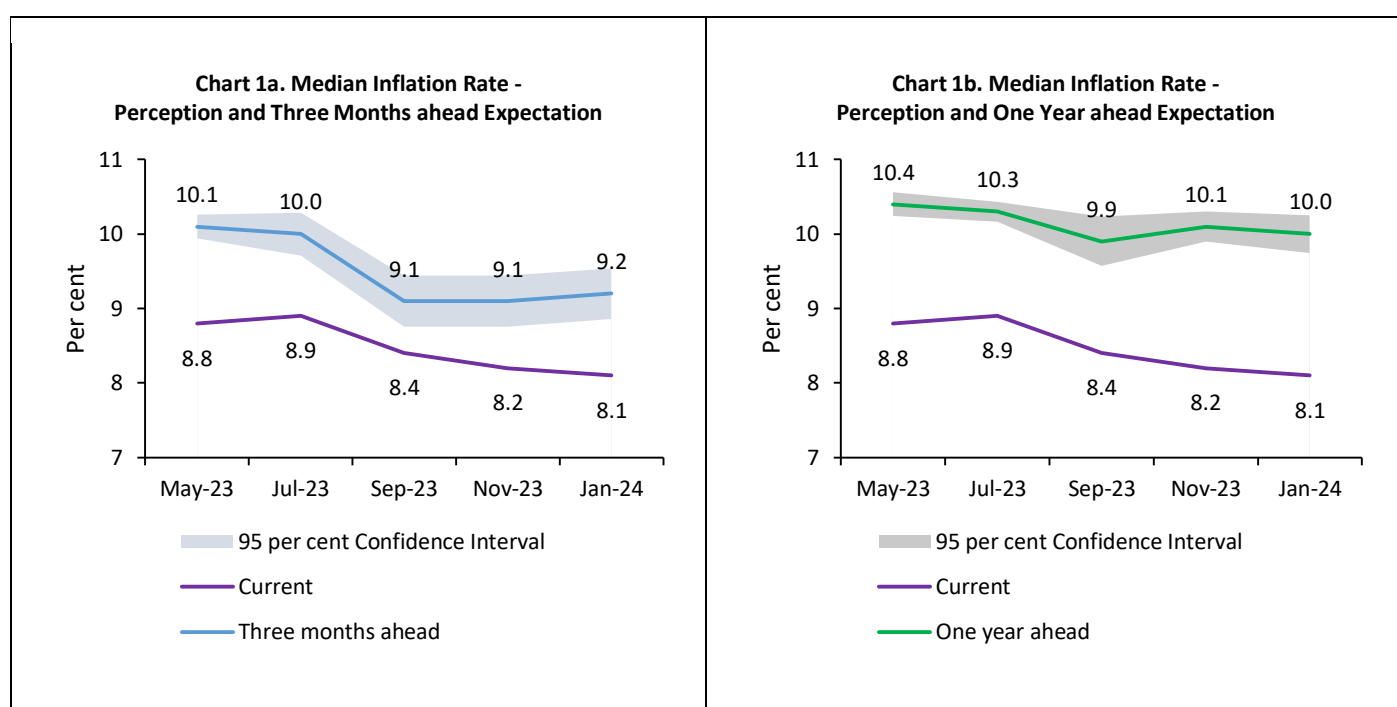


# Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of January 2024 round of its bi-monthly inflation expectations survey of households (IESH)<sup>1,2</sup>. The survey was conducted during January 2-11, 2024 in 19 major cities, with responses from 6,062 urban households. Female respondents accounted for 52.3 per cent of this sample.

## Highlights:

- Households' current inflation perception declined by 10 basis points (bps) from the previous survey round to 8.1 per cent in January 2024 [Charts 1(a) and 1(b); Table 3].
- Median inflation expectation for the three months ahead increased by 10 bps and stood at 9.2 per cent, while it reduced for one year horizon by 10 bps to 10.0 per cent in the latest survey round [Charts 1(a) and 1(b); Table 3].
- A higher share of respondents foresees a rise in inflation in the near term but, over a one-year horizon, the share of households anticipating higher inflation has moderated as compared to the previous survey round [Tables 1(a) and 1(b)].
- Majority of survey participants expect a rise in price and inflationary pressures especially for food product category for the three months horizon [Table 1(a)].
- Households' expectations on overall prices were generally aligned to their expectation on prices of cost of services, food and non-food items. This alignment is more pronounced, especially concerning food products, when looking ahead to the next year [Table 4].



**Note:** [Please see the excel file for time series data.](#)<sup>3</sup>

<sup>1</sup> The survey is conducted at bi-monthly intervals by the Reserve Bank; it provides directional information on near-term inflationary pressures as expected by respondents and may reflect their own consumption patterns. Hence, survey results reflect respondents' views, which are not necessarily shared by the Reserve Bank.

<sup>2</sup> All estimates of inflation expectations are given in the form of median, unless stated otherwise.

<sup>3</sup> Results of the previous survey round were released on the Bank's website on [December 08, 2023](#). Unit-level data for previous rounds of the survey are available on the Bank's 'Database on Indian Economy' (DBIE) portal (weblink: <https://dbie.rbi.org.in/#/dbie/home>) under the head 'Unit-level Data'.

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

(Percentage of Respondents)

Survey period ended	Jan-23		Jul-23		Sep-23		Nov-23		Jan-24	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	84.3	0.76	80.8	0.86	74.2	0.97	74.1	0.93	78.2	0.84
Price increase more than current rate	60.8	1.14	55.3	1.20	49.5	1.10	50.8	1.13	54.4	1.09
Price increase similar to current rate	20.2	0.86	21.8	0.93	20.0	0.80	19.1	0.85	19.5	0.80
Price increase less than current rate	3.4	0.36	3.6	0.39	4.7	0.47	4.2	0.42	4.2	0.43
No changes in prices	13.3	0.71	16.1	0.79	20.7	0.88	21.2	0.88	18.3	0.79
Decline in prices	2.3	0.30	3.1	0.41	5.0	0.52	4.7	0.45	3.6	0.37
<b>Food Product</b>										
Prices will increase	84.6	0.72	84.0	0.77	75.4	0.87	75.5	0.90	80.2	0.77
Price increase more than current rate	61.1	1.08	63.5	1.04	55.1	1.05	53.7	1.04	59.3	1.00
Price increase similar to current rate	18.4	0.77	15.5	0.72	15.1	0.71	16.1	0.74	15.6	0.72
Price increase less than current rate	5.1	0.43	5.0	0.44	5.3	0.46	5.8	0.47	5.4	0.45
No changes in prices	10.2	0.59	9.0	0.60	13.2	0.68	15.5	0.76	12.3	0.65
Decline in prices	5.2	0.45	7.0	0.54	11.3	0.66	9.0	0.57	7.5	0.51
<b>Non- Food Product</b>										
Prices will increase	81.8	0.77	75.5	0.92	69.2	0.93	73.8	0.87	74.0	0.85
Price increase more than current rate	56.4	1.08	52.2	1.16	47.1	1.04	52.4	1.04	52.3	1.03
Price increase similar to current rate	20.5	0.82	18.4	0.80	16.7	0.72	16.1	0.72	16.4	0.71
Price increase less than current rate	4.9	0.44	4.9	0.43	5.4	0.51	5.3	0.46	5.2	0.45
No changes in prices	13.4	0.67	18.3	0.80	20.5	0.77	19.5	0.77	18.6	0.76
Decline in prices	4.7	0.43	6.2	0.54	10.3	0.66	6.7	0.48	7.4	0.52
<b>Household Durables</b>										
Prices will increase	72.4	0.90	65.8	0.97	62.2	0.99	63.8	0.98	65.5	0.93
Price increase more than current rate	50.3	1.07	45.3	1.12	43.2	1.05	45.5	1.02	46.3	1.04
Price increase similar to current rate	17.5	0.71	15.8	0.75	14.1	0.65	13.4	0.68	14.5	0.65
Price increase less than current rate	4.6	0.42	4.6	0.41	4.9	0.43	4.9	0.43	4.7	0.42
No changes in prices	21.2	0.84	25.0	0.88	26.4	0.88	25.9	0.89	25.2	0.85
Decline in prices	6.3	0.47	9.2	0.60	11.3	0.64	10.3	0.59	9.4	0.57
<b>Cost of Housing</b>										
Prices will increase	78.0	0.86	76.8	0.94	75.1	0.95	76.8	0.88	78.4	0.83
Price increase more than current rate	58.4	1.08	56.0	1.14	54.3	1.09	57.2	1.09	58.2	1.05
Price increase similar to current rate	16.3	0.73	17.0	0.75	16.3	0.66	15.5	0.72	16.1	0.72
Price increase less than current rate	3.3	0.35	3.7	0.35	4.5	0.43	4.1	0.37	4.0	0.41
No changes in prices	18.9	0.84	20.2	0.88	20.9	0.90	20.0	0.83	18.1	0.79
Decline in prices	3.1	0.34	3.0	0.37	4.1	0.46	3.2	0.36	3.6	0.34
<b>Cost of Services</b>										
Prices will increase	71.7	0.90	67.7	0.97	63.0	1.04	63.3	0.96	65.0	0.93
Price increase more than current rate	49.9	1.08	47.3	1.13	44.7	1.05	43.7	1.09	46.1	1.02
Price increase similar to current rate	17.6	0.71	15.9	0.72	14.5	0.68	15.5	0.70	15.0	0.69
Price increase less than current rate	4.1	0.40	4.5	0.40	3.9	0.40	4.2	0.40	3.8	0.37
No changes in prices	25.5	0.88	28.2	0.90	31.2	0.99	31.5	0.93	30.5	0.91
Decline in prices	2.7	0.30	4.1	0.43	5.7	0.54	5.1	0.48	4.5	0.41

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	Jan-23		Jul-23		Sep-23		Nov-23		Jan-24	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	91.6	0.53	88.6	0.68	86.2	0.74	89.0	0.65	88.7	0.63
Price increase more than current rate	70.8	1.02	65.0	1.07	62.2	1.05	67.2	1.07	66.3	1.06
Price increase similar to current rate	17.9	0.81	20.5	0.86	19.9	0.81	18.4	0.87	19.1	0.83
Price increase less than current rate	3.0	0.33	3.1	0.33	4.1	0.43	3.4	0.38	3.3	0.36
No changes in prices	5.7	0.43	8.6	0.57	9.6	0.59	8.4	0.56	8.2	0.55
Decline in prices	2.6	0.31	2.8	0.35	4.2	0.48	2.7	0.35	3.0	0.36
<b>Food Product</b>										
Prices will increase	88.0	0.64	84.7	0.75	82.8	0.80	86.1	0.71	86.4	0.68
Price increase more than current rate	62.7	1.07	60.6	1.11	57.9	1.09	63.2	1.06	63.6	1.03
Price increase similar to current rate	20.7	0.87	20.1	0.85	19.7	0.82	18.4	0.83	18.2	0.77
Price increase less than current rate	4.5	0.42	4.0	0.38	5.3	0.48	4.5	0.41	4.7	0.43
No changes in prices	7.6	0.50	9.3	0.59	9.6	0.58	8.8	0.56	8.7	0.53
Decline in prices	4.4	0.39	6.0	0.48	7.6	0.60	5.1	0.44	4.9	0.43
<b>Non- Food Product</b>										
Prices will increase	86.7	0.67	81.6	0.85	78.9	0.83	82.6	0.78	82.0	0.80
Price increase more than current rate	62.0	1.09	57.1	1.16	54.7	1.05	60.7	1.09	59.1	1.11
Price increase similar to current rate	20.5	0.83	20.6	0.83	19.7	0.78	17.4	0.80	18.6	0.79
Price increase less than current rate	4.3	0.41	3.9	0.38	4.5	0.44	4.5	0.42	4.4	0.41
No changes in prices	9.1	0.54	13.5	0.72	13.9	0.66	12.9	0.65	13.1	0.66
Decline in prices	4.1	0.39	4.8	0.48	7.2	0.57	4.5	0.43	4.8	0.45
<b>Household Durables</b>										
Prices will increase	80.8	0.77	75.8	0.88	73.9	0.91	75.5	0.89	74.8	0.84
Price increase more than current rate	57.2	1.08	53.2	1.10	52.4	1.04	55.3	1.07	54.0	1.06
Price increase similar to current rate	19.3	0.79	18.4	0.80	17.3	0.71	16.3	0.77	16.7	0.69
Price increase less than current rate	4.3	0.41	4.2	0.38	4.1	0.42	3.9	0.39	4.1	0.41
No changes in prices	13.8	0.65	17.7	0.76	18.5	0.76	17.7	0.76	18.3	0.75
Decline in prices	5.4	0.43	6.5	0.48	7.7	0.56	6.8	0.50	6.9	0.49
<b>Cost of Housing</b>										
Prices will increase	87.4	0.63	86.8	0.69	86.1	0.70	87.9	0.68	88.0	0.65
Price increase more than current rate	66.8	0.98	64.6	1.05	65.0	1.04	68.5	1.02	67.7	0.96
Price increase similar to current rate	17.2	0.77	18.5	0.79	16.9	0.73	16.3	0.78	16.7	0.74
Price increase less than current rate	3.5	0.36	3.8	0.37	4.2	0.42	3.1	0.36	3.6	0.40
No changes in prices	9.8	0.57	10.4	0.60	10.1	0.56	9.4	0.61	9.1	0.55
Decline in prices	2.8	0.30	2.7	0.34	3.8	0.43	2.7	0.34	2.9	0.34
<b>Cost of Services</b>										
Prices will increase	84.0	0.72	80.9	0.80	78.4	0.86	80.8	0.81	79.5	0.78
Price increase more than current rate	60.2	1.08	57.3	1.12	56.2	1.05	59.2	1.08	58.8	1.03
Price increase similar to current rate	19.7	0.80	19.6	0.83	18.0	0.70	17.6	0.80	16.6	0.72
Price increase less than current rate	4.2	0.41	4.0	0.39	4.2	0.43	4.0	0.40	4.1	0.40
No changes in prices	13.1	0.65	15.5	0.72	17.1	0.74	16.3	0.74	17.0	0.72
Decline in prices	2.8	0.33	3.5	0.37	4.4	0.48	2.9	0.36	3.5	0.37

**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: Jan-24**

	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	8.8	0.09	8.1	0.12	9.7	0.09	9.2	0.17	9.6	0.10	10.0	0.13
Gender-wise												
Male	8.9	0.13	8.3	0.18	9.8	0.13	9.4	0.27	9.7	0.15	10.0	0.18
Female	8.6	0.12	8.0	0.16	9.6	0.13	9.1	0.21	9.5	0.14	9.9	0.20
Category-wise												
Financial Sector Employees	8.0	0.44	7.3	0.54	8.6	0.43	7.9	0.72	9.4	0.71	9.2	0.75
Other Employees	8.9	0.18	8.3	0.23	9.7	0.19	9.3	0.34	9.5	0.23	10.0	0.22
Self Employed	9.2	0.19	8.7	0.31	9.9	0.20	9.8	0.33	9.5	0.24	9.9	0.34
Homemaker	8.6	0.14	8.1	0.17	9.7	0.14	9.2	0.23	9.6	0.17	10.0	0.18
Retired Persons	9.0	0.33	8.0	0.33	10.0	0.35	9.3	0.50	10.3	0.38	10.3	0.36
Daily Workers	8.9	0.23	8.4	0.37	9.7	0.26	9.3	0.47	9.3	0.31	9.7	0.51
Other category	8.1	0.21	7.5	0.22	8.9	0.22	8.2	0.27	9.1	0.26	9.0	0.34
Age Group-wise												
Up to 25 years	7.9	0.17	7.3	0.19	8.8	0.18	8.2	0.21	9.1	0.21	9.0	0.22
25 to 30 years	8.6	0.18	8.0	0.23	9.4	0.18	8.9	0.27	9.6	0.22	9.6	0.35
30 to 35 years	8.9	0.19	8.3	0.21	9.8	0.20	9.5	0.34	9.9	0.24	10.2	0.15
35 to 40 years	9.0	0.19	8.4	0.23	9.8	0.20	9.3	0.30	9.6	0.25	10.1	0.22
40 to 45 years	9.0	0.23	8.5	0.36	9.9	0.24	9.7	0.37	9.7	0.29	10.2	0.18
45 to 50 years	9.1	0.22	8.6	0.30	10.0	0.24	9.6	0.46	9.6	0.30	10.0	0.34
50 to 55 years	8.7	0.29	8.0	0.31	9.7	0.31	9.4	0.66	9.5	0.36	9.9	0.52
55 to 60 years	8.8	0.30	8.1	0.55	9.8	0.30	9.7	0.43	9.3	0.35	9.7	0.63
60 years and above	8.9	0.29	8.2	0.35	9.7	0.29	9.5	0.49	9.6	0.34	10.0	0.43
City-wise												
Ahmedabad	7.6	0.32	7.1	0.29	8.5	0.37	8.0	0.26	7.8	0.45	7.8	0.26
Bengaluru	7.7	0.21	6.0	0.31	8.7	0.20	7.5	0.43	9.5	0.25	9.3	0.62
Bhopal	7.9	0.45	6.8	0.83	8.6	0.50	7.7	0.93	7.9	0.58	7.8	0.99
Bhubaneswar	8.9	0.70	9.4	0.31	10.7	0.71	11.0	1.03	11.0	0.85	12.3	1.58
Chennai	9.2	0.32	9.6	0.60	10.4	0.39	10.4	0.40	11.6	0.42	12.3	1.27
Delhi	9.4	0.23	9.3	0.55	10.1	0.24	10.2	0.21	10.1	0.25	10.3	0.19
Guwahati	8.0	0.69	7.5	0.78	8.6	0.65	8.2	0.80	9.2	0.57	9.1	0.60
Hyderabad	7.5	0.24	6.9	0.30	8.5	0.27	7.9	0.23	8.2	0.34	8.8	0.48
Jaipur	8.2	0.66	7.9	0.70	8.7	0.57	8.3	0.51	7.6	0.68	7.6	0.84
Jammu	9.9	0.81	9.1	1.57	9.6	0.70	8.8	1.23	8.6	0.92	8.0	1.49
Kolkata	10.1	0.32	9.9	0.58	11.0	0.31	10.6	0.45	11.1	0.30	11.1	0.60
Lucknow	9.1	0.42	8.4	0.68	9.9	0.47	9.4	0.81	10.0	0.49	9.9	0.69
Mumbai	8.8	0.21	8.2	0.17	9.9	0.20	9.5	0.33	9.0	0.27	9.8	0.40
Nagpur	9.7	0.42	9.2	0.49	10.9	0.46	10.4	0.36	10.3	0.66	10.9	0.62
Patna	7.8	0.50	7.7	0.67	8.2	0.50	8.0	0.64	8.3	0.51	8.2	0.60
Thiruvananthapuram	7.5	0.75	7.0	0.93	8.8	0.73	8.3	0.81	10.3	0.94	10.3	0.89
Chandigarh	10.1	0.56	10.2	0.49	9.9	0.71	9.9	0.95	9.9	0.68	10.3	0.79
Ranchi	9.2	0.34	8.7	0.30	9.6	0.37	9.3	0.35	9.5	0.45	9.7	0.43
Raipur	9.9	0.61	9.7	0.80	10.6	0.57	10.5	0.52	10.8	0.64	11.3	0.82

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
Jan-23	9.7	0.09	9.6	0.30	10.8	0.10	10.5	0.08	10.8	0.11	10.8	0.09
Jul-23	9.3	0.09	8.9	0.14	10.2	0.09	10.0	0.15	10.0	0.11	10.3	0.07
Sep-23	9.0	0.09	8.4	0.11	9.7	0.09	9.1	0.17	9.3	0.11	9.9	0.17
Nov-23	8.9	0.09	8.2	0.12	9.7	0.09	9.1	0.18	9.6	0.10	10.1	0.10
Jan-24	8.8	0.09	8.1	0.12	9.7	0.09	9.2	0.17	9.6	0.10	10.0	0.13

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					
Jan-23	65.6	67.3	62.6	66.2	66.5
Jul-23	63.1	65.5	60.9	64.5	65.7
Sep-23	62.0	64.3	60.7	63.2	66.3
Nov-23	66.5	61.8	57.0	60.7	66.4
Jan-24	65.2	65.4	60.8	64.2	65.8
One Year Ahead					
Jan-23	75.2	74.8	68.4	74.7	74.0
Jul-23	73.4	73.0	66.9	73.4	73.6
Sep-23	69.8	71.2	66.8	72.2	71.5
Nov-23	74.8	73.9	68.1	75.3	73.9
Jan-24	76.5	74.1	67.9	74.9	74.6

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: Jan-24**

		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	11	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0
1-<2	1	32	18	4	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	58
2-<3	4	18	92	72	40	13	1	0	0	0	1	0	0	0	0	0	0	1	1	243
3-<4	0	2	8	102	75	57	8	2	0	0	1	0	0	0	0	0	0	0	0	255
4-<5	0	3	14	19	143	92	51	12	10	0	1	0	0	10	0	1	0	0	0	356
5-<6	1	4	10	35	19	425	179	193	66	14	80	1	2	4	2	3	1	3	1042	
6-<7	0	0	1	5	6	6	180	107	63	24	14	3	4	0	3	0	0	0	416	
7-<8	0	0	4	3	5	19	7	220	128	74	74	2	4	0	8	2	1	2	553	
8-<9	0	0	0	1	3	10	7	4	222	114	149	7	20	2	3	4	1	0	547	
9-<10	0	0	0	0	0	3	2	3	4	107	82	19	26	4	6	8	0	0	264	
10-<11	0	0	6	5	2	44	5	12	21	8	427	68	177	58	15	204	77	8	1137	
11-<12	0	0	0	0	1	0	0	0	0	0	2	18	30	11	9	2	3	0	76	
12-<13	0	0	0	0	0	1	0	1	0	1	1	0	56	7	9	22	6	0	104	
13-<14	0	0	0	0	0	0	1	0	0	0	0	0	0	9	5	2	3	0	20	
14-<15	0	0	0	0	0	0	0	0	0	0	1	0	0	0	5	35	8	0	49	
15-<16	0	1	0	0	0	3	0	0	1	0	3	0	2	3	1	104	99	1	218	
>=16	0	1	4	0	4	4	0	0	1	0	15	0	1	0	0	16	658	7	711	
<b>Total</b>	<b>17</b>	<b>61</b>	<b>157</b>	<b>246</b>	<b>300</b>	<b>678</b>	<b>441</b>	<b>554</b>	<b>516</b>	<b>342</b>	<b>852</b>	<b>118</b>	<b>322</b>	<b>108</b>	<b>66</b>	<b>403</b>	<b>859</b>	<b>22</b>	<b>6062</b>	

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: Jan-24**

		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	8	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	1	0
1-<2	11	18	11	9	5	3	0	0	0	0	0	1	0	0	0	0	0	0	0	58
2-<3	40	5	46	57	53	23	7	6	2	1	2	0	0	0	0	0	0	1	0	243
3-<4	25	3	2	51	60	57	27	13	5	4	6	0	0	0	0	1	0	0	1	255
4-<5	64	0	2	5	69	69	79	23	27	7	4	4	2	0	1	0	0	0	0	356
5-<6	132	0	2	11	16	211	119	197	85	29	191	5	11	2	2	21	6	2	1042	
6-<7	51	0	0	1	1	4	86	85	77	45	43	4	14	1	0	1	3	0	416	
7-<8	51	0	4	1	2	7	6	108	119	87	109	17	18	2	7	10	3	2	553	
8-<9	72	0	0	1	0	1	6	1	93	60	181	39	46	14	5	19	8	1	547	
9-<10	28	0	0	0	0	0	0	0	4	57	49	31	39	12	19	15	10	0	264	
10-<11	107	0	2	2	1	10	3	1	7	3	277	38	152	53	34	256	184	7	1137	
11-<12	1	0	0	0	0	0	0	0	0	0	0	13	11	8	23	12	8	0	76	
12-<13	7	0	0	0	0	0	0	0	0	1	2	0	26	8	16	27	17	0	104	
13-<14	1	0	0	0	0	0	0	0	0	0	0	1	1	4	4	5	4	0	20	
14-<15	3	0	0	0	0	0	0	0	0	0	0	0	0	0	4	35	7	0	49	
15-<16	20	0	0	0	0	1	0	0	0	1	3	0	1	2	0	55	134	1	218	
>=16	59	0	4	0	0	2	0	0	0	0	5	0	1	0	1	8	626	5	711	
<b>Total</b>	<b>680</b>	<b>27</b>	<b>73</b>	<b>138</b>	<b>208</b>	<b>389</b>	<b>333</b>	<b>434</b>	<b>419</b>	<b>295</b>	<b>874</b>	<b>152</b>	<b>322</b>	<b>106</b>	<b>116</b>	<b>465</b>	<b>1012</b>	<b>19</b>	<b>6062</b>	

Note: Figures are based on sample observations