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Bank of Ireland economic pulse

February 2019



Regional
Pulse

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“The Regional Pulse readings were relatively subdued in February amid Brexit worries, with infrastructure also a concern.”

Dr Loretta O’Sullivan,
Group Chief Economist, Bank of Ireland

The Bank of Ireland Regional Pulses combine the views of households and firms around the country. The results for February 2019 (3 month moving average basis) show that sentiment was little changed on the month in Dublin, the Rest of Leinster and Munster but up a bit in Connacht/Ulster.

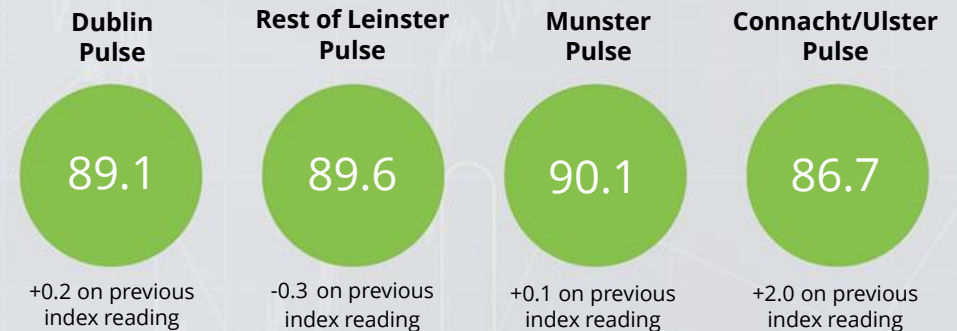
Brexit was on minds again this month, with households downgrading their assessment of the economy and over eight in ten firms indicating that they expect it to have a negative impact on their region. The data also point to infrastructure headwinds for businesses, with transport called out by firms as the priority area for investment in Connacht/Ulster and housing topping the list elsewhere.

KEY POINTS

- Regional Pulses broadly unchanged
- Brexit uncertainty weighing
- Infrastructure also a concern

REGIONAL PULSES

Three Month Moving Averages



Rest of Leinster refers to Leinster excluding Dublin. Ulster only refers to Cavan, Donegal and Monaghan.

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GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	11%	7%	7%	8%
↖	38%	40%	36%	39%
No Change	20%	21%	26%	22%
↘	17%	17%	18%	16%
↙	11%	12%	11%	12%
Balance	+10%	+7%	+5%	+7%
Change on previous reading	-7	-10	-14	-2

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	7%	6%	4%	3%
↖	19%	20%	19%	18%
No Change	54%	56%	58%	58%
↘	15%	10%	14%	15%
↙	3%	8%	4%	6%
Balance	+7%	+3%	+2%	-1%
Change on previous reading	-1	0	-8	-1

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	7%	3%	4%	5%
↖	19%	23%	21%	21%
No Change	25%	22%	22%	19%
↘	31%	30%	30%	31%
↙	12%	17%	17%	16%
Balance	-11%	-17%	-18%	-17%
Change on previous reading	-7	-14	-19	-4

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	7%	4%	5%	6%
↖	34%	27%	27%	31%
No Change	42%	49%	55%	46%
↘	11%	14%	6%	11%
↙	4%	3%	4%	3%
Balance	+15%	+8%	+11%	+13%
Change on previous reading	-4	-2	-1	+3

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House Price and Rents Expectations

DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	27%	32%
1% - 5%		42%	38%
Stay more or less the same		22%	24%
1% - 5%	↓ Decrease	5%	2%
> 5%		2%	0%
Balance		+43%	+50%
Change on previous reading		-8	0

REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	23%	27%
1% - 5%		45%	43%
Stay more or less the same		24%	25%
1% - 5%	↓ Decrease	4%	1%
> 5%		2%	1%
Balance		+41%	+47%
Change on previous reading		-3	+2

MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	26%	25%
1% - 5%		41%	39%
Stay more or less the same		27%	33%
1% - 5%	↓ Decrease	2%	0%
> 5%		1%	1%
Balance		+45%	+43%
Change on previous reading		-3	-1

CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	17%	21%
1% - 5%		38%	38%
Stay more or less the same		34%	36%
1% - 5%	↓ Decrease	5%	1%
> 5%		2%	1%
Balance		+32%	+39%
Change on previous reading		-10	-6

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+22%	0
Rest of Leinster	+18%	-8
Munster	+14%	-5
Connacht/Ulster	+8%	-14

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+40%	+2
Rest of Leinster	+43%	+17
Munster	+38%	+4
Connacht/Ulster	+36%	+5

JOBS

Past 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+3%	-1
Rest of Leinster	+6%	+2
Munster	+2%	-3
Connacht/Ulster	+4%	0

JOBS

Next 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+14%	+1
Rest of Leinster	+11%	-2
Munster	+15%	+4
Connacht/Ulster	+12%	+1

Background

THE ECONOMIC PULSE

Bank of Ireland's new economic indicator for Ireland – the Economic Pulse – is based on a series of surveys. Each month households and firms are asked for their views on a wide range of topics including the economy, their financial situation, spending plans, house price expectations, business activity and hiring intentions. Key business sectors such as industry, services, retail and construction are covered, as well as regions. The information gathered is combined into high level indices, with responses to individual questions also provided along with analysis and insights.

GATHERING THE DATA

Ipsos MRBI are undertaking the fieldwork for the surveys on behalf of Bank of Ireland. A best practice approach to data collection and methodology has been adopted within a harmonised EU framework.

1000 households, 300 firms in industry, 1000 services firms, 400 retailers and 200 construction firms participate in the surveys each month.

USING THE INFORMATION

Business and consumer surveys provide essential information for economic surveillance, short-term forecasting and research.

They are also useful for policymakers, as well as helping firms with business planning.

Survey data are a key complement to official statistics, with high frequency and timeliness among their main qualities.

THE EU DIMENSION

Bank of Ireland is partnering with the European Commission on the surveys. The data collected feed into the Joint Harmonised EU Programme of Business and Consumer Surveys. This is a Europe-wide sentiment study which has been running since the 1960s. The data generated within this framework are particularly useful for monitoring economic developments at EU and Euro area level and also allow the situation in Ireland to be compared with that of other Member States.

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Note: Balances are calculated as the difference between positive and negative responses (using weighted averages for questions with multiple options).

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