10.7	7.7	-4.3	8.2	#N/A	tough year for the sector in
- 3mth / 3mth % seas. adj.	-17.8	17.9	46.9	37.8	14.6	-1.3	-2.9	#N/A	2020. 3mma down 15.7% YoY
Ex Autos Index	123.2	126.8	128.2	130.6	130.8	115.9	130.7	#N/A	Retail sales rebounded strongly in December, up 8.2% YoY. Core
- YoY %	3.5	5.7	6.8	9.1	9.4	-2.9	7.6	#N/A	retail sales up 7.6% YoY
- 3mth / 3mth % seas. adj.	-12.0	7.2	21.5	21.9	10.5	-0.2	-2.1	#N/A	·
RESIDENTIAL CONSTRUCTION ACTIVIT	v								Construction PMI collapsed in January as most of the sector is
Construction PMI: Ulster Bank	51.9	53.2	44.0	47.0	48.6	53.5	52.3	21.2	closed due to Covid restrictions.
- Housing Activity	55.8	57.8	44.7	44.1	50.3	53.0	56.2	19.0	However, business expectations remain elevated (59.9) reflecting firms optimism in the outlook
- Commercial Activity	50.9	50.2	41.6	49.2	46.7	50.0	49.7	24.2	
- New Orders	46.0	53.8	46.5	48.8	51.8	57.3	55.6	29.4	
- Business Expectations	54.6	55.9	53.5	48.7	51.9	60.5	62.5	59.9	Commencements held up well in Q4, down just 1.4% YoY.
Commencements: 12mth Total	23,929	23,379	22,066	21,774	20,823	21,830	21,686	#NA	Although, full year 2020 total of
- 3 Month Avg YoY %	-45.7	-37.7	-36.8	-28.4	-29.7	-3.3	-1.4	#NA	less than 22k, down 17% on 2019 total of over 26K
HOUSING MARKET ACTIVITY									Approvals continue to soar in
BPFI Mortgage Approvals : Month	1,688	2,713	3,337	3,927	4,419	4,372	3,247	#N/A	December, up 35.7% YoY.
- 3 Month Avg YoY %	-66.1	-51.8	-32.7	-8.4	12.8	25.4	27.5	#N/A	However, total approvals in
- 12 Mth Total	32,480	30,966	30,722	31,561	32,288	33,302	34,156	#N/A	2020 14% below 2019 level.
RPPR Transactions : Month	3,062	3,654	2,950	4,252	5,528	5,325	7,297	2,896	Transactions picked up pace in
- 3 Month Avg YoY % - 12 Mth Total	-40.0 52,811	-36.9 50,961	-34.9 48,891	-30.3 48,089	-18.3 48,103	-4.2 48,227	4.5 48,875	0.9 48,235	Q4, up 4.5% YoY. Although, national lockdown sees activity
	02,011	00,501	.0,071	.0,003	.0,200	.0,	.0,0.0	.0,200	fall sharply in January, down 18.1% YoY
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.1	0.2	0.1	0.2	0.4	0.5	0.9	#N/A #N/A	House prices rose by 0.9% in December, up 2.2% YoY. Ex- Dublin prices increased by 3.1% YoY, while house prices in the capital rose by 1.2% annually
- YoY %	0.0	-0.7	-0.9	-0.8	-0.5	0.2	2.2	#N/A	
Daft Asking Prices: MoM %	-0.5	2.5	1.9	0.3	0.8	0.4	1.0	#N/A	
- YoY %	-3.3	0.3	2.7	5.3	6.1	8.9	7.4	#N/A	
RENTS: CSO Private Rents - MoM%	-0.3	0.2	0.2	0.4	-0.5	0.0	0.4	0.3	Daft.ie asking prices up 1% in December and 7.4% YoY as supply for sale at very low levels
- YoY %	-1.2	-1.4	-1.8	-2.6	-3.2	-3.2	-2.9	-2.5	
AFFORDABILITY: Couple on Avg Industr	rial Wage,	90% LTV,	30 Years, A	AIB Mortga	age Rate, I	Prices: CSC	D/Perm' TS	В	throughout 2020
- Mortgage as % of Disposable Income	18.1	18.2	18.3	18.3	#N/A	#N/A	#N/A	#N/A	CSO rental index rose 0.3% in
									January. YoY rate at -2.5%

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20) No	v-20 [Dec-20	Jan-21	Annual CPI inflation rate jumps
CONSUMER PRICES - YoY %	-0.4	-0.4	-1.0	-1.2	-1.	5	-1.1	-1.0	-0.2	sharply in January to –0.2% from –1.0% in December. HICP annual rate at –0.1%, up from – 1.0%. Sharp acceleration reflects rebounding energy prices and
- MoM %	0.3	-0.2	-0.1	-0.4	-0.	5	0.3	0.3	0.1	
HICP - YoY %	-0.6	-0.6	-1.1	-1.2	-1.	5	-1.0	-1.0	-0.1	
- MoM %	0.4	-0.2	-0.1	-0.4	-0.	5	0.3	0.2	0.2	much more muted winter sales
PERSONAL / FINANCIAL										Consumer sentiment index fell in January, but remained well
KBC/ESRI Consumer Confidence	61.6	62.6	58.9	60.7	52.	5	65.5	74.6	64.9	above its spring lows
Credit Growth YoY %										Household credit declined by
- Private Sector (Underlying)	-2.2	-2.2	-1.8	-2.6			-2.8	-2.6	#N/A	1.5% YoY in December. Mortgage lending down by
of which : Householdof which : Mortgage Lending	-0.9 -0.6	-1.3 -0.7	-1.3 -0.8	-1.5 -1.0			-1.5 -1.0	-1.5 -1.0	#N/A #N/A	1.0% YoY also
- or which . Mortgage Lending	-0.0	-0.1	-0.0	-1.0	-0.		-1.0	-1.0	πιν/ Α	Official unemployment rate
LABOUR MARKET										unchanged at 5.8% in January. Covid adjusted rate up to 25%,
Live Register	213,800	226,000	213,800	214,500					190,500	its highest level since May 2020
- Change In Month	-14,300	+12,200	-12,200	+700	-4,200) -6,	,900	-8,700	-4,200	Employment subcomponent of
Unemployment Rate %	5.3	6.2	6.6	6.8	6.	2	6.0	5.8	5.8	manufacturing & services PMIs remained relatively unchanged
PMI Employment Indices										in January. However, the
- AIB Manufacturing	46.1	50.8	47.5	49.1	50.	3	51.2	53.0	50.8	construction employment sub- index fell to its lowest level since
- AIB Services	40.1	46.1	47.3	47.0	47.		49.0	51.1	49.8	May, as many sites closed
- Ulster Bank Construction	43.3	47.5	48.3	48.9	51.	0	52.4	54.3	34.6	Preliminary data shows that
MERCHANDISE TRADE										goods exports exceeded
Export Values - 3M / 3M %	-12.4	-3.0	-0.9	10.6	3.	2	-0.6	-4.6	#N/A	€160bn in 2020, up 5.4% YoY. This was largely due to a 25%
- 3MMA YoY %	-1.8	2.3	8.3	7.8	1.	5	2.8	-0.5	#N/A	increase in pharma exports. Goods imports (excluding
Import Values - 3M / 3M %	-15.8	2.1	12.8	13.1			2.2	6.8	#N/A	aircraft) rose by 4.7%, while
- 3MMA YoY %	-16.7	-7.5	-6.1	-7.3	-12.0)	-3.4	-0.3	#N/A	petroleum imports fell by 40%
PUBLIC FINANCES										Exchequer surplus of €1.2bn recorded in January, circa
Total Tax Receipts: Cum YTD %	0.7	-2.5	-2.3	-3.0	-5.	3	-6.9	-3.6	-8.8	€0.4bn below January 2020 figure. 12 Mth cumulative
Voted Spending : Cum YTD %	27.3	29.5	28.0	24.9	24.	5	23.7	25.3	2.4	balance -€12.7bn. Gross voted
Exchequer Bal: 12 Mth Total €m	-4,944	-7,654	-8,180	-8,764	-9,33	7 -11	1,627	-12,316	-12,741	expenditure up 11.1% YoY
QUARTERLY DATA		Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Irish GDP rebounded by 11.1% in
GDP - YoY %		4.4	5.6	6.3	5.9	6.0	-3.2	8.1	#N/A	Q3. YoY rate up 8.1%
*Domestic Demand - YoY%		3.8	2.0	4.5	2.9	-1.2	-15.7	-2.4	#N/A	Modified final domestic demand also rebounded strongly, up
Consumer Spending - YoY %		3.4	3.6	3.0	2.7	-2.6	-21.6	-2.4 -5.7		18.7% in Q3, driven by domestic
Services Exports - YoY % (3Q Avg)		12.5	13.2	13.4	13.6	10.1	3.3	-2.4	#N/A	capital formation (+34.4%) and personal consumption (+21.3%)
* Excludes Some Investment Related to the Multi	national Sector									F
EMPLOYMENT & EARNINGS										Employment declined by 2.3% YoY in Q4. However, this
Employment YoY %		3.7	2.0	2.4	3.5	2.2	-3.4	-1.4		understates labour market weakness, as many jobs rely on
Labour Force YoY %		2.7	1.3	1.6	2.6	2.1	-3.7	0.6	-1.1	government supports
Average Earnings YoY % - Hourly		2.8	3.3	4.0	3.9	3.0	7.2	3.9	#N/A	Weekly earnings growth at
- Weekly		3.6	3.6	3.6	3.8	3.7	6.0	3.7		+3.7% YoY in Q3. However, the changing composition of the
Weekly Earnings YoY %										work force is distorting the data,
- Private Sector - Public Sector		4.5 0.8	4.0 1.9	4.0 1.3	4.0 3.1	4.0 3.1	6.0 2.9	3.9 2.3		with job losses concentrated amongst lower paid workers
		0.0		2.0		J.2		2.0		Completions up 15.9% YoY in
CSO DWELLING COMPLETIONS		4249	4801	5650	6387	4966	3237	5073		Q4. Hold up much better than
- YoY % - Cum 12 Mth Total		22.8 18708	9.2 19113	22.0 20131	17.6 21087	16.9 21804	-32.6 20240	-10.2 19663		expected, with 2020 total above 20k, down just 1.9% YoY
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