

There were mixed results with the latest release of the September Consumer Sentiment index. The main Index decreased to 102.0 from 102.7 in August. The Index of Consumer Expectations fell to 88.4 this month from 90.8 in August. The Index of Current Economic Conditions which focuses on consumers' views of the present situation increased in September to 122.1, a moderate increase of 1.7 index points on the previous month. The moving averages fell for two of the three indices this month.

General Economic Situation

With respect to future economic conditions, there has been a fall in sentiment in September following a recovery in August. The proportion of people reporting feeling positive this month was steady at 45 per cent; however, there was a 5 percentage point increase in the proportion of people feeling negative about the economic outlook. There was also a dis-improvement in relation to future employment prospects. There was a 2 percentage point fall in the proportion expecting unemployment to fall moving down to 43 per cent in September. Consumer's view of making major purchases fell back to July levels of 139.1 and consisted of a 1 percentage point increase in the proportion of people having a negative view of the current buying climate.

Chart 1: Consumer Sentiment Index



Chart 2: Index of Consumer Expectations



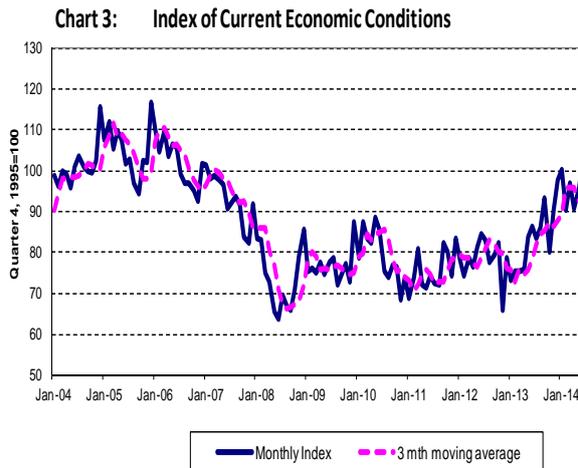


Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	Sep 2015	Aug 2016	Sep 2016
Overall Consumer Sentiment Index	80.8	↓0.7	100.6	102.7	102.0
Index of Current Conditions	95.0	↑1.7	112.5	120.4	122.1
Index of Consumer Expectations	71.2	↓2.4	92.7	90.8	88.4
Personal Financial Situation over last 12 months	65.4	↑5.9	88.2	95.6	101.5
Personal Financial Situation over next 12 months	85.2	↓1.9	113.1	118.6	116.7
General Economic Outlook	57.4	↓2.8	76.3	66.7	63.9
Outlook for Unemployment	74.5	↓2.3	91.1	91.8	89.5
Major Purchases	119.5	↓1.8	132.4	140.9	139.1

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

⁽²⁾ Average value between Sep 2011 and Sep 2016.

Personal Financial Situation

Consumer's views on their past and present personal financial situation differed this month. The component asking how people feel about their personal financial situation compared with 12 months ago increased to 101.5 from 95.6 in August. This consisted of an increase of 2 percentage points in those who view their current personal financial situation positively when compared with 12 months ago and a 3 percentage point fall in the proportion of people feeling negative.

Consumers are however feeling more negative about their financial situation 12 months from now, with the proportion of respondents feeling positive decreasing from 30 per cent in August to 25 per cent this month.

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.