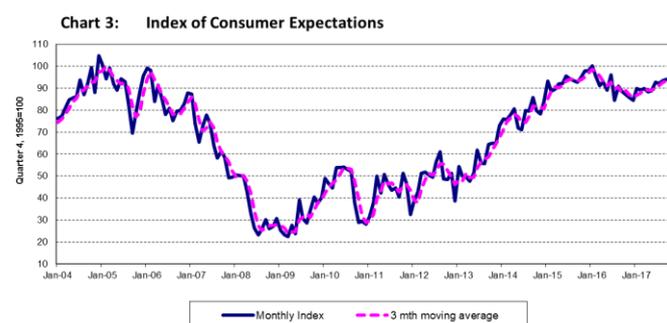
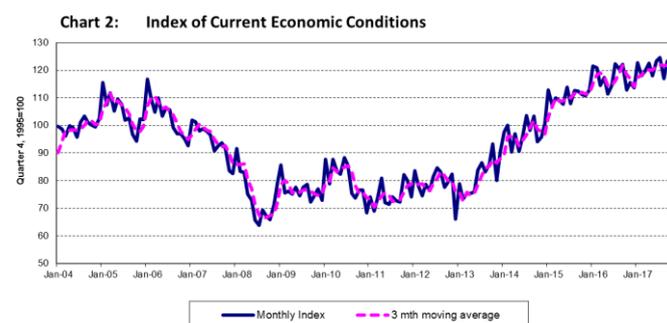
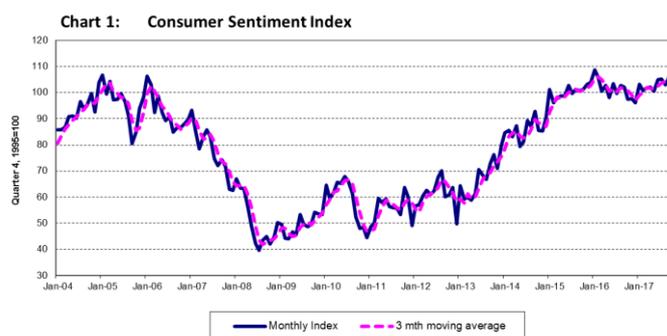


Consumer Sentiment declined in November 2017 from 104.8 to 103.6 index points (Chart 1). While the monthly change shows a decline, an annual comparison shows this level rising by 5.9 index points. The monthly decline for November 2017 is driven by a fall in the Index of Consumer Expectations. The Index of Current Economic Conditions has risen slightly, bolstered by improved attitudes towards major purchases.

### Current Economic Situation

The Index of Current Economic Conditions tracks developments in consumer's personal financial situation over the past 12 month as well as their views on the current climate for making major purchases. Following the recent 2018 Budget release, the Index (Chart 2) increased by 1.2 index points to 121.7 in November 2017. The rise was driven by a more positive perception of current financial circumstances relative to 12 months ago (+1.2 index points) along with greater confidence regarding the purchase of household equipment (+1.1 index points). Perceived gains in real disposable income are likely to have motivated this improved level of sentiment.

The Index of Consumer Expectations (Chart 3) reflects consumers' outlook on future economic developments over the next year. The index has experienced a decline (-2.8 index points) to 91.5 for November 2017. This has been its sharpest decline since the Brexit announcement, when the index fell in July 2016 by 11.5 index points. This is driven mainly by reductions in positive expectations regarding future economic and labour market performance, falling by 3.7 and 4.2 index points respectively. A more modest weakening in expectations regarding future financial situations (-0.7 index points) lessened the overall fall. It may be that the staf of Brexit negotiations and the UK's recent economic performance appear to have shaken consumer expectations of growth.



## Personal Financial Situation

In November 2017 consumers' views regarding their personal finances have remained relatively static compared to earlier in the year, with financial situations compared to 12 months ago showing a healthy improvement of 1.2 index points yet future expectations falling by 0.7 index points. The recent Government budget appears to have had a relatively minor impact on consumer expectations of their personal financial situation.

Overall, when compared with the respective figures for the year to date, we continue to see minor improvements in personal financial outlooks.

**Table 1: Survey Index Results**

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	Nov. 2016	Oct. 2017	Nov. 2017
Overall Consumer Sentiment Index	90.3	↓1.2	97.8	104.8	103.6
Index of Current Conditions	104.3	↑1.1	115.6	120.5	121.7
Index of Consumer Expectations	80.9	↓2.8	85.8	94.3	91.5
Personal Financial Situation over last 12 months	78.6	↑1.2	98.9	103.4	104.6
Personal Financial Situation over next 12 months	98.0	↓0.7	115.2	121.5	120.7
General Economic Outlook	64.2	↓3.7	62.3	68.5	64.8
Outlook for Unemployment	84.7	↓4.2	83.3	98.9	94.8
Major Purchases	125.5	↑1.1	129.3	134.7	135.7

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

(2) Average value between November 2012 and November 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](http://www.esri.ie).

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Historic data from April 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.

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