## Irish Economy Watch



AIB Treasury Economic Research Unit

## Wednesday 15 July 2020

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
MANUFACTURING									Manufacturing PMI jumps to 51.0 in June from 39.2. Aided by
AIB Manufacturing PMI	49.7	49.5	51.4	51.2	45.1	36.0	39.2	51.0	easing of lockdown restrictions
OECD Leading Indicator	100.3	100.3	100.1	99.9	98.8	93.5	94.1	97.6	which lifted the new orders and output sub-components
Industrial Production (Ev. Modorn)	111 0	106.9	120.2	107.9	111 0	86.9	82.0	#NI/A	Traditional industrial output
Industrial Production (Ex-Modern) Production (Ex-Modern) : 3mma YoY%	111.9 1.9	0.5	120.2 4.2	2.7	111.8 1.6	-9.9	-17.7	#N/A #N/A	dropped by a further 5.6% in
3mth / 3mth % seas. adj.	1.0	-0.7	1.0	-0.5	2.2	-9.6	-16.2	#N/A	May after a 22% fall in April
SERVICES / RETAIL									Services PMI remained on
AIB Services PMI	53.7	55.9	56.9	59.9	32.5	13.9	23.4	39.7	upward trend in June, rising to 39.7 from 23.4. However, index
									remains at a level consistent with
CSO Services Index (Value) - YoY %	124.6 -1.1	122.1 6.0	125.2 1.5	126.1 1.0	125.4 0.2	96.8 -22.4	99.3 -20.2	#N/A #N/A	subdued activity
- 3mth / 3mth % seas. adj.	-1.1	-2.6	-1.7	-0.8	1.4	-6.3	-20.2	#N/A #N/A	CSO Services edged higher in
,									May but remained well below pre-Covid levels
SIMI Car Registrations - 12 mth cum total	758 117,018	224 117,100	30,826 115,556	13,132 113,619	6,024 102,956	344 94,396	1,743 89,631	1,009 89,229	·
- 3 mma YoY %	15.2	27.8	-4.1	-7.1	-22.1	-52.0	-74.6	-81.4	Outbreak hammering new car sales. In 3 months to June, 81%
									YoY drop in total number of cars
Retail Sales Index - YoY %	120.0 2.0	121.5 5.0	119.9 5.5	118.8	104.0 -11.3	66.7 -43.8	86.4 -26.7	#N/A #N/A	registered for first time
- 3mth / 3mth % seas. adj.	2.5	1.9	0.1	-0.5	-11.5 -5.6	-43.6 -19.9	-28.6	#N/A #N/A	Core retail sales rebounded by
,									9.3% in May, but are still down
Ex Autos Index - YoY %	119.7 2.3	121.2 5.1	121.2 3.2	120.3 0.8	118.8 -0.2	90.3	98.7 -16.2	#N/A #N/A	16.2% YoY. Proportion of sales generated online fell to 13.1%
- 3mth / 3mth % seas. adj.	0.9	0.4	0.2	0.6	-0.2	-24.9 -9.0	-16.2	#N/A #N/A	from 15.3% in April
onar, onar, o seas. aaj.	0.5	0.1	0.2	0.1	0.5	7.0	10.1		Comptending DMI made to d
RESIDENTIAL CONSTRUCTION ACTIVIT	Υ								Construction PMI rocketed higher in June to 51.9 from 19.9
Construction PMI: Ulster Bank	48.2	52.0	50.9	50.6	28.9	4.5	19.9	51.9	as more work on sites resumed
- Housing Activity	47.7	51.8	48.0	49.7	32.4	4.9	21.4	55.8	in the month. Restrictions on activity were lifted in the second
- Commercial Activity	51.2	53.6	55.7	52.1	28.2	3.1	25.6	50.9	half of May
- New Orders - Business Expectations	48.3 57.3	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	In Q1, commencements rose by
•									4.6% YoY. Increase largely
Commencements: 12mth Total	26,022	26,237	26,785	26,635	26,541	#N/A	#N/A	#N/A	reflects strong January data. 12 month cumulative total at 26.5k -
- 3 Month Avg YoY %	14.4	2.1	-2.9	11.0	4.6	#N/A	#N/A	#N/A	has been stuck in a 26-27k range
HOUSING MARKET ACTIVITY									for some time
BPFI Mortgage Approvals : Month	3,358	2,393	2,594	2,838	2,995	706	1,320	#N/A	Bounce back in mortgage
- 3 Month Avg YoY %	5.0	5.7	5.1	4.7	-0.3	-29.9	-52.4	#N/A	approvals in May but remain
- 12 Mth Total	39,652	39,753	39,909	40,006	39,725	37,124	34,484	#N/A	well below trend prior to arrival of Covid pandemic
RPPR Transactions : Month	5,201	6,649	3,495	3,613	4,364	2,621	2,495	2,272	·
- 3 Month Avg YoY % - 12 Mth Total	2.4 57,988	1.4 58,388	2.3 58,634	0.9 58,112	-1.7 58,190	-18.3 56,273	-30.9 53,866	-46.3	In 3 months to June, residential property transactions have
- 12 IVITI TOTAL	37,900	30,300	36,034	50,112	36,190	30,273	55,000	51,809	dropped by a sharp 46% YoY
HOUSING MARKET PRICES									House prices fell by 0.1% in May,
CSO Price Index - MoM	-0.2	-1.1	0.1	-0.1	0.0	-0.1	-0.1	#N/A	leaving YoY growth rate at 0.3%.
- YoY %	1.1	0.3	1.0	1.0	0.9	0.7	0.3	#N/A	Ex-Dublin price inflation (+0.7%) continues to outpace the capital,
Daft Asking Prices: MoM %	-2.2	2.4	0.5	0.4	1.7	-5.3	3.8	-0.5	where prices were flat
- YoY %	-1.4	-0.8	-1.1	-2.2	-1.7	-6.5	-1.4	-3.3	CSO rental index dipped by 0.3%
RENTS: CSO Private Rents - MoM%	0.0	0.0	-0.1	0.3	-0.4	-1.8	-1.1	-0.3	in June, the fourth consecutive
- YoY %	4.5	4.3	3.9	3.9	3.1	0.8	-0.7	-1.2	fall. YoY inflation rate negative at 1.2%
AFFORDABILITY: Couple on Avg Indust	rial Wage	90% ITV 1	30 Years	AIR Morta	age Rate C	Prices CSC	)/Perm' TC	В	at 1.270
- Mortgage as % of Disposable Income	18.1	17.7	17.5	416 Mortg	age Kate, F 17.3	17.2	17.3	#N/A	Affordability broadly stable since
.5.5 = =									the start of the year on flat house prices

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	CPI inflation edges higher in	
CONSUMER PRICES - YoY %	1.1	1.3	1.3	1.1	0.7	-0.1	-0.5	-0.4	June on rebound in oil prices. However, remains in deflation territory at -0.4%, reflecting negative Covid demand shock. HICP registered at -0.6%	
- MoM %	-0.1	0.2	-0.7	0.6	0.4		-0.5	0.3		
HICP - YoY %	0.8	1.1	1.1	0.9	0.5	-0.3	-0.8	-0.6		
- MoM %	-0.2	0.2	-0.7	0.6	0.4		-0.6	0.4		
									Consumer sentiment has	
PERSONAL / FINANCIAL									recovered ground since plunging in March/April, but	
KBC/ESRI Consumer Confidence	77.1	81.4	85.5	85.2	77.3	42.6	52.3	61.6	remains at subdued level	
Credit Growth YoY %									Covid impact saw household	
- Private Sector (Underlying)	-3.3	-3.0	-3.4	-2.6	-1.0	-0.7	-1.8	#N/A	credit fall by 0.8% YoY in May. Pace of decline in mortgage	
- of which : Household	0.0	0.1	0.0	0.0	-0.1		-0.8	#N/A	stock picks up to -0.5% YoY	
- of which : Mortgage Lending	-0.5	-0.4	-0.4	-0.3	-0.3	-0.3	-0.5	#N/A	Official unemployment rate at	
LABOUR MARKET								5.3% in June. Covid adjusted		
Live Register	186,200	185,100	184,300	183,700	209,200	217,300	227,900	213,700	measure declines to 22.5% from 26.1%. Numbers in receipt of	
- Change In Month	-2,300	-1,100	-800	-600	+25,500		+10,600	-14,200	Pandemic Employment Payment falls from 439k at end June to 346k as of July 13th	
Unemployment Rate %	4.7	4.7	4.8	4.8	5.3	5.4	5.6	5.3		
onemployment rate //	4.7	4.7	4.0	4.0	5.5	3.4	5.0	5.5		
PMI Employment Indices									Employment subcomponents of PMIs rise in June. Likely reflects	
- AIB Manufacturing	49.2	49.7	51.2	48.4	42.6	30.5	40.1	46.1	improving conditions despite	
- AIB Services	54.5	53.4	54.5	55.0	47.3			40.1	indices remaining below 50	
- Ulster Bank Construction	51.9	53.2	53.6	51.3	39.4	22.6	26.7	43.3	Coods trade surplus widens to	
MERCHANDISE TRADE									Goods trade surplus widens to €6.7bn in May from €5.7bn. 12%	
	2.0	0.6	2.0	2.0	9.4	E 2	9.4	#N/A	increase in value of goods exports as global demand for	
Export Values - 3M / 3M % - 3MMA YoY %	3.0 7.8	0.6 4.6	-2.8 2.8	-3.9 0.3	15.2		9.4 8.7	#N/A #N/A	Irish pharma and medical	
									products rebounds. Goods	
Import Values - 3M / 3M % - 3MMA YoY %	-1.0 -9.5	-1.3 -7.9	-1.9 -8.8	0.8 0.7	-5.3 0.7		-20.7 -16.4	#N/A #N/A	imports increase by a more modest 5%	
									Tax receipts prove more resilient	
PUBLIC FINANCES									than anticipated and are up 0.7% YoY. Reflects strong	
Total Tax Receipts: Cum YTD %	6.7	6.8	10.0	13.8	1.1	-0.6	0.0	0.7	corporation tax take. Increase in	
Voted Spending : Cum YTD %	6.2	7.3	8.5	1.7	13.5	23.4	24.9	27.3	gov spending of 27%, however,	
Exchequer Bal: 12 Mth Total €m	1,542	647	670	1,509	-922	-3,634	-5,434	-4,944	sees fiscal position deteriorate	
QUARTERLY DATA		Q2-18	Q3-18	Q4-18	Q1-19 G	Q2-19 Q3	-19 Q4-19	Q1-20	Strong exports in March saw	
									Irish GDP unexpectedly increase by 1.2% (+4.6% YoY) in the	
CDD VoV %		10.4	7.4	3.6	7.6	3.0	15 63	16	by 1.2% (+4.6% YoY) in the	
GDP - YoY %		10.4	7.4	3.6	7.6	3.9	4.5 6.2			
*Domestic Demand - YoY% (3Q Avg)		5.2	5.4	4.5	3.0	2.2	2.8 3.3	3 2.8	by 1.2% (+4.6% YoY) in the opening quarter of 2020 However, modified final	
*Domestic Demand - YoY% (3Q Avg) Consumer Spending - YoY %		5.2 4.5	5.4 3.4	4.5 2.8	3.0 2.9	2.2 3.4	2.8 3.3 2.9 2.0	3 2.8 -2.5	by 1.2% (+4.6% YoY) in the opening quarter of 2020 However, modified final domestic demand dipped by	
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