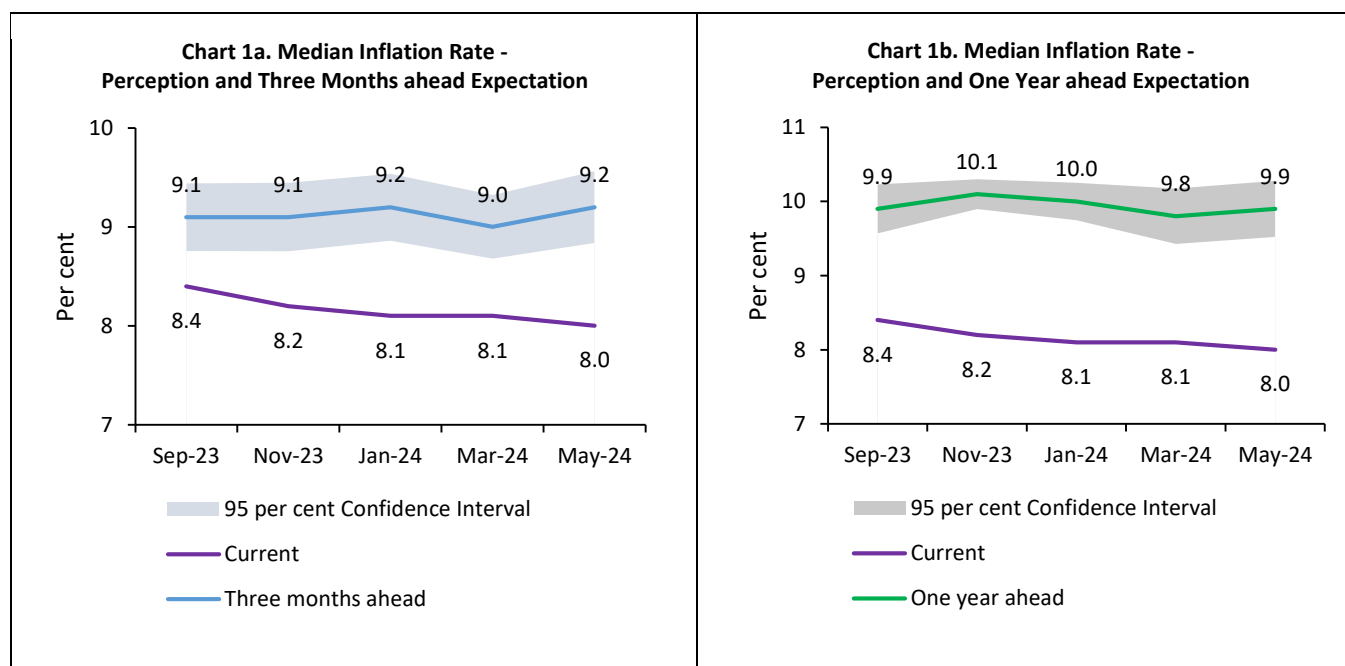


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of May 2024 round of its bi-monthly inflation expectations survey of households (IESH)^{1,2}. The survey was conducted during May 2-11, 2024 in 19 major cities, with responses from 5,943 urban households. Female respondents accounted for 52.6 per cent of this sample.

Highlights:

- i. Households' inflation expectations for the three months and one year ahead periods increased by 20 basis points (bps) and 10 bps, respectively, but remained in single digits; their perception on current inflation, however, moderated by 10 bps and stood at 8.0 per cent in the latest survey round [Charts 1a and 1b; Table 3].
- ii. Higher share of respondents expected prices and inflation to rise for all major product groups over the next three months as well as one-year periods [Tables 1(a) and 1(b)].
- iii. At the aggregate level, female respondents had marginally lower inflation assessment and expectations than their male counterparts [Table 2].
- iv. Among occupation categories, self-employed respondents group expected highest inflation [Table 2].
- v. For one year horizon, households' expectations on general prices remained closely aligned with their assessment related to food prices and housing [Table 4].



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

¹ 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.

² All estimates of inflation expectations are given in terms of median, unless stated otherwise.

³ Results of the previous survey round were released on the Bank's website on [April 05, 2024](#). 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	May-23		Nov-23		Jan-24		Mar-24		May-24	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	81.2	0.82	74.1	0.93	78.2	0.84	76.5	0.85	80.6	0.81
Price increase more than current rate	59.7	1.08	50.8	1.13	54.4	1.09	53.1	1.08	59.1	1.13
Price increase similar to current rate	17.9	0.77	19.1	0.85	19.5	0.80	18.2	0.79	17.5	0.83
Price increase less than current rate	3.5	0.41	4.2	0.42	4.2	0.43	5.2	0.44	4.0	0.43
No changes in prices	15.7	0.77	21.2	0.88	18.3	0.79	19.6	0.80	16.6	0.77
Decline in prices	3.1	0.35	4.7	0.45	3.6	0.37	3.9	0.38	2.8	0.32
Food Product										
Prices will increase	82.7	0.73	75.5	0.90	80.2	0.77	76.7	0.81	81.8	0.74
Price increase more than current rate	61.8	1.00	53.7	1.04	59.3	1.00	54.4	1.00	61.0	1.07
Price increase similar to current rate	16.2	0.71	16.1	0.74	15.6	0.72	15.7	0.69	15.3	0.74
Price increase less than current rate	4.7	0.42	5.8	0.47	5.4	0.45	6.6	0.50	5.5	0.46
No changes in prices	11.0	0.61	15.5	0.76	12.3	0.65	15.1	0.68	12.1	0.64
Decline in prices	6.3	0.48	9.0	0.57	7.5	0.51	8.2	0.54	6.1	0.46
Non- Food Product										
Prices will increase	78.4	0.84	73.8	0.87	74.0	0.85	71.5	0.87	75.0	0.85
Price increase more than current rate	57.1	1.08	52.4	1.04	52.3	1.03	48.9	1.01	53.7	1.11
Price increase similar to current rate	16.6	0.70	16.1	0.72	16.4	0.71	16.2	0.71	15.6	0.72
Price increase less than current rate	4.6	0.43	5.3	0.46	5.2	0.45	6.4	0.48	5.7	0.50
No changes in prices	16.2	0.74	19.5	0.77	18.6	0.76	20.9	0.80	19.3	0.78
Decline in prices	5.4	0.45	6.7	0.48	7.4	0.52	7.7	0.51	5.7	0.43
Household Durables										
Prices will increase	68.2	0.90	63.8	0.98	65.5	0.93	64.7	0.92	68.2	0.94
Price increase more than current rate	49.5	1.06	45.5	1.02	46.3	1.04	43.8	1.01	48.3	1.10
Price increase similar to current rate	14.8	0.67	13.4	0.68	14.5	0.65	15.5	0.70	15.2	0.74
Price increase less than current rate	3.9	0.38	4.9	0.43	4.7	0.42	5.4	0.44	4.7	0.44
No changes in prices	24.6	0.86	25.9	0.89	25.2	0.85	26.1	0.85	23.4	0.86
Decline in prices	7.2	0.51	10.3	0.59	9.4	0.57	9.2	0.57	8.5	0.53
Cost of Housing										
Prices will increase	78.1	0.82	76.8	0.88	78.4	0.83	76.9	0.83	80.4	0.81
Price increase more than current rate	59.4	1.06	57.2	1.09	58.2	1.05	55.8	1.07	59.3	1.06
Price increase similar to current rate	15.1	0.74	15.5	0.72	16.1	0.72	16.4	0.74	16.7	0.77
Price increase less than current rate	3.7	0.35	4.1	0.37	4.0	0.41	4.7	0.40	4.3	0.44
No changes in prices	18.7	0.79	20.0	0.83	18.1	0.79	19.6	0.78	16.7	0.77
Decline in prices	3.2	0.36	3.2	0.36	3.6	0.34	3.5	0.36	3.0	0.34
Cost of Services										
Prices will increase	70.6	0.89	63.3	0.96	65.0	0.93	65.0	0.97	68.6	0.98
Price increase more than current rate	51.3	1.00	43.7	1.09	46.1	1.02	45.5	1.09	49.2	1.12
Price increase similar to current rate	15.8	0.69	15.5	0.70	15.0	0.69	14.4	0.70	14.4	0.68
Price increase less than current rate	3.5	0.37	4.2	0.40	3.8	0.37	5.2	0.45	5.0	0.46
No changes in prices	26.2	0.87	31.5	0.93	30.5	0.91	30.1	0.92	27.3	0.94
Decline in prices	3.2	0.34	5.1	0.48	4.5	0.41	4.8	0.43	4.1	0.39

Note:

1. The table provides estimates and standard errors (SE) 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	May-23		Nov-23		Jan-24		Mar-24		May-24	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	89.6	0.61	89.0	0.65	88.7	0.63	87.4	0.67	89.1	0.64
Price increase more than current rate	70.2	1.05	67.2	1.07	66.3	1.06	64.7	1.08	67.9	1.14
Price increase similar to current rate	16.7	0.77	18.4	0.87	19.1	0.83	18.5	0.83	17.8	0.90
Price increase less than current rate	2.7	0.32	3.4	0.38	3.3	0.36	4.2	0.41	3.5	0.41
No changes in prices	7.3	0.50	8.4	0.56	8.2	0.55	9.7	0.59	7.9	0.56
Decline in prices	3.1	0.35	2.7	0.35	3.0	0.36	2.9	0.35	3.0	0.34
Food Product										
Prices will increase	86.9	0.66	86.1	0.71	86.4	0.68	84.5	0.73	86.0	0.68
Price increase more than current rate	64.6	0.99	63.2	1.06	63.6	1.03	59.5	1.10	62.8	1.10
Price increase similar to current rate	18.3	0.77	18.4	0.83	18.2	0.77	19.8	0.80	18.3	0.86
Price increase less than current rate	4.0	0.40	4.5	0.41	4.7	0.43	5.2	0.45	4.9	0.49
No changes in prices	8.0	0.51	8.8	0.56	8.7	0.53	10.1	0.61	9.3	0.58
Decline in prices	5.2	0.44	5.1	0.44	4.9	0.43	5.4	0.44	4.7	0.39
Non- Food Product										
Prices will increase	84.1	0.72	82.6	0.78	82.0	0.80	81.1	0.76	82.1	0.79
Price increase more than current rate	62.0	1.05	60.7	1.09	59.1	1.11	56.3	1.09	59.8	1.13
Price increase similar to current rate	17.9	0.77	17.4	0.80	18.6	0.79	19.5	0.82	17.3	0.80
Price increase less than current rate	4.2	0.41	4.5	0.42	4.4	0.41	5.3	0.47	5.1	0.47
No changes in prices	11.1	0.61	12.9	0.65	13.1	0.66	14.1	0.69	12.9	0.68
Decline in prices	4.8	0.43	4.5	0.43	4.8	0.45	4.8	0.44	5.0	0.44
Household Durables										
Prices will increase	76.9	0.83	75.5	0.89	74.8	0.84	74.5	0.83	76.8	0.83
Price increase more than current rate	57.0	1.07	55.3	1.07	54.0	1.06	52.3	1.06	56.0	1.12
Price increase similar to current rate	16.1	0.72	16.3	0.77	16.7	0.69	17.3	0.76	16.4	0.79
Price increase less than current rate	3.7	0.37	3.9	0.39	4.1	0.41	5.0	0.45	4.4	0.44
No changes in prices	16.7	0.71	17.7	0.76	18.3	0.75	18.1	0.76	16.6	0.72
Decline in prices	6.4	0.48	6.8	0.50	6.9	0.49	7.4	0.51	6.6	0.47
Cost of Housing										
Prices will increase	87.9	0.63	87.9	0.68	88.0	0.65	87.2	0.66	89.2	0.64
Price increase more than current rate	67.4	1.00	68.5	1.02	67.7	0.96	65.6	1.01	68.7	1.02
Price increase similar to current rate	17.1	0.76	16.3	0.78	16.7	0.74	17.2	0.74	16.3	0.75
Price increase less than current rate	3.4	0.34	3.1	0.36	3.6	0.40	4.4	0.39	4.2	0.45
No changes in prices	9.1	0.54	9.4	0.61	9.1	0.55	9.5	0.57	8.4	0.57
Decline in prices	3.0	0.34	2.7	0.34	2.9	0.34	3.3	0.36	2.4	0.31
Cost of Services										
Prices will increase	83.2	0.72	80.8	0.81	79.5	0.78	80.1	0.78	82.1	0.77
Price increase more than current rate	61.1	1.05	59.2	1.08	58.8	1.03	56.3	1.08	58.9	1.13
Price increase similar to current rate	18.2	0.81	17.6	0.80	16.6	0.72	18.9	0.78	18.6	0.83
Price increase less than current rate	3.9	0.36	4.0	0.40	4.1	0.40	4.9	0.45	4.6	0.44
No changes in prices	13.7	0.64	16.3	0.74	17.0	0.72	16.0	0.71	14.7	0.71
Decline in prices	3.1	0.34	2.9	0.36	3.5	0.37	3.9	0.38	3.2	0.34

Note:

1. The table provides estimates and standard errors (SE) 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: May-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	8.7	0.10	8.0	0.13	9.8	0.10	9.2	0.19	9.6	0.12	9.9	0.19
Gender-wise												
Male	8.9	0.13	8.3	0.19	9.9	0.13	9.5	0.27	9.7	0.16	10.0	0.23
Female	8.6	0.12	8.0	0.16	9.7	0.13	9.1	0.20	9.6	0.15	9.8	0.23
Category-wise												
Financial Sector Employees	8.8	0.52	8.2	0.40	9.8	0.51	9.3	0.57	9.5	0.62	9.5	0.53
Other Employees	8.7	0.19	8.0	0.27	9.7	0.20	9.1	0.30	9.8	0.23	9.8	0.32
Self Employed	9.2	0.20	8.6	0.35	10.2	0.22	9.9	0.31	9.7	0.26	10.0	0.30
Homemaker	8.5	0.14	7.9	0.20	9.6	0.15	8.9	0.21	9.6	0.18	9.8	0.25
Retired Persons	9.2	0.36	8.7	0.67	10.4	0.37	9.7	0.75	9.9	0.44	9.9	0.74
Daily Workers	8.5	0.24	8.0	0.33	9.5	0.25	9.1	0.47	8.7	0.32	8.7	0.44
Other category	8.2	0.20	7.3	0.25	9.4	0.22	8.8	0.33	9.7	0.26	9.6	0.42
Age Group-wise												
Up to 25 years	8.1	0.18	7.3	0.23	9.3	0.20	8.6	0.26	9.6	0.22	9.4	0.35
25 to 30 years	8.6	0.18	7.8	0.25	9.7	0.19	9.2	0.30	9.8	0.21	10.0	0.26
30 to 35 years	8.8	0.20	8.0	0.24	9.7	0.21	9.0	0.32	9.6	0.25	9.7	0.44
35 to 40 years	8.7	0.19	8.0	0.25	9.7	0.20	9.1	0.36	9.5	0.24	9.5	0.38
40 to 45 years	8.8	0.22	8.1	0.27	9.8	0.23	9.0	0.33	9.4	0.27	9.4	0.41
45 to 50 years	8.7	0.22	8.3	0.30	9.8	0.23	9.7	0.42	9.5	0.28	10.0	0.33
50 to 55 years	9.3	0.25	9.2	0.44	10.5	0.28	10.3	0.22	10.0	0.33	10.4	0.22
55 to 60 years	9.1	0.30	8.5	0.31	10.0	0.32	9.0	0.52	9.6	0.38	9.8	0.49
60 years and above	9.2	0.27	9.2	0.65	10.3	0.28	9.9	0.49	9.9	0.34	10.0	0.50
City-wise												
Ahmedabad	7.4	0.44	6.3	0.39	8.8	0.55	7.6	0.61	8.2	0.65	7.4	0.54
Bengaluru	7.1	0.27	5.8	0.17	8.4	0.27	7.5	0.28	8.9	0.30	8.5	0.39
Bhopal	8.5	0.45	7.6	0.99	10.1	0.47	10.3	0.49	9.0	0.68	9.7	0.93
Bhubaneswar	8.6	0.48	7.8	1.02	10.3	0.52	10.0	1.11	10.5	0.61	10.5	1.11
Chennai	10.1	0.53	10.1	0.54	11.4	0.56	11.2	0.87	11.7	0.52	12.7	1.59
Delhi	8.9	0.23	8.6	0.47	10.0	0.26	9.7	0.41	10.0	0.30	10.1	0.39
Guwahati	8.0	0.44	7.5	0.77	8.7	0.57	8.1	0.85	9.6	0.95	9.5	1.02
Hyderabad	7.7	0.32	6.9	0.41	8.6	0.28	8.1	0.32	8.8	0.35	9.0	0.40
Jaipur	7.5	0.28	7.2	0.40	8.3	0.34	7.7	0.43	7.4	0.63	7.4	0.53
Jammu	10.2	0.65	9.4	0.97	12.4	0.84	12.8	1.30	12.5	0.75	12.9	1.26
Kolkata	10.6	0.29	10.3	0.16	11.7	0.28	11.2	0.58	11.6	0.30	11.8	0.77
Lucknow	9.2	0.60	8.6	0.90	9.6	0.50	9.3	0.79	9.7	0.51	9.6	0.65
Mumbai	8.9	0.24	8.2	0.23	9.9	0.25	9.3	0.35	9.2	0.29	9.8	0.37
Nagpur	8.4	0.48	8.0	0.71	9.7	0.46	9.3	0.75	9.1	0.69	10.1	0.62
Patna	7.4	0.38	7.2	0.46	8.0	0.53	7.5	0.52	7.6	0.43	7.6	0.58
Thiruvananthapuram	8.0	0.58	6.3	0.67	9.3	0.53	8.0	0.49	10.7	0.55	10.3	0.44
Chandigarh	10.8	0.71	10.0	0.62	10.9	0.78	10.4	0.65	10.7	0.78	10.4	0.98
Ranchi	8.5	0.35	7.9	0.29	8.8	0.35	8.1	0.45	7.8	0.59	8.3	0.77
Raipur	10.1	0.61	9.7	0.62	10.6	0.66	9.9	0.89	9.4	0.93	10.6	0.89

Note: The table provides estimates and standard errors (SE) 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
May-23	9.3	0.09	8.8	0.13	10.3	0.10	10.1	0.08	10.2	0.11	10.4	0.08
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
Mar-24	8.7	0.09	8.1	0.13	9.6	0.09	9.0	0.16	9.5	0.10	9.8	0.19
May-24	8.7	0.10	8.0	0.13	9.8	0.10	9.2	0.19	9.6	0.12	9.9	0.19

Note: The table provides estimates and standard errors (SE) 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					
May-23	67.4	68.6	63.4	67.1	69.1
Nov-23	66.5	61.8	57.0	60.7	66.4
Jan-24	65.2	65.4	60.8	64.2	65.8
Mar-24	65.4	66.1	61.2	64.6	66.8
May-24	67.4	67.2	63.2	67.2	68.0
One Year Ahead					
May-23	75.6	75.3	70.7	76.1	76.4
Nov-23	74.8	73.9	68.1	75.3	73.9
Jan-24	76.5	74.1	67.9	74.9	74.6
Mar-24	74.6	73.6	68.3	75.0	74.2
May-24	76.1	74.5	69.5	76.8	75.0

Table 5(a): Cross-tabulation of Number of Respondents by Current Inflation Perception and Three Months Ahead Inflation Expectations: May-24

		Three Months Ahead 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	
Current Inflation Rate (per cent)	<1	7	2	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	11	
	1-<2	0	23	14	3	1	2	0	0	0	0	1	0	0	0	0	0	0	0	44	
	2-<3	1	13	100	68	41	10	1	1	0	2	1	0	0	1	0	0	0	0	239	
	3-<4	0	2	10	92	82	49	13	1	0	1	1	0	0	2	6	0	0	0	259	
	4-<5	0	0	10	15	119	94	49	9	9	3	4	0	1	5	6	0	0	0	324	
	5-<6	1	4	9	30	23	412	205	225	100	9	79	6	0	9	7	11	0	0	1130	
	6-<7	0	0	1	4	7	10	196	106	78	17	12	9	1	0	5	3	9	0	458	
	7-<8	0	1	0	1	2	14	14	194	123	60	59	2	9	6	4	0	1	0	490	
	8-<9	0	0	0	2	2	9	12	7	190	121	109	15	24	8	6	4	2	0	511	
	9-<10	0	0	0	1	2	4	3	5	3	96	89	36	24	9	17	5	3	0	297	
	10-<11	0	1	2	2	3	25	3	10	12	9	352	78	166	48	16	230	77	0	1034	
	11-<12	0	0	0	0	0	0	0	0	0	1	1	8	29	4	6	10	0	0	59	
	12-<13	0	0	0	2	2	4	0	1	3	1	3	0	35	15	32	34	9	0	141	
	13-<14	0	0	0	0	0	0	0	0	0	0	0	0	1	14	3	9	2	0	29	
	14-<15	0	0	1	0	0	0	0	0	0	0	1	0	0	0	9	4	6	0	21	
	15-<16	0	0	0	0	0	1	0	0	1	0	8	0	0	0	3	89	119	1	222	
	>=16	0	0	0	2	0	3	1	1	0	0	16	0	0	1	0	11	637	2	674	
	Total	9	46	147	223	284	637	497	560	519	320	737	154	290	122	120	410	865	3	5943	

Table 5(b): Cross-tabulation of Number of Respondents by Current Inflation Perception and One Year Ahead Inflation Expectations: May-24

		One Year Ahead 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	
Current Inflation Rate (per cent)	<1	5	1	1	1	0	1	0	0	0	0	2	0	0	0	0	0	0	0	11	
	1-<2	10	9	6	9	4	4	0	0	0	0	2	0	0	0	0	0	0	0	44	
	2-<3	38	3	41	59	51	27	5	5	3	2	0	1	1	1	1	0	1	0	239	
	3-<4	28	1	7	34	75	57	24	9	4	4	7	1	0	2	6	0	0	0	259	
	4-<5	47	0	1	7	71	70	47	22	23	6	14	9	2	3	2	0	0	0	324	
	5-<6	144	0	1	13	12	184	135	223	127	40	196	8	7	7	11	13	9	0	1130	
	6-<7	45	0	1	2	8	5	89	96	86	30	48	12	11	5	3	7	10	0	458	
	7-<8	55	0	0	1	0	4	7	101	104	64	91	15	22	8	7	10	1	0	490	
	8-<9	52	0	0	0	0	5	5	3	98	76	153	22	46	13	11	19	8	0	511	
	9-<10	21	0	0	0	0	0	0	2	2	63	69	52	45	11	9	14	9	0	297	
	10-<11	97	0	0	2	2	8	3	2	13	6	196	38	141	38	24	267	197	0	1034	
	11-<12	2	0	0	0	0	0	0	0	0	0	0	6	3	28	2	18	0	0	59	
	12-<13	9	0	0	1	1	1	0	0	3	0	7	0	16	8	22	49	24	0	141	
	13-<14	0	0	0	0	0	0	0	0	0	0	0	0	0	15	3	9	2	0	29	
	14-<15	1	0	0	0	0	0	0	0	0	0	0	0	0	0	9	4	7	0	21	
	15-<16	22	0	0	0	0	1	0	0	2	0	2	0	0	0	1	51	143	0	222	
	>=16	74	0	0	0	0	3	0	0	1	0	6	0	0	0	0	12	578	0	674	
	Total	650	14	58	129	224	370	315	463	466	291	793	164	294	139	111	473	989	0	5943	