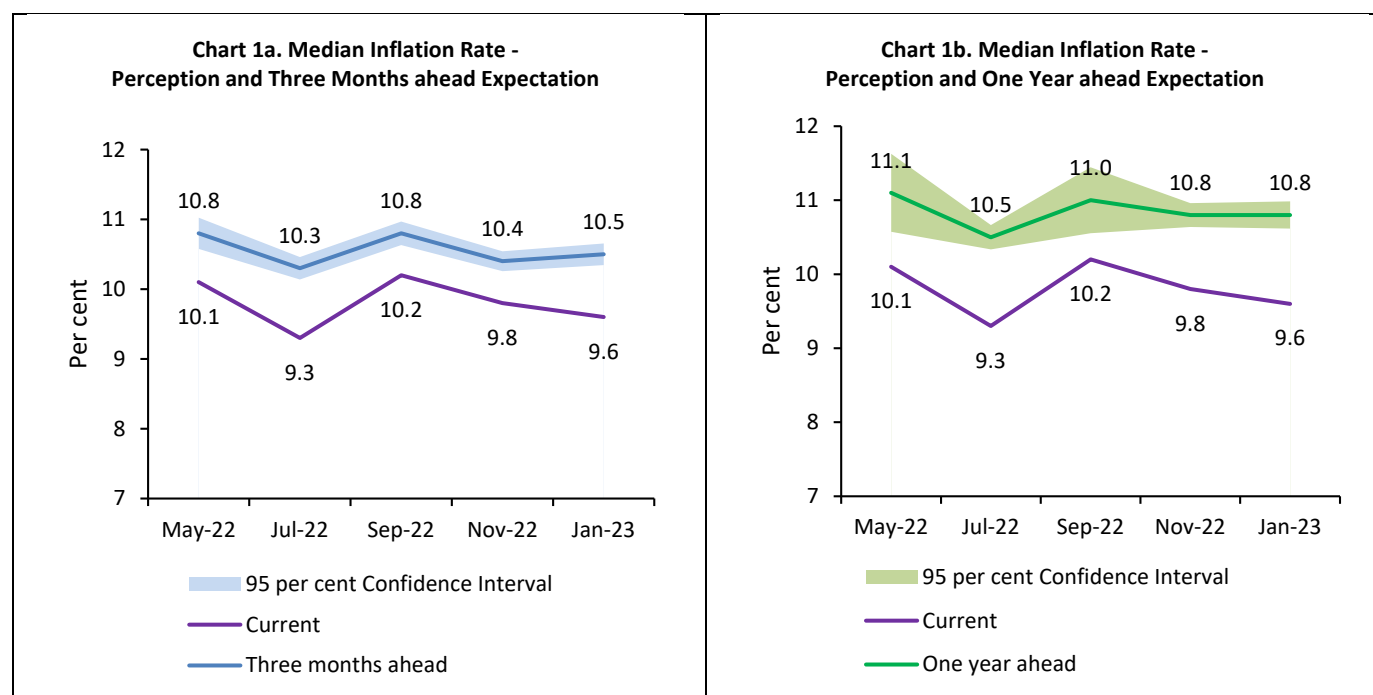


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of January 2023 round of its bi-monthly Inflation Expectations Survey of Households (IESH)^{1 2}. The survey was conducted during January 2 to 11, 2023 in 19 major cities with responses from 6,024 urban households. Female respondents accounted for 49.7 per cent of this sample. The results are summarised in terms of median.

Highlights:

- Households' inflation perception for the current period moderated by 20 basis points (bps) to 9.6 per cent in January 2023.
- Inflation expectation of households rose by 10 bps for three months ahead period whereas their one year ahead expectations remained unchanged from the November 2022 round of the survey [Charts 1a and 1b; Table 3].
- Among consumption categories, the proportion of respondents perceiving price rise was highest for the food group for both the horizons, as also witnessed in the previous two survey rounds [Table 1(a) and 1(b)].
- Respondents expect higher price pressures for household durables and cost of housing over the next three months, when compared to the previous survey round [Table 1(a)].
- City-wise, the range of inflation expectations was 7.4-12.8 per cent over three-month horizon and 8.3-13.3 per cent over one year horizon. [Table 2].



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 [December 07, 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	Jan-22		Jul-22		Sep-22		Nov-22		Jan-23	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	85.6	0.68	83.1	0.80	85.0	0.77	83.8	0.76	84.3	0.76
Price increase more than current rate	61.4	1.07	58.7	1.21	59.9	1.14	58.5	1.13	60.8	1.14
Price increase similar to current rate	20.5	0.87	21.1	0.97	20.9	0.85	20.8	0.89	20.2	0.86
Price increase less than current rate	3.7	0.40	3.3	0.36	4.2	0.44	4.4	0.43	3.4	0.36
No changes in prices	12.0	0.64	13.7	0.74	12.6	0.70	13.7	0.69	13.3	0.71
Decline in prices	2.4	0.30	3.2	0.38	2.4	0.33	2.5	0.32	2.3	0.30
Food Product										
Prices will increase	83.7	0.71	83.7	0.77	85.3	0.69	85.0	0.72	84.6	0.72
Price increase more than current rate	61.0	1.01	59.6	1.13	61.9	1.09	62.0	1.04	61.1	1.08
Price increase similar to current rate	17.0	0.78	18.9	0.90	17.4	0.75	17.2	0.76	18.4	0.77
Price increase less than current rate	5.7	0.47	5.2	0.45	6.1	0.49	5.9	0.48	5.1	0.43
No changes in prices	10.5	0.58	10.1	0.64	9.3	0.55	9.9	0.58	10.2	0.59
Decline in prices	5.8	0.45	6.1	0.52	5.4	0.45	5.1	0.44	5.2	0.45
Non- Food Product										
Prices will increase	80.4	0.73	80.8	0.84	82.3	0.74	81.1	0.77	81.8	0.77
Price increase more than current rate	55.4	1.02	55.7	1.14	55.8	1.08	57.2	1.05	56.4	1.08
Price increase similar to current rate	19.4	0.80	19.8	0.89	20.5	0.79	17.9	0.78	20.5	0.82
Price increase less than current rate	5.6	0.46	5.2	0.45	6.0	0.48	6.0	0.48	4.9	0.44
No changes in prices	14.1	0.64	13.2	0.72	13.1	0.67	14.4	0.70	13.4	0.67
Decline in prices	5.4	0.43	6.0	0.49	4.6	0.42	4.5	0.43	4.7	0.43
Household Durables										
Prices will increase	69.9	0.88	68.7	0.95	70.2	0.89	68.3	0.93	72.4	0.90
Price increase more than current rate	48.6	1.03	46.6	1.11	48.0	1.03	47.2	1.07	50.3	1.07
Price increase similar to current rate	16.2	0.70	17.3	0.81	16.8	0.70	16.0	0.75	17.5	0.71
Price increase less than current rate	5.1	0.45	4.8	0.44	5.3	0.45	5.1	0.43	4.6	0.42
No changes in prices	23.1	0.82	23.7	0.88	22.8	0.84	24.5	0.87	21.2	0.84
Decline in prices	7.0	0.45	7.6	0.54	7.1	0.50	7.3	0.49	6.3	0.47
Cost of Housing										
Prices will increase	71.5	0.88	74.8	0.88	75.7	0.92	76.5	0.88	78.0	0.86
Price increase more than current rate	51.3	1.07	54.2	1.10	53.2	1.07	55.4	1.09	58.4	1.08
Price increase similar to current rate	16.1	0.74	16.9	0.77	17.7	0.70	16.8	0.75	16.3	0.73
Price increase less than current rate	4.2	0.42	3.7	0.37	4.8	0.42	4.3	0.41	3.3	0.35
No changes in prices	21.3	0.80	20.3	0.82	20.2	0.88	19.3	0.83	18.9	0.84
Decline in prices	7.2	0.48	4.8	0.44	4.1	0.39	4.2	0.40	3.1	0.34
Cost of Services										
Prices will increase	74.3	0.83	71.7	0.93	72.2	0.91	70.6	0.89	71.7	0.90
Price increase more than current rate	51.6	1.05	48.6	1.12	49.4	1.10	49.1	1.04	49.9	1.08
Price increase similar to current rate	18.0	0.79	19.0	0.88	17.9	0.75	16.9	0.73	17.6	0.71
Price increase less than current rate	4.6	0.43	4.1	0.41	5.0	0.41	4.5	0.41	4.1	0.40
No changes in prices	22.3	0.78	24.8	0.92	24.7	0.87	26.6	0.88	25.5	0.88
Decline in prices	3.4	0.34	3.4	0.38	3.1	0.36	2.9	0.33	2.7	0.30

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-22		Jul-22		Sep-22		Nov-22		Jan-23	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	89.6	0.58	88.4	0.70	90.8	0.59	90.8	0.57	91.6	0.53
Price increase more than current rate	68.2	1.05	66.2	1.23	68.1	1.12	69.5	1.08	70.8	1.02
Price increase similar to current rate	18.1	0.81	19.3	1.00	19.3	0.88	18.2	0.87	17.9	0.81
Price increase less than current rate	3.3	0.39	2.8	0.32	3.5	0.38	3.1	0.34	3.0	0.33
No changes in prices	7.8	0.50	8.1	0.61	6.6	0.49	6.4	0.45	5.7	0.43
Decline in prices	2.6	0.29	3.4	0.41	2.5	0.34	2.8	0.33	2.6	0.31
Food Product										
Prices will increase	83.8	0.71	83.5	0.76	86.4	0.67	87.1	0.64	88.0	0.64
Price increase more than current rate	58.2	1.06	58.1	1.18	60.5	1.09	62.9	1.07	62.7	1.07
Price increase similar to current rate	20.4	0.86	21.3	0.98	21.0	0.84	19.6	0.83	20.7	0.87
Price increase less than current rate	5.2	0.45	4.1	0.40	4.9	0.42	4.7	0.42	4.5	0.42
No changes in prices	10.9	0.61	10.5	0.65	8.3	0.52	7.8	0.50	7.6	0.50
Decline in prices	5.3	0.40	6.0	0.55	5.3	0.45	5.0	0.41	4.4	0.39
Non- Food Product										
Prices will increase	82.9	0.72	83.6	0.78	86.0	0.69	85.0	0.71	86.7	0.67
Price increase more than current rate	57.5	1.09	58.9	1.16	59.8	1.09	60.7	1.09	62.0	1.09
Price increase similar to current rate	20.5	0.86	20.8	0.92	20.9	0.83	19.9	0.84	20.5	0.83
Price increase less than current rate	4.9	0.44	3.9	0.38	5.4	0.45	4.5	0.41	4.3	0.41
No changes in prices	12.0	0.61	10.9	0.68	9.5	0.56	10.1	0.58	9.1	0.54
Decline in prices	5.0	0.41	5.4	0.54	4.4	0.41	4.8	0.42	4.1	0.39
Household Durables										
Prices will increase	75.4	0.87	75.5	0.84	77.7	0.79	77.6	0.84	80.8	0.77
Price increase more than current rate	52.1	1.07	52.2	1.12	54.1	1.06	55.0	1.09	57.2	1.08
Price increase similar to current rate	18.7	0.81	19.3	0.88	18.9	0.79	18.2	0.80	19.3	0.79
Price increase less than current rate	4.6	0.45	4.0	0.39	4.6	0.41	4.3	0.39	4.3	0.41
No changes in prices	18.5	0.77	18.3	0.78	16.4	0.70	16.4	0.72	13.8	0.65
Decline in prices	6.1	0.44	6.1	0.49	6.0	0.45	6.0	0.47	5.4	0.43
Cost of Housing										
Prices will increase	79.3	0.78	83.4	0.75	85.8	0.67	86.5	0.69	87.4	0.63
Price increase more than current rate	57.0	1.03	61.4	1.14	61.8	1.04	64.4	1.04	66.8	0.98
Price increase similar to current rate	18.1	0.78	18.6	0.87	19.6	0.79	18.5	0.80	17.2	0.77
Price increase less than current rate	4.2	0.43	3.4	0.36	4.5	0.41	3.7	0.38	3.5	0.36
No changes in prices	15.1	0.66	12.4	0.67	10.6	0.58	10.2	0.59	9.8	0.57
Decline in prices	5.6	0.43	4.1	0.42	3.6	0.38	3.3	0.37	2.8	0.30
Cost of Services										
Prices will increase	82.0	0.75	81.1	0.84	84.2	0.74	84.2	0.74	84.0	0.72
Price increase more than current rate	57.5	1.04	57.4	1.17	58.6	1.08	60.1	1.10	60.2	1.08
Price increase similar to current rate	19.8	0.81	19.9	0.95	21.0	0.81	19.8	0.83	19.7	0.80
Price increase less than current rate	4.6	0.44	3.9	0.39	4.6	0.43	4.3	0.39	4.2	0.41
No changes in prices	15.1	0.68	15.0	0.80	12.9	0.65	12.9	0.67	13.1	0.65
Decline in prices	3.0	0.31	3.8	0.45	2.9	0.37	2.9	0.33	2.8	0.33

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-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	9.7	0.09	9.6	0.30	10.8	0.10	10.5	0.08	10.8	0.11	10.8	0.09
Gender-wise												
Male	10.0	0.13	10.0	0.15	11.0	0.13	10.6	0.11	10.8	0.16	10.9	0.19
Female	9.5	0.13	9.2	0.34	10.7	0.13	10.4	0.09	10.8	0.15	10.8	0.09
Category-wise												
Financial Sector Employees	9.8	0.61	9.5	0.76	10.8	0.66	10.6	0.73	11.3	0.84	11.5	1.03
Other Employees	9.9	0.17	9.9	0.25	11.0	0.17	10.6	0.12	11.0	0.20	11.0	0.26
Self Employed	10.1	0.18	10.1	0.11	11.1	0.18	10.7	0.18	10.8	0.24	10.9	0.30
Homemaker	9.6	0.15	9.4	0.38	10.7	0.15	10.4	0.09	11.0	0.18	10.9	0.21
Retired Persons	9.9	0.32	9.9	0.48	10.9	0.31	10.6	0.28	10.8	0.38	11.1	0.49
Daily Workers	9.6	0.26	9.3	0.60	10.8	0.27	10.4	0.28	10.5	0.34	10.6	0.22
Other category	9.1	0.22	8.6	0.29	10.1	0.23	9.9	0.29	10.2	0.27	10.5	0.22
Age Group-wise												
Up to 25 years	8.9	0.19	8.3	0.23	10.1	0.20	9.5	0.34	10.2	0.23	10.2	0.21
25 to 30 years	9.5	0.17	9.3	0.40	10.6	0.18	10.4	0.13	10.9	0.21	10.9	0.24
30 to 35 years	9.9	0.21	9.9	0.30	11.0	0.21	10.6	0.14	11.1	0.24	11.2	0.39
35 to 40 years	9.8	0.20	9.9	0.30	11.0	0.20	10.7	0.16	11.0	0.24	11.1	0.38
40 to 45 years	10.0	0.22	10.1	0.23	11.0	0.21	10.6	0.17	10.8	0.26	10.8	0.29
45 to 50 years	10.6	0.24	10.3	0.10	11.3	0.23	10.9	0.36	11.4	0.27	12.4	0.62
50 to 55 years	10.2	0.28	10.1	0.29	11.1	0.28	10.7	0.28	11.2	0.32	11.6	0.67
55 to 60 years	9.5	0.30	9.1	0.54	10.6	0.32	10.4	0.20	10.6	0.36	10.7	0.19
60 years and above	10.1	0.26	10.0	0.34	11.1	0.26	10.7	0.23	10.4	0.35	10.8	0.31
City-wise												
Ahmedabad	8.7	0.31	7.8	0.58	9.9	0.38	9.0	0.77	10.0	0.46	9.7	0.90
Bengaluru	9.1	0.27	9.5	0.74	10.3	0.26	10.3	0.29	10.9	0.30	11.2	0.58
Bhopal	9.2	1.02	8.0	1.82	10.2	1.02	9.7	1.66	9.8	0.90	10.1	1.97
Bhubaneswar	8.5	0.62	7.6	1.39	10.5	0.74	10.5	1.36	10.6	0.74	11.2	1.63
Chennai	9.6	0.36	9.9	0.53	11.6	0.40	11.4	0.73	12.3	0.38	13.3	1.10
Delhi	10.8	0.22	10.4	0.10	11.7	0.23	11.4	0.54	11.4	0.26	11.8	0.63
Guwahati	8.2	0.55	7.6	1.03	8.9	0.61	8.1	0.83	9.6	0.73	8.9	0.83
Hyderabad	8.7	0.39	7.9	0.70	9.6	0.43	9.2	0.61	9.8	0.52	10.4	0.65
Jaipur	7.8	0.33	7.4	0.42	8.4	0.37	8.1	0.45	8.3	0.36	8.3	0.46
Jammu	12.0	0.74	11.5	1.61	11.8	0.93	12.8	2.17	10.2	1.00	11.6	1.88
Kolkata	10.8	0.31	10.3	0.24	11.9	0.31	11.7	0.79	12.1	0.33	13.1	1.00
Lucknow	9.0	0.50	8.9	0.59	10.0	0.50	10.0	0.57	9.9	0.62	10.3	0.71
Mumbai	10.3	0.22	9.7	0.33	11.5	0.22	10.8	0.23	10.9	0.29	11.1	0.42
Nagpur	9.9	0.55	9.5	0.70	11.2	0.57	10.6	1.01	11.6	0.56	11.8	1.21
Patna	7.8	0.42	7.4	0.37	8.5	0.45	8.1	0.37	8.6	0.49	8.3	0.28
Thiruvananthapuram	6.8	0.51	5.5	0.20	8.3	0.49	7.4	0.58	9.3	0.57	8.8	0.97
Chandigarh	11.0	0.65	11.0	1.28	11.0	0.66	11.4	1.57	10.7	0.73	12.1	1.91
Ranchi	8.4	0.39	8.0	0.30	9.0	0.52	8.6	0.39	9.1	0.55	9.3	0.57
Raipur	8.5	0.65	8.2	0.78	9.4	0.63	9.1	0.84	10.0	0.97	10.6	0.80
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-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
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
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
Jan-23	9.7	0.09	9.6	0.30	10.8	0.10	10.5	0.08	10.8	0.11	10.8	0.09
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-22	66.8	65.8	60.5	61.7	66.0
Jul-22	66.9	67.8	62.3	63.7	66.9
Sep-22	67.1	66.9	61.1	62.0	66.6
Nov-22	66.6	67.1	60.2	64.7	66.0
Jan-23	65.6	67.3	62.6	66.2	66.5
One Year Ahead					
Jan-22	71.7	72.4	65.2	67.5	72.9
Jul-22	74.3	75.5	69.2	73.2	75.8
Sep-22	73.8	74.3	67.7	71.7	74.6
Nov-22	74.4	74.8	68.6	73.7	75.0
Jan-23	75.2	74.8	68.4	74.7	74.0
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-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	6	1	3	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	12
	1-<2	2	19	8	2	1	3	0	0	0	0	0	0	0	0	0	0	0	0	35
	2-<3	0	10	62	45	21	12	0	0	1	0	1	0	0	0	0	0	0	2	154
	3-<4	1	0	5	56	45	49	14	0	0	1	0	0	0	0	0	0	0	3	174
	4-<5	0	1	6	5	76	52	30	5	6	1	0	0	0	0	0	2	0	0	184
	5-<6	1	2	7	23	23	357	142	196	90	10	117	2	2	0	0	11	1	5	989
	6-<7	0	0	0	1	9	8	158	96	68	27	20	0	8	0	0	1	0	0	396
	7-<8	0	0	0	0	3	12	7	174	122	63	55	3	8	0	4	1	1	0	453
	8-<9	1	0	1	2	5	6	9	8	188	96	149	19	15	4	1	1	4	0	509
	9-<10	0	0	0	0	0	3	2	0	4	68	70	23	25	4	1	3	1	0	204
	10-<11	0	0	1	1	5	27	6	4	14	9	438	114	242	81	16	277	122	3	1360
	11-<12	0	0	0	0	0	0	1	0	1	1	0	15	12	11	5	2	3	0	51
	12-<13	0	0	0	0	1	0	0	0	2	0	1	0	47	19	18	27	10	0	125
	13-<14	0	0	0	0	1	0	0	0	0	0	0	0	1	14	3	7	5	0	31
	14-<15	0	0	0	0	0	0	0	0	0	0	1	1	1	1	11	4	10	1	30
	15-<16	0	0	0	1	0	5	0	2	0	0	7	0	1	2	1	87	195	1	302
	>=16	0	0	0	2	0	5	2	2	0	0	20	0	2	1	2	21	954	4	1015
	Total	11	33	93	138	190	539	371	487	496	276	879	177	364	137	62	444	1307	20	6024

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-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	6	0	3	1	1	0	0	0	0	0	0	0	0	0	0	0	1	0	12
	1-<2	13	5	8	2	4	1	1	0	0	0	1	0	0	0	0	0	0	0	35
	2-<3	18	6	31	36	29	21	1	4	3	2	1	0	0	0	0	0	0	2	154
	3-<4	16	0	2	30	28	51	19	5	4	3	8	4	1	0	0	0	1	2	174
	4-<5	24	0	2	1	37	41	37	11	17	3	6	1	2	0	0	2	0	0	184
	5-<6	91	0	5	6	11	184	96	154	105	43	210	8	23	7	4	24	16	2	989
	6-<7	32	0	0	0	1	5	90	76	91	19	47	10	11	2	1	7	4	0	396
	7-<8	45	0	0	0	0	5	5	99	88	85	68	13	20	3	10	8	4	0	453
	8-<9	34	0	1	0	2	4	3	4	99	63	150	40	63	15	6	11	14	0	509
	9-<10	13	0	0	0	0	1	0	1	4	32	49	25	39	14	7	12	7	0	204
	10-<11	93	0	0	0	0	9	5	3	6	4	246	70	198	60	51	329	283	3	1360
	11-<12	4	0	0	0	0	0	0	0	0	1	0	10	9	11	8	3	5	0	51
	12-<13	7	0	0	0	0	0	0	2	0	0	0	0	17	11	18	38	32	0	125
	13-<14	3	0	0	0	0	0	0	0	0	0	1	0	0	5	3	13	6	0	31
	14-<15	2	0	0	0	0	0	0	0	0	0	0	1	0	0	9	5	11	2	30
	15-<16	18	0	0	1	0	1	0	0	0	0	8	0	1	0	2	53	216	2	302
	>=16	88	0	0	0	0	1	0	1	1	0	12	0	1	0	2	16	885	8	1015
	Total	507	11	52	77	113	324	257	360	418	255	807	182	385	128	121	521	1485	21	6024

Note: Figures are based on sample observations