



CONSUMER SENTIMENT INDEX, SEPTEMBER 2015

The Consumer Sentiment Index fell marginally to 100.6 this month from 101.1 in August. The three month moving average decreased from 101.2 in August to 100.5 this month. The Index of Current Economic Conditions which focuses on consumers' views of the present situation is relatively unchanged from last month at 112.5. The Index of Consumer Expectations also decreased from 93.4 in August to 92.7 this month.

While all indices show a slight decline over last month, the underlying trend remains positive with the three-month moving averages up for all three indices over September last year.

General Economic Situation

Consumers appear to remain somewhat 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 rose marginally in September. Consumers' outlook on future employment fell slightly in September. While the largest proportion of respondents (47 per cent) maintain a positive outlook for employment opportunities in the coming 12 months there has nonetheless been a further increase in the proportion of those becoming more negative in how they view employment opportunities this month from 22 per cent last month to 24 per cent in September.

Chart 1: Consumer Sentiment Index

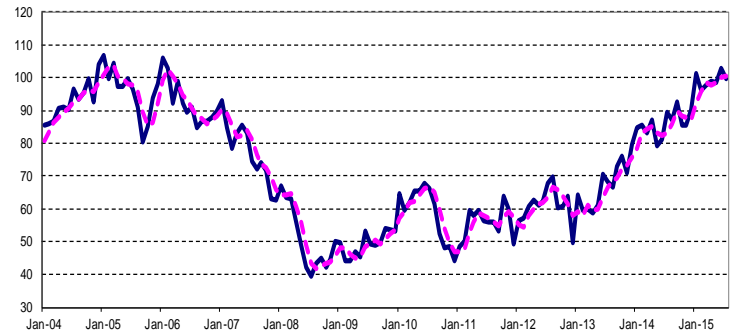


Chart 2: Index of Consumer Expectations

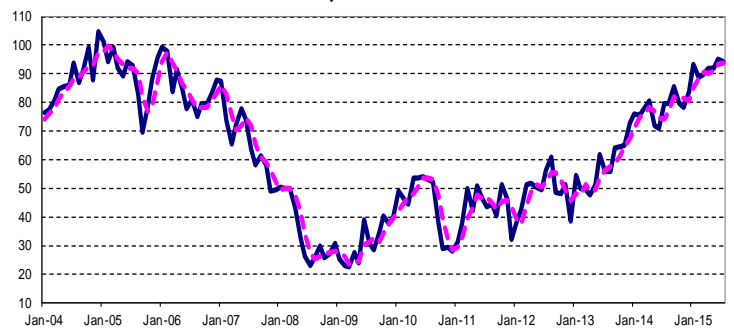
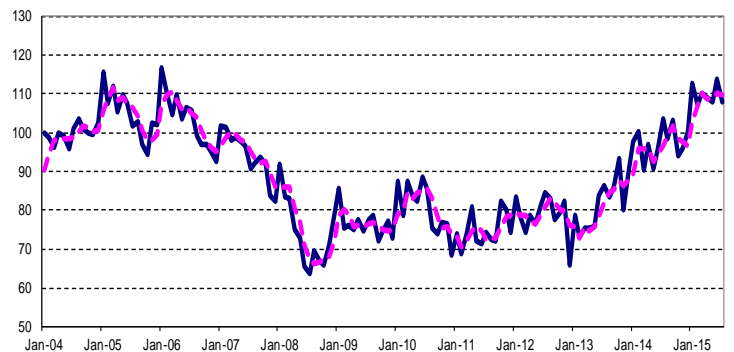


Chart 3: Index of Current Economic Conditions



— Monthly Index — 3mth moving average

Personal Financial Situation

Overall consumers feel less confident about their personal finances relative to last month. The proportion of people reporting feeling positive about their personal financial situation compared to 12 months ago fell from 26 per cent to 20 per cent. This is, however, still a relatively high level compared to previous figures.

Consumers are also feeling uncertain about their financial situation 12 months from now. While the majority of respondents maintain a neutral outlook some 19 per cent are feeling more negative about their future situation this month. Interestingly, there has been an increase in the proportion of people who believe now is a good time to make large household purchases with the overall index increasing by 4.2 points this month.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	Sep 2014	Aug 2015	Sep 2015
Overall Consumer Sentiment Index	70.9	↓0.5	92.8	101.1	100.6
Index of Current Conditions	86.6	↓0.1	103.3	112.6	112.5
Index of Consumer Expectations	60.6	↓0.7	85.7	93.4	92.7
Personal Financial Situation over last 12 months	52.6	↓5.6	75.5	93.8	88.2
Personal Financial Situation over next 12 months	72.0	↓1.6	91.8	114.7	113.1
General Economic Outlook	49.3	↑0.7	75.6	75.6	76.3
Outlook for Unemployment	63.3	↓1.9	94.2	93.0	91.1
Major Purchases	114.6	↑4.2	126.2	128.2	132.4

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

(2) Average value between Sept 2010 and Sept 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.