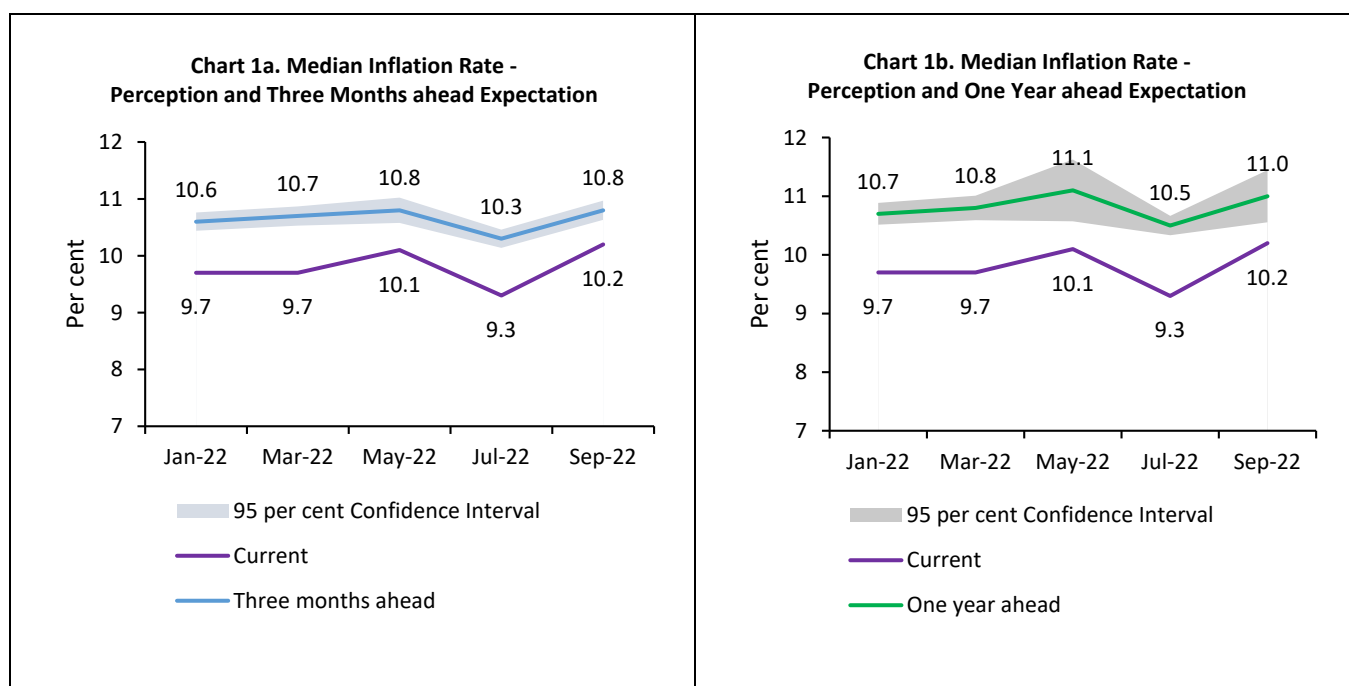


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of the September 2022 round of the Inflation Expectations Survey of Households (IESH)^{1 2}. The survey was conducted during September 1 to 10, 2022 in 19 major cities. The results are based on responses from 6,052 urban households.

Highlights:

- i. Households' median inflation perceptions for the current period increased by 90 basis points (bps) since July 2022 to 10.2 per cent in September 2022, while it rose by 50 bps each for both three months and one year ahead [Charts 1a and 1b; Table 3].
- ii. Most categories of respondents expect higher inflation for both three months and one year ahead periods [Table 2].
- iii. A larger share of households expects higher prices for all product groups as compared to the previous round of the survey [Tables 1(a) and 1(b)].
- iv. Overall prices and inflation expectations for three months ahead period were generally aligned with food products, non-food products and cost of services, while they were more aligned with non-food products and cost of services for the longer horizon of one year [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 [August 5, 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	Sep-21		Mar-22		May-22		Jul-22		Sep-22	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	84.9	0.76	89.9	0.64	88.5	0.69	83.1	0.80	85.0	0.77
Price increase more than current rate	61.5	1.14	67.2	1.27	66.1	1.10	58.7	1.21	59.9	1.14
Price increase similar to current rate	19.9	0.88	19.3	0.96	18.9	0.83	21.1	0.97	20.9	0.85
Price increase less than current rate	3.5	0.40	3.5	0.45	3.5	0.37	3.3	0.36	4.2	0.44
No changes in prices	12.9	0.71	8.6	0.59	9.1	0.62	13.7	0.74	12.6	0.70
Decline in prices	2.2	0.29	1.5	0.22	2.3	0.32	3.2	0.38	2.4	0.33
Food Product										
Prices will increase	84.8	0.73	89.6	0.62	88.4	0.66	83.7	0.77	85.3	0.69
Price increase more than current rate	61.3	1.08	68.2	1.14	65.6	1.04	59.6	1.13	61.9	1.09
Price increase similar to current rate	18.3	0.80	16.2	0.88	17.4	0.78	18.9	0.90	17.4	0.75
Price increase less than current rate	5.3	0.50	5.2	0.48	5.4	0.44	5.2	0.45	6.1	0.49
No changes in prices	10.7	0.64	6.9	0.51	7.1	0.51	10.1	0.64	9.3	0.55
Decline in prices	4.4	0.40	3.5	0.36	4.5	0.43	6.1	0.52	5.4	0.45
Non- Food Product										
Prices will increase	82.1	0.81	88.4	0.63	87.5	0.70	80.8	0.84	82.3	0.74
Price increase more than current rate	58.7	1.14	65.6	1.17	64.5	1.05	55.7	1.14	55.8	1.08
Price increase similar to current rate	18.3	0.82	17.6	0.87	17.9	0.79	19.8	0.89	20.5	0.79
Price increase less than current rate	5.1	0.44	5.2	0.49	5.1	0.44	5.2	0.45	6.0	0.48
No changes in prices	13.6	0.72	8.7	0.56	8.2	0.54	13.2	0.72	13.1	0.67
Decline in prices	4.3	0.42	2.9	0.31	4.2	0.43	6.0	0.49	4.6	0.42
Household Durables										
Prices will increase	67.3	0.96	73.5	0.89	74.7	0.93	68.7	0.95	70.2	0.89
Price increase more than current rate	46.4	1.08	51.9	1.20	53.4	1.13	46.6	1.11	48.0	1.03
Price increase similar to current rate	16.3	0.77	16.0	0.83	16.3	0.78	17.3	0.81	16.8	0.70
Price increase less than current rate	4.6	0.43	5.5	0.50	5.1	0.42	4.8	0.44	5.3	0.45
No changes in prices	25.0	0.86	20.4	0.83	19.7	0.82	23.7	0.88	22.8	0.84
Decline in prices	7.7	0.53	6.1	0.44	5.5	0.44	7.6	0.54	7.1	0.50
Cost of Housing										
Prices will increase	68.8	0.95	75.8	0.94	78.5	0.90	74.8	0.88	75.7	0.92
Price increase more than current rate	49.6	1.07	54.9	1.23	59.4	1.11	54.2	1.10	53.2	1.07
Price increase similar to current rate	15.2	0.77	16.6	0.80	15.4	0.73	16.9	0.77	17.7	0.70
Price increase less than current rate	3.9	0.42	4.3	0.40	3.7	0.35	3.7	0.37	4.8	0.42
No changes in prices	21.8	0.85	18.9	0.86	17.1	0.82	20.3	0.82	20.2	0.88
Decline in prices	9.4	0.58	5.4	0.46	4.3	0.40	4.8	0.44	4.1	0.39
Cost of Services										
Prices will increase	73.3	0.93	76.3	0.88	78.5	0.88	71.7	0.93	72.2	0.91
Price increase more than current rate	52.1	1.09	54.5	1.19	56.4	1.09	48.6	1.12	49.4	1.10
Price increase similar to current rate	16.9	0.75	16.8	0.80	17.4	0.71	19.0	0.88	17.9	0.75
Price increase less than current rate	4.4	0.41	5.0	0.47	4.8	0.42	4.1	0.41	5.0	0.41
No changes in prices	23.7	0.90	21.2	0.86	18.6	0.82	24.8	0.92	24.7	0.87
Decline in prices	3.0	0.33	2.4	0.29	2.8	0.32	3.4	0.38	3.1	0.36

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	Sep-21		Mar-22		May-22		Jul-22		Sep-22	
	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
General										
Prices will increase	87.6	0.72	91.5	0.58	91.3	0.60	88.4	0.70	90.8	0.59
Price increase more than current rate	66.3	1.09	71.0	1.19	70.8	1.07	66.2	1.23	68.1	1.12
Price increase similar to current rate	18.1	0.85	17.4	0.93	17.3	0.82	19.3	1.00	19.3	0.88
Price increase less than current rate	3.3	0.36	3.1	0.41	3.1	0.36	2.8	0.32	3.5	0.38
No changes in prices	9.4	0.61	6.1	0.48	5.8	0.47	8.1	0.61	6.6	0.49
Decline in prices	3.0	0.35	2.4	0.29	2.8	0.36	3.4	0.41	2.5	0.34
Food Product										
Prices will increase	81.5	0.79	85.3	0.72	86.7	0.72	83.5	0.76	86.4	0.67
Price increase more than current rate	57.2	1.11	60.9	1.19	62.8	1.10	58.1	1.18	60.5	1.09
Price increase similar to current rate	19.6	0.89	19.6	0.91	19.2	0.82	21.3	0.98	21.0	0.84
Price increase less than current rate	4.7	0.45	4.8	0.47	4.7	0.41	4.1	0.40	4.9	0.42
No changes in prices	11.9	0.65	9.8	0.59	8.1	0.52	10.5	0.65	8.3	0.52
Decline in prices	6.6	0.47	5.0	0.41	5.2	0.48	6.0	0.55	5.3	0.45
Non- Food Product										
Prices will increase	81.4	0.81	85.8	0.73	87.0	0.72	83.6	0.78	86.0	0.69
Price increase more than current rate	57.8	1.12	62.4	1.18	63.7	1.09	58.9	1.16	59.8	1.09
Price increase similar to current rate	19.5	0.84	18.9	0.89	19.1	0.82	20.8	0.92	20.9	0.83
Price increase less than current rate	4.1	0.40	4.5	0.44	4.3	0.40	3.9	0.38	5.4	0.45
No changes in prices	13.3	0.71	9.7	0.60	8.2	0.54	10.9	0.68	9.5	0.56
Decline in prices	5.3	0.42	4.5	0.40	4.7	0.47	5.4	0.54	4.4	0.41
Household Durables										
Prices will increase	71.4	0.98	77.3	0.84	78.7	0.84	75.5	0.84	77.7	0.79
Price increase more than current rate	49.3	1.09	54.1	1.16	56.4	1.09	52.2	1.12	54.1	1.06
Price increase similar to current rate	17.5	0.83	18.3	0.89	17.4	0.75	19.3	0.88	18.9	0.79
Price increase less than current rate	4.5	0.45	4.8	0.48	4.9	0.42	4.0	0.39	4.6	0.41
No changes in prices	22.4	0.89	17.1	0.74	15.9	0.72	18.3	0.78	16.4	0.70
Decline in prices	6.2	0.46	5.6	0.43	5.3	0.46	6.1	0.49	6.0	0.45
Cost of Housing										
Prices will increase	76.4	0.87	83.1	0.75	85.3	0.72	83.4	0.75	85.8	0.67
Price increase more than current rate	55.1	1.08	61.1	1.17	64.2	1.07	61.4	1.14	61.8	1.04
Price increase similar to current rate	16.8	0.80	17.6	0.88	17.2	0.77	18.6	0.87	19.6	0.79
Price increase less than current rate	4.5	0.42	4.5	0.43	4.0	0.38	3.4	0.36	4.5	0.41
No changes in prices	17.4	0.78	13.2	0.67	10.5	0.60	12.4	0.67	10.6	0.58
Decline in prices	6.2	0.47	3.7	0.36	4.1	0.40	4.1	0.42	3.6	0.38
Cost of Services										
Prices will increase	79.8	0.84	83.0	0.79	84.9	0.78	81.1	0.84	84.2	0.74
Price increase more than current rate	56.6	1.14	59.2	1.25	62.2	1.10	57.4	1.17	58.6	1.08
Price increase similar to current rate	18.9	0.85	18.8	0.93	17.8	0.78	19.9	0.95	21.0	0.81
Price increase less than current rate	4.3	0.43	5.0	0.47	4.9	0.42	3.9	0.39	4.6	0.43
No changes in prices	16.6	0.76	14.1	0.71	12.0	0.67	15.0	0.80	12.9	0.65
Decline in prices	3.6	0.38	3.0	0.32	3.0	0.38	3.8	0.45	2.9	0.37

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: Sep-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	10.4	0.10	10.2	0.05	11.3	0.10	10.8	0.09	11.1	0.12	11.0	0.23
Gender-wise												
Male	10.7	0.13	10.3	0.06	11.5	0.13	10.9	0.22	11.2	0.15	11.4	0.48
Female	10.2	0.15	10.1	0.09	11.2	0.15	10.7	0.12	11.0	0.18	10.9	0.19
Category-wise												
Financial Sector Employees	9.3	0.49	9.4	0.66	10.0	0.49	10.0	0.66	10.0	0.61	10.2	0.56
Other Employees	10.7	0.19	10.3	0.09	11.5	0.18	11.0	0.31	11.4	0.22	11.6	0.56
Self Employed	11.1	0.21	10.5	0.09	11.8	0.20	11.7	0.62	11.4	0.26	12.2	0.70
Homemaker	10.1	0.17	10.0	0.19	11.2	0.17	10.7	0.13	10.9	0.21	10.9	0.25
Retired Persons	11.6	0.33	10.8	0.26	12.5	0.32	13.7	1.07	12.1	0.39	13.9	1.19
Daily Workers	10.4	0.27	10.2	0.18	11.6	0.26	11.3	0.60	11.0	0.33	11.6	0.58
Other category	9.5	0.23	9.2	0.43	10.6	0.22	10.3	0.17	10.6	0.28	10.5	0.21
Age Group-wise												
Up to 25 years	9.5	0.19	9.1	0.35	10.5	0.19	10.1	0.19	10.7	0.22	10.4	0.16
25 to 30 years	10.0	0.21	9.8	0.35	10.9	0.21	10.6	0.16	10.7	0.25	10.8	0.29
30 to 35 years	10.4	0.22	10.1	0.16	11.2	0.21	10.8	0.26	11.4	0.23	11.4	0.54
35 to 40 years	10.3	0.20	10.2	0.10	11.4	0.20	10.9	0.23	10.8	0.25	10.9	0.25
40 to 45 years	10.7	0.24	10.3	0.13	11.6	0.24	11.1	0.45	11.4	0.27	11.8	0.56
45 to 50 years	10.8	0.25	10.4	0.10	11.6	0.24	11.1	0.44	10.9	0.31	11.4	0.65
50 to 55 years	11.2	0.31	10.6	0.10	12.1	0.30	12.0	1.06	11.8	0.37	13.2	1.00
55 to 60 years	11.0	0.29	10.5	0.21	11.8	0.31	12.0	1.01	11.3	0.38	12.3	0.99
60 years and above	11.5	0.29	10.7	0.16	12.4	0.28	13.3	1.10	12.1	0.33	13.4	1.10
City-wise												
Ahmedabad	11.2	0.52	10.5	0.55	12.3	0.55	12.9	1.72	12.2	0.50	13.6	1.69
Bengaluru	10.3	0.33	10.4	0.13	11.6	0.30	12.1	1.03	11.5	0.32	13.5	1.01
Bhopal	9.1	0.82	8.2	1.68	10.0	0.86	9.7	1.11	9.8	0.83	10.0	1.14
Bhubaneswar	8.7	0.55	8.7	1.48	10.9	0.53	10.6	1.03	10.4	0.66	10.7	0.90
Chennai	10.3	0.38	10.3	0.32	11.7	0.40	12.3	1.44	12.0	0.44	13.6	1.72
Delhi	11.1	0.25	10.5	0.11	11.9	0.26	12.0	0.75	11.6	0.32	12.7	1.00
Guwahati	7.3	0.43	7.0	0.52	7.8	0.64	7.4	0.54	8.5	0.75	8.3	0.57
Hyderabad	10.6	0.51	10.3	0.32	11.2	0.48	10.9	0.58	10.6	0.55	11.4	1.06
Jaipur	8.7	0.51	8.2	0.53	9.4	0.46	9.1	0.60	9.1	0.38	9.2	0.61
Jammu	11.8	0.69	11.4	1.42	11.3	1.29	12.1	2.32	10.1	1.58	11.5	2.21
Kolkata	10.5	0.28	10.2	0.24	11.5	0.25	10.9	0.42	11.3	0.25	11.0	0.45
Lucknow	10.2	0.49	9.8	0.62	10.7	0.48	10.4	0.31	10.7	0.60	10.8	0.54
Mumbai	10.8	0.20	10.1	0.24	11.7	0.22	10.9	0.35	10.9	0.27	10.9	0.35
Nagpur	10.3	0.55	9.8	0.66	11.6	0.58	11.5	1.36	11.5	0.73	12.6	1.55
Patna	9.0	0.64	8.5	0.70	9.6	0.69	9.0	0.62	9.9	0.71	9.6	0.59
Thiruvananthapuram	6.6	0.51	5.5	0.37	8.3	0.63	7.4	0.71	9.7	0.65	9.5	0.87
Chandigarh	12.0	0.58	12.4	2.27	12.1	0.58	12.6	1.89	11.5	0.69	12.5	1.95
Ranchi	8.1	0.57	7.4	0.49	8.6	0.57	8.1	0.57	7.8	0.60	8.1	0.78
Raipur	7.2	0.65	6.6	0.92	7.7	0.81	7.3	1.36	8.0	1.19	8.3	2.63
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
Sep-21	10.4	0.11	10.2	0.06	11.4	0.11	10.8	0.11	10.8	0.13	10.9	0.14
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
Sep-22	10.4	0.10	10.2	0.05	11.3	0.10	10.8	0.09	11.1	0.12	11.0	0.23

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	(Percentage of Respondents)				
	Food	Non-Food	Households durables	Housing	Cost of services
Three Months Ahead					
Sep-21	68.8	69.1	59.5	60.2	66.7
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
Sep-22	67.1	66.9	61.1	62.0	66.6
One Year Ahead					
Sep-21	71.3	72.9	64.9	67.1	73.8
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
Sep-22	73.8	74.3	67.7	71.7	74.6

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: Sep-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	4	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6
	1-<2	2	15	13	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31
	2-<3	2	7	66	39	28	10	4	2	0	0	1	0	0	0	0	0	0	0	0	159
	3-<4	0	3	5	56	41	43	14	2	0	2	0	0	0	0	0	0	0	0	0	166
	4-<5	0	2	4	5	65	47	26	6	5	2	1	0	1	0	0	0	0	0	0	164
	5-<6	1	1	14	15	22	267	122	150	89	14	101	1	1	1	0	5	8	0	0	812
	6-<7	0	1	2	2	3	8	120	66	54	19	17	2	1	0	0	0	0	0	0	295
	7-<8	0	0	0	3	6	8	12	165	122	66	76	3	3	3	1	2	2	2	0	472
	8-<9	0	0	2	4	7	4	6	7	191	90	127	16	20	2	3	5	6	2	2	492
	9-<10	0	0	0	0	3	2	2	4	6	83	56	26	20	7	0	2	3	0	0	214
	10-<11	0	0	3	1	2	29	5	10	18	10	430	89	180	59	20	289	108	0	0	1253
	11-<12	0	0	0	0	0	0	0	0	0	1	0	14	10	4	5	4	3	1	1	42
	12-<13	0	0	0	1	2	5	1	0	2	0	5	0	51	8	20	27	16	1	1	139
	13-<14	0	0	0	1	0	0	0	0	0	0	0	0	0	10	2	12	2	0	0	27
	14-<15	0	0	0	0	0	0	0	0	0	0	0	0	0	1	10	8	15	1	1	35
	15-<16	0	0	0	0	0	7	0	1	3	0	13	0	3	2	0	135	244	4	4	412
	>=16	1	0	3	0	0	13	0	1	2	1	23	1	1	1	2	21	1260	3	3	1333
	Total	10	29	114	128	179	443	312	414	492	288	850	152	291	98	63	510	1667	12	6052	

Table 5(b): Cross-tabulation of Number of Respondents by Current Inflation Perception and One Year Ahead Inflation Expectations: Sep-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	3	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6
	1-<2	8	6	9	5	2	0	0	0	0	0	0	0	0	0	0	0	0	1	0	31
	2-<3	27	3	34	31	29	17	9	2	5	0	1	0	1	0	0	0	0	0	0	159
	3-<4	18	0	3	33	20	51	18	9	6	4	3	0	1	0	0	0	0	0	0	166
	4-<5	16	0	2	3	32	42	34	13	13	4	1	1	1	0	0	1	1	0	0	164
	5-<6	77	0	1	4	14	162	72	132	89	26	183	7	12	1	1	15	16	0	0	812
	6-<7	25	0	0	2	2	5	59	50	68	32	29	6	10	2	1	4	0	0	0	295
	7-<8	40	0	0	2	2	3	2	95	103	72	93	13	19	8	4	9	7	7	0	472
	8-<9	46	0	0	0	4	3	3	9	101	86	130	27	47	7	8	9	11	1	1	492
	9-<10	16	0	0	0	0	0	2	2	6	54	52	27	23	11	6	11	4	0	0	214
	10-<11	120	0	0	0	0	12	4	4	10	4	280	45	151	51	31	261	278	2	2	1253
	11-<12	3	0	0	0	0	0	0	0	0	0	0	8	9	6	3	6	5	2	2	42
	12-<13	16	0	0	0	0	1	0	1	2	1	3	0	32	6	16	29	30	2	2	139
	13-<14	1	0	0	0	0	0	0	0	0	0	0	1	0	7	2	11	5	0	0	27
	14-<15	4	0	0	0	0	0	0	0	0	0	0	0	0	0	3	4	24	0	0	35
	15-<16	34	0	0	0	0	1	0	2	1	0	4	0	3	2	0	84	280	1	1	412
	>=16	107	0	0	0	0	2	1	1	0	0	11	0	1	0	1	17	1183	9	9	1333
	Total	561	10	51	80	105	299	204	320	404	283	790	135	310	101	76	461	1845	17	6052	

Note: Figures are based on sample observations