

Consumer Sentiment remained broadly flat this month compared to last month, increasing by only 0.1 index points. Differences of opinions were evident between current economic conditions and expectations regarding the future direction of the economy. Despite these diverging views, the short term trends continue to point up: sentiment is still increasing and is about 3 index points higher than July of last year.

General Economic Situation

Households differ in their expectation of the general economic outlook and the labour market. Expectations for the economy worsened this month, falling by 0.6 index points as consumers views moved towards a more neutral outlook. Labour market expectations improved modestly this month with the index rising to 92.6 from 92.2 last month.

Consumers appeared to be particularly optimistic about the buying climate this month with the component asking about making large household purchases increasing by 4.6 index points up to 142.2 in July.

Chart 1: Consumer Sentiment Index

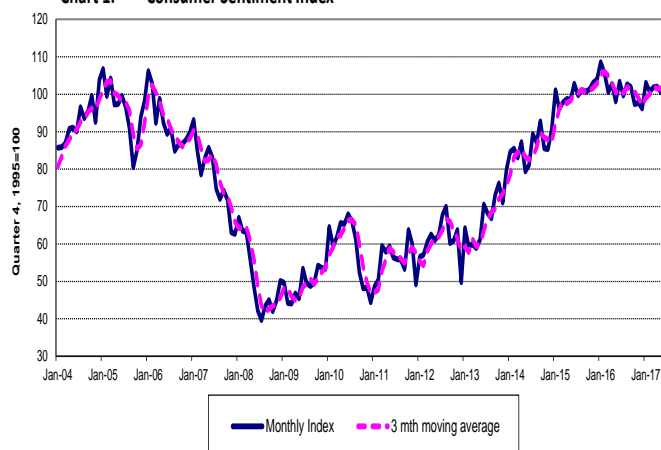


Chart 3: Index of Current Economic Conditions

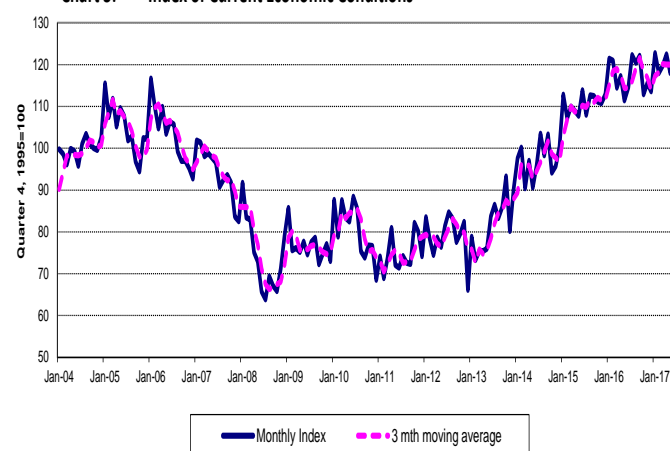
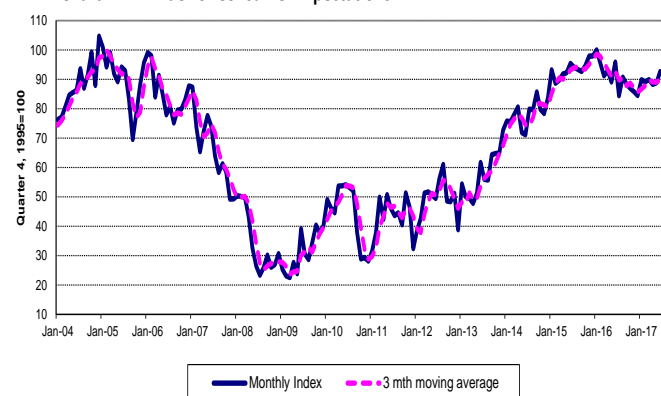


Chart 2: Index of Consumer Expectations



Personal Financial Situation

The optimism present in last month's survey regarding personal finances has faded in July. Consumers are noticeably less optimistic about both their past and future financial situations. Overall, however, both of these components are at a higher level than this time last year suggesting there have been some improvements in personal financial situations as well as an increase in optimism regarding future finances.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	July 2016	June 2017	July 2017
Overall Consumer Sentiment Index	87.7	↑0.1	99.6	105.0	105.1
Index of Current Conditions	101.8	↑1.2	122.3	123.4	124.6
Index of Consumer Expectations	78.3	↓0.7	84.4	92.7	92.0
Personal Financial Situation over last 12 months	74.9	↓2.8	102.0	106.1	103.3
Personal Financial Situation over next 12 months	94.6	↓1.4	115.7	121.4	120.0
General Economic Outlook	62.4	↓0.6	59.4	68.6	68.0
Outlook for Unemployment	81.8	↑0.4	81.9	92.2	92.6
Major Purchases	123.9	↑4.6	139.0	137.6	142.2

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

2) Average value between July 2012 and July 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.