



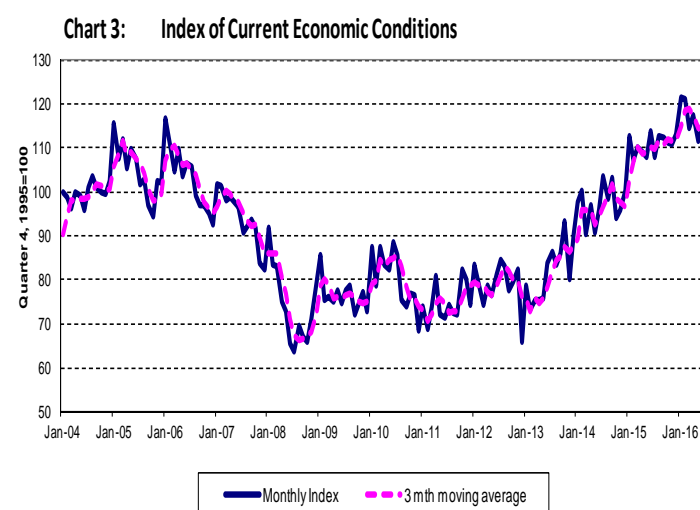
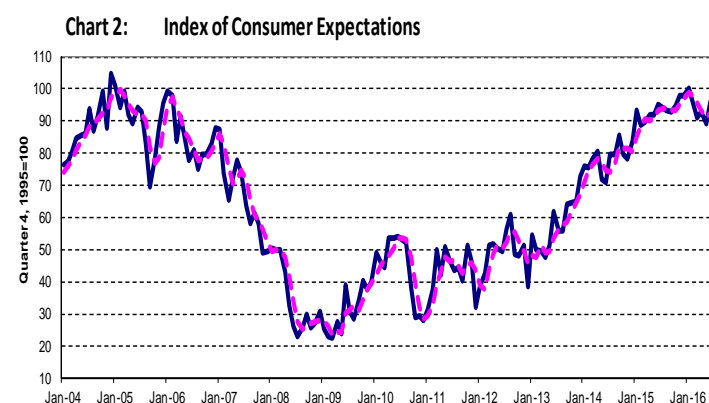
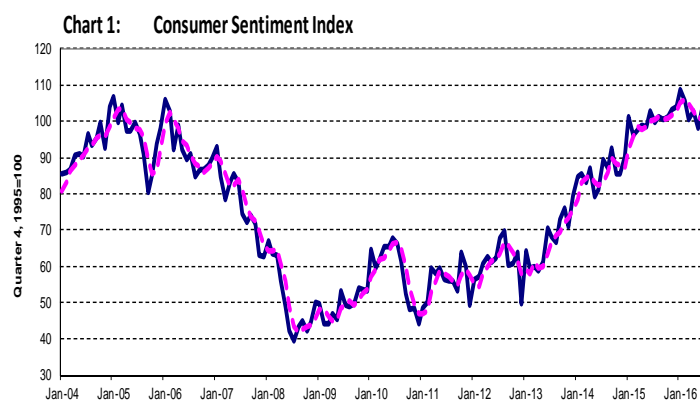
## CONSUMER SENTIMENT INDEX, JUNE 2016



This month's data indicate an increase in all three indices. The Consumer Sentiment Index rose in June to 103.4 from 98.1 in May. The Index of Consumer Expectations rose to 95.9 this month from 89.1 in May. The Index of Current Economic Conditions which focuses on consumers' views of the present situation also increased in June to 114.5, a gain of 3.1 index points on the previous month. Two of the 3-month moving averages, which smooth out some of the monthly volatilities, experienced marginal increases this month while one remained unchanged.

### General Economic Situation

Consumers appear to view all aspects of the economy more positively this month compared with May. With respect to future economic conditions, there has been an increase in the proportion of people reporting feeling positive this month, increasing to 55 per cent from 49 per cent in May. Consumers also feel more optimistic about future employment prospects. There was an increase in the proportion of positive responses, moving up to 51 per cent from 42 per cent the previous month. There was also a decrease in the proportion of negative responses of 5 percentage points. The net result was an increase in this component of nearly 10 index points in June. Consumer's outlook for making major purchases showed a marginal increase in June. This component increased by 1.4 index points up to 126.2 and consisted of people moving away from a negative outlook to a more neutral one.



## Personal Financial Situation

Consumers also appear to have a more positive view about their past and future personal financial situation this month. The component asking how people feel about their personal financial situation compared with 12 months ago increased in June to 100.3 from 95.2 in May. This consisted of an increase of 4 percentage points in those who view their current personal financial situation positively when compared with 12 months ago.

Consumers are also feeling more positive about their financial situation 12 months from now, with the proportion of respondents feeling positive increasing from 25 per cent in May to 31 per cent this month. The proportion of neutral responses fell by 6 percentage points this month; however, the majority of respondents continue to maintain a neutral outlook. This culminated in a net increase in this component from 114.5 in May to 121.6 in June.

**Table 1: Survey Index Results**

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	June 2015	May 2016	June 2016
Overall Consumer Sentiment Index	77.8	↑5.3	102.8	98.1	103.4
Index of Current Conditions	91.9	↑3.1	113.9	111.4	114.5
Index of Consumer Expectations	68.3	↑6.8	95.4	89.1	95.9
Personal Financial Situation over last 12 months	62.3	↑5.1	88.7	95.2	100.3
Personal Financial Situation over next 12 months	82.5	↑7.1	110.1	114.5	121.6
General Economic Outlook	55.9	↑4.9	80.0	67.6	72.5
Outlook for Unemployment	72.2	↑9.8	100.5	89.0	98.8
Major Purchases	117.7	↑1.4	134.6	124.8	126.2

## 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.