



## CONSUMER SENTIMENT INDEX, JULY 2015

The Consumer Sentiment Index, Index of Consumer Expectations (ICE) and the Index of Current Conditions (ICC) are all down in July compared to the values recorded in June (Table 1).

The Consumer Sentiment Index fell to 99.7 in July from 102.8 in June. The three month moving average continues to improve with a marginal increase from 100 in June to 100.3 this month. The two main sub-indices: an index of consumer expectation that focuses on how consumers view prospects over the next 12 months and an index of current economic conditions, focusing on consumers' views of the present situation are also down this month to 108 and 94.1 respectively. The ICC three month moving average declined marginally for the first time in 2015 from 110.2 last month to 109.9 in July. Despite these figures the overall trend in all three indices remains positive.

### General Economic Situation

Consumers appear to be more cautious this month in how they view many aspects of the economy. The proportion of respondents expecting the general economic situation to improve in the next 12 months fell in July. While the majority of respondents maintain a positive outlook for employment opportunities in the coming 12 months there has nonetheless been an increase in the proportion of those becoming more negative in how they view employment opportunities this month from 17 per cent last month to 21 per cent in July.

Chart 1: Consumer Sentiment Index

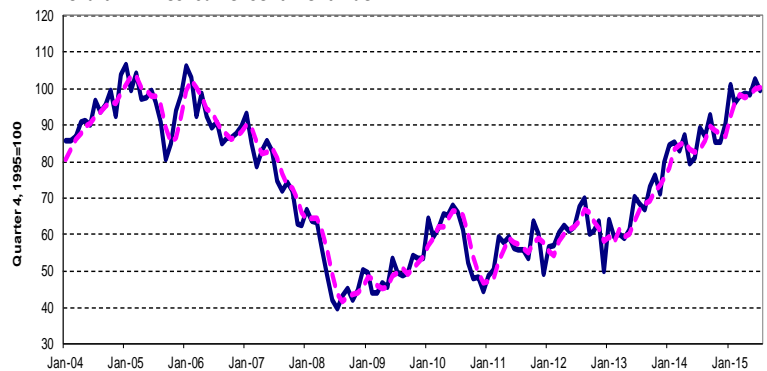


Chart 2: Index of Consumer Expectations

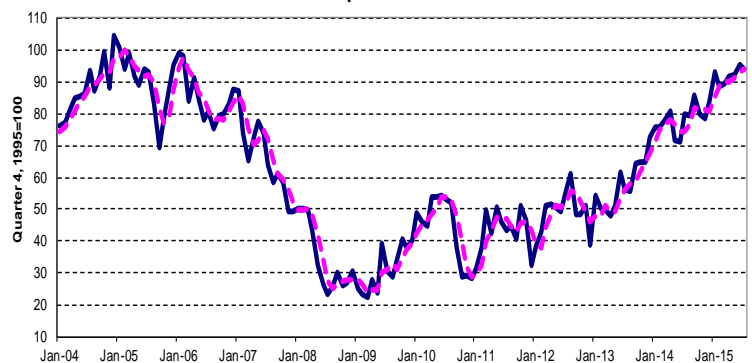
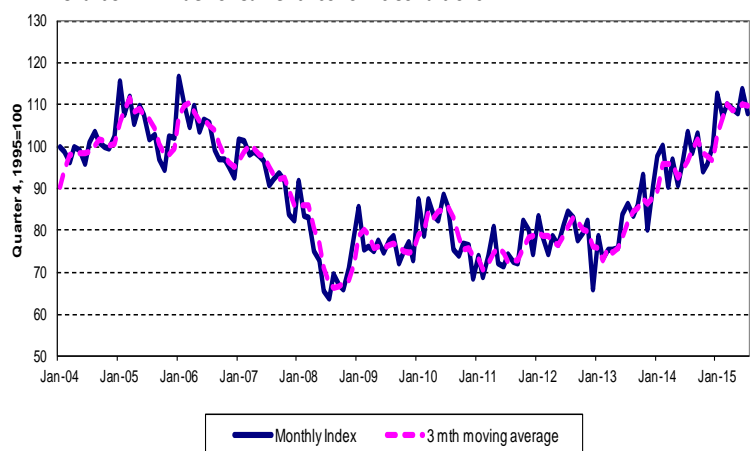


Chart 3: Index of Current Economic Conditions



## Personal Financial Situation

The number of consumers who maintain a positive outlook on their future personal finances continued to increase this month to 32 per cent from 25 per cent last month. It appears, however, that consumers are somewhat less optimistic when asked to consider their current financial situation compared to 12 months ago. Thirty-five per cent of respondents now feel more negative about their current situation, compared to 31 per cent last month. This may also be affecting consumers view of the purchasing environment with a slight increase in the proportion who believe now is a bad time to make large household purchases.

**Table 1: Survey Index Results**

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	July 2014	June 2015	July 2015
Overall Consumer Sentiment Index	69.8	↓3.2	89.4	102.8	99.7
Index of Current Conditions	85.5	↓5.9	103.5	113.9	108
Index of Consumer Expectations	59.2	↓1.3	79.9	95.4	94.1
Personal Financial Situation over last 12 months	51.0	↓4.9	69.6	88.7	83.8
Personal Financial Situation over next 12 months	70.7	↑7.6	81.8	110.1	117.7
General Economic Outlook	48.1	↓6.1	72.4	80.0	73.9
Outlook for Unemployment	61.6	↓6.0	89.9	100.5	94.5
Major Purchases	114.1	↓6.7	131.5	134.6	127.9

(1) Index values: Quarter 4, 1995 = 100.

(2) Average value between June 2010 and July 2015.

## 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 to 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 was 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 February 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.