

# Morning Wrap

## Today's Newsflow

Select headline to navigate to article

**Economic view** Welcome acceleration in tax revenues in May

Equity Research

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### Upcoming Events

#### Company Events

09-Jun	Bellway; Q326 Trading Update
10-Jun	Frontier Developments; Q426 Trading Update Fuller, Smith & Turner; FY26 Results WH Smith; Q326 Trading Update
11-Jun	Origin Enterprises; Q326 Trading Update Wizz Air; FY26 Results

#### Economic Events

##### Ireland

05-Jun	Foreign Direct Investment GDP
08-Jun	Live Register
11-Jun	CPI

##### United Kingdom

08-Jun	S&P Permanent Job Placements
12-Jun	Construction Output GDP Industrial Production Manufacturing Production Trade Balance

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## Economic view Welcome acceleration in tax revenues in May

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Exchequer data offer a more encouraging read on the Irish economy after a run of softer indicators. Tax revenues rose by 11% yoy in May, lifting growth over the first five months to 6.1%, up from 5.7% at end-April. The strength was broad-based but most evident in income tax and VAT, both now running at around 7% yoy following double-digit gains in May. Taken alongside the PMIs, these figures remain among the timeliest signals of activity on the ground. While services PMI readings have eased, the resilience in income tax and VAT suggests ongoing expansion in the labour market and consumer spending. That sits somewhat at odds with the more muted tone of the latest Labour Force Survey. Corporation tax also continues to perform, rising by 9% year-on-year in the first five months.

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On the expenditure side, there are early signs of moderation, though spending growth remains high. Headline spending growth slowed to 5.1% yoy in May. However, underlying voted expenditure grew by 7.2% in the January–May period, easing from 8.9% at end-April but still above the 6.9% profile set out in April's Annual Progress Report. Current spending rose by 7.4% yoy, with key departments such as Health (+8.6%), Education (+8.4%) and Social Protection (+8.0%) all exceeding profile, pointing to continued underlying pressures.

**Capital spending, by contrast, remains softer, up 5.3% year-on-year and €634 million behind expectations, though this shortfall is likely to narrow as housing and infrastructure projects progress. Bringing revenues and spending together, the Exchequer recorded a deficit of €923 million after five months, an improvement of €753 million relative to the same period in 2025. With revenue momentum holding up, the public finances remain broadly on track.**

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