

All three of the main indices increased in March. The overall sentiment Index increased to 101.9 in March from 100.7 in February. The Index of Current Economic Conditions increased to 119.7 this month from 117.9 in February. The Index of Consumer Expectations, which focuses on the economic outlook over the next year, also increased in March, up 0.8 points to 89.9.

General Economic Situation

There was an increase in sentiment this month in relation to the outlook for the economy next year. The results were driven by a further increase in the number of respondents moving from a negative outlook towards a neutral outlook. Despite a very robust improvement in the labour market over the last quarter of 2016, it appears there was a further decline in sentiment towards employment prospects for the next 12 months with the proportion of positive responses falling by 3 percentage points. Consumer's also appear more cautious with regards to making a large household purchase with this component falling by 1.2 index points down to 132.3 in March.

Chart 1: Consumer Sentiment Index

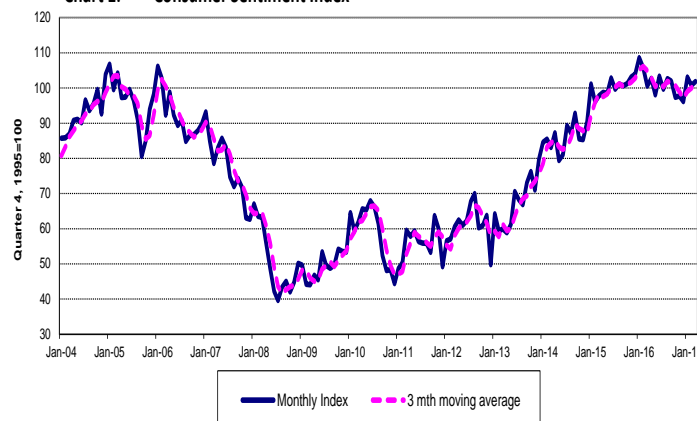


Chart 2: Index of Consumer Expectations

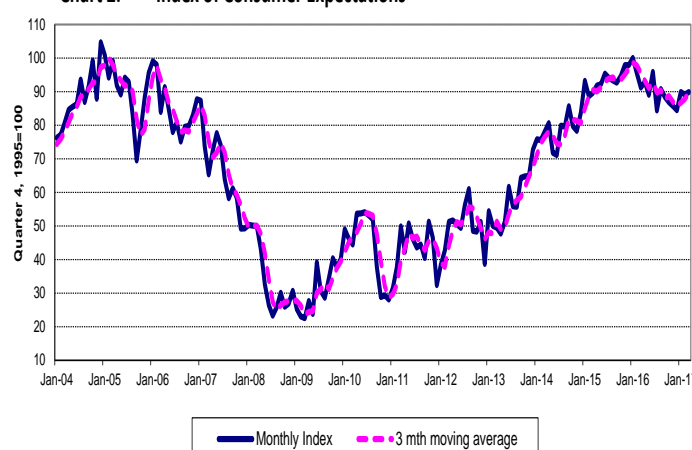
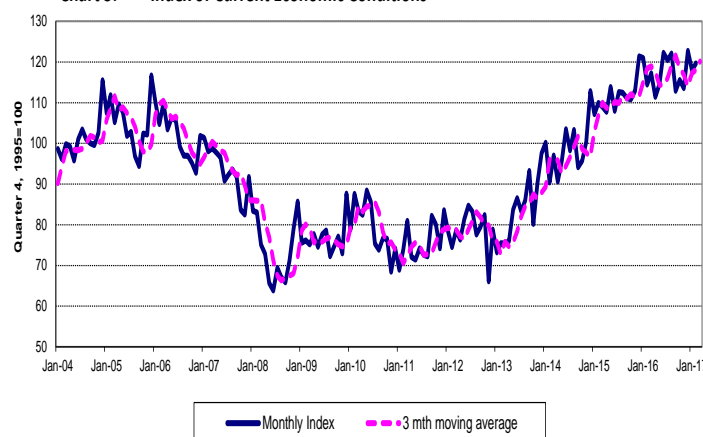


Chart 3: Index of Current Economic Conditions



Personal Financial Situation

Sentiment towards personal financial situations broadly increased in March. The component asking how people feel about their personal financial situation compared with 12 months ago increased by 5.4 index points as less people reported a negative response and more people reported a positive response. Expectations of future finances also improved, albeit modestly, with the index increasing up to 125.0 from 123.7 this month.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	March 2016	Feb 2017	March 2017
Overall Consumer Sentiment Index	85.0	↑1.2	100.6	100.7	101.9
Index of Current Conditions	96.8	↑1.8	114.5	117.9	119.7
Index of Consumer Expectations	75.7	↑0.8	91.2	89.1	89.9
Personal Financial Situation over last 12 months	70.9	↑5.4	100.6	99.0	104.4
Personal Financial Situation over next 12 months	91.0	↑1.3	118.9	123.7	125.0
General Economic Outlook	60.6	↑1.5	67.0	61.3	62.8
Outlook for Unemployment	79.3	↓1.6	92.5	86.8	85.2
Major Purchases	121.9	↓1.2	125.9	133.5	132.3

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

[2] Average value between March 2012 and March 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.

For further information contact

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

or

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

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.