

There were mixed results with the latest release of the Consumer Sentiment index in July. The main Index fell to 99.6 from 103.4 in June. The Index of Consumer Expectations fell to 84.4 this month from 95.9 in June. The Index of Current Economic Conditions which focuses on consumers' views of the present situation increased in July to 122.3, a gain of 7.8 index points on the previous month. With regards to the moving averages of the indices, two of the three fell this month.

## General Economic Situation

Consumers appear to be highly uncertain regarding some aspects of the economy this month compared with June. With respect to future economic conditions, there has been a substantial decrease in the proportion of people reporting feeling positive this month, falling to 41 per cent from 55 per cent in June. Consumers also feel increasingly negative about future employment prospects. There was a decrease in the proportion of positive responses, falling to 37 per cent from 51 per cent the previous month. There was also an increase in the proportion of negative responses of 9 percentage points. The net result was a decrease in this component of nearly 17 index points in June. Consumer's outlook for making major purchases, however, increased in July. This component increased by 12.8 index points up to 139.0 and consisted of people moving away from a negative outlook to a more positive one.

Chart 1: Consumer Sentiment Index



Chart 2: Index of Consumer Expectations

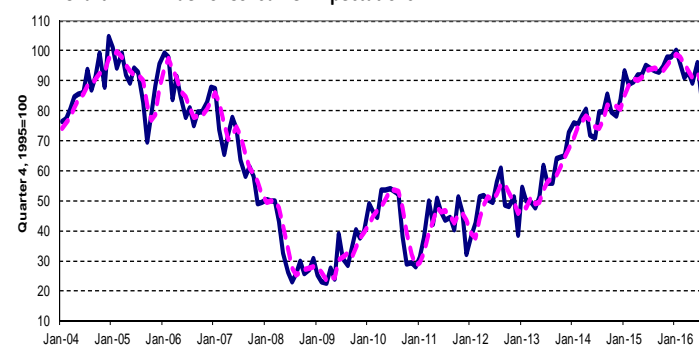


Chart 3: Index of Current Economic Conditions



## Personal Financial Situation

Consumers appear to have a mixed view in relation to their past and future personal financial situation this month. The component asking how people feel about their personal financial situation compared with 12 months ago increased marginally in July to 102.0 from 100.3 in June. This consisted of a decrease of 4 percentage points in those who view their current personal financial situation negatively when compared with 12 months ago.

Consumers are however feeling more negative about their financial situation 12 months from now, with the proportion of respondents feeling positive decreasing from 31 per cent in July to 25 per cent this month. There was a small fall in the number of negative responses by 2 percentage points while the number of neutral responses increased by 8 percentage points.

Table 1: Survey Index Results

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	July 2015	June 2016	July 2016
Overall Consumer Sentiment Index	79.3	↓3.8	99.7	103.4	99.6
Index of Current Conditions	93.5	↑7.8	108.0	114.5	122.3
Index of Consumer Expectations	69.7	↓11.5	94.1	95.9	84.4
Personal Financial Situation over last 12 months	63.4	↑1.7	83.8	100.3	102.0
Personal Financial Situation over next 12 months	83.4	↓5.9	117.7	121.6	115.7
General Economic Outlook	56.3	↓13.1	73.9	72.5	59.4
Outlook for Unemployment	72.8	↓16.9	94.5	98.8	89.1
Major Purchases	118.3	↑12.8	127.9	126.2	139.0

## 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 with 12 months ago, as well as their perception of the current buying environment for large household purchases.

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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 were 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](http://www.esri.ie).

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Historic data from February 1996 are available on the ESRI website, [www.esri.ie](http://www.esri.ie) and on the KBC Bank Ireland website, [www.kbc.ie](http://www.kbc.ie). A detailed methodology note outlining how the indices are constructed and the most recent release are also available on the websites.

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