Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of March 2025 round of its bi-monthly inflation expectations survey of households (IESH)[1] [2]. The survey was conducted during March 1-10, 2025, in 19 major cities, with 6,091 valid responses.

Highlights:

i. Households' median inflation perception declined by 50 basis points (bps) from the previous survey round to 7.8 per cent, marking its lowest level since the pandemic [Charts 1a and 1b; Table 3].

ii. Inflation expectations for the three months and one-year ahead horizons also moderated by 40 bps and 50 bps to 8.9 per cent and 9.7 per cent, respectively [Charts 1a and 1b; Table 3].

iii. A lower share of households anticipated a rise in general prices and inflation for both the near term and the coming year compared to the previous survey round [Tables 1(a) and 1(b)].

iv. Respondents expect easing of inflationary pressures across most of the product groups, especially for food products and housing for both the time horizons [Tables 1(a) and 1(b)].

Chart 1a. Median Inflation Rate - Perception and Three Months ahead Expectation

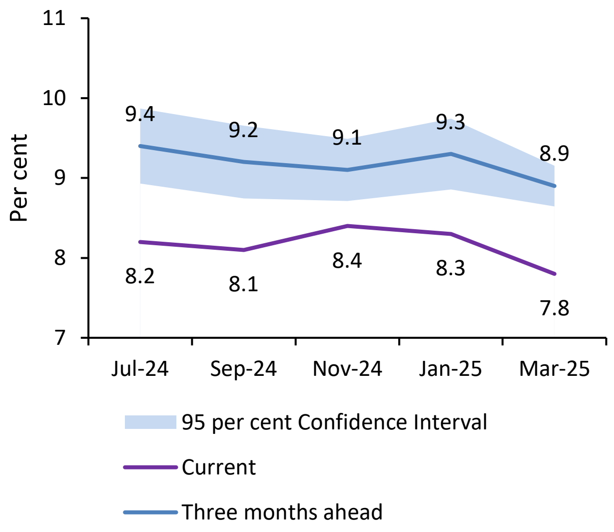
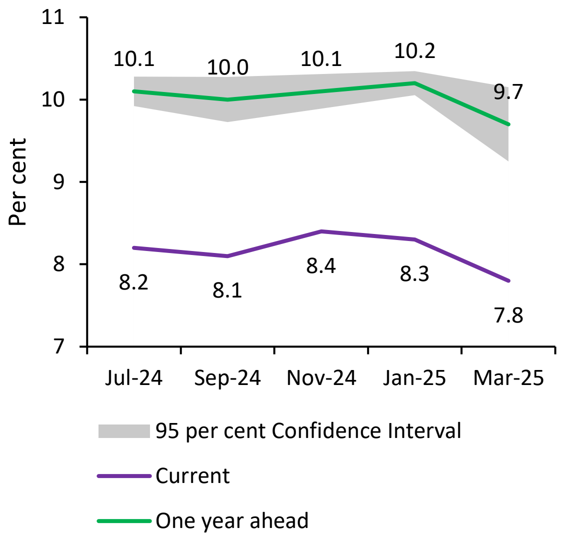


Chart 1b. Median Inflation Rate - Perception and One Year ahead Expectation



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 February 07, 2025. Unit-level data for previous rounds of the survey are available on the Bank's 'Database on Indian Economy' (DBIE) portal (weblink: https://data.rbi.org.in/DBIE/#/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	**Mar-24**		**Sep-24**		**Nov-24**		**Jan-25**		**Mar-25**	
General	**Estimate**	**SE**	**Estimate**	**SE**	**Estimate**	**SE**	**Estimate**	**SE**	**Estimate**	**SE**
Prices will increase	76.5	0.85	79.7	0.89	79.3	0.89	81.6	0.79	80.7	0.87
Price increase more than current rate	53.1	1.08	55.5	1.21	53.6	1.24	57.9	1.11	54.7	1.15
Price increase similar to current rate	18.2	0.79	19.2	0.86	19.9	0.87	19.2	0.86	20.8	0.86
Price increase less than current rate	5.2	0.44	5.0	0.55	5.8	0.49	4.4	0.44	5.2	0.47
No changes in prices	19.6	0.80	17.9	0.85	18.7	0.87	16.5	0.76	17.3	0.84
Decline in prices	3.9	0.38	2.5	0.32	2.0	0.29	2.0	0.29	2.0	0.27
Food Product										
Prices will increase	76.7	0.81	83.9	0.75	83.9	0.75	83.2	0.77	83.1	0.77
Price increase more than current rate	54.4	1.00	60.7	1.07	60.7	1.08	59.3	1.03	57.8	1.09
Price increase similar to current rate	15.7	0.69	16.7	0.77	17.0	0.81	17.3	0.78	18.3	0.79
Price increase less than current rate	6.6	0.50	6.6	0.58	6.2	0.50	6.7	0.53	7.0	0.54
No changes in prices	15.1	0.68	11.2	0.67	11.1	0.64	11.5	0.66	12.2	0.69
Decline in prices	8.2	0.54	4.9	0.42	5.0	0.44	5.3	0.45	4.7	0.40
Non- Food Product										
Prices will increase	71.5	0.87	76.1	0.92	75.9	0.90	75.2	0.86	75.6	0.89
Price increase more than current rate	48.9	1.01	52.4	1.11	51.7	1.14	52.5	1.04	53.3	1.07
Price increase similar to current rate	16.2	0.71	17.7	0.78	17.9	0.78	16.8	0.74	15.3	0.74
Price increase less than current rate	6.4	0.48	6.1	0.55	6.3	0.50	6.0	0.47	7.0	0.54
No changes in prices	20.9	0.80	19.1	0.85	19.9	0.85	20.4	0.79	20.2	0.82
Decline in prices	7.7	0.51	4.7	0.42	4.2	0.39	4.4	0.40	4.2	0.39
Household Durables										
Prices will increase	64.7	0.92	64.9	1.03	66.5	1.00	67.0	0.99	66.7	0.98
Price increase more than current rate	43.8	1.01	45.9	1.11	46.3	1.11	46.9	1.09	45.2	1.11
Price increase similar to current rate	15.5	0.70	14.2	0.71	14.5	0.70	14.7	0.71	15.8	0.74
Price increase less than current rate	5.4	0.44	4.7	0.48	5.7	0.50	5.4	0.45	5.8	0.51
No changes in prices	26.1	0.85	25.2	0.97	24.8	0.89	25.3	0.92	24.6	0.90
Decline in prices	9.2	0.57	9.8	0.55	8.7	0.55	7.8	0.50	8.6	0.52
Cost of Housing										
Prices will increase	76.9	0.83	77.7	0.88	78.9	0.85	78.5	0.91	78.0	0.88
Price increase more than current rate	55.8	1.07	56.9	1.11	57.4	1.14	58.0	1.10	56.5	1.09
Price increase similar to current rate	16.4	0.74	16.3	0.75	16.4	0.76	15.6	0.75	16.0	0.73
Price increase less than current rate	4.7	0.40	4.5	0.48	5.1	0.46	4.9	0.44	5.4	0.48
No changes in prices	19.6	0.78	19.1	0.87	18.2	0.79	18.3	0.87	19.1	0.84
Decline in prices	3.5	0.36	3.3	0.35	2.9	0.33	3.2	0.36	2.9	0.34
Cost of Services										
Prices will increase	65.0	0.97	66.9	1.04	66.3	0.99	68.4	0.99	69.3	0.98
Price increase more than current rate	45.5	1.09	46.9	1.15	46.6	1.12	48.2	1.10	49.0	1.10
Price increase similar to current rate	14.4	0.70	15.5	0.73	14.8	0.70	14.9	0.74	14.9	0.71
Price increase less than current rate	5.2	0.45	4.5	0.46	5.0	0.44	5.4	0.45	5.3	0.46
No changes in prices	30.1	0.92	29.8	1.01	30.7	0.98	28.4	0.96	27.8	0.95
Decline in prices	4.8	0.43	3.2	0.35	2.9	0.33	3.1	0.36	3.0	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 1(b): Product-wise Expectations of Prices for One Year ahead										
(Percentage of Respondents)										
Survey period ended	**Mar-24**		**Sep-24**		**Nov-24**		**Jan-25**		**Mar-25**	
General	**Estimate**	**SE**	**Estimate**	**SE**	**Estimate**	**SE**	**Estimate**	**SE**	**Estimate**	**SE**
Prices will increase	87.4	0.67	89.4	0.73	89.6	0.67	90.6	0.62	89.7	0.67
Price increase more than current rate	64.7	1.08	66.5	1.20	66.9	1.14	68.7	1.06	65.4	1.12
Price increase similar to current rate	18.5	0.83	18.6	0.91	18.6	0.85	18.1	0.87	19.7	0.88
Price increase less than current rate	4.2	0.41	4.4	0.50	4.1	0.40	3.8	0.43	4.6	0.44
No changes in prices	9.7	0.59	8.6	0.67	8.2	0.62	7.4	0.55	8.4	0.62
Decline in prices	2.9	0.35	2.0	0.28	2.2	0.30	2.0	0.29	1.9	0.27
Food Product										
Prices will increase	84.5	0.73	86.6	0.78	89.0	0.66	88.8	0.65	87.9	0.66
Price increase more than current rate	59.5	1.10	61.8	1.20	64.4	1.13	63.5	1.10	60.8	1.09
Price increase similar to current rate	19.8	0.80	19.2	0.85	19.3	0.87	19.7	0.89	21.1	0.83
Price increase less than current rate	5.2	0.45	5.6	0.55	5.3	0.48	5.6	0.51	6.1	0.49
No changes in prices	10.1	0.61	9.7	0.66	7.3	0.53	7.7	0.55	8.9	0.58
Decline in prices	5.4	0.44	3.8	0.38	3.7	0.38	3.5	0.36	3.2	0.33
Non- Food Product										
Prices will increase	81.1	0.76	82.4	0.85	81.9	0.81	83.3	0.78	82.6	0.78
Price increase more than current rate	56.3	1.09	58.3	1.20	56.7	1.19	59.4	1.16	56.7	1.11
Price increase similar to current rate	19.5	0.82	18.5	0.83	19.5	0.84	18.6	0.84	20.0	0.83
Price increase less than current rate	5.3	0.47	5.6	0.57	5.6	0.48	5.2	0.46	6.0	0.50
No changes in prices	14.1	0.69	14.0	0.77	14.7	0.76	13.2	0.69	13.9	0.71
Decline in prices	4.8	0.44	3.6	0.37	3.4	0.36	3.6	0.37	3.5	0.35
Household Durables										
Prices will increase	74.5	0.83	76.2	0.93	76.8	0.90	76.3	0.90	75.4	0.90
Price increase more than current rate	52.3	1.06	54.5	1.16	54.8	1.18	54.3	1.13	51.9	1.12
Price increase similar to current rate	17.3	0.76	16.5	0.79	16.9	0.76	17.0	0.80	17.9	0.78
Price increase less than current rate	5.0	0.45	5.1	0.50	5.0	0.45	5.0	0.47	5.6	0.46
No changes in prices	18.1	0.76	17.3	0.79	17.6	0.81	18.0	0.82	17.9	0.78
Decline in prices	7.4	0.51	6.5	0.49	5.6	0.46	5.6	0.43	6.6	0.48
Cost of Housing										
Prices will increase	87.2	0.66	87.7	0.74	88.8	0.70	88.7	0.66	88.3	0.67
Price increase more than current rate	65.6	1.01	65.9	1.07	66.7	1.09	67.6	1.05	66.5	1.03
Price increase similar to current rate	17.2	0.74	17.0	0.79	17.6	0.83	17.0	0.80	17.6	0.80
Price increase less than current rate	4.4	0.39	4.8	0.53	4.5	0.45	4.1	0.45	4.2	0.39
No changes in prices	9.5	0.57	8.9	0.60	8.7	0.61	8.8	0.59	9.3	0.60
Decline in prices	3.3	0.36	3.4	0.40	2.5	0.30	2.5	0.31	2.3	0.30
Cost of Services										
Prices will increase	80.1	0.78	82.2	0.85	81.7	0.90	81.9	0.85	82.4	0.79
Price increase more than current rate	56.3	1.08	58.8	1.18	58.4	1.19	58.8	1.15	59.4	1.07
Price increase similar to current rate	18.9	0.78	17.9	0.80	18.3	0.82	18.2	0.82	17.6	0.79
Price increase less than current rate	4.9	0.45	5.5	0.57	4.9	0.44	5.0	0.47	5.4	0.45
No changes in prices	16.0	0.71	15.3	0.80	15.7	0.84	15.5	0.79	15.0	0.74
Decline in prices	3.9	0.38	2.4	0.30	2.6	0.32	2.6	0.33	2.6	0.31
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: Mar-25												
	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	8.5	0.08	7.8	0.11	9.5	0.08	8.9	0.13	9.4	0.11	9.7	0.23
Gender-wise												
Male	8.8	0.12	8.1	0.15	9.6	0.12	8.9	0.20	9.5	0.16	9.9	0.23
Female	8.6	0.11	7.7	0.15	9.6	0.12	9.1	0.23	9.5	0.14	9.8	0.23
Category-wise												
Financial Sector Employees	9.3	0.47	8.6	0.53	10.6	0.47	10.2	0.59	10.2	0.75	10.3	1.05
Other Employees	8.5	0.16	7.8	0.21	9.5	0.17	8.9	0.25	9.6	0.20	10.1	0.20
Self Employed	8.8	0.19	8.4	0.26	9.7	0.20	9.3	0.40	9.5	0.24	10.0	0.23
Homemaker	8.6	0.13	7.8	0.18	9.6	0.14	9.1	0.27	9.5	0.17	9.8	0.29
Retired Persons	9.3	0.33	8.9	0.65	10.4	0.35	10.1	0.52	9.7	0.43	9.5	0.56
Daily Workers	8.4	0.28	7.5	0.44	9.3	0.27	8.4	0.43	8.9	0.35	8.7	0.47
Other category	8.4	0.19	7.6	0.23	9.4	0.21	8.7	0.32	9.5	0.25	9.7	0.43
Age Group-wise												
Up to 25 years	7.9	0.18	7.1	0.22	8.8	0.19	8.3	0.20	9.0	0.22	9.0	0.36
25 to 30 years	8.2	0.16	7.5	0.17	9.3	0.17	8.7	0.21	9.7	0.20	10.0	0.21
30 to 35 years	8.2	0.17	7.2	0.24	9.3	0.19	8.6	0.27	9.1	0.24	9.0	0.34
35 to 40 years	8.8	0.18	8.1	0.22	9.6	0.20	9.1	0.37	9.3	0.25	9.8	0.32
40 to 45 years	9.1	0.19	8.8	0.34	10.0	0.20	9.9	0.31	9.8	0.25	10.3	0.11
45 to 50 years	8.8	0.23	8.4	0.26	9.8	0.24	9.6	0.35	9.6	0.29	9.9	0.29
50 to 55 years	8.7	0.26	8.0	0.54	9.4	0.28	9.1	0.61	9.0	0.33	9.0	0.58
55 to 60 years	9.2	0.28	8.6	0.62	9.9	0.29	9.3	0.69	9.5	0.36	8.9	0.81
60 years and above	9.3	0.24	8.8	0.61	10.3	0.25	9.9	0.42	9.7	0.32	9.9	0.36
City-wise												
Ahmedabad	6.3	0.17	6.0	0.14	7.1	0.19	6.7	0.17	7.0	0.29	7.1	0.24
Bengaluru	6.3	0.21	5.6	0.13	7.8	0.21	7.1	0.32	8.1	0.25	7.7	0.37
Bhopal	9.2	0.54	8.9	1.14	10.3	0.47	10.3	0.35	9.9	0.61	10.3	0.56
Bhubaneswar	8.1	0.47	6.9	0.84	9.8	0.47	9.0	0.96	10.0	0.51	9.4	0.87
Chennai	8.4	0.30	8.0	0.64	9.1	0.40	8.7	0.88	9.4	0.48	9.9	0.66
Delhi	9.5	0.20	9.3	0.46	9.8	0.21	9.5	0.40	9.4	0.28	9.8	0.39
Guwahati	9.3	0.54	9.8	0.79	10.0	0.63	10.2	0.76	10.8	0.71	11.6	1.48
Hyderabad	7.7	0.27	6.8	0.43	9.7	0.32	9.3	0.60	9.8	0.35	10.1	0.31
Jaipur	7.1	0.38	6.4	0.55	7.8	0.37	7.1	0.46	7.6	0.88	7.4	0.88
Jammu	10.3	0.63	9.9	1.74	9.4	0.72	8.7	1.72	9.5	0.73	8.9	1.90
Kolkata	11.4	0.26	10.7	0.19	11.9	0.27	12.0	1.00	11.4	0.32	12.2	1.08
Lucknow	8.2	0.31	7.7	0.36	8.9	0.35	8.5	0.37	8.6	0.49	8.9	0.72
Mumbai	8.6	0.20	8.0	0.23	10.1	0.23	10.0	0.25	10.1	0.28	10.4	0.18
Nagpur	8.2	0.42	7.8	0.60	9.6	0.45	9.1	0.70	9.5	0.57	10.1	0.77
Patna	7.5	0.69	7.0	0.40	8.1	0.85	7.6	0.68	8.3	0.82	7.9	0.59
Thiruvananthapuram	7.8	0.59	6.8	0.77	9.4	0.56	8.4	0.82	10.9	0.62	10.7	0.73
Chandigarh	9.2	0.59	8.5	0.69	9.8	0.73	9.2	0.85	9.9	0.73	9.7	0.75
Ranchi	8.8	0.38	8.0	0.28	9.2	0.37	8.4	0.35	9.2	0.50	8.8	0.55
Raipur	10.0	0.42	10.1	0.45	10.5	0.42	10.3	0.49	9.8	0.53	10.0	0.57

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**
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
Sep-24	8.6	0.09	8.1	0.13	9.6	0.10	9.2	0.23	9.6	0.12	10.0	0.14
Nov-24	8.9	0.09	8.4	0.13	9.7	0.10	9.1	0.20	9.7	0.12	10.1	0.11
Jan-25	8.8	0.08	8.3	0.11	9.8	0.09	9.3	0.23	9.9	0.11	10.2	0.07
Mar-25	8.5	0.08	7.8	0.11	9.5	0.08	8.9	0.13	9.4	0.11	9.7	0.23

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					
Mar-24	65.4	66.1	61.2	64.6	66.8
Sep-24	66.0	66.4	61.6	65.6	67.5
Nov-24	65.7	66.2	61.0	64.1	71.3
Jan-25	66.2	66.2	61.1	65.3	66.0
Mar-25	64.4	67.6	60.1	65.0	68.8
One Year Ahead					
Mar-24	74.6	73.6	68.3	75.0	74.2
Sep-24	78.8	75.1	68.7	77.9	75.9
Nov-24	79.6	73.8	70.1	75.7	74.4
Jan-25	75.3	73.1	67.8	75.3	73.9
Mar-25	74.3	72.7	67.0	75.4	76.9

Table 5(a): Cross-tabulation of Number of Respondents by Current Inflation Perception and Three Months Ahead Inflation Expectations: Mar-25

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	12	1	2	1	1	2	0	0	0	0	2	0	0	0	0	0	0	0	**21**
	1-<2	2	28	21	12	1	1	1	1	1	0	0	0	0	0	0	0	0	0	**68**
	2-<3	0	6	91	73	40	15	7	4	9	0	1	0	0	0	0	0	0	0	**246**
	3-<4	0	4	10	71	47	70	14	1	1	0	0	0	0	0	0	0	0	0	**218**
	4-<5	0	1	11	11	132	114	55	18	11	2	11	0	0	1	0	0	19	0	**386**
	5-<6	1	4	14	32	29	459	215	207	78	13	115	1	23	1	0	2	9	0	**1203**
	6-<7	0	1	1	4	7	13	215	100	76	24	22	2	3	0	0	0	9	0	**477**
	7-<8	0	0	0	5	4	14	5	226	138	56	78	5	6	1	0	2	1	0	**541**
	8-<9	0	0	0	0	5	8	4	6	184	101	146	11	14	6	1	2	8	0	**496**
	9-<10	0	0	0	1	2	0	1	1	8	82	71	18	24	1	2	0	2	0	**213**
	10-<11	0	2	10	4	1	48	8	8	18	9	425	77	204	40	16	207	79	1	**1157**
	11-<12	0	0	0	2	4	3	0	0	0	0	0	19	8	3	2	2	0	0	**43**
	12-<13	0	0	0	2	0	9	1	0	0	0	1	3	41	10	16	32	7	0	**122**
	13-<14	0	0	0	0	1	1	5	0	0	0	1	0	0	6	4	5	0	0	**23**
	14-<15	0	0	0	0	0	0	1	7	0	1	1	0	0	0	8	4	3	0	**25**
	15-<16	0	1	1	0	1	5	0	1	1	0	7	0	0	4	0	83	108	0	**212**
	>=16	0	0	0	0	0	13	0	2	0	0	28	0	2	0	0	19	571	5	**640**
	Total	**15**	**48**	**161**	**218**	**275**	**775**	**532**	**582**	**525**	**288**	**909**	**136**	**325**	**73**	**49**	**358**	**816**	**6**	**6091**

Table 5(b): Cross-tabulation of Number of Respondents by Current Inflation Perception and One Year Ahead Inflation Expectations: Mar-25

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	8	1	3	4	0	3	1	0	0	0	0	0	0	0	0	0	1	0	**21**
	1-<2	10	18	16	8	4	8	1	1	0	0	2	0	0	0	0	0	0	0	**68**
	2-<3	35	2	49	42	55	29	10	7	3	0	14	0	0	0	0	0	0	0	**246**
	3-<4	24	1	9	31	41	67	26	8	2	0	8	0	0	0	0	0	0	1	**218**
	4-<5	48	0	3	13	60	89	79	31	18	8	16	0	0	0	1	1	19	0	**386**
	5-<6	127	2	6	17	20	254	148	190	132	38	201	7	30	3	4	13	11	0	**1203**
	6-<7	62	0	0	1	3	11	103	91	96	31	52	5	13	1	2	1	5	0	**477**
	7-<8	45	0	0	0	1	14	6	115	91	81	118	16	32	1	8	10	3	0	**541**
	8-<9	31	0	0	0	2	5	5	4	99	58	181	21	56	11	3	10	10	0	**496**
	9-<10	11	0	0	1	0	2	1	3	5	45	37	31	43	7	10	13	4	0	**213**
	10-<11	95	1	0	2	0	26	3	5	9	6	284	45	167	52	34	249	175	4	**1157**
	11-<12	9	0	0	0	1	2	0	0	0	1	0	11	3	7	4	5	0	0	**43**
	12-<13	12	0	1	0	0	3	0	0	0	0	2	2	18	11	20	29	24	0	**122**
	13-<14	9	0	0	0	0	0	0	0	0	0	1	1	0	3	3	5	1	0	**23**
	14-<15	11	0	0	0	0	0	0	0	0	0	0	0	0	0	6	3	5	0	**25**
	15-<16	16	0	2	0	0	3	0	0	0	0	5	1	0	0	0	51	134	0	**212**
	>=16	61	0	0	0	1	8	0	1	0	0	20	0	2	0	0	6	540	1	**640**
	Total	**614**	**25**	**89**	**119**	**188**	**524**	**383**	**456**	**455**	**268**	**941**	**140**	**364**	**96**	**95**	**396**	**932**	**6**	**6091**