



## CONSUMER SENTIMENT INDEX, APRIL 2017



There were mixed results in the Consumer Sentiment index in April. The overall sentiment Index remained broadly unchanged in this month, increasing by only 0.1 index points. The Index of Consumer Expectations decreased moderately, down to 88.3 this month as expectations of personal financial situations worsened. The Index of Current Conditions improved compared to March, increasing by 2.7 index points.

### General Economic Situation

Overall Sentiment regarding the outlook for next year fell moderately. There was a relatively large fall in the component relating to personal financial situations over the next 12 months. Some of the fall was offset by an improvement in the economic outlook as well as employment prospects. There was a 4 percentage point increase in the proportion of positive responses regarding expectations for the economy next year. Positive responses for the labour market component mirrored this, also increasing by 4 percentage points.

The buying climate appears to have broadly improved this month with more consumers willing to make large household purchases. This component increased by 6.1 index points with a 6 percentage point increase in the proportion of positive responses.

Chart 1: Consumer Sentiment Index

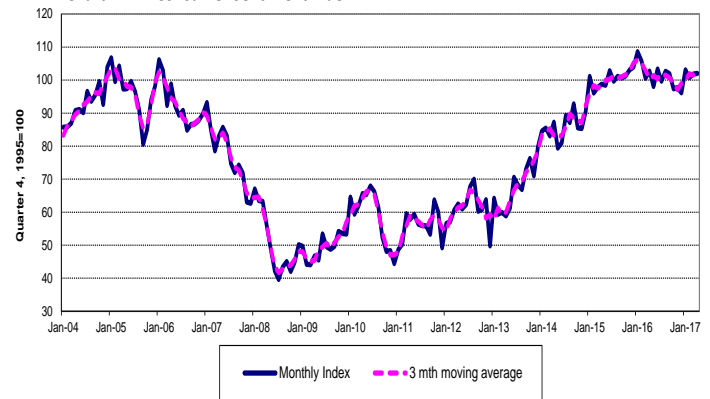


Chart 2: Index of Consumer Expectations

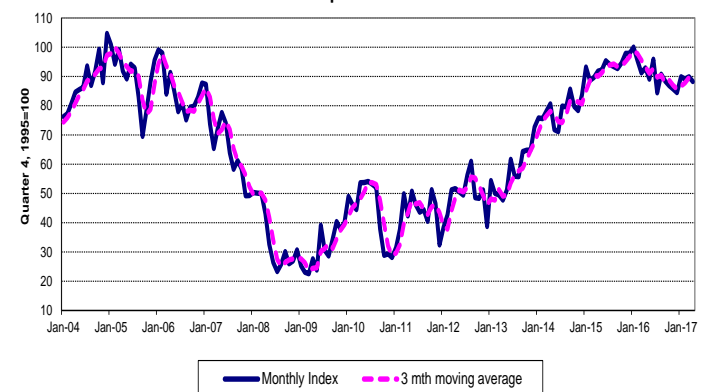


Chart 3: Index of Current Economic Conditions



## Personal Financial Situation

The most significant change this month stemmed from consumers expecting to be worse off financially in the next 12 months. This component fell by 9.6 index points compared to March after consistent increases since the start of the year.

Financial situations compared to 12 months ago also worsened this month falling, albeit moderately by 1.3 index points.

**Table 1: Survey Index Results**

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	April 2016	March 2017	April 2017
Overall Consumer Sentiment Index	85.7	↑0.1	102.7	101.9	102.0
Index of Current Conditions	99.6	↑3.7	117.3	119.7	122.4
Index of Consumer Expectations	76.3	↓1.6	92.9	89.9	88.3
Personal Financial Situation over last 12 months	71.9	↓1.3	101.0	104.4	103.1
Personal Financial Situation over next 12 months	91.9	↓9.6	119.6	125.0	115.4
General Economic Outlook	61.0	↑2.5	68.7	62.8	65.3
Outlook for Unemployment	79.9	↑3.3	95.8	85.2	88.5
Major Purchases	122.5	↑6.1	130.7	132.3	138.4

[1] Index values: Quarter 4, 1995 = 100.

[2] Average value between April 2012 and April 2017.

**Disclaimer**

This report has been reviewed prior to publication. The authors are solely responsible for the content and the views expressed.

**Notes**

The Index of Consumer Expectations is based on consumers' perceptions of their future financial situation, their economic outlook for the country as a whole and employment expectations. The Index of Current Economic Conditions is based on how consumers feel about their current financial circumstance compared with 12 months ago, as well as their perception of the current buying environment for large household purchases.

The data are obtained from telephone interviews during the first two weeks of the month with around 800 completed questionnaires. The data are re-weighted in line with gender, age and level of educational attainment to ensure the data were fully representative of the national population of adults. Each index is calculated by computing the relative scores (the percent giving favourable replies minus the percent giving unfavourable replies (the balance), plus 100) for each question used in the different indices. Those who reply "Don't Know", "Remain the same" are excluded from the index calculations. Each relative score is rounded to the nearest whole number. The sum of the relative scores is then divided by the base period total for each index. More details on [www.esri.ie](http://www.esri.ie).

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Historic data from March 1996 are available on the ESRI website, [www.esri.ie](http://www.esri.ie) and on the KBC Bank Ireland website, [www.kbc.ie](http://www.kbc.ie). A detailed methodology note outlining how the indices are constructed and the most recent release are also available on the websites.