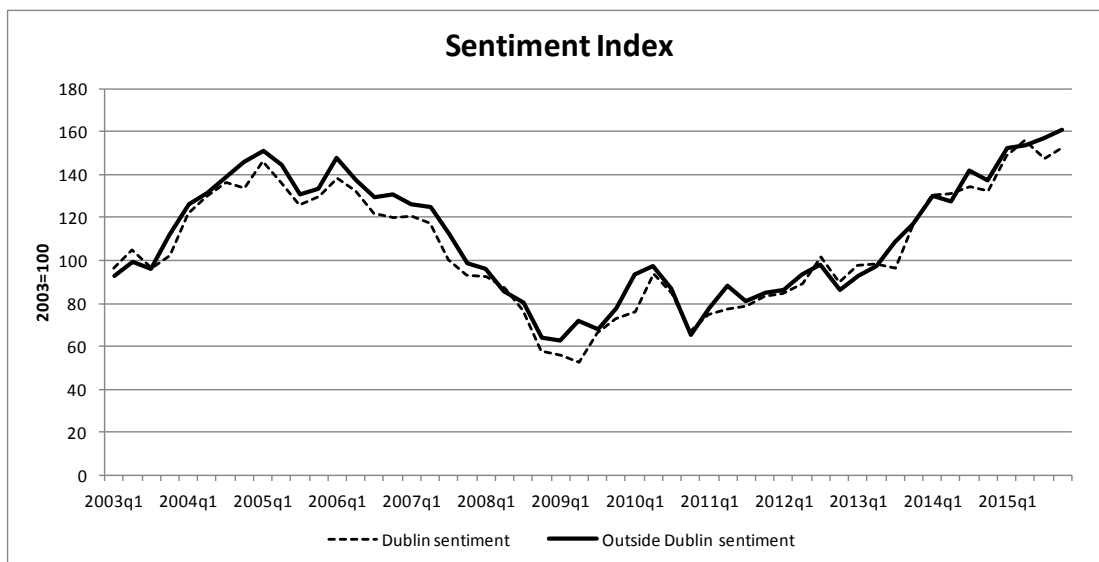




## DUBLIN CONSUMER SENTIMENT INDEX, QUARTER 4, 2015

After a setback three months ago, Dublin consumer sentiment has returned to a clearly improving trend in late 2015. Notably more positive views of household finances coupled with increased optimism on the jobs front suggest that Dublin consumers sense the economic upturn is beginning to have a clear impact on their personal circumstances. The trend in sentiment trend in the rest of Ireland is broadly but gains were more pronounced in Dublin in the final months of 2015 as much of the earlier weakness was reversed.

The Consumer Sentiment Index for Dublin improved in the fourth quarter of 2015 to 152.6 from 147.2 in the third quarter of the year.



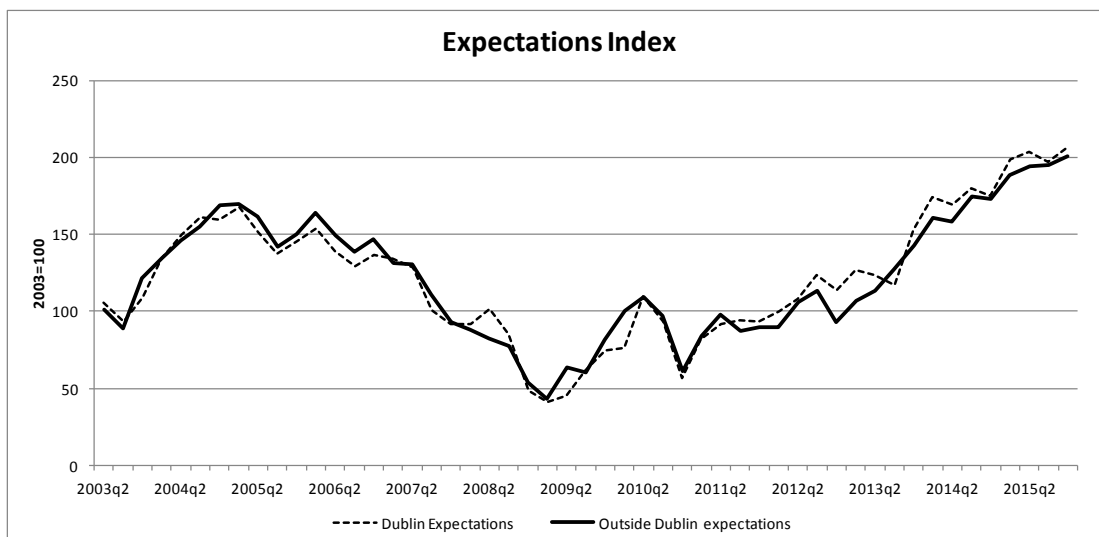
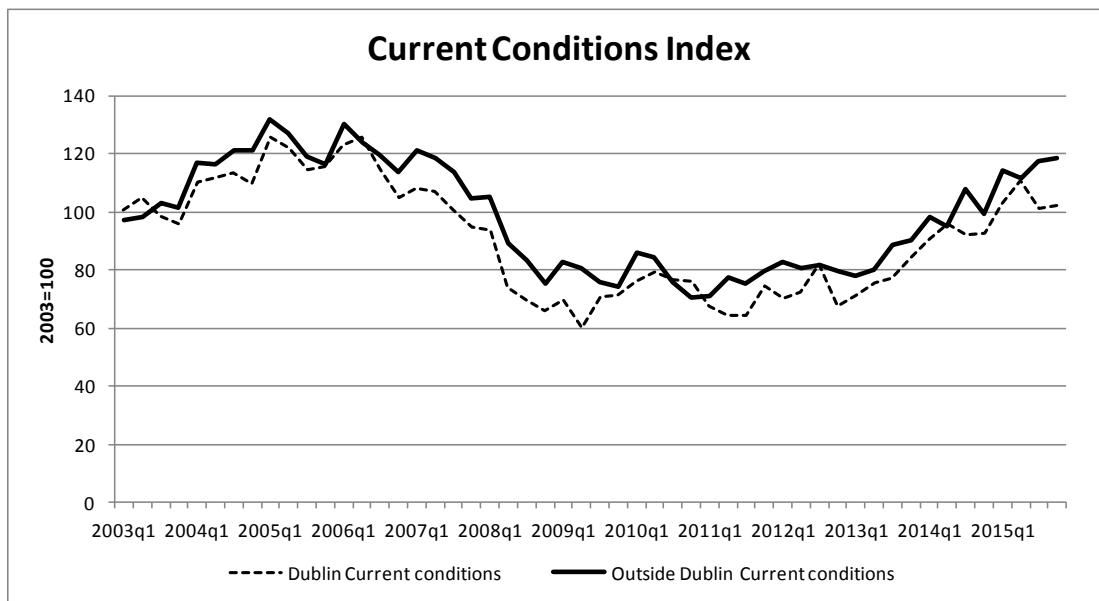
The improvement in Dublin sentiment was evident across the majority of the underlying questions. It was principally driven by a more positive assessment by consumers of both their current and future household finances. In addition, consumers were notably more optimistic in their views on prospects for the jobs market. However, Dublin consumers remain cautious in their assessment of the current buying climate for major household durables.

Table: Survey Index Results

2003 = 100	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
<b>Dublin Consumer Sentiment Index</b>	132.1	148.9	155.6	147.2	152.6
<b>Dublin Index of Current Conditions</b>	92.7	102.7	110.9	100.9	102.3
<b>Dublin Index of Consumer Expectations</b>	174.8	199.0	203.9	197.4	207.1

The increase in consumer sentiment in Dublin in the fourth quarter has been primarily the result of more positive expectations. Data for quarter 4, 2015 suggest that Dublin consumers also have a more positive perception of the current environment. Over 35 per cent of Dublin consumers expect their household financial situation to improve over the next 12 months compared to the 14 per cent that envisage a deterioration, the strongest reading in this element of the survey since the beginning of 2006. Some 65 per cent of Dublin consumers are positive in their view of the economic outlook for the next year compared to 9 per cent that expect conditions to weaken. As mentioned above, the majority of Dublin consumers also think the jobs market will improve further as was the case in the previous quarter.

At an aggregate level the sentiment indices for Dublin and the rest of Ireland both improved in the final quarter of 2015. After a slightly weaker trend in the third quarter, the Dublin index increased somewhat faster than elsewhere in the final three months of the year. This reflects increased optimism about jobs and a somewhat greater improvement in sentiment on household finances.



For further information contact

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

or

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

**Notes:**

The data are obtained from telephone interviews during the first two weeks of the month. The data are re-weighted in line with gender, age, economic status, level of educational attainment, region and household size to ensure the data was fully representative of the national population of adults.

The consumer sentiment 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.

The Dublin consumer sentiment index is calculated using the same methodology as the KBC Ireland/ESRI Consumer Sentiment Index. However, to ensure that the Dublin Index is representative of the Dublin region, a new set of weights was constructed taking account of the age and sex of the population. In the process of constructing the new weights, the latest data available were used, including adjustments to the QNHS data following the censuses of 2006 and 2011. Therefore, the Dublin index is not directly comparable to the published national index which was weighted based on the data available at the time of publication.