



CONSUMER SENTIMENT INDEX, JUNE 2015

All aspects of consumer sentiment are up this month. The Consumer Sentiment Index, Index of Consumer Expectations and the Index of Current Conditions all recorded their highest levels this year (see Table 1) and all three indices are now at the highest level recorded since the first quarter of 2006.

The Consumer Sentiment Index rose to 102.8 in June from 98.5 in May. The three month moving average is also up 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 also rose to 95.4 and 113.9 respectively. The three month moving average for both indices is also up in June.

General Economic Situation

The proportion of respondents expecting the general economic situation to improve in the next 12 months continued to improve in June. Consumer's view of unemployment levels for the next year also improved with 52 per cent of respondents expecting the unemployment situation to improve. This compares to 50 per cent in May and is the highest level recorded since October 2000. Only 30 per cent of respondents felt positive about the employment situation this time 12 months ago. All five components of the Survey increased in the year to June 2015, see Table 1.

Chart 1: Consumer Sentiment Index



Chart 2: Index of Consumer Expectations

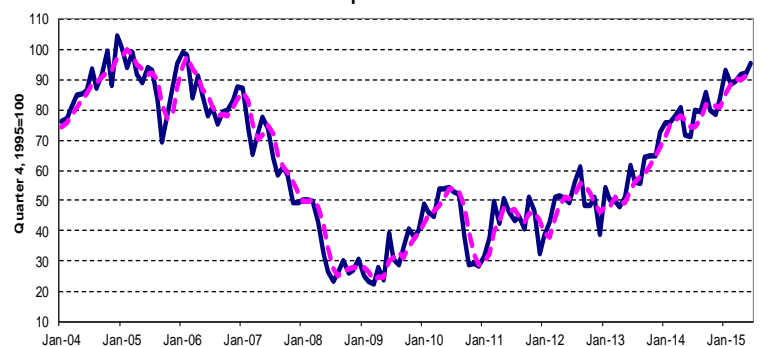
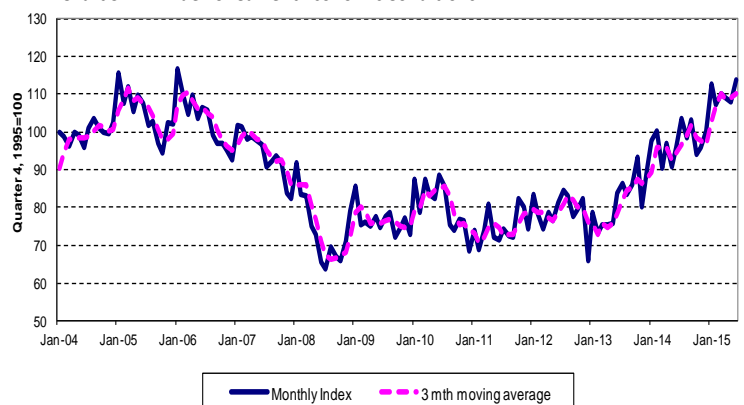


Chart 3: Index of Current Economic Conditions



Personal Financial Situation

The number of consumers who maintain a positive outlook on their future personal finances increased this month to 25 per cent. The percentage of consumers who feel positive about their financial situation now compared to 12 months ago also increased to 20 per cent this month. In June consumers appear to be more cautious with regard to large household purchases.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	June 2014	May 2015	June 2015
Overall Consumer Sentiment Index	69.3	↑4.1	81.1	98.5	102.8
Index of Current Conditions	85.2	↑6.1	95.8	107.7	113.9
Index of Consumer Expectations	58.6	↑3.2	71.2	92.2	95.4
Personal Financial Situation over last 12 months	50.4	↑5.8	58.5	82.9	88.7
Personal Financial Situation over next 12 months	70.1	↑5.4	80.8	104.7	110.1
General Economic Outlook	47.7	↑3.0	60.6	77.0	80.0
Outlook for Unemployment	60.6	↑0.5	75.4	100.1	100.5
Major Purchases	114.0	↑6.4	126.6	128.2	134.6

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

(2) Average value between June 2010 and June 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.