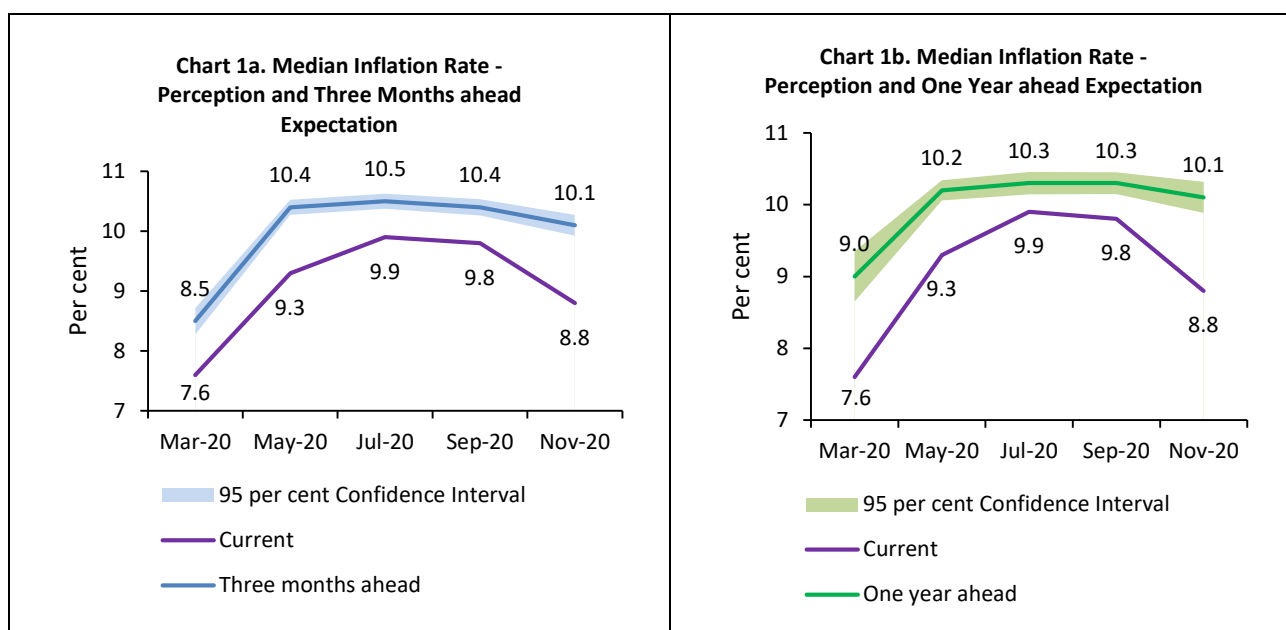


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of the November 2020 round of the Inflation Expectations Survey of Households (IESH)¹. In view of the Covid-19 pandemic, the survey was conducted through field interviews, wherever possible, and telephonic interviews elsewhere, during October 30 to November 10, 2020 in 18 major cities. The results are based on responses from 5,897 urban households².

Highlights:

- i. Households' median inflation perception for the current period fell sharply by 100 basis points as compared to the September 2020 round [Charts 1a and 1b; Table 3].
- ii. Median inflation expectations for the three months ahead and one year ahead moderated by 30 and 20 basis points, respectively, though they remained at an elevated level. [Charts 1a and 1b; Table 3].
- iii. More households expect general prices to rise in the next three months and one year ahead periods but the share of respondents expecting higher prices for non-food products came down marginally [Tables 1a and 1b].



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

¹ The survey is conducted at bi-monthly intervals by the Reserve Bank of India. It provides directional information on near-term inflationary pressures as expected by the respondents and may reflect their own consumption patterns. Hence, they should be treated as households' sentiments on inflation.

² Unit-level data for previous rounds of the survey are available on the Database on Indian Economy (DBIE) portal of the Bank (weblink: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=unitLevelData>).

Table 1(a): Product-wise Expectations of Prices for Three Months ahead

(Percentage of Respondents)

Survey period ended	Nov-19		May-20		Jul-20		Sep-20		Nov-20	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	80.7	0.90	85.3	0.73	83.5	0.92	81.6	0.78	83.3	0.85
Price increase more than current rate	52.4	1.22	56.0	1.02	52.2	1.14	53.9	1.02	55.4	1.14
Price increase similar to current rate	23.4	0.96	23.5	0.89	26.0	1.03	22.5	0.84	23.6	0.95
Price increase less than current rate	4.9	0.55	5.8	0.49	5.3	0.54	5.2	0.46	4.4	0.46
No changes in prices	17.3	0.84	12.4	0.69	14.0	0.84	15.9	0.74	14.2	0.81
Decline in prices	1.9	0.26	2.3	0.32	2.5	0.43	2.5	0.31	2.4	0.32
Food Product										
Prices will increase	81.8	0.80	84.6	0.75	82.3	0.86	80.4	0.80	81.5	0.83
Price increase more than current rate	54.8	1.14	58.6	1.00	54.7	1.08	52.6	1.00	54.7	1.10
Price increase similar to current rate	21.0	0.85	20.0	0.82	21.9	0.89	21.2	0.81	20.3	0.90
Price increase less than current rate	6.0	0.54	6.0	0.49	5.7	0.47	6.6	0.51	6.5	0.59
No changes in prices	12.3	0.65	10.7	0.64	13.2	0.75	14.3	0.70	11.6	0.67
Decline in prices	5.9	0.48	4.7	0.45	4.5	0.56	5.3	0.46	6.9	0.54
Non- Food Product										
Prices will increase	75.3	0.93	76.7	0.88	79.1	0.99	75.8	0.87	74.8	0.99
Price increase more than current rate	48.0	1.14	49.5	0.99	48.3	1.11	47.3	0.99	48.0	1.11
Price increase similar to current rate	21.1	0.86	20.8	0.82	24.6	0.98	21.9	0.82	20.3	0.87
Price increase less than current rate	6.1	0.53	6.4	0.50	6.2	0.51	6.6	0.50	6.4	0.57
No changes in prices	20.5	0.83	17.8	0.79	15.2	0.87	19.2	0.80	20.1	0.92
Decline in prices	4.3	0.39	5.5	0.49	5.6	0.59	5.0	0.45	5.2	0.48
Household Durables										
Prices will increase	55.2	1.09	55.1	1.04	57.8	1.14	56.3	1.02	60.3	1.09
Price increase more than current rate	35.4	1.06	33.6	0.96	34.7	1.07	35.0	0.96	38.2	1.11
Price increase similar to current rate	15.2	0.73	16.4	0.76	17.6	0.87	15.8	0.74	16.2	0.82
Price increase less than current rate	4.6	0.44	5.1	0.44	5.4	0.48	5.5	0.47	5.8	0.59
No changes in prices	29.1	0.93	29.7	0.94	28.4	1.00	30.7	0.94	27.4	1.00
Decline in prices	15.8	0.73	15.2	0.76	13.8	0.86	13.1	0.69	12.3	0.71
Cost of Housing										
Prices will increase	68.5	1.09	48.6	1.01	46.9	1.08	51.8	0.98	60.7	1.12
Price increase more than current rate	48.3	1.19	30.2	0.93	28.1	0.98	32.8	0.93	40.4	1.14
Price increase similar to current rate	16.4	0.77	13.6	0.69	14.9	0.78	14.4	0.69	15.9	0.80
Price increase less than current rate	3.8	0.41	4.8	0.45	3.9	0.39	4.6	0.43	4.4	0.50
No changes in prices	24.0	0.99	30.3	0.93	29.9	1.03	29.1	0.91	25.9	1.01
Decline in prices	7.4	0.53	21.1	0.83	23.2	0.95	19.1	0.78	13.4	0.84
Cost of Services										
Prices will increase	65.8	1.05	68.3	0.97	70.1	1.06	70.3	0.91	70.4	1.02
Price increase more than current rate	43.6	1.14	43.2	0.99	43.3	1.11	45.5	1.01	44.8	1.10
Price increase similar to current rate	17.7	0.79	19.3	0.79	21.2	0.92	19.1	0.79	20.3	0.88
Price increase less than current rate	4.5	0.46	5.9	0.46	5.6	0.49	5.7	0.47	5.3	0.50
No changes in prices	29.5	1.01	27.4	0.93	25.7	0.99	25.8	0.88	25.2	0.98
Decline in prices	4.7	0.43	4.4	0.42	4.2	0.52	3.9	0.38	4.4	0.44

Note:

1. The table provides estimates and standard errors for qualitative responses.
2. Constituent items may not add up to the corresponding total, due to rounding off.

Table 1(b): Product-wise Expectations of Prices for One Year ahead

(Percentage of Respondents)

Survey period ended	Nov-19		May-20		Jul-20		Sep-20		Nov-20	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	89.1	0.71	85.6	0.73	84.6	0.87	84.8	0.73	86.5	0.77
Price increase more than current rate	64.0	1.25	57.1	1.00	55.9	1.12	59.6	1.00	59.5	1.09
Price increase similar to current rate	21.5	0.96	23.8	0.88	24.3	0.93	20.4	0.82	22.9	0.92
Price increase less than current rate	3.6	0.44	4.7	0.43	4.4	0.46	4.7	0.43	4.1	0.44
No changes in prices	8.9	0.64	11.9	0.67	12.9	0.82	12.1	0.67	10.3	0.69
Decline in prices	2.0	0.28	2.5	0.33	2.5	0.35	3.1	0.35	3.2	0.39
Food Product										
Prices will increase	86.2	0.74	77.3	0.86	75.3	1.00	77.3	0.85	77.7	0.97
Price increase more than current rate	58.9	1.24	46.9	1.01	45.2	1.10	48.3	0.99	48.4	1.10
Price increase similar to current rate	22.4	0.90	24.2	0.88	24.1	0.96	22.5	0.82	24.0	0.93
Price increase less than current rate	5.0	0.49	6.3	0.51	6.0	0.50	6.4	0.51	5.4	0.48
No changes in prices	9.4	0.61	15.7	0.74	17.4	0.88	14.8	0.72	14.3	0.82
Decline in prices	4.4	0.39	6.9	0.52	7.3	0.63	7.9	0.55	8.0	0.58
Non- Food Product										
Prices will increase	81.0	0.82	73.3	0.92	74.3	1.04	75.7	0.87	75.0	0.98
Price increase more than current rate	53.5	1.23	42.6	0.99	44.0	1.13	47.3	1.00	45.6	1.13
Price increase similar to current rate	22.6	0.92	23.9	0.87	24.3	0.92	22.2	0.83	23.5	0.93
Price increase less than current rate	4.9	0.51	6.8	0.51	6.0	0.50	6.1	0.49	5.9	0.55
No changes in prices	15.5	0.72	20.7	0.84	18.7	0.97	18.2	0.78	19.3	0.89
Decline in prices	3.6	0.36	6.0	0.49	7.0	0.71	6.1	0.49	5.8	0.51
Household Durables										
Prices will increase	65.4	1.00	59.6	1.03	62.4	1.14	62.3	0.98	65.0	1.08
Price increase more than current rate	42.7	1.16	34.8	0.99	35.6	1.08	38.8	0.98	39.9	1.08
Price increase similar to current rate	18.1	0.80	19.1	0.79	21.1	0.91	18.4	0.77	19.7	0.88
Price increase less than current rate	4.6	0.46	5.7	0.47	5.8	0.51	5.1	0.45	5.4	0.54
No changes in prices	22.5	0.84	28.4	0.93	26.0	1.01	26.5	0.88	24.6	1.01
Decline in prices	12.1	0.62	12.1	0.67	11.6	0.81	11.2	0.64	10.3	0.68
Cost of Housing										
Prices will increase	80.0	0.92	59.7	1.00	57.4	1.10	63.9	0.95	72.1	1.01
Price increase more than current rate	57.1	1.20	36.9	0.98	34.7	1.10	42.0	0.99	47.8	1.10
Price increase similar to current rate	19.1	0.85	17.3	0.77	18.4	0.88	17.4	0.75	19.8	0.87
Price increase less than current rate	3.9	0.41	5.5	0.46	4.3	0.43	4.6	0.43	4.5	0.44
No changes in prices	13.9	0.76	25.1	0.89	26.1	1.01	23.8	0.85	19.2	0.86
Decline in prices	6.1	0.48	15.2	0.73	16.5	0.83	12.2	0.67	8.7	0.65
Cost of Services										
Prices will increase	80.9	0.87	74.4	0.91	75.6	1.06	76.8	0.86	77.2	0.98
Price increase more than current rate	53.7	1.23	44.6	0.98	46.1	1.11	48.5	1.01	49.0	1.11
Price increase similar to current rate	22.3	0.86	23.1	0.85	23.7	0.90	22.0	0.83	22.2	0.87
Price increase less than current rate	4.9	0.51	6.7	0.50	5.8	0.50	6.3	0.50	6.1	0.55
No changes in prices	15.9	0.77	22.1	0.87	20.5	0.97	19.6	0.81	18.6	0.91
Decline in prices	3.2	0.36	3.5	0.38	3.9	0.57	3.6	0.37	4.2	0.45

Note:

1. The table provides estimates and standard errors for qualitative responses.
2. Constituent items may not add up to the corresponding total, due to rounding off.

Table 2: Inflation Expectations of Various Groups: November 2020

	Current Perception				Three Months ahead Expectation				One Year ahead Expectation			
	Mean		Median		Mean		Median		Mean		Median	
	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Overall	9.5	0.11	8.8	0.18	10.4	0.11	10.1	0.09	9.8	0.13	10.1	0.11
Gender-wise												
Male	9.7	0.13	9.0	0.30	10.5	0.14	10.1	0.11	9.7	0.16	10.1	0.16
Female	9.4	0.15	8.7	0.24	10.3	0.15	10.1	0.15	9.8	0.19	10.1	0.15
Category-wise												
Financial Sector Employees	9.4	0.43	8.9	0.78	10.6	0.44	10.2	0.66	9.9	0.50	10.4	0.40
Other Employees	9.6	0.18	9.0	0.36	10.4	0.18	10.2	0.16	9.7	0.22	10.1	0.23
Self Employed	9.8	0.20	9.1	0.43	10.5	0.20	10.2	0.14	9.8	0.24	10.2	0.17
Homemaker	9.2	0.19	8.4	0.23	10.2	0.18	10.0	0.22	9.9	0.20	10.1	0.17
Retired Persons	10.7	0.37	10.4	0.26	11.2	0.38	10.7	0.46	10.0	0.41	10.4	0.52
Daily Workers	9.7	0.26	9.0	0.60	10.3	0.27	10.2	0.27	9.3	0.34	9.6	0.55
Other category	9.2	0.26	8.2	0.36	10.1	0.26	9.6	0.38	9.7	0.29	9.9	0.32
Age Group-wise												
Up to 25 years	8.9	0.20	7.9	0.23	9.9	0.20	9.3	0.30	9.8	0.24	10.0	0.27
25 to 30 years	9.1	0.18	8.4	0.28	10.0	0.19	9.6	0.42	9.3	0.23	9.4	0.48
30 to 35 years	9.2	0.19	8.6	0.26	10.3	0.19	10.1	0.17	9.8	0.22	10.0	0.28
35 to 40 years	9.6	0.21	9.2	0.49	10.5	0.20	10.2	0.17	10.0	0.23	10.3	0.18
40 to 45 years	9.6	0.22	9.2	0.51	10.5	0.22	10.3	0.13	9.7	0.28	10.1	0.26
45 to 50 years	10.2	0.24	10.0	0.37	10.8	0.24	10.4	0.16	9.7	0.31	10.1	0.32
50 to 55 years	10.0	0.31	9.9	0.51	10.8	0.29	10.5	0.20	10.0	0.34	10.2	0.40
55 to 60 years	9.8	0.34	9.0	0.63	10.6	0.34	10.3	0.27	9.6	0.40	9.8	0.58
60 years and above	10.7	0.30	10.3	0.19	11.1	0.31	10.6	0.30	10.2	0.37	10.7	0.32
City-wise												
Ahmedabad	8.5	0.28	7.8	0.49	9.8	0.28	9.5	0.58	9.4	0.35	9.8	0.54
Bengaluru	7.9	0.39	6.1	0.51	9.6	0.38	8.3	0.48	10.0	0.35	9.7	0.55
Bhopal	8.1	0.76	7.1	1.18	8.5	0.78	7.6	1.16	7.0	0.84	6.7	1.23
Bhubaneswar	9.0	0.74	7.7	1.37	9.6	0.74	8.6	1.27	8.0	0.95	7.1	0.99
Chennai	10.2	0.38	10.3	0.20	11.4	0.33	10.9	0.34	11.2	0.39	11.9	0.82
Delhi	9.3	0.26	8.7	0.33	9.9	0.26	9.6	0.42	9.2	0.33	9.3	0.50
Guwahati	11.3	0.54	10.2	0.83	11.7	0.47	11.2	0.79	11.3	0.66	11.8	0.95
Hyderabad	10.0	0.45	9.6	0.98	11.4	0.43	11.0	0.70	11.2	0.40	11.8	0.82
Jaipur	10.4	0.62	10.1	0.73	10.5	0.68	10.5	0.70	10.0	0.93	10.6	1.17
Kolkata	11.2	0.41	10.6	0.41	11.7	0.41	12.3	1.45	10.6	0.43	10.8	0.99
Lucknow	10.5	0.65	10.3	0.42	10.8	0.71	10.8	0.83	10.1	0.85	10.8	1.38
Mumbai	10.3	0.27	9.5	0.52	11.1	0.27	10.4	0.24	9.3	0.35	9.8	0.55
Nagpur	7.3	0.39	6.9	0.43	8.7	0.44	8.3	0.50	9.3	0.47	9.5	0.59
Patna	9.0	0.86	8.5	0.61	9.6	0.92	8.9	0.82	8.0	1.02	8.0	0.75
Thiruvananthapuram	7.1	0.74	5.5	0.65	8.1	0.71	7.0	1.06	8.4	0.87	7.7	1.36
Chandigarh	9.9	0.63	10.1	0.36	9.8	0.59	10.0	0.38	9.2	0.91	9.7	0.82
Ranchi	7.1	0.48	6.3	0.38	7.6	0.50	7.1	0.49	6.8	0.62	6.8	0.61
Raipur	8.3	0.59	7.4	0.52	9.6	0.62	8.6	0.51	9.1	0.74	8.9	0.51

Note: The table provides estimates and standard errors for quantitative responses.

Table 3: Household Inflation Expectations – Current Perception, Three Months and One Year Ahead Expectations

	Current Perception				Three Months ahead Expectation				One Year ahead Expectation			
	Mean		Median		Mean		Median		Mean		Median	
	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Nov-19	9.1	0.10	8.2	0.17	9.8	0.11	9.2	0.23	9.7	0.12	9.9	0.19
May-20	9.6	0.09	9.3	0.28	10.6	0.09	10.4	0.06	9.7	0.12	10.2	0.07
Jul-20	10.0	0.11	9.9	0.21	10.8	0.11	10.5	0.06	9.8	0.14	10.3	0.08
Sep-20	9.9	0.10	9.8	0.25	10.8	0.10	10.4	0.07	9.9	0.12	10.3	0.08
Nov-20	9.5	0.11	8.8	0.18	10.4	0.11	10.1	0.09	9.8	0.13	10.1	0.11

Note: The table provides estimates and standard errors for quantitative responses.

Table 4: Households Expecting General Price Movements in Coherence with Movements in Price Expectations of Various Product Groups: Three Months Ahead and One Year Ahead

(Percentage of Respondents)

Survey period ended	Food	Non-Food	Households durables	Housing	Cost of services
Three Months Ahead					
Nov-19	64.7	65.1	51.0	60.7	63.1
May-20	63.3	59.8	46.5	42.6	57.3
Jul-20	62.8	61.0	49.9	43.6	58.4
Sep-20	62.1	61.0	50.4	45.9	60.5
Nov-20	62.7	63.5	52.4	54.0	60.7
One Year Ahead					
Nov-19	73.9	70.9	57.8	69.7	72.3
May-20	62.3	59.5	50.9	50.3	62.3
Jul-20	63.9	64.5	55.2	51.2	65.7
Sep-20	63.0	64.8	55.5	53.6	66.6
Nov-20	66.4	65.9	56.7	62.1	68.9

Note: Figures are based on sample observations

Table 5(a): Cross-tabulation of Number of Respondents by Current Inflation Perception and Three Months Ahead Inflation Expectations: November 2020

		Three Months Ahead Inflation Rate (per cent)																	No idea	Total	
		<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7	7-<8	8-<9	9-<10	10-<11	11-<12	12-<13	13-<14	14-<15	15-<16	>=16			
Current Inflation Rate (per cent)	<1	9	1	2	2	0	4	0	0	1	0	0	0	0	0	0	0	0	0	0	19
	1-<2	3	21	9	4	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	39
	2-<3	2	4	83	43	42	15	3	0	0	0	1	1	0	0	0	0	0	0	0	194
	3-<4	0	1	8	90	43	51	15	4	1	1	4	0	0	0	0	1	1	0	0	220
	4-<5	1	1	6	5	132	72	70	13	7	1	3	0	0	0	0	1	0	0	0	312
	5-<6	0	1	17	18	16	401	128	197	82	18	91	0	3	1	0	8	2	0	0	983
	6-<7	0	0	1	2	3	11	165	52	76	20	26	1	5	1	0	0	0	0	0	363
	7-<8	0	1	0	3	5	9	4	220	73	53	72	3	8	1	2	4	1	0	0	459
	8-<9	0	1	1	2	3	8	8	7	190	57	146	7	20	2	2	3	8	0	0	465
	9-<10	0	0	0	0	1	2	1	3	4	100	39	29	32	4	5	5	3	0	0	228
	10-<11	0	0	2	2	3	30	5	12	10	11	447	60	150	38	11	191	85	0	0	1057
	11-<12	0	0	0	0	0	0	0	0	0	2	0	8	9	4	3	0	1	0	0	27
	12-<13	0	0	0	0	0	1	0	1	0	0	6	1	39	8	24	14	10	0	0	104
	13-<14	0	0	0	0	0	0	0	0	1	0	0	1	0	8	3	8	4	0	0	25
	14-<15	0	0	0	0	0	0	0	0	0	0	1	0	1	0	11	5	10	0	0	28
	15-<16	0	0	0	0	0	3	1	0	0	2	10	1	5	1	0	91	126	0	0	240
	>=16	0	0	0	3	3	11	3	1	1	0	31	0	2	1	2	25	1048	3	0	1134
	Total	15	31	129	174	251	618	403	510	446	265	879	112	274	69	63	356	1299	3	0	5897

Note: Figures are based on sample observations

Table 5(b): Cross-tabulation of Number of Respondents by Current Inflation Perception and One Year Ahead Inflation Expectations: November 2020

		One Year Ahead Inflation Rate (per cent)																	No idea	Total	
		<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7	7-<8	8-<9	9-<10	10-<11	11-<12	12-<13	13-<14	14-<15	15-<16	>=16			
Current Inflation Rate (per cent)	<1	7	2	3	0	0	3	0	1	1	0	1	0	0	0	0	0	1	0	19	
	1-<2	12	10	6	5	4	2	0	0	0	0	0	0	0	0	0	0	0	0	0	39
	2-<3	41	2	37	30	33	32	11	3	2	0	1	0	0	1	0	0	1	0	0	194
	3-<4	27	0	4	56	26	48	28	10	7	4	4	1	0	2	1	0	1	1	0	220
	4-<5	40	0	3	2	84	49	65	14	24	8	12	0	5	1	0	3	0	2	0	312
	5-<6	133	2	3	6	10	220	99	169	98	28	146	12	13	5	6	19	14	0	0	983
	6-<7	36	0	1	0	4	8	113	45	73	20	30	6	10	4	3	9	1	0	0	363
	7-<8	77	0	0	0	1	6	2	120	52	55	91	9	17	7	4	12	6	0	0	459
	8-<9	58	2	0	0	1	4	5	5	108	49	138	22	38	5	8	10	12	0	0	465
	9-<10	29	0	1	0	0	1	0	2	1	63	32	26	35	10	8	12	8	0	0	228
	10-<11	126	0	1	1	0	16	1	8	6	8	290	30	111	50	27	219	160	3	0	1057
	11-<12	3	0	0	0	0	0	0	0	1	0	0	3	7	3	3	6	1	0	0	27
	12-<13	13	0	0	0	0	0	0	0	0	0	6	0	22	9	16	20	18	0	0	104
	13-<14	2	0	0	0	0	0	0	0	0	0	0	0	1	7	4	6	5	0	0	25
	14-<15	5	0	0	0	0	0	0	0	0	0	0	0	0	0	3	5	15	0	0	28
	15-<16	28	0	1	0	0	3	1	2	1	0	6	2	1	1	0	57	137	0	0	240
	>=16	164	0	1	0	1	5	1	1	0	1	16	0	2	0	0	23	912	7	0	1134
Total	801	18	61	100	164	397	326	380	374	236	773	111	262	105	83	401	1292	13	0	5897	

Note: Figures are based on sample observations