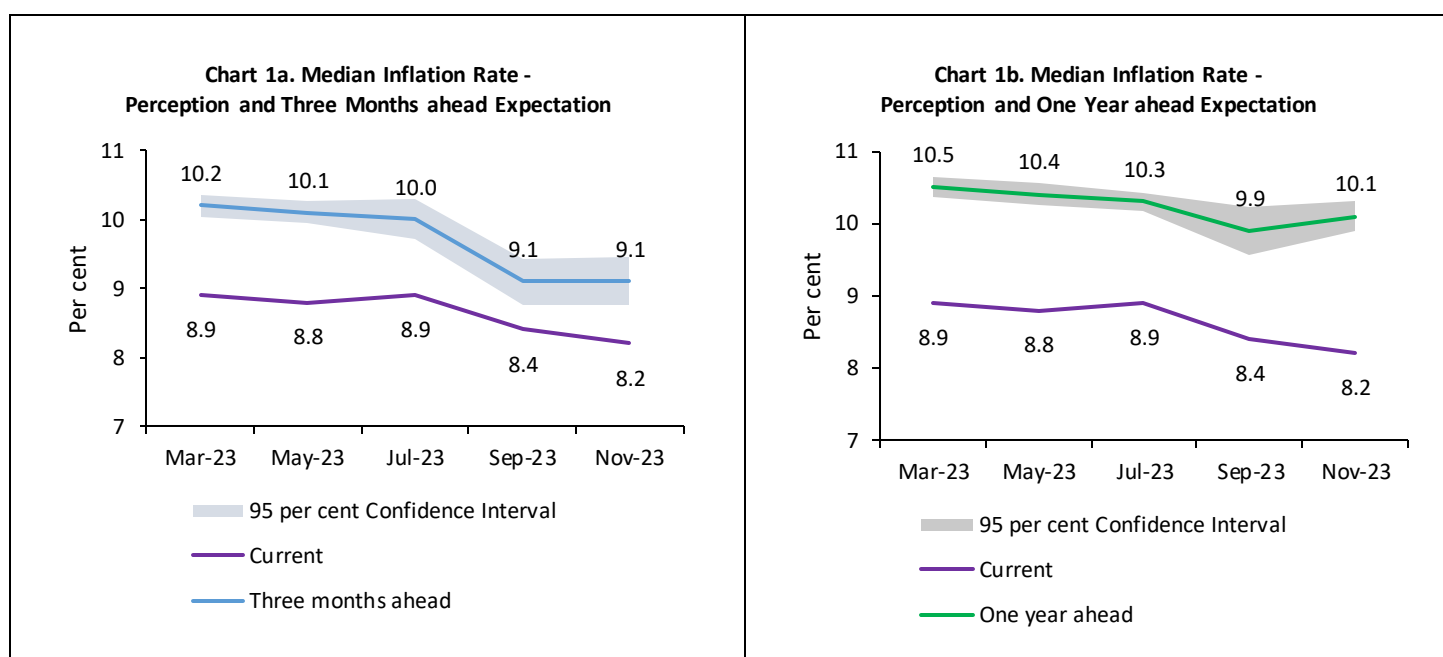


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of November 2023 round of its bi-monthly inflation expectations survey of households (IESH)^{1 2}. The survey was conducted during November 2-11, 2023 in 19 major cities, with responses from 6,036 urban households. Female respondents accounted for 50.1 per cent of this sample.

Highlights:

- i. Households' perception on current inflation declined by 20 basis points (bps) from the previous survey round to 8.2 per cent in November 2023 [[Charts 1\(a\) and 1\(b\)](#); [Table 3](#)].
- ii. Median inflation expectation remained stable for the three months ahead period at 9.1 per cent, but it increased for one year horizon by 20 bps to 10.1 per cent in November 2023 [[Charts 1\(a\) and 1\(b\)](#); [Table 3](#)].
- iii. Larger share of households expects higher inflation for both three months and one year ahead periods [[Tables 1\(a\) and 1\(b\)](#)].
- iv. Households expect some rise in price and inflationary pressures across major product groups for the year ahead [[Table 1\(b\)](#)].
- v. Expectations regarding overall prices and inflation over the next three months were more aligned with those of food products and services; for the year ahead, such alignment is more pronounced with the prospects for food products and housing segments [[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 the form of median, unless stated otherwise.

³ Results of the previous survey round were released on the Bank's website on [October 06, 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	Nov-22		May-23		Jul-23		Sep-23		Nov-23	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	83.8	0.76	81.2	0.82	80.8	0.86	74.2	0.97	74.1	0.93
Price increase more than current rate	58.5	1.13	59.7	1.08	55.3	1.20	49.5	1.10	50.8	1.13
Price increase similar to current rate	20.8	0.89	17.9	0.77	21.8	0.93	20.0	0.80	19.1	0.85
Price increase less than current rate	4.4	0.43	3.5	0.41	3.6	0.39	4.7	0.47	4.2	0.42
No changes in prices	13.7	0.69	15.7	0.77	16.1	0.79	20.7	0.88	21.2	0.88
Decline in prices	2.5	0.32	3.1	0.35	3.1	0.41	5.0	0.52	4.7	0.45
Food Product										
Prices will increase	85.0	0.72	82.7	0.73	84.0	0.77	75.4	0.87	75.5	0.90
Price increase more than current rate	62.0	1.04	61.8	1.00	63.5	1.04	55.1	1.05	53.7	1.04
Price increase similar to current rate	17.2	0.76	16.2	0.71	15.5	0.72	15.1	0.71	16.1	0.74
Price increase less than current rate	5.9	0.48	4.7	0.42	5.0	0.44	5.3	0.46	5.8	0.47
No changes in prices	9.9	0.58	11.0	0.61	9.0	0.60	13.2	0.68	15.5	0.76
Decline in prices	5.1	0.44	6.3	0.48	7.0	0.54	11.3	0.66	9.0	0.57
Non- Food Product										
Prices will increase	81.1	0.77	78.4	0.84	75.5	0.92	69.2	0.93	73.8	0.87
Price increase more than current rate	57.2	1.05	57.1	1.08	52.2	1.16	47.1	1.04	52.4	1.04
Price increase similar to current rate	17.9	0.78	16.6	0.70	18.4	0.80	16.7	0.72	16.1	0.72
Price increase less than current rate	6.0	0.48	4.6	0.43	4.9	0.43	5.4	0.51	5.3	0.46
No changes in prices	14.4	0.70	16.2	0.74	18.3	0.80	20.5	0.77	19.5	0.77
Decline in prices	4.5	0.43	5.4	0.45	6.2	0.54	10.3	0.66	6.7	0.48
Household Durables										
Prices will increase	68.3	0.93	68.2	0.90	65.8	0.97	62.2	0.99	63.8	0.98
Price increase more than current rate	47.2	1.07	49.5	1.06	45.3	1.12	43.2	1.05	45.5	1.02
Price increase similar to current rate	16.0	0.75	14.8	0.67	15.8	0.75	14.1	0.65	13.4	0.68
Price increase less than current rate	5.1	0.43	3.9	0.38	4.6	0.41	4.9	0.43	4.9	0.43
No changes in prices	24.5	0.87	24.6	0.86	25.0	0.88	26.4	0.88	25.9	0.89
Decline in prices	7.3	0.49	7.2	0.51	9.2	0.60	11.3	0.64	10.3	0.59
Cost of Housing										
Prices will increase	76.5	0.88	78.1	0.82	76.8	0.94	75.1	0.95	76.8	0.88
Price increase more than current rate	55.4	1.09	59.4	1.06	56.0	1.14	54.3	1.09	57.2	1.09
Price increase similar to current rate	16.8	0.75	15.1	0.74	17.0	0.75	16.3	0.66	15.5	0.72
Price increase less than current rate	4.3	0.41	3.7	0.35	3.7	0.35	4.5	0.43	4.1	0.37
No changes in prices	19.3	0.83	18.7	0.79	20.2	0.88	20.9	0.90	20.0	0.83
Decline in prices	4.2	0.40	3.2	0.36	3.0	0.37	4.1	0.46	3.2	0.36
Cost of Services										
Prices will increase	70.6	0.89	70.6	0.89	67.7	0.97	63.0	1.04	63.3	0.96
Price increase more than current rate	49.1	1.04	51.3	1.00	47.3	1.13	44.7	1.05	43.7	1.09
Price increase similar to current rate	16.9	0.73	15.8	0.69	15.9	0.72	14.5	0.68	15.5	0.70
Price increase less than current rate	4.5	0.41	3.5	0.37	4.5	0.40	3.9	0.40	4.2	0.40
No changes in prices	26.6	0.88	26.2	0.87	28.2	0.90	31.2	0.99	31.5	0.93
Decline in prices	2.9	0.33	3.2	0.34	4.1	0.43	5.7	0.54	5.1	0.48

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-22		May-23		Jul-23		Sep-23		Nov-23	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	90.8	0.57	89.6	0.61	88.6	0.68	86.2	0.74	89.0	0.65
Price increase more than current rate	69.5	1.08	70.2	1.05	65.0	1.07	62.2	1.05	67.2	1.07
Price increase similar to current rate	18.2	0.87	16.7	0.77	20.5	0.86	19.9	0.81	18.4	0.87
Price increase less than current rate	3.1	0.34	2.7	0.32	3.1	0.33	4.1	0.43	3.4	0.38
No changes in prices	6.4	0.45	7.3	0.50	8.6	0.57	9.6	0.59	8.4	0.56
Decline in prices	2.8	0.33	3.1	0.35	2.8	0.35	4.2	0.48	2.7	0.35
Food Product										
Prices will increase	87.1	0.64	86.9	0.66	84.7	0.75	82.8	0.80	86.1	0.71
Price increase more than current rate	62.9	1.07	64.6	0.99	60.6	1.11	57.9	1.09	63.2	1.06
Price increase similar to current rate	19.6	0.83	18.3	0.77	20.1	0.85	19.7	0.82	18.4	0.83
Price increase less than current rate	4.7	0.42	4.0	0.40	4.0	0.38	5.3	0.48	4.5	0.41
No changes in prices	7.8	0.50	8.0	0.51	9.3	0.59	9.6	0.58	8.8	0.56
Decline in prices	5.0	0.41	5.2	0.44	6.0	0.48	7.6	0.60	5.1	0.44
Non- Food Product										
Prices will increase	85.0	0.71	84.1	0.72	81.6	0.85	78.9	0.83	82.6	0.78
Price increase more than current rate	60.7	1.09	62.0	1.05	57.1	1.16	54.7	1.05	60.7	1.09
Price increase similar to current rate	19.9	0.84	17.9	0.77	20.6	0.83	19.7	0.78	17.4	0.80
Price increase less than current rate	4.5	0.41	4.2	0.41	3.9	0.38	4.5	0.44	4.5	0.42
No changes in prices	10.1	0.58	11.1	0.61	13.5	0.72	13.9	0.66	12.9	0.65
Decline in prices	4.8	0.42	4.8	0.43	4.8	0.48	7.2	0.57	4.5	0.43
Household Durables										
Prices will increase	77.6	0.84	76.9	0.83	75.8	0.88	73.9	0.91	75.5	0.89
Price increase more than current rate	55.0	1.09	57.0	1.07	53.2	1.10	52.4	1.04	55.3	1.07
Price increase similar to current rate	18.2	0.80	16.1	0.72	18.4	0.80	17.3	0.71	16.3	0.77
Price increase less than current rate	4.3	0.39	3.7	0.37	4.2	0.38	4.1	0.42	3.9	0.39
No changes in prices	16.4	0.72	16.7	0.71	17.7	0.76	18.5	0.76	17.7	0.76
Decline in prices	6.0	0.47	6.4	0.48	6.5	0.48	7.7	0.56	6.8	0.50
Cost of Housing										
Prices will increase	86.5	0.69	87.9	0.63	86.8	0.69	86.1	0.70	87.9	0.68
Price increase more than current rate	64.4	1.04	67.4	1.00	64.6	1.05	65.0	1.04	68.5	1.02
Price increase similar to current rate	18.5	0.80	17.1	0.76	18.5	0.79	16.9	0.73	16.3	0.78
Price increase less than current rate	3.7	0.38	3.4	0.34	3.8	0.37	4.2	0.42	3.1	0.36
No changes in prices	10.2	0.59	9.1	0.54	10.4	0.60	10.1	0.56	9.4	0.61
Decline in prices	3.3	0.37	3.0	0.34	2.7	0.34	3.8	0.43	2.7	0.34
Cost of Services										
Prices will increase	84.2	0.74	83.2	0.72	80.9	0.80	78.4	0.86	80.8	0.81
Price increase more than current rate	60.1	1.10	61.1	1.05	57.3	1.12	56.2	1.05	59.2	1.08
Price increase similar to current rate	19.8	0.83	18.2	0.81	19.6	0.83	18.0	0.70	17.6	0.80
Price increase less than current rate	4.3	0.39	3.9	0.36	4.0	0.39	4.2	0.43	4.0	0.40
No changes in prices	12.9	0.67	13.7	0.64	15.5	0.72	17.1	0.74	16.3	0.74
Decline in prices	2.9	0.33	3.1	0.34	3.5	0.37	4.4	0.48	2.9	0.36

Note:

1. The table provides estimates and standard errors for qualitative responses.
2. Constituent items maynot add up to the corresponding total, due to rounding off.

Table 2: Inflation Expectations of Various Groups: Nov-23

	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	8.9	0.09	8.2	0.12	9.7	0.09	9.1	0.18	9.6	0.10	10.1	0.10
Gender-wise												
Male	9.0	0.13	8.2	0.15	9.8	0.13	9.0	0.20	9.5	0.15	9.8	0.24
Female	8.7	0.13	8.1	0.16	9.7	0.13	9.1	0.23	9.7	0.15	10.1	0.13
Category-wise												
Financial Sector Employees	8.3	0.42	7.3	0.34	9.0	0.44	7.9	0.39	9.0	0.50	8.6	0.53
Other Employees	8.7	0.18	8.2	0.19	9.8	0.19	9.0	0.27	9.7	0.22	10.0	0.22
Self Employed	9.0	0.19	8.2	0.28	9.8	0.20	9.3	0.37	9.6	0.24	9.8	0.31
Homemaker	8.8	0.15	8.3	0.17	9.7	0.15	9.3	0.29	9.6	0.18	10.1	0.17
Retired Persons	10.2	0.36	9.9	0.65	10.9	0.34	10.5	0.44	9.9	0.44	10.1	0.43
Daily Workers	9.0	0.25	8.4	0.45	9.9	0.29	9.1	0.46	9.5	0.34	9.7	0.54
Other category	8.2	0.20	7.5	0.21	9.0	0.21	8.2	0.23	8.9	0.26	9.1	0.42
Age Group-wise												
Up to 25 years	8.2	0.17	7.7	0.19	9.1	0.19	8.4	0.20	9.4	0.21	9.4	0.37
25 to 30 years	8.5	0.18	7.9	0.20	9.3	0.18	8.5	0.24	9.5	0.22	9.7	0.31
30 to 35 years	8.8	0.19	8.3	0.23	9.6	0.20	9.3	0.34	9.7	0.24	10.1	0.20
35 to 40 years	9.1	0.20	8.3	0.32	9.9	0.20	9.5	0.29	9.8	0.23	10.1	0.17
40 to 45 years	9.1	0.22	8.4	0.32	10.1	0.22	9.9	0.33	9.6	0.28	10.2	0.17
45 to 50 years	9.7	0.25	9.1	0.52	10.5	0.25	9.8	0.44	10.0	0.30	10.3	0.20
50 to 55 years	9.2	0.26	8.8	0.44	10.1	0.27	10.0	0.31	9.7	0.32	10.1	0.28
55 to 60 years	9.1	0.32	8.6	0.68	9.9	0.33	9.5	0.70	9.4	0.43	9.8	0.68
60 years and above	9.8	0.30	9.4	0.67	10.7	0.27	10.3	0.18	10.0	0.37	10.3	0.26
City-wise												
Ahmedabad	7.2	0.20	6.5	0.23	7.9	0.25	7.2	0.26	7.2	0.30	7.4	0.25
Bengaluru	7.5	0.27	6.0	0.26	8.7	0.29	7.7	0.43	9.4	0.32	9.1	0.58
Bhopal	7.7	0.54	6.0	0.39	8.5	0.52	7.1	0.87	8.2	0.64	7.5	0.88
Bhubaneswar	9.9	0.92	9.9	1.00	11.5	0.85	11.6	1.49	11.0	0.85	11.4	1.90
Chennai	8.0	0.33	7.3	0.32	9.4	0.33	8.7	0.26	10.0	0.36	10.3	0.15
Delhi	10.1	0.25	10.2	0.18	10.8	0.24	10.5	0.18	10.4	0.28	10.6	0.28
Guwahati	8.6	0.68	8.3	0.93	9.0	0.67	8.8	0.87	9.6	0.67	9.7	0.77
Hyderabad	8.6	0.42	7.7	0.57	9.4	0.42	8.3	0.50	9.7	0.37	10.1	0.35
Jaipur	8.5	0.36	8.0	0.45	8.6	0.36	8.1	0.37	7.8	0.67	8.0	0.69
Jammu	9.9	0.59	9.8	0.89	8.5	0.99	7.6	1.03	8.1	0.61	7.2	0.71
Kolkata	10.2	0.30	10.1	0.32	11.2	0.28	10.7	0.39	11.3	0.31	11.3	0.73
Lucknow	9.3	0.49	8.6	0.76	9.8	0.47	9.2	0.70	9.3	0.43	9.3	0.66
Mumbai	8.9	0.22	8.3	0.18	9.8	0.23	9.5	0.38	9.3	0.27	10.1	0.29
Nagpur	8.9	0.47	8.2	0.70	10.3	0.45	9.9	0.45	10.4	0.56	10.6	0.31
Patna	7.7	0.31	7.5	0.39	8.0	0.35	7.9	0.34	7.9	0.46	8.0	0.30
Thiruvananthapuram	7.6	0.55	6.1	0.62	9.1	0.57	8.4	0.92	10.2	0.59	10.0	0.88
Chandigarh	9.7	0.85	9.5	0.86	9.8	0.96	9.7	1.31	8.7	0.98	9.3	1.55
Ranchi	8.9	0.33	8.3	0.33	9.2	0.32	8.8	0.43	9.6	0.46	10.1	0.44
Raipur	10.5	0.48	10.3	0.33	10.9	0.55	10.5	0.51	10.4	0.68	11.7	0.84

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-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
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
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

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-22	66.6	67.1	60.2	64.7	66.0
May-23	67.4	68.6	63.4	67.1	69.1
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
One Year Ahead					
Nov-22	74.4	74.8	68.6	73.7	75.0
May-23	75.6	75.3	70.7	76.1	76.4
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

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-23

		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	7	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	1	10
	1-<2	4	23	13	8	2	0	0	0	0	0	0	0	0	0	0	0	0	1	0	51
	2-<3	0	14	78	58	44	10	1	2	0	0	1	0	0	0	0	0	0	0	2	210
	3-<4	2	2	12	91	70	63	14	0	0	0	2	0	0	0	0	0	0	0	1	257
	4-<5	0	1	9	7	143	87	33	6	8	3	4	0	0	0	0	0	0	0	0	301
	5-<6	0	2	12	21	23	428	176	212	75	10	95	0	2	0	0	0	8	1	0	1065
	6-<7	0	1	4	5	8	13	205	130	75	21	14	2	2	0	0	0	0	0	1	481
	7-<8	0	0	3	2	2	11	14	247	167	60	56	1	4	0	0	0	1	0	0	568
	8-<9	0	0	1	3	4	8	4	6	211	96	154	12	9	4	2	1	0	0	1	516
	9-<10	0	0	0	1	0	1	1	3	4	104	69	17	12	2	2	2	2	0	1	219
	10-<11	0	0	4	2	1	36	14	7	23	10	437	74	187	51	13	209	80	2	2	1150
	11-<12	0	0	0	0	0	0	1	0	1	2	4	16	12	7	3	3	4	1	1	54
	12-<13	0	0	0	1	1	1	2	0	2	1	3	0	45	10	17	24	5	1	1	113
	13-<14	0	0	0	0	0	0	0	0	0	0	0	0	1	3	1	7	2	0	0	14
	14-<15	0	0	0	0	0	0	0	0	0	0	1	0	0	0	9	1	4	0	0	15
	15-<16	0	0	0	0	0	1	0	0	0	0	10	0	1	0	2	90	126	6	6	236
	>=16	0	1	0	2	1	10	0	1	2	0	22	0	1	0	0	22	694	20	20	776
	Total	13	44	136	201	299	671	465	614	568	307	872	122	276	77	49	368	917	37	37	6036

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-23

		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	5	1	1	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0	10
	1-<2	4	14	16	7	5	3	0	0	0	0	1	0	0	0	0	0	0	1	0	51
	2-<3	27	5	43	33	47	34	9	2	3	0	4	0	1	0	0	0	1	0	1	210
	3-<4	35	0	1	42	34	74	31	19	10	1	10	0	0	0	0	0	0	0	0	257
	4-<5	51	0	0	6	65	55	58	20	26	2	14	1	0	0	0	0	1	1	1	301
	5-<6	134	0	3	11	14	194	118	178	108	29	230	11	5	0	1	21	7	1	1	1065
	6-<7	50	0	3	1	3	6	103	89	108	47	53	1	12	0	0	2	2	2	1	481
	7-<8	75	0	1	0	0	2	7	112	115	80	135	4	15	4	3	15	0	0	0	568
	8-<9	56	0	1	0	0	5	1	4	96	63	169	34	52	9	3	16	5	2	2	516
	9-<10	18	0	0	0	1	0	1	0	1	40	65	31	44	4	6	5	2	1	1	219
	10-<11	84	0	2	0	0	16	5	5	12	6	251	58	176	55	29	264	180	7	7	1150
	11-<12	10	0	0	0	0	0	0	0	2	0	1	10	7	4	6	8	5	1	1	54
	12-<13	12	0	0	0	0	0	1	1	2	1	0	1	22	12	12	32	16	1	1	113
	13-<14	0	0	0	0	0	0	0	0	1	0	0	0	0	1	2	2	8	0	0	14
	14-<15	6	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1	6	0	0	15
	15-<16	23	0	0	0	0	2	0	0	0	0	5	0	1	1	0	48	152	4	4	236
	>=16	79	0	0	0	2	5	1	1	0	0	14	0	1	0	0	7	650	16	16	776
	Total	669	20	71	100	171	397	337	431	484	269	953	151	336	90	63	423	1035	36	36	6036

Note: Figures are based on sample observations