Irish Economy Watch



AIB Treasury Economic Research Unit

Friday 26 November 2021

	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	The manufacturing PMI rose to
MANUFACTURING									62.1 in Oct from 60.3. However, capacity constraints remained
AIB Manufacturing PMI	57.1	60.8	64.1	64.0	63.3	62.8	60.3	62.1	evident as delivery times
OECD Leading Indicator	100.1	100.7	101.4	102.1	102.6	103.0	103.2	103.4	continued to deteriorate and prices continued to rise
Industrial Production (Ex-Modern)	110.3	121.7	121.8	121.0	120.9	115.0	121.3	#N/A	Traditional production rose by
Production (Ex-Modern) : 3mma YoY%	-0.7	15.4	30.6	41.8	30.1	14.9	8.8	#N/A	5.5% in Sept. However, output
3mth / 3mth % seas. adj.	1.9	1.6	2.0	6.5	4.8	0.9	-2.0	#N/A	was down 2% overall in Q3
SERVICES / RETAIL									The services sector grew strongly again in Oct, with the
AIB Services PMI	54.6	57.7	62.1	63.1	66.6	63.7	63.7	63.4	PMI little changed at 63.4. Outstanding workloads though,
CSO Services Index (Value)	121.4	119.0	120.9	128.8	128.6	131.1	129.1	#N/A	rose by the most in 21 years and
- YoY %	-0.4	22.7	19.8	16.0	14.6	15.0	5.1	#N/A	prices rose by near record levels
- 3mth / 3mth % seas. adj.	0.9	1.8	0.7	3.2	5.1	7.5	5.5	#N/A	In Sept, the CSO services index
SIMI Car Registrations	9,192	7,147	5,914	2,762	26,482	5,966	4,451	2,680	remained elevated, and was up
- 12 mth cum total	86,560	93,364	97,537	99,293		105,762	104,562		5.5% overall in Q3
- 3 mma YoY %	-3.5	54.1	175.0	412.1	47.0	30.5	16.7	2.7	Having performed well in Q2,
									new car sales have slowed
Retail Sales Index - YoY %	123.3 12.8	125.6 83.4	129.9 46.1	133.3 9.8	130.1 4.5	133.8 5.4	134.3 0.7	#N/A #N/A	recently. Up 19.1% YTD, but are still 11.1% lower vs. 2019 levels
- 101 % - 3mth / 3mth % seas. adj.	-5.6	8.4	7.4	9.8	4.5 5.8	4.9	2.4	#N/A #N/A	
•									Retail sales increased again in Sept and were 0.7% higher YoY.
Ex Autos Index	118.0	116.3	125.4	135.5	129.8	132.4	133.5	#N/A	Core retail sales were also at
- YoY %	-0.2	28.4	21.2	9.5	2.1	3.3	1.3	#N/A	elevated levels, up 1.3% YoY
- 3mth / 3mth % seas. adj.	-8.5	-0.5	1.6	9.9	11.3	10.6	4.9	#N/A	C I I DM I II
RESIDENTIAL CONSTRUCTION ACTIVIT	Υ								Construction PMI remained in expansion mode at 56.9 in Oct.
Construction PMI: Ulster Bank	30.9	49.3	66.4	65.0	62.8	57.5	56.3	56.9	Commercial activity outpaced
- Housing Activity	33.8	54.8	73.4	68.8	63.7	62.2	59.8	54.5	housing for the first time since
- Commercial Activity	31.3	42.2	63.5	63.8	60.9	54.9	56.7	60.4	the sector re-opened, but both were well above 50
- New Orders	39.7	55.1	68.2	63.7	65.4	61.7	57.5	57.2	
- Business Expectations	73.9	73.9	73.6	71.9	73.6	71.1	68.1	69.7	Housing performing strongly this year, with commencements up
Commencements: 12mth Total	17,708	21,405	25,501	27,264	28,974	29,565	30,519	#N/A	22% YTD vs. 2019 level in Sept.
- 3 Month Avg YoY %	-58.0	6.6	148.5	308.4	205.6	92.8	59.8	#N/A	12mth total rises above 30k for
								,	the first time since Mach 2008
HOUSING MARKET ACTIVITY									Mortgage approvals were 8.3%
BPFI Mortgage Approvals : Month	3,420	3,537	3,814	4,167	4,144	3,749	3,905	#N/A	higher in Q3 vs 2019, led by a 14.9% increase in FTB approvals
- 3 Month Avg YoY % - 12 Mth Total	7.7 34,809	51.7 37,640	114.5 40,134	210.1 42,613	111.9 44,044	55.9 44,456	18.3 44,434	#N/A #N/A	17.570 increase in 1710 approvals
		,							Transactions continue to recover
RPPR Transactions : Month - 3 Month Avg YoY %	5,171 9.2	4,204 28.3	4,170 40.6	4,673 57.7	5,145 50.3	4,694 49.8	5,242 38.0	5,133 17.6	in 2021, although, they remain 1.1% lower YTD vs. 2019 levels
- 12 Mth Total	50,224	51,804	53,392	54,999	56,483	58,217	59,151	58,734	
	•	•	•	•	•	-	•	•	House prices jumped by 1.5% in
HOUSING MARKET PRICES									Sept, up 12.4% YoY. Ex-Dublin price inflation (+13.2%) continues
CSO Price Index - MoM	0.5	0.9	0.8	1.5	1.7	2.3	1.5	#N/A	to outpace the capital (+11.5%)
- YoY %	3.5	4.5	5.4	6.9	8.5	10.9	12.4	#N/A	Daft asking prices fell in Sept for
Daft Asking Prices: MoM %	1.9	1.7	0.6	0.5	0.8	0.2	-1.0	#N/A	the first time since Feb. Marked
- YoY %	7.1	15.0	11.5	12.7	10.7	7.1	7.6	#N/A	deceleration in the YoY rate also
RENTS: CSO Private Rents - MoM%	0.8	1.2	-0.2	0.1	0.3	1.5	1.8	0.9	CSO rental index rose sharply
- YoY %	-1.4	1.6	2.6	3.0	3.1	4.5	5.9	7.5	again in Oct, up by 0.9%. YoY
									rate at 7.5%
AFFORDABILITY: Couple on Avg Indust									Affordability index deteriorates
- Mortgage as % of Disposable Income	17.7	18.0	18.4	18.6	#N/A	#N/A	#N/A	#N/A	as house prices rise by more
									than industrial wages in Q2

	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Consumer prices rose by 0.7% in
CONSUMER PRICES - YoY %	0.0	1.1	1.7	1.6	2.2	2.9	3.8	5.1	Oct, led by further increases in energy, fuel and transport costs. Base effects (prices fell by 0.6% in Oct'20), also contributed to the YoY rate rising to 5.1%. HICP rate increased to 5.1% as well
- MoM %	0.8	0.7	0.1	0.2	0.4	0.6	0.5	0.7	
HICP - YoY %	0.1	1.1	1.9	1.6	2.2	3.0	3.8	5.1	
- MoM %	0.9	0.6	0.2	0.1	0.4	0.7	0.4	0.8	
PERSONAL / FINANCIAL									Consumer sentiment held steady at 86.8 in October and is
KBC/ESRI Consumer Confidence	77.1	77.9	85.8	87.2	84.9	86.5	86.4	86.8	just below the two year high (87.2) recorded in June
Credit Growth YoY %									
- Private Sector (Underlying)	-5.7	-4.2	-3.2	-3.1	-1.6	-1.4	0.2	#N/A	Household credit rose by 0.2% YoY in Sept. Mortgage lending
of which : Householdof which : Mortgage Lending	-1.8 -1.2	-1.8 -1.3	-1.6 -1.3	-1.6 -1.3	-1.3 -1.2	-1.2 -1.1	-1.2 -1.1	#N/A #N/A	though, was down by 1.1% YoY
- or which . Mortgage Lending	-1.2	-1.5	-1.5	-1.5	-1.2	-1.1	-1.1	πιν/Α	Standard unemployment rate
LABOUR MARKET									was unchanged at 5.2% in Oct. The Covid adjusted rate fell to
Live Register	186,000	179,100	174,000	171,000	170,200	169,200	167,300	170,100	7.9% as the labour market continued to recover strongly since the economy re-opened
- Change In Month	-1,800	-6,900	-5,100	-3,000	-800	-1,000	-1,900	+2,800	
Unemployment Rate %	7.9	7.6	6.9	6.3	5.7	5.4	5.2	5.2	
PMI Employment Indices									Employment subcomponents of the manufacturing, construction
- AIB Manufacturing	55.7	57.7	60.0	59.4	57.7	58.0	55.6	55.7	and services PMIs remained above 50 in Oct, as firms hire to
- AIB Services	52.6	53.0	54.8	58.6	60.0	58.3	56.8	57.6	meet strong demand
- Ulster Bank Construction	43.7	51.6	58.2	56.9	56.4	57.4	54.8	55.1	
MEDGLIANDIGETDADE									Goods trade surplus rose by 9% to €5.7bn in Sept. Exports rose
MERCHANDISE TRADE									by 4% YoY in Sept, but were 1% lower YTD. Imports increased by 28% YoY & were 19% higher YTD. Exports to the UK were up 23% YTD, while imports were down 21%
Export Values - 3M / 3M % - 3MMA YoY %	-1.4 -8.6	-4.0 -3.3	2.1 -3.5	2.0 6.7	4.7 2.4	3.6 1.2	2.8	#N/A #N/A	
Import Values - 3M / 3M % - 3MMA YoY %	-1.7 2.0	0.9 18.1	11.9 40.8	13.0 43.6	8.0 23.1	1.8 19.6	-4.6 14.1	#N/A #N/A	
PUBLIC FINANCES									Exchequer finances much better
Total Tax Receipts: Cum YTD %	1.0	4.2	9.1	9.8	13.0	15.2	15.9	19.6	than expected this year, owing to very strong tax intake (up
Voted Spending : Cum YTD %	13.9	4.2 7.3	1.9	1.3	0.5	0.3	2.3	19.6	19.6% YTD). Net voted spending
Exchequer Bal: 12 Mth Total €m	-13,953	-12,472	-12,212	-12,285	-10,657	-9,546	-9,162	-8,073	up 1.9% YTD. 12mth deficit falls to €8.1bn in October
QUARTERI Y DATA									
GOARTERET DATA	0/1-19	01-20	02-20	03-20	04-20	01-21	02-21	03-21	GDP expanded by 21.6% YoV in
	Q4-19	Q1-20	G2 20	Q3-20	G-1 20	GI ZI	Q2-21	Q3-21	GDP expanded by 21.6% YoY in Q2, due to base effects, and an
GDP - YoY %	5.1	6.5	1.4	10.8	4.5	11.2	21.6	#N/A	Q2, due to base effects, and an easing of some restrictions
*Domestic Demand - YoY%	5.1	6.5	1.4	10.8	4.5	11.2	21.6	#N/A #N/A	Q2, due to base effects, and an
*Domestic Demand - YoY% Consumer Spending - YoY %	5.1 2.0 2.9	6.5 -2.7 -5.8	1.4 -12.2 -19.5	10.8 -2.8 -7.7	4.5 -2.2 -8.8	11.2 -5.3 -11.9	21.6 15.1 19.4	#N/A #N/A #N/A	Q2, due to base effects, and an easing of some restrictions Modified domestic demand rose by 15.1% YoY in Q2, led by a 19.4% YoY increase in consumer
*Domestic Demand - YoY%	5.1 2.0 2.9 17.4	6.5 -2.7 -5.8 13.1	1.4	10.8	4.5	11.2	21.6	#N/A #N/A	Q2, due to base effects, and an easing of some restrictions Modified domestic demand rose by 15.1% YoY in Q2, led by a
*Domestic Demand - YoY% Consumer Spending - YoY % Services Exports - YoY % (3Q Avg)	5.1 2.0 2.9 17.4	6.5 -2.7 -5.8 13.1	1.4 -12.2 -19.5	10.8 -2.8 -7.7	4.5 -2.2 -8.8	11.2 -5.3 -11.9	21.6 15.1 19.4	#N/A #N/A #N/A	Q2, due to base effects, and an easing of some restrictions Modified domestic demand rose by 15.1% YoY in Q2, led by a 19.4% YoY increase in consumer spending Employment rose by 9.8% YoY
*Domestic Demand - YoY% Consumer Spending - YoY % Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the	5.1 2.0 2.9 17.4	6.5 -2.7 -5.8 13.1	1.4 -12.2 -19.5	10.8 -2.8 -7.7	4.5 -2.2 -8.8	11.2 -5.3 -11.9	21.6 15.1 19.4	#N/A #N/A #N/A	Q2, due to base effects, and an easing of some restrictions Modified domestic demand rose by 15.1% YoY in Q2, led by a 19.4% YoY increase in consumer spending Employment rose by 9.8% YoY in Q3, as the economy reopened more fully. However,
*Domestic Demand - YoY% Consumer Spending - YoY % Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the EMPLOYMENT & EARNINGS	5.1 2.0 2.9 17.4 Multinational	6.5 -2.7 -5.8 13.1 Sector	1.4 -12.2 -19.5 5.8	10.8 -2.8 -7.7 0.0	4.5 -2.2 -8.8 1.0	11.2 -5.3 -11.9 4.7	21.6 15.1 19.4 12.2	#N/A #N/A #N/A	Q2, due to base effects, and an easing of some restrictions Modified domestic demand rose by 15.1% YoY in Q2, led by a 19.4% YoY increase in consumer spending Employment rose by 9.8% YoY in Q3, as the economy reopened more fully. However, base effects and government
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