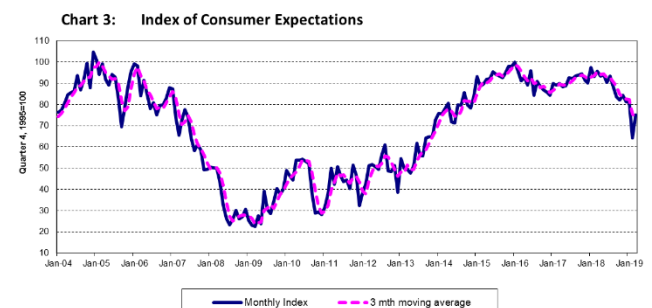
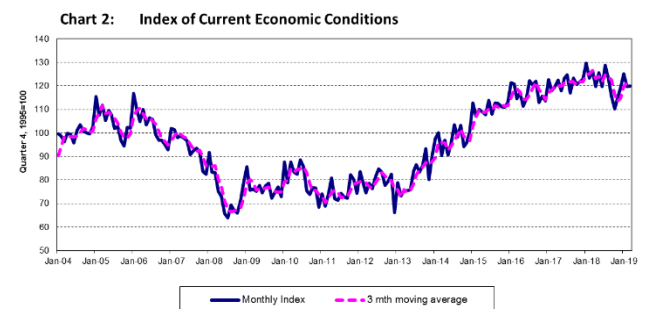
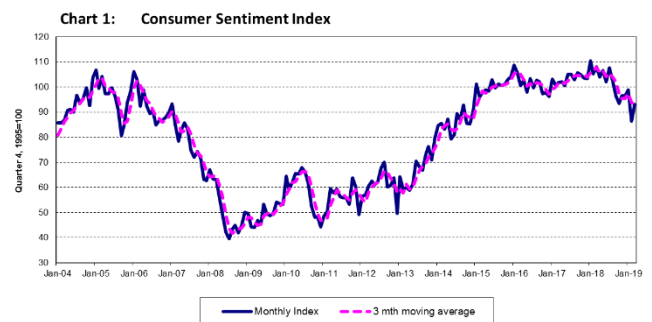


The Consumer Sentiment Index (Chart 1) improved to 93.1 points in March, a rise of 6.7 points from the previous month. This was strongly driven by consumer expectations whereas current conditions among respondents remained relatively unchanged. On an annual basis, the index has declined from 108.1 points in March 2017.

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 0.4 index points between February and March to 120.1 points. Households' perspectives of both their own current financial situations strengthened from February levels by 2.9 points but this was somewhat undermined by a 1.7 point decline in views of major household purchases. Year-on-year, both components have persistently experienced a loss of confidence for the past seven months which suggests a recent trend of gradual moderations in perceived circumstances has occurred.

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 February, the Index (Chart 3) increased by 10.9 points to 75.0. Between February and March, the unemployment outlook increased by 11.2 index points while the general economic outlook rose by 7.1 index points. On the latter items part, the overall position of this indicator implies the majority of respondents expect the conditions of domestic economy to worsen over the next 12 month. Recent volatility in the Index of Consumer Expectations is likely attributed to the increasingly tortuous developments regarding the UK's withdrawal from the European Union.



Personal Financial Situation

Views of households' own personal finances, both in terms of current circumstances and forward-looking views, have seen a strong recovery following a steep decline in February. With respect to current finances, a mild improvement in confidence relative to financial situations in the last 12 months led to a 2.9 index point rise between February and March. The strongest driver of confidence improvements among respondents came in the form of expected improvements in personal financial situations, wherein much of the 17.8 point decline of February was compensated for with a 15.2 point rise in March. Rather than this reflecting a sudden change in circumstances, this is likely to be a sign of the difficulty consumers have recently experienced with respect to envisaging changes over the next 12 months.

Table 1: Survey Index Results

Measure ¹	Long-Run average ²	Δ month-on-month	Mar. 2018	Feb. 2019	Mar. 2019
Overall Consumer Sentiment Index	98.8	↑6.7	108.1	86.5	93.1
Index of Current Conditions	114.4	↑0.4	126.4	119.7	120.1
Index of Consumer Expectations	88.3	↑10.9	95.7	64.1	75.0
Personal Financial Situation over last 12 months	93.4	↑2.9	109.4	104.3	107.3
Personal Financial Situation over next 12 months	111.6	↑15.2	122.7	98.5	113.7
General Economic Outlook	67.0	↑7.1	69.7	35.4	42.5
Outlook for Unemployment	91.0	↑11.2	101.0	63.4	74.6
Major Purchases	131.7	↓1.7	140.5	132.3	130.6

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

(2) Average value between March 2014 and March 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.

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 and on the KBC Bank Ireland website, 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

ESRI, Whitaker Square, Sir John Rogerson's Quay, Dublin 2, Tel: 01-863 2000, Web: www.esri.ie