



CONSUMER SENTIMENT INDEX, NOVEMBER 2015

The Consumer Sentiment Index rose to 103.1 this month from 101.3 in October. The three month moving average gained marginally this month to 101.7 from 101.0 in October. This is the highest level the index has reached since 2006. The Index of Consumer Expectations also showed an improvement over last month increasing to 97.9 from 94.6 in October. The Index of Current Economic Conditions which focuses on consumers' views of the present situation fell by 0.4 points to 110.8 in November. Overall the results indicate that consumers appear to be feeling quite optimistic in relation to future economic conditions.

General Economic Situation

Consumers appear to have a mostly positive view of the economy this month. The proportion of respondents expecting the general economic situation to improve in the next 12 months showed a small increase in November of 0.2 points. This is a welcome development from the static result in October. The most significant change occurred in how consumers perceive future employment prospects with an increase of 9.3 points. This is the largest increase seen this year. The proportion of respondents reporting feeling positive about future employment increased to 50 percent in November. There was, however, a drop in the component asking if it was a good time to make large household purchases. This consisted of simultaneous drop in the number of positive responses and an increase in the number of negative responses.

Chart 1: Consumer Sentiment Index



Chart 2: Index of Consumer Expectations

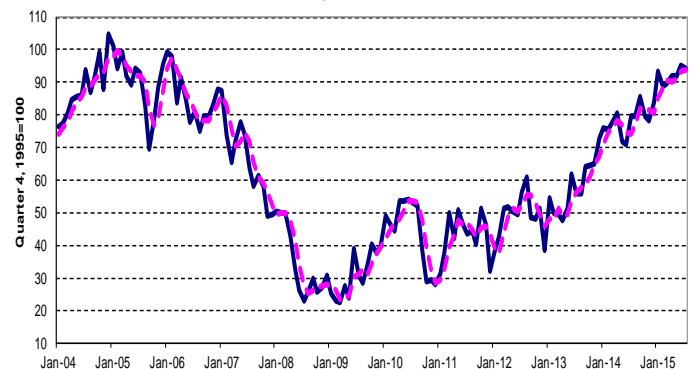
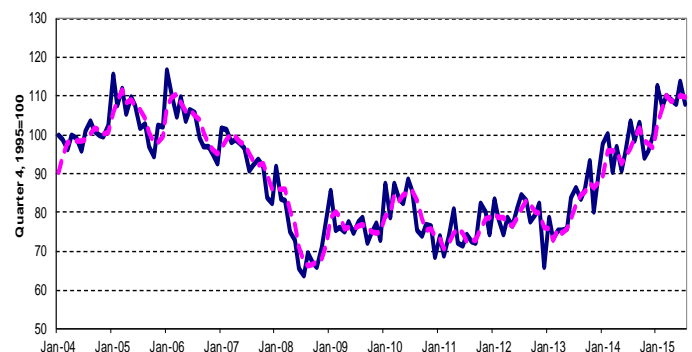


Chart 3: Index of Current Economic Conditions



— Monthly Index — 3mth moving average

Personal Financial Situation

Overall consumers feel more confident about their personal finances relative to last month. The proportion of people reporting a less negative perception of their personal financial situation compared to 12 months ago decreased from 30 to 27 per cent from October to November. The number of respondents reporting a positive view remained unchanged but the net effect was an overall increase of 2.3 index points.

Consumers are also feeling more positive about their financial situation 12 months from now. While the majority of respondents maintain a neutral outlook, there has been another increase in the amount of respondents giving a positive response this moving from 29 to 32 percent for the month.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	Nov 2014	Oct 2015
Overall Consumer Sentiment Index	72.7	↑1.8	85.3	101.3
Index of Current Conditions	87.8	↓0.4	95.7	111.2
Index of Consumer Expectations	62.6	↑3.3	78.4	94.6
Personal Financial Situation over last 12 months	54.6	↑2.3	64.7	93.7
Personal Financial Situation over next 12 months	74.3	↑3.0	81.1	119.7
General Economic Outlook	50.1	↑0.2	67.3	76.3
Outlook for Unemployment	65.6	↑9.2	93.5	89.5
Major Purchases	115.1	↓2.6	121.3	125.6

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

(2) Average value between November 2010 and November 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.

For further information contact

Austin Hughes – Chief Economist, KBC Bank Ireland– (01) 664 6889

or

David Duffy – Senior Research Officer, ESRI – (01) 863 2113

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.