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Bank of Ireland economic pulse

June 2016

 Regional
Pulse

Regional Pulse

June 2016

“The Regional Pulses point to a broad based improvement in sentiment, with the 3 month moving averages up in Dublin, the Rest of Leinster, Munster and Connacht/Ulster in June.”

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 3 month moving averages show a rise in sentiment in all four regions in June 2016.

Households in Dublin, the Rest of Leinster and Connacht/Ulster were more positive about the economic outlook this month, while households in Munster significantly upgraded their assessment of their own financial prospects.

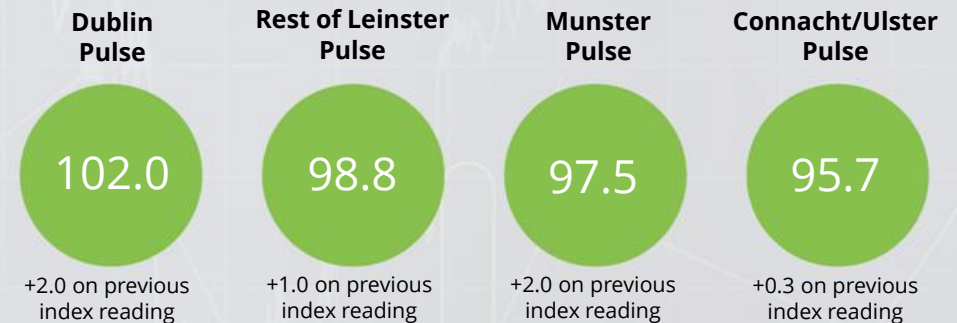
In contrast, the outlook for business activity was softer in each region in June, though the number of firms expecting an increase in activity over the coming months continued to exceed those expecting a fall.

KEY POINTS

- Regional Pulse readings up in June
- Munster households more upbeat about their own financial prospects
- House price and rent expectations positive, Dublin ahead

REGIONAL PULSES

Three Month Moving Averages



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

Note: The June surveys were conducted prior to the UK's EU referendum.

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GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	11%	9%	7%	7%
↖	45%	48%	51%	44%
No Change	23%	23%	25%	24%
↘	12%	11%	6%	13%
↙	8%	7%	9%	10%
Balance	+20%	+21%	+21%	+12%
Change on previous reading	-1	+3	+3	0

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	4%	5%	4%	3%
↖	22%	22%	22%	18%
No Change	49%	54%	52%	49%
↘	19%	14%	11%	19%
↙	5%	4%	9%	11%
Balance	0%	5%	0%	-9%
Change on previous reading	0	+7	+2	-9

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	10%	9%	9%	6%
↖	53%	50%	49%	52%
No Change	21%	27%	28%	29%
↘	10%	8%	6%	9%
↙	3%	4%	5%	3%
Balance	+29%	+26%	+26%	+24%
Change on previous reading	+7	+4	0	+3

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	6%	7%	10%	7%
↖	32%	30%	34%	23%
No Change	49%	48%	46%	53%
↘	8%	9%	6%	10%
↙	3%	2%	1%	4%
Balance	+16%	+16%	+23%	+10%
Change on previous reading	0	-1	+12	-2

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House Price and Rents Expectations

DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	38%	36%
1% - 5%		39%	33%
Stay more or less the same		17%	25%
1% - 5%	↓ Decrease	1%	0%
> 5%		0%	1%
Balance		+57%	+52%
Change on previous reading		+3	-1

REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	26%	32%
1% - 5%		45%	34%
Stay more or less the same		22%	30%
1% - 5%	↓ Decrease	2%	1%
> 5%		3%	0%
Balance		+45%	+48%
Change on previous reading		+5	+5

MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	26%	23%
1% - 5%		42%	39%
Stay more or less the same		27%	34%
1% - 5%	↓ Decrease	2%	1%
> 5%		1%	1%
Balance		+46%	+41%
Change on previous reading		+1	-2

CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	24%	22%
1% - 5%		32%	30%
Stay more or less the same		37%	38%
1% - 5%	↓ Decrease	5%	2%
> 5%		1%	1%
Balance		+37%	+34%
Change on previous reading		-2	0

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+37%	0
Rest of Leinster	+31%	+4
Munster	+29%	-3
Connacht/Ulster	+32%	0

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+42%	-8
Rest of Leinster	+43%	-9
Munster	+42%	-3
Connacht/Ulster	+46%	-8

JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+17%	0
Rest of Leinster	+8%	-1
Munster	+14%	+4
Connacht/Ulster	+13%	+1

JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+21%	-1
Rest of Leinster	+15%	-1
Munster	+16%	-1
Connacht/Ulster	+17%	-4

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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