



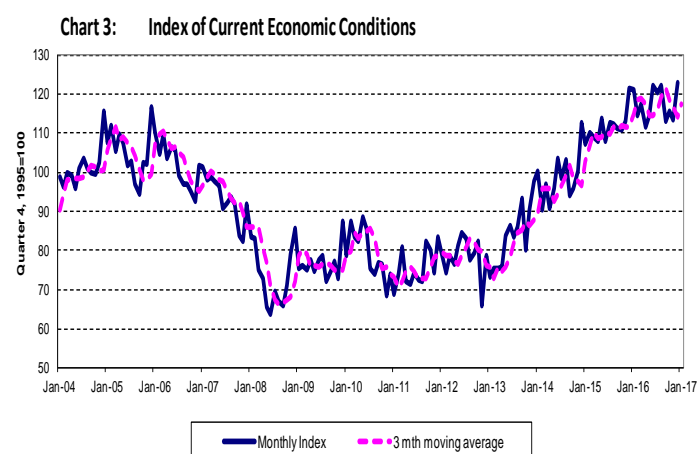
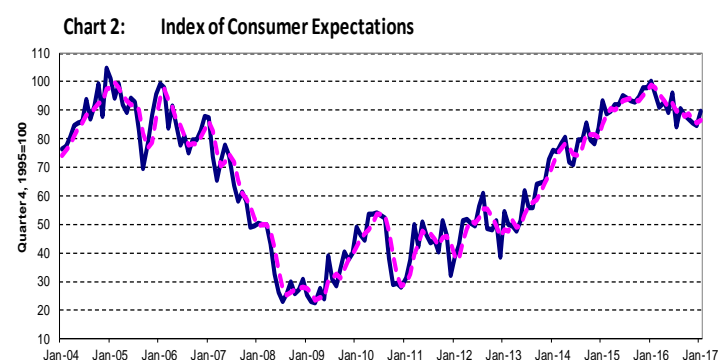
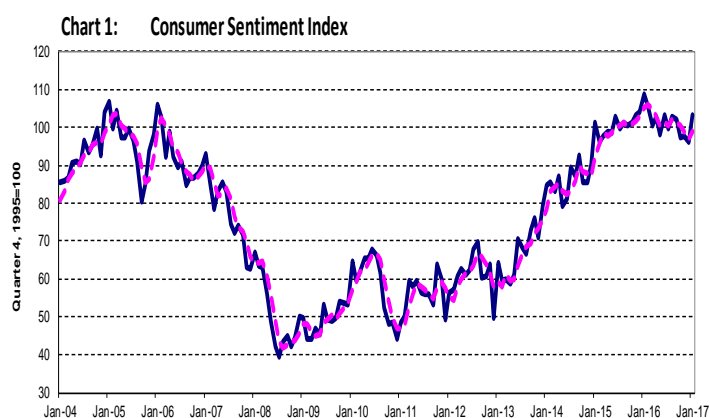
## CONSUMER SENTIMENT INDEX, JANUARY 2017



All three of the main indices increased in January after a downward trend for much of the last few months of 2016. The overall sentiment Index recovered to 103.1 in January from 96.2 in December. The Index of Current Economic Conditions increased to 122.8 from 113.6 in December. The Index of Consumer Expectations, which focuses on the economic outlook over the next year, also rose in January, up 5.4 points to 89.9 in January.

### General Economic Situation

Perceptions of the future economic situation seemed to improve in January. There was an 8 percentage point increase in the proportion of people having a positive perception of future economic conditions this month. Labour market expectations also improved this period with a 3 percentage point increase in positive responses in how people view employment prospects over the next 12 months. This is consistent with a strong labour market performance in the Irish economy in 2016. Consumer's view of making major purchases improved this month by 13.3 index points. The buying climate historically tends to improve in January as consumers recover from the increased spending pressures over the Christmas months.



## Personal Financial Situation

Consumer's personal financial situations appear to have improved in January overall. The component asking how people feel about their personal financial situation compared with 12 months ago increased by 4.3 index points as less people recorded a negative response for this question. Consumer's perceptions of their future finances, which had been broadly declining towards the latter half of the year, increased back up to levels last seen before the Brexit referendum. In January, this component increased by 8.1 index points. While the underlying trend for this component consists of most people feeling neutral in their response there has been a noticeable decrease in the proportion of negative responses this month. The level of this component in January is below the level observed this time last year and likely reflects the high level of uncertainty with respect to the labour market impacts of external economic developments over the next year.

**Table 1: Survey Index Results**

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	Jan 2016	Dec 2016	Jan 2016
Overall Consumer Sentiment Index	83.5	↑6.9	108.6	96.2	103.1
Index of Current Conditions	97.8	↑9.2	121.4	113.6	122.8
Index of Consumer Expectations	74.1	↑5.4	100.0	84.5	89.9
Personal Financial Situation over last 12 months	68.0	↑4.3	100.9	96.5	100.8
Personal Financial Situation over next 12 months	87.7	↑8.1	131.7	112.0	120.1
General Economic Outlook	58.8	↑3.2	76.0	60.1	63.3
Outlook for Unemployment	76.7	↑5.2	95.3	86.4	91.6
Major Purchases	120.6	↑13.3	138.3	127.6	140.9

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

2) Average value between Jan 2011 and Jan 2016.

**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.

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.