

All three indices experienced declines this month. The main sentiment Index decreased to 97.3 from 102.0 in September. The Index of Consumer Expectations fell marginally to 86.9 this month from 88.4 in September. The Index of Current Economic Conditions which focuses on consumers' views of the present situation experienced the biggest fall of the three in October, dropping by 9.2 index points. The moving averages fell for two of the three indices this month.

General Economic Situation

With respect to future economic conditions, sentiment has continued to fall in October. The proportion of people reporting feeling positive this month decreased by 3 percentage points down to 42 per cent. There was also a dis-improvement in relation to future employment prospects. This consisted of people moving away from a positive outlook last month to a more neutral outlook this month. Consumer's view of making major purchases fell to 131.6 from 139.1 in September and consisted of a 6 percentage point fall in the proportion of people feeling positive of the current buying climate.

Chart 1: Consumer Sentiment Index

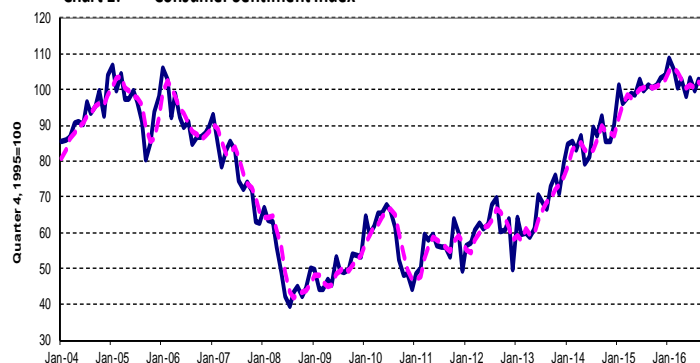


Chart 2: Index of Consumer Expectations

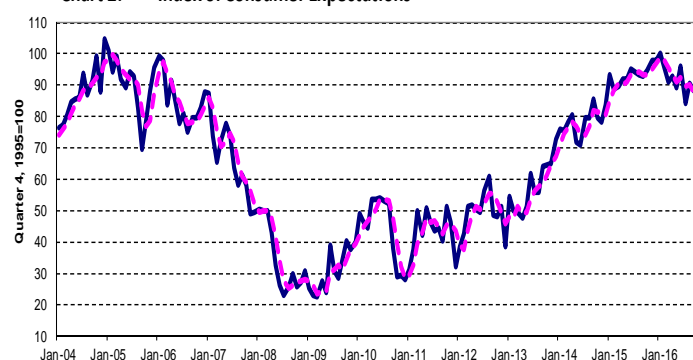


Chart 3: Index of Current Economic Conditions



Personal Financial Situation

Consumer's views on their past and present personal financial worsened in October. The component asking how people feel about their personal financial situation compared with 12 months ago experienced a relatively large fall of 11.3 percentage points. This consisted of an increase of 6 percentage points in those who view their current personal financial situation negatively when compared with 12 months ago and a 5 percentage point fall in the proportion of people feeling positive.

Consumers are also feeling more negative about their financial situation 12 months from now, with the proportion of respondents feeling negative increasing from 13 per cent in September to 17 per cent this month.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	Oct 2015	Sep 2016	Oct 2016
Overall Consumer Sentiment Index	81.5	↓4.7	101.3	102.0	97.3
Index of Current Conditions	95.7	↓9.2	111.2	122.1	112.9
Index of Consumer Expectations	71.9	↓1.5	94.6	88.4	86.9
Personal Financial Situation over last 12 months	66.3	↓11.3	93.7	101.5	90.2
Personal Financial Situation over next 12 months	86.2	↓0.8	119.7	116.7	115.9
General Economic Outlook	57.9	↓1.9	76.3	63.9	62.0
Outlook for Unemployment	75.3	↓2.0	89.5	89.5	87.5
Major Purchases	120.0	↓7.5	125.6	139.1	131.6

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

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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.

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.

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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.