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Bank of Ireland 
economic pulse

September 2016

 Regional
Pulse

Regional Pulse

September 2016

“Households across the different regions generally remain optimistic about prospects for the economy and their own finances.”

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

The Bank of Ireland Regional Pulses combine the views of consumers and firms around the country. The 3 month moving averages show that sentiment was down across the board in September 2016. As the Pulses are calculated on a 3 month moving average basis, the large drop in confidence in July following the UK’s decision to leave the EU is still having an impact.

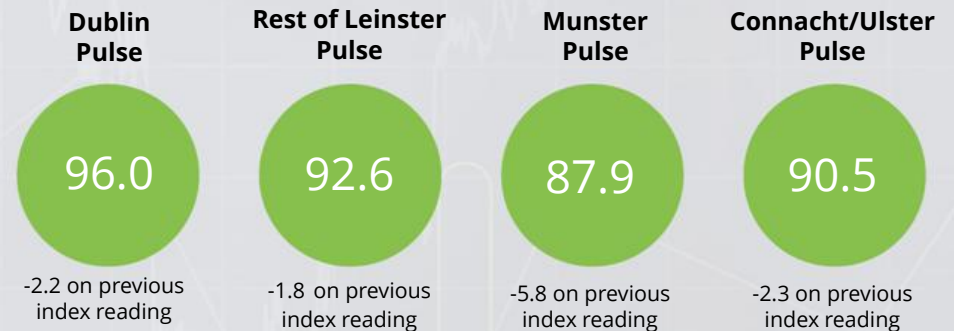
Munster households led the way in terms of positivity around the economic outlook this month, but scaled back their assessment of their own financial prospects, as did households in Dublin. Expectations for near term business activity were softer in each region in September, though the jobs outlook improved in all but Munster.

KEY POINTS

- Regional Pulse readings down in September
- Dublin still ahead
- House price and rent expectations in positive territory

REGIONAL PULSES

Three Month Moving Averages



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

Regional Pulse

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GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	7%	9%	6%	2%
⬆️	54%	53%	56%	49%
No Change	18%	20%	22%	27%
⬆️	10%	9%	7%	10%
⬇️	10%	7%	7%	9%
Balance	+19%	+24%	+23%	+13%
Change on previous reading	-6	+12	+3	0

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	6%	5%	3%	3%
⬆️	20%	18%	19%	18%
No Change	55%	52%	57%	53%
⬆️	14%	15%	13%	15%
⬇️	5%	8%	8%	11%
Balance	4%	-2%	-1%	-6%
Change on previous reading	-4	+4	+3	0

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	6%	10%	7%
⬆️	48%	45%	46%	39%
No Change	26%	31%	27%	37%
⬆️	10%	9%	10%	11%
⬇️	4%	6%	3%	2%
Balance	+23%	+18%	+25%	+18%
Change on previous reading	+1	0	+12	+5

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	6%	6%	3%	4%
⬆️	26%	28%	23%	24%
No Change	53%	51%	57%	54%
⬆️	9%	10%	10%	13%
⬇️	3%	3%	4%	3%
Balance	+12%	+12%	+5%	+7%
Change on previous reading	-8	+2	-5	+3

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House Price and Rents Expectations

DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	37%	33%
1% - 5%		39%	37%
Stay more or less the same		19%	23%
1% - 5%	↓ Decrease	2%	1%
> 5%		0%	0%
Balance		+56%	+51%
Change on previous reading		+8	0

REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	25%	26%
1% - 5%		45%	38%
Stay more or less the same		25%	31%
1% - 5%	↓ Decrease	2%	1%
> 5%		1%	0%
Balance		+46%	+45%
Change on previous reading		+2	+5

MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	29%	27%
1% - 5%		37%	33%
Stay more or less the same		30%	32%
1% - 5%	↓ Decrease	2%	2%
> 5%		1%	1%
Balance		+46%	+42%
Change on previous reading		-2	-3

CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	18%	19%
1% - 5%		36%	34%
Stay more or less the same		38%	43%
1% - 5%	↓ Decrease	4%	0%
> 5%		3%	0%
Balance		+32%	+35%
Change on previous reading		0	+4

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+32%	+6
Rest of Leinster	+26%	+2
Munster	+25%	+2
Connacht/Ulster	+32%	+7

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+46%	-3
Rest of Leinster	+38%	-5
Munster	+31%	-2
Connacht/Ulster	+31%	-4

JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+13%	-4
Rest of Leinster	+8%	-3
Munster	+11%	0
Connacht/Ulster	+17%	+2

JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+18%	+2
Rest of Leinster	+14%	+2
Munster	+6%	-3
Connacht/Ulster	+11%	+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, 800 firms in industry, 800 services firms, 250 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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