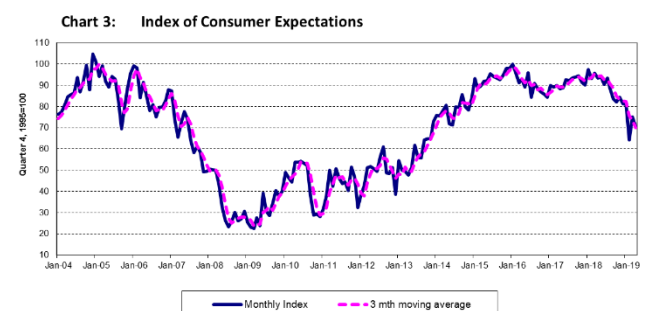
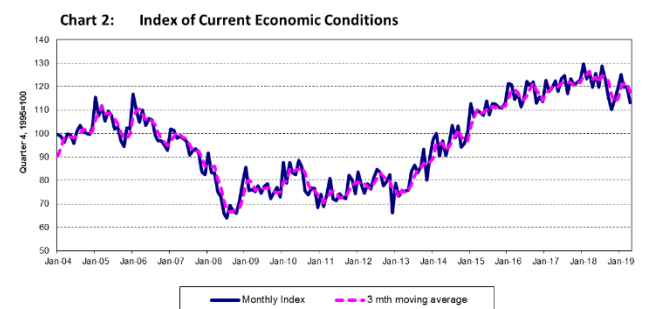
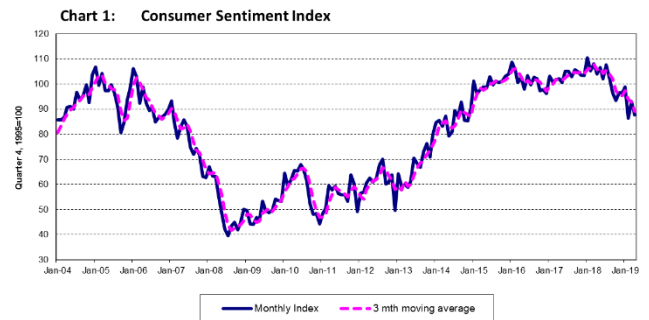


The Consumer Sentiment Index (Chart 1) declined to 87.7 points in April, continuing the downward trend evident since the beginning of 2019. This was mostly driven by a deterioration in views of current conditions, though forward looking expectations also experienced increased pessimism. On an annual basis, the index has declined from 104 points in April 2018.

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) decreased by 6.9 index points between March and April to 113.1 points. Relative to last month, households' perspectives of their own current financial situations weakened slightly. There was also a material deterioration in households' views on making major household purchases, represented by an 11.2 point decline and the weakest level since October 2014.

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. Between March and April, the Index (Chart 3) decreased by 4.4 points to 70.6. Household's outlook on the general economy and unemployment only saw modest downward revisions in expectations, below 2 points in both cases. Downward revisions may have relaxed somewhat due to the recent extension of the UK's withdrawal date from the EU. At 40.9 points for the general economic outlook over the next 12 months, the majority of consumers remain negative about the future prospects of the Irish economy. Meanwhile, financial circumstances are expected to worsen over the next 12 months.



Personal Financial Situation

Views of households' own personal finances, both in terms of current circumstances and forward-looking views, worsened in April. With respect to current financial situations, respondents report only a minor reduction of 1.8 index points between March and April, with overall confidence remaining relatively positive. In the case of expectation developments in personal finances, households reported a 9.8 point reduction in confidence, suggesting a significantly worsened outlook of how individuals' personal finances may change over the next 12 months. On an annual basis, current conditions has improved slightly, whereas expectations have worsened by almost 20 index points. This suggests that while domestic conditions have not changed very severely, households expect quite a strong change over the coming year. This is unsurprising given the uncertainty over the outcome of Brexit negotiations.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	Apr. 2018	Mar. 2019	Apr. 2019
Overall Consumer Sentiment Index	98.9	↓5.4	104.0	93.1	87.7
Index of Current Conditions	114.8	↓6.9	119.8	120.1	113.1
Index of Consumer Expectations	88.2	↓4.4	93.4	75.0	70.6
Personal Financial Situation over last 12 months	94.3	↓1.8	103.0	107.3	105.5
Personal Financial Situation over next 12 months	111.9	↓9.8	122.2	113.7	103.7
General Economic Outlook	66.6	↓1.6	69.7	42.5	40.9
Outlook for Unemployment	90.8	↓1.4	92.3	74.6	73.2
Major Purchases	131.7	↓11.2	133.7	130.6	119.4

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

(2) Average value between April 2014 and April 2019

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

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