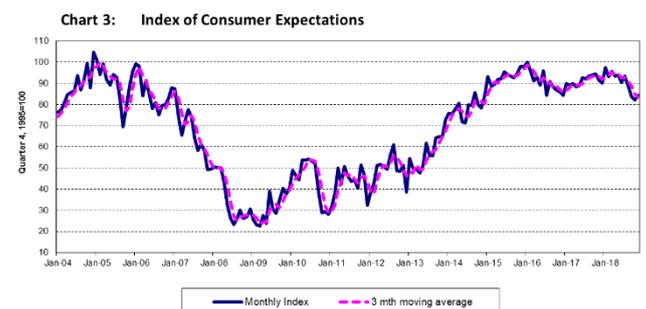
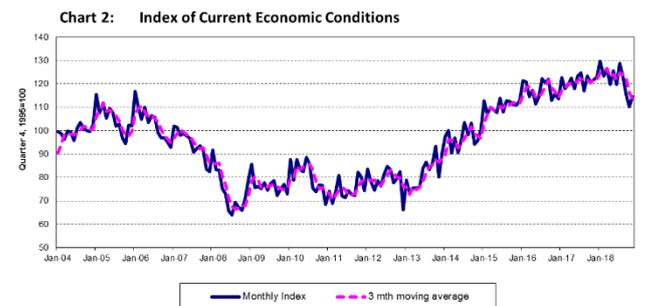
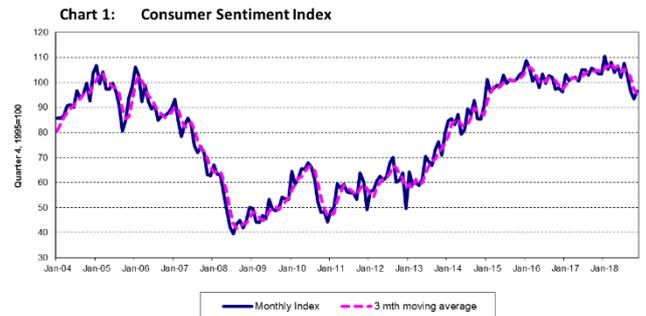


The Consumer Sentiment Index (Chart 1) increased from 96.5 points in November, relative to the previous month. Moderate increases in both subcomponents of the index mark a moderation in concerns among consumers. Uncertainty regarding Ireland’s economy and labour market conditions continue to weigh negatively on overall confidence. This mild improvement in sentiment is likely attributed towards the approaching festive season and November’s reassuring progress in ongoing Brexit negotiations.

### Current Economic Situation

The Index of Current Economic Conditions tracks developments in consumers’ personal financial situations over the past 12 month as well as their views on whether the present represents a good time to make major purchases. The Index (Chart 2) increased by 4.3 index points between October and September to 114.6. While personal financial circumstances remained relatively stable, appetites for the purchase of major household items increased by 7.7 index points. On an annual basis, the Index of Current Economic Conditions remains subdued, 7.1 index points below November 2017.

The Index of Consumer Expectations tracks consumers’ outlook with respect to future economic developments over the next year, taking into account expectations of their future personal finances as well as broader economic performance. Compared to October, the Index (Chart 3) rose by 2.1 index points to 84.3. Concerns about the general economy remain a burden for the index while expectations of improved financial situations strengthened by 8.6 index points. The general economic inches slightly closer to the 50 point index region (-1.9 points), a level which would suggest the majority of individuals expect weaker economic performance in the next year.



## Personal Financial Situation

Households remain confident about expected changes in their respective financial situations over the next 12 months, as reflected by an 8.6 index point rise between October and November. Assessments over ongoing personal financial situations over the past 12 months indicate a slight improvement among consumers. Examining year-on-year changes, a downward trend emerges across both measures, persisting since November last year.

**Table 1: Survey Index Results**

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	Nov. 2017	Oct. 2018	Nov. 2018
Overall Consumer Sentiment Index	97.9	↑3.0	103.6	93.5	96.5
Index of Current Conditions	112.5	↑4.3	121.7	110.3	114.6
Index of Consumer Expectations	88.1	↑2.1	91.5	82.1	84.3
Personal Financial Situation over last 12 months	90.2	↑0.2	104.6	96.0	96.2
Personal Financial Situation over next 12 months	109.3	↑8.6	120.7	109.0	117.6
General Economic Outlook	68.4	↓1.9	64.8	56.5	54.5
Outlook for Unemployment	91.2	↓0.2	94.8	87.1	86.8
Major Purchases	130.9	↑7.7	135.7	122.1	129.7

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

(2) Average value between November 2013 and November 2018

**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).

For further information contact

Austin Hughes – Chief Economist, KBC Bank Ireland– (01) 664 6889

or

Philip Economides – Research Assistant, ESRI – (01) 863 2045

Conor O'Toole – Senior Research Officer, ESRI – (01) 863 2046

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). The most recent releases are also available on the website.

KBC Bank Ireland, Sandwith Street, Dublin 2, Tel: 01-664 6889, Fax: 01-664 6898, Web: [www.kbc.ie](http://www.kbc.ie)

ESRI, Whitaker Square, Sir John Rogerson's Quay, Dublin 2, Tel: 01-863 2000, Web: [www.esri.ie](http://www.esri.ie)