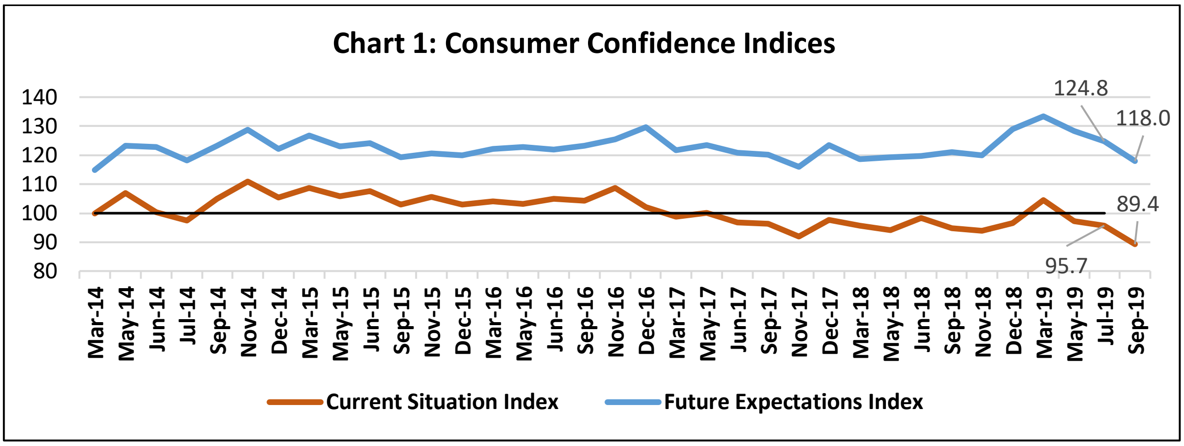
Consumer Confidence Survey

Today, the Reserve Bank released the results of the September 2019 round of its Consumer Confidence Survey (CCS)[1]. The survey was conducted in 13 major cities *viz.*, Ahmedabad; Bengaluru; Bhopal; Chennai; Delhi; Guwahati; Hyderabad; Jaipur; Kolkata; Lucknow; Mumbai; Patna; and Thiruvananthapuram. Perceptions and expectations on the general economic situation, the employment scenario, the overall price situation and own income and spending are obtained from 5,192 households across these cities.

Highlights:

I. Consumer confidence weakened in September with both the current situation index (CSI)[2] and the future expectations index (FEI) recording declines (Chart 1).



Note: Please see the excel file for time series data

II. Households' sentiments on the general economic situation (Table 1) and the employment scenario (Table 2) declined further, and they were less optimistic on their income over the year ahead (Table 5) than in July 2019.

III. Respondents perceived an increase in the price level over the last one year and a majority of them expect prices to rise further in the coming year (Tables 3 and 4); as a result, sentiments on overall spending as well as essential spending remain strong, though sentiments on discretionary spending weakened (Tables 6, 7 and 8).

Summary based on Net Response						
Main Variables	**Current Perception compared with one-year ago**			**One year ahead Expectations compared with current situation**		
	July-19	**Sep-19**	**Change**	**July-19**	**Sep-19**	**Change**
Economic Situation	-1.0	-14.4	↓ (red)	34.8	21.4	↓ (green)
Employment	-13.1	-24.5	↓ (red)	30.9	17.8	↓ (green)
Price Level	-78.4	-82.8	↓ (red)	-63.9	-65.6	↓ (red)
Income	2.9	-1.7	↓ (red)	48.5	43.4	↓ (green)
Spending	68.3	70.3	↑ (green)	73.6	73.0	↓ (green)
Consumer Confidence Index	**95.7**	**89.4**	↓ (red)	**124.8**	**118.0**	↓ (green)
↑ (green) **Positive** Sentiments with sign of **improvement** compared to last round			↑ (red) **Negative** Sentiments with sign of **improvement** compared to last round			
↓ (green) **Positive** Sentiments with sign of **deterioration** compared to last round			↓ (red) **Negative** Sentiments with sign of **deterioration** compared to last round			

[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.

Table 1: Perceptions and Expectations on the 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
Sep-18	33.7	22.1	44.3	-10.6	53.2	16.7	30.2	23.0
Nov-18	33.2	21.6	45.2	-12.0	53.6	15.3	31.2	22.4
Dec-18	36.7	20.2	43.1	-6.4	59.9	15.8	24.3	35.6
Mar-19	46.2	21.3	32.5	13.7	66.4	15.8	17.8	48.6
May-19	38.8	23.6	37.7	1.1	61.4	17.7	20.9	40.5
Jul-19	37.4	24.2	38.4	-1.0	59.4	16.0	24.6	34.8
Sep-19	33.5	18.6	47.9	-14.4	53.2	15.0	31.8	21.4

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
Sep-18	35.2	19.3	45.5	-10.3	54.1	17.0	29.0	25.1
Nov-18	33.9	18.9	47.2	-13.3	53.5	16.1	30.4	23.1
Dec-18	35.6	20.1	44.3	-8.7	60.3	17.1	22.7	37.6
Mar-19	41.1	21.7	37.2	3.9	65.3	15.9	18.9	46.4
May-19	33.7	22.1	44.2	-10.5	59.3	17.6	23.1	36.2
Jul-19	32.5	21.9	45.6	-13.1	56.7	17.5	25.8	30.9
Sep-19	28.0	19.5	52.5	-24.5	51.2	15.4	33.4	17.8

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
Sep-18	88.3	8.5	3.2	-85.1	80.1	12.0	7.9	-72.2
Nov-18	88.3	7.8	3.8	-84.5	80.2	11.6	8.2	-72.0
Dec-18	84.3	10.9	4.8	-79.5	71.6	15.9	12.5	-59.1
Mar-19	77.8	16.4	5.8	-72.0	68.7	20.5	10.9	-57.8
May-19	81.6	14.1	4.3	-77.3	70.3	18.7	11.0	-59.3
Jul-19	81.7	15.0	3.3	-78.4	73.9	16.1	10.0	-63.9
Sep-19	86.1	10.6	3.3	-82.8	75.9	13.8	10.3	-65.6

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
Sep-18	80.8	13.2	6.1	-74.7	79.8	14.2	6.1	-73.7
Nov-18	80.0	13.9	6.1	-73.9	75.9	18.0	6.1	-69.8
Dec-18	77.9	15.2	6.9	-71.0	76.3	17.3	6.4	-69.9
Mar-19	72.5	20.0	7.6	-64.9	72.9	20.8	6.3	-66.6
May-19	74.4	20.8	4.8	-69.6	76.7	18.5	4.8	-71.9
Jul-19	72.5	22.3	5.2	-67.3	77.8	18.0	4.1	-73.7
Sep-19	74.2	19.5	6.3	-67.9	77.9	16.1	6.1	-71.8

*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
Sep-18	28.3	48.3	23.4	4.9	59.1	33.1	7.8	51.3
Nov-18	29.9	49.5	20.5	9.4	59.0	34.3	6.7	52.3
Dec-18	29.8	48.2	22.0	7.8	63.5	30.4	6.2	57.3
Mar-19	30.1	50.0	19.9	10.2	60.8	33.4	5.7	55.1
May-19	29.0	50.2	20.8	8.2	58.9	35.1	6.0	52.9
Jul-19	25.8	51.3	22.9	2.9	55.4	37.7	6.9	48.5
Sep-19	25.0	48.3	26.7	-1.7	53.0	37.4	9.6	43.4

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
Sep-18	78.4	18.2	3.5	74.9	81.2	15.7	3.1	78.1
Nov-18	73.0	23.9	3.1	69.9	77.6	19.0	3.4	74.2
Dec-18	73.8	22.7	3.5	70.3	77.3	18.7	4.0	73.3
Mar-19	70.1	26.8	3.1	67.0	77.5	19.9	2.6	74.9
May-19	68.6	28.0	3.4	65.2	74.7	22.5	2.9	71.8
Jul-19	71.7	25.0	3.4	68.3	76.8	20.1	3.2	73.6
Sep-19	74.1	22.0	3.8	70.3	77.0	19.0	4.0	73.0

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
Sep-18	83.6	13.1	3.4	80.2	84.2	13.1	2.7	81.5
Nov-18	83.4	13.4	3.2	80.2	84.1	12.5	3.3	80.8
Dec-18	82.4	14.5	3.1	79.3	83.5	13.0	3.4	80.1
Mar-19	78.6	18.2	3.2	75.4	83.4	14.3	2.3	81.1
May-19	80.0	17.1	2.9	77.1	80.7	16.5	2.8	77.9
Jul-19	81.7	15.7	2.6	79.1	82.9	14.3	2.8	80.1
Sep-19	83.8	13.6	2.6	81.2	83.0	13.7	3.3	79.7

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
Sep-18	44.0	34.3	21.7	22.3	49.2	33.3	17.5	31.7
Nov-18	39.1	37.6	23.3	15.8	44.5	35.9	19.6	24.9
Dec-18	38.4	37.5	24.1	14.3	46.1	33.0	20.9	25.2
Mar-19	36.3	43.3	20.4	15.9	46.1	37.6	16.3	29.8
May-19	32.7	40.3	27.0	5.7	39.4	37.3	23.3	16.1
Jul-19	31.0	44.9	24.1	6.9	36.2	42.2	21.6	14.6
Sep-19	29.9	40.0	30.1	-0.2	34.7	39.2	26.0	8.7

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