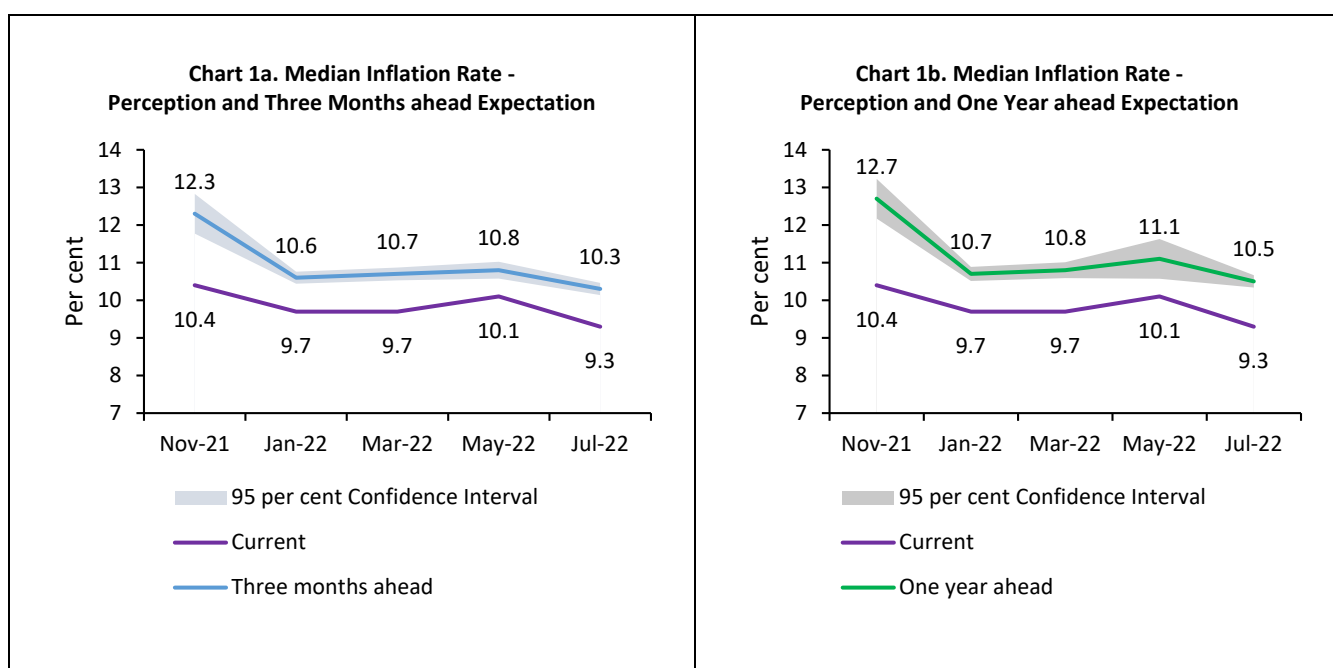


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of the July 2022 round of the Inflation Expectations Survey of Households (IESH)^{1 2}. The survey was conducted during July 7 to 14, 2022 in 19 major cities. The results are based on responses from 5,935 urban households.

Highlights:

- i. Households' median inflation perception for the current period moderated by 80 basis points (bps) to 9.3 per cent in the latest survey round. Their three months and one-year ahead median inflation expectations also declined by 50 bps and 60 bps, respectively, from May 2022 round of survey [Charts 1a and 1b; Table 3].
- ii. Median inflation expectations moderated for most categories of respondents for current period as well as three months and one year ahead periods [Table 2].
- iii. The share of households expecting higher inflation has declined for all product groups from the previous survey round [Tables 1(a) and 1(b)].
- iv. Overall price expectations were generally aligned with prices of food and non-food products as well as cost of services for both three months and one year horizons [Table 4].



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

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 [June 8, 2022](#).

² The survey is conducted at bi-monthly intervals by the Reserve Bank and 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. All estimates of inflation expectations are given in the form of medians, unless stated otherwise.

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	Jul-21		Jan-22		Mar-22		May-22		Jul-22	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	85.9	0.78	85.6	0.68	89.9	0.64	88.5	0.69	83.1	0.80
Price increase more than current rate	62.8	1.14	61.4	1.07	67.2	1.27	66.1	1.10	58.7	1.21
Price increase similar to current rate	19.7	0.90	20.5	0.87	19.3	0.96	18.9	0.83	21.1	0.97
Price increase less than current rate	3.4	0.38	3.7	0.40	3.5	0.45	3.5	0.37	3.3	0.36
No changes in prices	11.2	0.70	12.0	0.64	8.6	0.59	9.1	0.62	13.7	0.74
Decline in prices	2.9	0.40	2.4	0.30	1.5	0.22	2.3	0.32	3.2	0.38
Food Product										
Prices will increase	84.0	0.81	83.7	0.71	89.6	0.62	88.4	0.66	83.7	0.77
Price increase more than current rate	60.8	1.15	61.0	1.01	68.2	1.14	65.6	1.04	59.6	1.13
Price increase similar to current rate	17.7	0.88	17.0	0.78	16.2	0.88	17.4	0.78	18.9	0.90
Price increase less than current rate	5.4	0.53	5.7	0.47	5.2	0.48	5.4	0.44	5.2	0.45
No changes in prices	10.5	0.64	10.5	0.58	6.9	0.51	7.1	0.51	10.1	0.64
Decline in prices	5.5	0.53	5.8	0.45	3.5	0.36	4.5	0.43	6.1	0.52
Non- Food Product										
Prices will increase	82.6	0.85	80.4	0.73	88.4	0.63	87.5	0.70	80.8	0.84
Price increase more than current rate	58.9	1.16	55.4	1.02	65.6	1.17	64.5	1.05	55.7	1.14
Price increase similar to current rate	19.0	0.91	19.4	0.80	17.6	0.87	17.9	0.79	19.8	0.89
Price increase less than current rate	4.8	0.50	5.6	0.46	5.2	0.49	5.1	0.44	5.2	0.45
No changes in prices	12.3	0.73	14.1	0.64	8.7	0.56	8.2	0.54	13.2	0.72
Decline in prices	5.1	0.50	5.4	0.43	2.9	0.31	4.2	0.43	6.0	0.49
Household Durables										
Prices will increase	65.6	1.09	69.9	0.88	73.5	0.89	74.7	0.93	68.7	0.95
Price increase more than current rate	44.9	1.18	48.6	1.03	51.9	1.20	53.4	1.13	46.6	1.11
Price increase similar to current rate	16.8	0.86	16.2	0.70	16.0	0.83	16.3	0.78	17.3	0.81
Price increase less than current rate	4.0	0.43	5.1	0.45	5.5	0.50	5.1	0.42	4.8	0.44
No changes in prices	25.2	0.98	23.1	0.82	20.4	0.83	19.7	0.82	23.7	0.88
Decline in prices	9.2	0.66	7.0	0.45	6.1	0.44	5.5	0.44	7.6	0.54
Cost of Housing										
Prices will increase	64.7	1.12	71.5	0.88	75.8	0.94	78.5	0.90	74.8	0.88
Price increase more than current rate	45.8	1.20	51.3	1.07	54.9	1.23	59.4	1.11	54.2	1.10
Price increase similar to current rate	14.7	0.79	16.1	0.74	16.6	0.80	15.4	0.73	16.9	0.77
Price increase less than current rate	4.2	0.46	4.2	0.42	4.3	0.40	3.7	0.35	3.7	0.37
No changes in prices	23.7	0.99	21.3	0.80	18.9	0.86	17.1	0.82	20.3	0.82
Decline in prices	11.7	0.74	7.2	0.48	5.4	0.46	4.3	0.40	4.8	0.44
Cost of Services										
Prices will increase	74.3	1.01	74.3	0.83	76.3	0.88	78.5	0.88	71.7	0.93
Price increase more than current rate	52.3	1.19	51.6	1.05	54.5	1.19	56.4	1.09	48.6	1.12
Price increase similar to current rate	17.5	0.83	18.0	0.79	16.8	0.80	17.4	0.71	19.0	0.88
Price increase less than current rate	4.5	0.44	4.6	0.43	5.0	0.47	4.8	0.42	4.1	0.41
No changes in prices	22.0	0.94	22.3	0.78	21.2	0.86	18.6	0.82	24.8	0.92
Decline in prices	3.7	0.43	3.4	0.34	2.4	0.29	2.8	0.32	3.4	0.38

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	Jul-21		Jan-22		Mar-22		May-22		Jul-22	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	86.9	0.77	89.6	0.58	91.5	0.58	91.3	0.60	88.4	0.70
Price increase more than current rate	65.5	1.18	68.2	1.05	71.0	1.19	70.8	1.07	66.2	1.23
Price increase similar to current rate	18.5	0.93	18.1	0.81	17.4	0.93	17.3	0.82	19.3	1.00
Price increase less than current rate	2.9	0.38	3.3	0.39	3.1	0.41	3.1	0.36	2.8	0.32
No changes in prices	10.1	0.68	7.8	0.50	6.1	0.48	5.8	0.47	8.1	0.61
Decline in prices	3.1	0.41	2.6	0.29	2.4	0.29	2.8	0.36	3.4	0.41
Food Product										
Prices will increase	80.9	0.87	83.8	0.71	85.3	0.72	86.7	0.72	83.5	0.76
Price increase more than current rate	55.7	1.18	58.2	1.06	60.9	1.19	62.8	1.10	58.1	1.18
Price increase similar to current rate	20.9	0.97	20.4	0.86	19.6	0.91	19.2	0.82	21.3	0.98
Price increase less than current rate	4.3	0.45	5.2	0.45	4.8	0.47	4.7	0.41	4.1	0.40
No changes in prices	12.5	0.72	10.9	0.61	9.8	0.59	8.1	0.52	10.5	0.65
Decline in prices	6.6	0.54	5.3	0.40	5.0	0.41	5.2	0.48	6.0	0.55
Non- Food Product										
Prices will increase	80.4	0.91	82.9	0.72	85.8	0.73	87.0	0.72	83.6	0.78
Price increase more than current rate	56.6	1.21	57.5	1.09	62.4	1.18	63.7	1.09	58.9	1.16
Price increase similar to current rate	19.0	0.91	20.5	0.86	18.9	0.89	19.1	0.82	20.8	0.92
Price increase less than current rate	4.7	0.49	4.9	0.44	4.5	0.44	4.3	0.40	3.9	0.38
No changes in prices	13.4	0.76	12.0	0.61	9.7	0.60	8.2	0.54	10.9	0.68
Decline in prices	6.3	0.57	5.0	0.41	4.5	0.40	4.7	0.47	5.4	0.54
Household Durables										
Prices will increase	69.2	1.05	75.4	0.87	77.3	0.84	78.7	0.84	75.5	0.84
Price increase more than current rate	46.8	1.17	52.1	1.07	54.1	1.16	56.4	1.09	52.2	1.12
Price increase similar to current rate	18.5	0.88	18.7	0.81	18.3	0.89	17.4	0.75	19.3	0.88
Price increase less than current rate	3.9	0.41	4.6	0.45	4.8	0.48	4.9	0.42	4.0	0.39
No changes in prices	22.6	0.96	18.5	0.77	17.1	0.74	15.9	0.72	18.3	0.78
Decline in prices	8.2	0.62	6.1	0.44	5.6	0.43	5.3	0.46	6.1	0.49
Cost of Housing										
Prices will increase	71.8	1.07	79.3	0.78	83.1	0.75	85.3	0.72	83.4	0.75
Price increase more than current rate	50.8	1.21	57.0	1.03	61.1	1.17	64.2	1.07	61.4	1.14
Price increase similar to current rate	16.7	0.86	18.1	0.78	17.6	0.88	17.2	0.77	18.6	0.87
Price increase less than current rate	4.3	0.44	4.2	0.43	4.5	0.43	4.0	0.38	3.4	0.36
No changes in prices	19.8	0.92	15.1	0.66	13.2	0.67	10.5	0.60	12.4	0.67
Decline in prices	8.4	0.68	5.6	0.43	3.7	0.36	4.1	0.40	4.1	0.42
Cost of Services										
Prices will increase	80.9	0.87	82.0	0.75	83.0	0.79	84.9	0.78	81.1	0.84
Price increase more than current rate	55.8	1.17	57.5	1.04	59.2	1.25	62.2	1.10	57.4	1.17
Price increase similar to current rate	20.6	0.91	19.8	0.81	18.8	0.93	17.8	0.78	19.9	0.95
Price increase less than current rate	4.5	0.47	4.6	0.44	5.0	0.47	4.9	0.42	3.9	0.39
No changes in prices	15.7	0.80	15.1	0.68	14.1	0.71	12.0	0.67	15.0	0.80
Decline in prices	3.4	0.41	3.0	0.31	3.0	0.32	3.0	0.38	3.8	0.45

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: Jul-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	9.8	0.10	9.3	0.24	10.7	0.11	10.3	0.08	10.3	0.13	10.5	0.08
Gender-wise												
Male	10.0	0.13	9.9	0.23	10.9	0.13	10.5	0.10	10.6	0.16	10.6	0.11
Female	9.6	0.14	9.1	0.24	10.7	0.15	10.3	0.11	10.2	0.18	10.4	0.10
Category-wise												
Financial Sector Employees	10.0	0.48	9.9	0.43	11.1	0.47	10.7	0.50	11.3	0.53	11.6	1.05
Other Employees	9.9	0.17	9.6	0.34	10.9	0.18	10.4	0.16	10.7	0.22	10.7	0.17
Self Employed	10.2	0.19	10.1	0.18	11.1	0.20	10.6	0.14	10.6	0.25	10.7	0.19
Homemaker	9.7	0.17	9.2	0.33	10.7	0.17	10.2	0.12	10.1	0.22	10.3	0.10
Retired Persons	11.3	0.38	10.6	0.35	12.2	0.39	12.9	1.40	11.4	0.47	12.5	1.03
Daily Workers	9.6	0.28	8.8	0.48	10.6	0.28	10.1	0.33	9.7	0.38	9.9	0.46
Other category	9.2	0.23	8.5	0.24	10.3	0.23	10.0	0.23	10.2	0.27	10.3	0.17
Age Group-wise												
Up to 25 years	8.9	0.18	8.1	0.19	10.0	0.19	9.4	0.30	9.9	0.22	10.0	0.22
25 to 30 years	9.7	0.21	9.2	0.32	10.6	0.20	10.2	0.15	10.4	0.26	10.5	0.14
30 to 35 years	9.7	0.21	8.9	0.34	10.7	0.21	10.2	0.20	10.4	0.26	10.4	0.15
35 to 40 years	9.9	0.22	9.6	0.35	10.8	0.22	10.3	0.17	10.1	0.29	10.4	0.17
40 to 45 years	10.0	0.22	9.9	0.30	11.0	0.24	10.5	0.15	10.4	0.28	10.5	0.19
45 to 50 years	10.0	0.23	10.1	0.16	11.0	0.24	10.7	0.17	10.3	0.31	10.7	0.24
50 to 55 years	10.7	0.32	10.3	0.21	11.2	0.33	10.7	0.49	10.6	0.41	10.8	0.41
55 to 60 years	10.4	0.33	10.0	0.47	11.2	0.33	10.6	0.38	10.2	0.43	10.4	0.40
60 years and above	11.2	0.30	10.6	0.14	12.1	0.28	12.8	1.15	11.7	0.32	12.8	1.06
City-wise												
Ahmedabad	9.1	0.62	8.1	0.85	10.3	0.68	9.3	1.01	10.1	0.71	9.6	0.93
Bengaluru	10.1	0.28	10.2	0.33	11.2	0.28	10.9	0.50	11.5	0.34	12.8	1.01
Bhopal	8.4	0.79	7.0	1.48	9.5	0.81	9.1	1.29	9.2	0.84	9.0	1.56
Bhubaneswar	7.9	0.60	7.3	1.18	9.7	0.57	9.1	1.06	9.9	0.61	10.0	0.89
Chennai	10.9	0.44	10.5	0.20	12.2	0.41	12.6	1.37	12.2	0.39	13.9	1.50
Delhi	10.0	0.23	9.8	0.42	10.8	0.26	10.4	0.19	10.4	0.28	10.5	0.17
Guwahati	7.3	0.48	6.9	0.69	7.9	0.49	7.7	0.41	8.4	0.53	8.4	0.64
Hyderabad	10.5	0.47	10.1	0.40	11.0	0.49	10.8	0.61	8.9	0.67	9.9	0.73
Jaipur	10.6	0.56	10.0	0.49	11.3	0.63	10.9	0.82	10.2	0.60	10.4	0.57
Jammu	9.7	1.12	9.5	0.90	11.2	0.94	11.1	1.34	11.8	0.87	12.4	1.45
Kolkata	9.6	0.29	9.1	0.45	10.8	0.28	10.4	0.19	10.9	0.28	10.7	0.30
Lucknow	9.5	0.50	9.1	0.74	10.4	0.49	10.1	0.53	9.7	0.60	10.1	0.52
Mumbai	9.6	0.19	8.7	0.19	10.6	0.22	10.1	0.22	10.1	0.31	10.4	0.22
Nagpur	10.6	0.51	10.0	0.60	12.0	0.56	12.3	2.04	10.4	0.96	11.7	2.01
Patna	8.9	0.42	8.4	0.48	9.7	0.57	9.1	0.50	9.7	0.59	9.4	0.59
Thiruvananthapuram	6.6	0.64	5.4	0.38	8.1	0.76	6.9	0.68	9.1	0.57	8.5	0.83
Chandigarh	11.7	0.53	11.2	1.70	11.6	0.54	11.2	1.57	9.9	0.74	10.2	1.09
Ranchi	7.5	0.30	7.1	0.31	7.7	0.35	7.5	0.45	7.4	0.66	7.7	0.59
Raipur	7.0	0.40	6.4	0.59	7.4	0.54	7.1	0.67	8.0	1.13	8.7	1.47

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
Jul-21	10.5	0.11	10.3	0.06	11.7	0.11	11.3	0.42	11.0	0.13	11.5	0.48
Jan-22	9.9	0.10	9.7	0.28	11.1	0.10	10.6	0.08	10.7	0.11	10.7	0.09
Mar-22	9.8	0.12	9.7	0.31	11.1	0.12	10.7	0.09	10.9	0.13	10.8	0.11
May-22	10.3	0.11	10.1	0.08	11.4	0.11	10.8	0.11	11.1	0.12	11.1	0.27
Jul-22	9.8	0.10	9.3	0.24	10.7	0.11	10.3	0.08	10.3	0.13	10.5	0.08

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

Survey period ended	Food	Non-Food	Household durables	Housing	Cost of services
Three Months Ahead					
Jul-21	67.5	68.9	58.4	56.8	64.9
Jan-22	66.8	65.8	60.5	61.7	66.0
Mar-22	70.5	70.8	60.2	62.0	65.8
May-22	70.8	71.3	64.0	66.6	69.3
Jul-22	66.9	67.8	62.3	63.7	66.9
One Year Ahead					
Jul-21	70.0	71.0	63.3	63.4	71.4
Jan-22	71.7	72.4	65.2	67.5	72.9
Mar-22	73.1	74.2	67.5	69.4	74.4
May-22	75.6	76.6	69.8	73.4	76.2
Jul-22	74.3	75.5	69.2	73.2	75.8

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: Jul-22

		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	2	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	3
	1-<2	0	20	8	4	0	2	0	0	0	0	0	0	0	0	0	0	0	0	34
	2-<3	0	12	53	31	30	14	0	0	0	0	0	0	1	0	0	1	0	0	142
	3-<4	0	1	12	73	37	49	13	2	2	0	2	0	0	0	0	0	0	2	193
	4-<5	0	0	2	12	83	55	43	15	12	3	3	0	0	0	1	0	0	1	230
	5-<6	0	1	8	25	14	297	119	197	69	12	100	0	0	0	0	8	3	3	856
	6-<7	0	0	4	5	3	14	133	106	83	23	23	2	2	0	1	3	0	3	405
	7-<8	0	2	1	4	4	8	16	207	149	57	72	7	3	1	0	1	1	1	534
	8-<9	0	0	2	4	2	7	7	10	193	102	159	18	24	5	1	1	2	1	538
	9-<10	0	1	0	0	2	2	1	2	7	105	75	38	21	7	4	3	6	1	275
	10-<11	0	0	0	1	2	24	4	13	23	6	420	53	165	50	19	268	110	5	1163
	11-<12	0	0	0	0	0	0	1	0	0	0	3	12	6	4	8	4	3	2	43
	12-<13	0	0	0	0	0	1	1	0	1	0	4	1	47	5	7	32	10	1	110
	13-<14	0	0	0	0	0	2	0	1	0	1	3	0	0	3	3	3	6	0	22
	14-<15	0	0	0	0	0	0	0	0	0	0	1	1	1	0	10	10	9	0	32
	15-<16	0	0	0	0	0	2	0	0	0	0	10	0	4	2	1	110	155	1	285
	>=16	0	0	0	0	1	12	1	0	0	2	15	0	1	2	0	18	985	33	1070
Total	2	37	90	159	179	489	339	553	539	311	890	132	275	79	55	462	1290	54	5935	

Table 5(b): Cross-tabulation of Number of Respondents by Current Inflation Perception and One Year Ahead Inflation Expectations: Jul-22

		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	1	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	3
	1-<2	7	11	7	3	2	4	0	0	0	0	0	0	0	0	0	0	0	0	34
	2-<3	23	1	31	23	34	18	5	3	0	0	1	0	1	1	0	0	0	1	142
	3-<4	27	0	1	37	30	42	23	11	10	3	8	0	0	0	0	0	1	0	193
	4-<5	36	0	0	3	43	38	41	24	22	8	10	0	3	0	1	0	1	0	230
	5-<6	109	0	0	6	11	176	73	129	100	23	163	6	12	2	0	30	14	2	856
	6-<7	48	0	1	0	7	2	78	70	91	33	50	6	9	1	1	4	3	1	405
	7-<8	60	0	0	0	0	6	8	122	97	80	116	7	20	3	2	11	1	1	534
	8-<9	56	0	0	0	0	0	3	11	110	56	184	28	44	7	8	20	10	1	538
	9-<10	27	0	0	0	0	0	0	5	3	61	63	37	36	13	5	12	11	2	275
	10-<11	116	0	1	0	0	4	2	5	9	7	245	39	147	40	25	269	252	2	1163
	11-<12	2	0	0	0	0	0	0	0	1	0	0	9	4	3	7	9	6	2	43
	12-<13	10	0	0	0	0	0	0	0	2	0	3	0	27	8	13	20	26	1	110
	13-<14	4	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4	6	0	22
	14-<15	0	0	0	0	0	0	0	1	0	0	0	1	2	0	5	8	15	0	32
	15-<16	31	0	0	0	0	1	0	0	0	0	8	0	0	0	1	61	182	1	285
	>=16	106	0	0	0	0	3	0	0	3	0	7	0	0	0	1	8	918	24	1070
Total	663	12	41	72	128	294	233	381	448	271	859	133	305	82	73	456	1446	38	5935	