

# International Economy Watch

31 August 2015



AIB Treasury Economic Research Unit

	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15
<b>GDP</b>															
<b>QoQ % Change</b>															
US	1.1	0.7	0.5	0.1	0.0	0.5	0.3	0.7	0.9	-0.2	1.1	1.1	0.5	0.2	0.9
Eurozone	-0.3	-0.2	-0.3	-0.1	-0.3	-0.4	0.4	0.2	0.3	0.2	0.1	0.2	0.4	0.4	0.3
German	0.0	0.4	0.1	0.2	-0.5	-0.3	0.9	0.4	0.3	0.7	-0.1	0.2	0.6	0.3	0.4
French	0.2	0.0	-0.3	0.3	0.0	0.1	0.8	-0.1	0.2	-0.2	-0.1	0.2	0.1	0.7	0.0
UK	0.0	0.1	-0.2	0.8	-0.3	0.6	0.6	0.7	0.4	0.9	0.9	0.7	0.8	0.4	0.7
Japan	0.2	1.0	-0.5	-0.4	-0.1	1.3	0.6	0.6	-0.2	1.1	-1.9	-0.3	0.3	1.1	-0.4
<b>QoQ Seas Adj Annualised Rate</b>															
US	4.6	2.7	1.9	0.5	0.1	1.9	1.1	3.0	3.8	-0.9	4.6	4.3	2.1	0.6	3.7
Eurozone	-1.2	-0.6	-1.3	-0.5	-1.4	-1.4	1.5	0.7	1.1	0.9	0.4	0.7	1.4	1.5	1.3
German	-0.1	1.6	0.2	0.7	-1.9	-1.1	3.7	1.5	1.3	2.9	-0.2	0.8	2.5	1.4	1.8
French	1.0	0.2	-1.2	1.1	0.0	0.5	3.0	-0.5	0.9	-0.7	-0.5	0.9	0.4	2.7	0.0
UK	-0.1	0.3	-0.7	3.4	-1.3	2.4	2.6	2.9	1.6	3.6	3.7	2.9	3.4	1.5	2.7
Japan	0.9	4.2	-2.1	-1.5	-0.5	5.3	2.4	2.4	-0.8	4.5	-7.5	-1.3	1.4	4.5	-1.6
<b>YoY % Change</b>															
US	1.7	2.8	2.5	2.4	1.3	1.1	0.9	1.5	2.5	1.7	2.6	2.9	2.5	2.9	2.7
Eurozone	0.6	-0.5	-0.8	-0.9	-0.9	-1.1	-0.5	-0.2	0.5	1.1	0.8	0.8	0.9	1.0	1.2
German	2.4	0.9	0.8	0.6	0.1	-0.5	0.3	0.5	1.3	2.3	1.4	1.2	1.5	1.1	1.6
French	1.5	0.4	0.2	0.3	0.0	0.1	1.1	0.8	1.0	0.7	-0.2	0.2	0.1	0.9	1.0
UK	1.5	1.0	0.6	0.7	0.4	0.9	1.7	1.6	2.4	2.7	3.0	3.0	3.4	2.9	2.6
Japan	0.3	3.3	3.4	0.3	0.0	0.3	1.4	2.4	2.3	2.1	-0.5	-1.4	-0.8	-0.8	0.7

US GDP picks up to 3.7% on an annualised basis in Q2, from 0.6% in Q1. Improved performance in Q2 was broad based, with consumer spending remaining crucial

Eurozone growth slowed slightly to 0.3% in Q2, though the pace of YoY growth continued to pick up, now at 1.2%. Nationally, German growth remained moderate at just 0.4%. Growth in France was flat, while Italy (+0.2%) grew for a third consecutive quarter

Pace of growth in the UK rebounded to 0.7% in Q2, following Q1's 0.4% result. Pick up in growth supported by strong exports

Japanese economy contracted by 0.4% in Q2, impacted by lower exports and consumer spending—but YoY growth did rise to 0.7%



**Note:** All data sourced from Thomson Reuters, US Bureau of Economic Analysis, US Department of Commerce, Eurostat, Germany Federal Statistics Office, INSEE, ONS, Japanese Cabinet Office, Institute for Supply Management, European Commission, Ifo, German Centre for European Economic Research, ISTAT, Bank of Japan, Chinese National Bureau of Statistics, OECD, JP Morgan, Federal Reserve, Japanese Ministry of Economy, Trade and Industry, CPD Netherlands, US Census Bureau, Conference Board, University of Michigan, Gfk Group, US Bureau of Labor Statistics, Japanese Ministry of Internal Affairs, European Central Bank, Bundesagentur fur Arbeit, Japanese Ministry of Health and Labour, US National Association of Realtors, US National Association of Home Builders, UK Department of Community & Local Government, Bank of England, RICS, HBoS, Nationwide, Standard & Poor's, Dow Jones, STOXX, Deutsche Boerse, FTSE, NIKKEI, ICIS Pricing, London Bullion Market, Commodity Research Bureau.

# Leading Activity Indicators

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>US</b> - Manufacturing ISM	55.7	56.4	58.1	56.1	57.9	57.6	55.1	53.5	52.9	51.5	51.5	52.8	53.5	52.7	#NA
- Services ISM	56.3	57.9	58.6	58.1	56.9	58.8	56.5	56.7	56.9	56.5	57.8	55.7	56.0	60.3	#NA
- Business Activity	59.2	61.3	63.1	62.0	60.5	63.4	58.6	61.5	59.4	57.5	61.6	59.5	61.5	64.9	#NA
<b>Eurozone</b> - EC Econ. Sentiment	102.4	102.5	100.8	100.2	100.8	100.8	100.9	101.5	102.3	103.9	103.8	103.8	103.5	104.0	104.2
- German IFO	109.3	107.9	106.4	105.6	103.7	104.8	105.7	106.8	106.8	107.9	108.7	108.5	107.5	108.0	108.3
- German ZEW	29.8	27.1	8.6	6.9	-3.6	11.5	34.9	48.4	53.0	54.8	53.3	41.9	31.5	29.7	25.0
- French INSEE	97.5	97.1	96.2	96.0	97.5	98.6	99.2	99.7	99.5	98.9	101.8	102.6	100.4	102.5	102.9
- Italian ISTAT	100.6	100.5	97.6	98.2	99.2	99.6	99.6	100.0	100.4	103.6	103.9	103.3	103.8	103.5	102.5
<b>UK</b> - EC Economic Sentiment	119.7	116.5	115.7	114.8	113.0	113.3	113.3	113.9	113.8	111.1	113.1	113.2	109.4	112.9	113.5
- EC Industrial Sentiment	12.3	7.4	9.2	4.9	5.4	6.3	6.8	6.1	8.4	1.3	1.4	2.1	-0.8	0.7	-1.1
- EC Services Sentiment	30.4	30.3	22.6	23.3	21.3	22.0	16.6	18.7	15.1	14.2	18.8	22.0	9.0	17.5	26.9
<b>Japan</b> - Tankan Manufacturing	31	26	14	20	27	17	30	25	24	24	27	30	39	27	25
- Tankan Services	37	32	32	35	25	27	27	16	15	27	26	26	21	21	21
<b>China</b> - NBS Manufacturing PMI	51.0	51.7	51.1	51.1	50.8	50.3	50.1	49.8	49.9	50.1	50.1	50.2	50.2	50.0	#NA
- NBS Services PMI	55.0	54.2	54.4	54.0	53.8	53.9	54.1	53.7	53.9	53.7	53.4	53.2	53.8	53.9	#NA
<b>Global</b> - Manufacturing PMI	52.6	52.4	52.5	52.2	52.2	51.8	51.5	51.7	51.9	51.7	51.0	51.3	51.0	51.0	#NA
- Services PMI	55.8	56.0	55.5	55.2	53.6	53.4	52.5	53.0	54.1	55.2	54.8	54.0	53.6	53.9	#NA
- Composite PMI	55.4	55.6	55.2	54.8	53.5	53.2	52.4	53.0	53.9	54.8	54.2	53.6	53.1	53.4	#NA
- OECD Lead Indicator	100.4	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.2	100.2	100.1	100.0	100.0	#NA	#NA

US ISM surveys suggest that growth in the services sector remains strong, while manufacturing continues to struggle somewhat

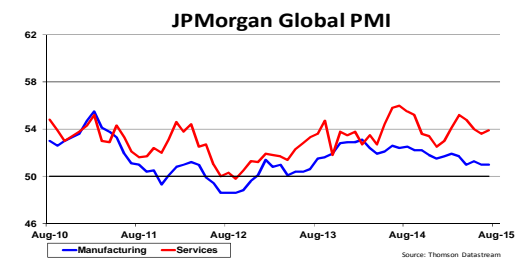
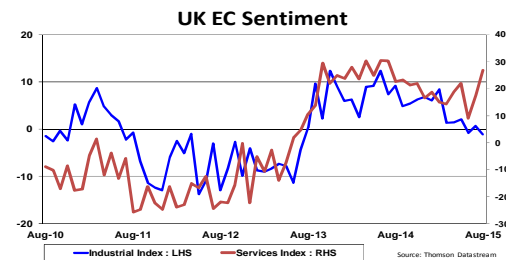
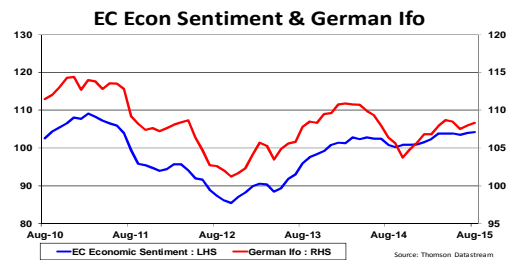
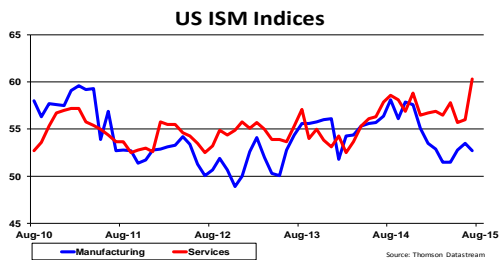
Eurozone EC economic sentiment index hits a 4yr high in August, but continues to suggest moderate pace of growth—backed up by national level data

UK EC economic sentiment rises again in August—services sector continues to improve, while industrial sector struggles

Japanese Tankan suggests business sentiment softer in Q3—may reflect some concerns over China

Chinese PMIs (esp. mfg index) remain quite subdued

Global composite PMI data indicate economy maintaining moderate pace of growth



# Industrial Output

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
<b>Industrial Production - Volume Indices</b>															
US	105.2	105.7	106.1	106.1	106.7	106.8	107.8	107.9	107.6	107.4	107.4	107.1	106.8	106.9	107.5
Eurozone (ex Construction)	100.9	100.6	101.6	100.4	101.1	101.1	101.3	101.8	102.0	103.0	102.5	102.5	102.3	101.9	#N/A
Germany (inc Construction)	106.9	107.4	108.9	105.9	107.6	107.8	108.0	109.1	109.0	109.0	108.6	109.3	109.5	108.0	#N/A
UK - Total	98.1	98.1	98.4	98.1	98.9	98.8	98.9	98.8	98.8	98.9	99.5	99.7	100.0	99.6	#N/A
- Manufacturing	100.2	100.9	101.1	101.1	101.7	101.1	101.9	102.1	101.3	101.8	102.2	101.9	101.2	101.4	#N/A
Japan	99.5	97.6	97.5	96.7	98.1	98.5	97.9	98.1	102.1	98.9	98.1	99.3	97.2	98.3	97.7
<b>MoM % Change</b>															
US	0.4	0.4	0.3	0.0	0.5	0.2	0.9	0.1	-0.3	-0.2	-0.1	-0.3	-0.3	0.1	0.6
Eurozone (ex Construction)	-1.0	-0.3	1.0	-1.2	0.7	0.1	0.2	0.5	0.2	1.0	-0.5	0.1	-0.2	-0.4	#N/A
Germany (inc Construction)	-1.2	0.5	1.4	-2.8	1.6	0.2	0.2	1.0	-0.1	0.0	-0.4	0.6	0.2	-1.4	#N/A
UK - Total	-0.5	0.0	0.3	-0.3	0.7	-0.1	0.2	-0.1	-0.1	0.2	0.6	0.2	0.3	-0.4	#N/A
- Manufacturing	-1.4	0.7	0.2	0.0	0.6	-0.7	0.8	0.2	-0.8	0.4	0.4	-0.4	-0.6	0.2	#N/A
Japan	0.3	-1.9	-0.1	-0.8	1.4	0.4	-0.6	0.2	4.1	-3.1	-0.8	1.2	-2.1	1.1	-0.6
<b>YoY % Change</b>															
US	3.7	4.0	4.8	4.0	3.9	4.1	4.7	4.6	4.5	3.5	2.6	2.1	1.5	1.1	1.3
Eurozone (ex Construction)	0.6	0.3	1.9	-0.5	0.3	0.8	-0.6	0.8	0.7	2.0	2.1	0.8	1.6	1.2	#N/A
Germany (inc Construction)	1.4	0.1	3.1	-2.0	0.4	1.2	-0.3	0.8	0.4	0.2	0.1	1.1	2.4	0.6	#N/A
UK - Total	1.9	0.9	1.4	1.5	0.9	1.2	1.6	1.2	1.5	0.4	1.1	1.0	1.9	1.5	#N/A
- Manufacturing	2.8	2.3	3.0	3.5	2.7	2.3	3.4	3.0	1.8	1.2	1.2	0.2	1.0	0.5	#N/A
Japan	1.0	3.2	-0.5	-3.0	1.0	-0.5	-3.7	-0.1	-2.6	-2.0	-1.7	0.1	-3.9	2.3	0.2
<b>World Industrial Production (CPB Netherlands Bureau for Economic Policy Analysis)</b>															
MoM %	-0.1	0.1	0.5	-0.5	1.1	0.0	0.3	0.6	-0.3	0.1	0.0	0.1	-0.3	0.7	#N/A
3 Mth / 3 Mth %	0.7	0.5	0.4	0.3	0.6	0.6	1.0	1.0	1.0	0.7	0.3	0.2	-0.1	0.1	#N/A
3 Mth Avg YoY %	3.5	3.4	3.4	3.1	3.1	3.0	3.1	3.1	2.9	2.7	2.4	2.2	2.0	2.0	#N/A
<b>Industrial Orders</b>															
<b>MoM % Change</b>															
US - Factory Goods	-1.4	1.6	10.8	-10.5	-1.0	-0.9	-0.7	-3.7	-0.4	-1.0	2.2	-0.7	-1.1	1.8	#N/A
Germany	-3.5	-0.2	6.0	-5.5	1.6	2.7	-2.3	3.3	-2.6	-1.0	1.1	2.2	-0.3	2.0	#N/A
Japan - Core Machinery (Value)	-16.4	0.8	7.4	2.3	2.4	-3.5	0.1	5.6	2.5	-1.4	2.9	3.8	0.6	-7.9	#N/A
<b>YoY % Change</b>															
US	1.3	3.8	17.8	3.5	3.8	2.0	-2.2	-2.4	-5.3	-6.9	-4.0	-6.5	-8.3	-4.5	#N/A
Germany	4.7	-4.1	6.9	-2.6	2.3	2.8	-1.5	6.3	-3.2	-2.5	6.3	1.4	-1.5	13.5	#N/A
Japan - Core Machinery (Value)	-14.3	-3.0	1.1	-3.3	7.3	-4.9	-14.6	11.4	1.9	5.9	2.6	3.0	19.3	16.6	#N/A

US industrial production rises in July after declining in Q2, boosted by strong growth in automobile manufacturing

Production in the Eurozone fell by 0.2% in Q2 after strong growth of 1% in Q1—reflects renewed decline in energy output. Manufacturing (excludes energy) rose by 0.2% in Q2

In contrast, UK output was boosted by increased energy output in Q2. Production grew by 0.7%, best performance since Q3 2013

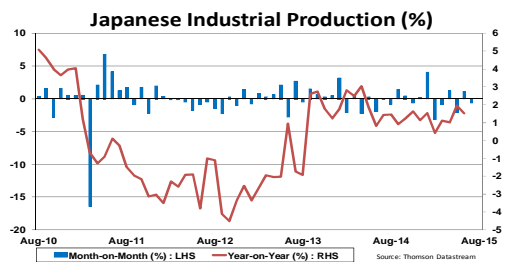
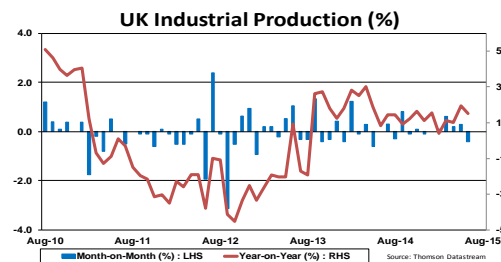
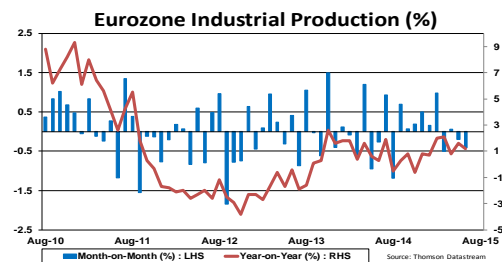
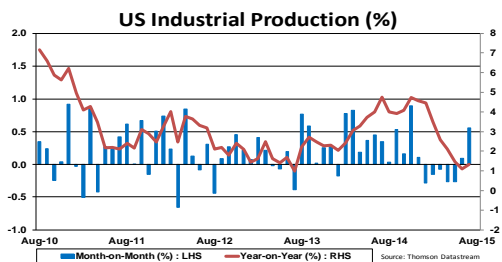
Japanese production remains volatile, though recent underlying trend has been negative. Production fell by 0.6% in July after declining by 1.4% in Q2

YoY pace of growth in global production continued to slow in Q2

US factory orders pick up in July (+1.8%) for only the second time in 12 months

German orders pick up by 3.1% in Q2 after declining by 1.5% in Q1

Japanese orders fall sharply in June after several months of gains, YoY growth strong



# Consumer Confidence & Retail Sales

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>CONSUMER CONFIDENCE INDICATORS</b>															
US - Conference Board	86.4	90.3	93.4	89.0	94.1	91.0	93.1	103.8	98.8	101.4	94.3	94.6	99.8	91.0	101.5
- Expectations	86.4	91.9	93.1	86.4	93.8	89.3	88.5	97.0	90.0	96.0	87.1	86.2	92.8	82.3	92.5
US - Univ. Michigan Sentiment	82.5	81.8	82.5	84.6	86.9	88.8	93.6	98.1	95.4	93.0	95.9	90.7	96.1	93.1	91.9
- Expectations	73.5	71.8	71.3	75.4	79.6	79.9	86.4	91.0	88.0	85.3	88.8	84.2	87.8	84.1	83.4
Eurozone - European Commission	-7.6	-8.4	-10.2	-11.5	-11.3	-11.6	-11.0	-8.5	-6.7	-3.7	-4.6	-5.6	-5.6	-7.2	-6.9
Germany - European Commission	4.3	3.9	0.3	-1.1	-0.7	-1.6	-1.4	0.0	-0.1	3.2	3.3	3.0	2.8	1.4	0.7
- Gfk Consumer Climate	8.6	8.9	8.9	8.6	8.4	8.5	8.7	9.0	9.3	9.7	10.0	10.1	10.2	10.1	10.1
France - INSEE	85.6	86.8	86.5	86.7	86.3	87.8	90.5	90.1	92.2	93.3	94.2	93.4	93.5	93.1	#N/A
UK - European Commission	7.4	4.8	6.6	3.5	5.2	2.6	3.1	3.0	3.9	5.6	6.9	1.1	5.1	3.0	2.8
- Gfk	1	-2	1	-1	-2	-2	-4	1	1	4	4	1	7	4	7

Some divergence between Michigan and Conf' Board surveys, but overall US consumer confidence remains strong in August

Eurozone consumer confidence edges lower in July/August

Likewise, EC UK consumer confidence data a bit softer in July/August

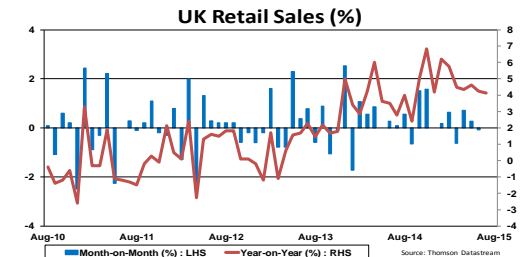
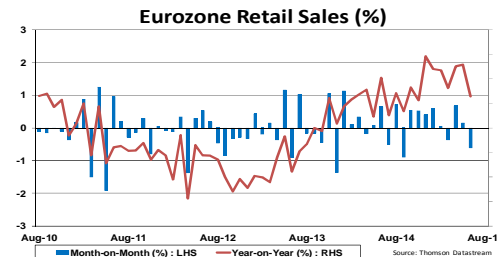
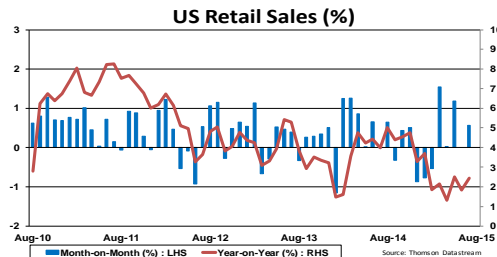
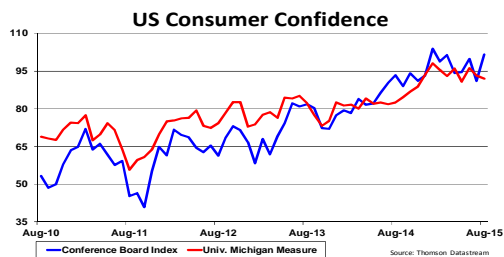
	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>RETAIL SALES</b>															
US - Headline (Value \$ m)	435,946	435,903	438,710	437,311	439,189	441,444	437,590	434,225	431,921	438,572	438,717	443,913	443,928	446,477	#N/A
- Ex Autos (Value \$ m)	349,575	349,176	350,425	349,935	350,940	351,692	348,678	344,769	344,404	348,016	347,631	351,113	352,476	353,724	#N/A
- Auto Sales (mln, s.a.a.r.)	16.74	16.45	17.22	16.42	16.46	17.02	16.80	16.63	16.32	17.06	16.70	17.63	16.95	17.47	#N/A
Eurozone (Volume Index)	98.5	98.0	98.7	97.8	98.3	98.8	99.2	99.8	99.9	99.5	100.2	100.3	99.7	#N/A	#N/A
UK (Volume Index)	106.2	106.3	106.9	106.2	107.8	109.5	109.5	109.7	110.4	109.7	110.5	110.8	110.7	110.7	#N/A
Japan (Value Index)	11,357	11,821	11,454	11,246	11,368	11,646	13,510	11,489	10,726	12,403	11,556	11,772	11,470	12,009	#N/A
<b>MoM %</b>															
US - Headline (Value)	0.7	0.0	0.6	-0.3	0.4	0.5	-0.9	-0.8	-0.5	1.5	0.0	1.2	0.0	0.6	#N/A
- Ex Autos (Value)	0.7	-0.1	0.4	-0.1	0.3	0.2	-0.9	-1.1	-0.1	1.0	-0.1	1.0	0.4	0.4	#N/A
Eurozone (Volume)	0.7	-0.5	0.7	-0.9	0.5	0.5	0.4	0.6	0.1	-0.4	0.7	0.1	-0.6	#N/A	#N/A
UK (Volume)	0.3	0.1	0.6	-0.7	1.5	1.6	0.0	0.2	0.6	-0.6	0.7	0.3	-0.1	0.0	#N/A
Japan (Value)	-0.6	4.1	-3.1	-1.8	1.1	2.4	16.0	-15.0	-6.6	15.6	-6.8	1.9	-2.6	4.7	#N/A
<b>YoY %</b>															
US - Headline (Value)	4.4	4.0	5.0	4.4	4.6	4.7	3.3	3.7	1.9	2.1	1.3	2.5	1.8	2.4	#N/A
- Ex Autos (Value)	4.1	3.3	4.1	3.5	3.6	3.8	2.0	1.7	0.7	1.0	0.1	1.1	0.8	1.3	#N/A
- Auto Sales (3MMA)	6.8	6.6	7.1	7.1	7.9	6.5	7.2	7.8	7.7	5.8	3.9	4.2	3.4	4.5	#N/A
Eurozone (Volume)	2.0	0.4	1.6	0.4	1.4	1.2	2.9	2.4	2.3	1.6	2.6	2.6	1.2	#N/A	#N/A
UK (Volume)	3.5	2.8	4.0	2.4	5.1	6.8	4.2	6.2	5.7	4.5	4.3	4.6	4.2	4.1	#N/A
Japan (Value)	-0.6	0.6	1.2	2.3	1.4	0.5	0.1	-2.0	-1.7	-9.7	4.9	3.0	1.0	1.6	#N/A

US retail sales (value) remain on good upward trend despite further fall in oil prices in July—auto sales strong

Eurozone sales grow for a 6th consecutive quarter in Q2, though pace of growth slowed to 0.3% from 1% in Q1

Growth in UK retail sales has slowed in recent months. But, data show improvements remain generally broad based, pace of YoY growth remains strong

Japanese retail sales remain volatile. They grew by a modest 0.5% in Q2, following Q1's sharp 5.2% decline





# Consumer Prices

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>CONSUMER PRICES</b>															
<b>YoY % Change</b>															
US CPI	2.1	2.0	1.7	1.7	1.7	1.3	0.8	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	#N/A
Eurozone HICP	0.5	0.4	0.4	0.3	0.4	0.3	-0.2	-0.6	-0.3	-0.1	0.0	0.3	0.2	0.2	0.2
German CPI	1.0	0.9	0.9	0.9	0.8	0.6	0.2	-0.3	0.1	0.3	0.5	0.7	0.3	0.2	0.2
French CPI	0.5	0.5	0.4	0.3	0.5	0.3	0.1	-0.4	-0.3	-0.1	0.1	0.3	0.3	0.2	#N/A
UK CPI	1.9	1.6	1.5	1.2	1.3	1.0	0.5	0.3	0.0	0.0	-0.1	0.1	0.0	0.1	#N/A
- UK CPI : Ex Taxes	1.9	1.6	1.6	1.2	1.3	1.0	0.5	0.0	-0.2	-0.3	-0.3	0.0	-0.1	0.1	#N/A
Japanese CPI	3.6	3.4	3.4	3.3	2.9	2.4	2.4	2.4	2.2	2.3	0.6	0.5	0.4	0.3	#N/A
<b>MoM % Change</b>															
US CPI (seas.adj.)	0.2	0.1	-0.1	0.1	0.1	-0.3	-0.3	-0.7	0.2	0.2	0.1	0.4	0.3	0.1	#N/A
Eurozone HICP	0.1	-0.7	0.1	0.4	-0.1	-0.2	-0.1	-1.6	0.6	1.1	0.2	0.2	0.0	-0.6	0.0
German CPI	0.3	0.3	0.0	0.0	-0.3	0.0	0.0	-1.0	0.9	0.5	0.0	0.1	-0.1	0.2	0.0
French CPI	0.0	-0.3	0.4	-0.4	0.0	-0.2	0.1	-1.0	0.7	0.7	0.1	0.2	-0.1	-0.4	#N/A
UK CPI	0.2	-0.3	0.4	0.0	0.1	-0.3	0.0	-0.9	0.3	0.2	0.2	0.2	0.0	-0.2	#N/A
Japanese CPI (seas.adj.)	0.1	0.1	0.1	0.0	-0.2	-0.1	0.1	-0.1	-0.1	0.2	0.2	0.2	0.0	0.0	#N/A
<b>Core CPI</b>															
<b>YoY % Change</b>															
US (1)	1.9	1.9	1.7	1.7	1.8	1.7	1.6	1.6	1.7	1.8	1.8	1.7	1.8	1.8	#N/A
Eurozone (2)	0.9	0.8	0.9	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.7	0.9	0.8	0.9	0.9
UK (3)	2.0	1.8	1.9	1.5	1.5	1.2	1.3	1.4	1.2	1.0	0.8	0.9	0.8	1.2	#N/A
Japan (4)	3.4	3.4	3.1	3.0	2.9	2.7	2.6	2.2	2.0	2.2	0.3	0.0	0.0	-0.1	#N/A
Japan : Core-Core (5)	2.3	2.3	2.2	2.2	2.1	2.1	2.1	2.0	2.0	2.1	0.4	0.4	0.5	0.6	#N/A
<b>MoM % Change</b>															
US (seas.adj) (1)	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.3	0.1	0.2	0.1	#N/A
Eurozone (2)	0.1	-0.7	0.3	0.5	0.0	-0.1	0.3	-1.5	0.5	1.2	0.2	0.1	0.0	-0.6	0.3
UK (3)	0.2	-0.4	0.5	0.1	0.2	-0.1	0.2	-0.8	0.5	0.2	0.3	0.1	0.1	0.0	#N/A
Japan (seas.adj) (4)	0.1	0.2	-0.1	-0.1	0.0	0.0	0.0	-0.3	-0.1	0.2	0.1	0.0	0.1	0.0	#N/A
Japan (seas.adj) : Core-Core (5)	0.1	0.0	0.0	0.0	0.0	0.1	0.1	-0.2	0.1	0.1	0.1	0.0	0.2	0.1	#N/A

US CPI inflation remains weak. Further fall in energy prices in August means inflation may turn negative again in the coming months

Eurozone inflation holds at 0.2% (flash reading) in August—could be revised down given fall in oil prices towards end of the month

UK inflation edges up to 0.1% in July, in part reflects earlier end to summer sales this year

Japanese inflation lower still in July—base effects from 2014 VAT hike now gone

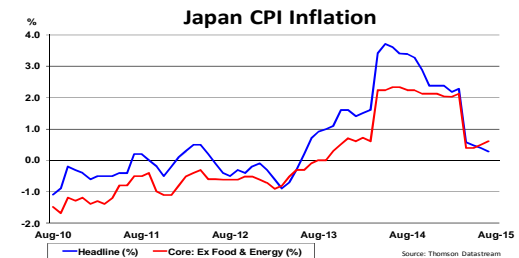
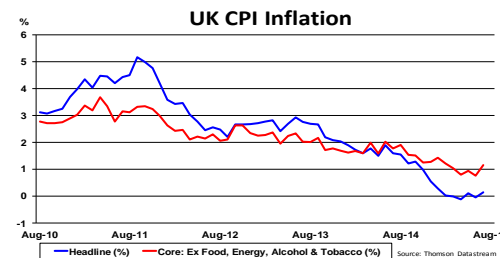
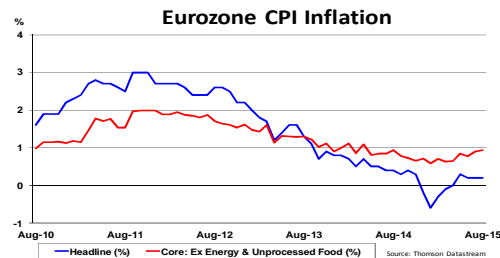
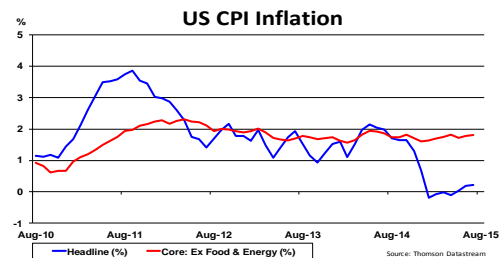
US core CPI stuck in a 1.6-2% range since mid 2012

Core Eurozone inflation stuck in 0.6-0.9% since May'14

Core UK inflation back above 1% in July, may in part reflect base effects

Japan (ex-food & energy) inflation edges up in June/July, but way off recent highs as VAT hike impact gone

- (1) Excluding Food & Energy
- (2) Excluding Energy & Unprocessed Food
- (3) Excluding Food, Energy, Alcohol & Tobacco
- (4) Excluding Fresh Food
- (5) Excluding Food & Energy



# Labour Market

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
<b>EMPLOYMENT</b>															
US Non-Farm Payroll - Mth ('000)	236	286	249	213	250	221	423	329	201	266	119	187	260	231	215
<b>GROWTH YoY %</b>															
US Civilian Employment	1.4	1.5	1.5	1.5	1.6	2.7	2.0	1.9	2.1	2.1	1.7	1.9	2.0	1.7	1.7
Eurozone (Q)	0.6	0.6	0.7	0.7	0.7	0.9	0.9	0.9	0.8	0.8	0.8	#NA	#NA	#NA	#NA
Germany	0.9	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.6	0.5	0.4	0.4	#NA	#NA
France (Q)	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	#NA	#NA	#NA	#NA
UK (3 Mth to)	2.9	2.5	2.3	2.4	2.3	1.9	1.7	2.0	2.0	1.8	1.8	1.4	0.9	1.2	#NA
Japan - Regular Employees	0.3	0.4	0.5	0.5	0.4	0.3	0.3	0.4	0.7	0.9	0.6	1.0	0.9	0.9	#NA
<b>UNEMPLOYMENT RATE %</b>															
US Civilian Employment	6.3	6.1	6.2	6.1	5.9	5.7	5.8	5.6	5.7	5.5	5.5	5.4	5.5	5.3	5.3
Eurozone	11.7	11.6	11.6	11.5	11.5	11.5	11.5	11.3	11.3	11.2	11.2	11.1	11.1	11.1	#NA
Germany	5.0	5.0	5.0	5.0	5.0	5.0	4.9	4.8	4.8	4.8	4.8	4.7	4.7	4.7	#NA
France	10.2	10.2	10.3	10.4	10.5	10.5	10.5	10.5	10.4	10.3	10.3	10.2	10.2	10.2	#NA
UK (3 Mth to)	6.5	6.3	6.2	6.0	6.0	6.0	5.8	5.7	5.7	5.6	5.5	5.5	5.6	5.6	#NA
Japan	3.6	3.7	3.7	3.5	3.6	3.5	3.5	3.4	3.6	3.5	3.4	3.3	3.3	3.4	3.3
<b>EARNINGS GROWTH YoY %</b>															
US - Employment Cost Index (Q)	2.0	2.0	2.3	2.3	2.3	2.2	2.2	2.2	2.6	2.6	2.6	2.0	2.0	2.0	#NA
- Average Earnings	2.1	2.0	2.1	2.2	2.0	2.0	2.1	1.8	2.2	2.0	2.1	2.3	2.3	2.0	2.1
UK - Weekly Earnings (Ex-bonus)	0.7	0.7	0.8	0.9	1.2	1.6	1.8	1.7	1.6	1.9	2.3	2.7	2.8	2.8	#NA
Eurozone - Wage Growth (Q)	1.6	1.6	1.4	1.4	1.4	1.2	1.2	1.2	2.4	2.4	2.4	#NA	#NA	#NA	#NA
Germany - Wage Growth	3.2	3.4	2.8	2.7	2.8	2.8	2.8	2.9	0.9	2.5	3.0	2.5	1.9	2.1	#NA
Japan - Average Earnings	1.1	2.1	3.9	1.6	1.3	0.7	0.6	2.1	-0.7	-1.2	-1.1	-0.6	-0.1	-4.7	#NA

US payrolls have regained momentum recently (3mth avg 235k vs 191k in previous 3mth). Unemployment rate remained at a 7-year low of 5.3% in July

Eurozone employment growth remains modest at 0.8% YoY in Q1. Unemployment at a 3yr low of 11.1% in June. Dichotomy between German (4.7%) & French (10.2%) unemployment remains wide

Pace of UK employment growth picks up for the first time since end 2014 in June. But at 1.2%, remains well off mid 2014 levels. Unemploy' rate remains at 5.6% in June

Japanese unemployment rate at an 18yr low in July

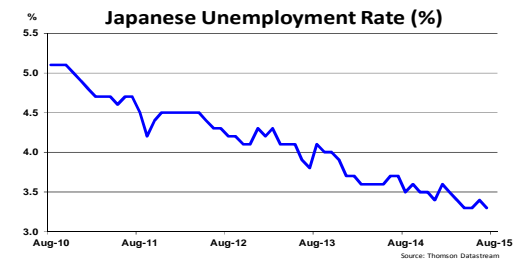
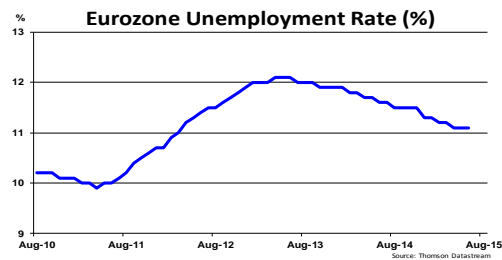
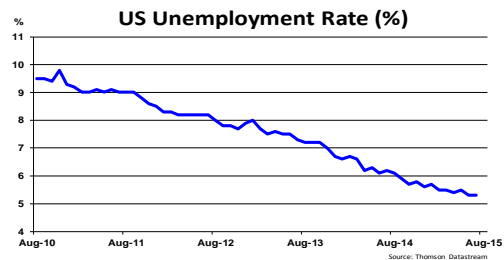
US earnings growth slows in Q2, now around 2% YoY

UK earnings remain at a 6½ year high of 2.8% in June

Eurozone wage growth jumps to 2.4% in Q1

Japanese earnings growth falls sharply in June on base effects from bonuses in 2014

(Q) Monthly data interpolated from quarterly series



# Housing Market

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>RESIDENTIAL CONSTRUCTION ACTIVITY</b>															
US - Starts ('000) s.a.a.r.	927	1,095	966	1,026	1,079	1,007	1,080	1,080	900	954	1,190	1,072	1,204	1,206	#N/A
US - Permits ('000) s.a.a.r.	1,033	1,041	1,040	1,053	1,120	1,079	1,077	1,059	1,098	1,038	1,140	1,250	1,337	1,130	#N/A
Eurozone - Permits (2000 = 100)	83.3	88.2	70.7	79.1	82.8	69.2	82.6	65.8	66.6	83.8	76.8	#N/A	#N/A	#N/A	#N/A
UK Starts (MQ)	12,457	11,913	11,913	11,913	8,393	8,393	8,393	13,143	13,143	13,143	11,987	11,987	11,987	#N/A	#N/A
US NAHB Sentiment	49	53	55	59	54	58	58	57	55	52	56	54	60	60	61
<b>YoY %</b>															
US - Starts - 3 Mth Avg	13.6	13.0	13.1	16.5	14.6	7.9	4.3	5.5	7.4	4.7	3.1	7.6	17.4	15.8	#N/A
US - Permits - 3 Mth Avg	4.8	4.7	8.0	6.3	7.4	5.3	6.2	5.2	6.2	3.3	3.5	8.8	19.3	20.3	#N/A
Eurozone - Permits	3.0	1.3	-1.9	-3.7	-3.7	-4.1	-2.0	-5.3	-7.0	-10.9	-9.2	#N/A	#N/A	#N/A	#N/A
UK Starts (MQ)	10.1	2.0	2.0	2.0	-10.1	-10.1	-10.1	6.1	6.1	6.1	-3.8	-3.8	-3.8	#N/A	#N/A
<b>SALES</b>															
US - New Homes ('000) s.a.a.r.	408	403	454	459	472	449	495	521	545	485	508	521	481	507	#N/A
- 3 Mth Avg YoY %	-5.1	-0.1	3.8	13.9	13.2	7.1	6.4	9.9	19.7	21.8	24.3	18.6	18.4	19.0	#N/A
US - Existing Homes ('000) s.a.a.r.	5,010	5,070	5,000	5,100	5,160	4,950	5,070	4,820	4,890	5,210	5,090	5,320	5,480	5,590	#N/A
- 3 Mth Avg YoY %	-4.5	-4.0	-4.1	-3.8	-1.7	0.7	2.7	3.1	4.2	6.3	7.7	8.9	8.4	9.4	#N/A
US - Pending Sales Index	101.9	103.3	103.1	103.7	103.7	104.1	102.5	103.7	107.4	108.7	111.6	112.3	110.4	110.9	#N/A
- 3 Mth Avg YoY %	-6.8	-4.6	-3.6	-1.3	0.2	2.4	3.3	4.9	9.0	11.1	12.9	11.3	10.5	8.8	#N/A
UK - Transactions over £40k ('000)	101.2	100.5	101.5	101.2	99.9	99.3	97.9	96.7	99.5	98.9	96.2	97.8	105.3	100.7	#N/A
<b>PRICES</b>															
<b>MoM % Change</b>															
US - Case Shiller 20 (seas adj)	-0.1	-0.4	0.0	0.3	0.7	0.7	0.8	0.8	1.2	0.9	0.0	-0.1	-0.1	#N/A	#N/A
UK - Halifax	-0.2	1.5	0.1	0.4	-0.4	0.5	1.1	1.9	-0.4	0.6	1.6	0.3	1.6	-0.6	#N/A
- Nationwide	1.1	0.1	0.8	-0.1	0.6	0.3	0.2	0.4	-0.1	0.1	1.0	0.2	-0.2	0.4	0.3
<b>YoY % Change</b>															
US - Case Shiller 20	8.1	6.7	5.6	4.7	4.4	4.2	4.4	4.4	4.9	5.0	5.0	5.0	5.0	#N/A	#N/A
UK - Halifax (3 Mth Mov Avg)	8.5	9.7	9.5	9.5	8.8	8.1	7.9	8.6	8.3	8.1	8.5	8.8	9.2	7.9	#N/A
- Nationwide	11.9	10.7	11.0	9.5	9.0	8.5	7.2	6.7	5.7	5.2	5.1	4.7	3.3	3.6	3.1
UK - RICS House Price Balance	50.6	44.1	37.1	29.0	21.2	15.4	14.1	9.3	15.3	23.3	31.1	33.6	40.4	43.8	#N/A

US housing starts & permits have seen a marked improvement in recent months. Pace of YoY growth at rates not seen since mid 2013

UK housing starts decline by 3.8% YoY in Q2

YoY growth in US existing home sales increases to 9.4% in 3 months to July. Sales in July at their highest level since Feb 2007

YoY growth in new home sales also strong, at +19% in 3mth to July

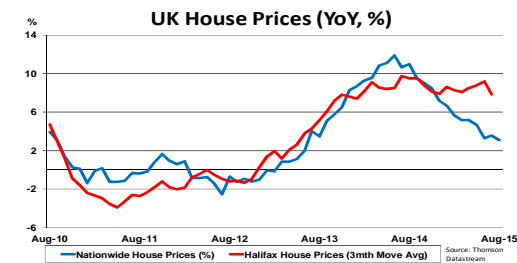
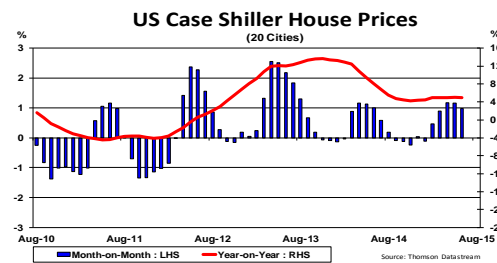
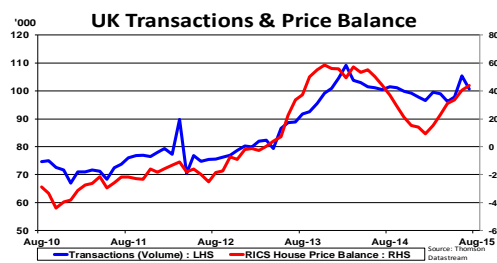
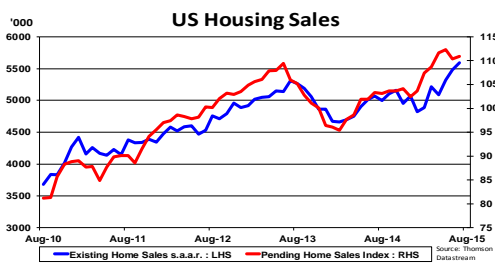
Volume of UK housing transactions has moved higher in recent months

YoY growth in US Case-Shiller house prices remains stable at 5%

Some divergence in measures of UK house prices. YoY growth in Halifax at 7.9% in July, Nationwide at just 3.6%

RICS house price balance up for a sixth straight month in July, suggests UK house price growth accelerating

(MQ) Monthly average of Quarterly data





# Financial & Commodity Markets

Monthly Averages :	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	This Month To Date	Latest Value
<b>Stock Markets</b>														
US - Dow Jones	16775	17098	16702	17658	17766	17554	17949	17933	17961	18130	17927	17792	17141	16643
US - S&P 500	1962	1994	1937	2046	2055	2029	2083	2080	2094	2113	2099	2093	2049	1989
EZ - EuroStoxx 50	3089	3233	3030	3126	3162	3204	3454	3655	3732	3618	3522	3545	3469	3287
DE - Dax 30	9273	9639	8982	9490	9826	10123	10977	11785	11957	11602	11236	11288	10896	10299
UK - FTSE 100	6715	6778	6409	6644	6548	6613	6879	6885	6996	6984	6783	6647	6478	6248
JPN - Nikkei	15359	15960	15390	17150	17542	17287	18033	19198	19781	19911	20404	20385	20043	19136
<b>Exchange Rates</b>														
<b>Trade Weighted Indices</b>														
\$ - Broad	88.9	90.5	91.8	93.9	96.2	98.3	99.8	101.8	100.8	100.0	101.0	101.2	104.1	103.6
€ - ECB Broad	101.5	99.9	99.1	99.0	99.0	95.3	93.3	90.5	89.7	91.5	92.3	91.3	92.9	94.1
£ - BoE Effective	87.8	87.5	87.4	87.0	87.5	87.8	90.1	90.4	90.1	91.4	92.1	93.3	93.5	92.0
¥ - BoE	137	133	134	125	123	126	127	128	128	125	122	124	124	125.8
<b>vs Euro</b>														
USD	1.33	1.29	1.27	1.25	1.23	1.16	1.14	1.08	1.08	1.12	1.12	1.10	1.11	1.12
GBP	0.80	0.79	0.79	0.79	0.79	0.77	0.74	0.72	0.72	0.72	0.72	0.71	0.71	0.73
JPY	137	138	137	145	147	138	135	130	129	135	139	136	137	136
<b>vs Dollar</b>														
GBP	1.67	1.63	1.61	1.58	1.56	1.52	1.53	1.50	1.50	1.55	1.56	1.56	1.56	1.54
JPY	103	107	108	116	119	118	119	120	120	121	124	123	123	122
<b>Commodity Markets</b>														
Oil - West Texas	96	93	84	75	59	48	51	48	54	59	60	51	43	45
Oil - Brent \$	102	98	88	79	63	49	58	57	60	65	63	57	48	49
Oil - Brent €	77	76	69	63	51	42	51	52	55	58	56	52	43	44
Oil - Brent £	61	60	55	50	40	32	38	38	40	42	40	37	31	32
CRB Commodity Index	513	499	488	481	463	441	435	420	423	430	424	417	397	396
Gold (\$ per Oz)	1296	1239	1222	1177	1200	1251	1227	1179	1200	1199	1181	1131	1118	1135

Sharp sell-off on equity markets in August, largely due to market turbulence in China and global growth concerns, with falling energy prices also hitting some stocks

USD came under some pressure against the euro during Chinese turmoil, but gains against some other currencies

Weak inflation and economic uncertainty could delay UK rate hikes—has weighed on sterling in recent weeks

Euro saw some benefit from recent risk-off tone to markets, still weaker YTD

Yen relatively stable, but remains weak as the BoJ continues its QE programme

Further fall in oil prices reflects in part concerns over outlook for global demand

Broad based sell-off in commodities weighs on CRB index, lowest since mid 2009

Gold down at a 5yr low (near \$1,100) with US rate hike for 2015 still on the table

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