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# Ulster Bank Northern Ireland Purchasing Managers Index (PMI)

*November 2011 Survey Update*

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## *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.*

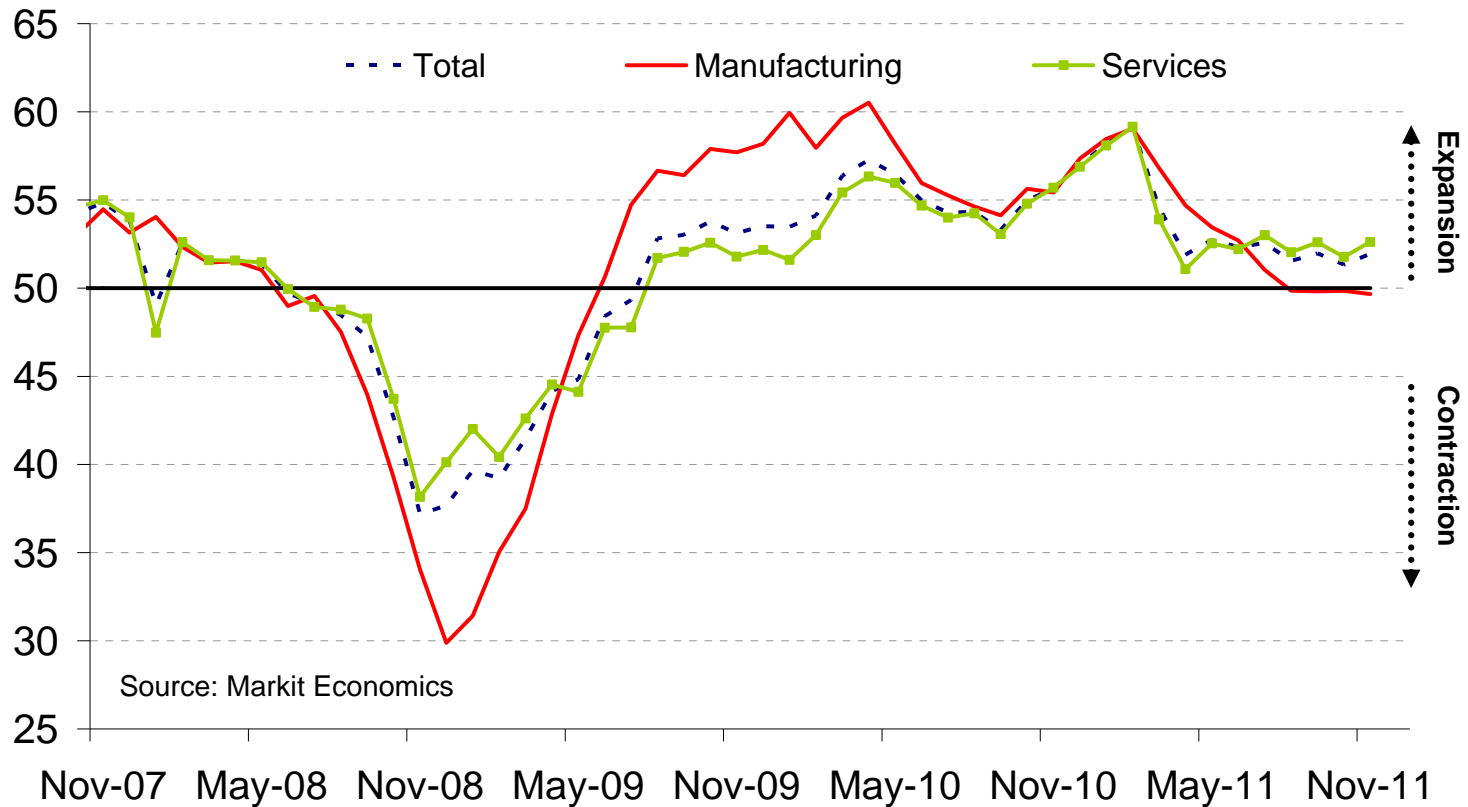
*Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline on the previous month. These indices vary from 0 to 100 with readings of 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 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.*

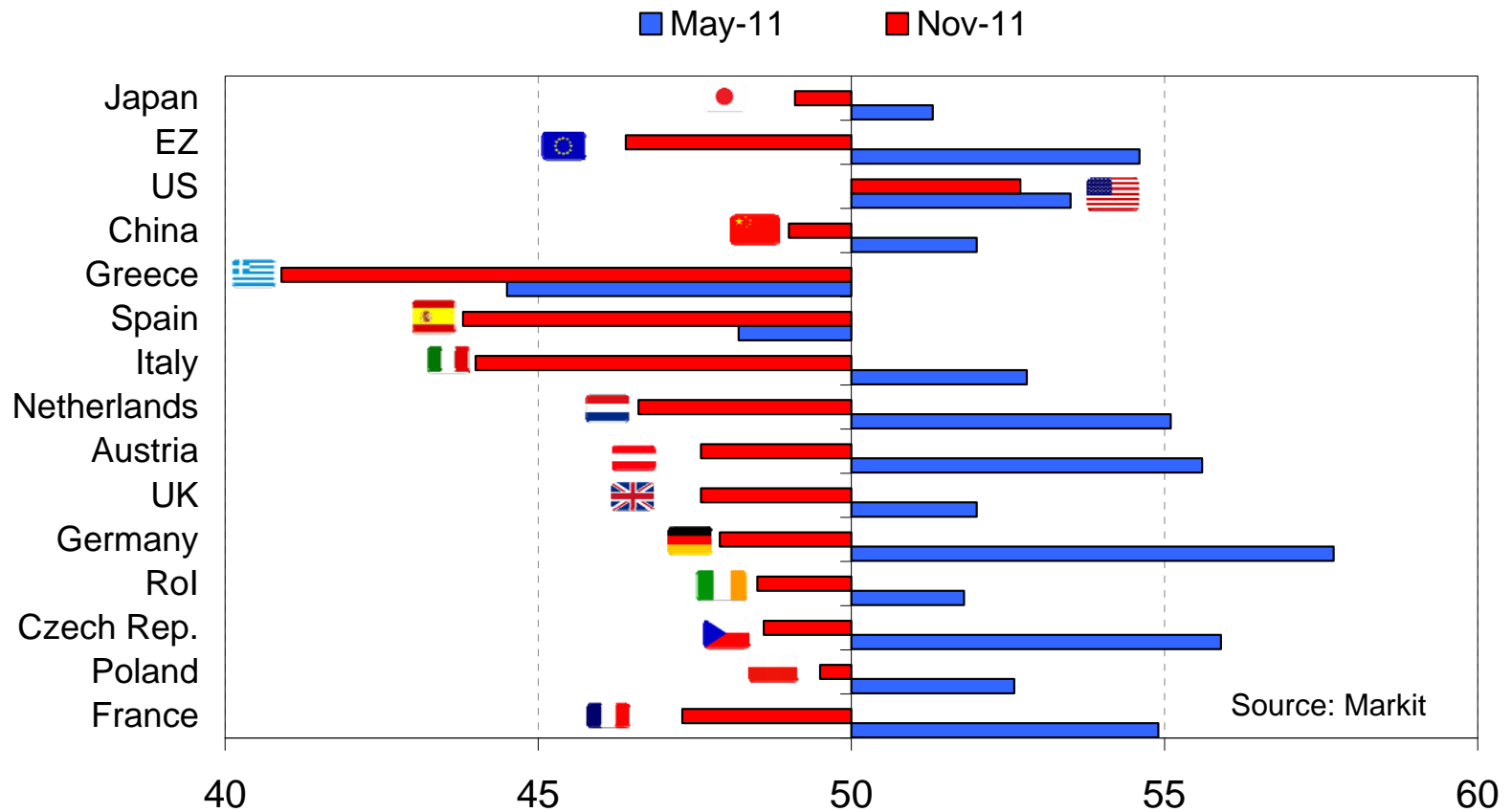
# Global slowdown: manufacturing dips below the 50 threshold denoting contraction

## Global Output - PMI



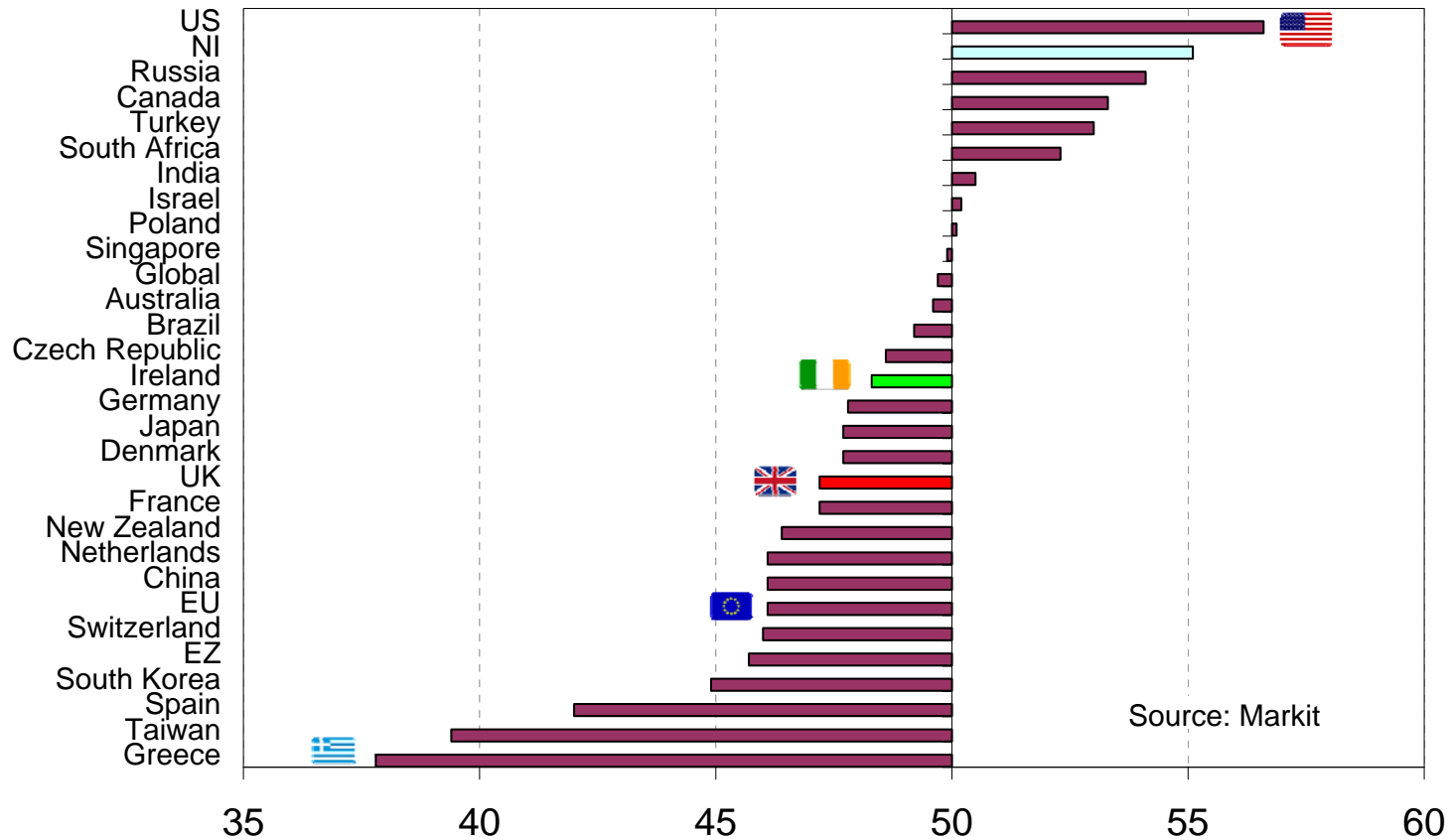
# What a difference 6 months makes

## Manufacturing PMIs



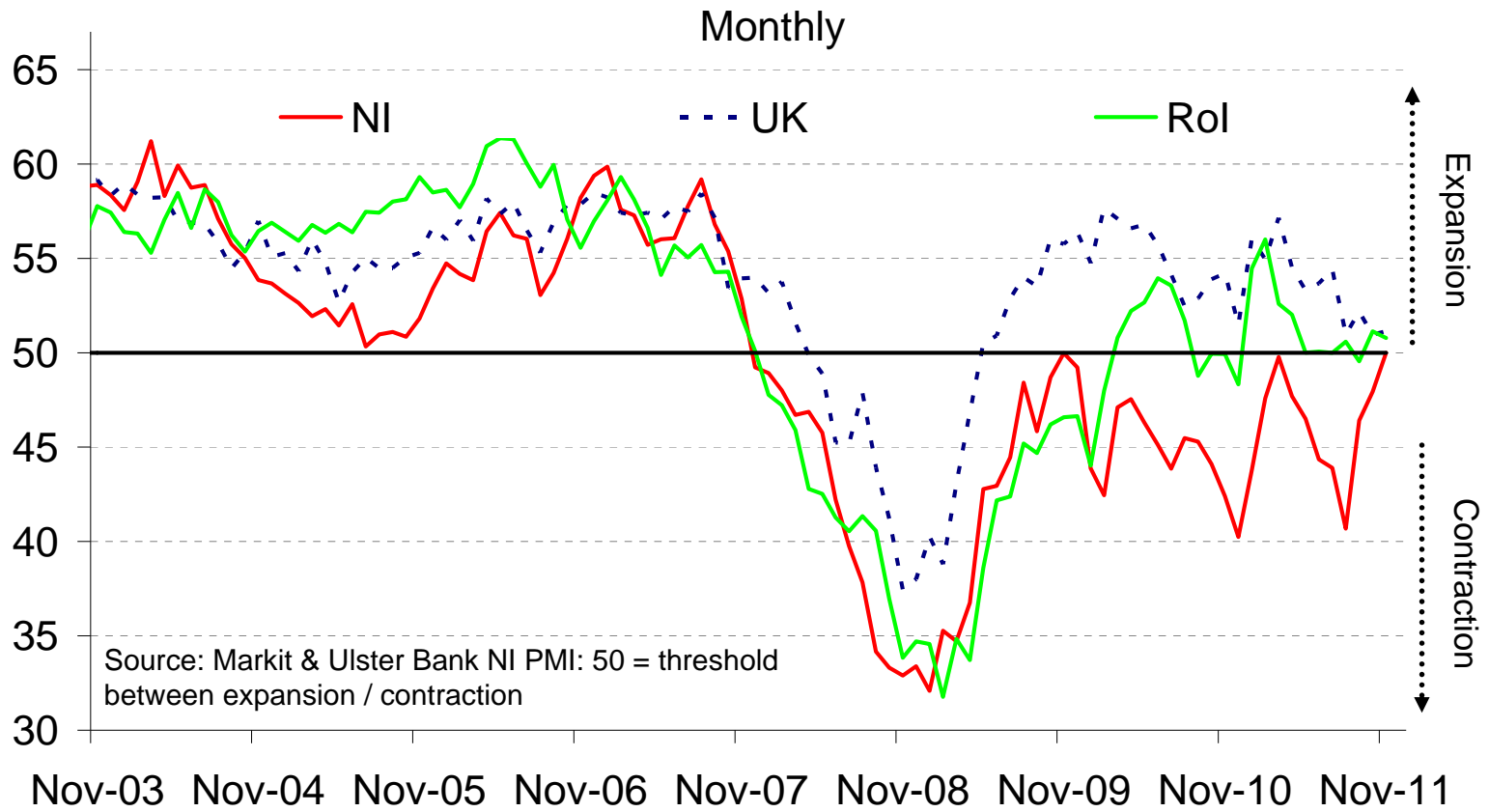
# NI & US top performers in November 2011

## Manufacturing PMIs November 2011



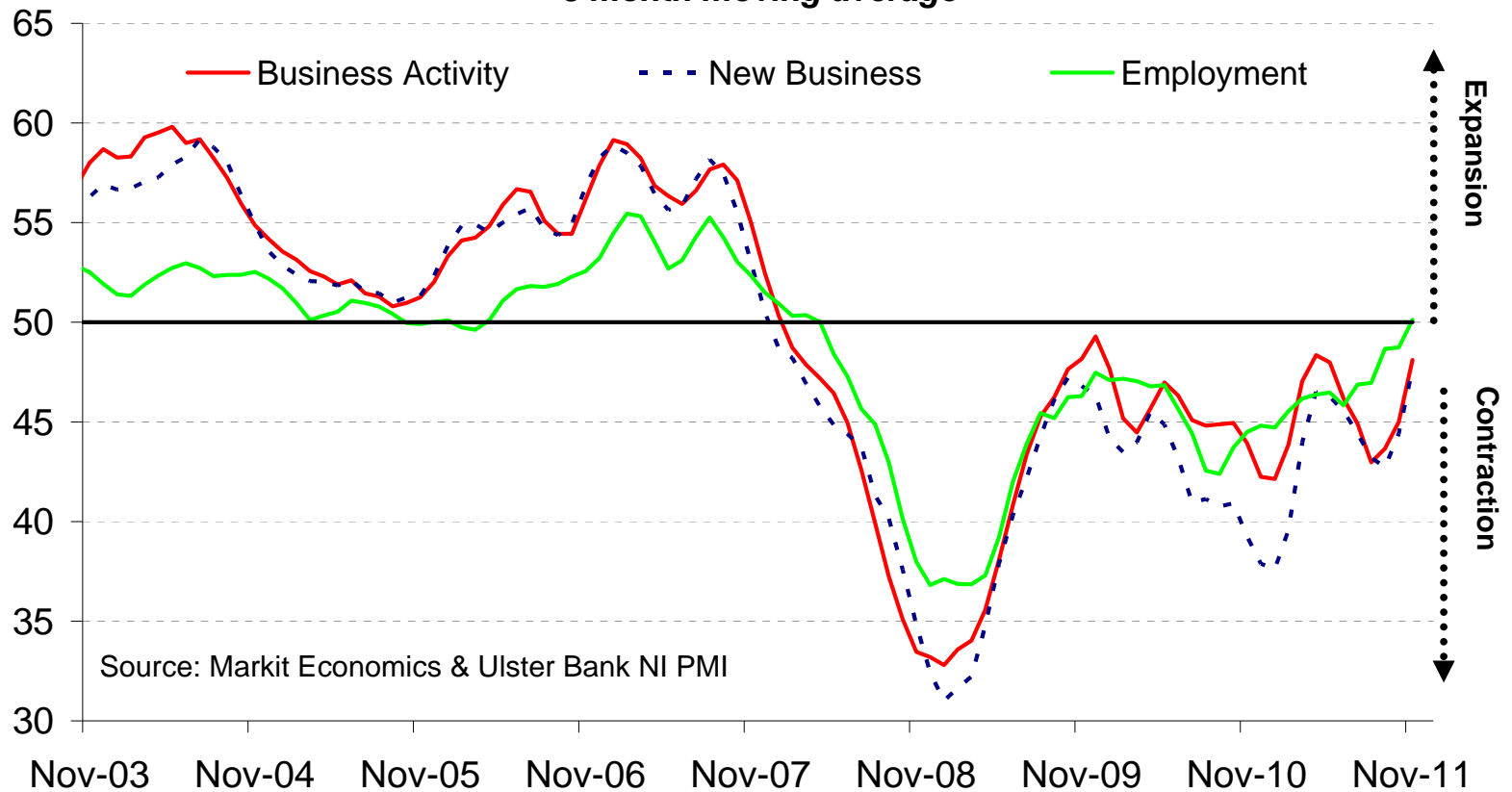
# NI's private sector stops contracting in November

## Private Sector Business Activity - PMIs

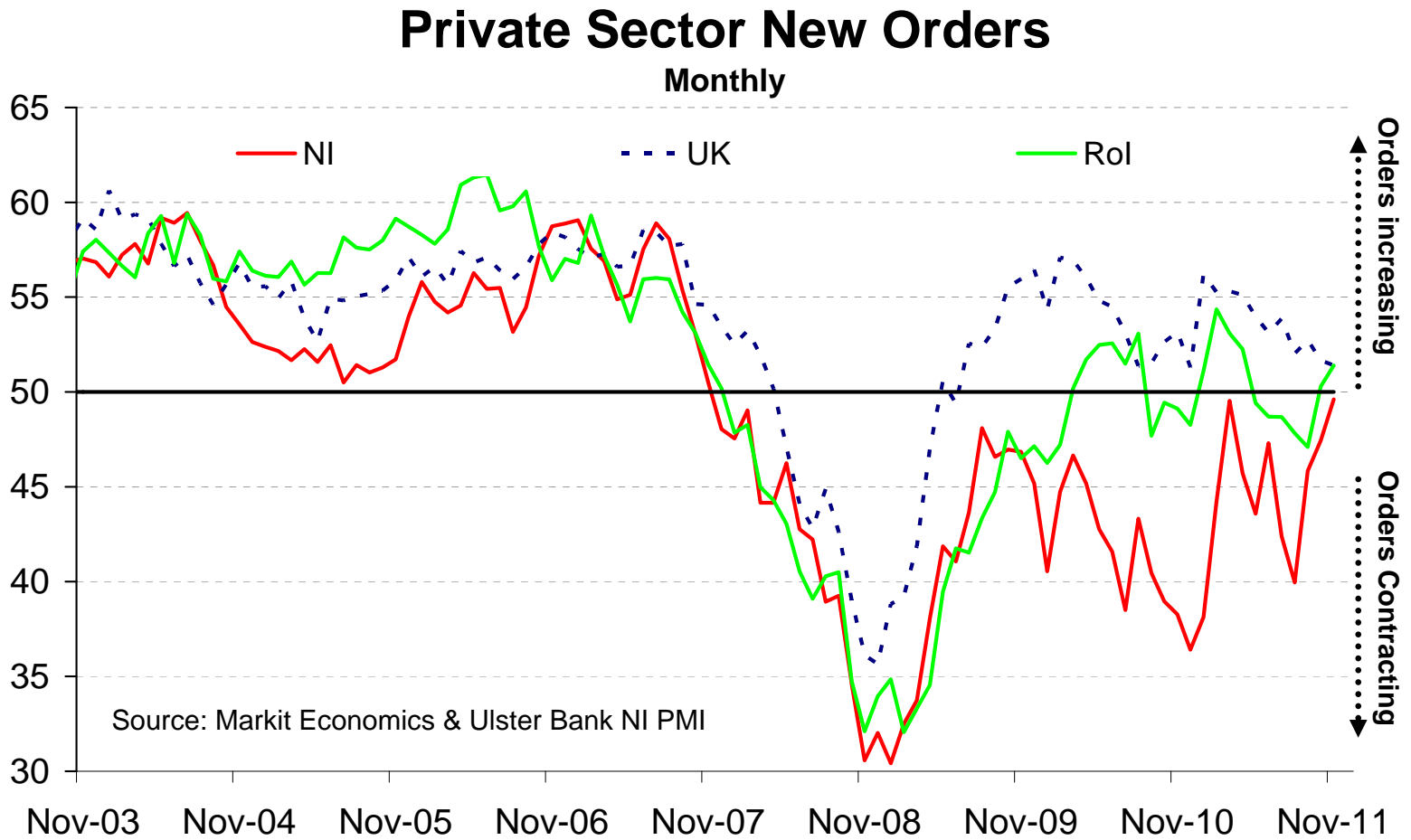


# NI output and orders continue to contract but at a slower rate

## NI Private Sector Activity 3 month moving average



# NI's new orders still falling marginally in November

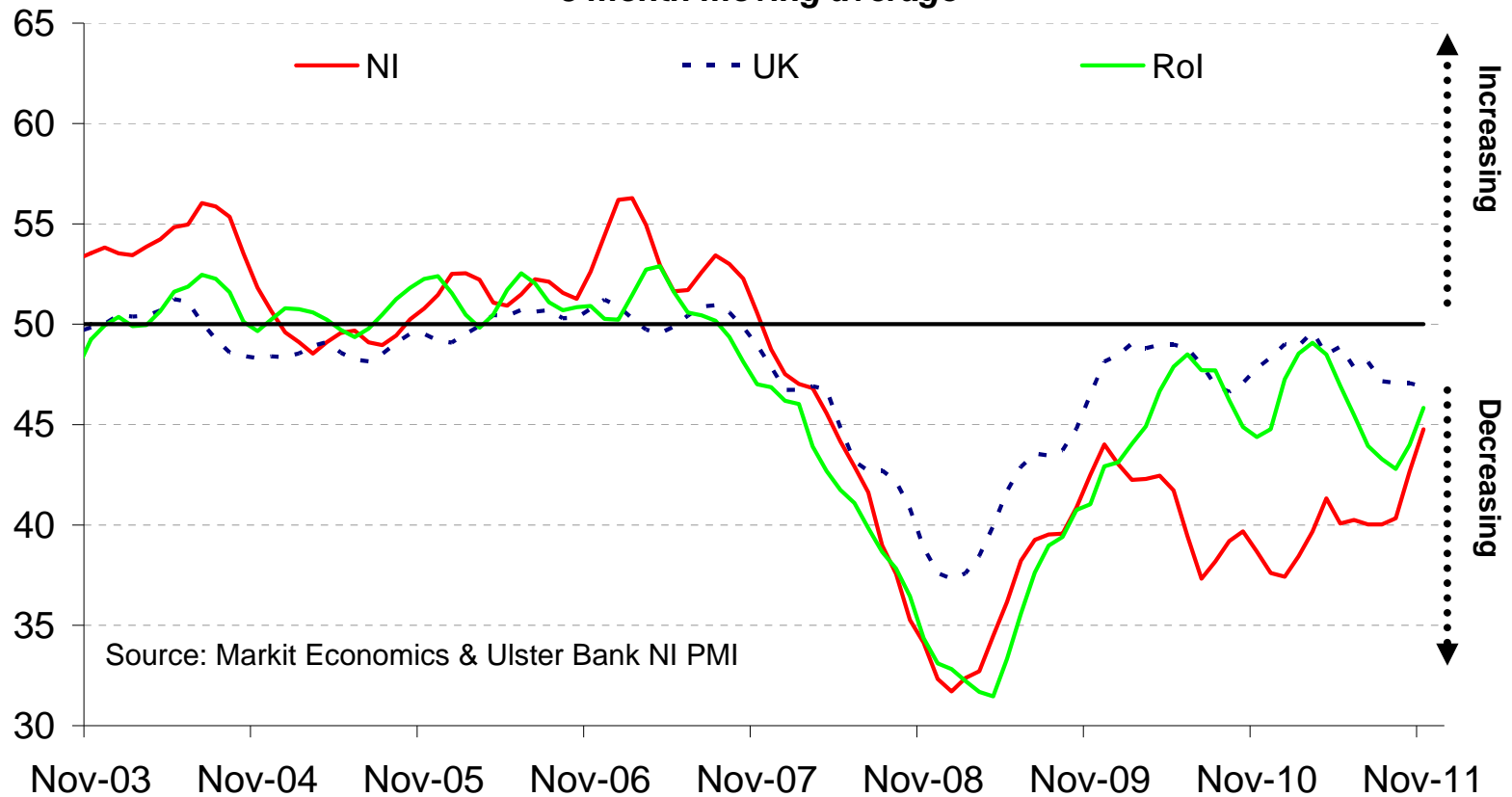




# NI's levels of work outstanding are still falling sharply but at a slower rate

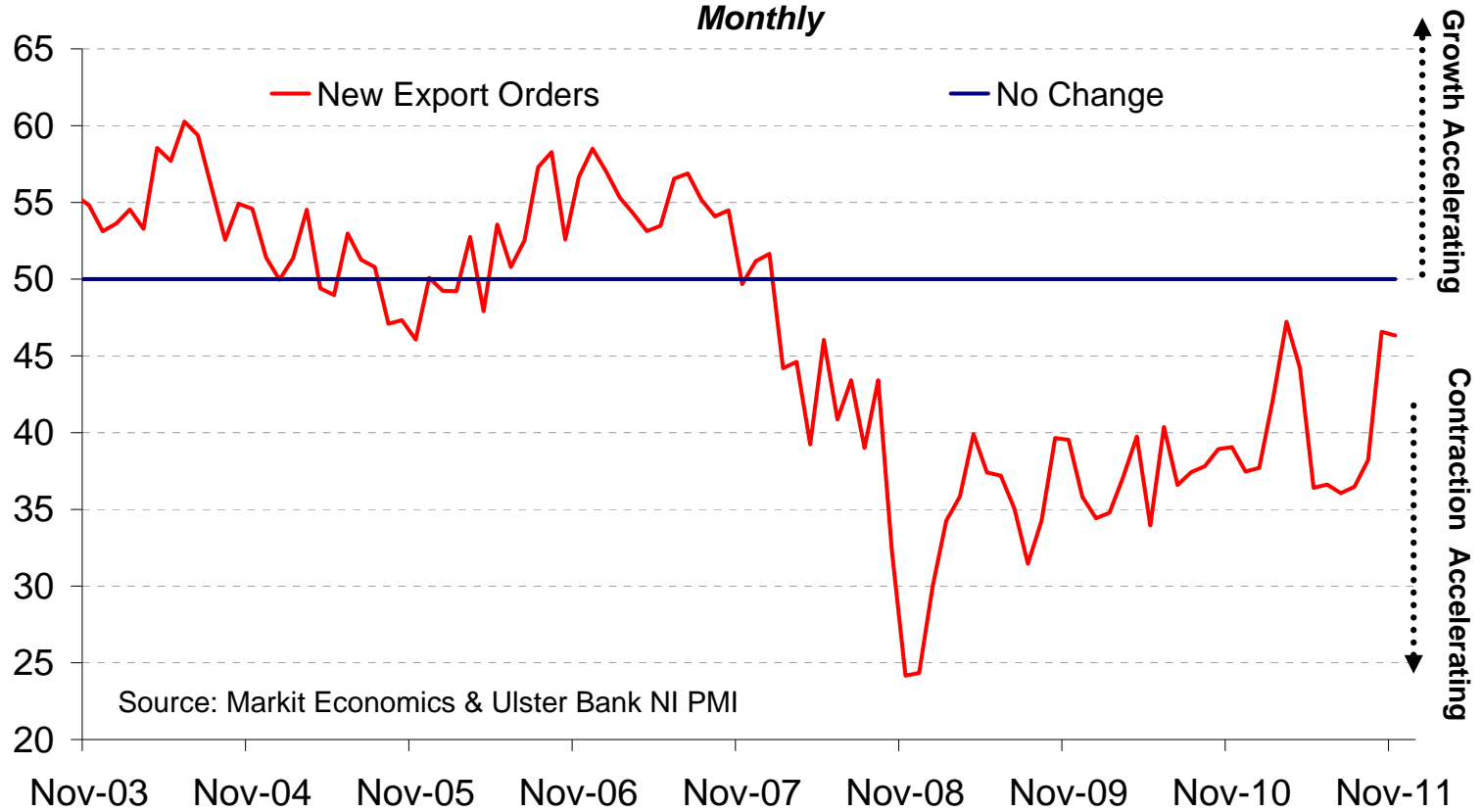
## Private Sector Backlogs

3 month moving average



# 31% of firms saw export orders fall in November

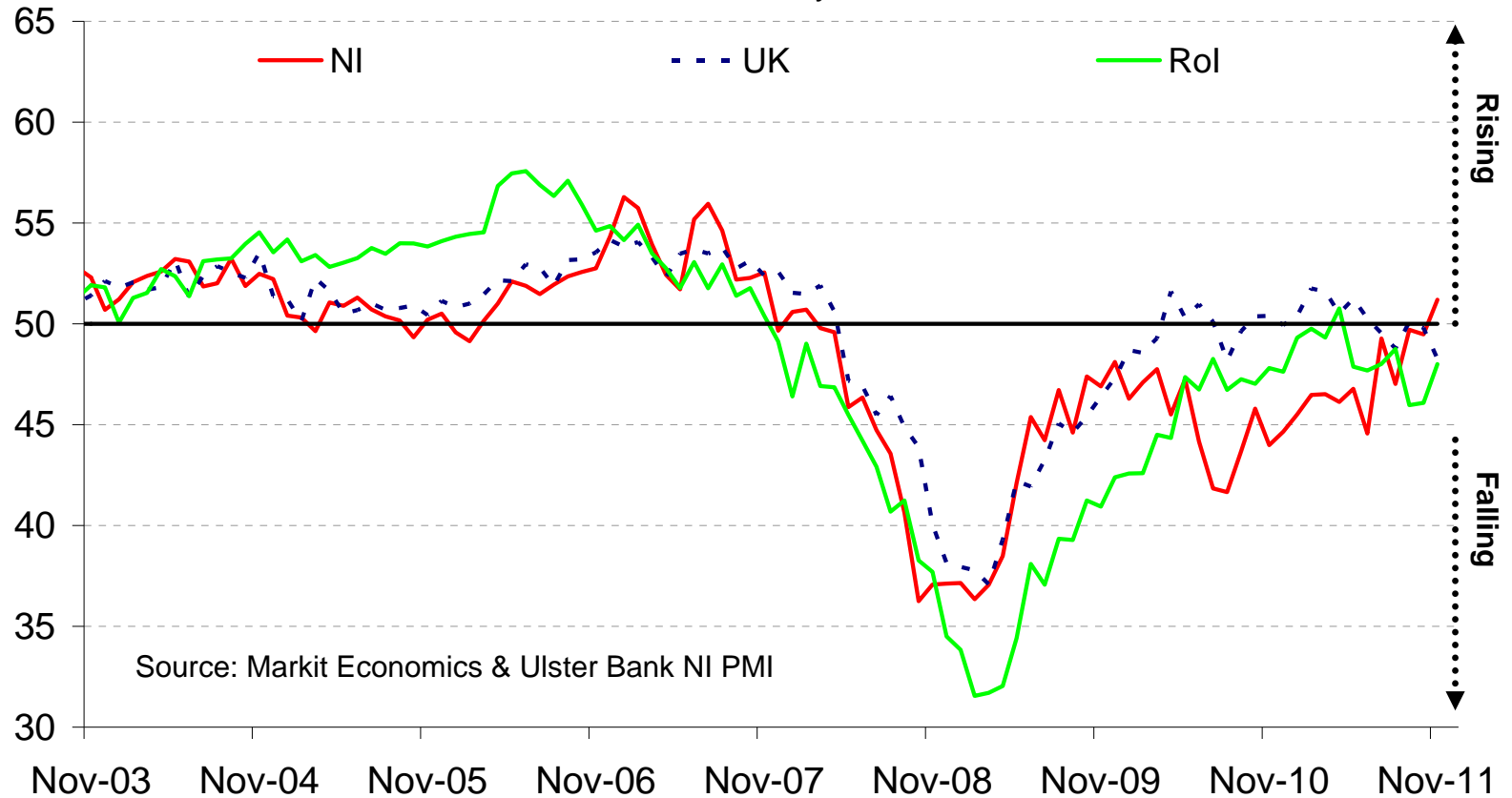
## NI New Export Business Monthly



# NI records employment growth for first time since February 2008

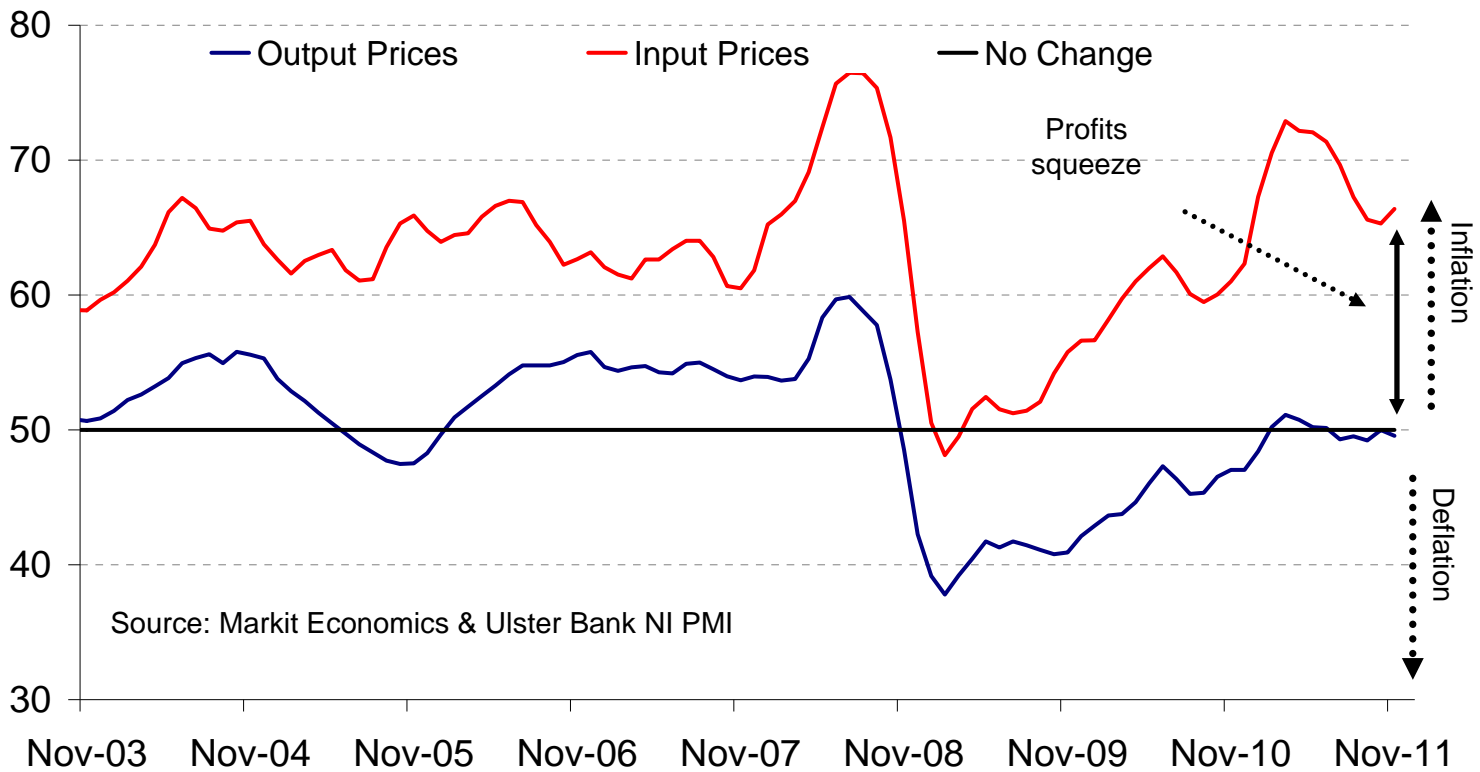
## Private Sector Employment Levels

Monthly



# NI profit squeeze remains with pricing power static

## NI Private Sector Profit Squeeze 3 Month Moving Average



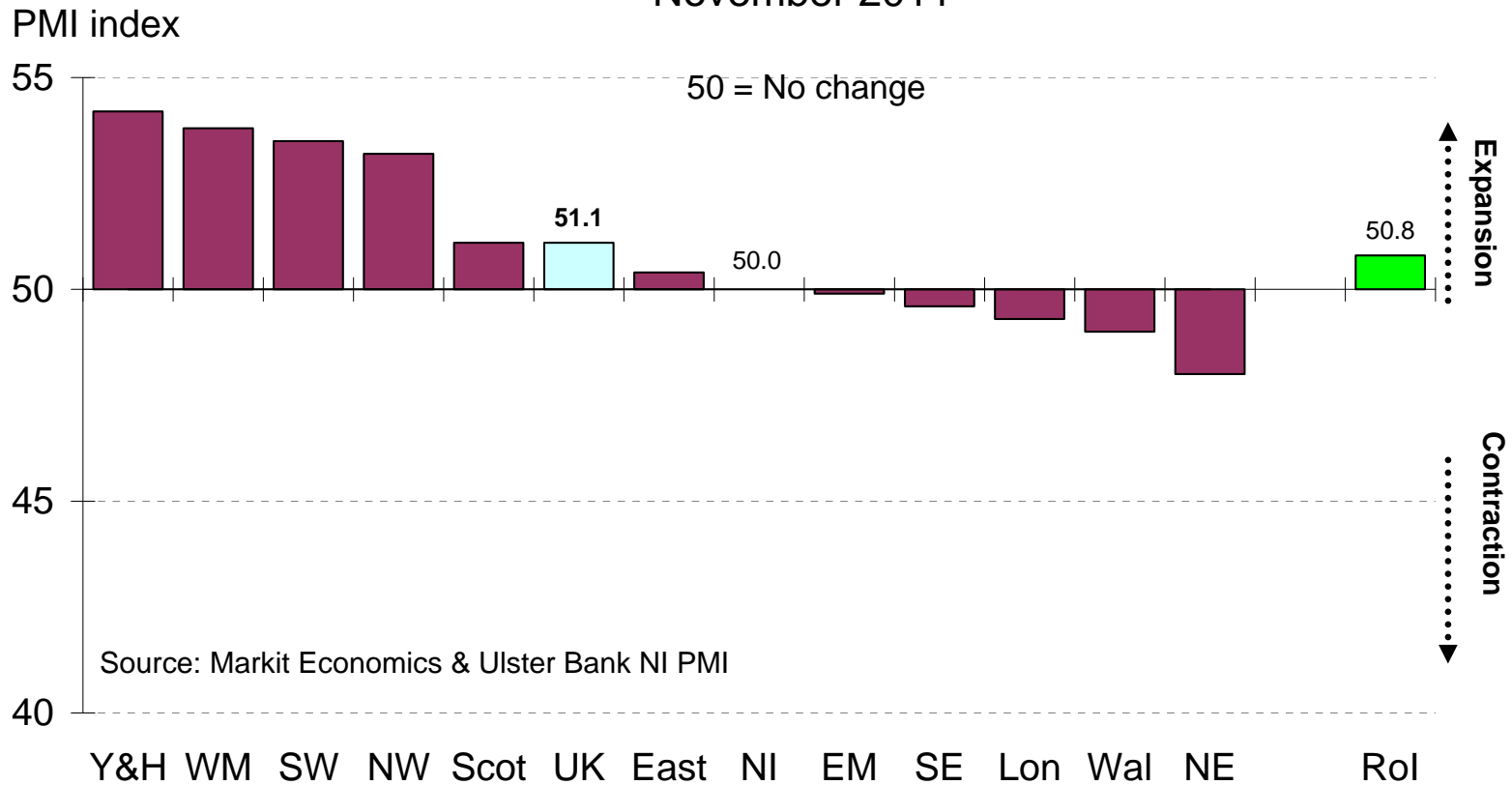
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*Regional  
Comparisons*

# Five regions in contraction territory in November

## Output / Business Activity

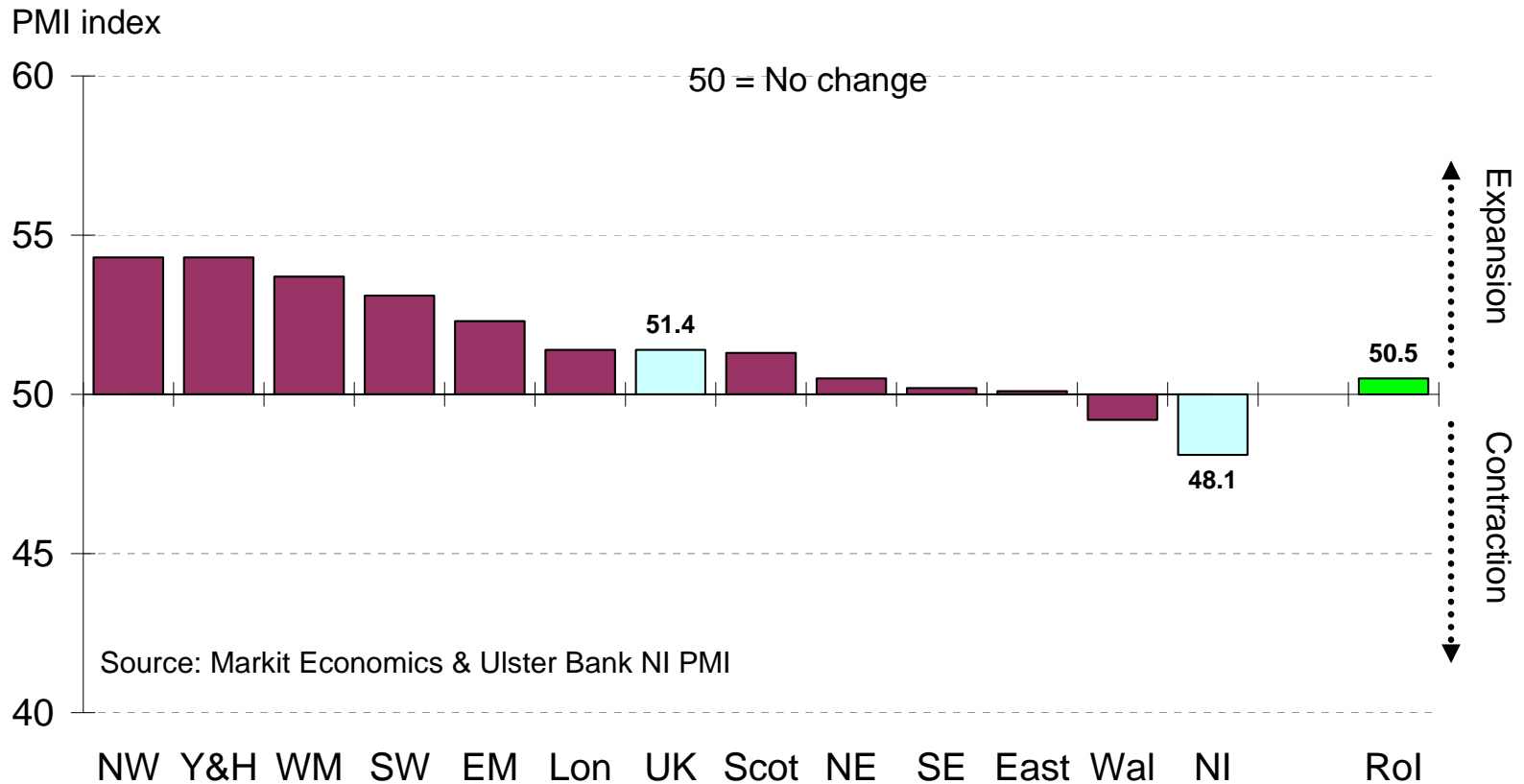
November 2011



# NI posts sharpest rate of decline over the last 3 months...

## Output / Business Activity

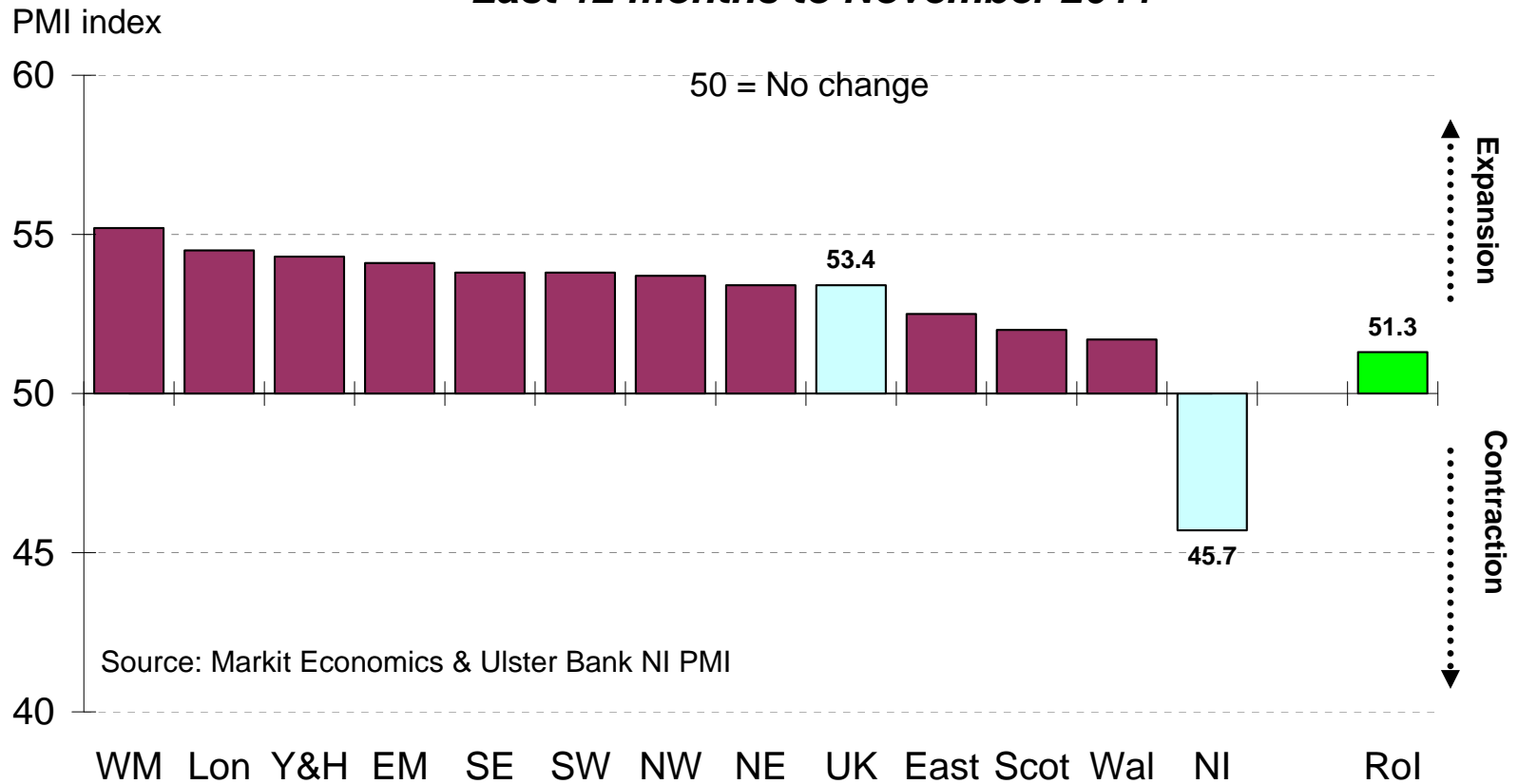
3 months to November 2011



.....and over the last 12 months

## Output / Business Activity

*Last 12 months to November 2011*

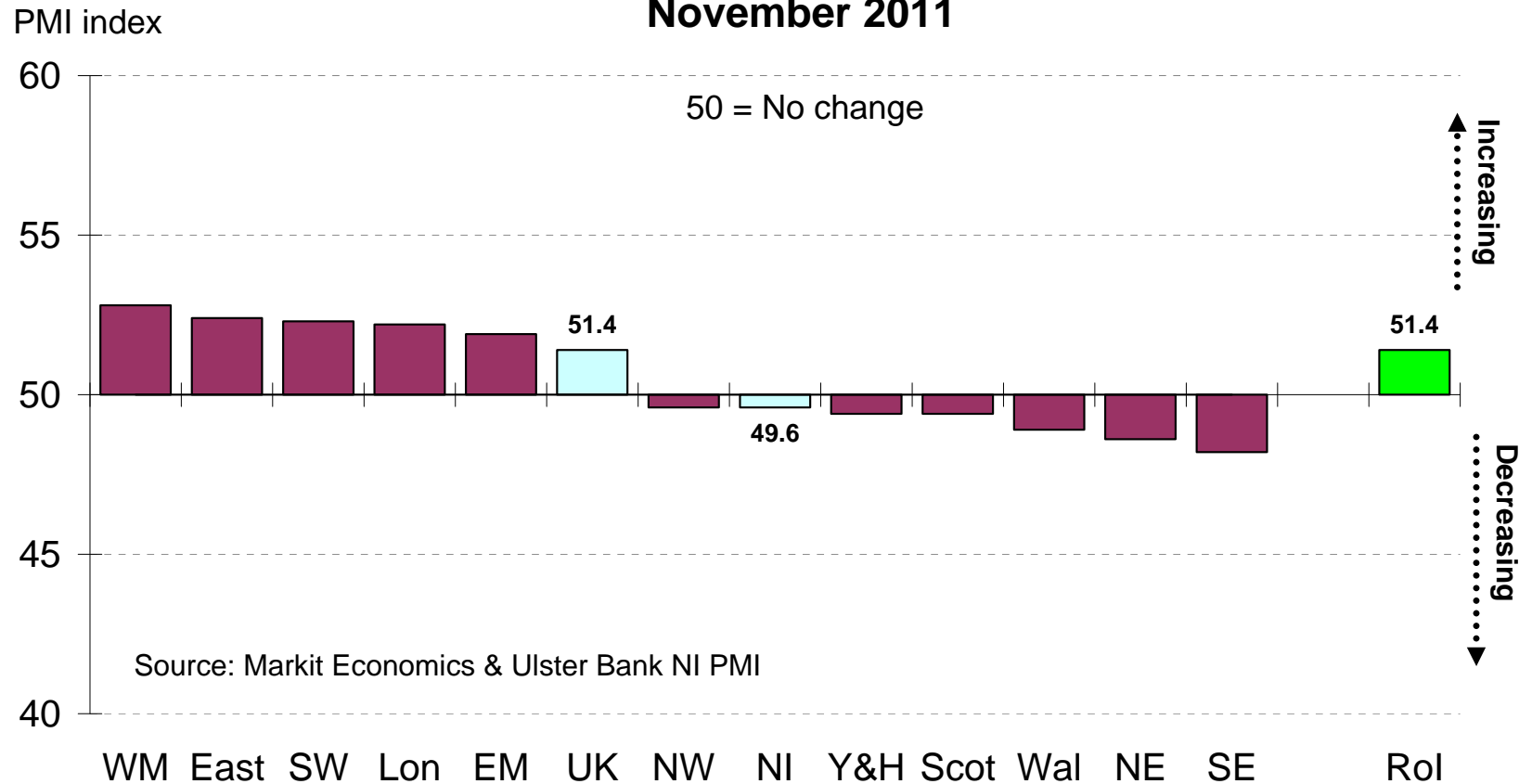




# 7 UK regions, including NI, posting declines in new orders

## New Business Orders

November 2011

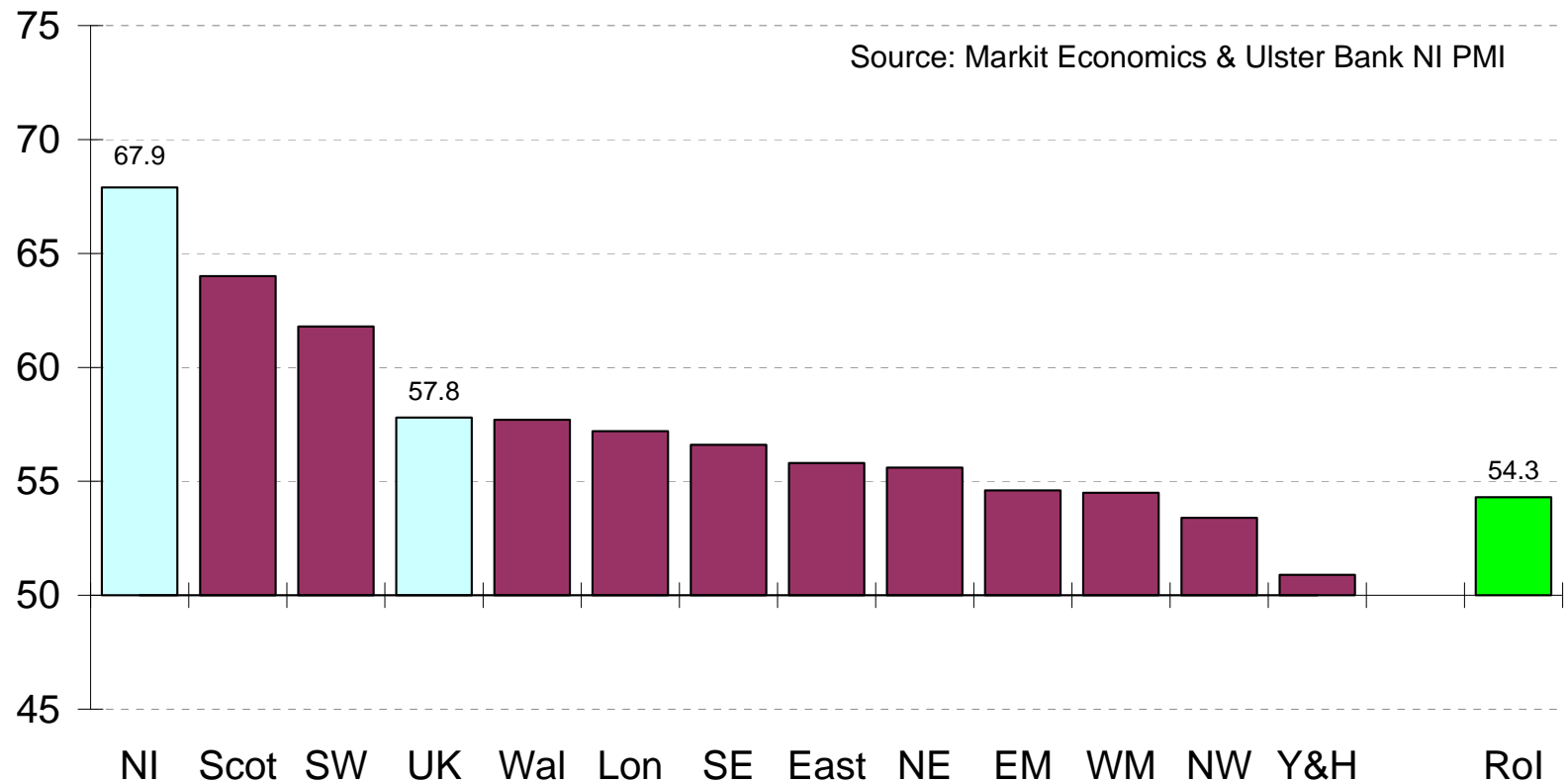


# NI firms are experiencing the highest rates of input cost inflation

## Input Cost Inflation

November 2011

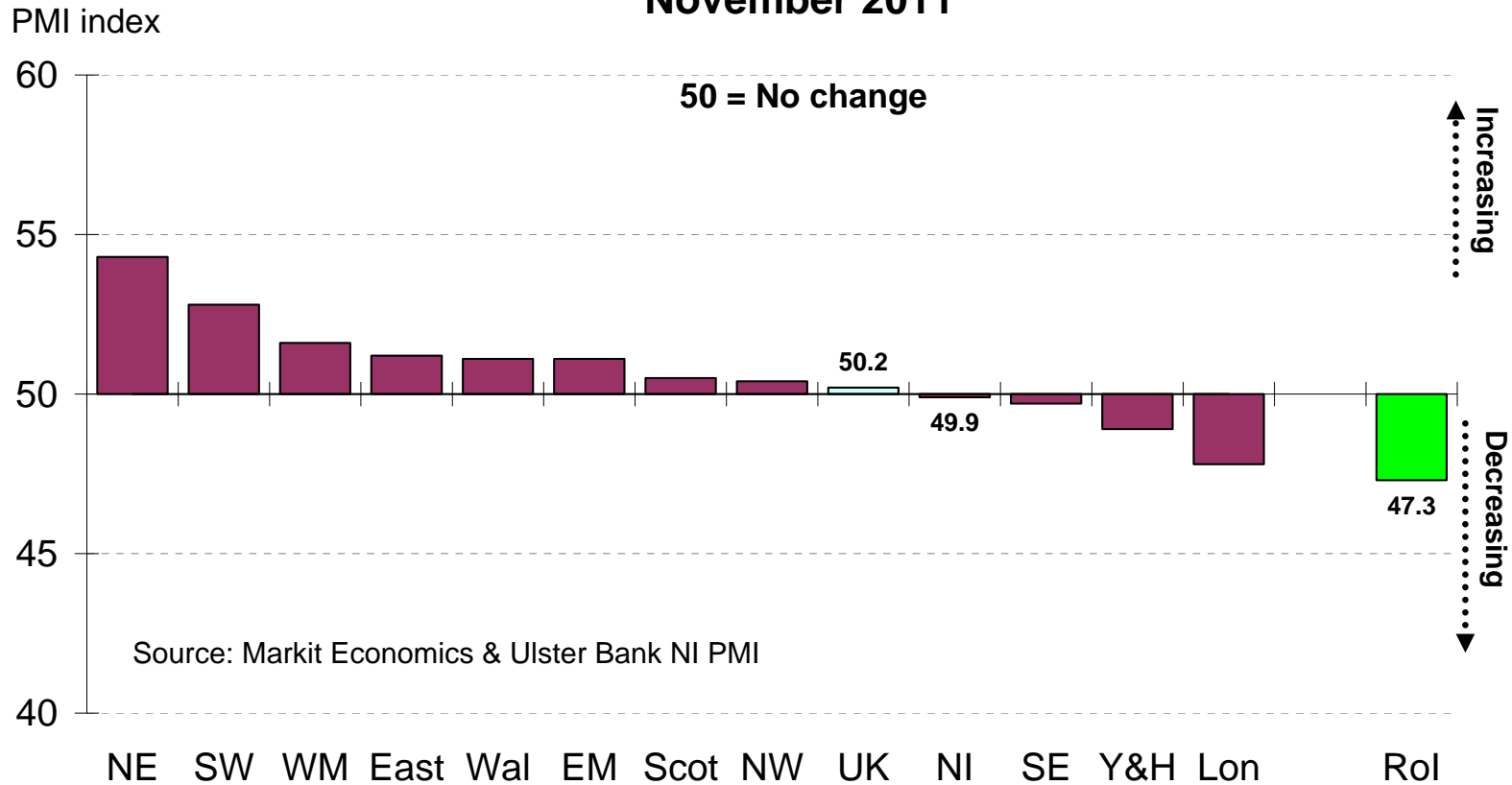
PMI index



# Pricing power remains weak in NI with deflation continuing in RoI

## Output Price Inflation

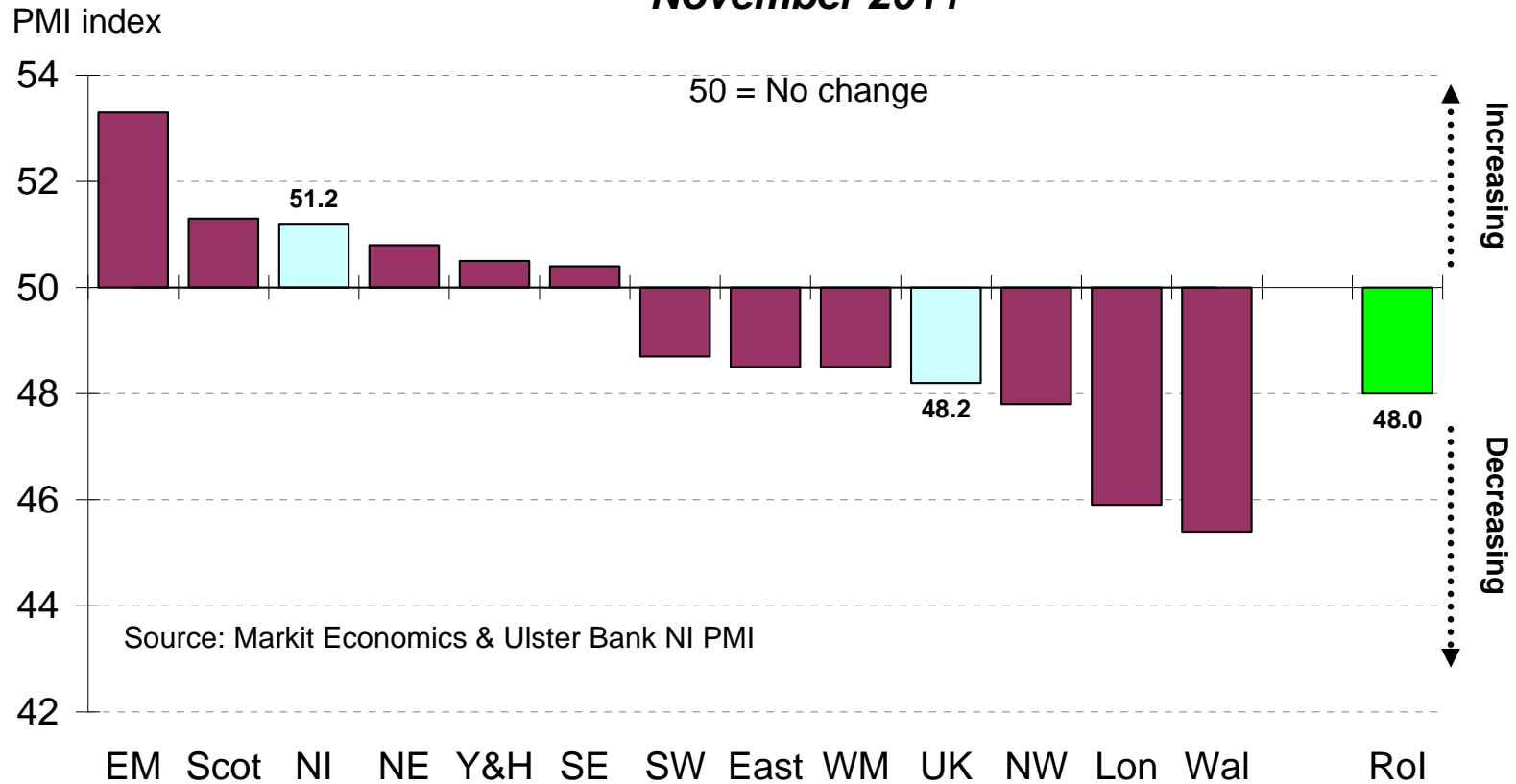
November 2011



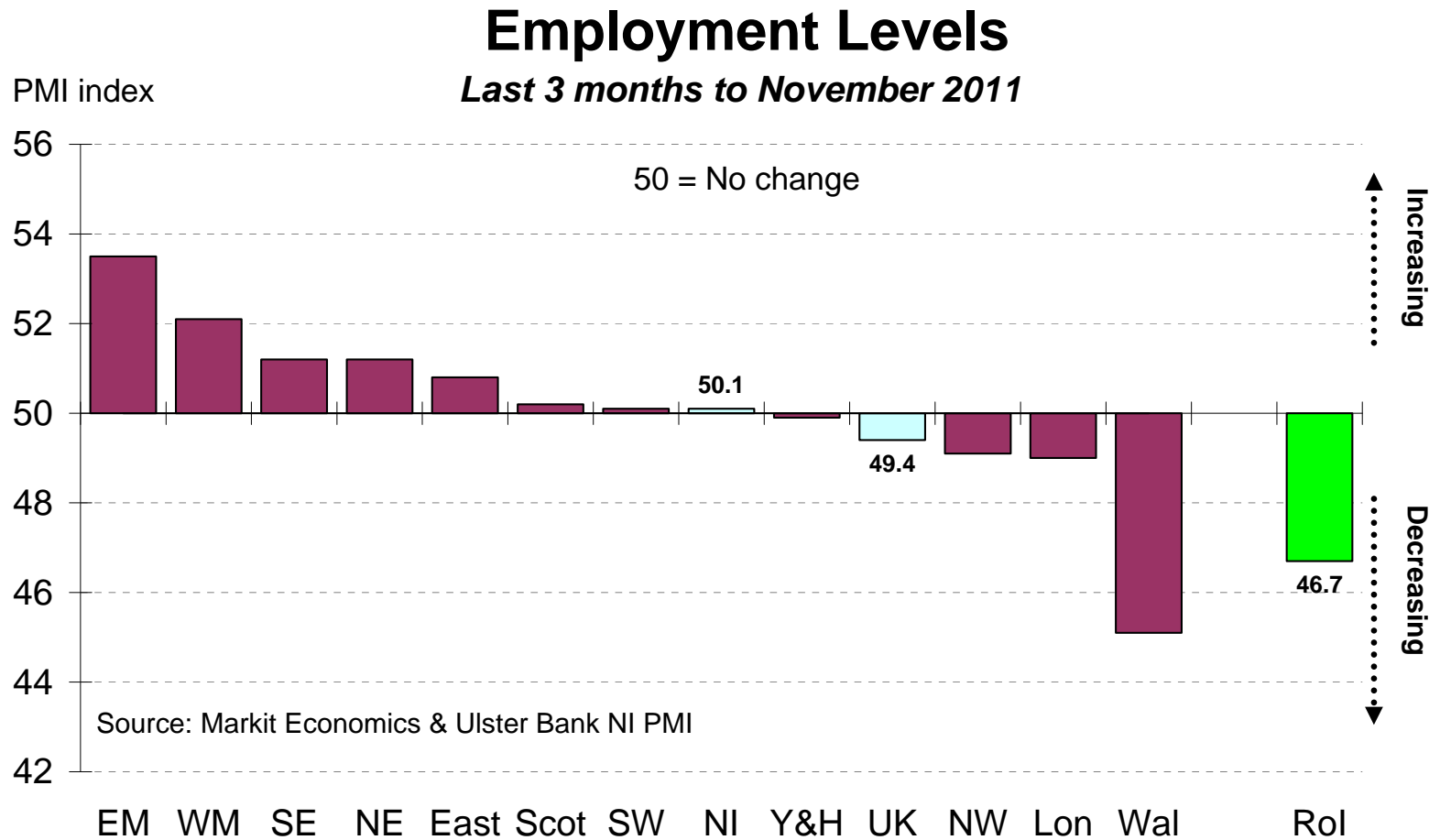
# NI posts first rise in employment since February 2008

## Employment Levels

November 2011

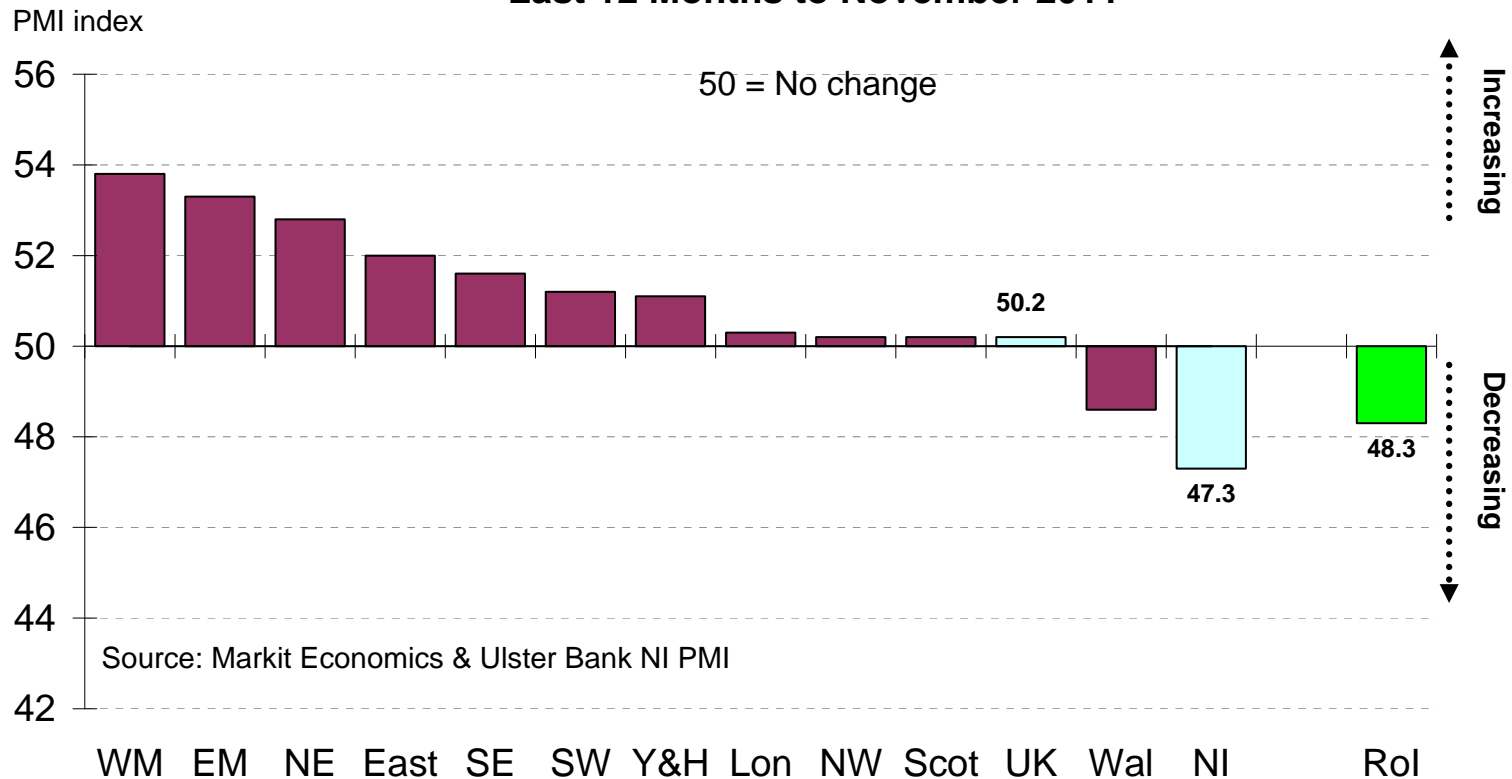


# NI outperforming the UK over the last three months



But NI has recorded the sharpest rate of job losses over the last 12 months

## Employment Levels Last 12 Months to November 2011

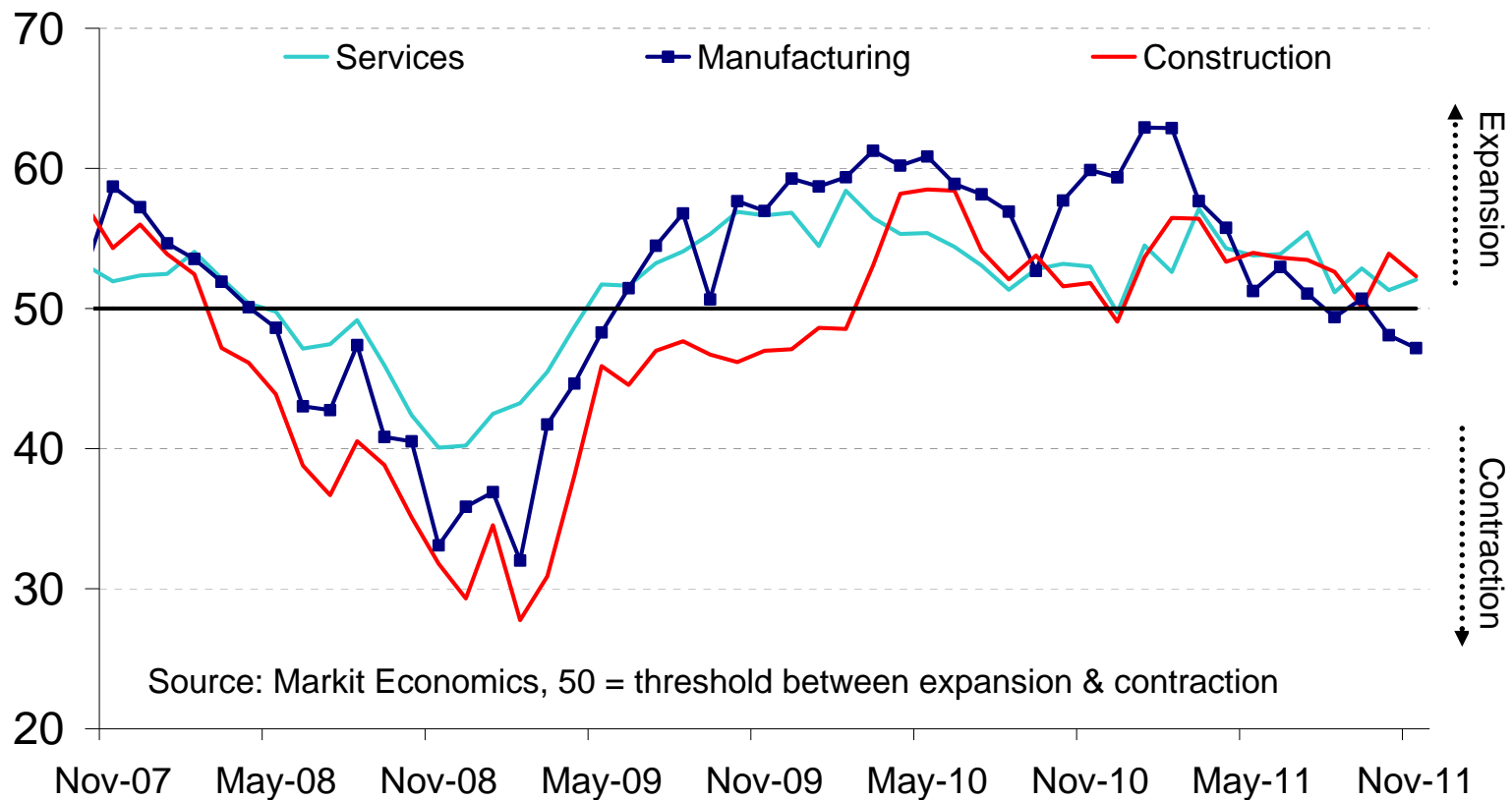


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*Sectoral  
Comparisons*

# UK construction & services still growing

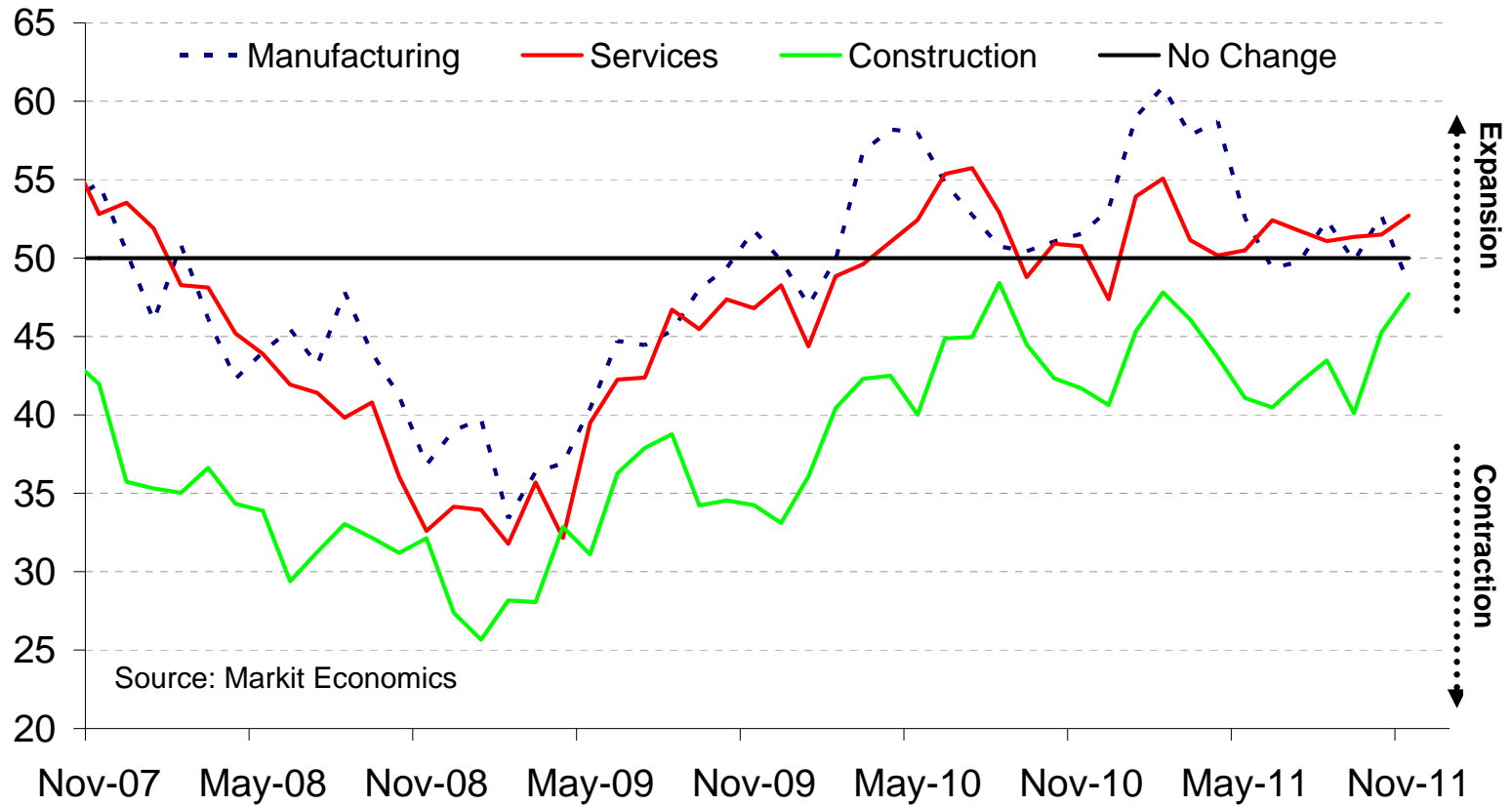
## UK Business Activity - PMIs





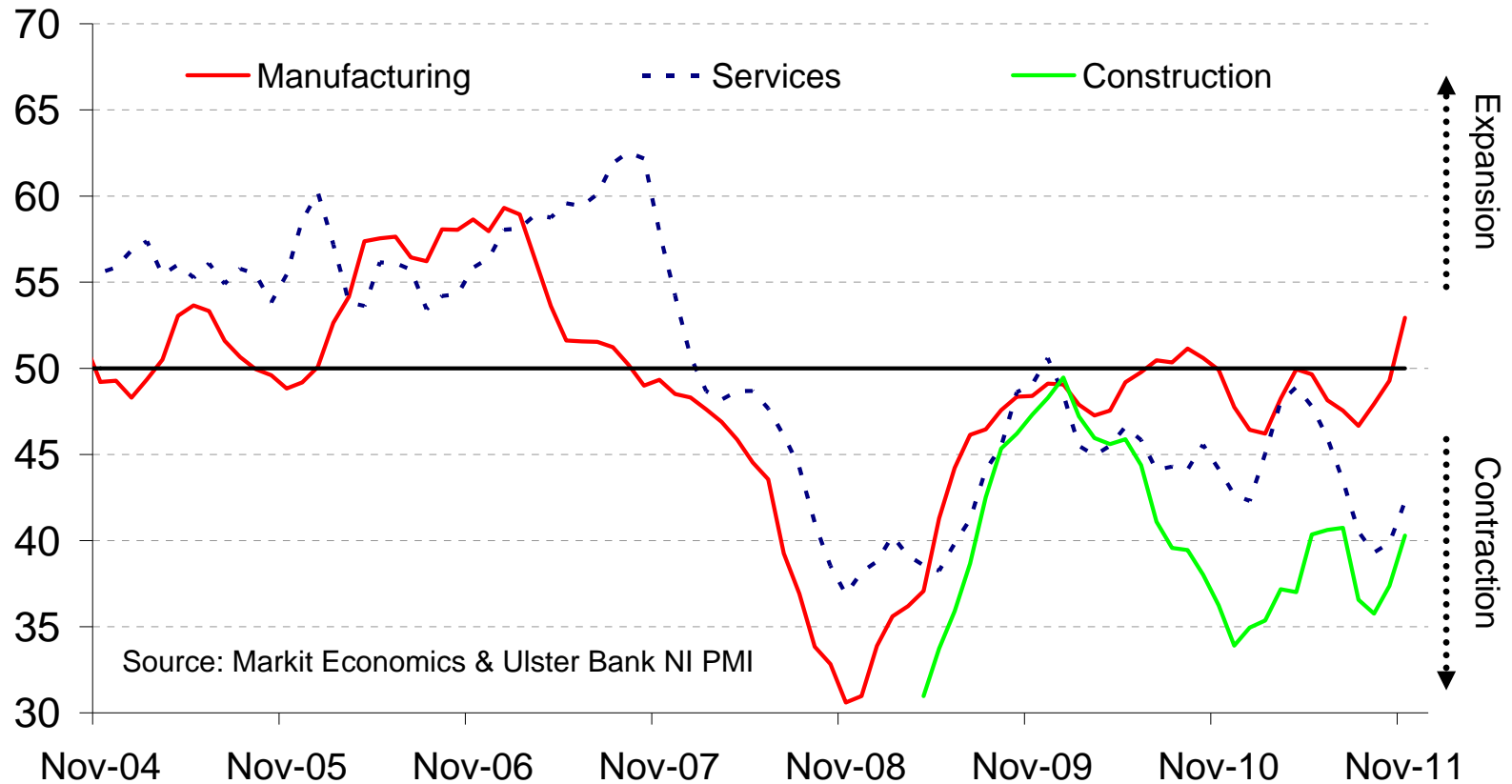
# ...services are still growing in the RoI

## RoI Business Activity - PMIs

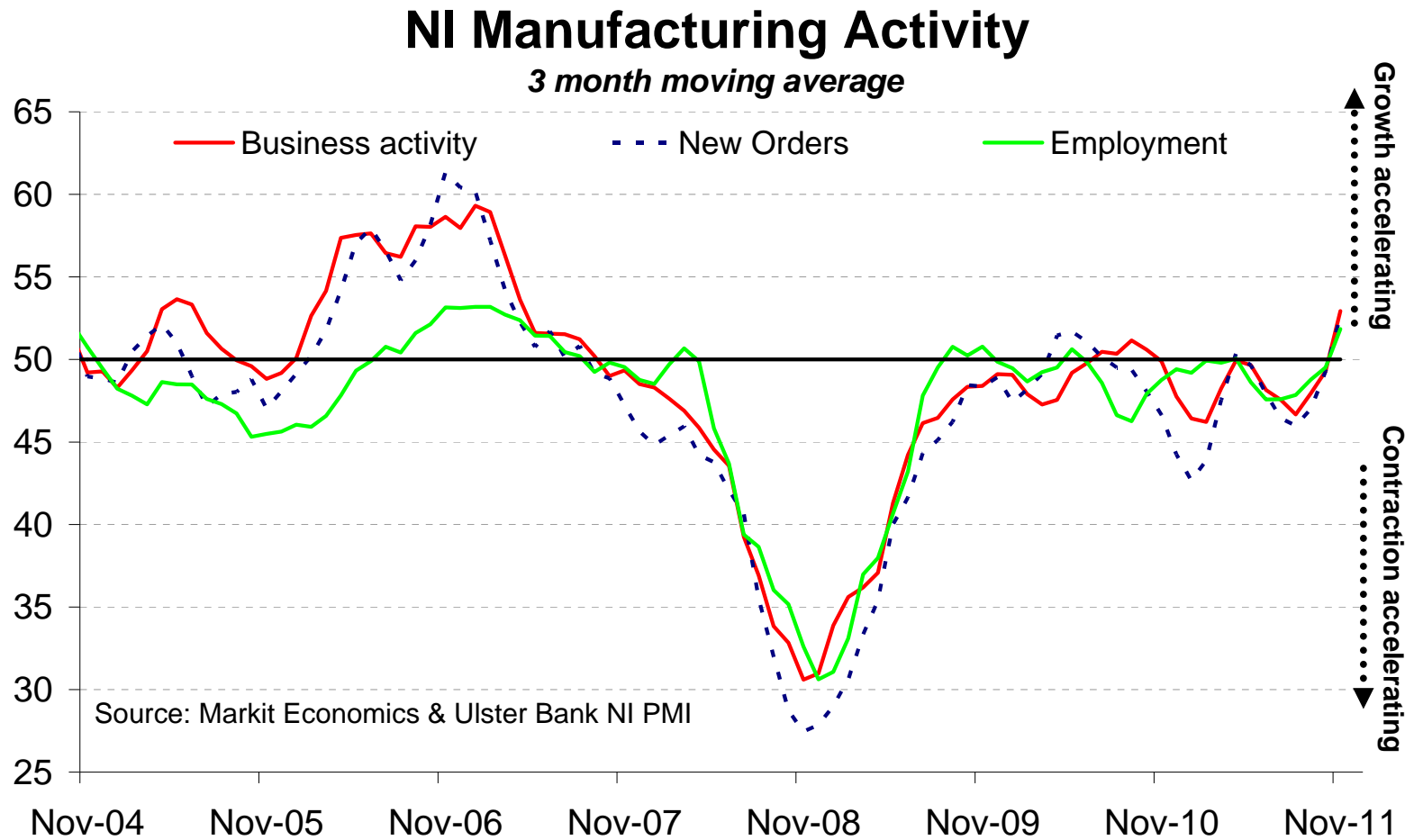


# Pace of contraction in construction and services remains severe over the last 3 months

## NI Private Sector Output 3 month moving average



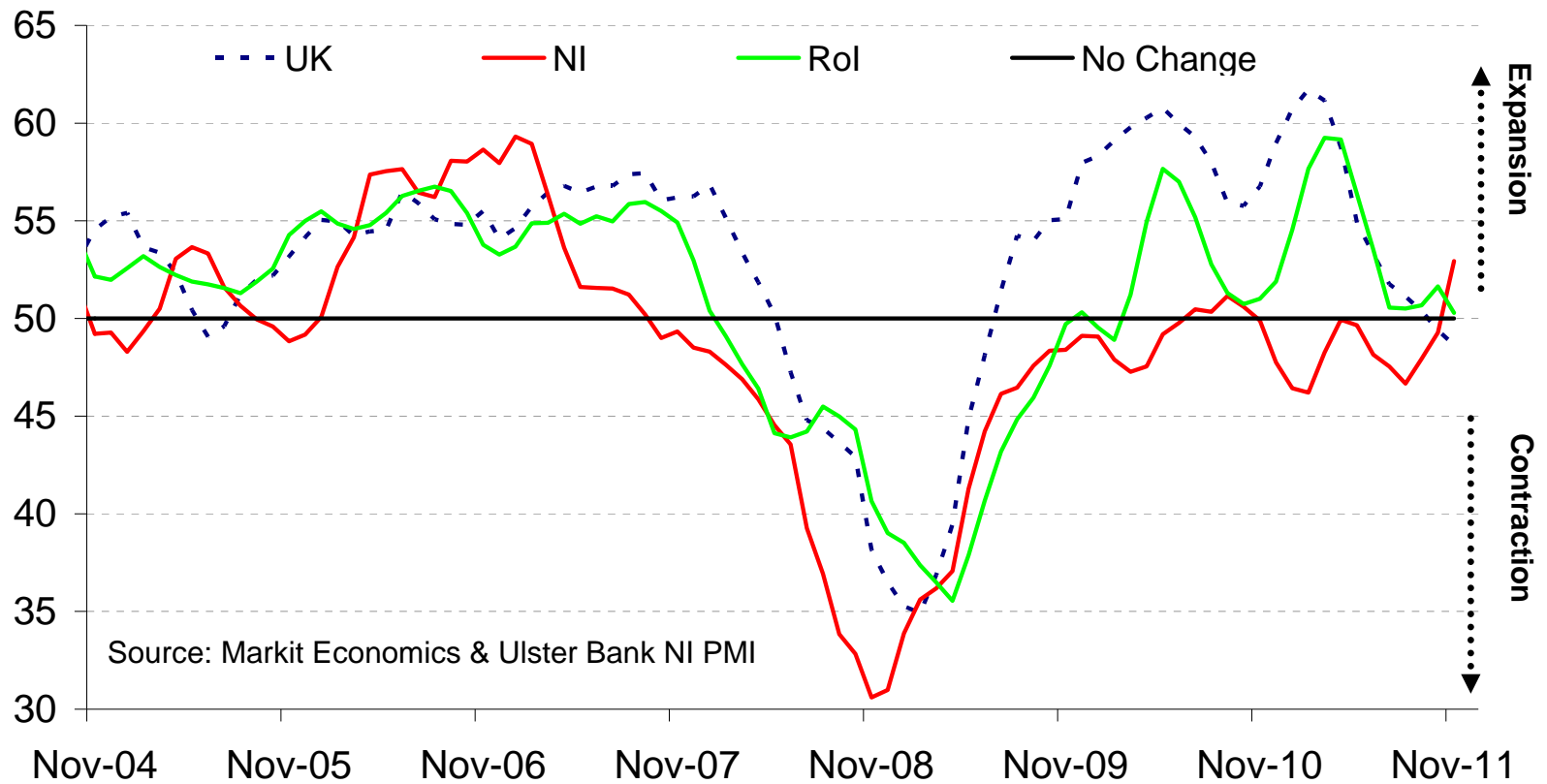
# Manufacturing indices all improving over last 3 months



# NI manufacturing outperforming Rol and UK

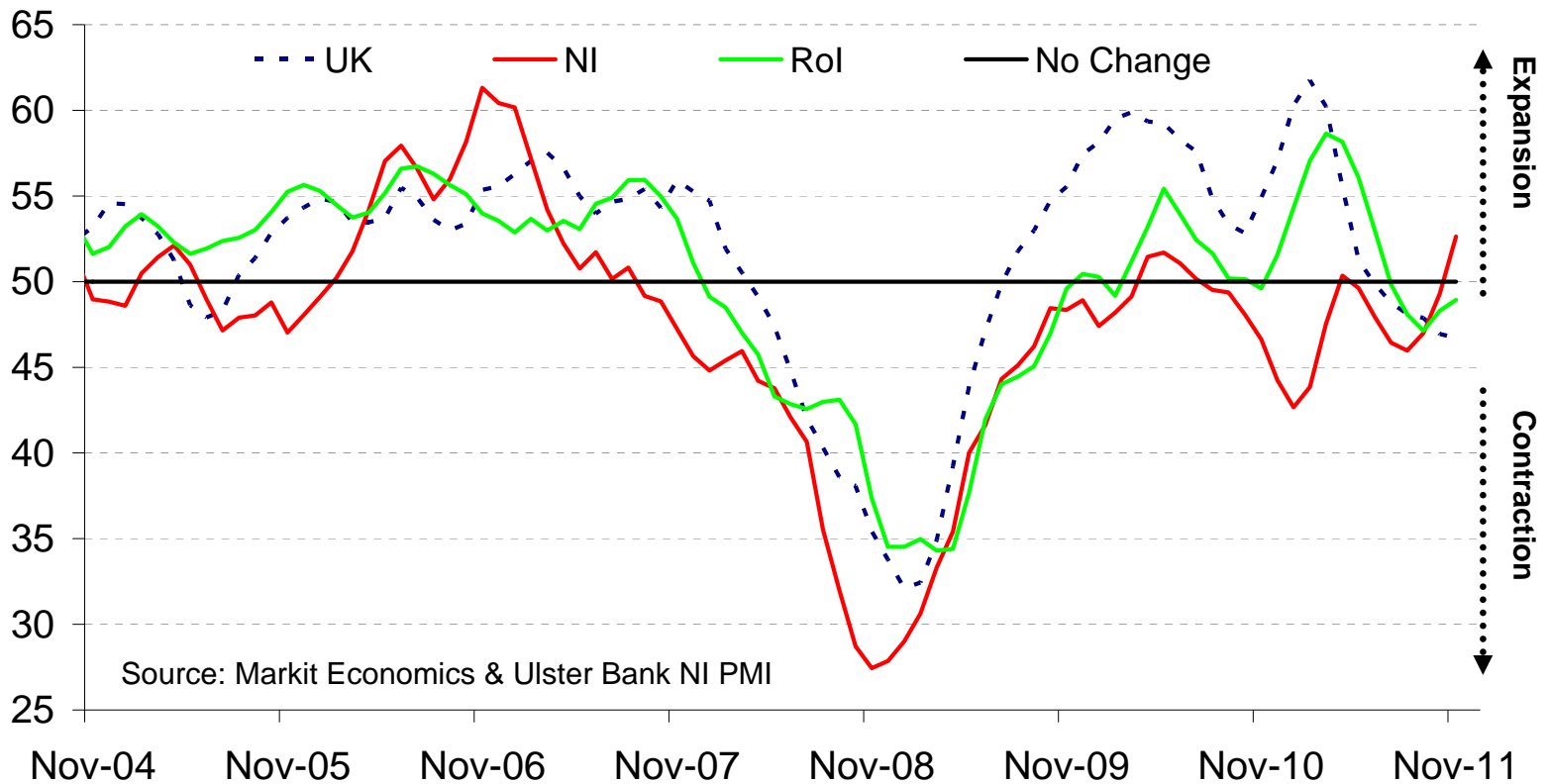
## Manufacturing Output

3 month moving average



.....and in terms of new orders too

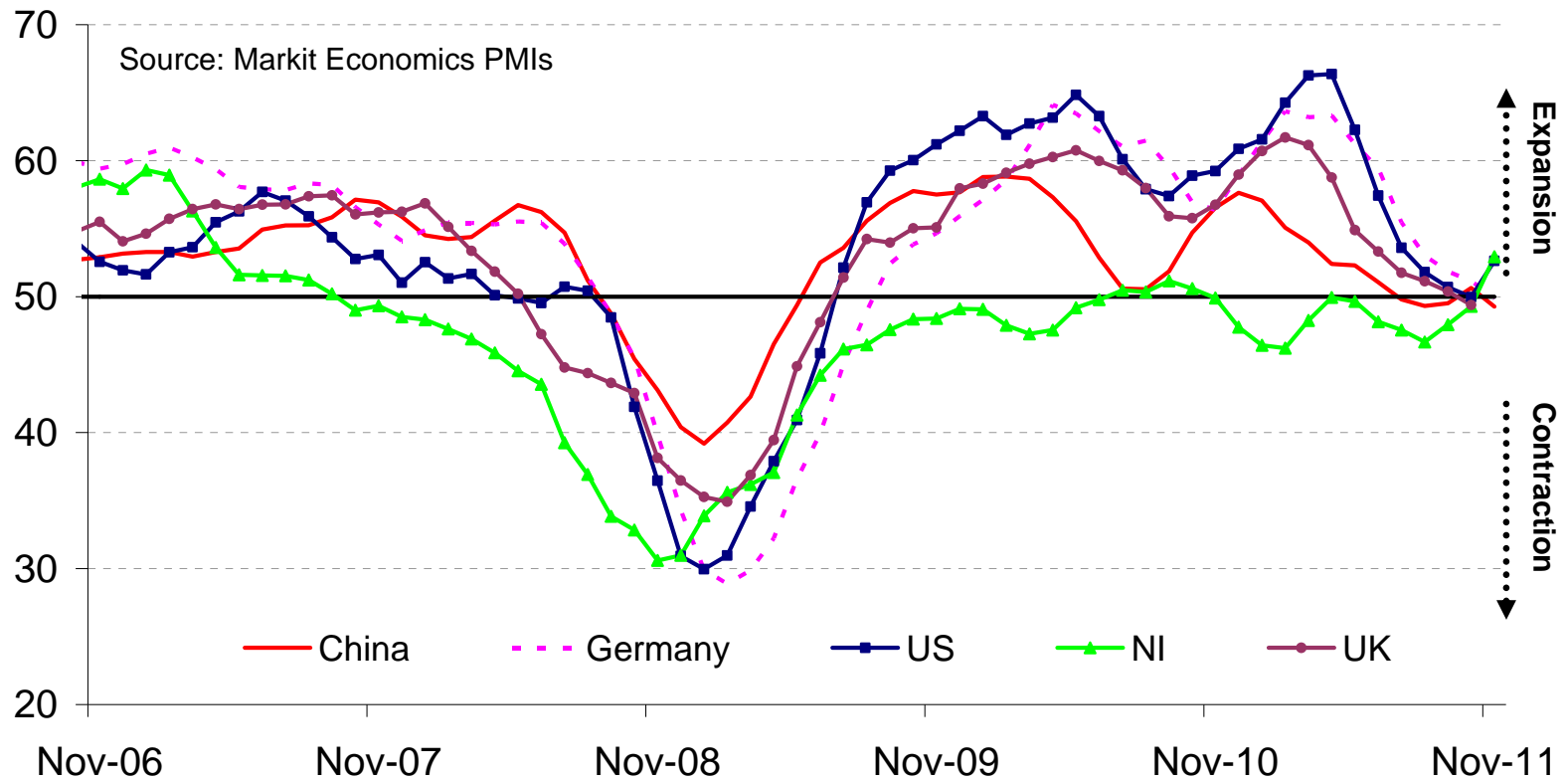
### Manufacturing New Orders 3 month moving average



# NI's SME exposure to RoI had limited its recovery but not NI now outperforming elsewhere

## Manufacturing Output - PMI

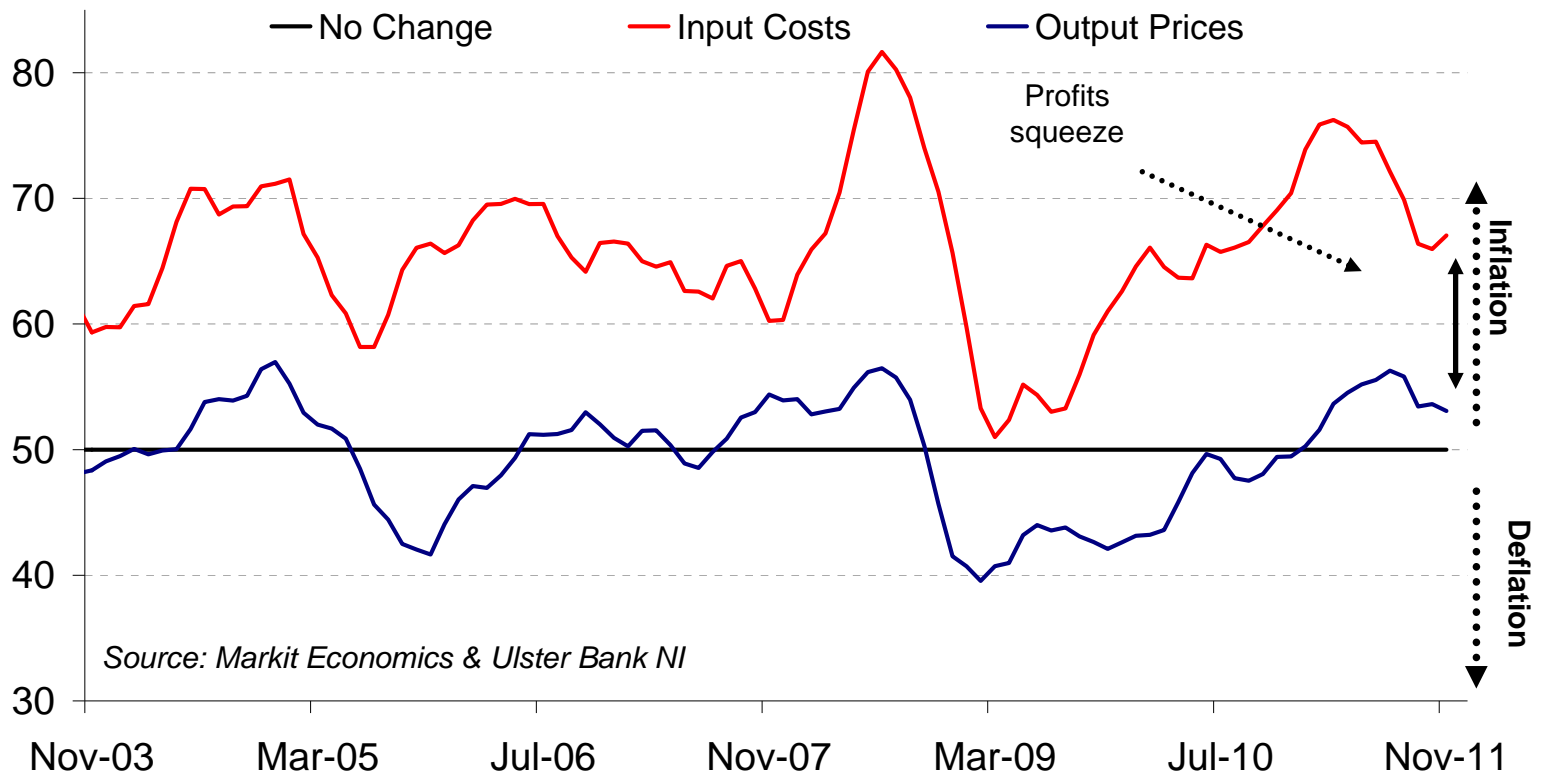
3 month moving average



# Cost price inflation picking up for manufacturing firms

## NI Manufacturing Input & Output Inflation

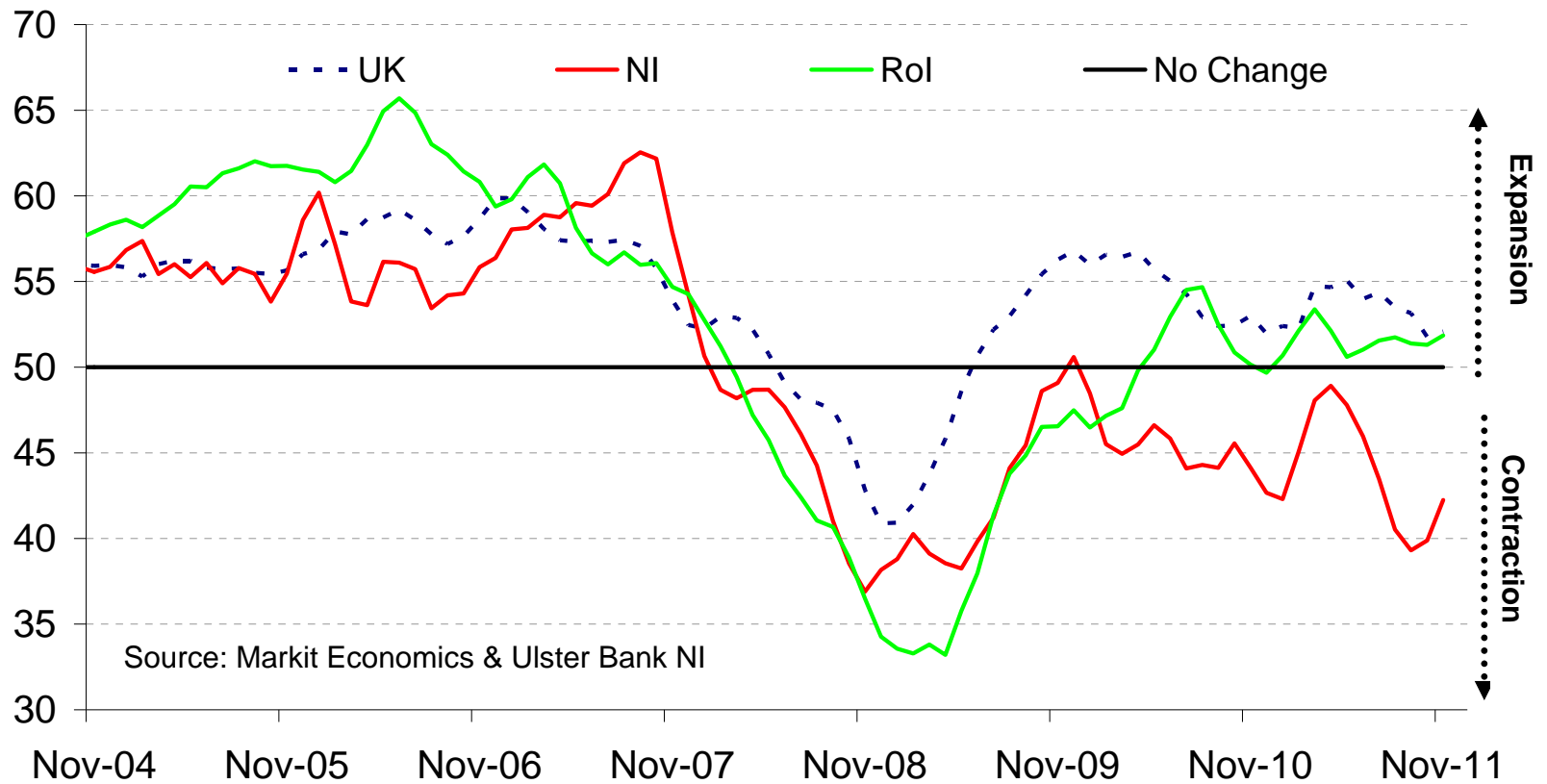
3 month moving average



# NI-UK divergence still apparent within service sector

## Services Output

3 month moving average

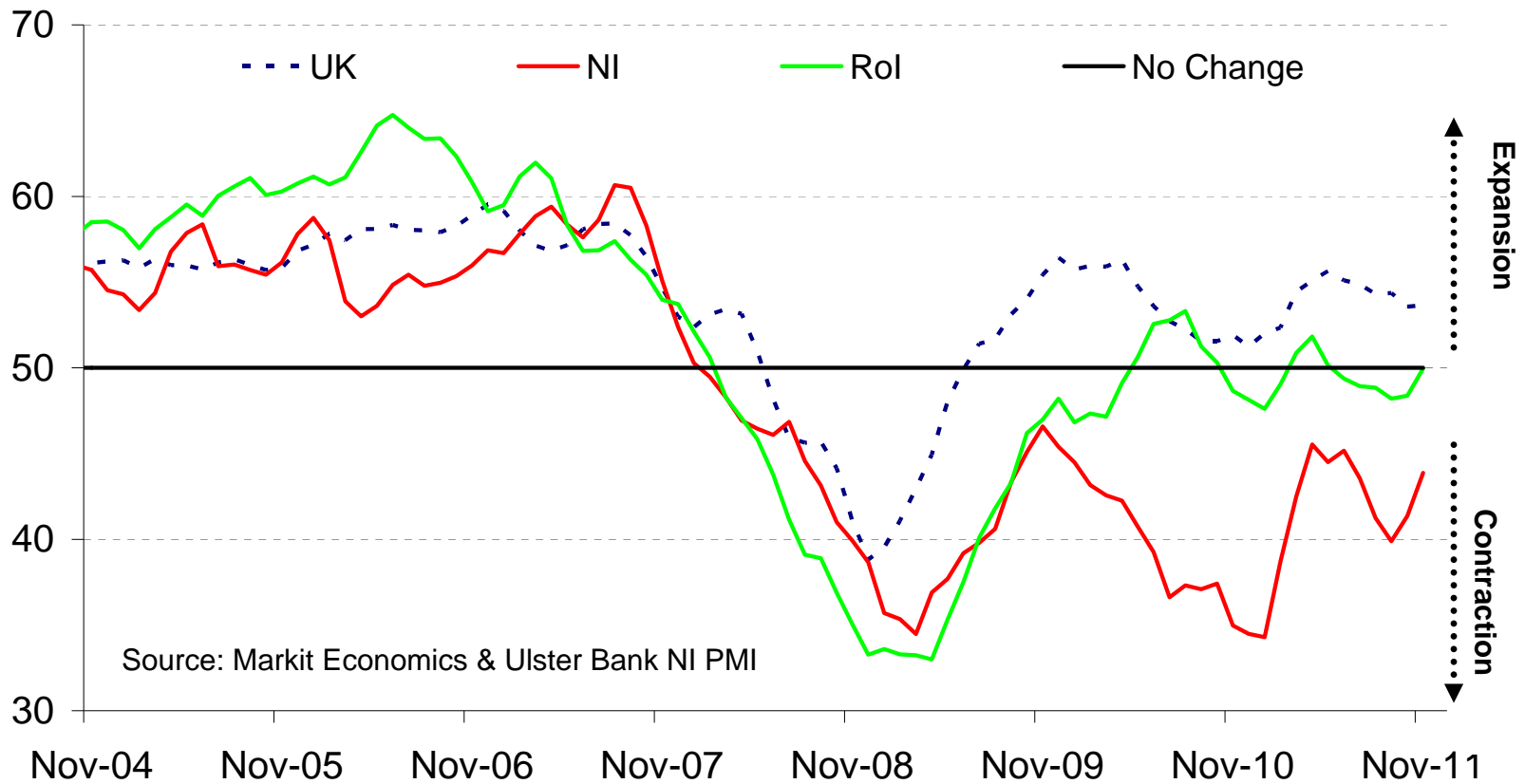




# Forward looking new orders suggests no recovery is imminent

## Services New Orders (excluding Retail)

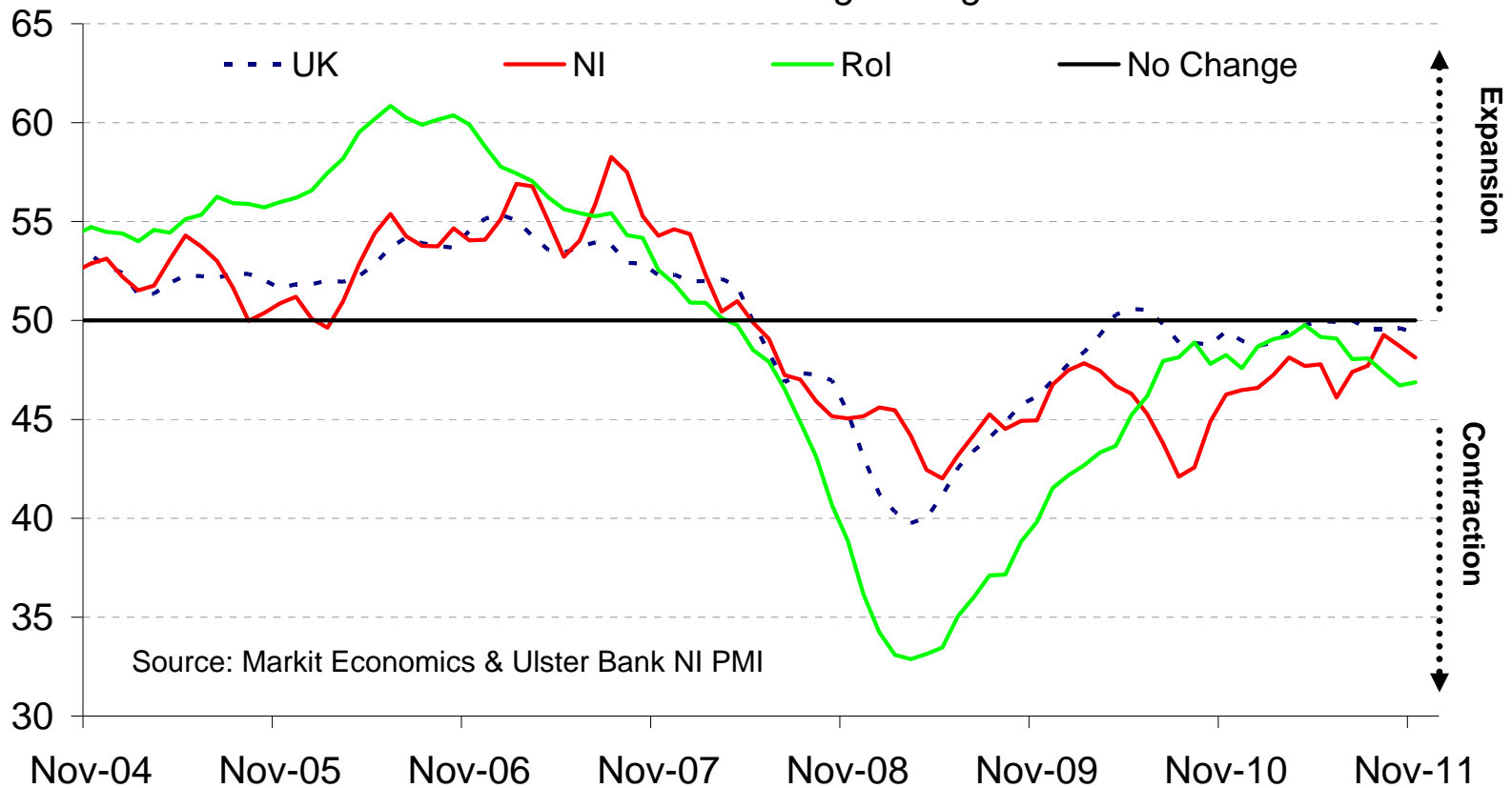
3 month moving average



....although employment levels are falling at only a marginal rate

## Services Employment

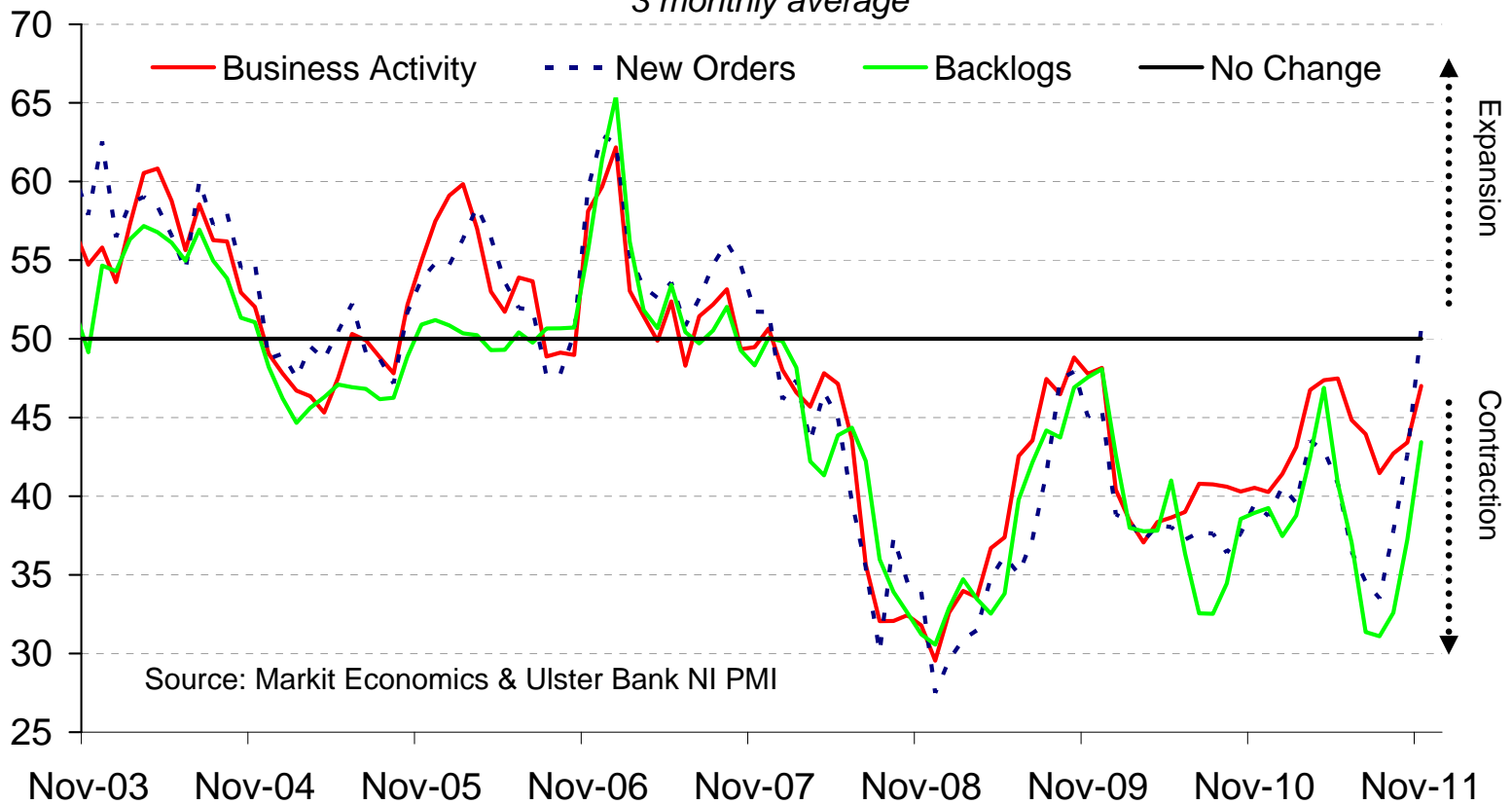
3 month moving average



# Rapid pace of decline in Retail sector eases

## Northern Ireland Retail PMI

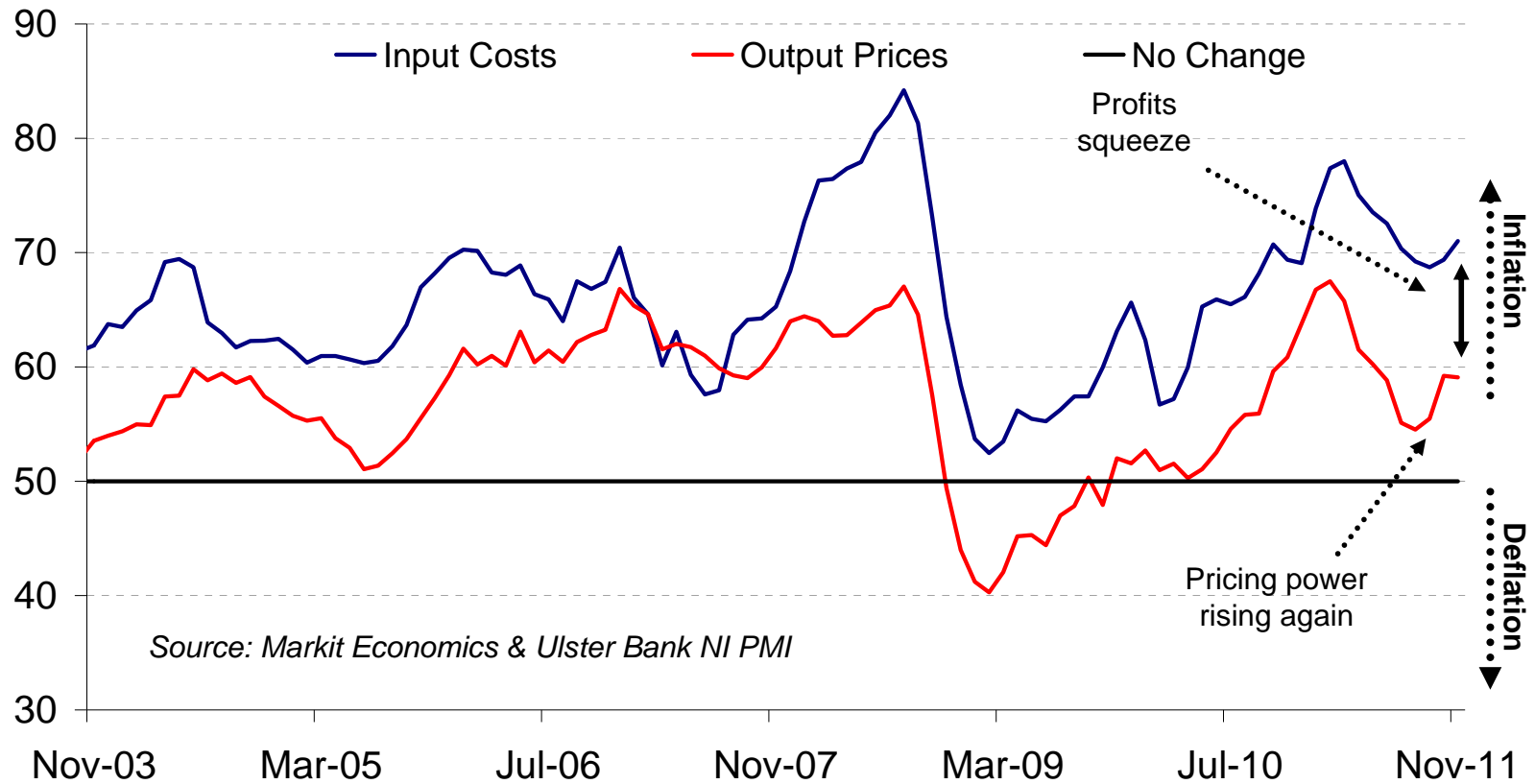
3 monthly average



# Retailers passing on costs to protect margins

## NI Retail Input & Output Inflation

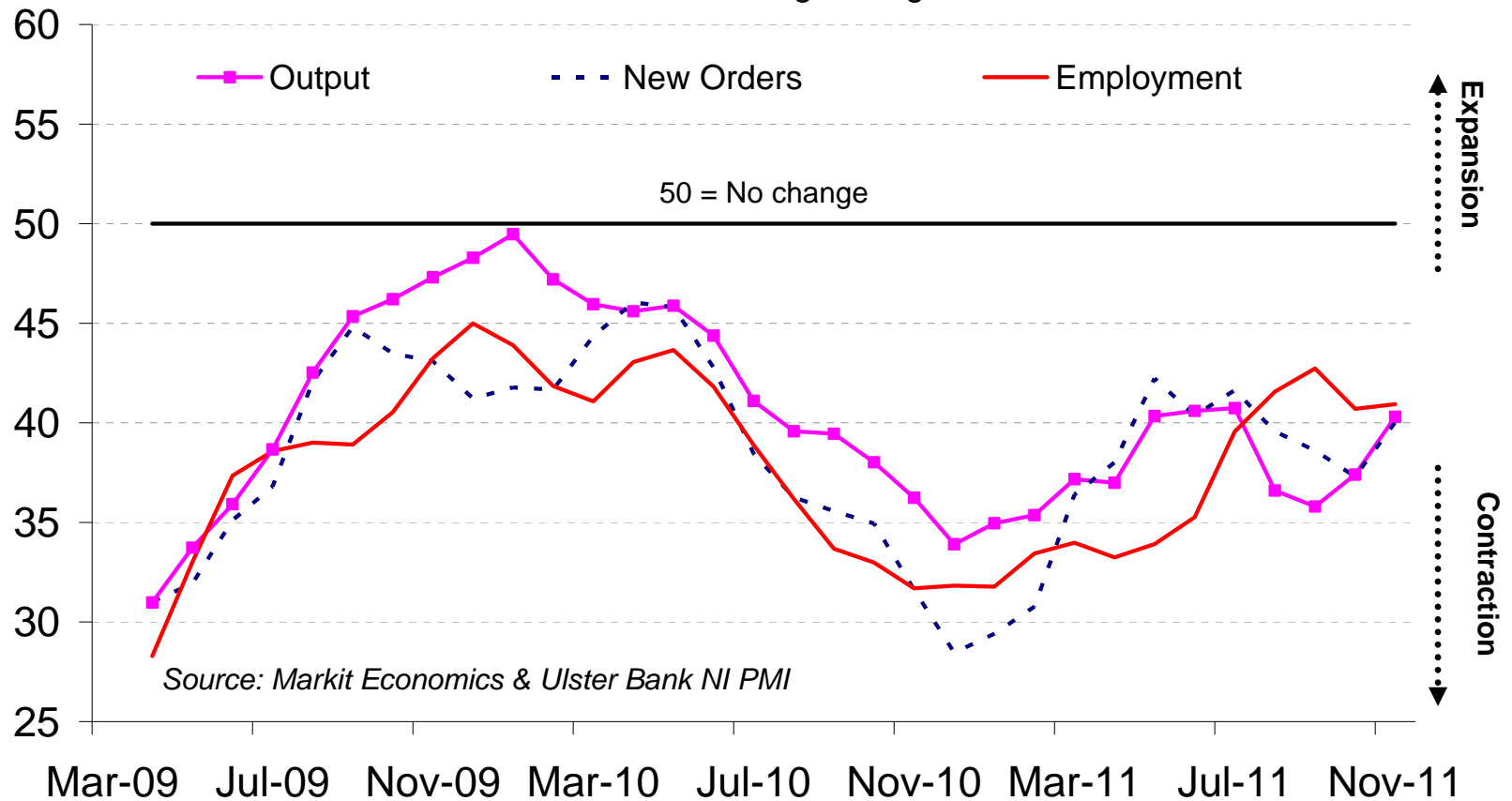
3 month moving average



# NI construction sector continues to weaken

## NI Construction PMI

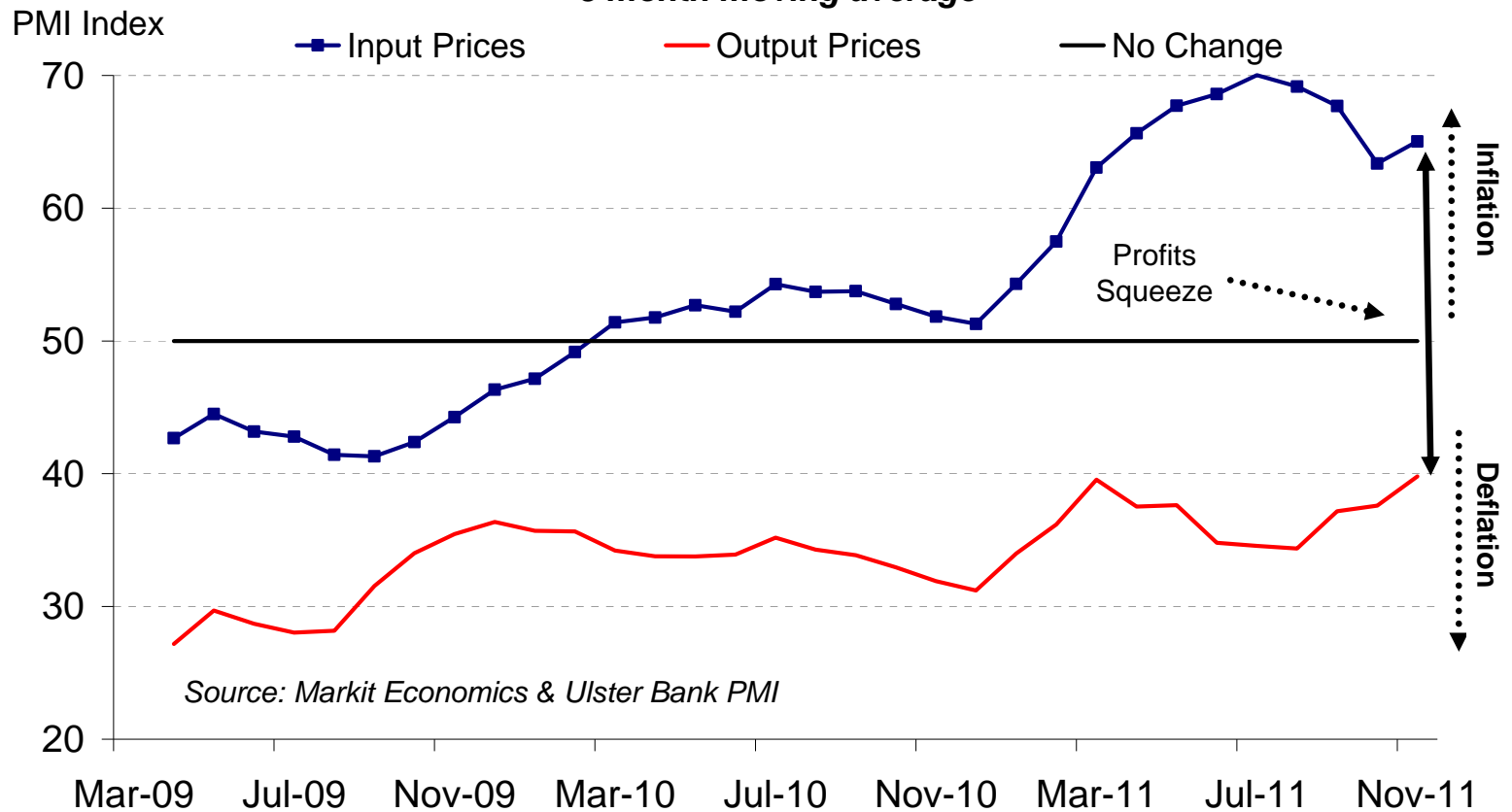
3 month moving average



.....with profits squeeze easing but still severe

## NI Construction Sector Profits Squeeze

3 month moving average

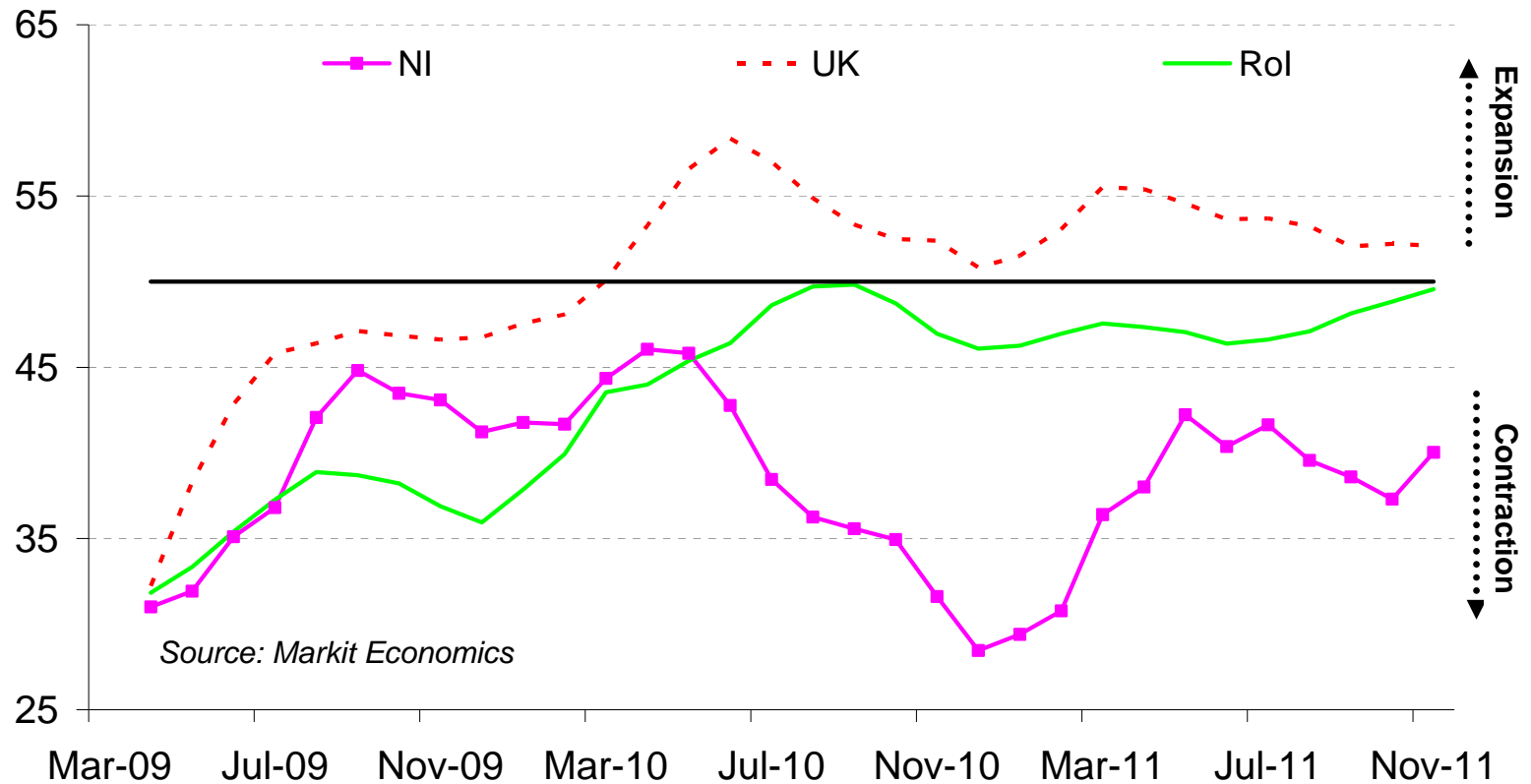


# NI-UK divergence marked in terms of new orders

## Construction Sector New Orders - PMI

3 month moving average

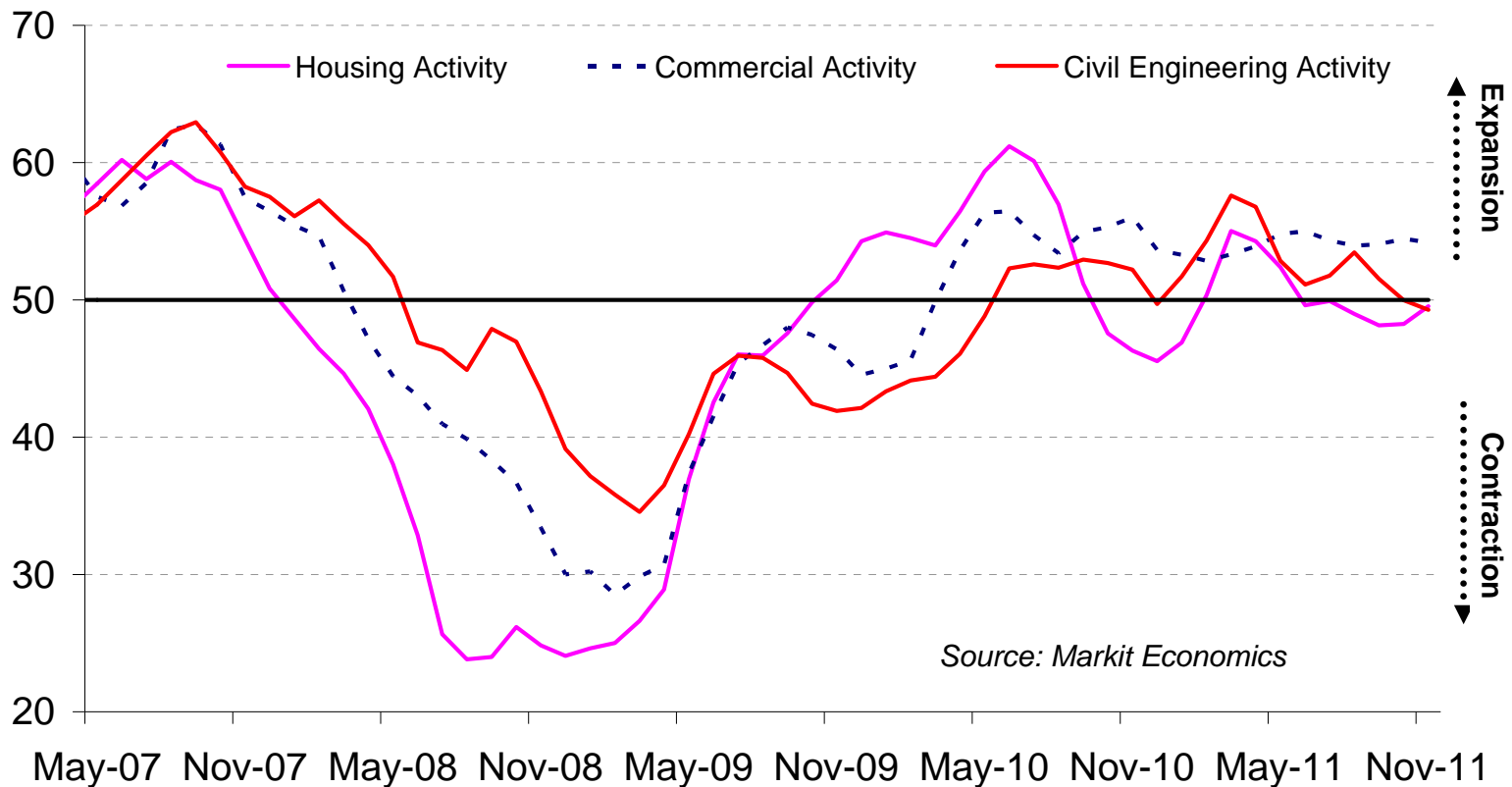
PMI Index



# Continued growth in GB offers opportunities for NI firms

## UK Construction Activity - PMIs

3 month moving average

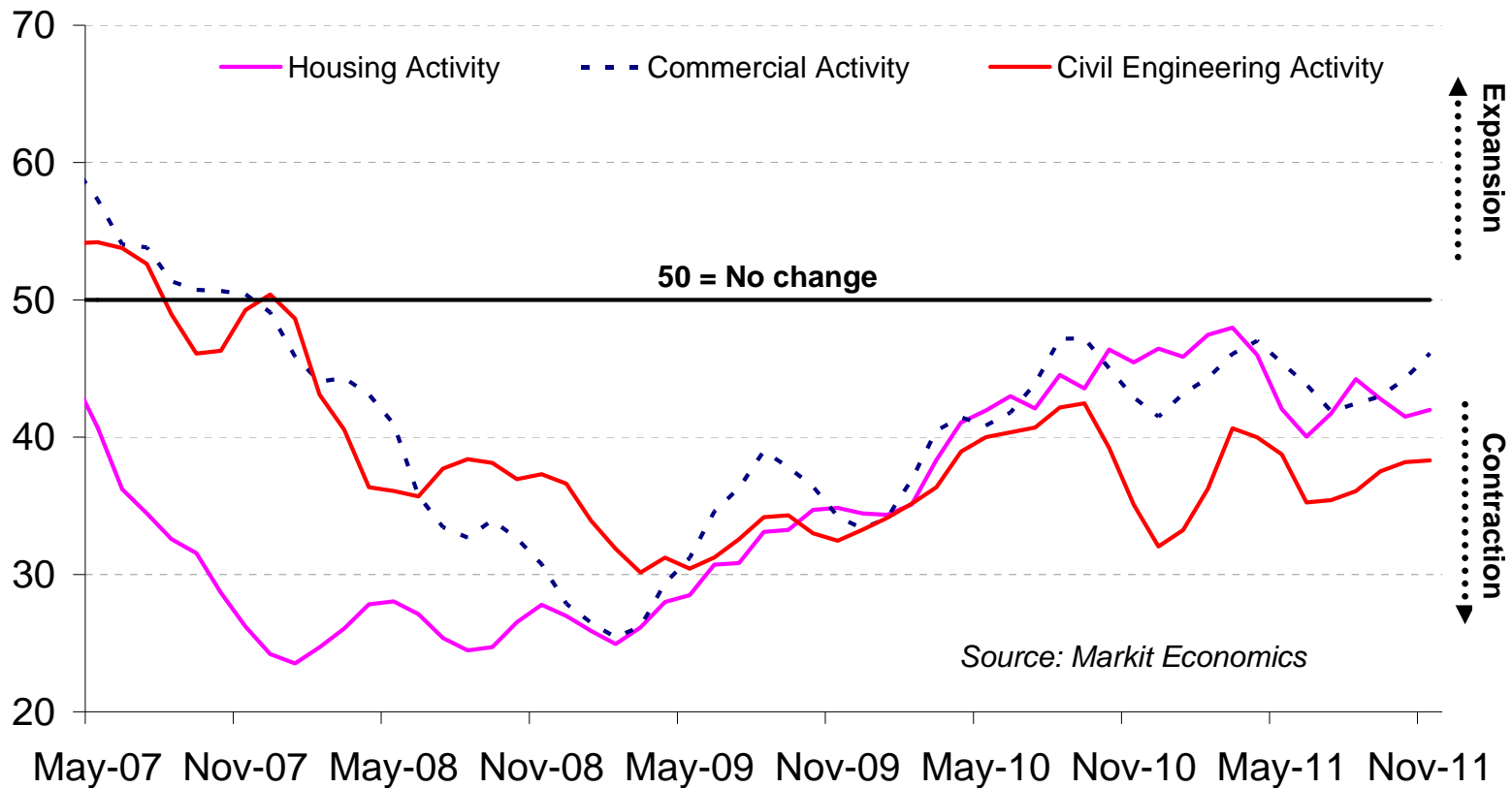




.....particularly with continued weakness in the RoI

## Republic of Ireland Construction Activity - PMI

3 month moving average



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