



IRISH ECONOMY WATCH

16 June 2010

	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
MANUFACTURING								
Manufacturing Output Index : seas adj	102.1	95.4	93.0	114.0	112.1	114.3	100.8	#N/A
Mfg Output : 3 mma YoY %	-4.9	-4.3	-6.2	-4.0	3.7	8.7	5.4	#N/A
3mth / 3mth % seas. adj.	-4.5	-2.9	-7.1	-0.8	5.0	17.2	8.2	#N/A
NCB Manufacturing PMI	48.0	48.8	48.8	48.1	48.6	53.0	53.4	54.1
SERVICES / RETAIL								
NCB Services PMI	47.4	46.8	48.3	44.4	48.8	49.6	51.0	52.4
SIMI Car Registrations	1,526	520	304	16,595	12,306	13,813	8,544	8,677
- 12 mth cum total	57,508	57,384	57,500	58,296	61,719	67,768	71,939	75,530
- 3 mma YoY %	-40.7	-26.4	-8.9	4.7	17.4	31.6	64.9	80.2
Retail Sales Index	94.5	95.2	95.8	80.5	92.4	94.2	95.9	#N/A
- YoY %	-9.3	-8.5	-7.4	-3.8	3.0	3.5	6.0	#N/A
- 3mth / 3mth % seas. adj.	1.0	1.2	0.9	-4.1	-5.7	-6.4	4.1	#N/A
Ex Autos Index	102.2	102.0	101.8	102.4	102.7	104.5	104.3	#N/A
- YoY %	-6.8	-5.9	-6.3	-4.4	-3.3	-0.7	0.2	#N/A
- 3mth / 3mth % seas. adj.	-1.3	-1.5	-1.6	-0.8	-0.3	1.2	1.7	#N/A
CONSTRUCTION PMI: Ulster Bank								
- Housing Activity	34.6	34.3	33.1	36.1	40.4	42.3	42.5	40.0
- Commercial Activity	35.7	35.1	32.6	35.3	37.4	42.4	43.5	40.0
- Civil Engineering Activity	34.5	33.3	32.3	36.8	41.7	43.0	39.6	39.9
- Business Expectations	32.2	33.9	33.8	34.8	37.0	37.4	42.6	40.1
	51.2	49.4	48.3	58.4	56.0	55.7	60.3	62.1
RESIDENTIAL CONSTRUCTION ACTIVITY								
Housing Registrations: 3M Avg saar	4,150	3,621	3,617	2,742	2,163	1,612	1,668	2,653
- 3 Month Avg YoY %	-57.0	-57.0	-50.6	-56.7	-65.8	-63.2	-64.2	-25.4
Commencements: 3M Avg saar	8,170	7,785	6,255	5,582	6,027	6,717	#N/A	#N/A
- 3 Month Avg YoY %	-44.9	-42.5	-54.2	-53.8	-47.4	-30.5	#N/A	#N/A
Completions: Month	1,997	2,033	2,033	1,207	1,258	1,294	1,166	#N/A
- 12 Mth Total	30,265	28,021	26,420	24,968	23,613	22,568	21,304	#N/A
MONTHLY HOUSE PRICE INDICATORS (See QUARTERLY DATA overleaf for permanent tsb/ESRI Index & other housing data)								
Daft Asking Prices: MoM %	-2.3	-3.1	-0.3	-0.6	-1.5	-1.8	#N/A	#N/A
- YoY %	-18.5	-18.5	-18.9	-18.1	-17.7	-18.2	#N/A	#N/A
Property Week: Dublin 3 Bed: MoM %	-1.9	-1.4	-1.4	-1.1	-1.2	-0.7	-1.1	-1.2
-YoY%	-18.9	-18.9	-19.4	-18.4	-18.1	-17.1	-16.3	-15.2
CONSUMER PRICES YoY %								
- MoM %	-6.6	-5.7	-5.0	-3.9	-3.2	-3.1	-2.1	-1.1
	-0.2	0.0	-0.5	-0.6	0.4	0.1	0.2	0.6
HICP - YoY %	-2.8	-2.8	-2.6	-2.4	-2.4	-2.4	-2.5	-1.9
- MoM %	-0.2	-0.1	-0.5	-0.7	0.2	0.1	0.0	0.3

Manufacturing output dropped back in April after very strong Q1 performance ... Manufacturing PMI, though, at 32 month high and indicates continuing growth in the sector

The services PMI is at its best level since December 2007, building on April's break through the 50 level

Car sales have surged in the first five months of 2010 with the help of the scappage scheme ...

... while April core retail sales showing yoy growth for first time since March 2008

The construction sector remains weak and the PMI (while off its extreme lows) has now been below the 50 level for 3 years

Expectations component, though, well above the key 50 level for last five months, improving further in May

Registration and commencement data, though, point to a further fall in housing output in 2010 - 2011

Monthly indicators suggest that house prices remain under downward pressure

Falling prices have helped to improve Ireland's competitiveness... but rate of deflation is moderating

Sources: Thomson Datastream, CSO, Department of Finance, DoEHLG, HomeBond, Premier Guarantee, SIMI

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	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
PERSONAL								
KBC/ESRI Consumer Confidence	54.2	53.6	53.3	64.6	59.4	61.9	65.6	65.3
- Consumer Expectations	40.4	37.7	40.1	49.0	46.3	44.5	53.7	53.7
Household Credit Growth YoY %								
- Personal Sector Credit	-3.7	-5.4	-7.6	-8.6	-8.9	-9.3	-9.3	#N/A
- Mortgage Lending	0.2	-0.1	-0.3	-0.7	-0.9	-1.4	-1.6	#N/A
LABOUR MARKET								
Live Register	425,400	426,800	428,900	434,700	432,400	433,000	432,500	439,100
- Change In Month	-2,000	+1,400	+2,100	+5,800	-2,300	+600	-500	+6,600
Unemployment Rate %	12.8	13.1	13.2	13.4	13.4	13.4	13.4	13.7
Redundancies	6,561	5,891	4,121	6,635	5,668	5,508	5,744	5,032
-12 Mth Total	75,600	76,230	77,001	77,048	76,504	74,332	72,945	70,029
PMI Employment Indices								
- NCB Manufacturing	44.1	44.5	45.4	45.4	46.1	46.9	47.2	51.8
- NCB Services	41.2	40.6	42.8	43.1	42.2	44.7	44.1	46.8
- Ulster Bank Construction	35.1	34.3	34.2	34.1	36.7	38.4	37.8	38.4
MERCHANDISE TRADE								
Export Values - 3M / 3M %	-7.1	-6.0	-10.8	-4.4	1.7	12.5	#N/A	#N/A
- 3MMA YoY %	-7.9	-9.5	-14.0	-10.4	-7.7	-5.1	#N/A	#N/A
Import Values - 3M / 3M %	-8.4	-3.3	-3.2	0.2	-2.0	2.3	#N/A	#N/A
- 3MMA YoY %	-25.1	-22.1	-18.7	-14.7	-14.0	-12.2	#N/A	#N/A
PUBLIC FINANCES								
Total Tax Receipts: Cum YTD %	-17.1	-20.8	-19.0	-17.7	-17.7	-15.0	-10.8	-10.4
Voted Spending : Cum YTD %	-1.6	-2.5	-4.4	-12.9	-10.2	-9.2	-8.1	-8.9
Exchequer Bal: 12 Mth Total €m	-24,439	-26,892	-24,641	-24,674	-24,963	-24,862	-24,286	-21,920

Consumer confidence consolidated recent gains in May, with 3 Mth Avg at its highest since January 08

Mortgage lending as well as personal sector credit contracting YoY

Live Register jumped in May with unemployment rate at new cyclical high ... but downward revision expected after quarterly survey data shows Q1 rate at 12.9%

Level of redundancies, appears to be on downtrend ... while PMIs point to growth in manufacturing employment

Strong start to year for goods exports which had weakened in H2 2009 ... big decline in imports on sharp fall in domestic spending and stocks

Tax take remains below target, but spending cutbacks are helping to stabilise the budget deficit

	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10
QUARTERLY DATA								
GDP - YoY %	-1.0	-8.0	-8.7	-7.4	-7.1	-5.1	#N/A	#N/A
Total Exports - Volume YoY %	-0.9	-3.9	-3.0	-2.5	-2.6	-1.2	#N/A	#N/A
Total Imports - Volume YoY %	-2.0	-7.8	-10.6	-7.1	-11.9	-7.5	#N/A	#N/A
EMPLOYMENT & EARNINGS *								
Employment YoY %	-2.0	-3.9	-7.5	-8.3	-8.8	-8.1	-5.5	#N/A
Labour Force YoY %	0.6	-0.7	-2.0	-1.6	-2.8	-3.1	-2.5	#N/A
Average Earnings YoY %								
- Hourly ^	3.9	4.2	4.2	2.4	1.8	#N/A	#N/A	#N/A
- Weekly ^	6.7	4.8	0.7	-0.6	-0.8	#N/A	#N/A	#N/A
Weekly Earnings YoY %								
- Private Sector #	1.8	3.1	-1.7	-2.9	-2.7	#N/A	#N/A	#N/A
- Public Sector ~	2.9	3.2	3.2	1.7	1.9	#N/A	#N/A	#N/A

* Series Break in Q1 2009 : ^ Previously Industrial : # Previously Distributive & Business Services : ~ Previously excluded Health Sector Workers

Pace of decline in GDP eased over the course of 2009

Pace of contraction in employment slowing ... lower participation major factor behind labour force decline

Decelerating growth in hourly earnings - but fall in number of hours worked pushes weekly earnings into negative territory

	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10
HOUSING MARKET								
Permanent tsb/ESRI House Price Index								
- QoQ %	-1.5	-2.4	-4.3	-3.9	-3.9	-7.7	-4.8	#N/A
- YoY %	-10.1	-8.8	-11.0	-11.6	-13.8	-18.5	-18.9	#N/A
- Average Value €	270,461	263,886	252,459	242,593	233,137	215,086	204,830	#N/A
Rents : CSO Private Rent Index (Value at Mid Month in Quarter)								
- QoQ %	-3.4	-7.1	-6.8	-4.3	-2.8	-2.4	-0.7	1.2
- YoY %	-0.6	-9.7	-16.8	-19.9	-19.4	-15.4	-9.8	-4.7
Affordability: Couple on Avg Industrial Wage, 92% LTV, 30 Yr Mortgage, AIB Mortgage Rate, permanent tsb/ESRI house price Mortgage Cost as % of Disposable Income	27.2	23.8	20.7	19.6	19.8	18.2	17.5	#N/A

permanent tsb/ESRI index shows house prices down 34% from peak at Q1 2010 ... but rents could be stabilising, with the first quarterly increase since Feb 08 in the 3 months to May

Repayment affordability has improved substantially, back to early 1996 levels