

Consumer Sentiment rose by 4.5 points as improving current conditions and more optimistic expectations drove overall sentiment this month. The Index of current conditions increased up to 123.4 from 118.0 in May as households views of their personal financial situations improved compared to last year. There was also a broad improvement in the expectations component of the survey with labour market expectations as well general economic expectations improving compared to May. The short term trends began to point upwards again this month after remaining relatively flat last month.

General Economic Situation

The results this month point to improving expectations regarding future economic and labour market conditions. Consumers appear to feel more optimistic with regard to employment prospects in the next 12 months with this component increasing by 4.5 index points as the proportion of negative responses dropped in June. The Outlook for the general economic climate was also revised upwards with a 7 percentage point increase in positive responses.

The buying climate improved compared to last month with a 6 percentage point increase in positive responses resulting in a 4.5 point index point increase in this component of the index.

Chart 1: Consumer Sentiment Index

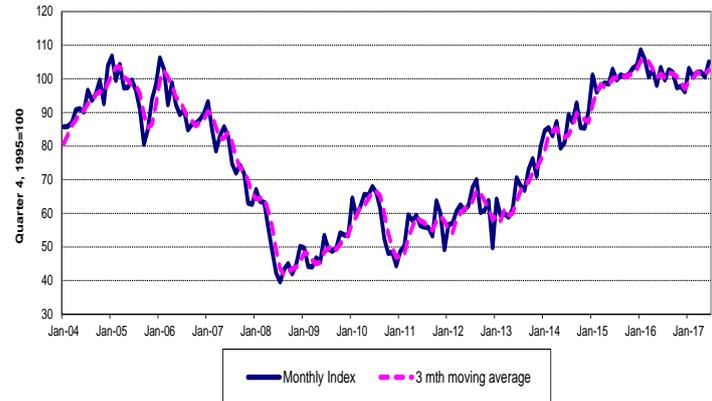


Chart 3: Index of Current Economic Conditions

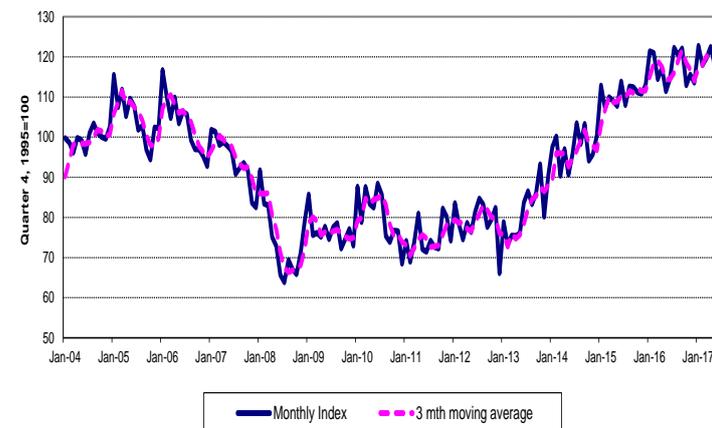
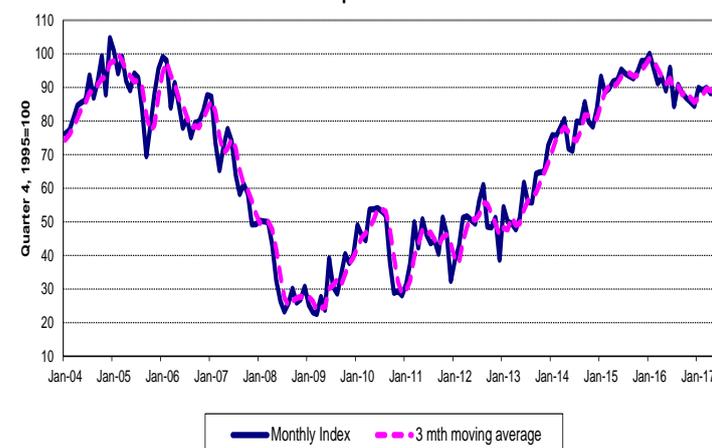


Chart 2: Index of Consumer Expectations



Personal Financial Situation

There were also improvements in how consumers view their personal finances, both past and future. Overall it appears that households feel their finances have much improved compared to 12 months ago reflected in the 6.4 index point increase in this component. Expectations of future financial situations also improved, albeit at a moderate pace, increasing by 1.1 index points in June

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	June 2016	May 2017	June 2017
Overall Consumer Sentiment Index	87.0	↑4.5	103.4	100.5	105.0
Index of Current Conditions	101.0	↑5.4	114.5	118.0	123.4
Index of Consumer Expectations	77.6	↑3.9	95.9	88.8	92.7
Personal Financial Situation over last 12 months	73.9	↑6.4	100.3	99.7	106.1
Personal Financial Situation over next 12 months	93.8	↑1.1	121.6	120.3	121.4
General Economic Outlook	61.8	↑5.9	72.5	62.7	68.6
Outlook for Unemployment	81.1	↑4.5	98.8	87.7	92.2
Major Purchases	123.4	↑4.5	126.2	133.1	137.6

¹ Index values: Quarter 4, 1995 = 100.

² Average value between June 2012 and June 2017.

Disclaimer

This report has been reviewed prior to publication. The authors are solely responsible for the content and the views expressed.

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 April 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.