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Bank of Ireland economic pulse

November 2017

 Regional
Pulse

Regional Pulse

November 2017

“The weak pound is a headwind for retailers in the Connacht/Ulster region in particular, with some Christmas shopping likely to be done over the Border.”

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

The Bank of Ireland Regional Pulses bring together the views of consumers and businesses in the different parts of the country. The 3 month moving averages show that sentiment was up in Dublin in November 2017, broadly unchanged in Munster but down in the Rest of Leinster and Connacht/Ulster.

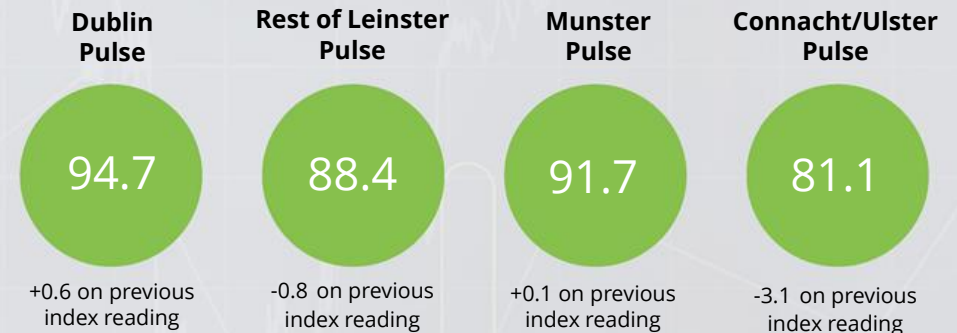
Households were less upbeat about the economic outlook this month, especially in Connacht/Ulster, whereas firms’ near-term expectations for business activity and hiring were little changed in all regions. With the festive season getting underway, retailers in Connacht/Ulster were a bit more downbeat than elsewhere though, with 20% expecting their Christmas turnover to be down on last year, double the figure for Dublin.

KEY POINTS

- Mixed regional picture in November
- Dublin Pulse leading the way
- Connacht/Ulster Pulse bringing up the rear

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
⬆️	13%	9%	8%	7%
⬆️	54%	53%	45%	42%
No Change	19%	21%	29%	28%
⬆️	7%	11%	10%	12%
⬇️	5%	4%	5%	10%
Balance	+32%	+25%	+21%	+12%
Change on previous reading	+10	-5	+1	-10

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	6%	4%	4%	6%
⬆️	21%	25%	20%	23%
No Change	56%	54%	56%	51%
⬆️	11%	13%	13%	14%
⬇️	4%	4%	6%	5%
Balance	+7%	+6%	+1%	+6%
Change on previous reading	-4	+2	0	+4

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	7%	8%	6%	6%
⬆️	47%	47%	42%	44%
No Change	28%	27%	30%	30%
⬆️	8%	11%	12%	8%
⬇️	6%	4%	5%	9%
Balance	+20%	+22%	+16%	+15%
Change on previous reading	-4	-5	-7	-11

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	9%	8%	6%	4%
⬆️	32%	26%	27%	35%
No Change	43%	59%	51%	45%
⬆️	9%	5%	10%	11%
⬇️	3%	1%	4%	3%
Balance	+18%	+17%	+10%	+13%
Change on previous reading	+3	+3	+1	0

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House Price and Rents Expectations

DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	51%	43%
1% - 5%		37%	35%
Stay more or less the same		8%	17%
1% - 5%	↓ Decrease	1%	1%
> 5%		1%	0%
Balance		+69%	+59%
Change on previous reading		+2	-1

REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	39%	29%
1% - 5%		41%	44%
Stay more or less the same		16%	22%
1% - 5%	↓ Decrease	1%	1%
> 5%		1%	0%
Balance		+58%	+50%
Change on previous reading		-6	-3

MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	35%	29%
1% - 5%		43%	37%
Stay more or less the same		19%	27%
1% - 5%	↓ Decrease	0%	1%
> 5%		1%	0%
Balance		+56%	+47%
Change on previous reading		-4	-5

CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	27%	23%
1% - 5%		39%	41%
Stay more or less the same		28%	30%
1% - 5%	↓ Decrease	2%	1%
> 5%		0%	1%
Balance		+46%	+41%
Change on previous reading		-3	+1

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+29%	-5
Rest of Leinster	+23%	0
Munster	+21%	-3
Connacht/Ulster	+18%	-2

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+40%	-2
Rest of Leinster	+32%	+1
Munster	+32%	-2
Connacht/Ulster	+22%	+1

JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+12%	+4
Rest of Leinster	+10%	+4
Munster	+7%	0
Connacht/Ulster	+5%	-4

JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+17%	+1
Rest of Leinster	+11%	-2
Munster	+8%	+2
Connacht/Ulster	+5%	-2

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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