

India's urban buyers show stable confidence, expect brighter outlook: RBI survey

ET Online Last Updated: Jun 07, 2025, 04:16:00 PM IST

Synopsis

The RBI's May 2025 survey reveals stable urban consumer sentiment regarding the current economy, with a slight dip in the Consumer Confidence Index to 95.4. However, future expectations have brightened, as the Future Expectations Index rose to 123.4. Concerns about inflation are easing, and households anticipate moderating prices.



The [Reserve Bank of India's](#) latest [Urban Consumer Confidence Survey](#) (UCCS) for May 2025 shows that urban consumers maintain stable sentiments about the current economic situation, with a cautious yet improving outlook for the future.

The survey reveals that the [Consumer Confidence Index](#) (CCI), which measures current consumer sentiment, dipped marginally from 95.5 in March to 95.4 in May, indicating only a slight weakening in how consumers view present conditions.

Despite this, expectations for the year ahead have brightened significantly.

The [Future Expectations Index](#) (FEI), reflecting optimism about the economic outlook, employment prospects, income levels, and spending capacity, rose by one point from 122.4 in March to 123.4 in May. This points to a growing sense of confidence among urban households across 19 major Indian cities, based on feedback from 6,090 respondents surveyed between May 2 and 11.

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A notable aspect of the survey is the easing concern over inflation and price levels. This is the second consecutive survey round showing a decline in pessimism related to high prices. Most respondents now expect inflation and prices to moderate further in the coming year.

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The RBI noted, "Pessimism about the current price level and inflation continued to ease for the second consecutive round. Households also expect a decline in both price and inflationary pressures over the coming year."

While there has been little change in consumer sentiment about current income levels, optimism remains strong regarding future earnings. According to the RBI, "Households remain firmly optimistic on future earnings even though their sentiment on current earnings remained around its March 2025 level."

Spending habits mirror this cautious optimism. Although current expenditure on both essential and non-essential items has dipped slightly since March, consumers anticipate increased spending in the future.

Overall, the survey suggests that while urban consumers feel only marginally better about present conditions, their confidence and hope for economic improvement in the year ahead have grown substantially.

With inputs from ANI

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