

Ulster Bank Northern Ireland PMI[®]

The Ulster Bank Northern Ireland PMI[®] (Purchasing Managers' Index[®]) is produced by Markit Economics.

The report features original survey data collected from a representative panel of companies based in Northern Ireland and operating in the manufacturing, service, construction and retail/wholesale sectors.

Ulster Bank Ireland Limited,
Registered in Republic of Ireland
No 25766 Registered Office:

Ulster Bank Group Centre
George's Quay
Dublin 2

Ulster Bank Ireland Limited is regulated
by the Irish Financial Services Regulatory
Authority.

Calls may be recorded.

For further information please contact:

Richard Ramsey
Chief Economist, Northern Ireland
Ulster Bank Group
Tel: +44 (0)28 9027 6354
Mobile: +44 (0)7881 930955
Email: richard.ramsey@ulsterbankcm.com
Web: www.ulsterbankcapitalmarkets.com
Twitter: @UB_Economics

Markit Economics

Henley on Thames
Oxon RG9 1HG, UK

Tel: +44 1491 461000
Fax: +44 1491 461001

e-mail: economics@markit.com

The Ulster Bank Northern Ireland PMI[®] is produced by Markit Economics, an independent research company that produces highly-regarded surveys of business conditions in nations around the world.

Ulster Bank and Markit Economics acknowledge the support of CIPS in the production of this report.



The intellectual property rights to the Northern Ireland PMI[®] provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index[®] and PMI[®] are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Ulster Bank use the above marks under license. Markit is a registered trade mark of Markit Group Limited.

Rate of job creation quickens to fastest since August 2007

The final month of 2013 saw a further solid expansion of business activity in the Northern Ireland private sector, linked to another strong rise in new orders. Increased workloads led to an accumulation of outstanding business and the fastest rise in employment since mid-2007. Meanwhile, both input costs and output prices increased at sharper rates than seen in November.

Business activity rises at solid pace

Activity in the Northern Ireland private sector increased for the sixth month running during December amid a further expansion of new business. The rate of growth remained solid, despite easing to the weakest since July. The rise in activity in Northern Ireland was slower than the UK average. All four sectors signalled growth of activity, with the strongest increase at retailers.

New orders continued to rise sharply, with the rate of growth dipping only slightly from November's recent high. Panellists reported that greater sales efforts and improving sentiment among clients had contributed to rising new business. New export orders also increased during December, and at the sharpest pace since October 2007.

Rate of job creation accelerates

Another strong rise in new business led to a further accumulation of backlogs of work at Northern Ireland companies, with the rate of accumulation much faster than across the UK as a whole. In fact, the accumulation of outstanding business was one of the strongest in the history of the series.

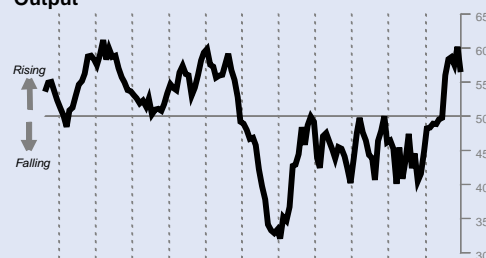
Rising workloads also encouraged firms to take on extra staff in December. Employment increased for the sixth successive month and at the fastest pace since August 2007. The sharpest rises in staffing levels were seen in the retail and services sectors.

Faster rise in input costs

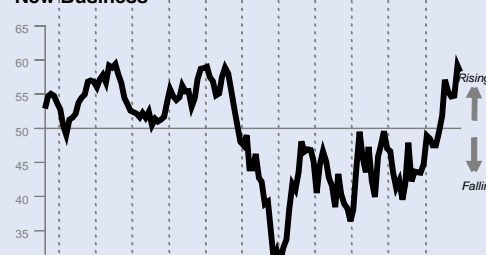
A further sharp increase in input prices was recorded during the month, with the rate of inflation picking up to the sharpest since September. The rise in input costs in Northern Ireland was again faster than the UK economy average. Some panellists indicated that higher staff costs had been the main factor leading to rising input prices.

Companies responded to higher input costs by increasing their selling prices. Prices charged rose for the sixth month running, and at a solid pace that was faster than recorded in the previous month. The sharpest increases in output prices were at retailers and manufacturers, while solid inflation was also registered in the construction and services sectors.

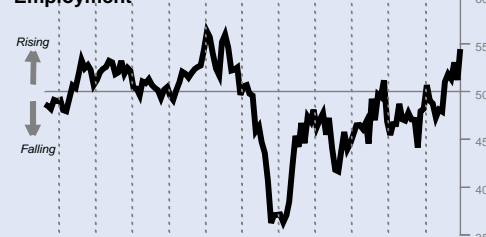
Output



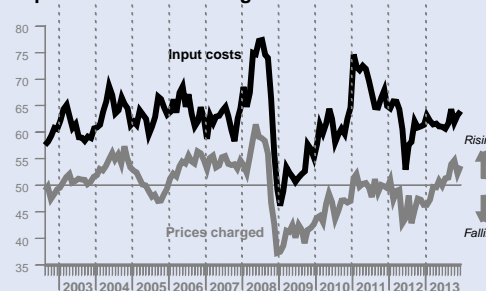
New Business



Employment



Input Costs/Prices Charged



The above charts plot the seasonally adjusted indicators of business conditions in Northern Ireland. Index readings above 50.0 signal an increase on the previous month while readings below 50.0 signal a decrease.

Output / Business Activity

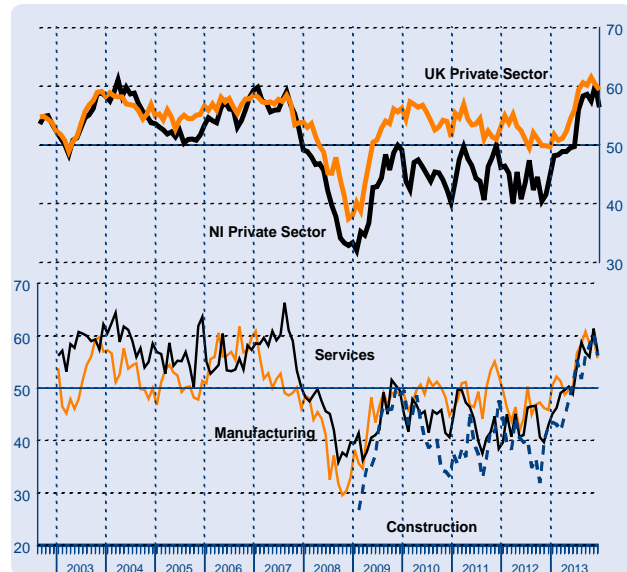
Q. Is the level of output or business activity at your company higher, the same or lower this month than one month ago?

Northern Ireland Companies					All UK		
	Higher %	Same %	Lower %	Net +/-	Index 50=no chg	S.Adj'd Index	S.Adj'd Index
2013 Jul	32.8	45.9	21.3	11.5	55.7	56.1	59.5
Aug	30.0	55.4	14.7	15.3	57.6	58.4	60.7
Sep	36.0	52.5	11.5	24.4	62.2	58.7	60.3
Oct	30.4	59.3	10.3	20.1	60.0	57.6	61.6
Nov	32.4	56.5	11.1	21.4	60.7	60.2	60.4
Dec	29.9	50.7	19.4	10.5	55.2	56.5	59.5

The Northern Ireland private sector recorded a further increase in business activity during December, the sixth consecutive month in which that has been the case. The rate of expansion remained sharp, despite easing from that seen in November. Northern Ireland companies posted a weaker rise in activity than the UK economy average. Panellists largely attributed growth in activity to rising new business. Each of the four monitored sectors posted increases in activity, led by retail. That said, all sectors followed the pattern seen across the private sector as a whole and registered slower rises in activity than in the previous survey period.

By sector

		Construction	Manufacturing	Services
'13 Oct		58.4	58.5	56.0
Nov		60.3	59.4	61.4
Dec		56.3	55.7	56.9



New Business

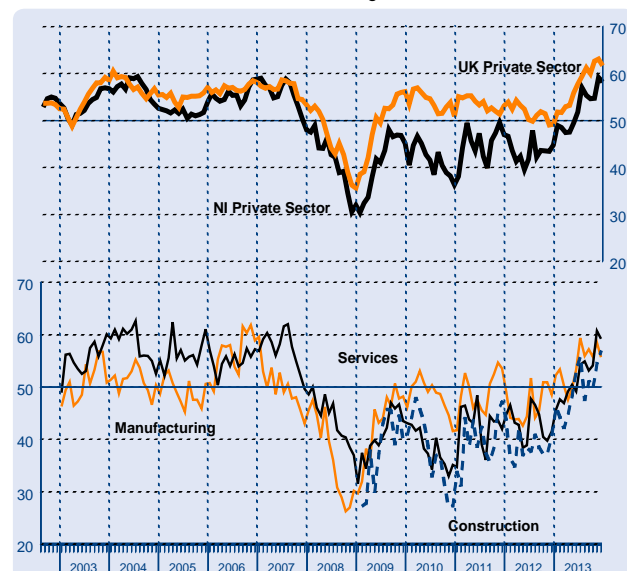
Q. Is the level of new orders or incoming new business at your company higher, the same or lower this month than one month ago?

Northern Ireland Companies					All UK		
	Higher %	Same %	Lower %	Net +/-	Index 50=no chg	S.Adj'd Index	S.Adj'd Index
2013 Jul	28.0	53.2	18.9	9.1	54.6	57.1	59.4
Aug	28.5	51.2	20.3	8.1	54.1	55.4	61.3
Sep	30.2	57.6	12.2	18.0	59.0	54.7	60.1
Oct	27.6	57.4	15.0	12.6	56.3	54.8	62.7
Nov	35.5	50.3	14.3	21.2	60.6	59.2	63.2
Dec	32.2	46.8	21.0	11.2	55.6	58.3	61.8

New business rose for the seventh consecutive month during December. Moreover, the rate of growth was substantial, having eased only slightly from that recorded in November. That said, the increase in new orders in Northern Ireland was weaker than the average registered across the UK economy as a whole. Increased sales activities and improved client sentiment had reportedly been behind the latest rise in new business. The fastest rise in new orders was recorded at services companies, despite the rate of growth easing. Construction posted the strongest increase in new business since the series began in February 2009.

By sector

		Construction	Manufacturing	Services
'13 Oct		49.8	55.8	54.2
Nov		54.7	58.6	60.8
Dec		56.9	55.8	59.3



Backlogs

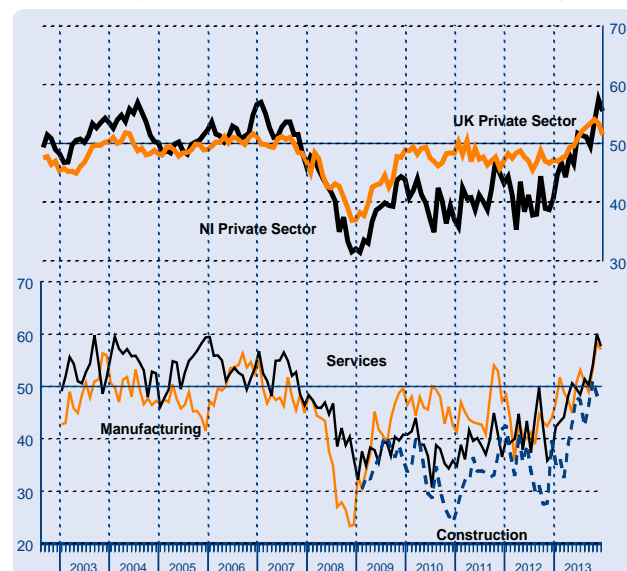
Q. Is the level of business outstanding (i.e. work not yet commenced or completed) at your company higher, the same or lower this month than one month ago?

Northern Ireland Companies					All UK		
	Higher %	Same %	Lower %	Net +/-	Index 50=no chg	S.Adj'd Index	S.Adj'd Index
2013 Jul	17.6	63.0	19.4	-1.8	49.1	51.4	52.1
Aug	16.8	63.9	19.3	-2.5	48.8	51.2	52.8
Sep	19.4	66.5	14.0	5.4	52.7	49.6	53.5
Oct	23.2	62.3	14.5	8.7	54.3	53.7	54.2
Nov	28.6	59.0	12.5	16.1	58.0	57.5	53.5
Dec	21.1	65.6	13.3	7.8	53.9	55.6	51.5

Strong new order growth contributed to another increase in backlogs of work at Northern Ireland companies, the sixth in the past seven months. The latest accumulation of outstanding business was marked, and one of the fastest in the history of the series. The rise in backlogs at Northern Ireland firms was also much sharper than the UK economy average. More than 21% of respondents signalled a rise in outstanding business, against 13% that posted a fall. The overall increase in work-in-hand was largely centred on the manufacturing and services sectors where backlogs of work rose sharply.

By sector

		Construction	Manufacturing	Services
'13 Oct		51.1	53.4	54.2
Nov		48.4	58.3	60.1
Dec		47.1	57.1	57.7



Employment

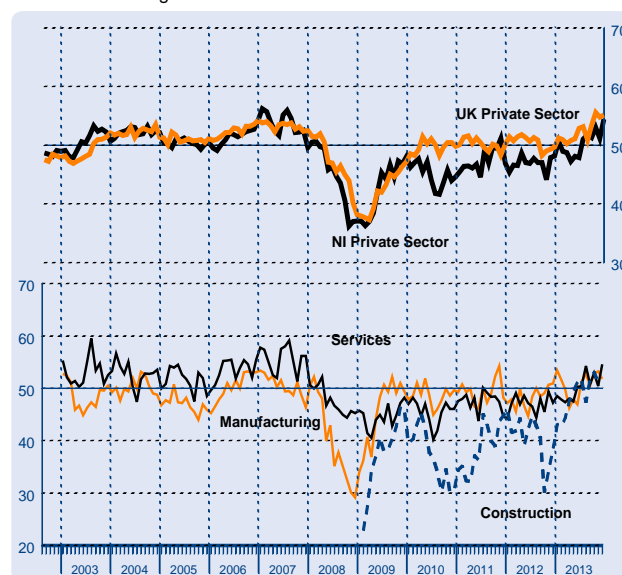
Q. Is the level of employment at your company higher, the same or lower this month than one month ago?

Northern Ireland Companies				All UK			
	Higher %	Same %	Lower %	Net +/-	Index 50=no chg	S.Adj'd Index	S.Adj'd Index
2013 Jul	15.9	72.3	11.8	4.1	52.0	51.0	53.2
Aug	14.4	75.7	9.9	4.5	52.3	51.8	50.9
Sep	15.0	73.4	11.6	3.4	51.7	51.4	53.5
Oct	16.8	76.4	6.8	10.0	55.0	53.1	55.6
Nov	11.5	78.2	10.2	1.3	50.7	51.2	54.9
Dec	16.8	74.4	8.8	8.0	54.0	54.5	55.2

December data pointed to a solid expansion in employment at Northern Ireland private-sector firms. Moreover, the rate of job creation accelerated from the modest pace seen in November and was the sharpest since August 2007. Anecdotal evidence suggested that new staff had been recruited in response to additional workloads. Close to 17% of panellists reported that employment had increased over the month, roughly twice the proportion that signalled a decrease. Employment rose across all four monitored sectors, with the strongest rates of job creation at retailers and service providers.

By sector

		Construction	Manuf-acturing	Services
'13 Oct	53.1	52.9	52.9	
Nov	51.3	53.3	50.5	
Dec	51.0	51.8	54.6	



Input Costs

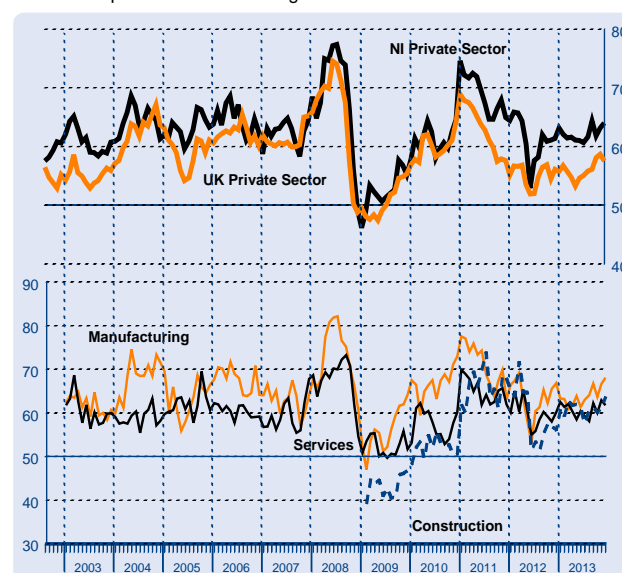
Q. Have average input prices or input costs risen, fallen or remained unchanged this month compared to one month ago?

Northern Ireland Companies				All UK			
	Higher %	Same %	Lower %	Net +/-	Index 50=no chg	S.Adj'd Index	S.Adj'd Index
2013 Jul	20.9	76.9	2.2	18.7	59.4	60.7	55.1
Aug	24.4	73.7	2.0	22.4	61.2	61.7	55.9
Sep	33.1	64.0	3.0	30.1	65.1	64.4	56.2
Oct	25.1	72.2	2.7	22.4	61.2	61.9	58.2
Nov	26.4	70.3	3.3	23.1	61.5	63.2	58.7
Dec	23.8	74.0	2.3	21.5	60.8	64.0	57.6

The rate of input cost inflation at Northern Ireland companies accelerated for the second month in a row during December and was the fastest since September. The latest rise in input prices was sharper than the series average, and well above that recorded across the UK economy as a whole. A number of respondents indicated that higher staff costs had been the main driver of input price inflation. Manufacturers posted the sharpest increase in input costs, with the rate of inflation the strongest in 21 months. Inflation also quickened in the construction and retail sectors, but slowed among services companies.

By sector

		Construction	Manuf-acturing	Services
'13 Oct	60.2	63.7	60.0	
Nov	61.1	66.7	63.0	
Dec	63.8	68.2	61.8	



Prices Charged

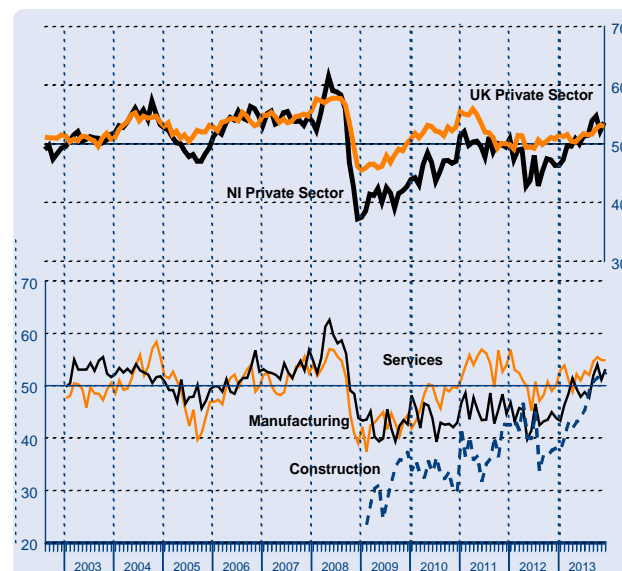
Q. Are the average prices charged for goods and services by your company higher, the same or lower this month than one month ago?

Northern Ireland Companies				All UK			
	Higher %	Same %	Lower %	Net +/-	Index 50=no chg	S.Adj'd Index	S.Adj'd Index
2013 Jul	10.0	80.3	9.7	0.3	50.1	51.3	51.8
Aug	9.3	83.8	6.9	2.4	51.2	51.5	51.6
Sep	11.8	83.5	4.6	7.2	53.6	54.0	51.7
Oct	12.5	82.4	5.1	7.5	53.7	54.7	52.7
Nov	7.6	86.1	6.4	1.2	50.6	52.2	53.2
Dec	9.7	85.6	4.7	5.1	52.5	53.7	53.1

Northern Ireland companies continued to raise their output prices in December, extending the current sequence of inflation to six months. The latest increase was solid and faster than seen in November. The rate of inflation in Northern Ireland was slightly sharper than registered at the UK level. Where a rise in selling prices was recorded, this was primarily linked to the passing on of higher input costs to clients. Retail posted the strongest rise in output prices, with the rate of inflation the fastest in three months. Manufacturers raised charges at a solid pace, while inflation quickened in both the construction and services sectors.

By sector

		Construction	Manuf-acturing	Services
'13 Oct	51.6	55.5	54.0	
Nov	51.5	55.0	51.2	
Dec	52.5	54.9	53.2	



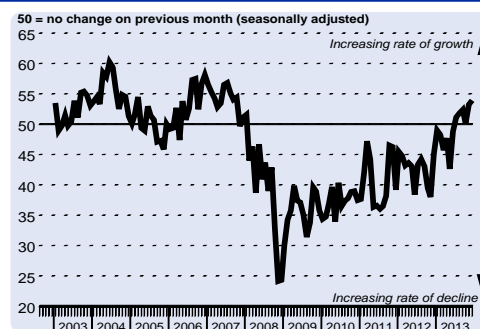
New Export Business*

Is the level of new export business at your company higher, the same or lower this month than one month ago?

Northern Ireland Companies

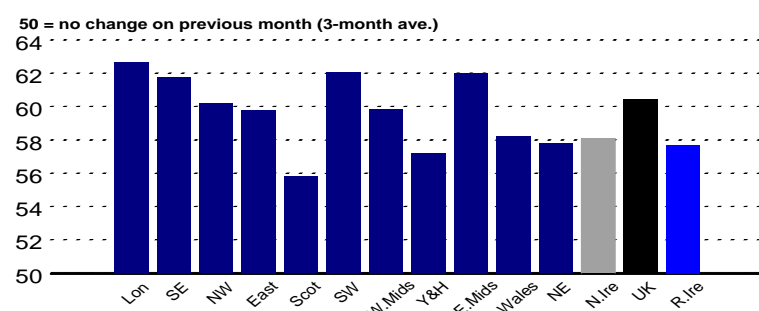
		Higher %	Same %	Lower %	Net +/-	Index 50=no chg	S.Adj'd Index
2013	Jul	14.3	71.7	14.0	0.3	50.2	51.2
	Aug	23.4	56.6	20.0	3.3	51.7	51.9
	Sep	27.1	54.2	18.8	8.3	54.1	52.4
	Oct	14.3	73.0	12.7	1.6	50.8	50.2
	Nov	23.6	62.1	14.3	9.3	54.6	53.3
	Dec	22.3	60.8	16.9	5.4	52.7	54.0

A further rise in new export orders was recorded in December. Furthermore, the rate of growth accelerated to the fastest since October 2007. Panellists indicated that promotional success had contributed to growth of new business from abroad.



Regional Comparisons: Output / Business Activity

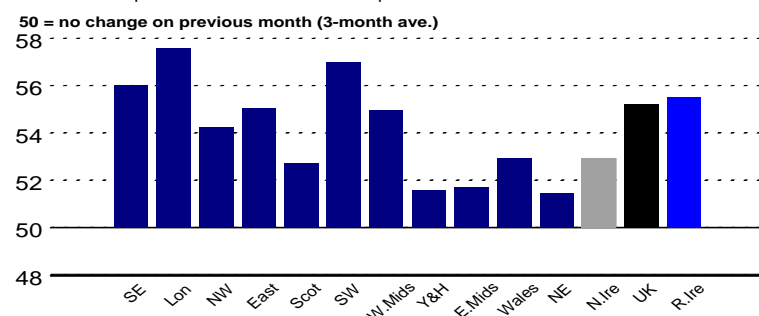
The graph below shows the regional PMI Output Indexes for the UK. An average of the latest three months is used (see also the table to the right). Higher levels of private sector output were recorded across all 12 UK regions monitored by the survey during the final quarter of 2013. London posted the steepest rise in business activity, while Scotland saw the slowest pace of expansion. The Republic of Ireland posted a solid expansion of output.



	Share of UK GVA, 2010 (National Statistics)	Last 12 months	PMI Output Index Latest 3 months	Latest month
London	(21.5%)	58.3	62.7	60.3
South East	(14.7%)	57.1	61.8	60.1
North West	(9.5%)	57.2	60.2	59.1
East of England	(8.7%)	55.7	59.8	59.7
Scotland	(8.3%)	55.1	55.8	54.5
South West	(7.7%)	56.3	62.1	62.4
West Midlands	(7.3%)	55.6	59.9	61.7
Yorks & Humber	(7.0%)	56.3	57.2	55.8
East Midlands	(6.4%)	56.7	62.0	59.4
Wales	(3.6%)	56.6	58.2	58.4
North East	(3.2%)	53.2	57.8	60.4
N.Ireland	(2.2%)	53.4	58.1	56.5
UK	(100.0%)	56.6	60.5	59.5
Rep. of Ireland	n/a	54.2	57.7	58.6

Regional Comparisons: Employment

The graph below shows the regional PMI Employment Indexes for the UK. An average of the latest three months is used (see also the table to the right). Increased staffing levels were registered across all 12 UK regions on average during the final quarter of 2013. The pace of job creation was strongest in London and the South West, while the North East and Yorkshire & Humber posted the slowest rises in employment numbers. Employment rose in the Republic of Ireland at a similar pace to the UK as a whole.



	Contribution to UK Employment, 2008 (National Statistics)	Last 12 months	PMI Employment Index Latest 3 months	Latest month
South East	(14.6%)	53.0	56.0	56.7
London	(12.3%)	53.2	57.6	57.4
North West	(10.9%)	52.4	54.3	54.5
East of England	(9.6%)	52.9	55.1	54.5
Scotland	(8.7%)	52.1	52.7	51.5
South West	(8.6%)	53.0	57.0	58.6
West Midlands	(8.6%)	53.7	55.0	53.3
Yorks & Humber	(8.2%)	50.5	51.6	51.8
East Midlands	(7.3%)	51.2	51.7	51.4
Wales	(4.6%)	52.0	52.9	51.4
North East	(3.9%)	50.7	51.4	51.0
N.Ireland	(2.7%)	50.4	52.9	54.5
UK	(100.0%)	52.6	55.2	55.2
Rep. of Ireland	n/a	53.5	55.5	55.4

PMI® Survey Methodology

The Purchasing Managers' Index® (or PMI®) surveys are monthly surveys of carefully selected companies which provide an advance indication of what is happening in the private sector economy by tracking variables such as output, new orders, employment and prices across both manufacturing and service sectors. Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline on the previous month. These indices vary between 0 and 100 with readings of exactly 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration. The greater the divergence from 50.0, the greater the rate of change (expansion or contraction) signalled. The indices are

seasonally adjusted to take into consideration expected variations for the time of year, such as summer shutdowns and national holidays.

Sector data published in the Ulster Bank Northern Ireland PMI report are intended to give an indication of underlying trends in the manufacturing, services and construction industries within the Northern Ireland private sector economy. Data at the sector level are more volatile than the headline total private sector economy figures, and month-on-month movements in the sector data should therefore be treated with a degree of caution.

*Exports are defined as sales outside of the United Kingdom.

Ulster Bank and Markit Economics

Ulster Bank is a member of The Royal Bank of Scotland Group. Ulster Bank acts as a full service institution to its customer base, providing an extensive range of retail banking, business banking, investment banking and capital markets services to corporate, personal and institutional clients.

Our focus is firmly centred on our customers. Every business customer benefits from access to a dedicated, professional and highly trained relationship manager. Their role is to gain a genuine understanding of our customers' business needs and provide dedicated financial information and assistance.

We work together to achieve business success, no matter how simple or complex our customers' requirements. A combination of size, financial strength

and wide ranging capability means we can deliver for our customers, whatever their business may be.

Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 32 countries and also for key regions including the Eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

Disclaimer

The Northern Ireland PMI® is issued exclusively for the general information of clients, contacts and staff of Ulster Bank. The contents are not a substitute for specific advice and should not be relied upon as such. Accordingly, whilst every care has been taken in the

preparation of this publication, no representation or warranty is made or given in respect of its contents and no responsibility is accepted for the consequences of any reliance placed on it by any person.

Ulster Bank Northern Ireland Purchasing Managers Index (PMI)

*Includes analysis of Global, Eurozone, UK, UK Regions, NI &
Republic of Ireland economic performance by sector*

December 2013 Survey Update

Issued 13th January 2014

Richard Ramsey
Chief Economist Northern Ireland

richard.ramsey@ulsterbankcm.com
Twitter @UB_Economics

PMI Surveys

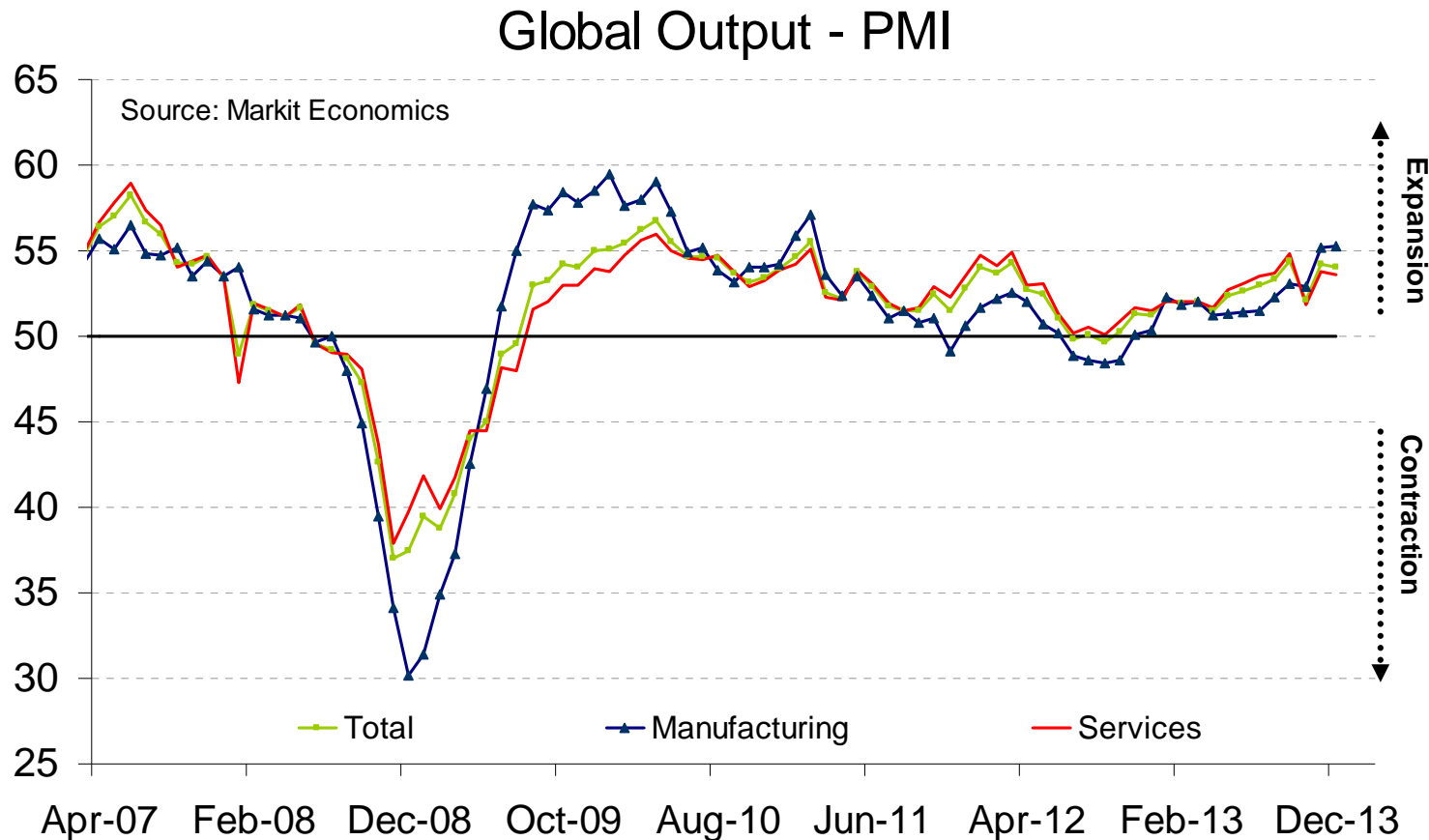
Purchasing Managers' Indexes (PMIs) are monthly surveys of private sector companies which provide an advance indication of what is happening in the private sector economy by tracking variables such as output, new orders, employment and prices across different sectors.

Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline on the previous month. These indices vary from 0 to 100 with readings of 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration. The greater the divergence from 50.0 the greater the rate of change (expansion or contraction). The indices are seasonally adjusted to take into consideration expected variations for the time of year, such as summer shutdowns or holidays.

< 50.0 = Contraction 50.0 = No Change > 50.0 = Expansion

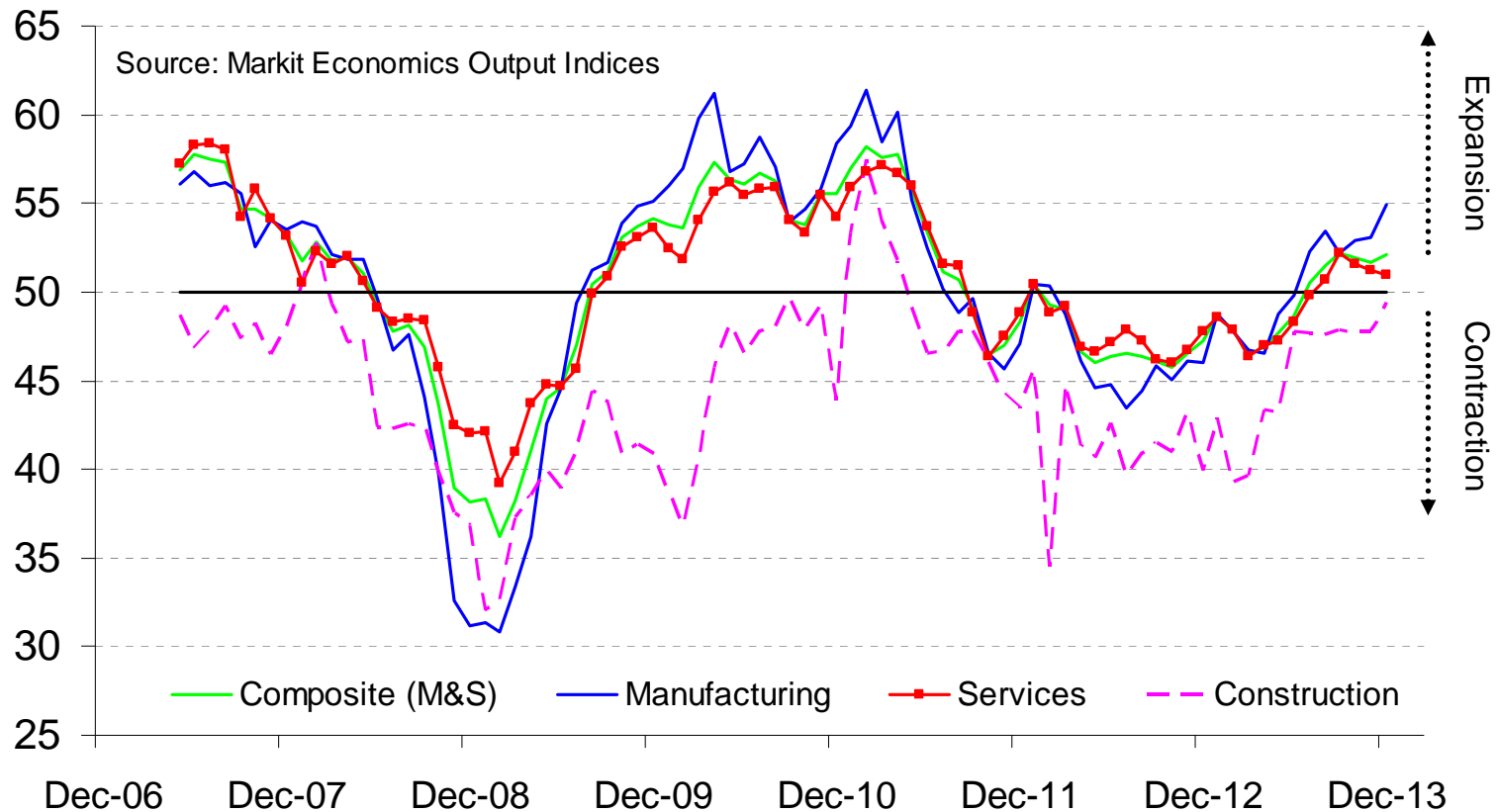
*Data at a sector level are more volatile and **3-month moving averages** have been used to more accurately identify the broad trends.*

Global output growth ends the year expanding at a faster rate than it started 2013 for both sectors



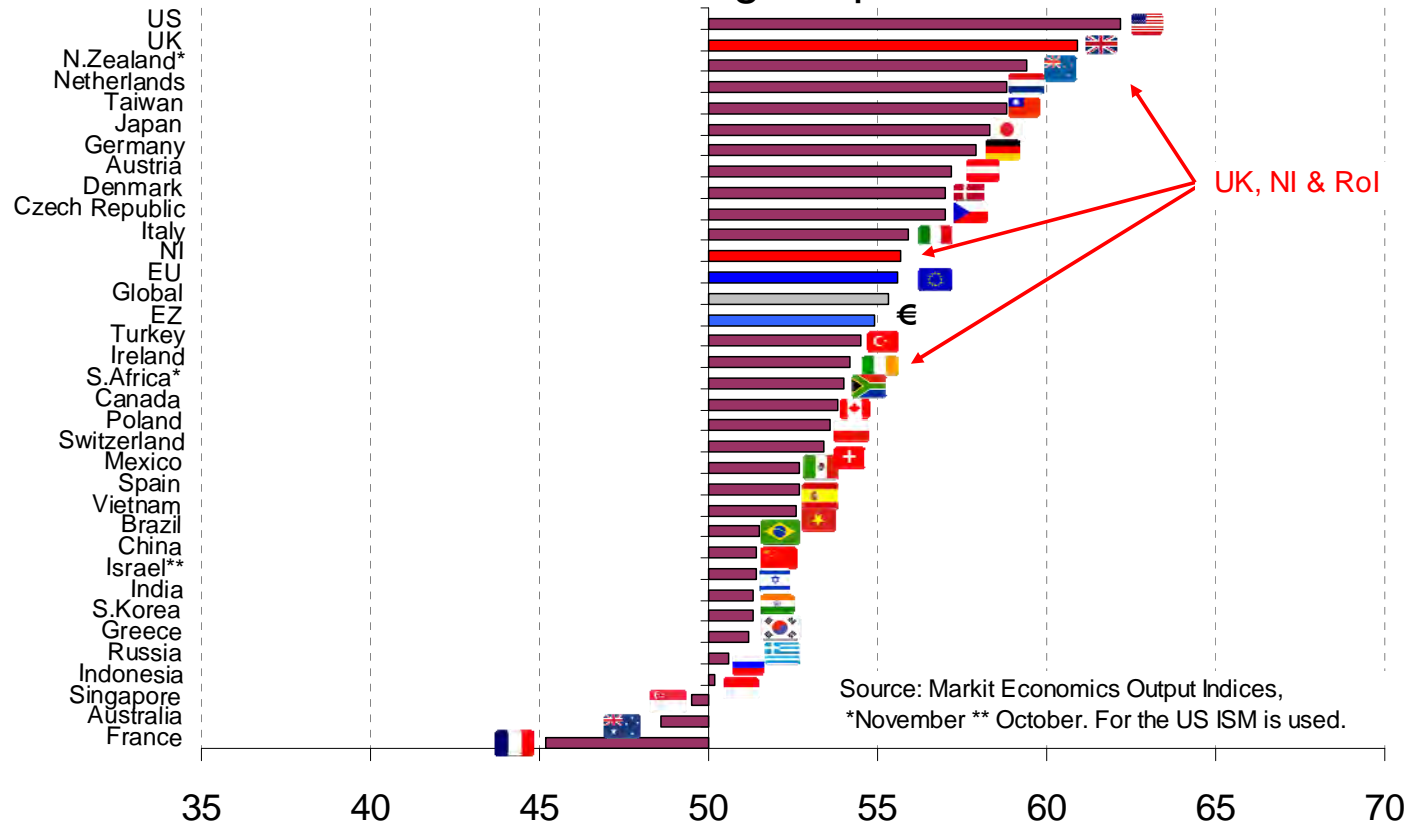
The Eurozone started 2013 with all sectors contracting
now only construction is waiting for a return to growth

Eurozone PMIs: Output



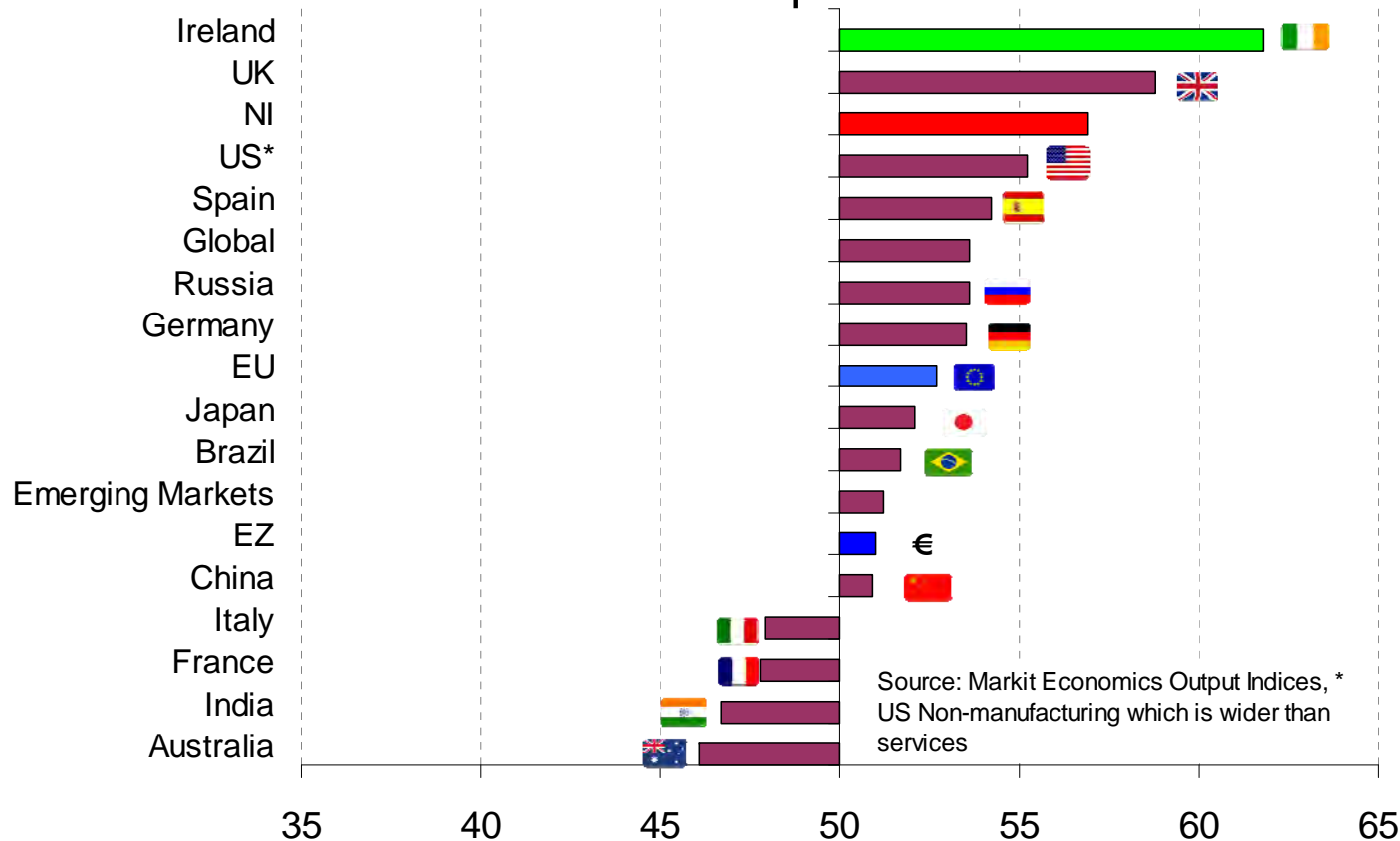
Vast majority of economies posting output growth with US & the UK the top performers. France is still contracting

PMIs: Manufacturing Output December 2013

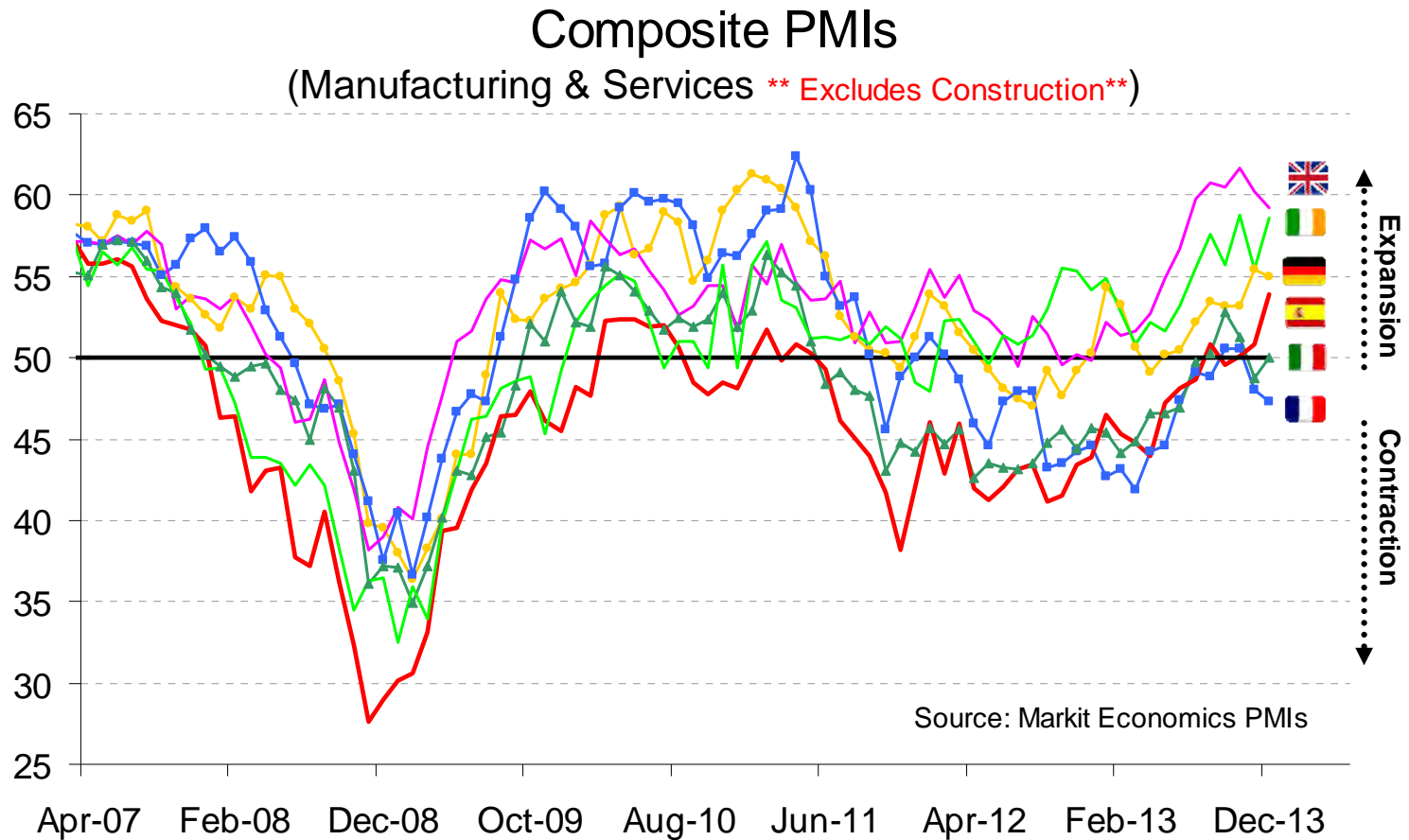


The Republic of Ireland, the UK and NI post the fastest rates of service sector output growth in December

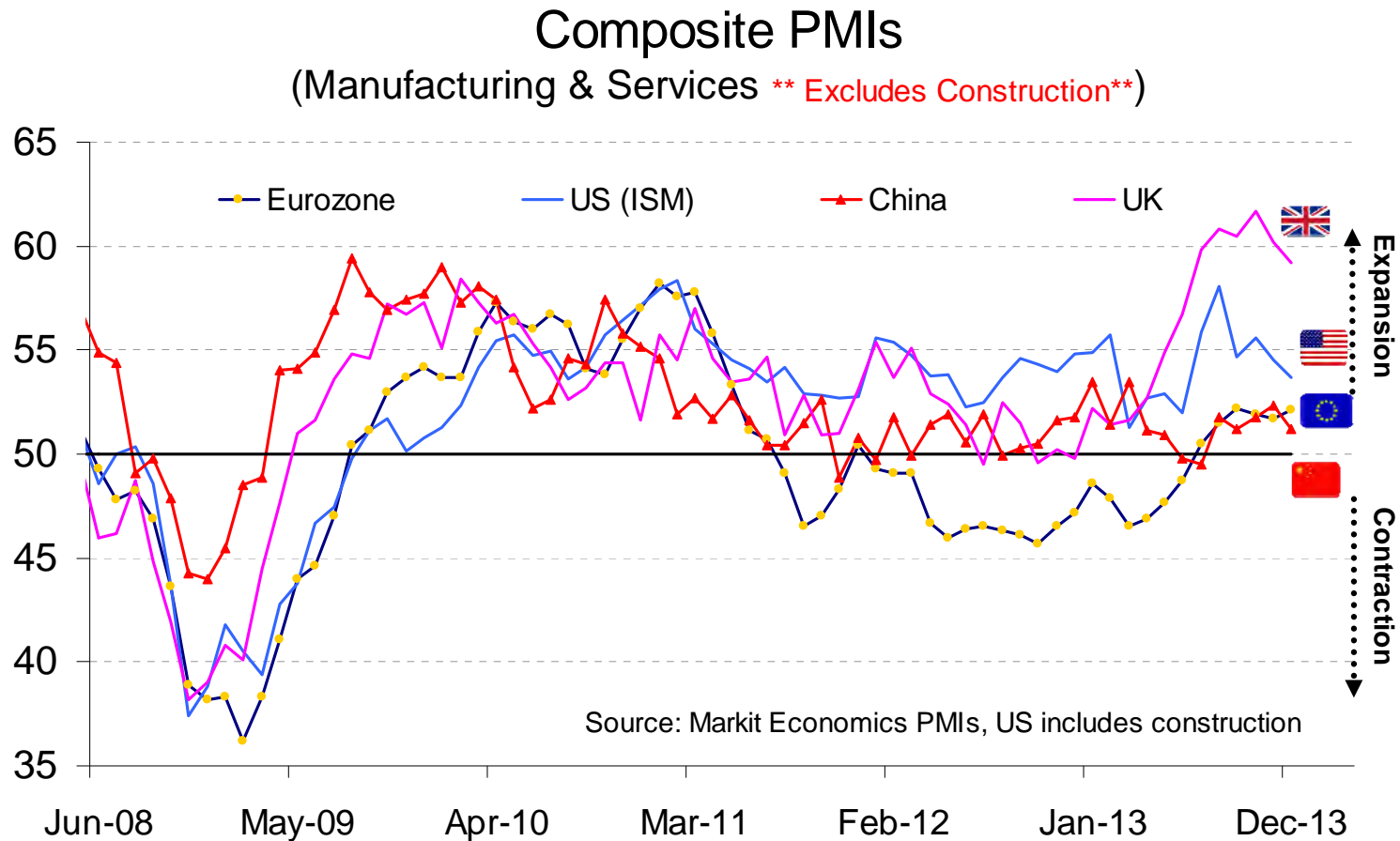
PMIs: Services Output December 2013



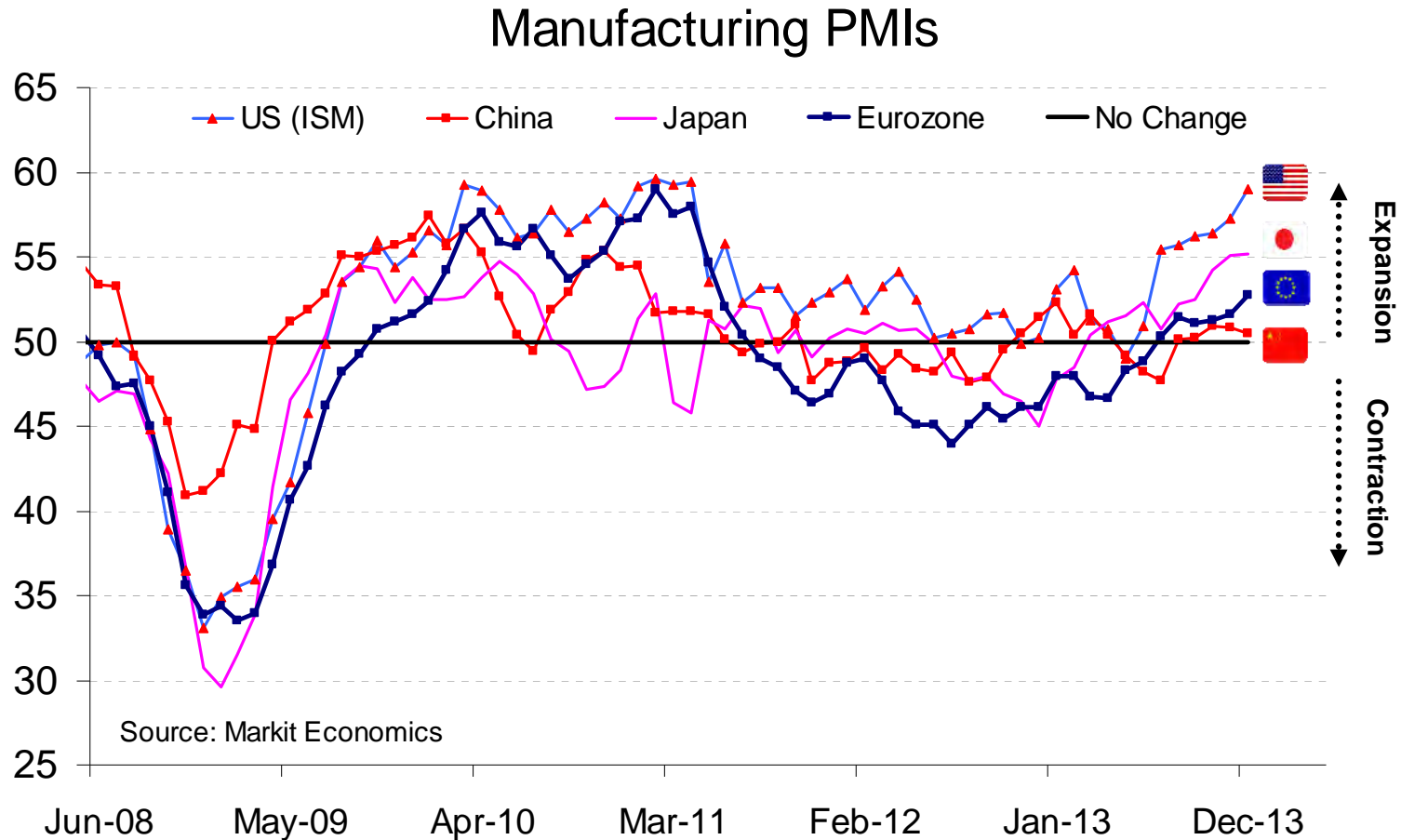
Composite PMIs for Ireland, Spain and Italy all improve in December while France sees its contraction accelerate



The UK, US & China saw their composite PMIs slip in December while the Eurozone's moved higher

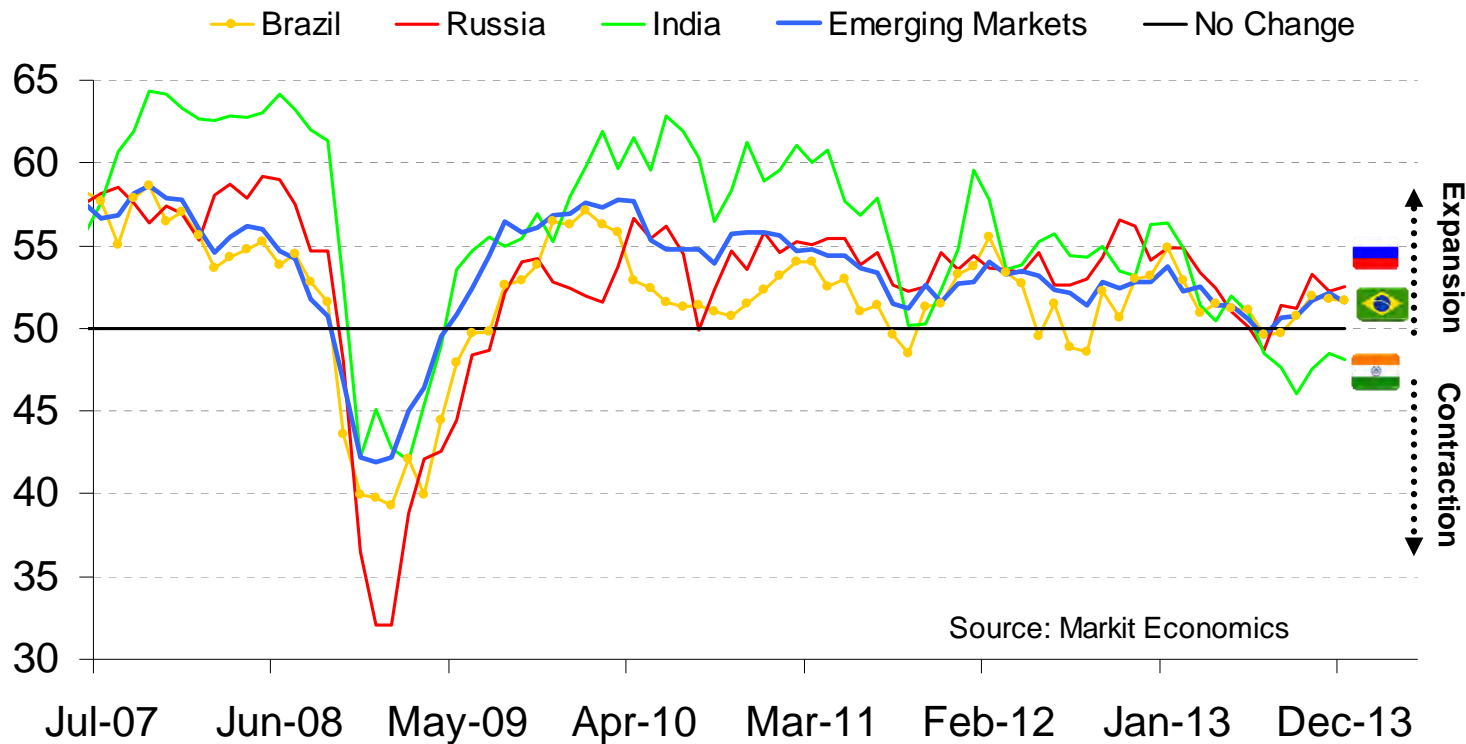


The US, Japan & the Eurozone all posted an acceleration in manufacturing activity in December



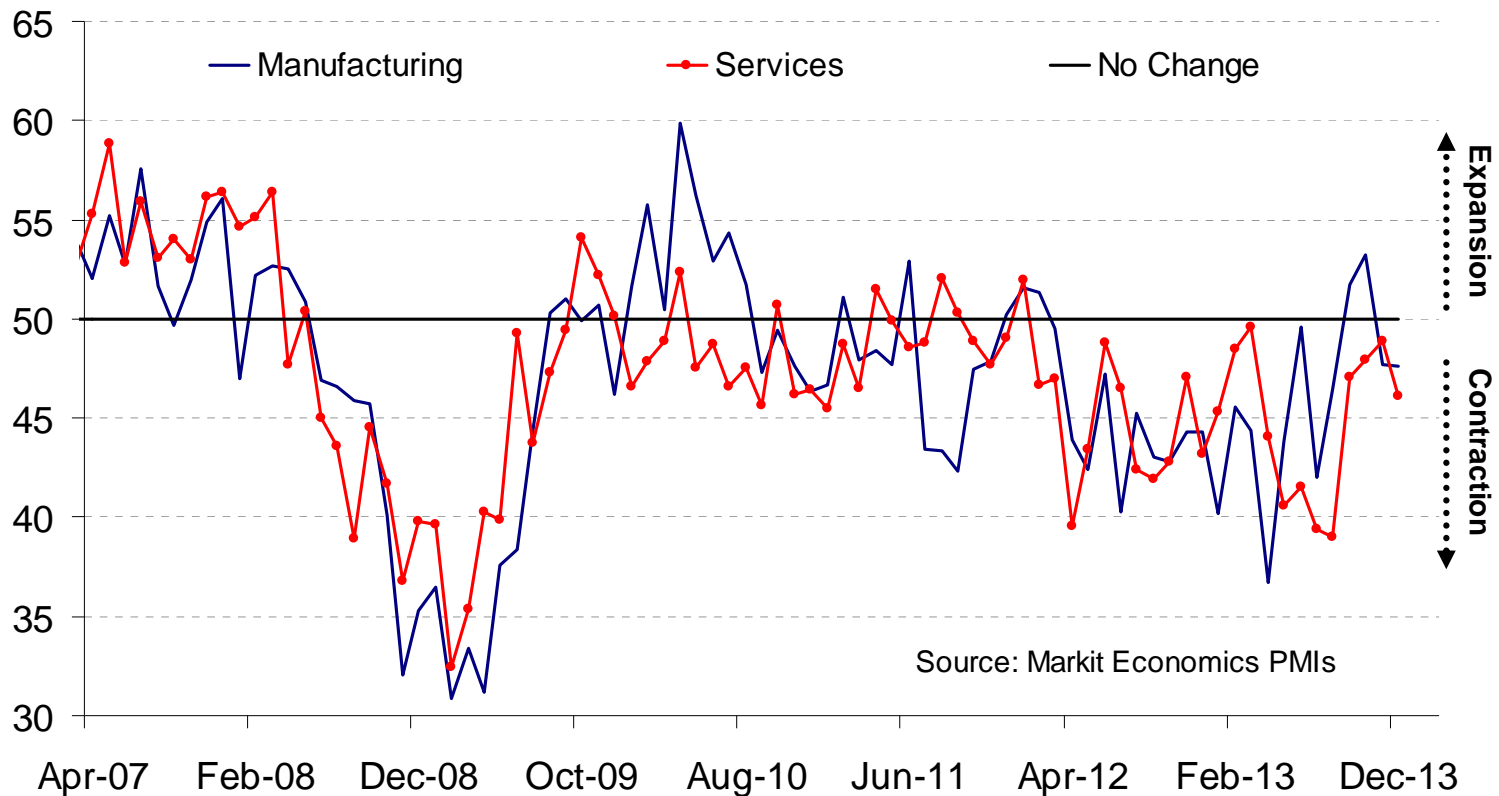
Growth eased in the Emerging Markets PMI due to a slowdown in China and India

Composite PMIs
(Manufacturing & Services ** Excludes Construction **)



Australia's manufacturing and services sectors remain in contraction territory in December

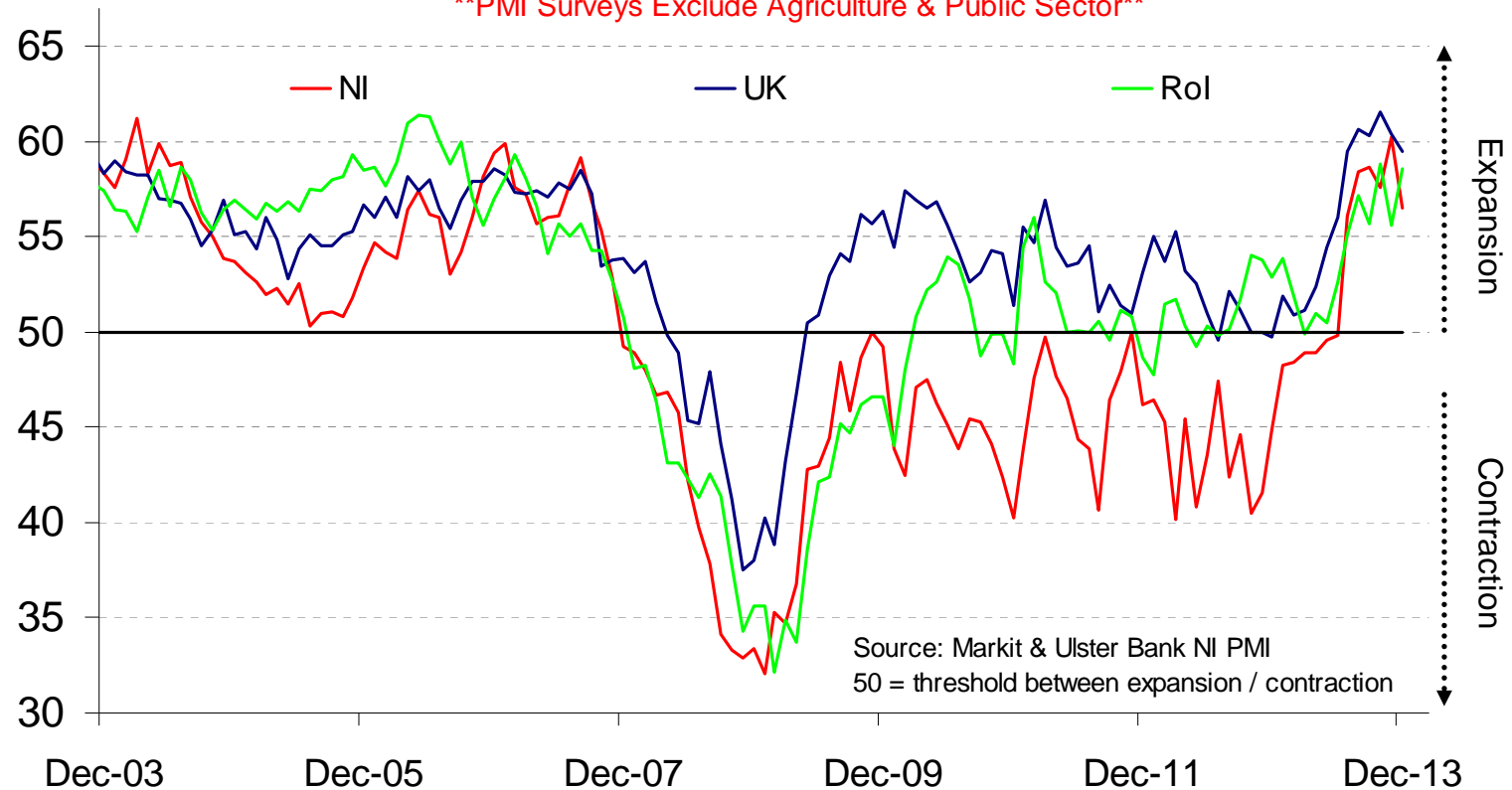
Australia - PMI



The UK & NI see growth rates ease in December while the RoI's posts an acceleration in its rate of growth

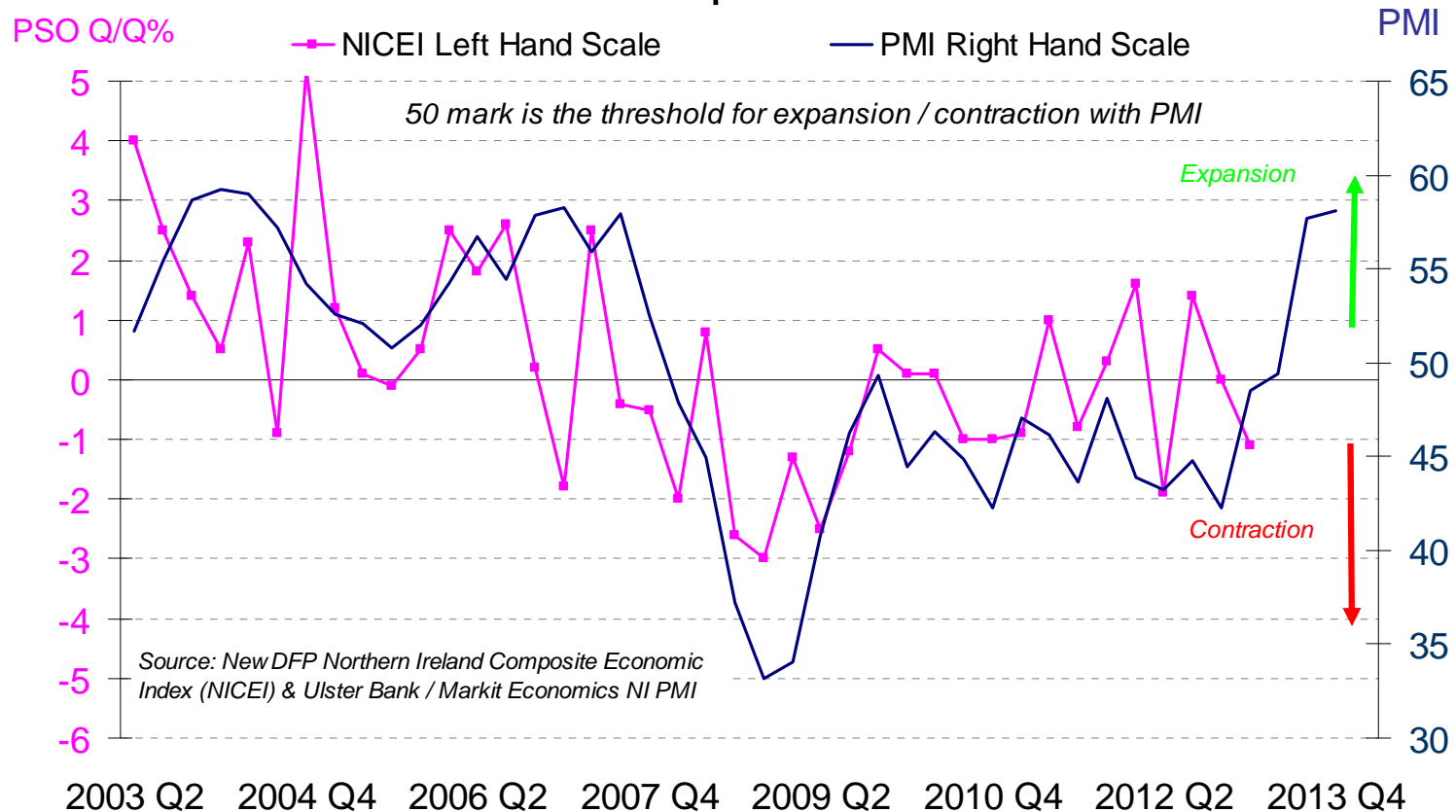
Private Sector Business Activity - PMIs

****PMI Surveys Exclude Agriculture & Public Sector****

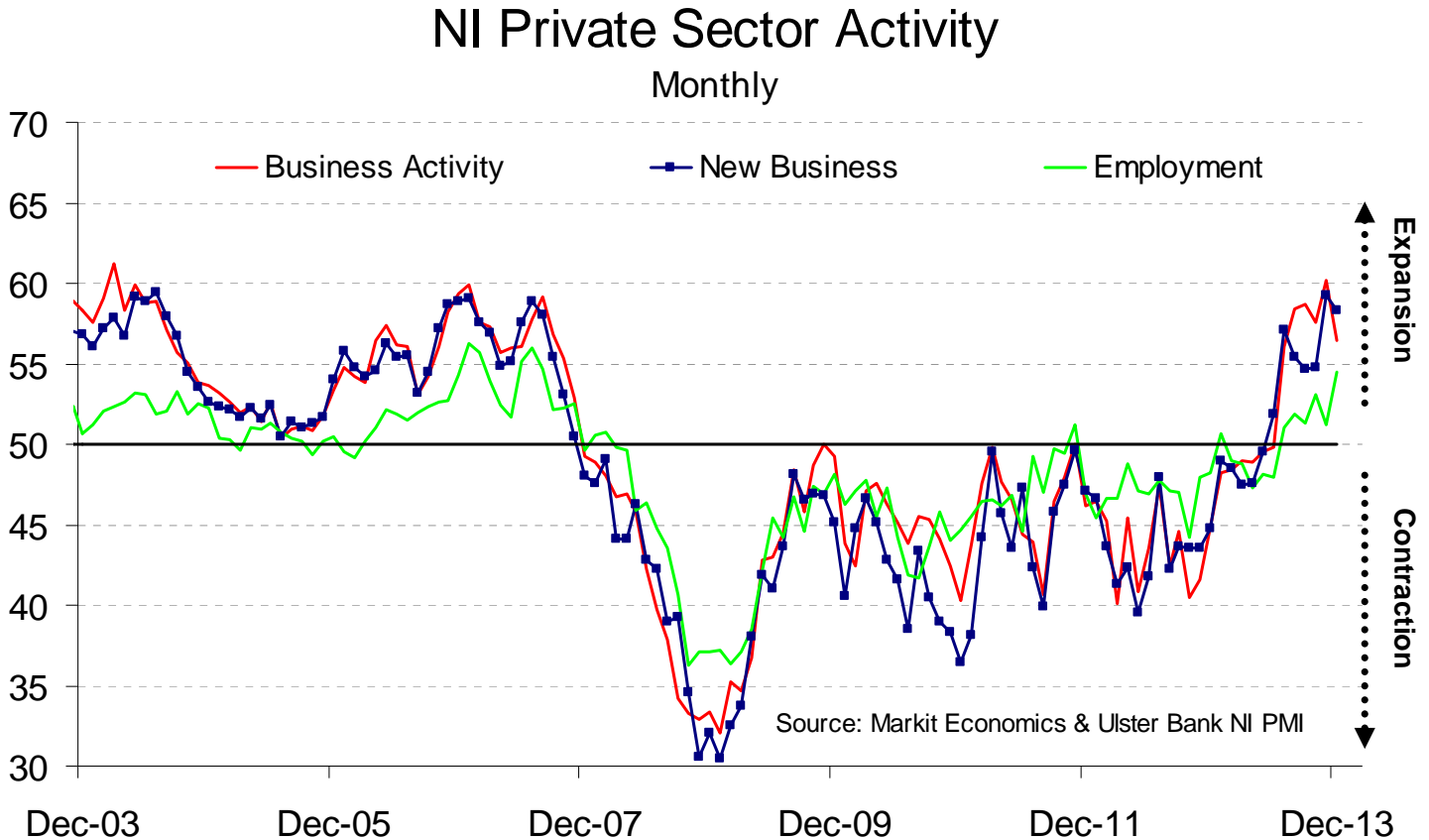


PMI suggests growth in DFP's new private sector composite index (combines indices for construction, services, agriculture & industrial production) in Q3 & Q4

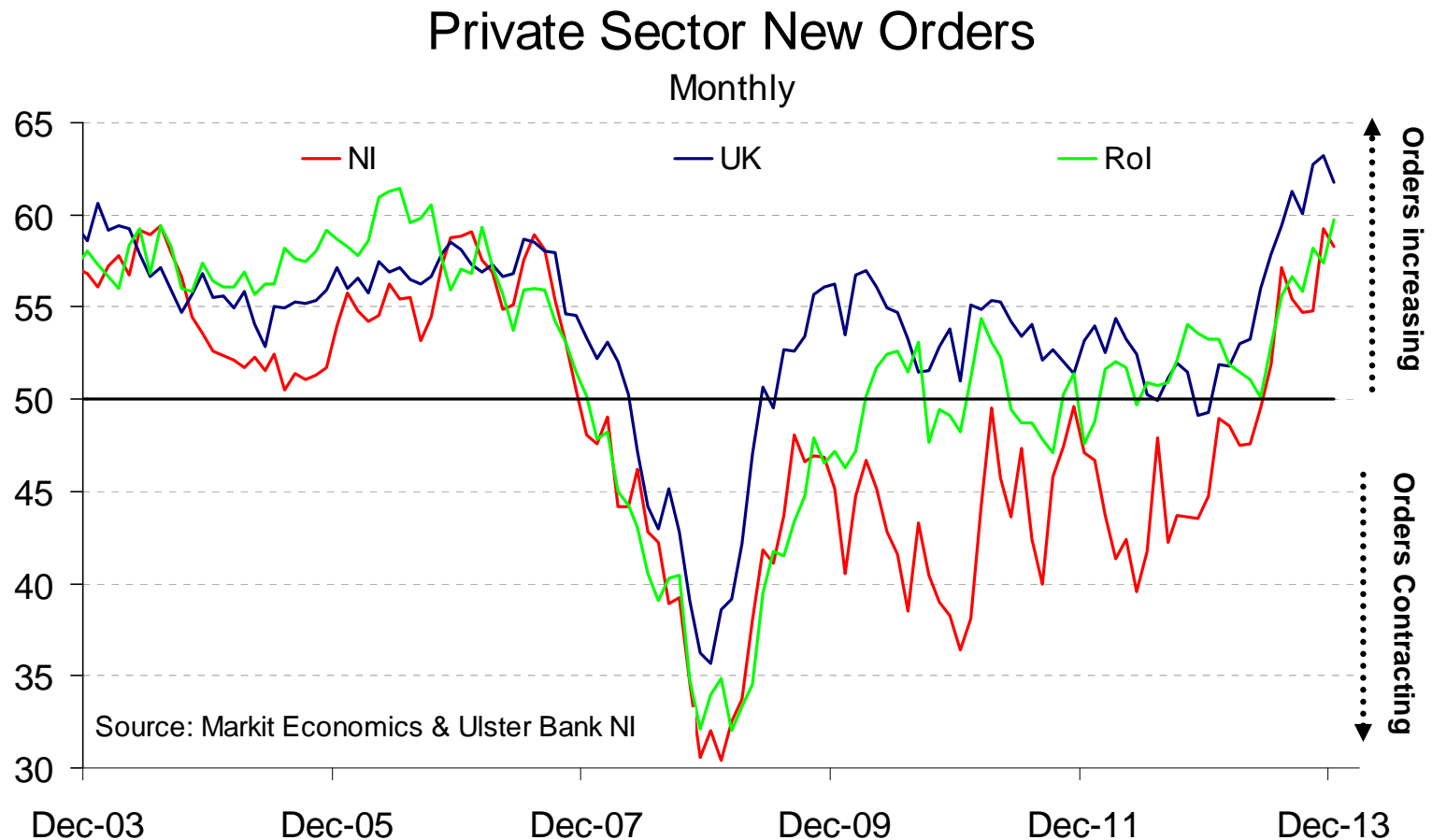
NI Private Sector Output Index Versus NI PMI



NI firms report an acceleration in job creation but pace of business activity & new orders growth slows



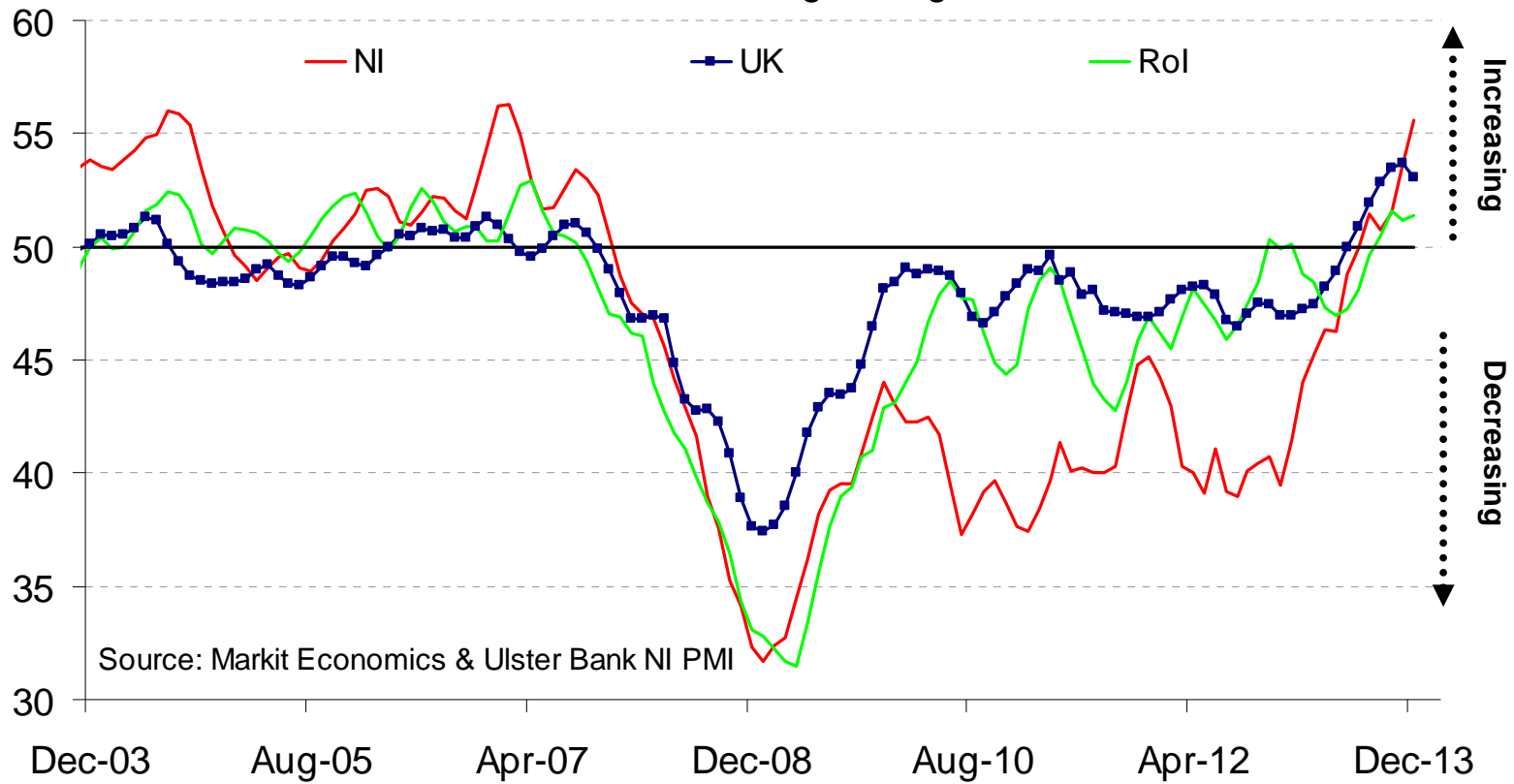
Buoyant order books suggest more growth in the months ahead. New orders remain close to recent 9-year high



Surge in demand is leading to backlogs of work with NI index accelerating rapidly in Q4

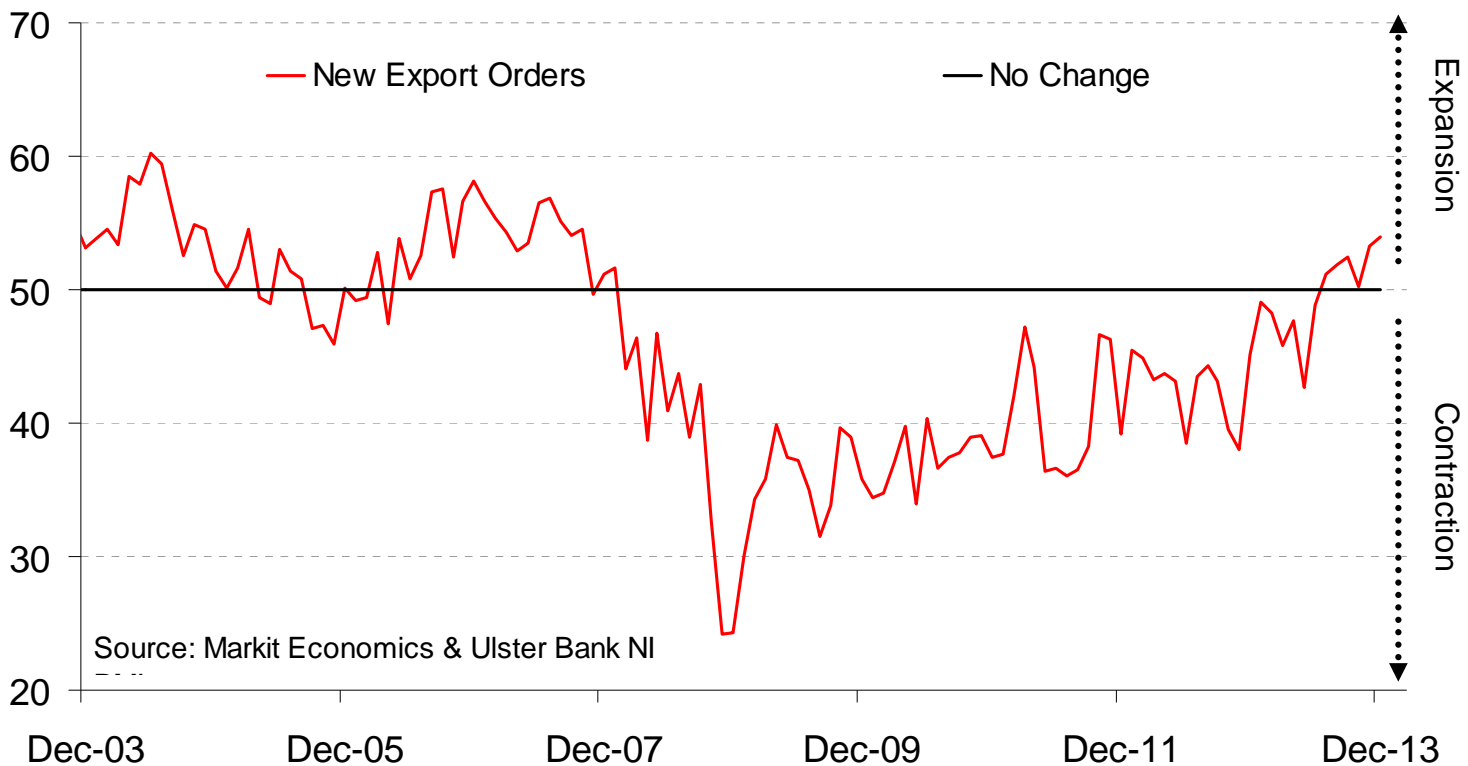
Private Sector Backlogs

3 month moving average

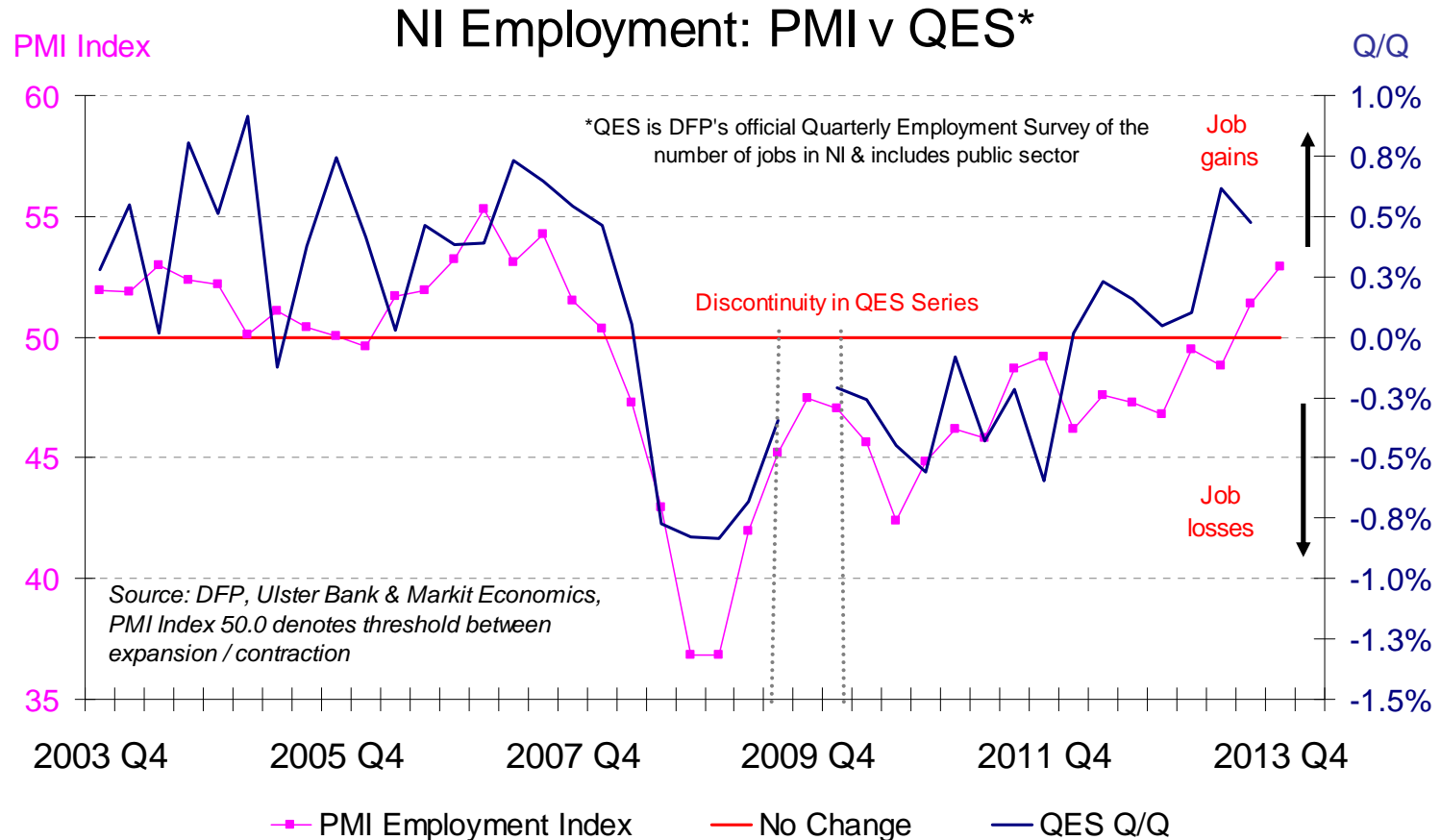


NI firms post their 6th successive rise in export orders with December the fastest rate of growth in over 6 years

NI New Export Business

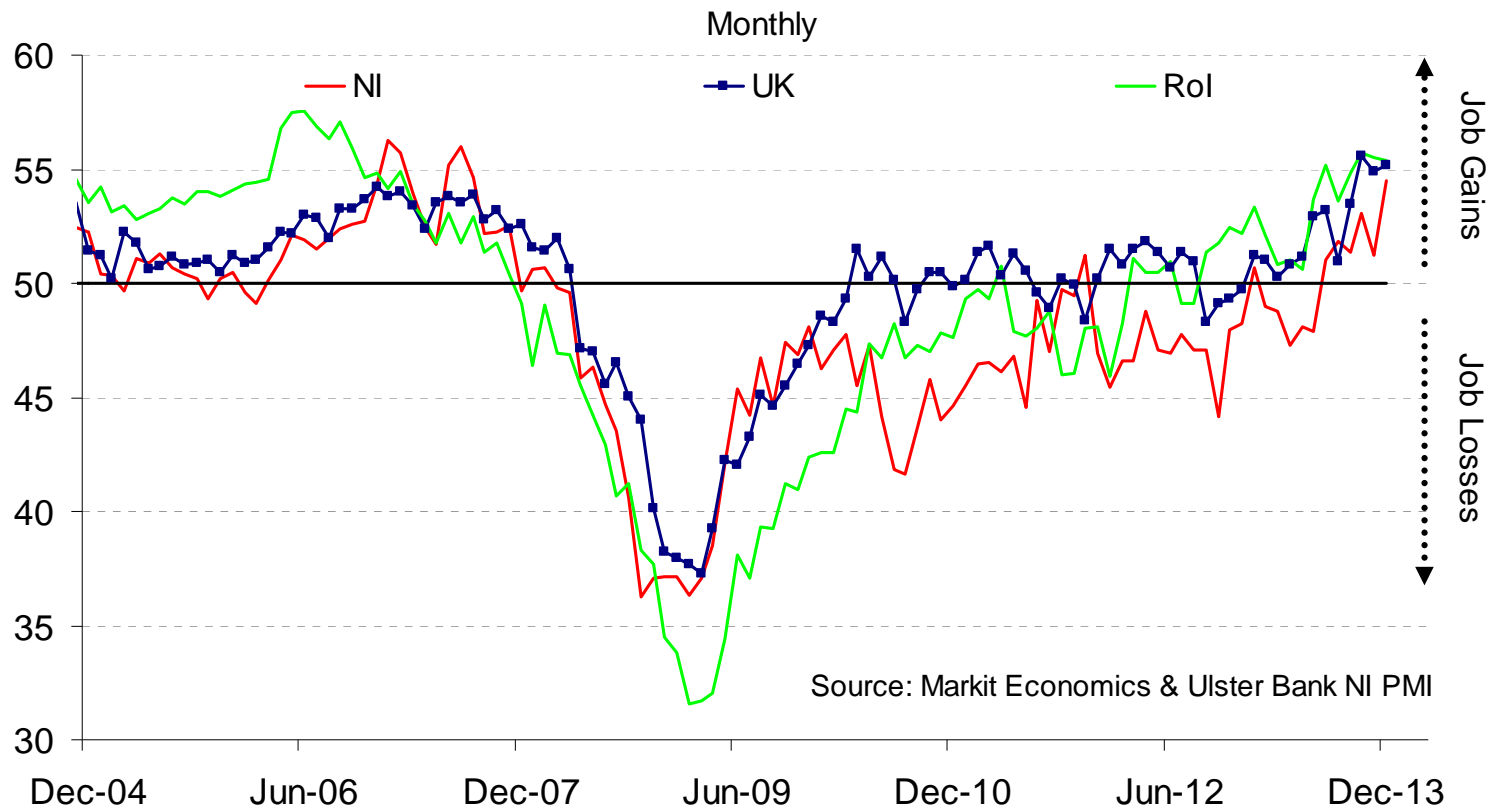


PMI underestimated QES job gains in 2012. PMI for Q3 signals fastest rate of jobs growth since Q4 2007 with even stronger growth in Q4



UK, RoI & NI firms all experienced strong rates of job creation in December

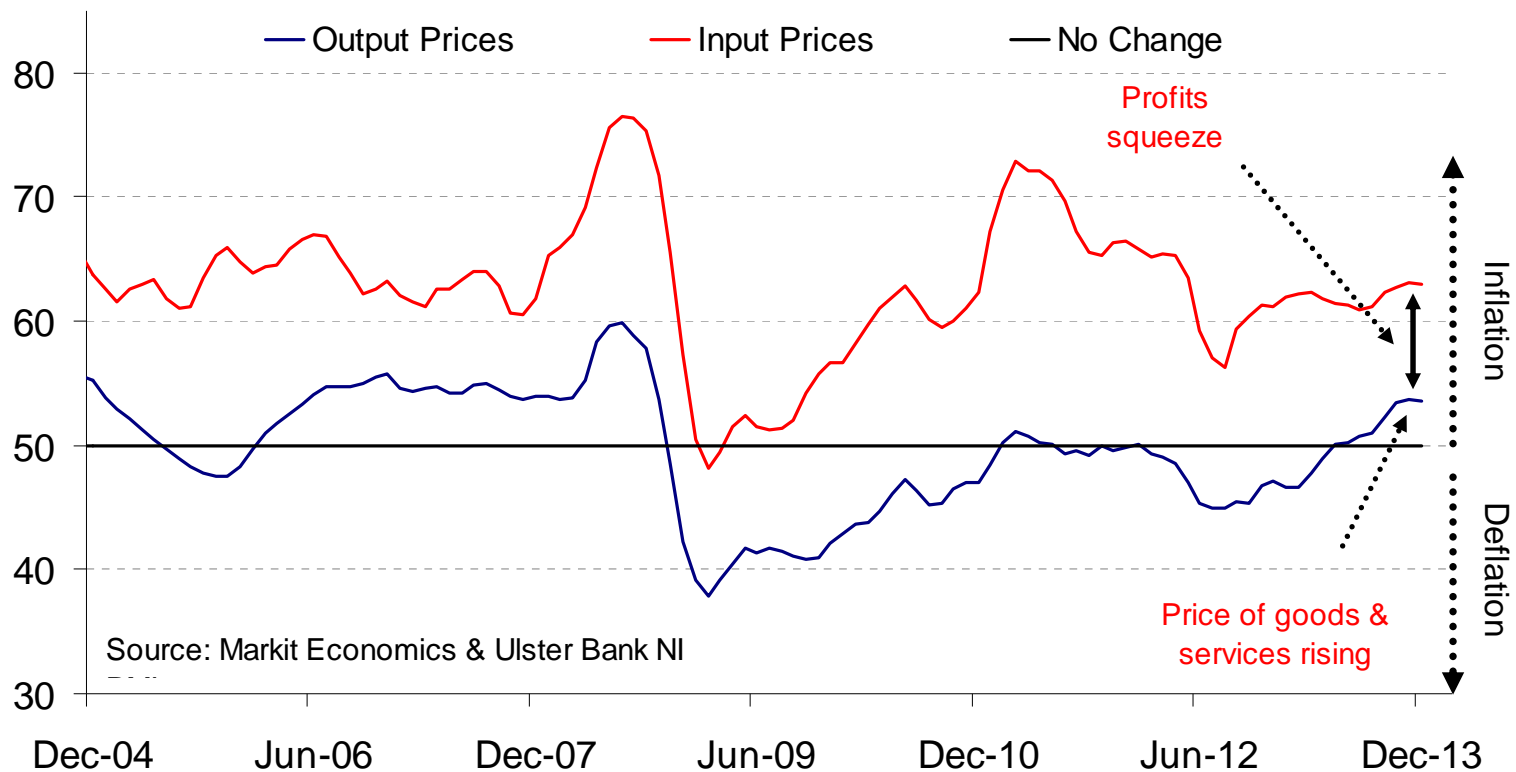
Private Sector Employment Levels



Private sector's profitability squeeze remains but pricing power is on the rise

NI Private Sector Profit Squeeze

3 Month Moving Average

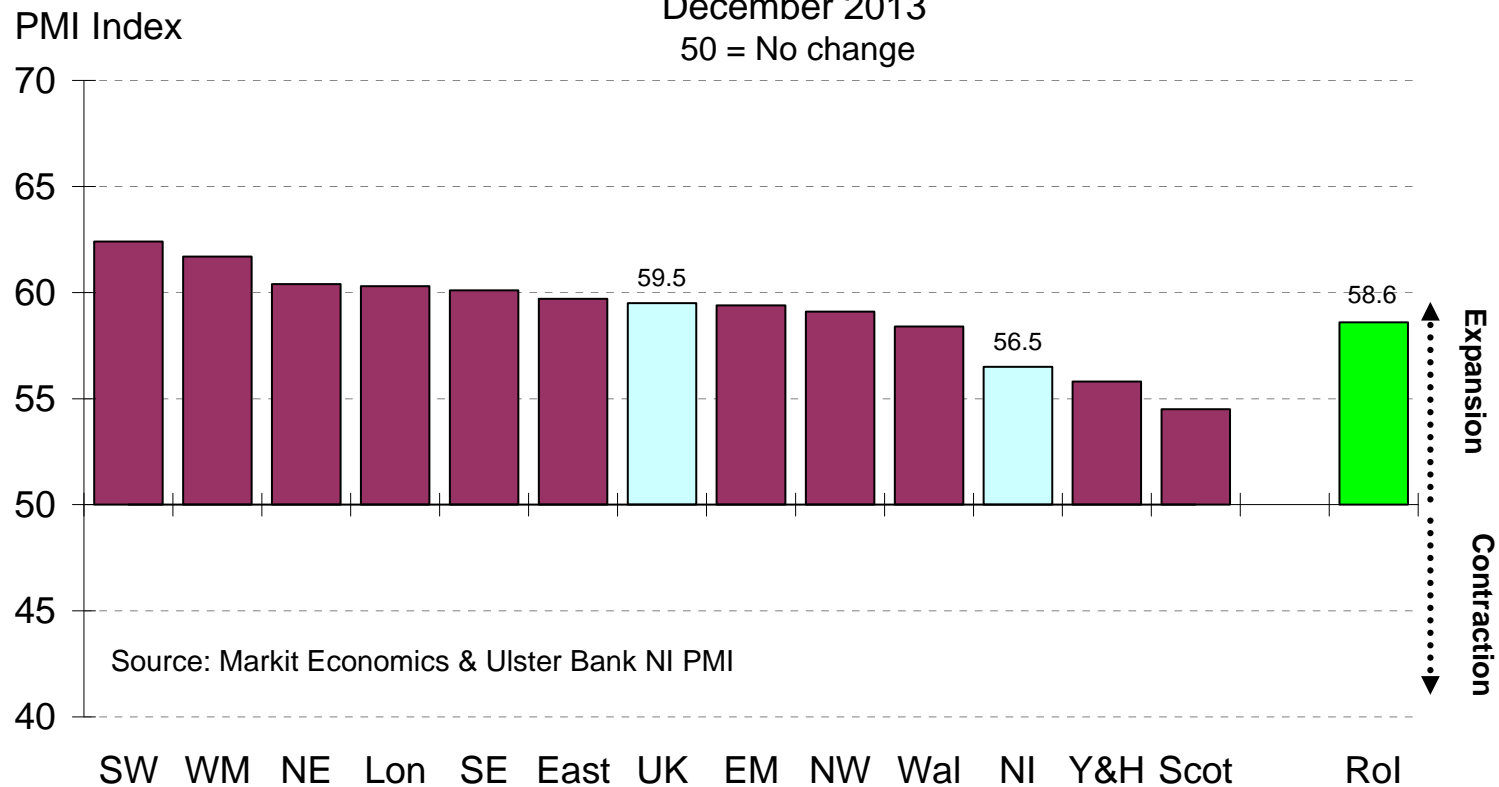


Regional Comparisons

Strong growth across all UK regions and the Rol in December

Output / Business Activity

December 2013
50 = No change



...all the UK regions & the RoI post growth in Q4

Output / Business Activity

Q4 2013

50 = No change

PMI Index

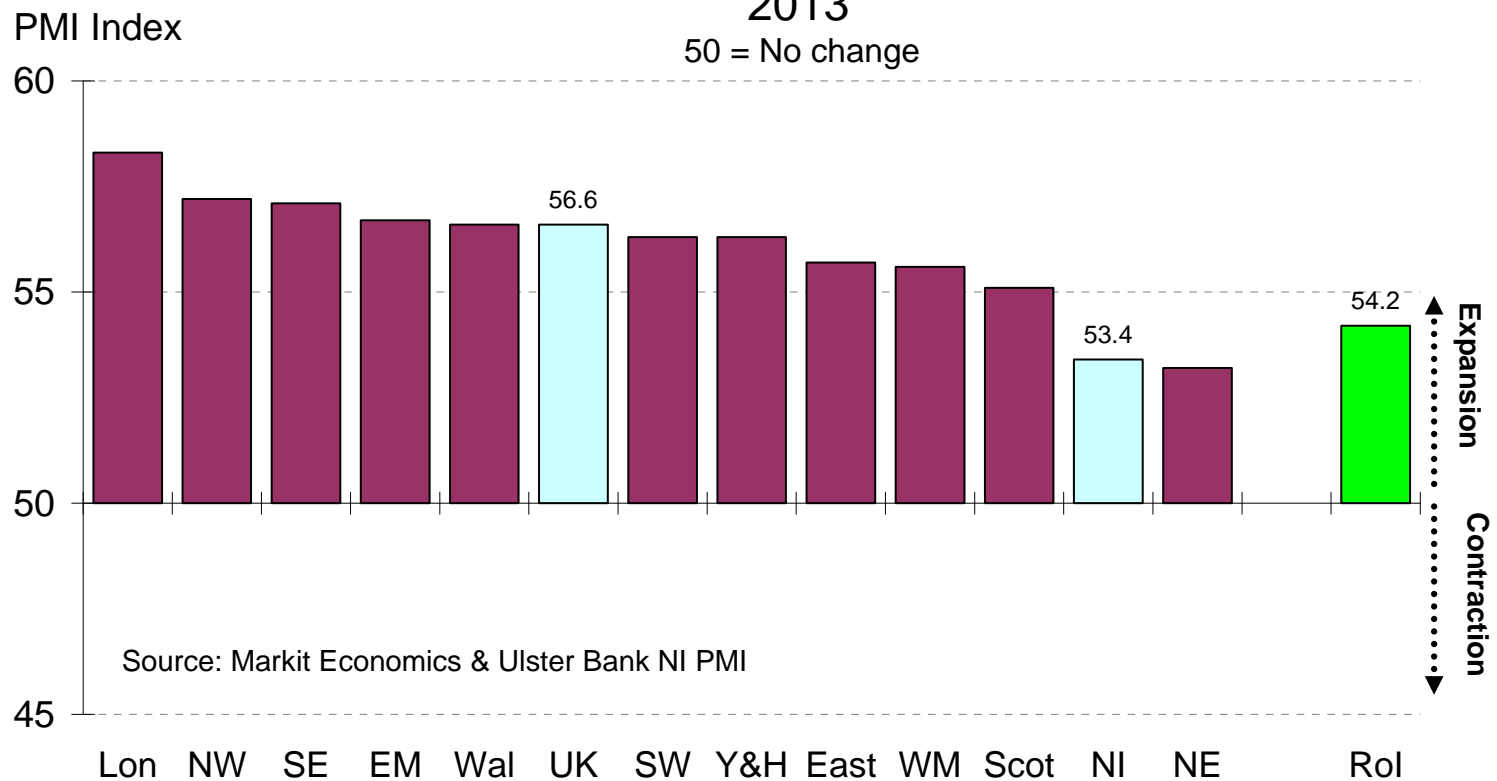


... and over the last 12 months

Output / Business Activity

2013

50 = No change



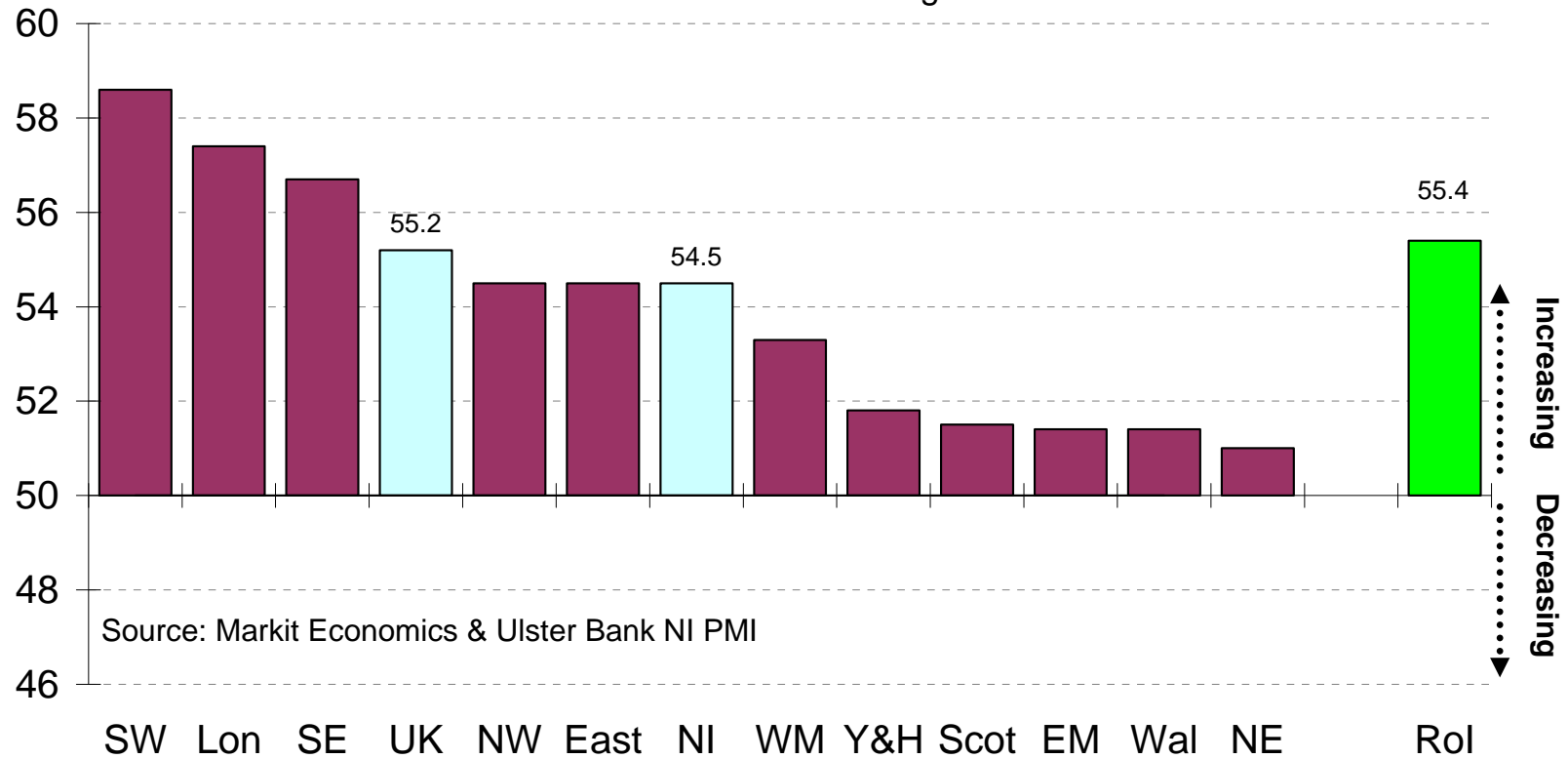
All the UK regions and the Republic of Ireland post employment growth in December ...

Employment Levels

December 2013

50 = No change

PMI Index



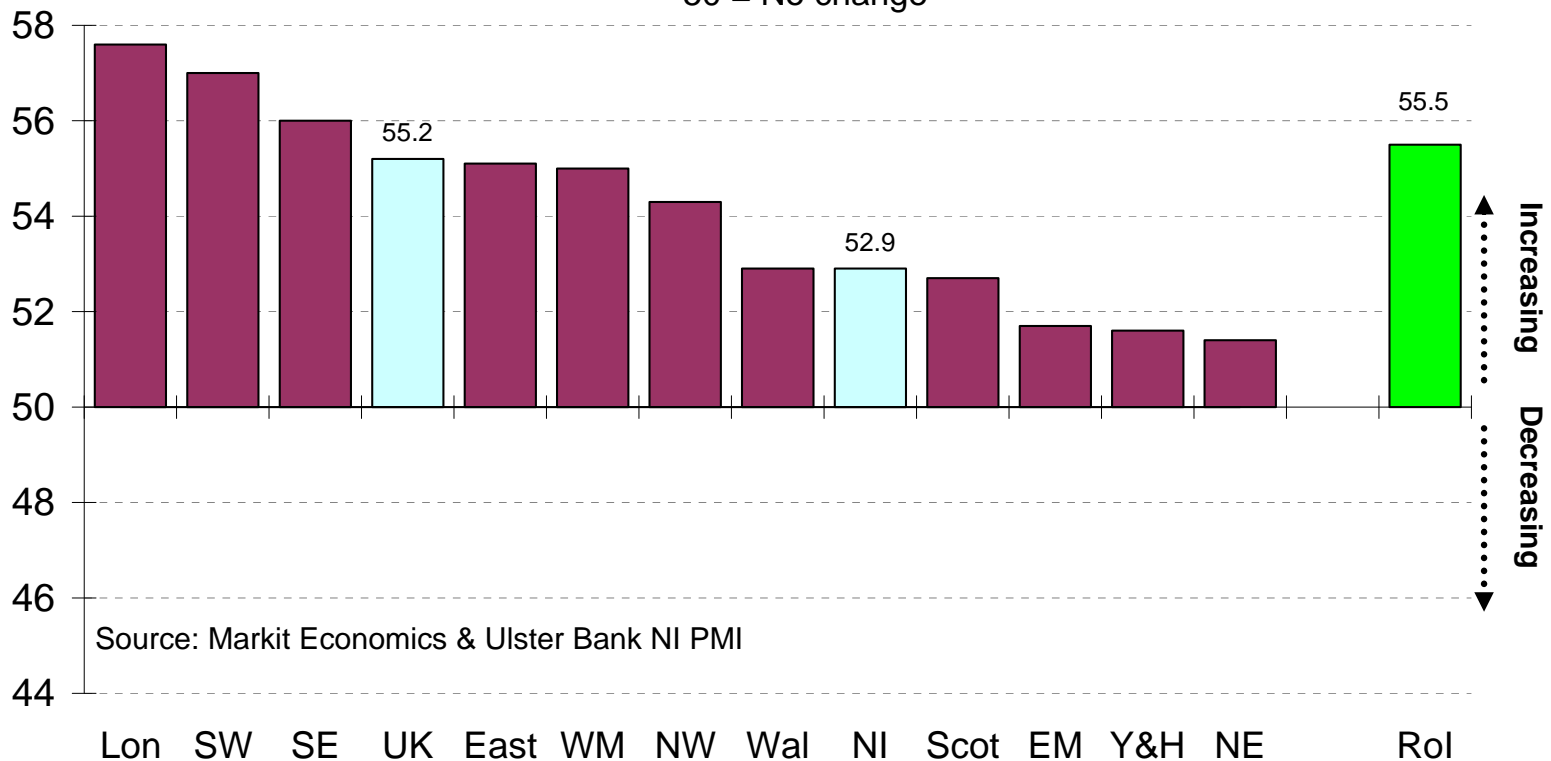
... and over the last 3 months

Employment Levels

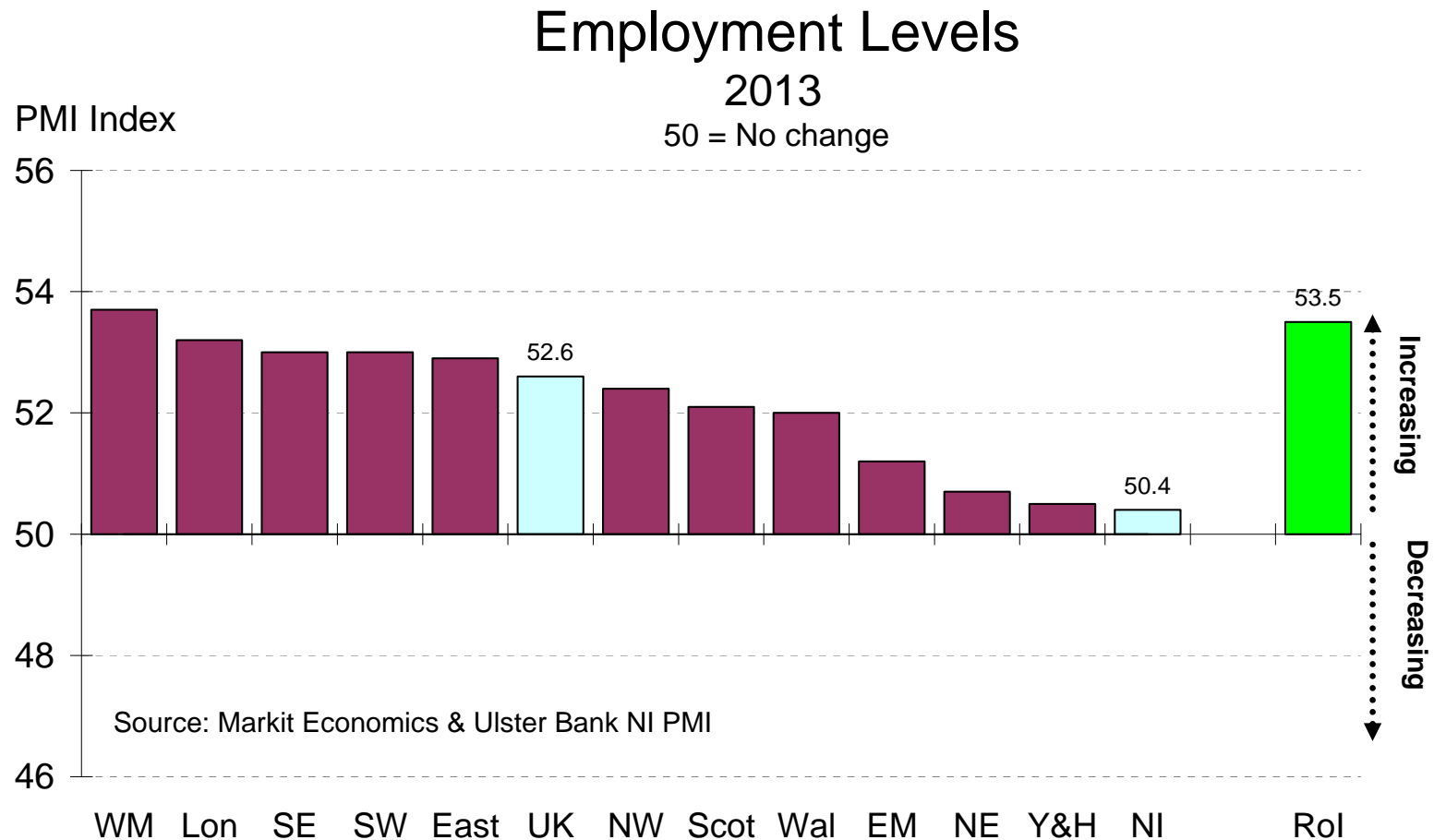
Q4 2013

50 = No change

PMI Index



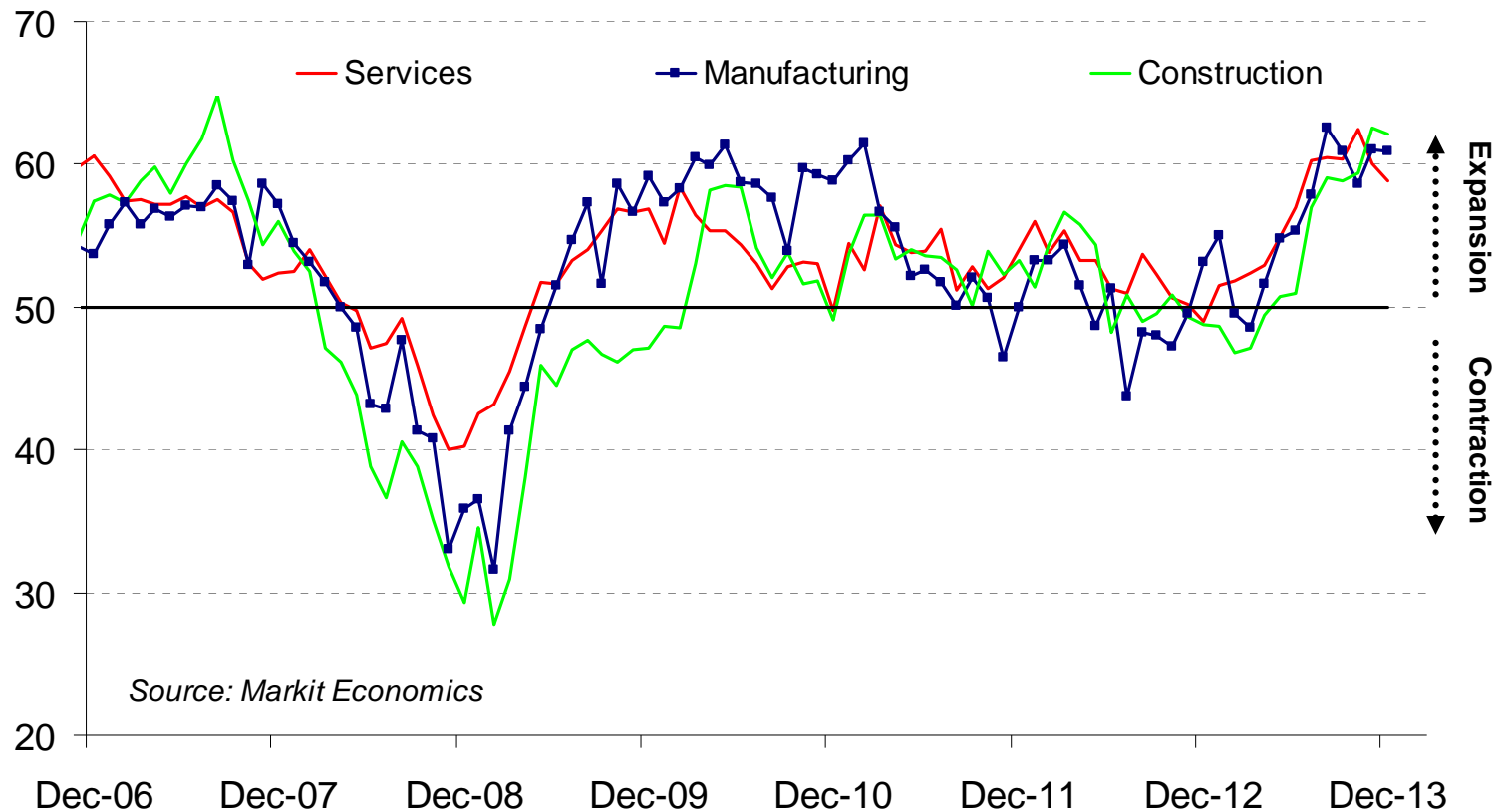
NI posts its first annual increase in private sector employment since 2007



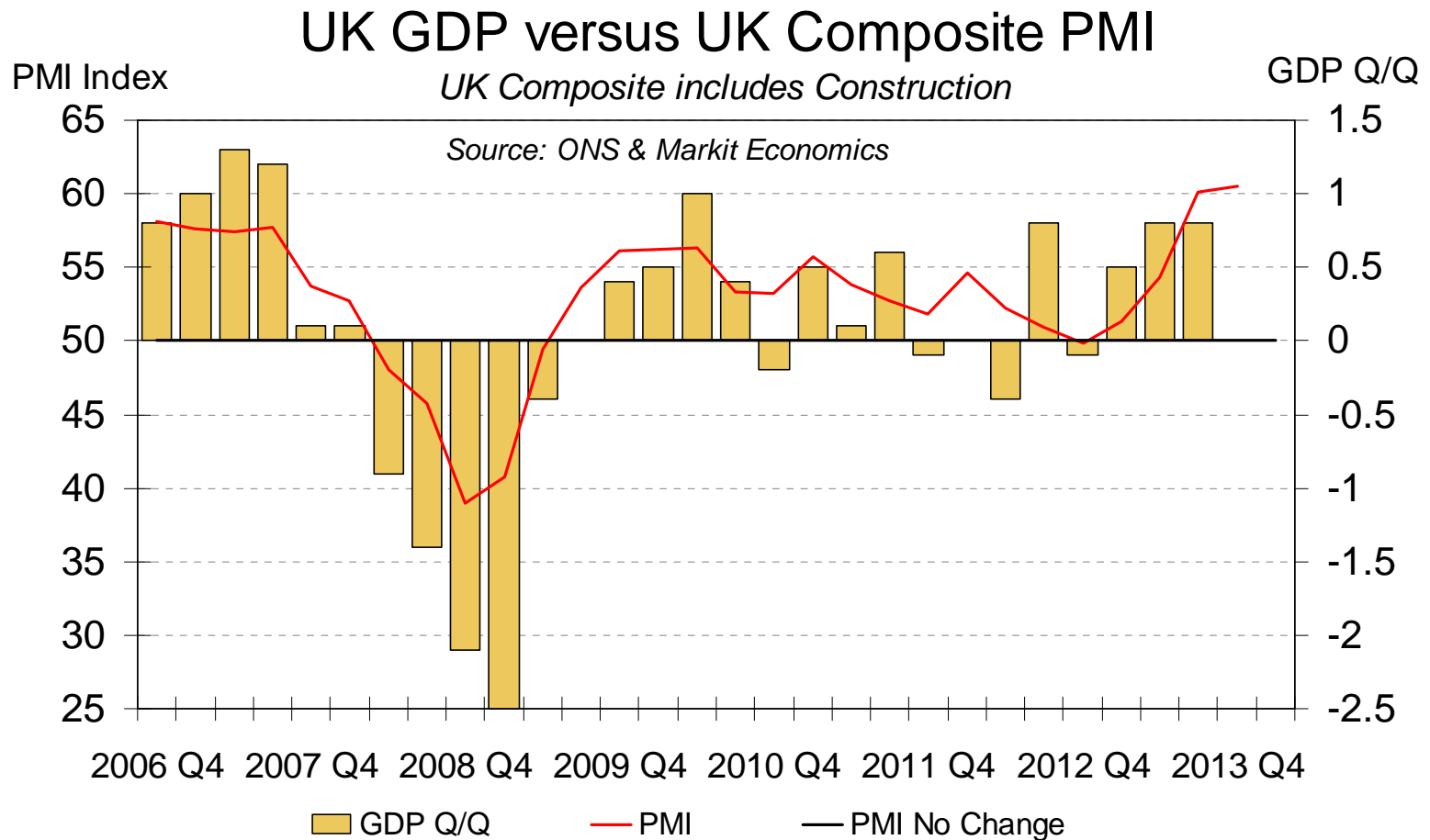
Sectoral Comparisons

All 3 UK sectors maintain strong rates of growth in December

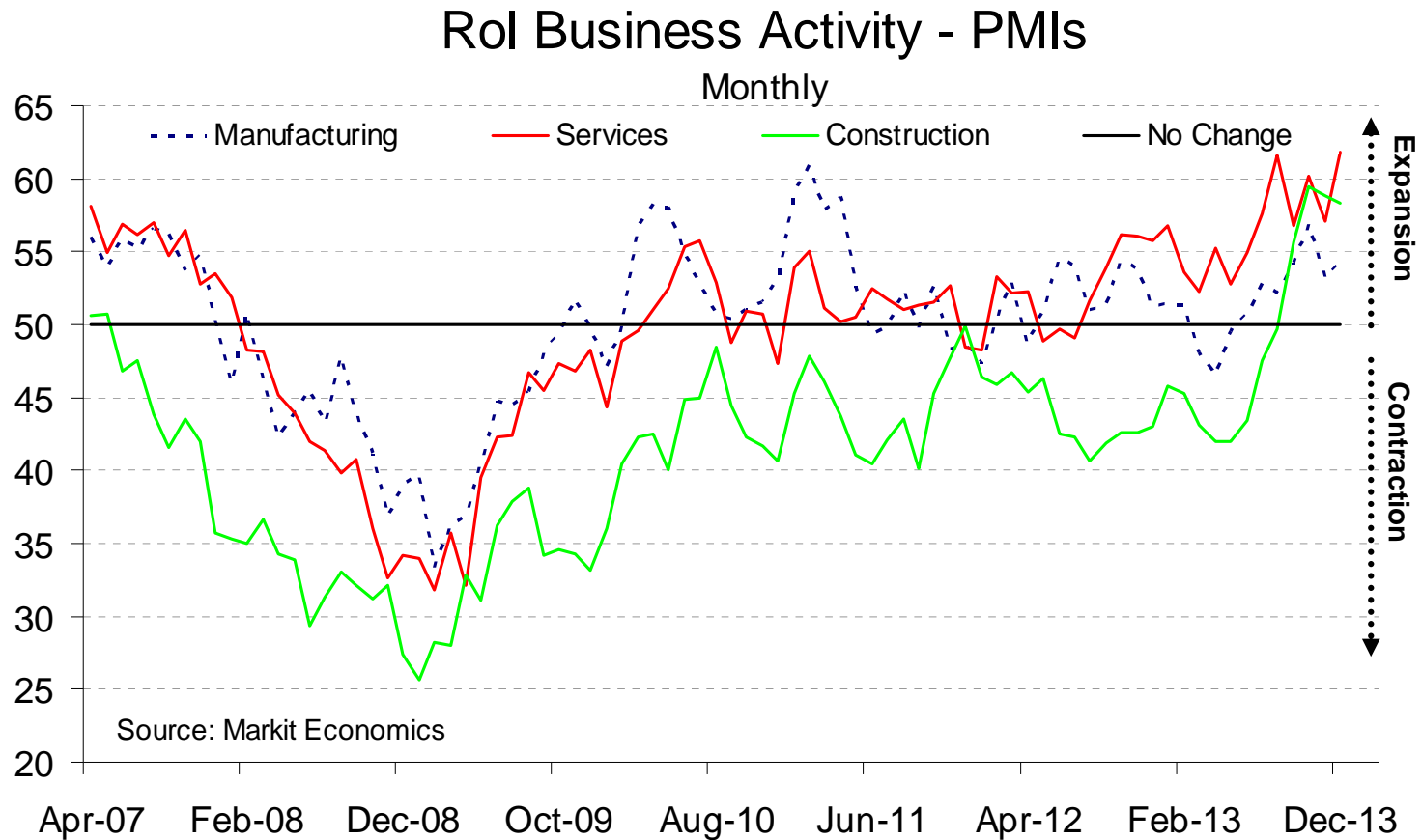
UK Business Activity / Output - PMIs



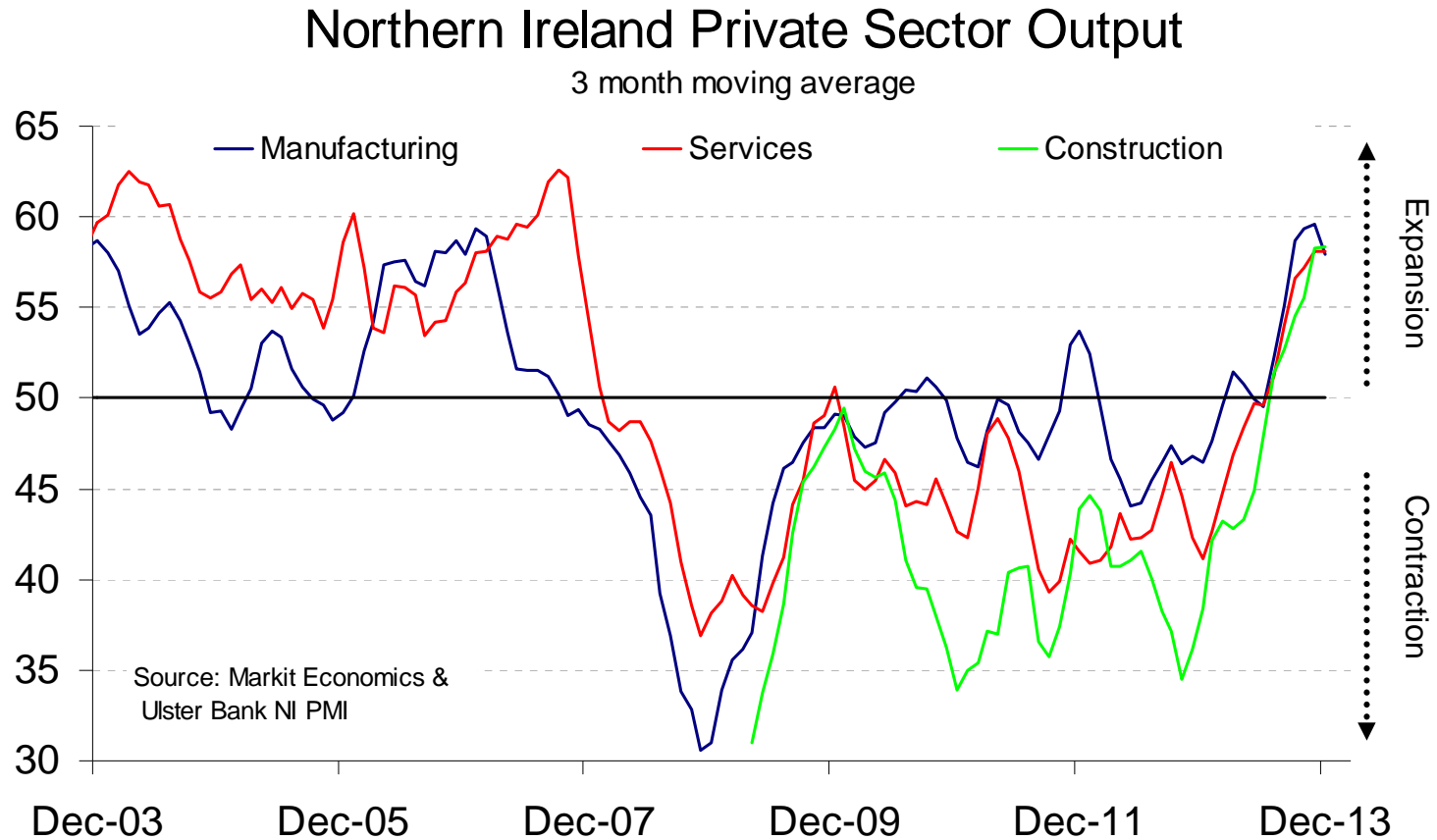
UK posts strong rates of economic growth in Q2-Q4



The RoI's manufacturing & service sectors experience a pick-up in their growth rates in December



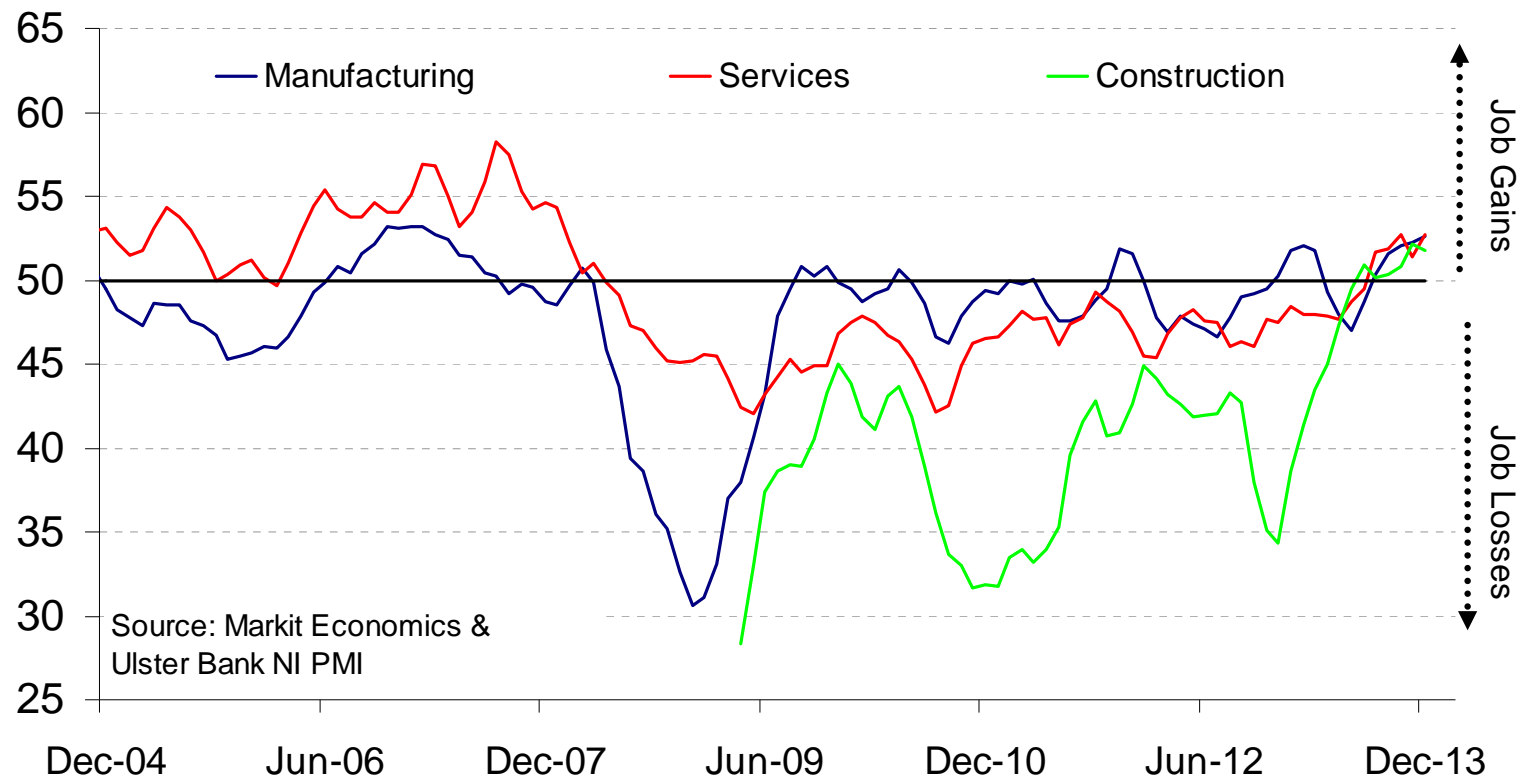
All 3 broad sectors within NI saw robust rates of output growth in Q4



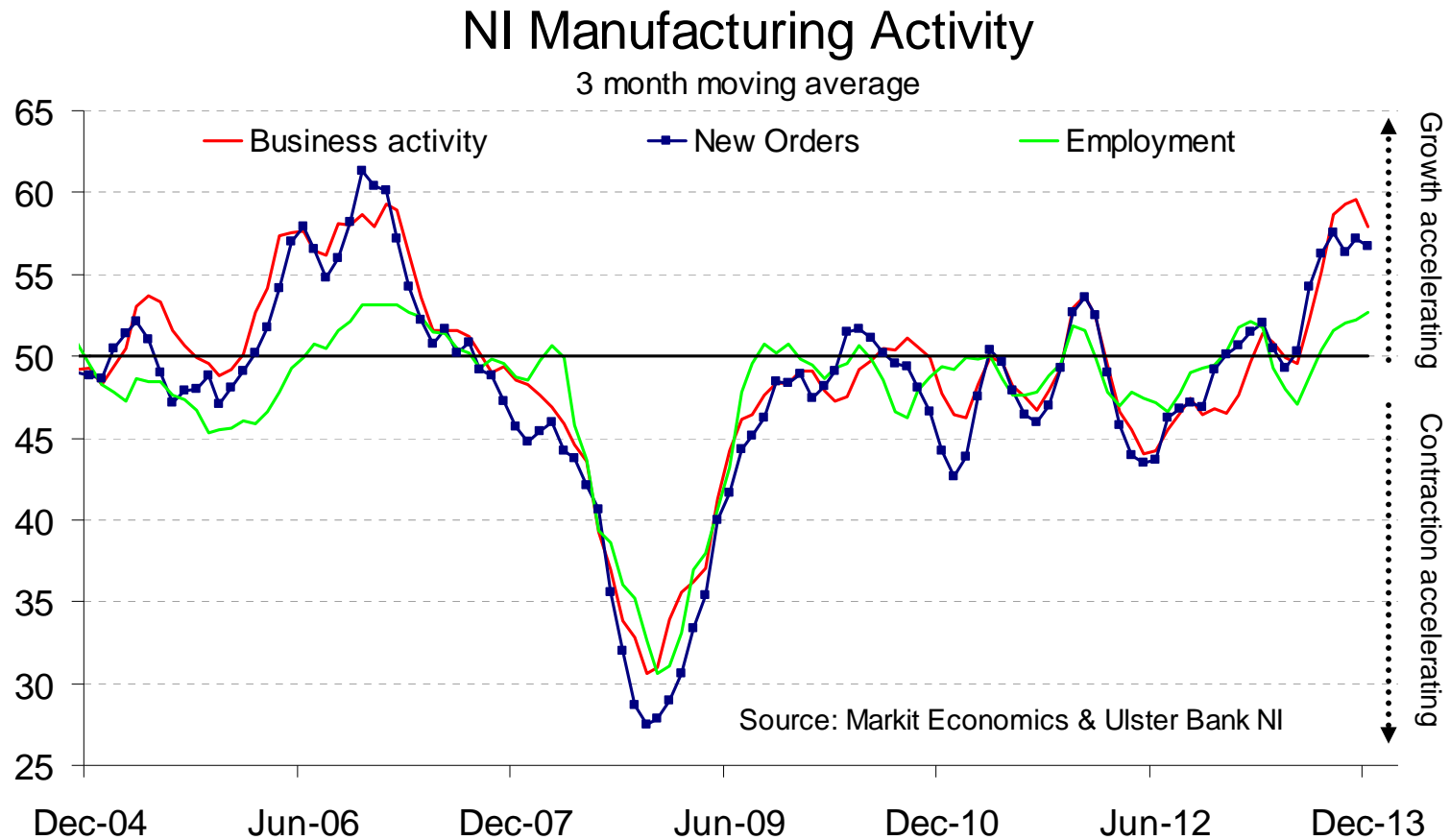
...with all sectors also reporting job gains over the last 3 months

NI PMI - Employment Index

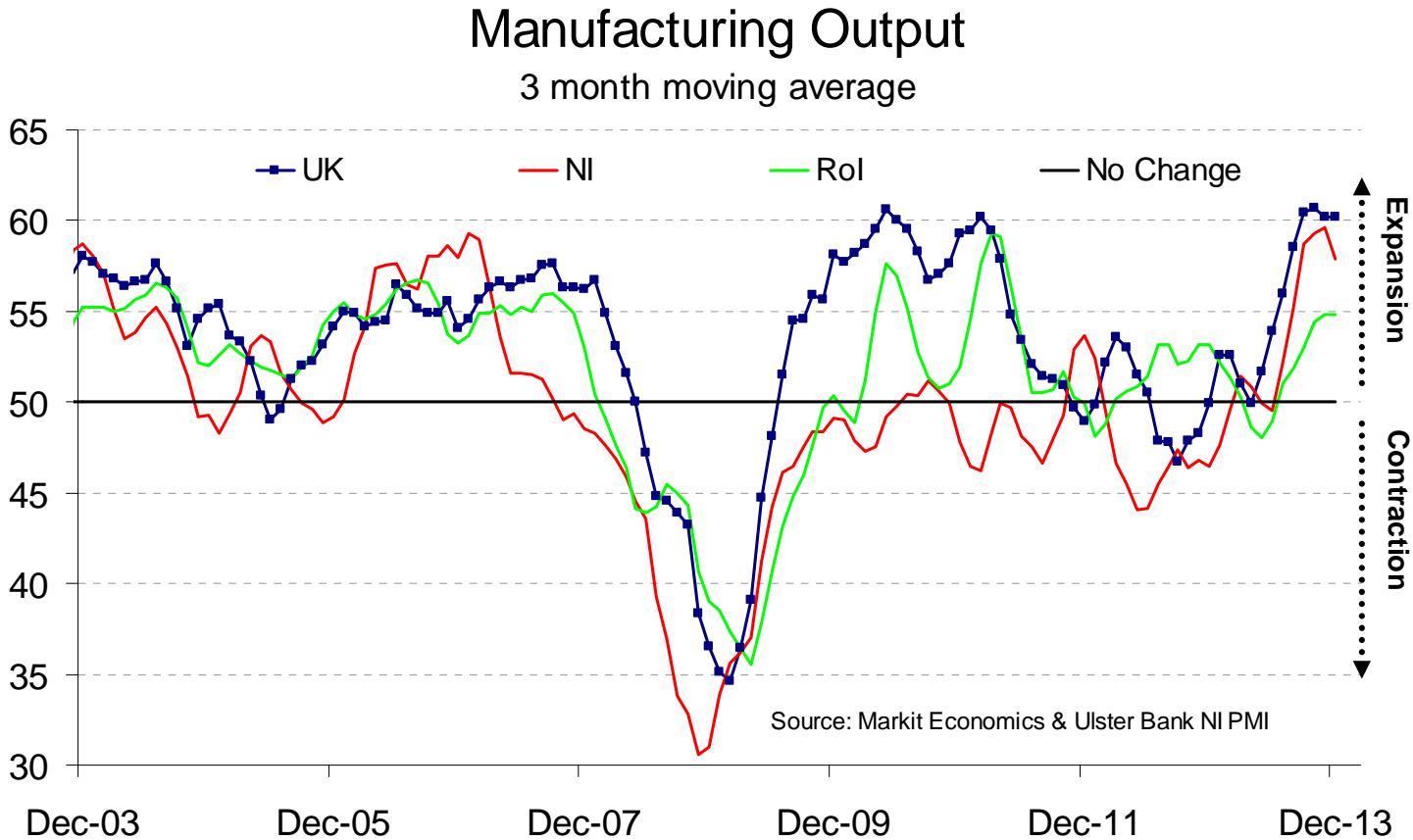
3 month moving average



NI manufacturers continue to report strong rates of growth in orders, employment & output over the last 3 months

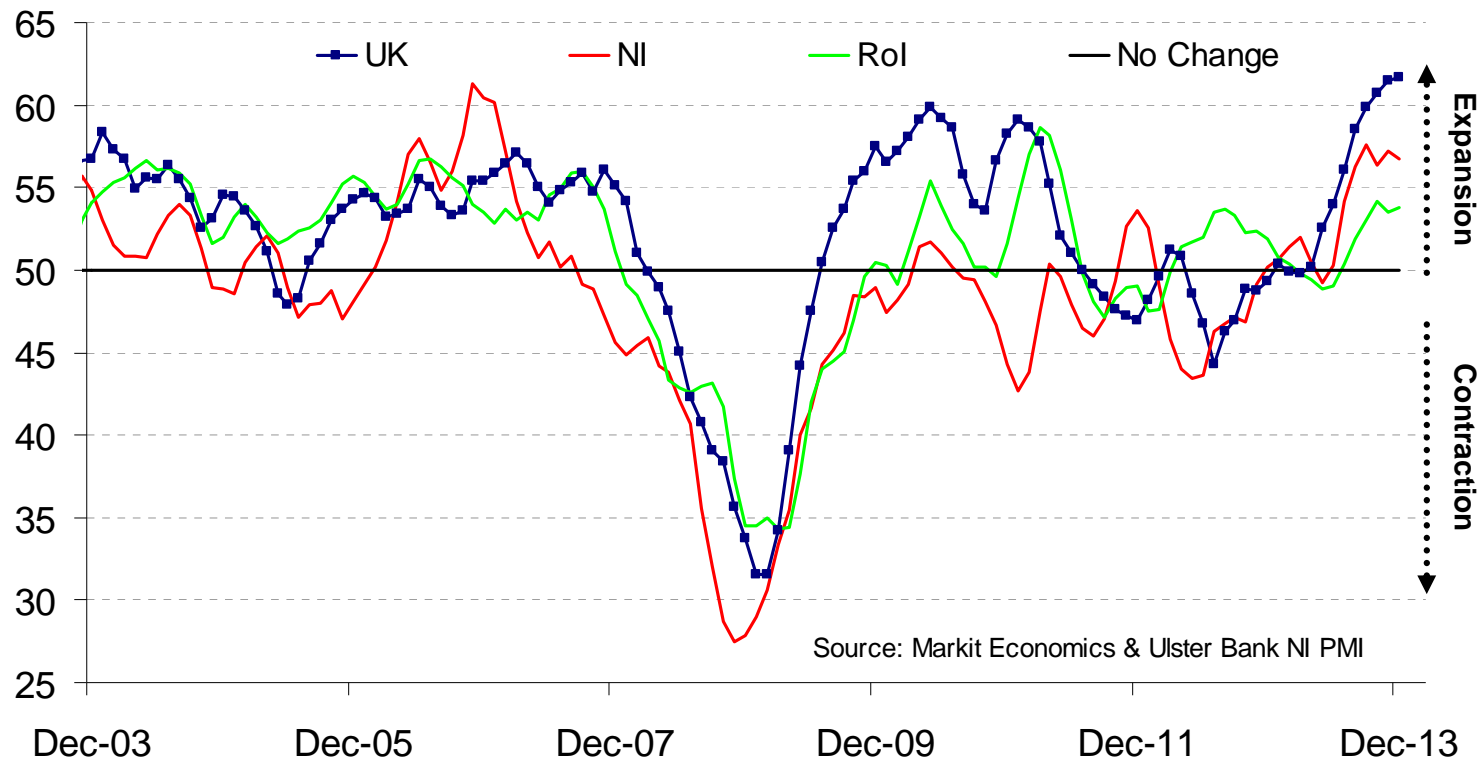


UK, RoI & NI manufacturing firms continue to post strong rates of growth in output during the last 3 months



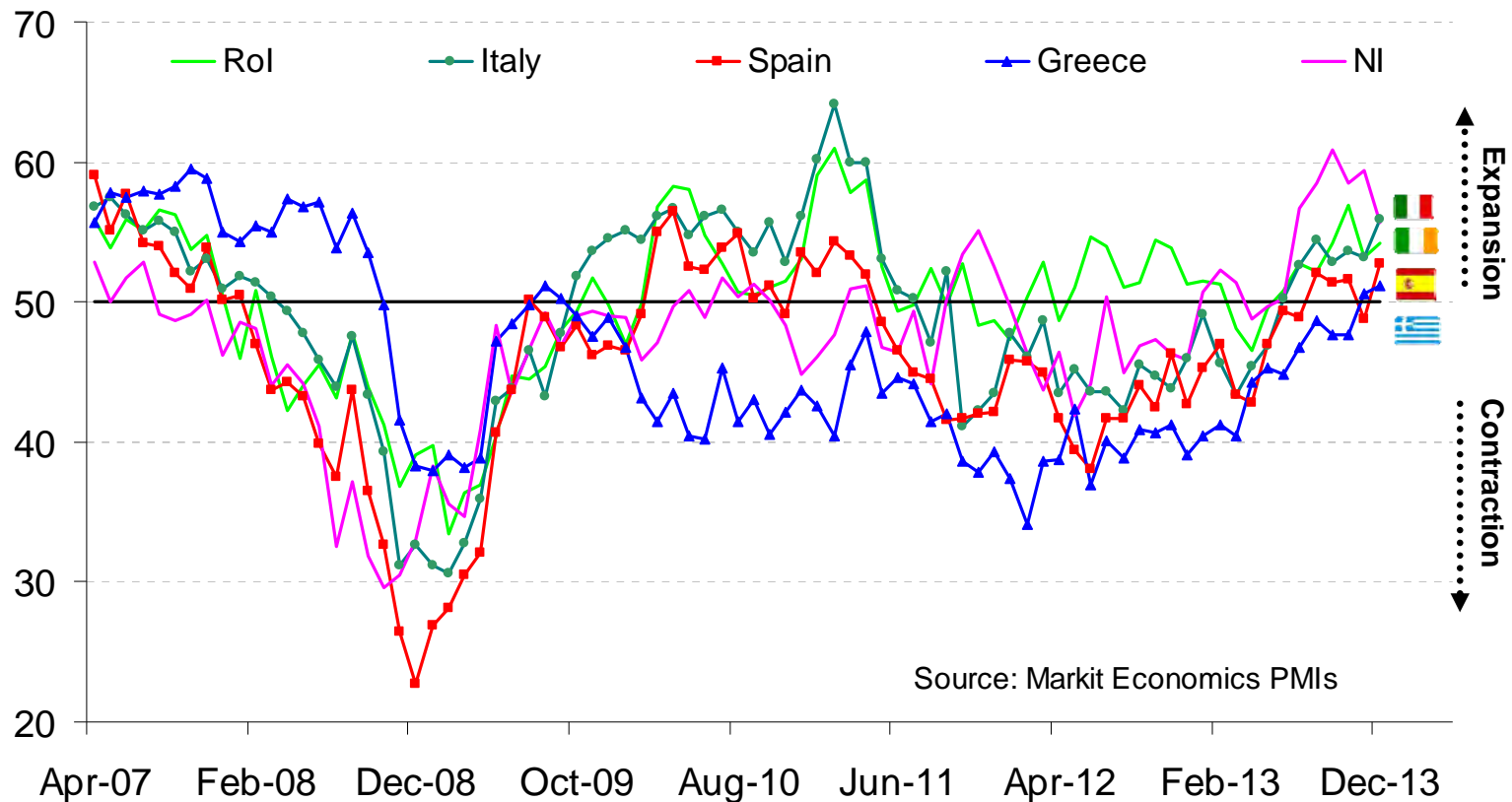
The UK posts the strongest rate of growth in new orders

Manufacturing New Orders
3 month moving average



Lately NI has been outperforming its European competitors

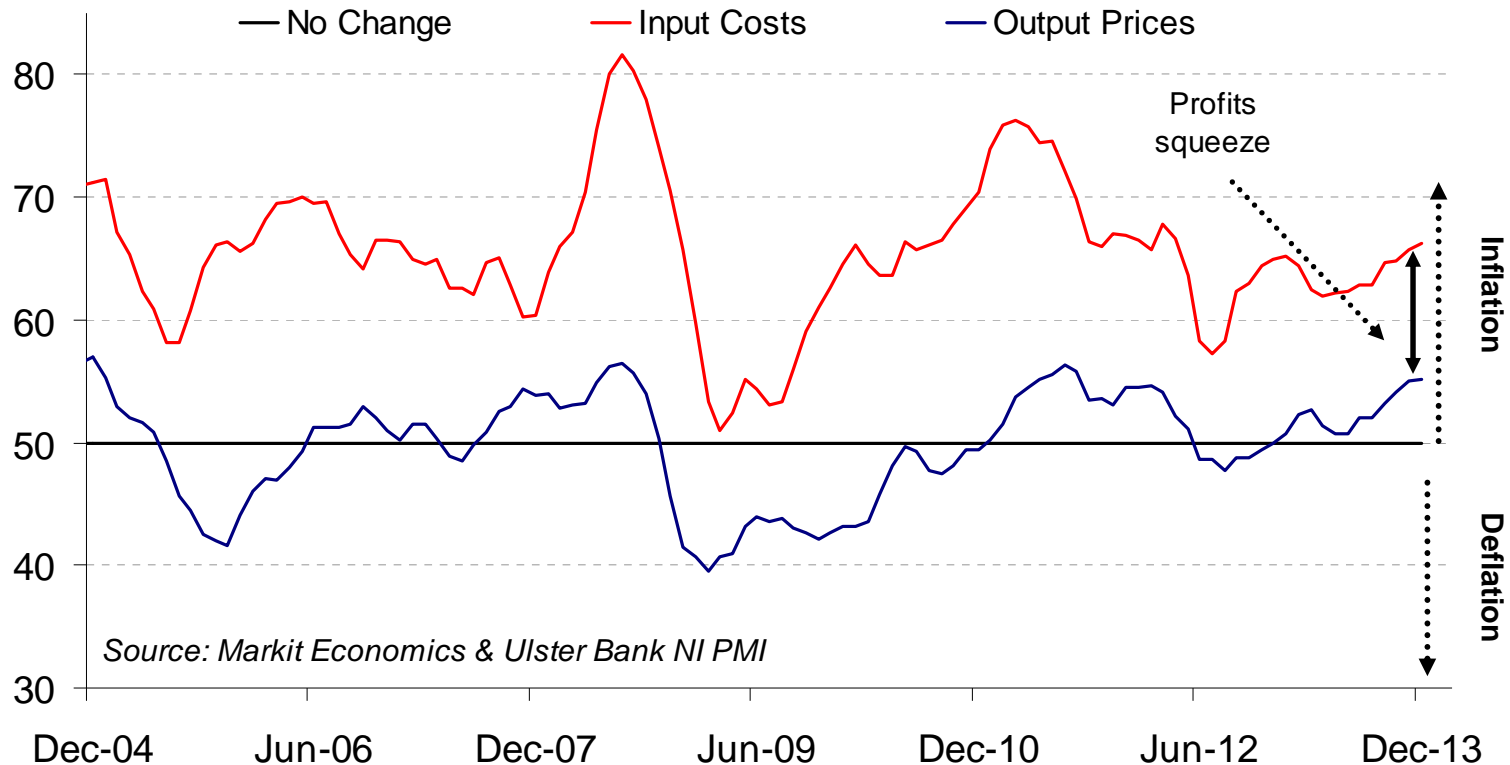
Manufacturing Output - PMI



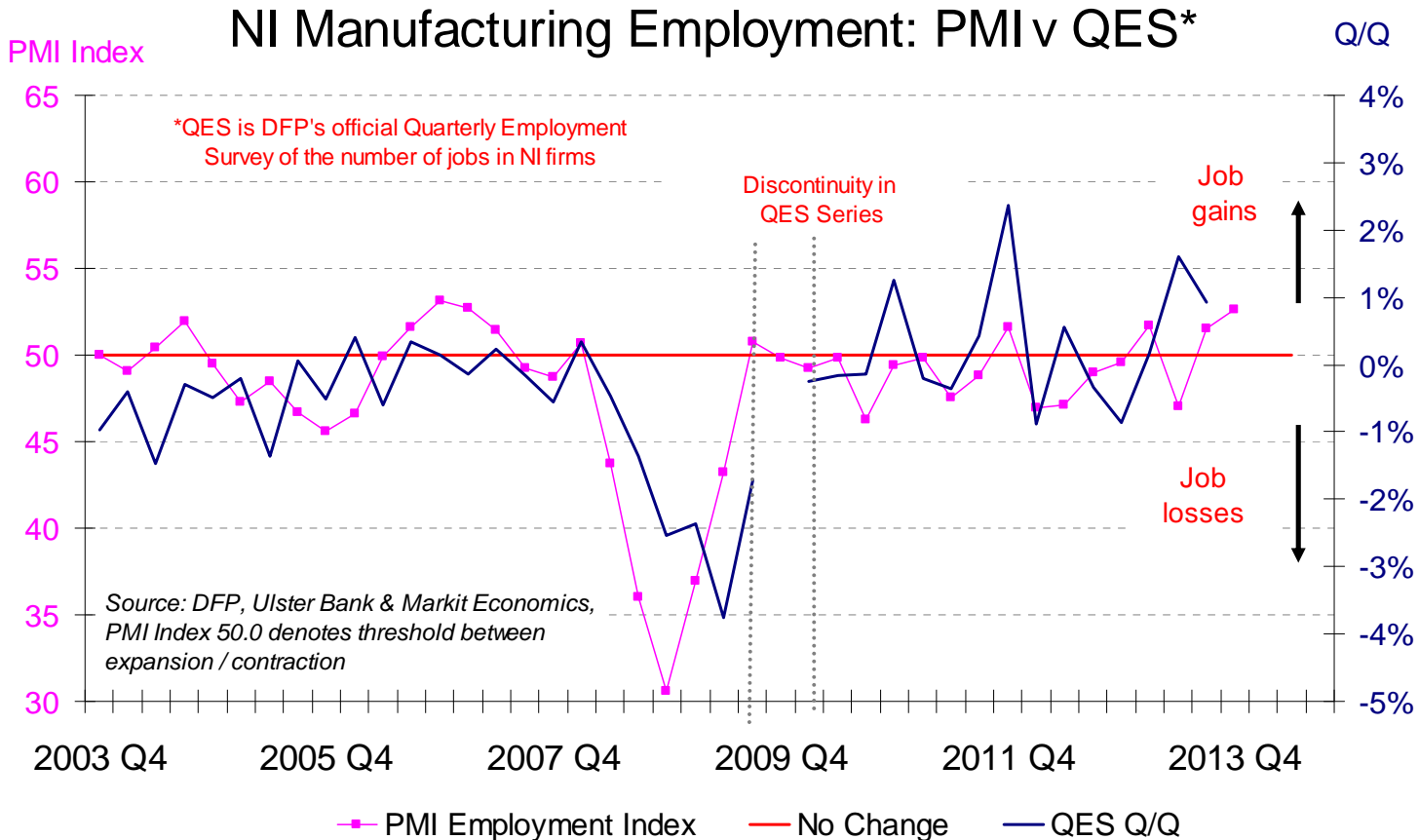
Cost price inflation remains for local manufacturing firms but pricing power is improving due to increased demand

NI Manufacturing Input & Output Inflation

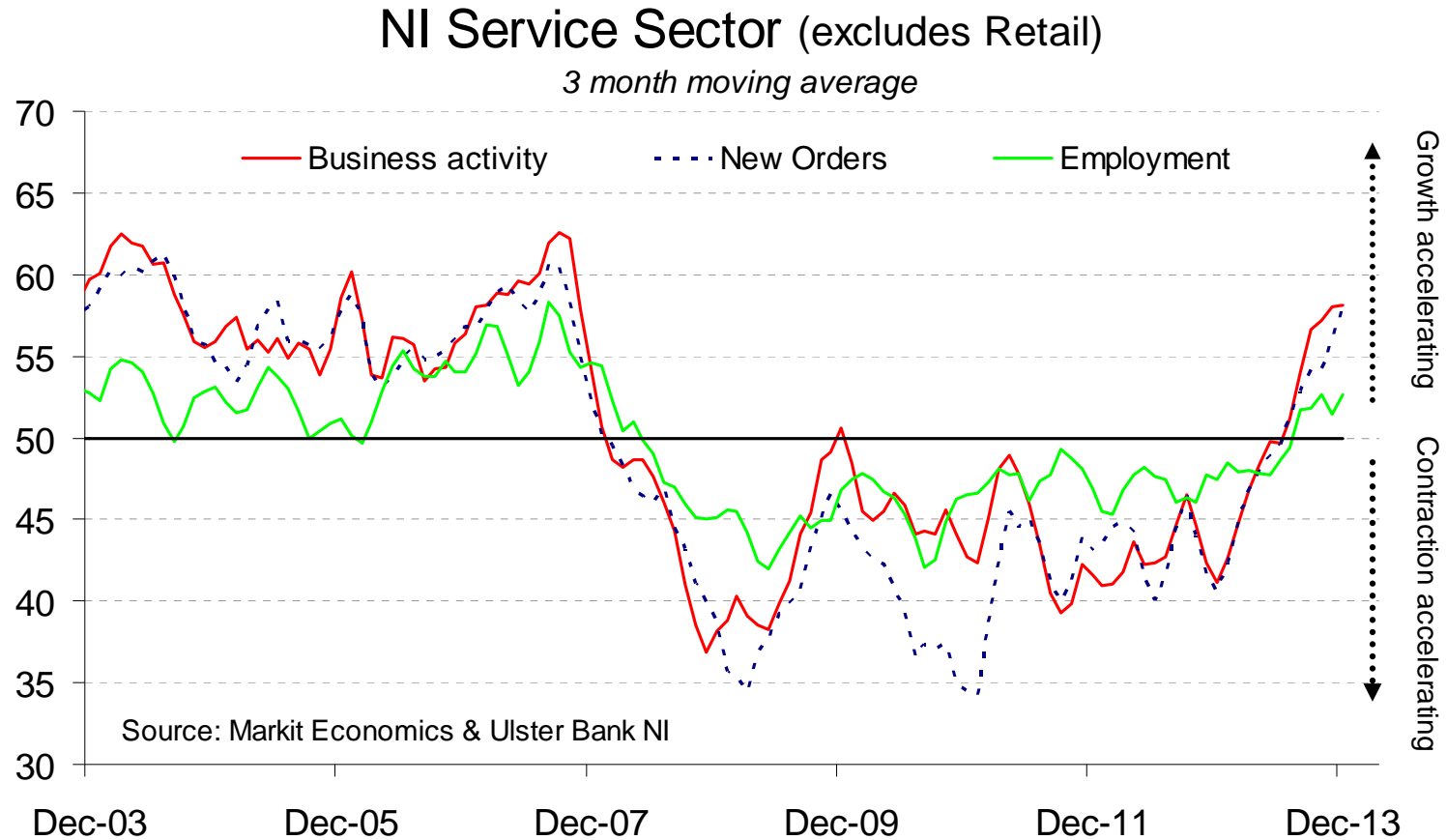
3 month moving average



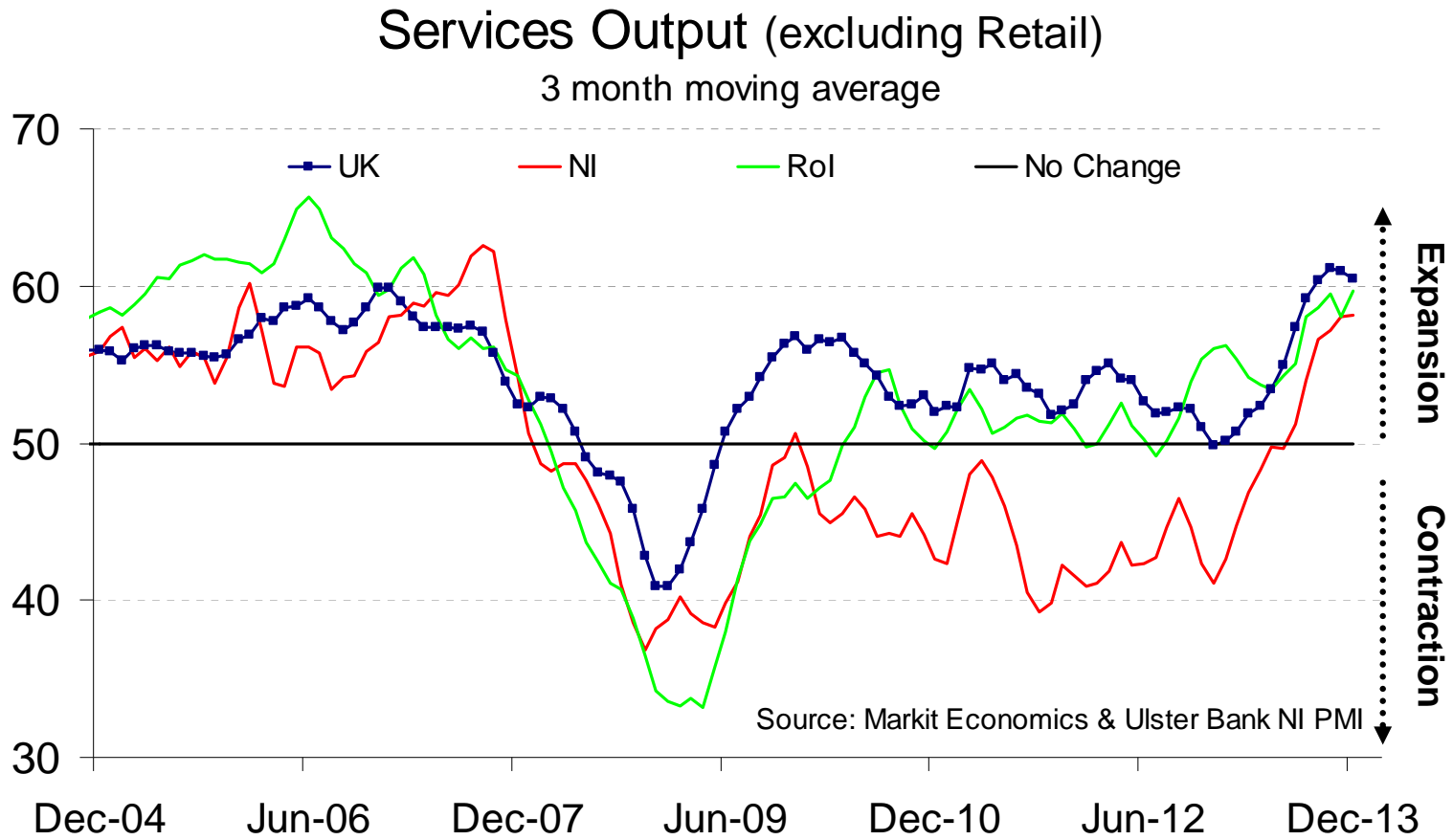
PMI underestimated jobs surge in Q2. Following further job creation in Q3, PMI suggests more of the same in Q4



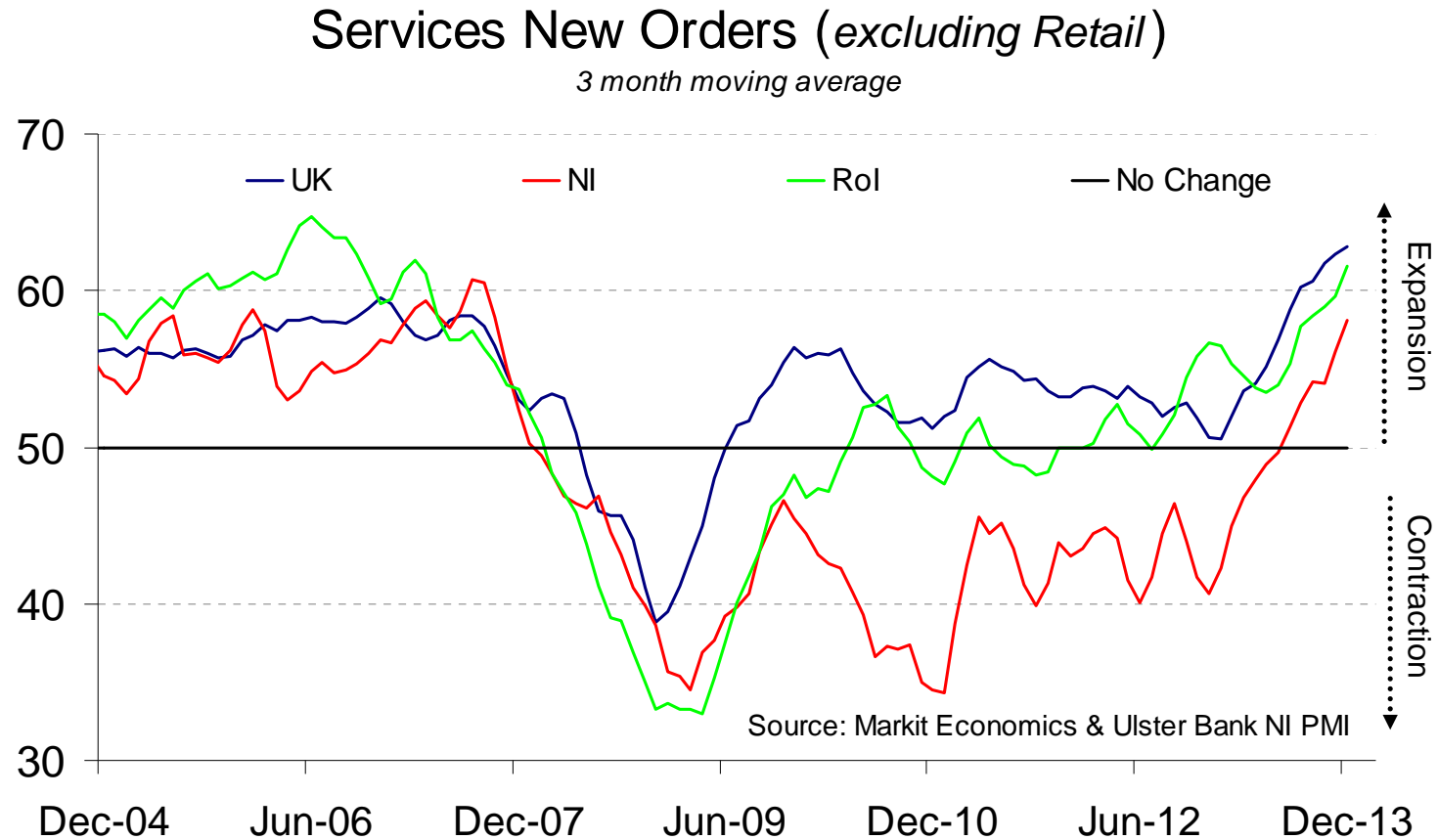
Recent growth in NI service sector output has fed through into higher levels of employment...



All 3 economies post strong growth in services output in December with NI & RoI activity accelerating in Q4...



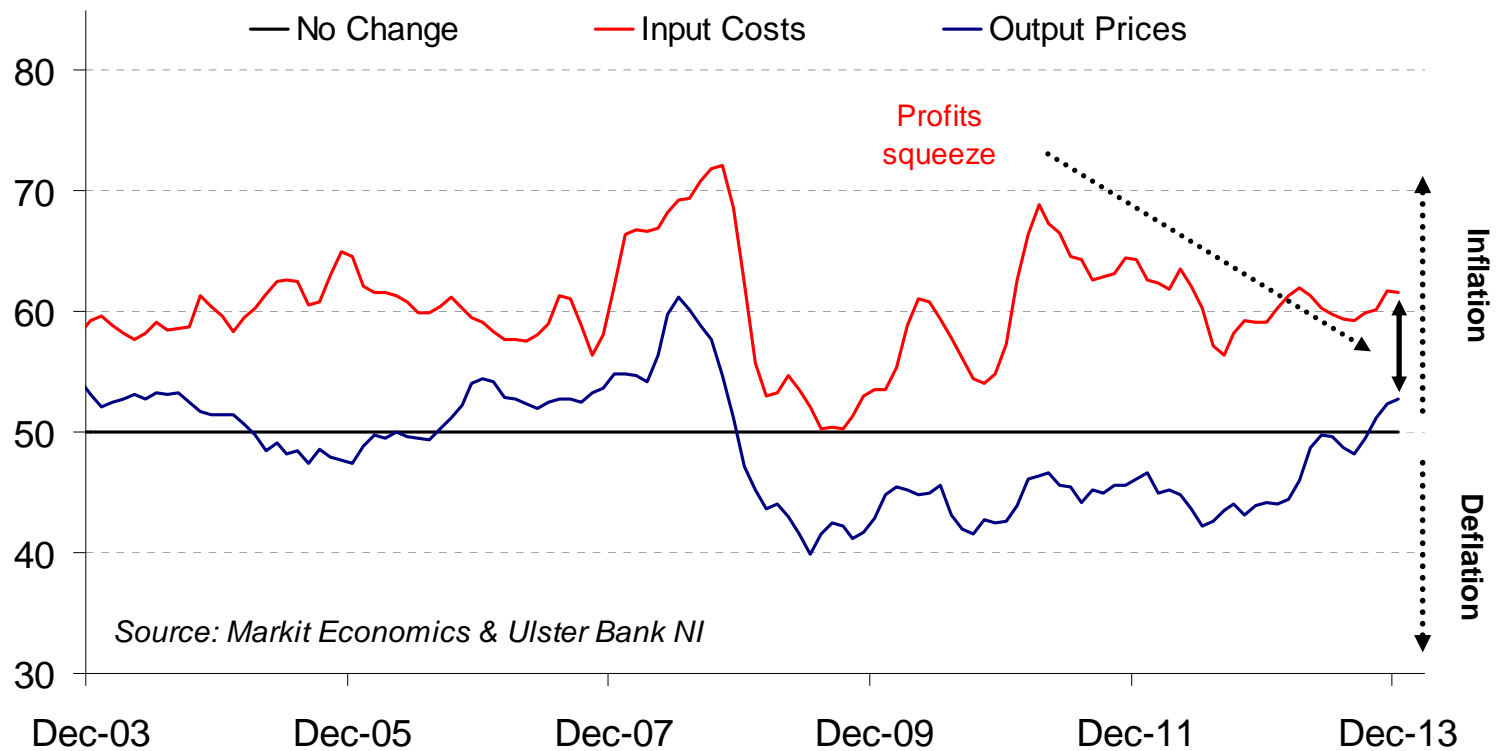
... and an acceleration in new orders growth too



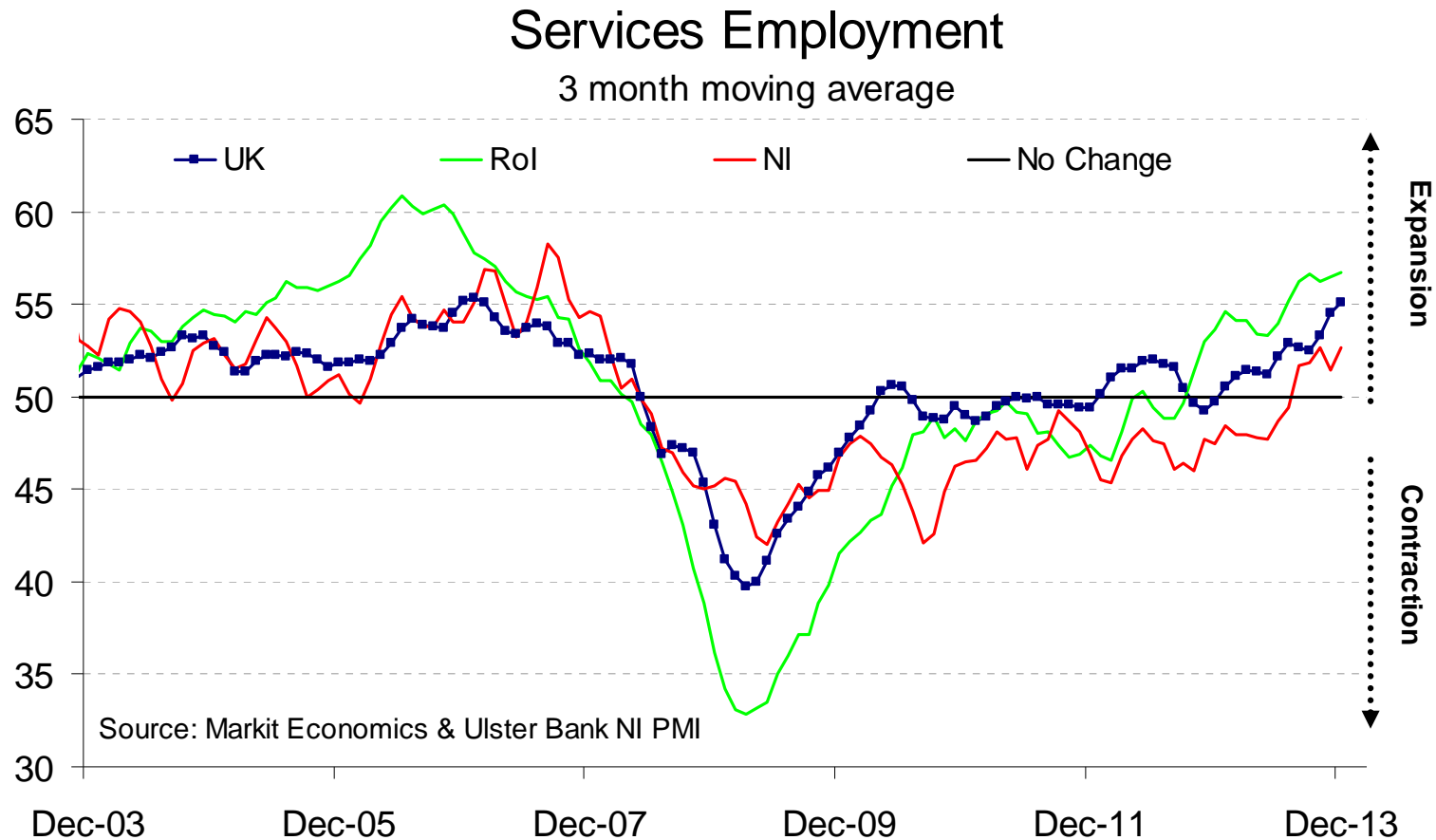
Output prices within service sector firms over the last 3 months rise at their fastest rate in over 5 years

NI Services Input & Output Inflation

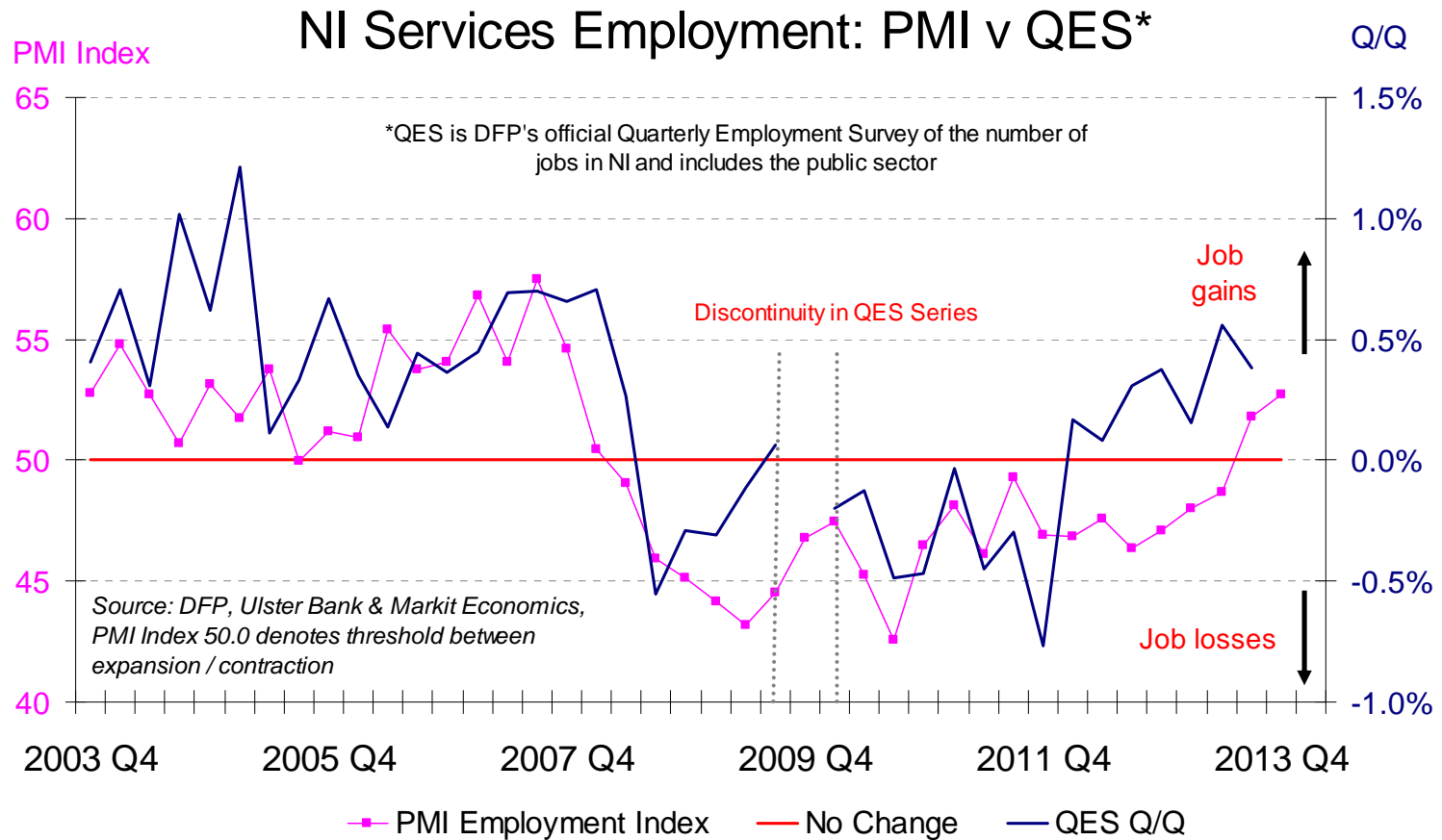
3 month moving average



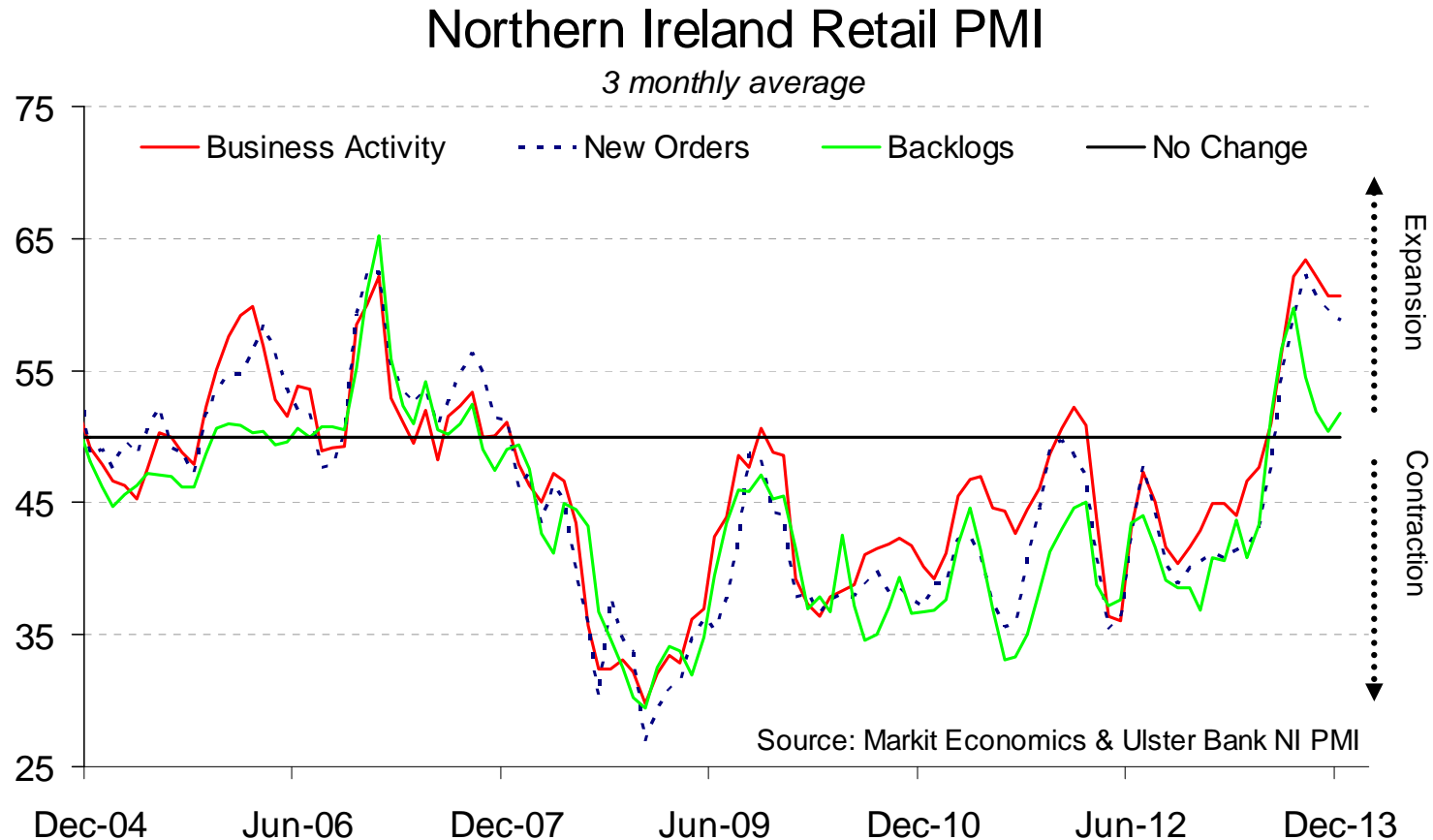
Employment growth is accelerating within the service sector in the UK, Rol and NI in Q4



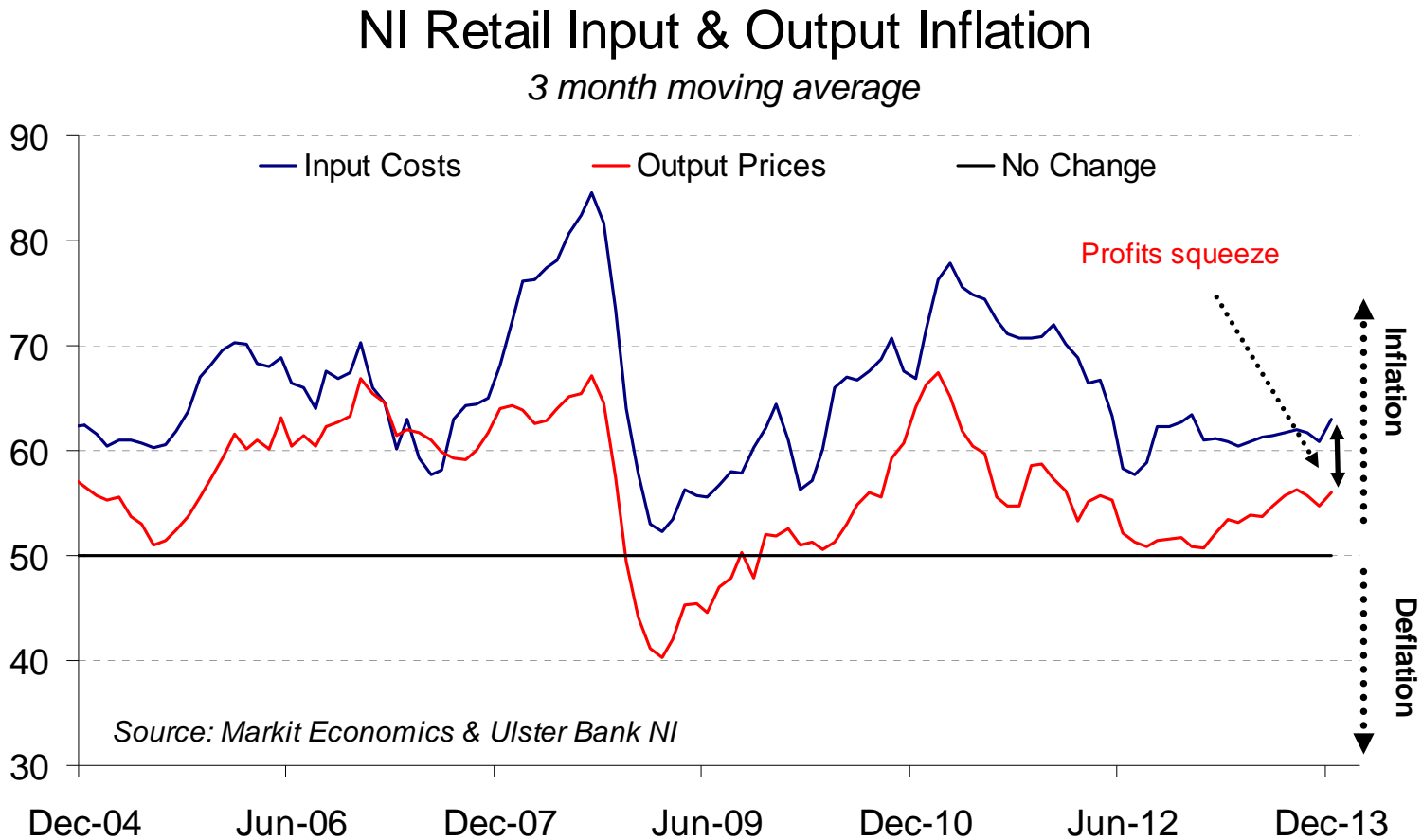
In Q4 the services PMI shows the fastest rate of quarterly jobs growth since Q4 2007



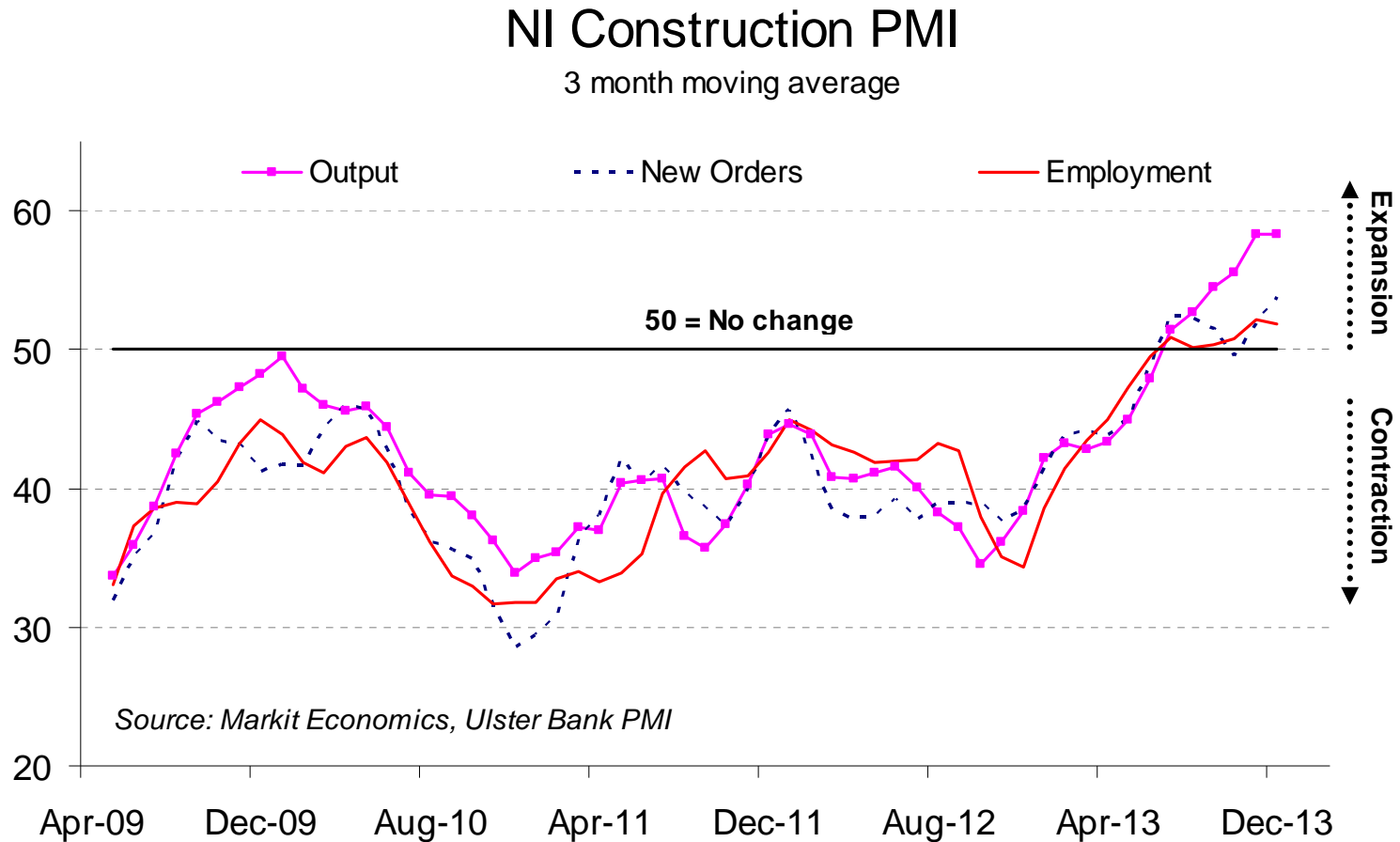
NI retailers continue to report strong rates of growth in business activity and new orders in December



Local retailers maintain pricing power in December



NI construction sector continues to report growth in output, new orders & employment over the last 3 months

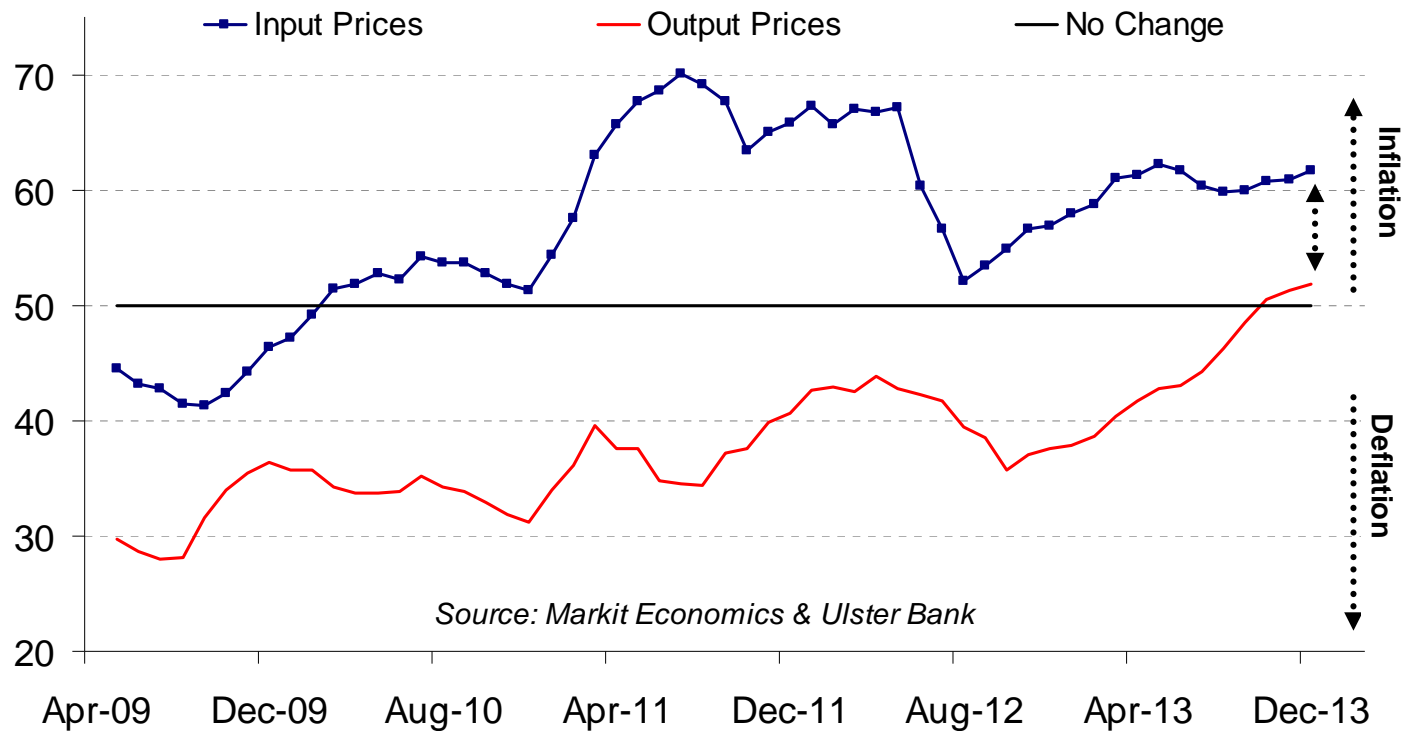


...and output prices have been rising

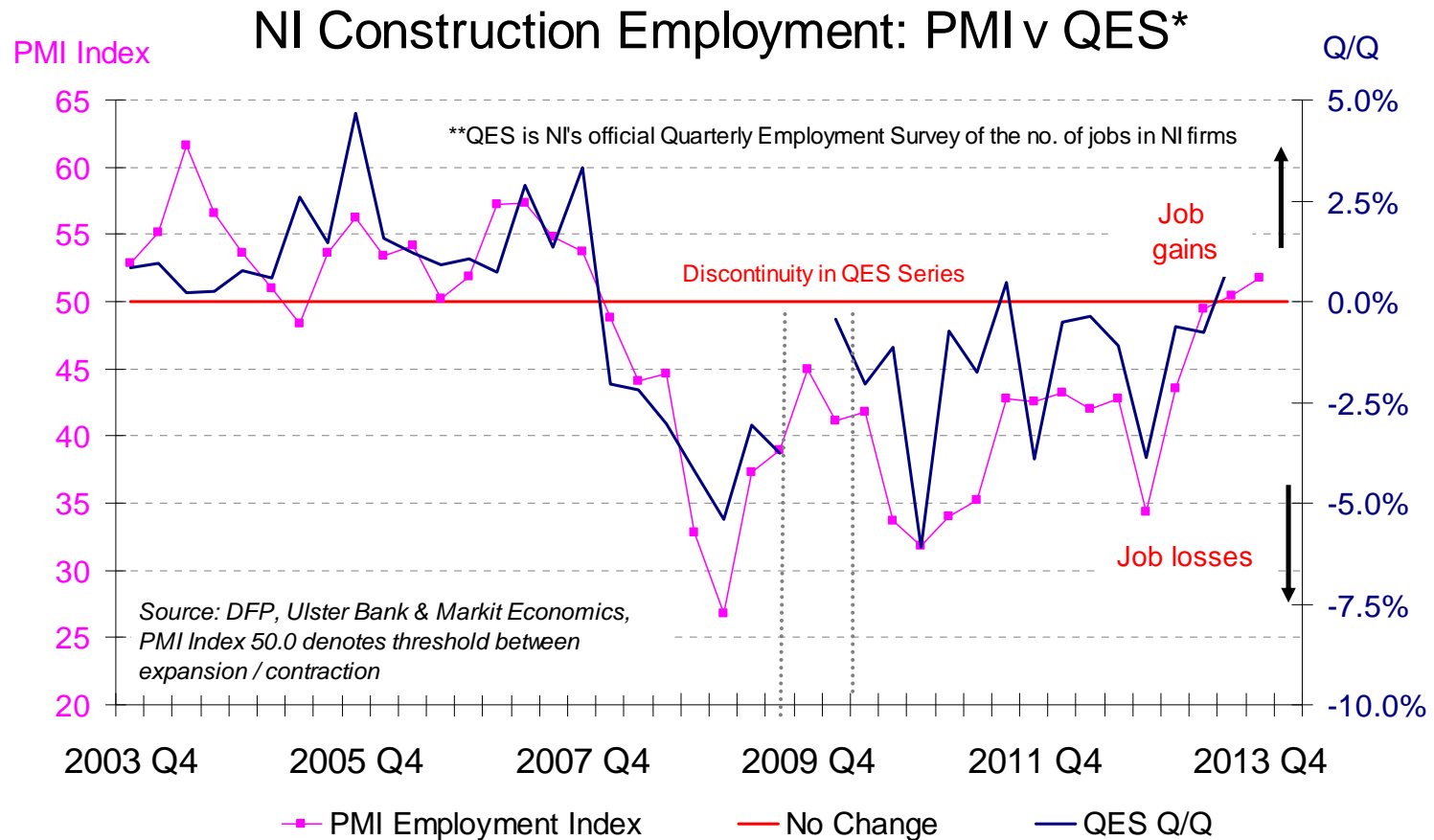
NI Construction Sector Profits Squeeze

3 month moving average

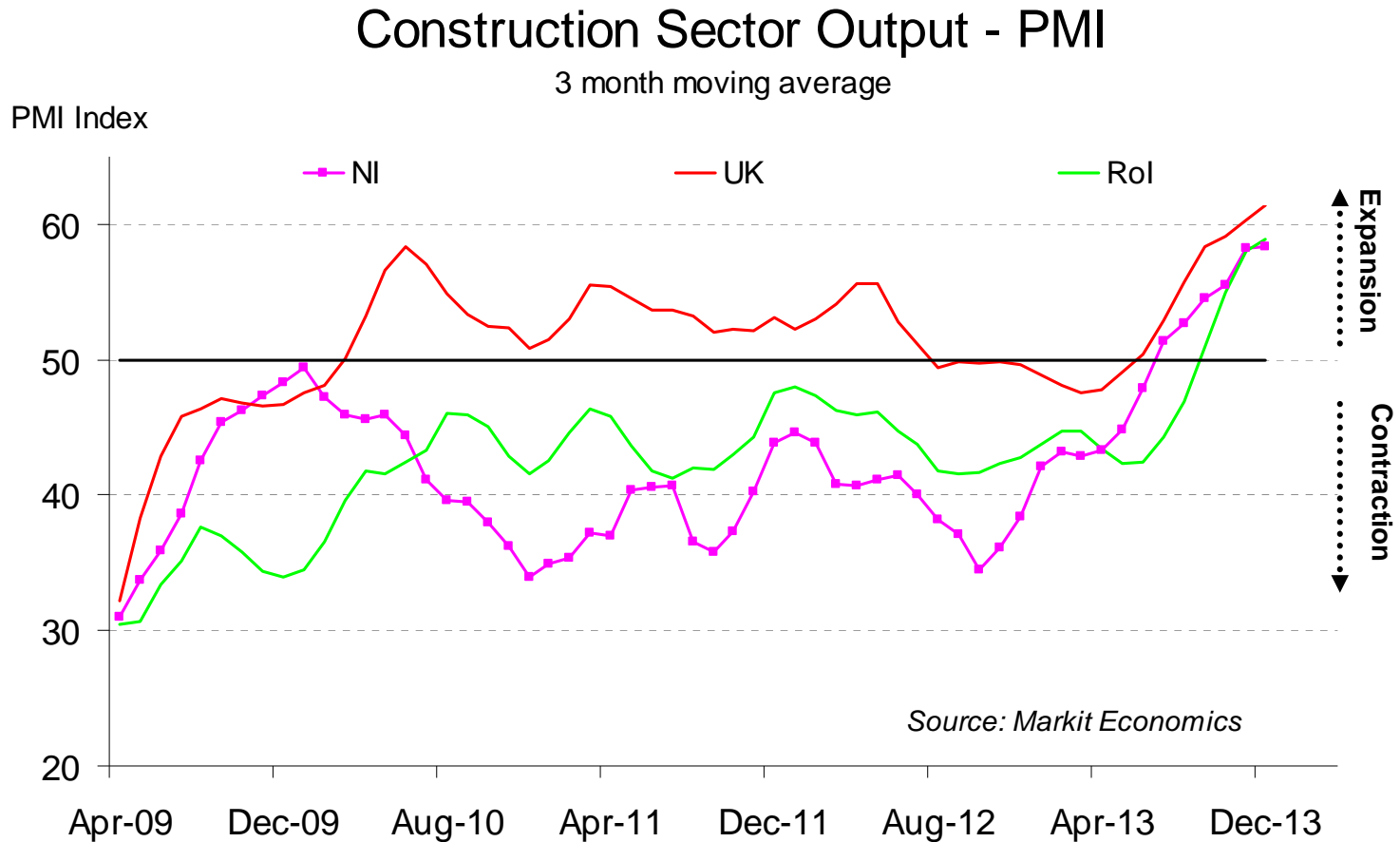
PMI Index



NI's construction PMI posted its 1st quarter of jobs growth in Q3 2013 since Q4 2007 with further growth in Q4



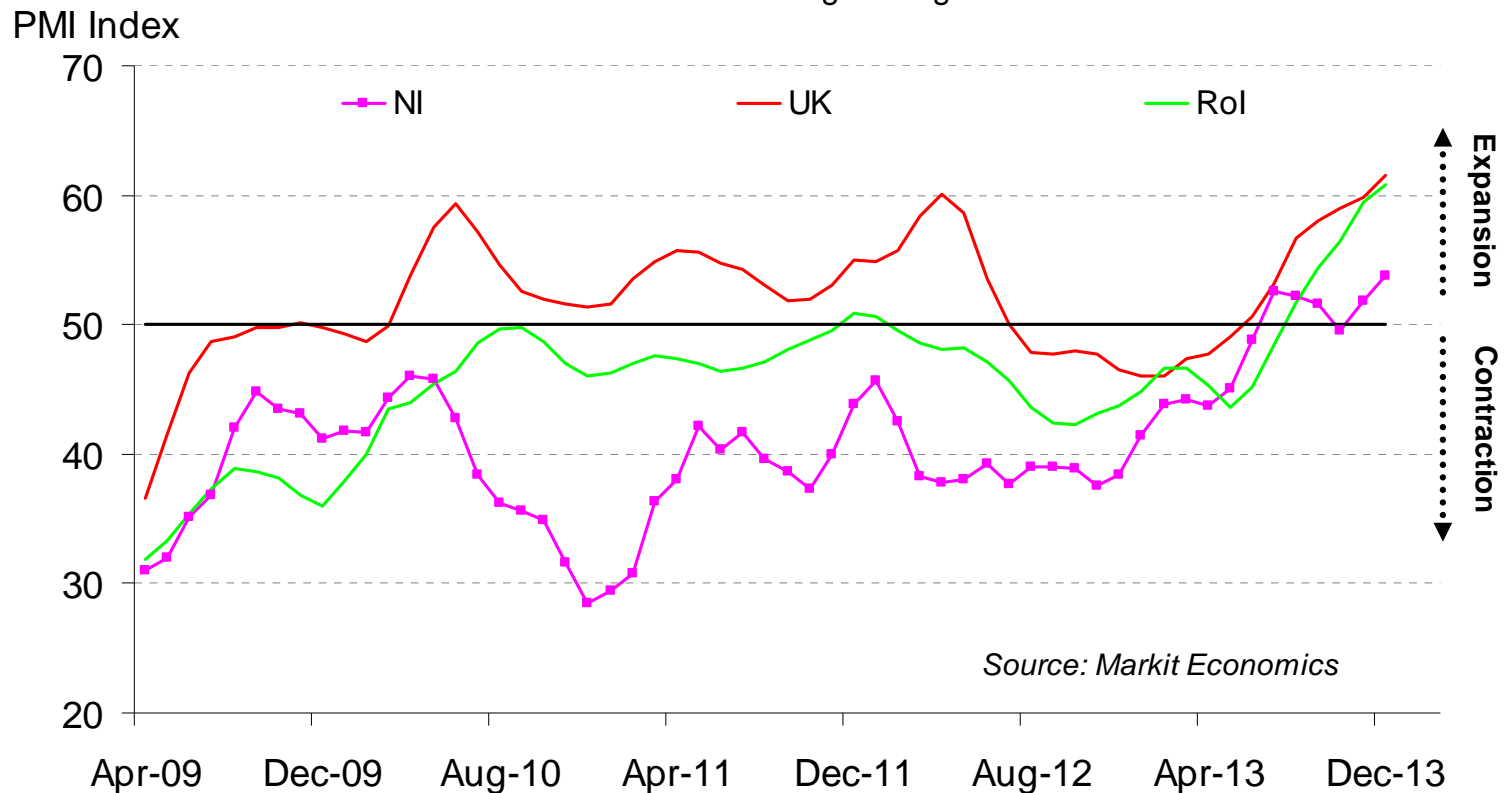
Construction output growth accelerates in the UK & RoI over the last 3 months and remains strong in NI



New orders growth accelerating in all 3 economies

Construction Sector New Orders - PMI

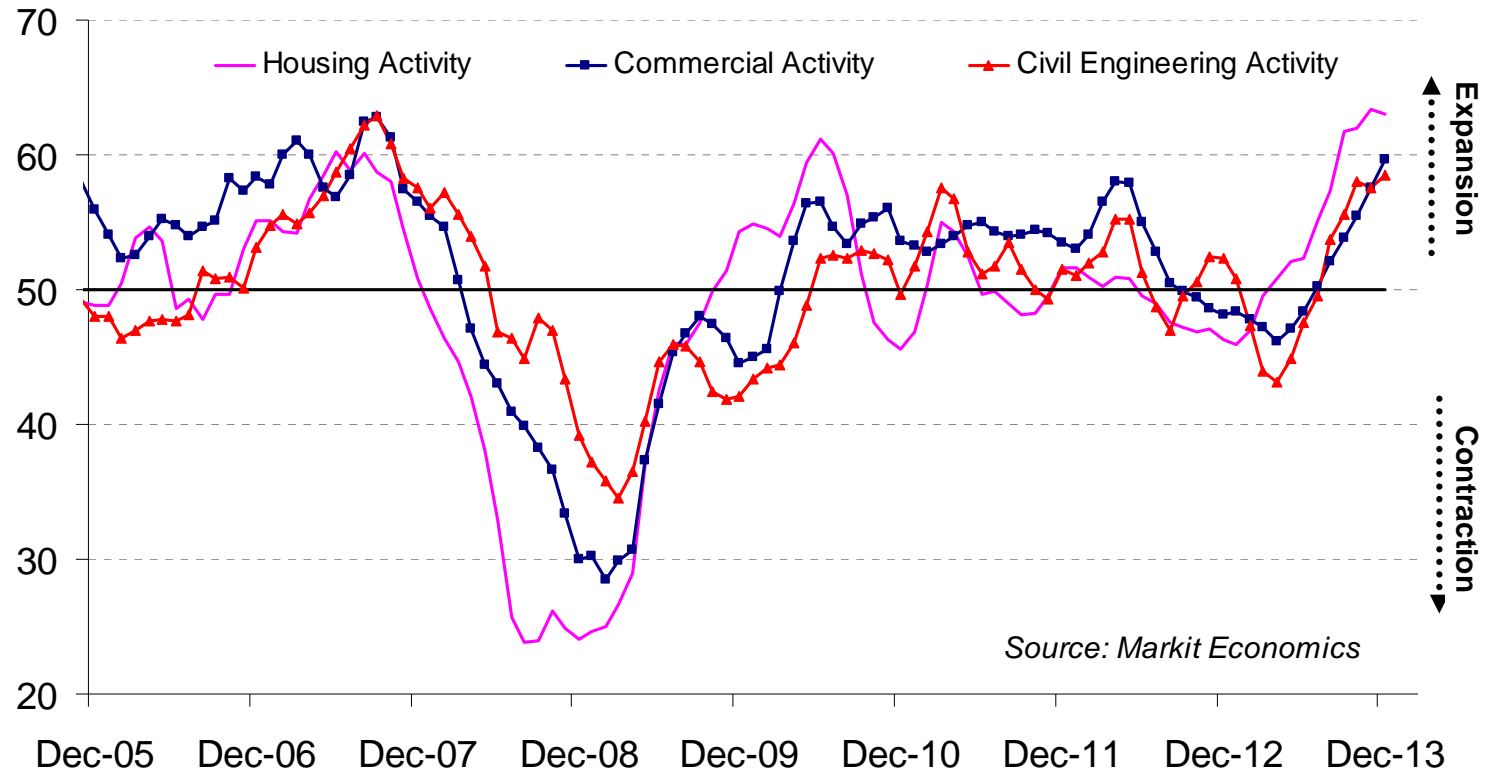
3 month moving average



Opportunities for NI firms within GB market. House building growth recently hit a 10-year high...

UK Construction Activity - PMIs

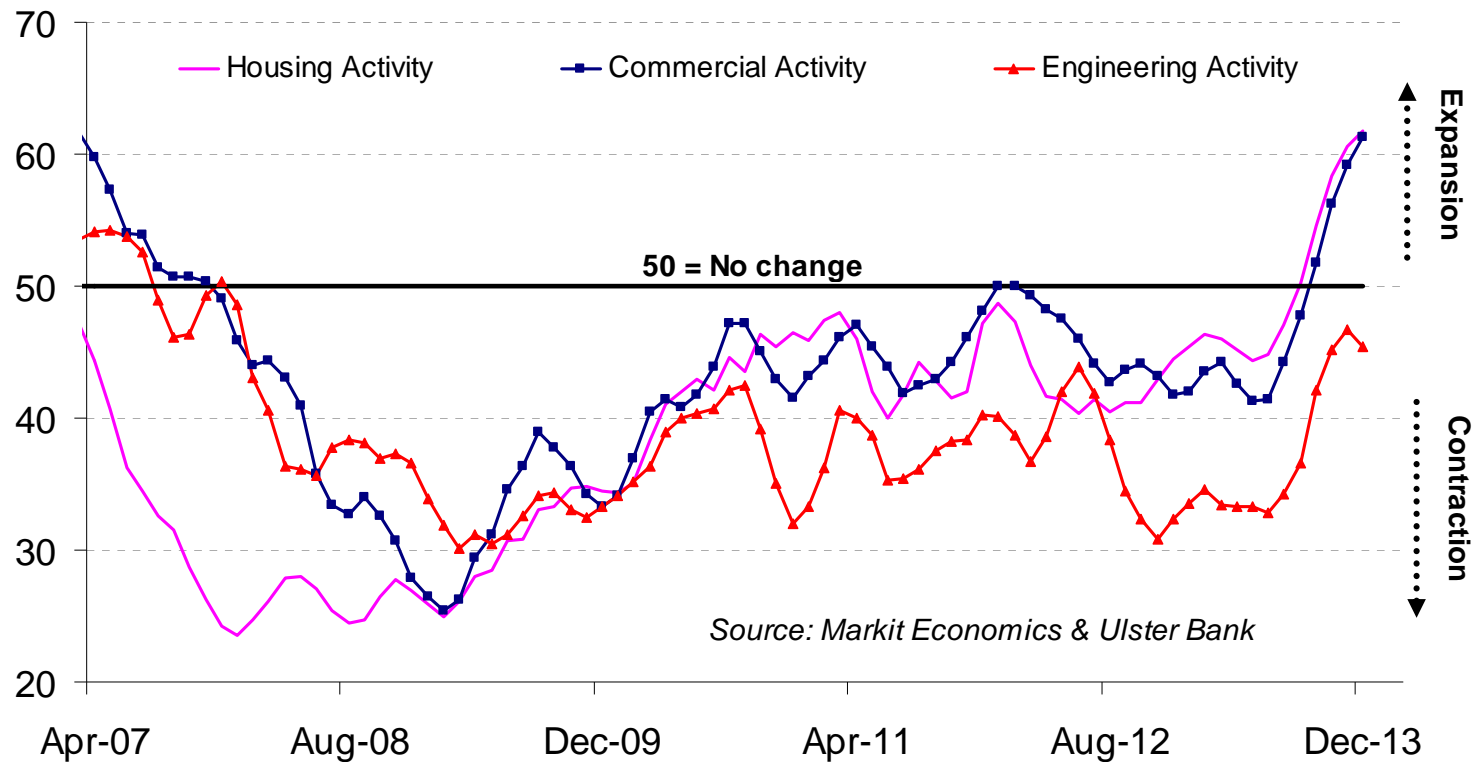
3 month moving average



...with opportunities returning within the RoI too

Republic of Ireland Construction Activity - PMI

3 month moving average



Disclaimer

This document is intended for clients of Ulster Bank Limited and Ulster Bank Ireland Limited (together and separately, "Ulster Bank") and is not intended for any other person. It does not constitute an offer or invitation to purchase or sell any instrument or to provide any service in any jurisdiction where the required authorisation is not held. Ulster Bank and/or its associates and/or its employees may have a position or engage in transactions in any of the instruments mentioned.

The information including any opinions expressed and the pricing given, is indicative, and constitute our judgement at time of publication and are subject to change without notice. The information contained herein should not be construed as advice, and is not intended to be construed as such.

This publication provides only a brief review of the complex issues discussed and recipients should not rely on information contained here without seeking specific advice on matters that concern them. Ulster Bank make no representations or warranties with respect to the information and disclaim all liability for use the recipient or their advisors make of the information.

Over-the-counter (OTC) derivatives can involve a number of significant and complex risks which are dependent on the terms of the particular transaction and your circumstances. In the event the market has moved against the transaction you have undertaken, you may incur substantial costs if you wish to close out your position.

Calls may be recorded.