

All three of the main indices decreased moderately in February after a pick-up in January. The overall sentiment Index fell to 100.7 in February from 103.1 in January. The Index of Current Economic Conditions decreased to 117.9 this month from 122.8 in January. The Index of Consumer Expectations which focuses on the economic outlook over the next year also fell in February, down 0.8 points to 89.1 in February.

General Economic Situation

Sentiment in relation to the future economic climate fell moderately this month. The movement seemed to be driven by more households moving into the neutral category which could indicate consumers are finding it more difficult to assess the likely impacts of risks the economy faces over the next 12 months. The results for the unemployment component were clearer with a 3 percentage point increase in negative responses. Overall, consumer's view of making major purchases dipped somewhat this month down to 133.5 from 140.9 in January. The results this month are somewhat typical historically as a strong performance in January in the index usually dips back slightly in the following months.

Chart 1: Consumer Sentiment Index

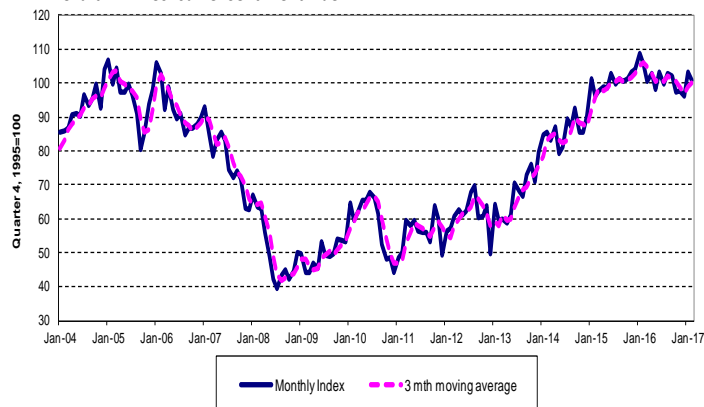


Chart 2: Index of Consumer Expectations

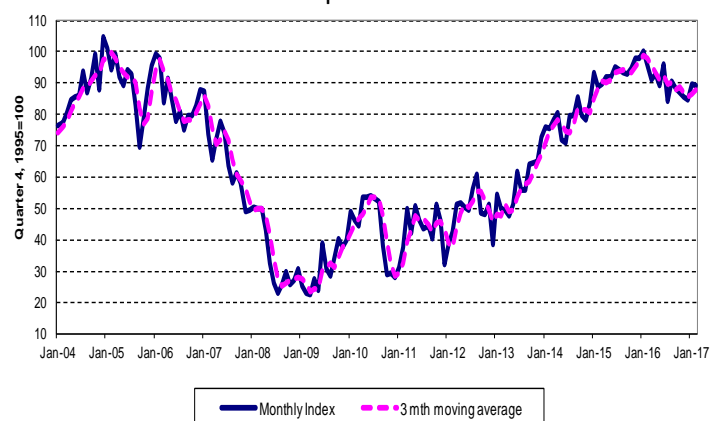


Chart 3: Index of Current Economic Conditions



Personal Financial Situation

Results this month for consumers personal financial situations were somewhat mixed. The component asking how people feel about their personal financial situation compared with 12 months ago fell by 1.8 index points as less people moved from a neutral response towards a negative response. Interestingly, consumer's perceptions of their future finances increased again in February, up to 123.7 index points. The underlying trend in responses suggests a steady increase in the proportion of positive responses over the last 2 months and perhaps reflects expected wage increases as employment levels in the economy continue to rise.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	Feb 2016	Jan 2016	Feb 2016
Overall Consumer Sentiment Index	84.3	↓2.4	105.8	103.1	100.7
Index of Current Conditions	98.2	↓4.9	121.0	122.8	117.9
Index of Consumer Expectations	74.9	↓0.8	95.5	89.9	89.1
Personal Financial Situation over last 12 months	69.9	↓1.8	102.6	100.8	99.0
Personal Financial Situation over next 12 months	89.9	↑3.6	120.8	120.1	123.7
General Economic Outlook	60.0	↓2.0	75.5	63.3	61.3
Outlook for Unemployment	78.6	↓4.8	93.2	91.6	86.8
Major Purchases	121.5	↓7.4	136.1	140.9	133.5

[1] Index values: Quarter 4, 1995 = 100.

[2] Average value between Feb 2012 and Feb 2017.

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.

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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.