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Bank of Ireland economic pulse

April 2020



Regional
Pulse

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April 2020

“With the country entering full lockdown, the Regional Pulses were dealt a heavy blow in April”.

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

The Bank of Ireland Regional Pulses bring together the views of households and firms around the country. The results for April 2020 (3 month moving average basis) show that sentiment was down on the month across the board.

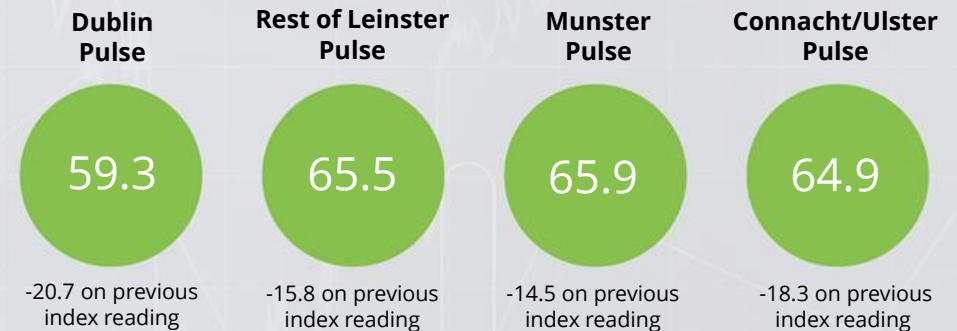
With the COVID-19 pandemic and the policy actions being taken to contain the spread of the virus upending normal life and day-to-day commerce, firms in all regions were extremely downbeat about business activity and hiring this month, while households in all regions were very uneasy about the economy and their own financial prospects and also lowered their expectations for future house price and rent gains.

KEY POINTS

- Big fall in Regional Pulses in April
- All four series hit historic lows
- COVID-19 concerns to the fore

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
↗	10%	9%	11%	9%
↖	24%	32%	29%	23%
No Change	19%	17%	17%	18%
↘	12%	12%	15%	20%
↙	32%	30%	27%	28%
Balance	-16%	-11%	-9%	-17%
Change on previous reading	-20	-14	-10	-18

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	5%	6%	5%	2%
↖	17%	17%	16%	14%
No Change	60%	63%	61%	66%
↘	11%	10%	9%	12%
↙	7%	4%	8%	6%
Balance	+1%	+5%	0%	-3%
Change on previous reading	-3	+10	-7	-6

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	5%	5%	2%	2%
↖	9%	8%	11%	9%
No Change	5%	4%	4%	1%
↘	22%	19%	21%	29%
↙	55%	63%	59%	57%
Balance	-57%	-64%	-63%	-65%
Change on previous reading	-44	-52	-45	-45

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	2%	4%	3%	3%
↖	14%	11%	11%	9%
No Change	45%	42%	42%	43%
↘	24%	28%	27%	26%
↙	10%	12%	13%	19%
Balance	-13%	-17%	-18%	-25%
Change on previous reading	-25	-26	-23	-29

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House Price and Rents Expectations

DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	4%	6%
1% - 5%		11%	13%
Stay more or less the same		20%	34%
1% - 5%	↓ Decrease	25%	22%
> 5%		36%	19%
Balance		-39%	-17%
Change on previous reading		-57	-47

REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	4%	5%
1% - 5%		13%	13%
Stay more or less the same		23%	45%
1% - 5%	↓ Decrease	24%	22%
> 5%		36%	11%
Balance		-37%	-10%
Change on previous reading		-57	-40

MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	4%	5%
1% - 5%		8%	13%
Stay more or less the same		37%	46%
1% - 5%	↓ Decrease	23%	17%
> 5%		24%	13%
Balance		-27%	-10%
Change on previous reading		-48	-40

CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	4%	4%
1% - 5%		12%	16%
Stay more or less the same		29%	52%
1% - 5%	↓ Decrease	25%	15%
> 5%		28%	9%
Balance		-31%	-5%
Change on previous reading		-46	-33

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	-57%	-58
Rest of Leinster	-56%	-61
Munster	-58%	-52
Connacht/Ulster	-64%	-58

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	-33%	-28
Rest of Leinster	-41%	-52
Munster	-42%	-41
Connacht/Ulster	-53%	-60

JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	-28%	-31
Rest of Leinster	-31%	-33
Munster	-37%	-39
Connacht/Ulster	-41%	-40

JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	-16%	-20
Rest of Leinster	-18%	-23
Munster	-20%	-19
Connacht/Ulster	-24%	-25

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.

Contact us at

EconomicPulse@boi.com

Dr Loretta O'Sullivan,
Group Chief Economist,
+353 (0) 766 244 267

Conn Creedon,
Senior Economist,
+353 (0) 766 235 134

Patrick Mullane,
Senior Economist,
+353 (0) 766 244 269

Mark Leech,
Media Relations Manager,
+353 (0) 766 234 773

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

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