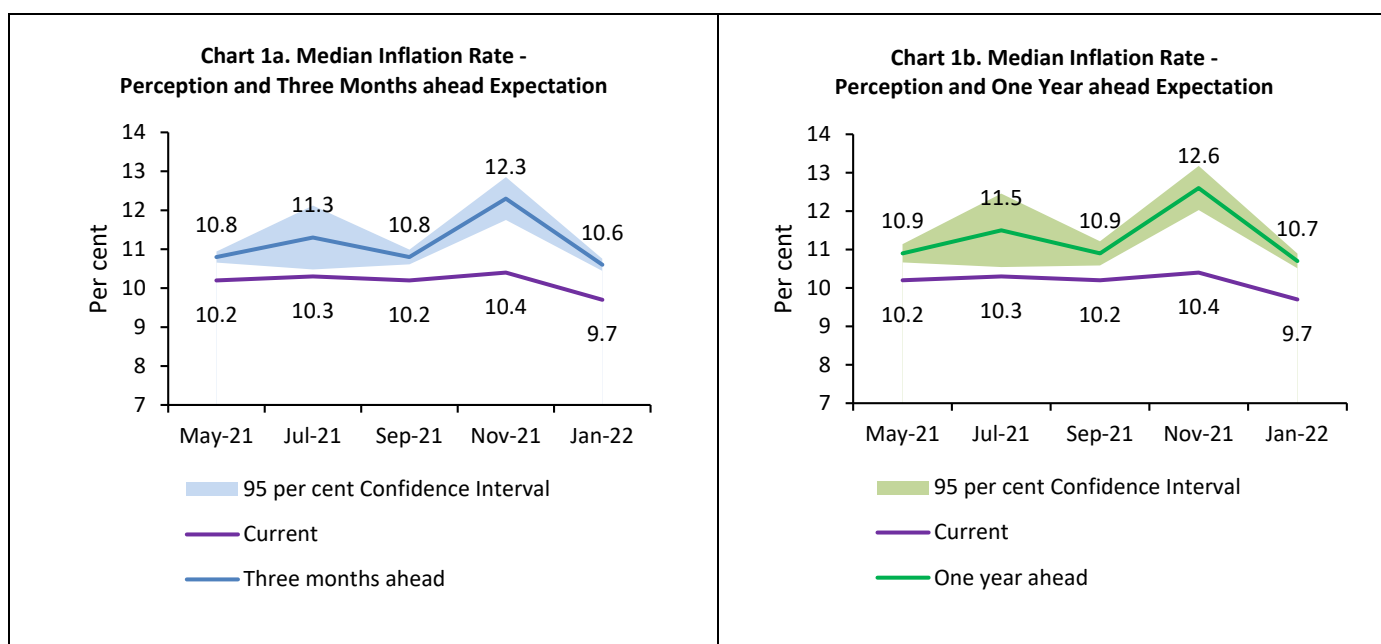


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of the January 2022 round of the Inflation Expectations Survey of Households (IESH)¹. The survey was conducted during January 2 to 12, 2022 in 18 major cities. The results² are based on responses from 5,985 urban households³.

Highlights:

- i. Households' median inflation perceptions for the current period moderated by 70 basis points to 9.7 per cent in January, while the three months and one year ahead median inflation expectations also declined by 170 and 190 basis points, respectively, from the November 2021 round of the survey [Charts 1a and 1b; Table 3(a)].
- ii. The share of respondents expecting higher inflation has significantly reduced from November 2021 round of the survey. [Tables 1(a) and 1(b)].
- iii. Households expect inflation to be more range bound in the near to medium term as reflected in the reduced gap between their current inflation perceptions and the future inflation expectations [Charts 1a and 1b; Table 3(a)].
- iv. Three months ahead expectations for overall prices and inflation were generally aligned to those for food products and cost of services [Table 4].



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

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 [December 8, 2021](#).

² The survey is conducted at bi-monthly intervals by the Reserve Bank of India. 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.

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	Jan-21		Jul-21		Sep-21		Nov-21		Jan-22	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	83.7	0.89	85.9	0.79	84.9	0.77	89.3	0.64	85.6	0.69
Price increase more than current rate	56.0	1.26	63.0	1.15	61.5	1.14	67.0	1.17	61.5	1.07
Price increase similar to current rate	22.4	0.95	19.6	0.90	19.9	0.88	19.1	0.94	20.4	0.87
Price increase less than current rate	5.3	0.53	3.3	0.38	3.5	0.40	3.3	0.42	3.7	0.40
No changes in prices	14.3	0.86	11.3	0.70	12.9	0.72	8.2	0.55	12.0	0.64
Decline in prices	1.9	0.30	2.8	0.40	2.2	0.29	2.5	0.30	2.4	0.30
Food Product										
Prices will increase	80.9	0.95	84.0	0.81	84.8	0.74	86.0	0.70	83.7	0.71
Price increase more than current rate	54.2	1.16	61.0	1.15	61.4	1.08	63.7	1.17	61.0	1.01
Price increase similar to current rate	20.0	0.95	17.6	0.89	18.2	0.80	17.0	0.82	17.0	0.78
Price increase less than current rate	6.7	0.57	5.4	0.53	5.3	0.50	5.2	0.46	5.7	0.47
No changes in prices	13.0	0.82	10.5	0.65	10.8	0.64	8.2	0.52	10.5	0.58
Decline in prices	6.1	0.54	5.5	0.53	4.4	0.40	5.8	0.46	5.7	0.45
Non- Food Product										
Prices will increase	79.3	0.98	82.6	0.85	82.1	0.82	86.3	0.67	80.5	0.73
Price increase more than current rate	51.6	1.20	59.0	1.17	58.8	1.15	62.7	1.17	55.5	1.02
Price increase similar to current rate	20.9	0.90	18.8	0.92	18.2	0.83	18.7	0.86	19.3	0.80
Price increase less than current rate	6.7	0.56	4.7	0.50	5.1	0.45	4.9	0.48	5.6	0.46
No changes in prices	16.9	0.91	12.3	0.73	13.6	0.73	8.9	0.54	14.1	0.65
Decline in prices	3.8	0.40	5.1	0.51	4.3	0.42	4.7	0.43	5.4	0.43
Household Durables										
Prices will increase	64.3	1.11	65.6	1.10	67.3	0.97	68.6	0.90	69.9	0.88
Price increase more than current rate	42.5	1.15	45.1	1.19	46.5	1.09	47.8	1.11	48.7	1.03
Price increase similar to current rate	16.8	0.77	16.6	0.86	16.2	0.78	15.9	0.77	16.2	0.70
Price increase less than current rate	5.0	0.49	4.0	0.43	4.6	0.43	4.9	0.44	5.1	0.45
No changes in prices	27.2	1.05	25.3	0.99	25.0	0.87	22.7	0.82	23.1	0.83
Decline in prices	8.4	0.58	9.1	0.66	7.7	0.53	8.7	0.54	6.9	0.45
Cost of Housing										
Prices will increase	66.1	1.11	64.7	1.13	68.7	0.95	74.3	0.94	71.6	0.88
Price increase more than current rate	45.1	1.20	45.9	1.21	49.6	1.07	55.1	1.16	51.3	1.07
Price increase similar to current rate	16.2	0.79	14.5	0.79	15.1	0.77	15.5	0.78	16.0	0.74
Price increase less than current rate	4.8	0.49	4.2	0.46	4.0	0.42	3.7	0.39	4.2	0.42
No changes in prices	24.6	1.02	23.7	0.99	21.9	0.85	19.0	0.82	21.3	0.81
Decline in prices	9.3	0.66	11.6	0.74	9.4	0.59	6.7	0.51	7.1	0.48
Cost of Services										
Prices will increase	68.8	1.06	74.3	1.02	73.3	0.93	76.5	0.87	74.3	0.84
Price increase more than current rate	45.7	1.15	52.5	1.19	52.1	1.10	53.9	1.20	51.7	1.06
Price increase similar to current rate	18.5	0.81	17.3	0.83	16.8	0.75	17.6	0.80	18.0	0.80
Price increase less than current rate	4.6	0.50	4.5	0.45	4.4	0.41	5.0	0.49	4.7	0.43
No changes in prices	27.4	1.02	22.0	0.95	23.7	0.90	20.2	0.81	22.4	0.79
Decline in prices	3.8	0.47	3.7	0.43	3.0	0.33	3.2	0.34	3.3	0.34
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-21		Jul-21		Sep-21		Nov-21		Jan-22	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	88.0	0.80	86.8	0.78	87.7	0.72	90.5	0.59	89.6	0.59
Price increase more than current rate	62.9	1.23	65.6	1.18	66.5	1.10	70.6	1.16	68.4	1.05
Price increase similar to current rate	21.2	0.95	18.3	0.93	18.0	0.85	16.6	0.92	18.0	0.82
Price increase less than current rate	3.9	0.43	2.9	0.38	3.3	0.36	3.3	0.39	3.3	0.39
No changes in prices	9.6	0.75	10.1	0.68	9.3	0.61	6.4	0.46	7.8	0.50
Decline in prices	2.4	0.33	3.1	0.41	2.9	0.36	3.1	0.35	2.6	0.29
Food Product										
Prices will increase	80.5	0.96	80.8	0.87	81.6	0.79	84.5	0.74	83.8	0.72
Price increase more than current rate	53.0	1.21	55.9	1.18	57.4	1.12	60.3	1.21	58.3	1.07
Price increase similar to current rate	22.6	0.96	20.7	0.98	19.5	0.89	19.9	0.92	20.3	0.86
Price increase less than current rate	4.9	0.49	4.2	0.45	4.7	0.45	4.4	0.42	5.2	0.45
No changes in prices	13.4	0.84	12.6	0.73	11.9	0.66	9.5	0.58	11.0	0.61
Decline in prices	6.1	0.55	6.6	0.54	6.5	0.47	6.0	0.47	5.2	0.40
Non- Food Product										
Prices will increase	80.4	0.93	80.3	0.91	81.5	0.81	85.1	0.72	83.0	0.73
Price increase more than current rate	52.8	1.22	56.8	1.21	57.9	1.13	61.8	1.20	57.6	1.09
Price increase similar to current rate	22.7	0.93	19.0	0.91	19.5	0.85	18.9	0.87	20.5	0.86
Price increase less than current rate	4.9	0.45	4.6	0.48	4.1	0.40	4.4	0.46	5.0	0.44
No changes in prices	15.0	0.84	13.4	0.76	13.2	0.71	9.6	0.57	12.1	0.61
Decline in prices	4.6	0.46	6.2	0.57	5.3	0.42	5.4	0.44	4.9	0.41
Household Durables										
Prices will increase	69.8	1.07	69.1	1.06	71.5	0.98	75.0	0.88	75.4	0.87
Price increase more than current rate	45.0	1.20	47.0	1.18	49.4	1.10	52.4	1.17	52.2	1.07
Price increase similar to current rate	19.9	0.81	18.3	0.88	17.5	0.83	18.1	0.86	18.6	0.81
Price increase less than current rate	4.9	0.48	3.8	0.41	4.5	0.45	4.5	0.45	4.6	0.45
No changes in prices	22.1	0.97	22.7	0.97	22.3	0.89	18.0	0.75	18.6	0.78
Decline in prices	8.1	0.63	8.2	0.62	6.2	0.47	6.9	0.48	6.0	0.44
Cost of Housing										
Prices will increase	74.8	1.05	71.8	1.08	76.5	0.87	82.4	0.78	79.4	0.79
Price increase more than current rate	49.9	1.22	50.9	1.21	55.2	1.09	60.6	1.16	57.1	1.03
Price increase similar to current rate	20.2	0.91	16.6	0.87	16.8	0.81	17.8	0.86	18.0	0.79
Price increase less than current rate	4.7	0.48	4.2	0.44	4.5	0.43	3.9	0.40	4.3	0.43
No changes in prices	17.7	0.95	19.8	0.92	17.3	0.78	12.8	0.67	15.1	0.67
Decline in prices	7.5	0.61	8.4	0.68	6.2	0.47	4.8	0.41	5.6	0.44
Cost of Services										
Prices will increase	78.5	0.98	80.9	0.88	79.8	0.85	83.6	0.73	82.0	0.75
Price increase more than current rate	51.1	1.21	55.9	1.17	56.7	1.14	59.6	1.21	57.6	1.05
Price increase similar to current rate	22.9	0.96	20.5	0.91	18.8	0.85	19.0	0.89	19.7	0.81
Price increase less than current rate	4.6	0.45	4.5	0.47	4.3	0.43	5.0	0.47	4.6	0.44
No changes in prices	18.2	0.94	15.7	0.80	16.6	0.77	13.4	0.66	15.1	0.68
Decline in prices	3.3	0.41	3.4	0.42	3.6	0.38	3.1	0.34	2.9	0.31
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-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	9.9	0.10	9.7	0.29	11.1	0.10	10.6	0.08	10.7	0.11	10.7	0.10
Gender-wise												
Male	10.1	0.13	10.0	0.17	11.2	0.13	10.6	0.10	10.8	0.15	10.7	0.12
Female	9.7	0.15	9.2	0.37	10.9	0.15	10.5	0.10	10.6	0.18	10.7	0.14
Category-wise												
Financial Sector Employees	9.6	0.50	8.8	0.69	10.5	0.57	10.0	0.77	9.6	0.70	9.8	0.69
Other Employees	9.9	0.19	9.3	0.40	11.1	0.19	10.5	0.14	11.0	0.22	10.8	0.28
Self Employed	10.5	0.21	10.3	0.09	11.4	0.20	10.8	0.17	10.7	0.26	10.9	0.30
Homemaker	9.7	0.17	9.1	0.39	10.9	0.17	10.5	0.12	10.6	0.21	10.7	0.17
Retired Persons	11.0	0.36	10.5	0.31	11.9	0.35	12.7	1.25	11.0	0.40	11.4	1.09
Daily Workers	10.0	0.25	9.8	0.38	11.3	0.24	10.9	0.41	10.9	0.32	11.0	0.49
Other category	9.8	0.28	9.2	0.51	11.1	0.27	10.6	0.22	11.1	0.28	10.9	0.49
Age Group-wise												
Up to 25 years	9.5	0.20	8.8	0.35	10.9	0.20	10.4	0.15	11.0	0.22	10.8	0.25
25 to 30 years	9.9	0.19	9.7	0.42	11.1	0.20	10.6	0.18	10.9	0.24	10.8	0.30
30 to 35 years	9.7	0.21	9.3	0.41	10.9	0.21	10.4	0.15	10.5	0.26	10.6	0.17
35 to 40 years	10.0	0.21	9.9	0.34	11.0	0.21	10.5	0.13	10.9	0.24	11.0	0.37
40 to 45 years	10.0	0.24	9.6	0.39	11.1	0.23	10.5	0.19	10.5	0.28	10.6	0.20
45 to 50 years	10.1	0.25	9.9	0.39	11.1	0.25	10.6	0.24	10.6	0.31	10.7	0.30
50 to 55 years	10.5	0.29	10.3	0.11	11.5	0.29	11.3	0.65	10.8	0.38	11.4	0.77
55 to 60 years	10.8	0.32	10.4	0.20	11.3	0.31	10.8	0.37	10.5	0.44	11.4	0.76
60 years and above	10.7	0.28	10.3	0.24	11.6	0.26	11.3	0.77	10.7	0.36	10.7	0.37
City-wise												
Ahmedabad	9.3	0.50	7.8	0.91	10.6	0.50	9.5	0.89	11.0	0.52	10.4	1.33
Bengaluru	10.1	0.28	10.3	0.13	11.6	0.30	11.7	1.03	11.3	0.40	13.0	1.41
Bhopal	9.0	1.04	8.0	1.85	10.2	0.98	9.8	1.49	9.9	0.91	9.8	1.47
Bhubaneswar	8.6	0.51	7.3	0.45	9.8	0.59	8.9	0.68	8.8	0.58	9.5	0.73
Chennai	9.1	0.42	9.3	1.22	11.0	0.40	10.8	0.53	10.7	0.45	11.0	0.85
Delhi	10.1	0.22	10.0	0.30	11.0	0.23	10.6	0.25	10.7	0.27	10.8	0.46
Guwahati	7.2	0.58	7.0	0.69	7.9	0.67	7.8	0.78	8.2	0.72	8.2	0.90
Hyderabad	10.5	0.47	9.9	0.75	12.4	0.43	13.0	1.26	12.0	0.42	14.0	1.21
Jaipur	9.7	0.60	9.4	0.72	10.2	0.55	9.9	0.59	9.0	0.52	9.4	0.68
Kolkata	10.2	0.28	9.8	0.39	11.2	0.26	10.7	0.35	11.1	0.27	11.4	0.68
Lucknow	11.1	0.49	10.5	0.34	11.8	0.50	11.7	0.85	11.4	0.62	12.5	1.37
Mumbai	10.5	0.23	9.6	0.47	11.5	0.23	10.7	0.29	10.5	0.28	10.6	0.26
Nagpur	10.7	0.60	10.3	0.51	12.0	0.63	13.2	1.70	11.8	0.57	13.7	1.59
Patna	9.7	0.59	9.2	0.76	10.3	0.58	10.0	0.68	10.2	0.55	10.0	0.70
Thiruvananthapuram	6.3	0.77	5.3	0.30	7.7	0.65	6.4	0.55	8.9	0.58	8.4	1.07
Chandigarh	9.9	0.89	9.1	0.66	10.5	0.70	10.1	0.38	10.3	0.63	10.3	0.45
Ranchi	7.9	0.30	7.2	0.44	8.2	0.32	7.5	0.41	7.4	0.50	7.6	0.52
Raipur	6.5	0.61	5.6	0.28	6.8	0.77	5.9	0.50	5.8	0.70	5.5	0.55

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-21	9.1	0.12	8.2	0.17	10.0	0.12	9.3	0.29	9.7	0.13	10.1	0.15
Jul-21	10.5	0.11	10.3	0.06	11.7	0.11	11.3	0.42	11.0	0.13	11.5	0.49
Sep-21	10.4	0.11	10.2	0.06	11.4	0.11	10.8	0.10	10.8	0.13	10.9	0.16
Nov-21	10.7	0.11	10.4	0.05	11.9	0.11	12.3	0.28	11.5	0.12	12.6	0.29
Jan-22	9.9	0.10	9.7	0.29	11.1	0.10	10.6	0.08	10.7	0.11	10.7	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	Household durables	Housing	Cost of services
Three Months Ahead					
Jan-21	63.3	64.3	54.5	55.7	62.8
Jul-21	67.6	69.0	58.4	56.9	65.0
Sep-21	68.9	69.0	59.4	59.9	66.5
Nov-21	69.7	70.4	58.8	63.3	65.5
Jan-22	66.6	65.6	60.2	61.6	65.8
One Year Ahead					
Jan-21	68.4	68.6	60.6	63.0	69.0
Jul-21	70.1	71.0	63.3	63.5	71.4
Sep-21	71.4	72.8	64.7	67.0	73.6
Nov-21	73.6	74.7	66.1	70.0	73.1
Jan-22	71.5	72.2	65.0	67.3	72.9

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: Jan-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	2	0	1	0	1	2	0	0	0	0	1	0	0	0	0	0	1	0	0	8
	1-<2	1	13	9	5	1	1	1	0	0	1	1	0	0	0	0	0	0	0	0	33
	2-<3	0	11	56	37	37	18	7	2	2	0	0	0	0	0	0	0	1	0	0	171
	3-<4	0	1	6	49	32	44	12	2	3	1	1	0	0	0	0	0	0	0	0	151
	4-<5	0	0	6	9	91	59	31	15	8	3	3	1	1	0	0	0	0	1	0	228
	5-<6	0	2	11	20	21	345	177	212	82	8	146	5	3	1	0	15	2	3	1053	
	6-<7	0	1	2	7	7	9	125	85	64	29	26	2	9	1	2	3	1	1	374	
	7-<8	0	0	0	2	1	11	3	157	89	62	75	6	12	1	6	4	2	0	431	
	8-<9	0	0	0	1	3	4	5	7	177	62	112	21	15	3	6	5	8	0	429	
	9-<10	0	0	0	0	0	1	3	3	8	94	58	22	22	5	5	6	3	0	230	
	10-<11	0	1	1	1	2	22	6	7	9	9	383	46	174	52	18	254	137	2	1124	
	11-<12	0	0	0	0	0	0	0	0	2	0	1	19	5	2	2	2	1	1	35	
	12-<13	0	0	0	0	0	1	0	0	0	2	7	0	33	12	19	28	15	1	118	
	13-<14	0	0	0	0	0	0	0	0	0	0	0	0	0	14	4	5	8	0	31	
	14-<15	0	0	0	0	1	0	0	0	0	0	1	0	0	0	13	2	16	0	33	
	15-<16	0	0	0	0	0	4	0	0	1	1	7	0	1	1	2	104	156	0	277	
	>=16	0	0	0	0	1	4	0	0	4	0	20	0	1	0	0	28	1199	2	1259	
	Total	3	29	92	131	198	525	370	490	449	272	842	122	276	92	77	458	1549	10	5985	

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-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	2	0	1	1	0	1	0	0	0	0	2	0	0	0	0	0	1	0	0	8
	1-<2	7	5	7	6	0	1	3	0	0	1	2	0	1	0	0	0	0	0	0	33
	2-<3	26	4	22	22	45	26	7	5	4	1	7	0	1	1	0	0	0	0	0	171
	3-<4	16	0	2	30	19	39	19	3	10	2	5	1	4	0	0	0	1	0	0	151
	4-<5	30	0	4	0	55	43	39	15	19	4	9	0	2	0	0	3	5	0	0	228
	5-<6	117	1	5	7	10	206	114	164	104	31	186	12	18	7	3	41	23	4	1053	
	6-<7	42	0	0	0	1	1	79	65	73	37	39	5	14	2	3	8	5	0	374	
	7-<8	36	0	0	0	5	8	4	89	75	58	88	12	21	5	8	9	12	1	431	
	8-<9	28	0	0	0	2	1	3	4	104	62	122	26	32	13	8	12	12	0	429	
	9-<10	25	0	0	0	0	0	1	1	3	46	63	20	29	10	5	16	11	0	230	
	10-<11	111	0	2	0	0	6	1	5	9	10	218	31	129	34	32	251	285	0	1124	
	11-<12	5	0	0	0	0	0	0	0	0	0	0	9	5	3	4	5	3	1	35	
	12-<13	9	0	0	0	0	0	0	1	0	1	1	0	26	9	17	33	21	0	118	
	13-<14	2	0	0	0	0	0	0	0	0	0	0	0	0	6	5	12	6	0	31	
	14-<15	3	0	0	0	0	0	0	0	0	0	0	0	0	0	11	3	16	0	33	
	15-<16	28	0	0	1	0	0	0	1	2	0	1	0	2	2	0	61	179	0	277	
	>=16	141	0	0	0	0	0	1	0	1	0	8	0	0	1	0	18	1088	1	1259	
	Total	628	10	43	67	137	332	271	353	404	253	751	116	284	93	96	473	1667	7	5985	

Note: Figures are based on sample observations