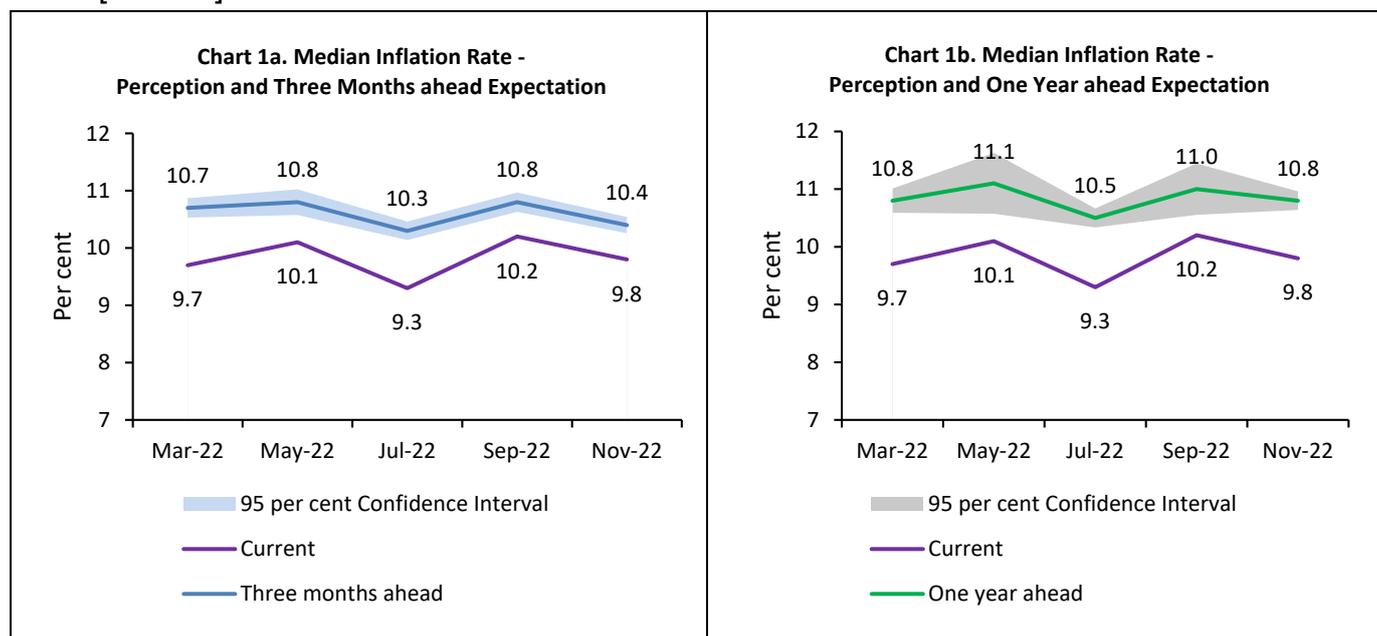


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of the November 2022 round of the Inflation Expectations Survey of Households (IESH)^{1 2}. The survey was conducted during November 2 to 11, 2022 in 19 major cities. The results are based on responses from 6,066 urban households.

Highlights:

- i. Households' inflation perceptions for the current period declined by 40 basis points (bps), from the previous survey round, to 9.8 per cent in November 2022; the expectations for three months and one year ahead also reduced by 40 bps and 20 bps to 10.4 per cent and 10.8 per cent, respectively [Charts 1a and 1b; Table 3].
- ii. Lowering of inflation expectations was broad based across respondent categories for both three months and one year horizons [Table 2].
- iii. The current round witnessed a decline in the variation among respondents' inflation expectations, especially for one year ahead [Table 3].
- iv. Among major products/ services, more households expected higher inflation in food products and housing over one year horizon [Table 1(b)].
- v. Household expectations for prices of durable items had relatively lower coherence with their prognosis of movements in overall prices for both three months and one year ahead periods [Table 4].



Note: [Please see the excel file for time series data.](#)³

¹ The survey results reflect the respondents' views, which are not necessarily shared by the Reserve Bank. Results of the previous survey round were released on the Bank's website on [September 30, 2022](#).

² The survey is conducted at bi-monthly intervals by the Reserve Bank and 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. All estimates of inflation expectations are given in the form of medians, unless stated otherwise.

³ 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-21		May-22		Jul-22		Sep-22		Nov-22	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	89.3	0.64	88.5	0.69	83.1	0.80	85.0	0.77	83.8	0.76
Price increase more than current rate	66.9	1.16	66.1	1.10	58.7	1.21	59.9	1.14	58.5	1.13
Price increase similar to current rate	19.2	0.94	18.9	0.83	21.1	0.97	20.9	0.85	20.8	0.89
Price increase less than current rate	3.3	0.41	3.5	0.37	3.3	0.36	4.2	0.44	4.4	0.43
No changes in prices	8.2	0.55	9.1	0.62	13.7	0.74	12.6	0.70	13.7	0.69
Decline in prices	2.5	0.30	2.3	0.32	3.2	0.38	2.4	0.33	2.5	0.32
Food Product										
Prices will increase	86.0	0.70	88.4	0.66	83.7	0.77	85.3	0.69	85.0	0.72
Price increase more than current rate	63.6	1.16	65.6	1.04	59.6	1.13	61.9	1.09	62.0	1.04
Price increase similar to current rate	17.2	0.82	17.4	0.78	18.9	0.90	17.4	0.75	17.2	0.76
Price increase less than current rate	5.2	0.46	5.4	0.44	5.2	0.45	6.1	0.49	5.9	0.48
No changes in prices	8.2	0.51	7.1	0.51	10.1	0.64	9.3	0.55	9.9	0.58
Decline in prices	5.9	0.46	4.5	0.43	6.1	0.52	5.4	0.45	5.1	0.44
Non- Food Product										
Prices will increase	86.3	0.67	87.5	0.70	80.8	0.84	82.3	0.74	81.1	0.77
Price increase more than current rate	62.5	1.17	64.5	1.05	55.7	1.14	55.8	1.08	57.2	1.05
Price increase similar to current rate	18.8	0.85	17.9	0.79	19.8	0.89	20.5	0.79	17.9	0.78
Price increase less than current rate	4.9	0.48	5.1	0.44	5.2	0.45	6.0	0.48	6.0	0.48
No changes in prices	8.9	0.54	8.2	0.54	13.2	0.72	13.1	0.67	14.4	0.70
Decline in prices	4.8	0.43	4.2	0.43	6.0	0.49	4.6	0.42	4.5	0.43
Household Durables										
Prices will increase	68.6	0.90	74.7	0.93	68.7	0.95	70.2	0.89	68.3	0.93
Price increase more than current rate	47.7	1.11	53.4	1.13	46.6	1.11	48.0	1.03	47.2	1.07
Price increase similar to current rate	16.0	0.77	16.3	0.78	17.3	0.81	16.8	0.70	16.0	0.75
Price increase less than current rate	4.9	0.44	5.1	0.42	4.8	0.44	5.3	0.45	5.1	0.43
No changes in prices	22.7	0.82	19.7	0.82	23.7	0.88	22.8	0.84	24.5	0.87
Decline in prices	8.7	0.54	5.5	0.44	7.6	0.54	7.1	0.50	7.3	0.49
Cost of Housing										
Prices will increase	74.3	0.94	78.5	0.90	74.8	0.88	75.7	0.92	76.5	0.88
Price increase more than current rate	55.1	1.16	59.4	1.11	54.2	1.10	53.2	1.07	55.4	1.09
Price increase similar to current rate	15.6	0.78	15.4	0.73	16.9	0.77	17.7	0.70	16.8	0.75
Price increase less than current rate	3.7	0.39	3.7	0.35	3.7	0.37	4.8	0.42	4.3	0.41
No changes in prices	19.0	0.82	17.1	0.82	20.3	0.82	20.2	0.88	19.3	0.83
Decline in prices	6.7	0.50	4.3	0.40	4.8	0.44	4.1	0.39	4.2	0.40
Cost of Services										
Prices will increase	76.5	0.86	78.5	0.88	71.7	0.93	72.2	0.91	70.6	0.89
Price increase more than current rate	53.9	1.19	56.4	1.09	48.6	1.12	49.4	1.10	49.1	1.04
Price increase similar to current rate	17.6	0.80	17.4	0.71	19.0	0.88	17.9	0.75	16.9	0.73
Price increase less than current rate	5.0	0.49	4.8	0.42	4.1	0.41	5.0	0.41	4.5	0.41
No changes in prices	20.2	0.80	18.6	0.82	24.8	0.92	24.7	0.87	26.6	0.88
Decline in prices	3.3	0.34	2.8	0.32	3.4	0.38	3.1	0.36	2.9	0.33
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-21		May-22		Jul-22		Sep-22		Nov-22	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	90.4	0.59	91.3	0.60	88.4	0.70	90.8	0.59	90.8	0.57
Price increase more than current rate	70.5	1.15	70.8	1.07	66.2	1.23	68.1	1.12	69.5	1.08
Price increase similar to current rate	16.7	0.91	17.3	0.82	19.3	1.00	19.3	0.88	18.2	0.87
Price increase less than current rate	3.3	0.39	3.1	0.36	2.8	0.32	3.5	0.38	3.1	0.34
No changes in prices	6.4	0.46	5.8	0.47	8.1	0.61	6.6	0.49	6.4	0.45
Decline in prices	3.1	0.35	2.8	0.36	3.4	0.41	2.5	0.34	2.8	0.33
Food Product										
Prices will increase	84.5	0.74	86.7	0.72	83.5	0.76	86.4	0.67	87.1	0.64
Price increase more than current rate	60.2	1.20	62.8	1.10	58.1	1.18	60.5	1.09	62.9	1.07
Price increase similar to current rate	19.9	0.92	19.2	0.82	21.3	0.98	21.0	0.84	19.6	0.83
Price increase less than current rate	4.4	0.42	4.7	0.41	4.1	0.40	4.9	0.42	4.7	0.42
No changes in prices	9.4	0.57	8.1	0.52	10.5	0.65	8.3	0.52	7.8	0.50
Decline in prices	6.1	0.47	5.2	0.48	6.0	0.55	5.3	0.45	5.0	0.41
Non- Food Product										
Prices will increase	85.1	0.72	87.0	0.72	83.6	0.78	86.0	0.69	85.0	0.71
Price increase more than current rate	61.7	1.20	63.7	1.09	58.9	1.16	59.8	1.09	60.7	1.09
Price increase similar to current rate	19.0	0.87	19.1	0.82	20.8	0.92	20.9	0.83	19.9	0.84
Price increase less than current rate	4.4	0.45	4.3	0.40	3.9	0.38	5.4	0.45	4.5	0.41
No changes in prices	9.5	0.56	8.2	0.54	10.9	0.68	9.5	0.56	10.1	0.58
Decline in prices	5.4	0.43	4.7	0.47	5.4	0.54	4.4	0.41	4.8	0.42
Household Durables										
Prices will increase	75.0	0.87	78.7	0.84	75.5	0.84	77.7	0.79	77.6	0.84
Price increase more than current rate	52.3	1.16	56.4	1.09	52.2	1.12	54.1	1.06	55.0	1.09
Price increase similar to current rate	18.2	0.85	17.4	0.75	19.3	0.88	18.9	0.79	18.2	0.80
Price increase less than current rate	4.5	0.45	4.9	0.42	4.0	0.39	4.6	0.41	4.3	0.39
No changes in prices	18.0	0.75	15.9	0.72	18.3	0.78	16.4	0.70	16.4	0.72
Decline in prices	7.0	0.48	5.3	0.46	6.1	0.49	6.0	0.45	6.0	0.47
Cost of Housing										
Prices will increase	82.4	0.77	85.3	0.72	83.4	0.75	85.8	0.67	86.5	0.69
Price increase more than current rate	60.6	1.15	64.2	1.07	61.4	1.14	61.8	1.04	64.4	1.04
Price increase similar to current rate	17.9	0.86	17.2	0.77	18.6	0.87	19.6	0.79	18.5	0.80
Price increase less than current rate	3.9	0.40	4.0	0.38	3.4	0.36	4.5	0.41	3.7	0.38
No changes in prices	12.8	0.67	10.5	0.60	12.4	0.67	10.6	0.58	10.2	0.59
Decline in prices	4.9	0.41	4.1	0.40	4.1	0.42	3.6	0.38	3.3	0.37
Cost of Services										
Prices will increase	83.6	0.73	84.9	0.78	81.1	0.84	84.2	0.74	84.2	0.74
Price increase more than current rate	59.5	1.20	62.2	1.10	57.4	1.17	58.6	1.08	60.1	1.10
Price increase similar to current rate	19.1	0.88	17.8	0.78	19.9	0.95	21.0	0.81	19.8	0.83
Price increase less than current rate	5.0	0.46	4.9	0.42	3.9	0.39	4.6	0.43	4.3	0.39
No changes in prices	13.3	0.65	12.0	0.67	15.0	0.80	12.9	0.65	12.9	0.67
Decline in prices	3.1	0.34	3.0	0.38	3.8	0.45	2.9	0.37	2.9	0.33

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: Nov-22

	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	10.0	0.10	9.8	0.23	10.9	0.10	10.4	0.07	10.8	0.11	10.8	0.08
Gender-wise												
Male	10.1	0.13	10.0	0.13	11.0	0.14	10.5	0.10	10.7	0.16	10.8	0.14
Female	9.8	0.13	9.6	0.33	10.9	0.13	10.4	0.09	10.9	0.16	10.8	0.10
Category-wise												
Financial Sector Employees	9.9	0.63	9.4	0.81	10.3	0.64	9.4	0.77	10.0	0.68	10.3	0.69
Other Employees	10.0	0.19	10.0	0.25	11.0	0.19	10.5	0.14	10.9	0.22	10.9	0.24
Self Employed	10.3	0.20	10.2	0.11	11.1	0.19	10.6	0.15	10.8	0.23	10.9	0.34
Homemaker	9.8	0.16	9.6	0.33	10.8	0.16	10.4	0.10	10.7	0.19	10.7	0.12
Retired Persons	11.4	0.35	11.2	0.77	12.0	0.34	13.0	1.54	11.1	0.46	12.9	1.16
Daily Workers	9.8	0.29	9.6	0.55	10.7	0.30	10.4	0.17	10.3	0.34	10.7	0.34
Other category	9.5	0.22	8.6	0.26	10.5	0.22	10.2	0.16	10.9	0.24	10.7	0.14
Age Group-wise												
Up to 25 years	9.0	0.18	8.3	0.21	10.2	0.18	9.7	0.23	10.8	0.20	10.5	0.14
25 to 30 years	9.5	0.19	8.9	0.27	10.5	0.20	10.2	0.16	10.5	0.24	10.6	0.16
30 to 35 years	9.8	0.22	9.5	0.40	10.7	0.21	10.4	0.16	10.7	0.25	10.8	0.26
35 to 40 years	10.1	0.21	10.0	0.26	10.9	0.21	10.6	0.14	10.8	0.25	11.0	0.36
40 to 45 years	10.7	0.22	10.3	0.10	11.5	0.22	11.1	0.42	11.2	0.27	11.7	0.58
45 to 50 years	10.2	0.23	10.0	0.31	11.0	0.23	10.5	0.16	10.6	0.28	10.7	0.19
50 to 55 years	10.5	0.32	10.2	0.20	11.2	0.32	10.9	0.39	10.8	0.37	11.3	0.67
55 to 60 years	11.3	0.30	10.8	0.43	12.0	0.30	12.5	1.28	11.1	0.37	11.8	0.95
60 years and above	11.0	0.29	10.5	0.17	11.7	0.28	11.6	0.75	11.0	0.37	11.8	0.77
City-wise												
Ahmedabad	9.0	0.48	7.9	0.50	10.1	0.51	9.0	0.72	10.0	0.54	9.2	0.75
Bengaluru	9.7	0.30	10.0	0.40	10.8	0.27	10.6	0.23	10.9	0.33	11.4	0.79
Bhopal	8.6	0.95	7.2	1.54	9.8	0.86	9.5	1.28	9.4	0.79	9.4	1.13
Bhubaneswar	8.7	0.79	8.3	1.57	10.2	0.66	9.8	0.84	10.4	0.62	10.5	0.73
Chennai	9.6	0.37	9.9	0.60	11.1	0.36	11.0	0.52	11.8	0.34	12.7	1.31
Delhi	10.9	0.25	10.4	0.11	11.8	0.24	11.5	0.65	11.4	0.25	11.7	0.62
Guwahati	8.2	0.33	7.8	0.46	8.6	0.46	8.2	0.69	9.0	0.93	8.9	0.95
Hyderabad	9.5	0.33	9.0	0.68	10.5	0.39	10.1	0.48	10.8	0.59	11.8	0.96
Jaipur	8.0	0.35	7.8	0.32	8.3	0.40	8.2	0.45	7.7	0.42	7.9	0.38
Jammu	11.1	0.68	10.5	0.36	9.9	0.57	9.8	0.91	8.5	0.84	9.5	1.52
Kolkata	11.0	0.30	10.4	0.21	11.9	0.29	12.0	0.79	11.9	0.33	12.7	1.04
Lucknow	10.1	0.58	9.4	0.72	10.5	0.48	10.2	0.49	10.6	0.62	10.9	0.67
Mumbai	10.2	0.22	9.3	0.35	11.1	0.23	10.4	0.16	10.6	0.27	10.7	0.19
Nagpur	10.1	0.47	9.6	0.60	11.5	0.57	11.5	1.20	10.8	0.57	11.4	0.89
Patna	8.3	0.55	7.7	0.68	8.8	0.68	8.1	0.70	8.2	0.57	7.7	0.73
Thiruvananthapuram	6.3	0.65	5.5	0.44	7.7	0.73	7.0	0.76	9.3	0.95	9.0	1.09
Chandigarh	12.3	0.51	13.1	1.96	12.1	0.52	13.1	1.44	12.1	0.63	14.2	1.39
Ranchi	9.0	0.49	8.6	0.50	9.4	0.43	8.9	0.44	9.2	0.46	9.6	0.48
Raipur	8.3	0.44	7.8	0.93	9.1	0.51	9.0	0.67	9.5	1.06	10.1	1.34

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-21	10.7	0.11	10.4	0.05	11.9	0.11	12.3	0.27	11.5	0.12	12.7	0.27
May-22	10.3	0.11	10.1	0.08	11.4	0.11	10.8	0.11	11.1	0.12	11.1	0.27
Jul-22	9.8	0.10	9.3	0.24	10.7	0.11	10.3	0.08	10.3	0.13	10.5	0.08
Sep-22	10.4	0.10	10.2	0.05	11.3	0.10	10.8	0.09	11.1	0.12	11.0	0.23
Nov-22	10.0	0.10	9.8	0.23	10.9	0.10	10.4	0.07	10.8	0.11	10.8	0.08

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-21	69.8	70.5	59.0	63.4	65.7
May-22	70.8	71.3	64.0	66.6	69.3
Jul-22	66.9	67.8	62.3	63.7	66.9
Sep-22	67.1	66.9	61.1	62.0	66.6
Nov-22	66.6	67.1	60.2	64.7	66.0
One Year Ahead					
Nov-21	73.8	74.8	66.2	70.4	73.2
May-22	75.6	76.6	69.8	73.4	76.2
Jul-22	74.3	75.5	69.2	73.2	75.8
Sep-22	73.8	74.3	67.7	71.7	74.6
Nov-22	74.4	74.8	68.6	73.7	75.0

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: Nov-22

		Three Months Ahead Inflation Rate (per cent)																			
Current Inflation Rate (per cent)		<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	No idea	Total	
	<1	6	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7
	1-<2	1	8	12	3	1	1	0	1	0	0	0	0	0	1	0	0	0	0	0	28
	2-<3	0	5	62	39	18	6	0	0	1	0	0	0	1	0	0	0	0	0	0	132
	3-<4	0	2	8	56	49	46	9	1	1	0	1	0	0	0	0	0	0	0	0	173
	4-<5	0	1	5	8	70	57	31	7	7	2	2	0	1	0	0	0	0	0	0	191
	5-<6	0	3	9	26	28	329	125	193	90	7	109	0	4	0	0	13	1	0	0	937
	6-<7	0	0	2	10	6	12	143	80	79	24	18	1	4	0	0	0	0	0	0	379
	7-<8	0	1	1	4	8	11	8	199	132	63	39	8	9	1	1	3	7	0	0	495
	8-<9	0	0	1	2	5	8	7	9	193	93	154	16	20	5	2	3	2	0	0	520
	9-<10	0	0	0	0	3	2	0	6	3	99	71	22	24	4	2	5	1	0	0	242
	10-<11	0	0	1	0	3	40	4	11	14	13	455	75	232	52	11	249	103	1	0	1264
	11-<12	0	0	0	0	0	1	0	0	0	1	2	18	10	6	3	8	6	0	0	55
	12-<13	0	0	0	0	0	3	0	1	1	1	1	1	46	11	20	33	11	0	0	129
	13-<14	0	0	0	0	0	2	0	0	0	0	0	0	0	8	1	6	5	0	0	22
	14-<15	0	0	0	0	0	0	0	0	1	0	0	0	0	0	10	2	11	1	0	25
	15-<16	0	0	0	1	3	8	1	1	3	1	4	0	2	0	2	86	176	0	0	288
	>=16	1	1	0	1	3	10	0	2	1	0	24	2	2	0	0	38	1087	7	0	1179
	Total	8	22	101	150	197	536	328	511	526	304	880	143	355	88	52	446	1410	9	0	6066

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: Nov-22

		One Year Ahead Inflation Rate (per cent)																			
Current Inflation Rate (per cent)		<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	No idea	Total	
	<1	6	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	7
	1-<2	6	5	4	5	2	4	2	0	0	0	0	0	0	0	0	0	0	0	0	28
	2-<3	17	1	37	29	28	12	4	1	0	0	2	0	1	0	0	0	0	0	0	132
	3-<4	14	2	2	27	35	47	27	4	5	1	6	0	2	0	0	1	0	0	0	173
	4-<5	15	0	1	5	40	41	33	20	22	4	5	0	3	0	0	2	0	0	0	191
	5-<6	91	0	4	10	11	183	81	163	99	28	204	6	9	8	2	22	14	2	0	937
	6-<7	31	0	0	1	0	7	70	67	88	26	52	8	10	4	5	7	3	0	0	379
	7-<8	53	0	0	0	3	7	5	99	95	68	101	11	21	6	9	7	9	1	0	495
	8-<9	40	0	0	0	1	3	6	3	101	67	170	35	57	5	8	17	6	1	0	520
	9-<10	15	0	1	0	1	0	2	1	2	56	45	45	44	8	5	13	4	0	0	242
	10-<11	116	0	1	0	0	9	3	8	9	5	239	45	194	37	38	323	235	2	0	1264
	11-<12	6	0	0	0	0	0	0	0	0	2	0	10	7	6	4	7	12	1	0	55
	12-<13	7	0	0	0	0	0	0	0	4	1	1	0	33	11	20	31	21	0	0	129
	13-<14	4	0	0	0	0	0	0	0	0	1	0	0	0	5	2	5	5	0	0	22
	14-<15	2	0	0	0	0	0	0	0	0	0	1	0	0	0	4	3	15	0	0	25
	15-<16	28	0	1	0	1	0	0	1	2	0	2	0	1	2	0	50	200	0	0	288
	>=16	117	0	0	0	0	2	0	2	1	0	8	1	0	0	2	20	1020	6	0	1179
	Total	568	8	51	77	122	315	233	369	428	259	837	161	382	92	99	508	1544	13	0	6066

Note: Figures are based on sample observations