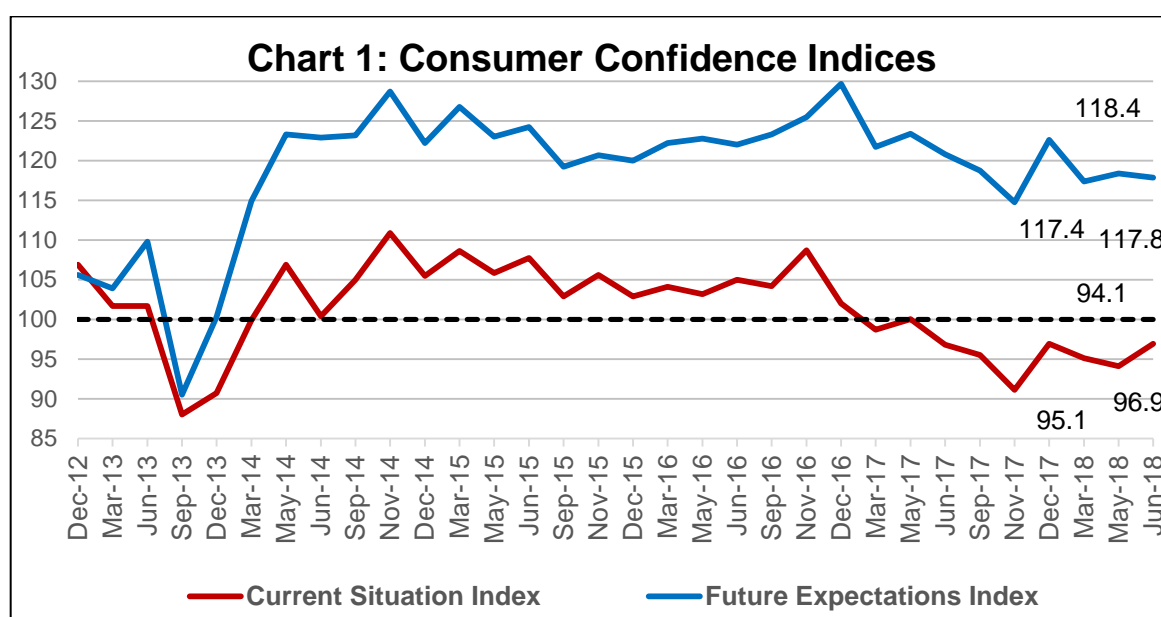


Consumer Confidence Survey

Today, the Reserve Bank released the results of the June 2018 round of its Consumer Confidence Survey (CCS)¹. The survey was conducted in six metropolitan cities - Bengaluru; Chennai; Hyderabad; Kolkata; Mumbai; and New Delhi - and obtained 5,264 responses on households' perceptions and expectations on the general economic situation, the employment scenario, the overall price situation and their own income and spending.

Highlights:

- I. Consumer confidence showed signs of improvement in the June 2018 round, with the current situation index (CSI)² rising by 2.8 points, even though it remained in the pessimistic zone; the future expectations index (FEI) recorded a marginal decline (Chart 1).



Note: [Please see the excel file for time series data](#)

- II. The rise in CSI was, to a large extent, driven by improvement in the sentiments on the general economic situation; however, the proportion of respondents expecting improvement for one year ahead dropped marginally in relation to the May round of the survey (Table 1).
- III. In line with the improvement in perception on the current economic situation, a higher proportion of respondents than in the May round indicated that the employment scenario had improved over the year gone by; however, their expectations for the year ahead remained unchanged (Table 2).

¹ The survey results are based on the views of respondents.

² CSI and FEI are compiled on the basis of net responses on the economic situation, income, spending, employment and the price level for the current period and a year ahead, respectively. CSI/FEI = 100 + Average of Net Responses of the above parameters.

Summary based on Net Response						
Main Variables	Current Perception compared with one-year ago			One year ahead Expectations compared with current situation		
	May-18	Jun-18	Change	May-18	Jun-18	Change
Economic Situation	-16.1	-7.4	↑	21.7	20.5	↓
Income	3.3	2.6	↓	40.6	38.4	↓
Spending	81.0	81.9	↑	82.4	84.0	↑
Employment	-12.6	-6.5	↑	24.5	24.6	↑
Price Level	-85.0	-85.8	↓	-77.3	-78.3	↓
Consumer Confidence Index	94.1	96.9	↑	118.4	117.8	↓
↑ Positive Sentiments with sign of improvement compared to last round			↑ Negative Sentiments with sign of improvement compared to last round			
↓ Positive Sentiments with sign of deterioration compared to last round			↓ Negative Sentiments with sign of deterioration compared to last round			

- IV. Households continued to remain pessimistic about prices, with sentiments on both the current and future periods deteriorating marginally (Tables 3 and 4).
- V. Respondents were slightly less optimistic about their income than in the preceding round of the survey (Table 5).
- VI. Most of the respondents reported household spending over the past year with their sentiments ticking up for both the current period and over the year ahead (Table 6).
- VII. Households were more upbeat than in the previous round about non-essential expenditure, possibly due to improved sentiments on the general economic situation and the employment scenario (Table 8).

Table 1: Perceptions and Expectations on General Economic Situation

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Improved	Remained Same	Worsened	Net Response	Will Improve	Will Remain Same	Will Worsen	Net Response
Mar-17	35.6	24.4	40.0	-4.5	52.1	21.4	26.5	25.6
May-17	36.4	25.9	37.7	-1.3	52.4	23.5	24.1	28.3
Jun-17	32.4	27.7	39.9	-7.5	48.6	25.9	25.5	23.1
Sep-17	34.6	24.7	40.7	-6.2	50.8	22.8	26.3	24.5
Nov-17	28.9	23.3	47.9	-18.9	45.2	24.1	30.6	14.6
Dec-17	36.8	25.8	37.4	-0.6	54.4	22.7	22.9	31.5
Mar-18	33.7	24.5	41.8	-8.1	48.3	24.0	27.6	20.7
May-18	31.9	20.1	48.0	-16.1	49.5	22.7	27.8	21.7
Jun-18	34.6	23.4	42.0	-7.4	48.2	24.1	27.7	20.5

Table 2: Perceptions and Expectations on Employment

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Improved	Remained Same	Worsened	Net Response	Will Improve	Will Remain Same	Will Worsen	Net Response
Mar-17	32.6	28.4	39.0	-6.4	52.8	24.5	22.7	30.1
May-17	32.5	28.3	39.2	-6.8	52.7	26.7	20.7	32.0
Jun-17	30.8	30.3	38.9	-8.1	49.6	29.3	21.2	28.4
Sep-17	30.1	26.3	43.7	-13.6	49.9	24.0	26.1	23.8
Nov-17	27.5	25.7	46.8	-19.2	45.1	27.5	27.4	17.8
Dec-17	30.3	28.4	41.3	-11.0	53.1	25.9	21.1	32.0
Mar-18	29.9	26.9	43.2	-13.3	49.5	25.0	25.5	23.9
May-18	31.5	24.4	44.1	-12.6	49.5	25.5	25.0	24.5
Jun-18	33.5	26.6	40.0	-6.5	49.1	26.5	24.4	24.6

Table 3: Perceptions and Expectations on Price Level

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Increased	Remained Same	Decreased	Net Response	Will Increase	Will Remain Same	Will Decrease	Net Response
Mar-17	85.8	9.1	5.1	-80.7	81.0	10.4	8.6	-72.4
May-17	83.3	11.3	5.4	-78.0	79.7	11.5	8.8	-70.9
Jun-17	85.2	11.4	3.4	-81.8	76.1	13.8	10.1	-66.0
Sep-17	87.7	8.7	3.6	-84.1	81.0	12.5	6.5	-74.5
Nov-17	89.9	7.1	3.0	-86.9	82.9	10.4	6.7	-76.2
Dec-17	89.9	7.1	3.0	-86.9	80.1	12.4	7.5	-72.6
Mar-18	86.7	9.8	3.6	-83.1	82.1	11.4	6.6	-75.5
May-18	88.2	8.6	3.2	-85.0	83.1	11.1	5.9	-77.3
Jun-18	88.8	8.2	3.0	-85.8	83.0	12.4	4.7	-78.3

Table 4: Perceptions and Expectations on Rate of Change in Price Level (Inflation)*

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Increased	Remained Same	Decreased	Net Response	Will Increase	Will Remain Same	Will Decrease	Net Response
Mar-17	80.5	12.5	7.0	-73.5	79.9	13.8	6.3	-73.6
May-17	82.0	10.0	8.0	-74.0	82.6	10.9	6.5	-76.1
Jun-17	79.9	11.5	8.5	-71.4	78.7	13.5	7.9	-70.8
Sep-17	80.6	10.4	9.0	-71.5	78.6	14.1	7.2	-71.4
Nov-17	82.9	9.0	8.1	-74.8	80.4	12.1	7.5	-72.9
Dec-17	80.4	12.8	6.8	-73.6	76.9	17.0	6.1	-70.8
Mar-18	79.9	13.2	6.9	-73.0	80.2	13.4	6.4	-73.8
May-18	79.2	13.5	7.3	-71.9	78.0	16.5	5.5	-72.5
Jun-18	80.2	11.1	8.7	-71.5	77.2	15.0	7.7	-69.5

*Applicable only for those respondents who felt price has increased/price will increase.

Table 5: Perceptions and Expectations on Income

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Increased	Remained Same	Decreased	Net Response	Will Increase	Will Remain Same	Will Decrease	Net Response
Mar-17	27.7	47.3	25.0	2.7	51.8	36.5	11.7	40.1
May-17	28.2	48.0	23.8	4.4	52.8	38.1	9.1	43.6
Jun-17	23.8	53.8	22.4	1.4	47.1	43.5	9.4	37.7
Sep-17	26.6	46.8	26.6	-0.1	48.5	39.0	12.5	36.1
Nov-17	24.4	47.6	28.0	-3.6	45.6	41.8	12.6	33.0
Dec-17	25.2	50.7	24.1	1.1	50.7	39.1	10.3	40.5
Mar-18	23.5	51.5	25.1	-1.6	46.9	41.3	11.7	35.2
May-18	27.2	48.9	23.9	3.3	50.8	38.9	10.3	40.6
Jun-18	25.3	52.1	22.7	2.6	49.8	38.7	11.5	38.4

Table 6: Perceptions and Expectations on Spending

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Increased	Remained Same	Decreased	Net Response	Will Increase	Will Remain Same	Will Decrease	Net Response
Mar-17	84.4	13.4	2.1	82.3	88.5	8.3	3.1	85.4
May-17	83.4	14.9	1.6	81.8	86.0	11.9	2.0	84.0
Jun-17	81.3	17.2	1.5	79.8	83.5	13.7	2.8	80.7
Sep-17	83.2	15.0	1.8	81.5	85.8	12.3	2.0	83.8
Nov-17	85.6	13.1	1.3	84.2	86.8	11.0	2.3	84.6
Dec-17	83.9	14.3	1.8	82.1	84.7	12.5	2.9	81.8
Mar-18	83.5	14.7	1.8	81.7	85.0	12.6	2.4	82.7
May-18	83.2	14.5	2.3	81.0	84.8	12.8	2.4	82.4
Jun-18	83.9	14.1	2.0	81.9	86.2	11.7	2.2	84.0

Table 7: Perceptions and Expectations on Spending- Essential Items

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Increased	Remained Same	Decreased	Net Response	Will Increase	Will Remain Same	Will Decrease	Net Response
Mar-17	85.8	11.1	3.1	82.7	87.0	9.2	3.8	83.2
May-17	85.7	11.6	2.8	82.9	86.9	9.6	3.5	83.4
Jun-17	82.2	15.3	2.5	79.7	81.9	13.5	4.6	77.2
Sep-17	85.0	12.6	2.4	82.6	86.1	10.9	3.0	83.1
Nov-17	86.8	11.3	1.9	85.0	86.2	10.7	3.2	83.0
Dec-17	85.2	13.0	1.8	83.4	85.2	10.9	4.0	81.2
Mar-18	83.9	13.8	2.3	81.5	84.8	12.3	3.0	81.8
May-18	85.0	12.4	2.7	82.3	84.8	11.7	3.5	81.3
Jun-18	86.5	11.3	2.2	84.3	87.3	10.3	2.4	84.8

Table 8: Perceptions and Expectations on Spending- Non-Essential Items

(Percentage responses)

Survey Round	Current Perception				One year ahead Expectation			
	Increased	Remained Same	Decreased	Net Response	Will Increase	Will Remain Same	Will Decrease	Net Response
Mar-17	48.9	36.4	14.7	34.2	57.8	30.3	11.8	46.0
May-17	51.9	34.6	13.5	38.3	59.9	31.1	9.0	50.9
Jun-17	51.6	35.5	13.0	38.6	56.3	32.6	11.1	45.2
Sep-17	54.0	34.4	11.7	42.4	60.2	30.6	9.2	50.9
Nov-17	56.5	32.5	11.0	45.5	60.6	31.1	8.3	52.3
Dec-17	51.1	36.6	12.3	38.8	57.3	33.6	9.1	48.2
Mar-18	54.5	32.5	12.9	41.6	61.2	29.4	9.4	51.8
May-18	52.1	32.9	15.1	37.0	57.3	32.8	9.9	47.4
Jun-18	54.3	33.5	12.2	42.2	60.8	29.5	9.8	51.1
