

CONSUMER SENTIMENT INDEX, APRIL 2015

The overall Consumer Sentiment Index increased in April to 98.7 from 97.8 in March while the 3-month moving average, which smoothes some of the monthly volatility, fell marginally to 97.6 in April from 98.3 in March.

The Consumer Sentiment Index comprises two 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. While both indices remain substantially higher than the long-run average (Table 1), the Index of Consumer Expectation is down slightly in April. The 3-month moving average for both indices is marginally lower in April compared to March.

General Economic Situation

In April, the proportion of respondents expecting the general economic situation to improve in the next 12 months fell slightly. However, this is primarily due to consumers adopting a more cautious attitude with regard to the economic outlook. The proportion expecting no change in Ireland's economic performance increased from 25 per cent in March to 31 per cent in April. All five components of the Survey increased in the year to April 2015, see Table 1. We also see an improvement in consumer's view of unemployment levels for the next year with those expecting the unemployment situation to deteriorate falling from 25 per cent in March to 19 per cent in April.

Chart 1: Consumer Sentiment Index

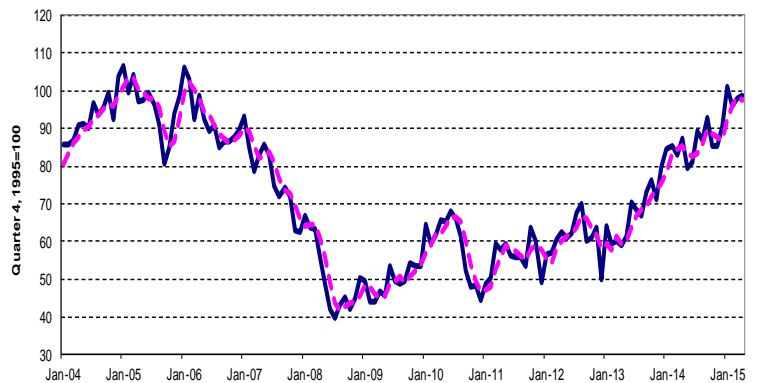


Chart 2: Index of Consumer Expectations

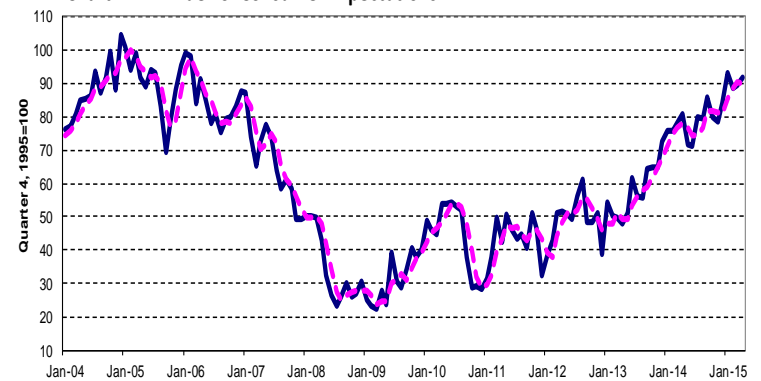


Chart 3: Index of Current Economic Conditions



— Monthly Index - - - 3 mth moving average

Personal Financial Situation

Consumers continue to maintain a positive outlook regarding their personal finances which is up 3 per cent from March and 10 per cent from 12 months previous. Correspondingly, the proportion of consumers who maintain a negative outlook for their personal financial situation for the next 12 months has fallen to 21 per cent from 25 per cent in March. This is the lowest level since July 2007 and is another indication of the broadly positive trend in consumer's expectations.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	April 2014	Mar 2015	Apr 2015
Overall Consumer Sentiment Index	68.1	↑0.9	87.2	97.8	98.7
Index of Current Conditions	84.3	↓1.0	97.0	110.0	109.0
Index of Consumer Expectations	57.3	↑2.2	80.6	89.6	91.8
Personal Financial Situation over last 12 months	48.7	↑5.4	64.6	80.1	85.5
Personal Financial Situation over next 12 months	69.2	↑4.5	87.8	105.6	110.1
General Economic Outlook	46.4	↓2.0	70.1	76.2	74.2
Outlook for Unemployment	58.6	↑5.9	88.3	89.6	95.5
Major Purchases	113.6	↓6.2	123.8	134.6	128.4

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

(2) Average value between April 2010 and April 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.

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Historic data from February 1996 are available on the ESRI website, www.esri.ie and on the KBC Bank Ireland website, www.kbc.ie. A detailed methodology note outlining how the indices are constructed and the most recent release are also available on the websites.