



CONSUMER SENTIMENT INDEX, DECEMBER 2015

The Consumer Sentiment Index rose to 103.9 this month from 103.1 in November. This is the highest level the index has reached since January 2006. The three month moving average increased by 1.1 index points, moving to 102.8 this month from 101.7 in November. The Index of Consumer Expectations remained static in December at 97.9. The 3 month moving average did, however increase to 96.8 from 95.1 in November. The Index of Current Economic Conditions which focuses on consumers' views of the present situation increased by 2.1 index points to 112.9 in December. Overall the results indicate that consumers appear to be feeling quite optimistic in relation to current and future economic conditions.

General Economic Situation

Similar to November, consumers appear to have a positive view of the economy this month. The majority of people surveyed are feeling positive about future economic conditions. The proportion of positive respondents expecting the general economic situation to improve in the next 12 months showed a marginal increase in December to 61 per cent. There was an increase of 1.8 index points in how consumers perceive future employment prospects. The proportion of respondents reporting feeling positive about future employment increased to 51 percent in December. There was also an increase in the component asking if it was a good time to make large household purchases. This consisted of simultaneous increase in the number of positive responses and a decrease in the number of negative responses.

Chart 1: Consumer Sentiment Index



Chart 2: Index of Consumer Expectations

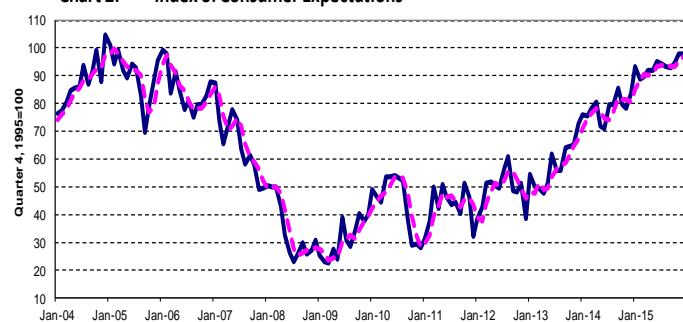


Chart 3: Index of Current Economic Conditions



Personal Financial Situation

Consumers appear to have a somewhat mixed view in how they feel about their personal finances this month. There was a marginal increase of 0.4 index points in the section of the survey asking how people feel about their personal financial situation compared to 12 months ago.

Consumers are, however, feeling more negative about their financial situation 12 months from now, with the proportion of respondents feeling negative increasing to 16 per cent from 14 per cent in November. While the majority of respondents maintain a neutral outlook, there has been a marginal increase in the amount of respondents giving a positive response moving from 32 to 33 percent for the month. The net effect is a marginal fall of 1.5 index points in this component of the survey.

Table 1: Survey Index

Results					
Measure¹	Long-Run average²	Δ month-on-month	Dec 2014	Nov 2015	Dec 2015
Overall Consumer Sentiment Index	73.6	↑0.8	90.5	103.1	103.9
Index of Current Conditions	88.4	↑2.1	100.4	110.8	112.9
Index of Consumer Expectations	63.8	↑0.0	83.6	97.9	97.9
Personal Financial Situation over last 12 months	55.5	↑0.4	71.2	96.0	96.4
Personal Financial Situation over next 12 months	75.6	↓1.5	93.1	122.7	121.2
General Economic Outlook	51.9	↑0.1	70.5	76.5	76.6
Outlook for Unemployment	66.8	↑1.8	92.9	98.7	100.5
Major Purchases	115.4	↑3.5	124.6	123.0	126.5

¹ Index values: Quarter 4, 1995 = 100.

² Average value between December 2010 and December 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.