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Bank of Ireland economic pulse

June 2017



Regional
Pulse

Regional Pulse

June 2017

"Similar to the headline Economic Pulse, the Regional Pulses are still off their pre-Brexit levels a year on from the UK vote to leave the EU."

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

The Bank of Ireland Regional Pulses combine the views of consumers and firms in different parts of the country. The results for June 2017 show that sentiment (three month moving average basis) was up in Dublin, broadly unchanged in the Rest of Leinster and Connacht/Ulster but down in Munster.

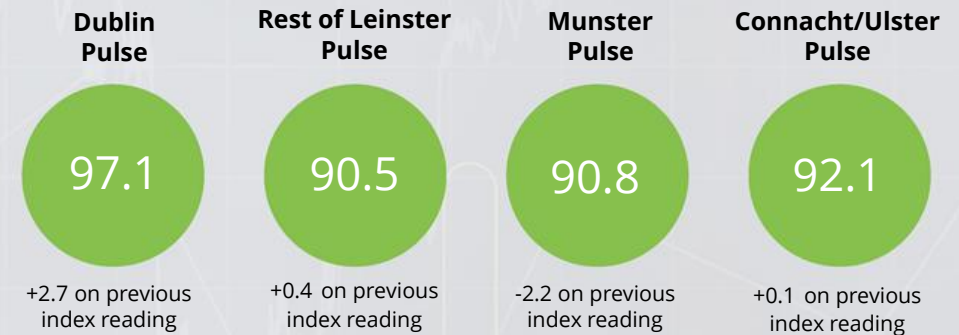
Munster households aside, consumers were generally more upbeat about the economy and their own finances this month. Firms were more subdued about near term prospects however, especially for business activity. On the housing front, price expectations remained in firm positive territory countrywide, though readings were slightly softer in June in all regions apart from the Rest of Leinster.

KEY POINTS

- Regional picture mixed again in June
- Dublin Pulse strengthens
- Munster Pulse falls back

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%	8%	9%	9%
⬆️	52%	52%	55%	49%
No Change	20%	21%	16%	21%
⬆️	9%	12%	7%	10%
⬇️	4%	5%	11%	7%
Balance	+28%	+23%	+22%	+22%
Change on previous reading	+7	+6	-5	+5

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	3%	6%	3%	7%
⬆️	23%	18%	23%	21%
No Change	53%	54%	48%	52%
⬆️	14%	14%	14%	12%
⬇️	5%	6%	11%	8%
Balance	+3%	+2%	-4%	+3%
Change on previous reading	+1	+2	-6	+8

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	12%	7%	9%	6%
⬆️	42%	49%	45%	41%
No Change	27%	25%	28%	29%
⬆️	13%	12%	11%	9%
⬇️	2%	5%	4%	5%
Balance	+25%	+21%	+23%	+17%
Change on previous reading	+5	+2	+7	0

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	6%	7%	4%	9%
⬆️	38%	32%	32%	23%
No Change	43%	48%	49%	54%
⬆️	9%	9%	9%	7%
⬇️	1%	3%	3%	3%
Balance	+19%	+15%	+13%	+14%
Change on previous reading	+6	+4	-1	-1

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House Price and Rent Expectations

DUBLIN

Next 12 Months

Change	House Prices	Rents
> 5% 	48%	37%
1% - 5% 	35%	39%
Stay more or less the same	9%	19%
1% - 5% 	1%	0%
> 5% 	2%	1%
Balance	+62%	+55%
Change on previous reading	-3	-2




REST OF LEINSTER

Next 12 Months

Change	House Prices	Rents
> 5% 	37%	33%
1% - 5% 	46%	38%
Stay more or less the same	13%	21%
1% - 5% 	1%	0%
> 5% 	1%	1%
Balance	+58%	+51%
Change on previous reading	+1	+2





MUNSTER

Next 12 Months

Change	House Prices	Rents
> 5% 	34%	22%
1% - 5% 	38%	48%
Stay more or less the same	21%	26%
1% - 5% 	2%	0%
> 5% 	1%	0%
Balance	+51%	+45%
Change on previous reading	-2	-6

CONNACHT/ULSTER

Next 12 Months

Change	House Prices	Rents
> 5% 	26%	24%
1% - 5% 	47%	40%
Stay more or less the same	19%	26%
1% - 5% 	1%	0%
> 5% 	2%	1%
Balance	+46%	+43%
Change on previous reading	-1	+3

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+25%	-2
Rest of Leinster	+20%	-6
Munster	+20%	-5
Connacht/Ulster	+25%	-3

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+29%	-13
Rest of Leinster	+35%	-9
Munster	+35%	-4
Connacht/Ulster	+41%	-10

JOBS

Past 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+14%	+2
Rest of Leinster	+9%	+2
Munster	+8%	0
Connacht/Ulster	+14%	+5

JOBS

Next 3 Months	Change on previous reading	
	Balance	Change on previous reading
Dublin	+14%	-5
Rest of Leinster	+14%	+2
Munster	+11%	-4
Connacht/Ulster	+13%	-3

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, 500 firms in industry, 800 services firms, 500 retailers and 250 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 will 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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