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MNI India Consumer Report June 2014

Insight and data for better decisions

About MNI Indicators

Insight and data for better decisions

MNI Indicators offers unique macro-economic data and insight to businesses and the investment community. We produce data and intelligence that is unbiased, pertinent and responsive. Our data moves markets.

Specialising in business and consumer focused macro-economic reports, we give our customers the ability to make timely and relevant decisions. We strive to provide up-to-date information on business and consumer confidence on the economy.

MNI Indicators publishes data on a monthly basis. Our indicators are based on a unique and proprietary methodology and are designed to present an advance picture of the economic landscape as perceived by businesses and consumers every month.

Our monthly reports explore attitudes, perspectives and confidence across different countries and regions. They deliver in-depth analysis, highlight changing patterns and how these can affect potential developments in business and consumer activities.

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MNI India Consumer Report - June 2014

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To-Do List

It's been just a month since Narendra Modi's BJP party formed the government and so far it's been making all the right noises.

It's been just a month since Narendra Modi's BJP party formed the government and so far it's been making all the right noises. "Minimum government and maximum governance" is their motto. An initial step to slice the size of the cabinet to 43 from more than 75 previously shows he means business.

As soon as Modi formed his government, he came up with 10 key areas that they will focus on. The list was broad based with an overriding goal of cutting red tape and the creation of a policy environment that is predictable, transparent and fair. These are bold ambitions for India, a country plagued by inefficient bureaucracy and ever worsening corruption.

Modi can't cure of all India's ills at once but here are four areas he's likely to turn his attention to first. They're close to Modi's heart and also imperative for India's image renewal.

1. Infrastructure: India severely lacks the basic infrastructure required for an efficient modern economy. For example, India has one of the largest coal reserves in the world but still imports 70 million tonnes a year due to inefficient extraction. The government intends to focus on making coal production more efficient. Land acquisition is another big problem as this discourages new infrastructure projects. The government has promised to make this process speedier with fewer roadblocks. The Environment Ministry has said it will be more business friendly and proactive in granting planning clearances.

2. Manufacturing: The industrial sector is a large employment generator and the government needs to create the right environment for them to thrive and make India a key manufacturing hub. 120 million people aged between 18-22 voted for the first time in these general elections, which is believed to be one of the main reasons for the BJP's historic victory. An expanded manufacturing sector will create jobs for

the rising youth population. The government should encourage medium and small scale businesses to tap their potential.

3. Foreign Investment: Given India's large fiscal deficit, it is crucial to attract finances and investment from abroad. Foreign investors have been extremely disappointed in the last few years due to poor tax treatment and India ranks 134th out of 189 countries in the World Bank's Ease of Doing Business survey. There is a need to revive investor sentiment and the government would move towards a policy of faster and time-bound project clearances. A draft cabinet note to allow up to 100% FDI in defence has already been circulated in the government.

4. Food Inflation: Improve the food supply chain and food security, as well as take effective steps to prevent hoarding and black marketing. No one will be more grateful for this than Reserve Bank of India's Governor Raghuram Rajan.

Indian markets rallied strongly on the anticipation of a BJP victory, and they have continued to strengthen after Modi took power. The euphoria has pushed the Sensex to another life-time high of 25,644.77 earlier this month.

There's clearly room for disappointment and if investors think that the change will come like a lightning bolt then they should think again. Steady progress from Modi, though, should bring rewards in the medium term.

Shaily Mittal
Economist
MNI Indicators



Executive Summary

The MNI India Consumer Sentiment Indicator rose to the highest level since February as consumers were increasingly confident that the government will be able to improve future economic growth and household incomes.

The MNI India Consumer Sentiment Indicator rose to the highest level since February as consumers were increasingly confident that the government will be able to improve future economic growth and household incomes.

The MNI India Consumer Indicator rose 3.3% to 126.2 in June from 122.1 in May, as consumers' expectations for the future improved markedly.

For the first time in four months, consumer sentiment improved in all age groups in June. Consumer confidence among the youngest group, who were the key support for the BJP in the general election, hit a record high in June.

Respondents were more confident about their finances in the current month and were also more optimistic about better finances in the next 12 months.

Consumers were increasingly confident about the current business climate and felt that business conditions over the short and long term would also improve, with expectations for the next five years hitting a series high in June.

The percentage of respondents who reported that it was a "good" or "excellent" time to purchase a large household item fell to the lowest since September, in sharp contrast with the remaining components of the Consumer Sentiment Indicator, all of which increased in June.

The proportion of respondents who thought that the outlook for employment over the next 12 months would be better increased to the highest level in four months in June as consumers expected higher economic growth to generate more jobs.

Consumers' dissatisfaction with the current level of prices eased for the first time in six months in June, and expectations for inflation eased to the lowest for a year and a half.

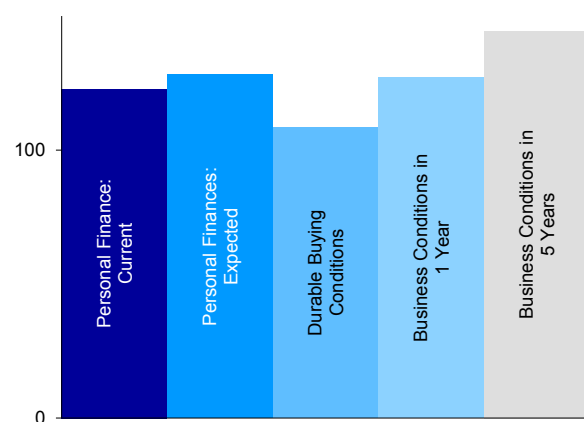
In spite of the fact that the central bank left the repo rate on hold and allowed more liquidity to flow into markets, an increased number of respondents expected interest rates to increase in June. The Interest Rates Expectations Indicator rose 4% on the month to 135.3 in June from 130.1 in May, posting the first significant rise in six months.

The Stock Investment Indicator declined slightly after two significant rises in the run up to elections. The Indicator fell to 118.4 in June from 120.6 in May, the lowest reading since April, due to lower expectations for investment return and consumers' strong views that equity prices were already very high.

While general levels of confidence rose in June, consumers' confidence about the real estate market fell for the fourth consecutive month.

Car purchase sentiment rose to the highest in 16 months, in line with the general rise in confidence. The Car Purchase Indicator rose to 78.6 in June from 75.2 in the previous month, mainly led by lower expectations for gasoline prices in the next 12 months.

MNI India Consumer Indicator - Components



All India - Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Consumer Indicator	125.2	122.1	126.2	Feb-14	-	124.5	4.1	3.3%
Current Indicator	114.1	114.6	115.7	Feb-14	-	114.8	1.1	1.0%
Expectations Indicator	132.6	127.2	133.2	Feb-14	-	131.0	6.0	4.8%
Personal Finance: Current	121.8	120.6	122.9	Feb-14	-	121.8	2.3	1.9%
Personal Finance: Expected	130.2	122.5	128.1	Apr-14	-	126.9	5.6	4.6%
Business Condition: 1 Year	126.3	122.3	127.2	Feb-14	-	125.3	4.9	4.0%
Business Condition: 5 Years	141.3	136.8	144.5	series high	-	140.9	7.7	5.6%
Durable Buying Conditions	106.4	108.6	108.5	-	Apr-14	107.8	-0.1	-0.1%
Current Business Conditions Indicator	106.3	104.7	111.4	Feb-14	-	107.5	6.7	6.4%
Stock Investment Indicator	110.9	120.6	118.4	-	Apr-14	116.6	-2.2	-1.8%
Real Estate Investment Indicator	114.4	111.9	110.6	-	Oct-13	112.3	-1.3	-1.2%
Car Purchase Indicator	71.7	75.2	78.6	Feb-13	-	75.2	3.4	4.4%
Employment Outlook Indicator	115.7	116.5	122.5	Jun-13	-	118.2	6.0	5.1%
Inflation Expectations Indicator	152.2	146.4	131.5	-	Dec-12	143.4	-14.9	-10.2%
Current Prices Satisfaction Indicator	66.3	63.0	69.8	Feb-14	-	66.4	6.8	10.8%
Interest Rates Expectations Indicator	133.6	130.1	135.3	Jan-14	-	133.0	5.2	4.0%

All India - Summary

	2013							2014					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MNI India Consumer Indicator	122.9	119.5	118.7	115.9	120.2	122.5	123.9	121.2	127.8	125.8	125.2	122.1	126.2
Current Indicator	113.7	114.1	113.9	109.3	113.9	117.0	119.0	113.2	118.4	115.5	114.1	114.6	115.7
Expectations Indicator	129.0	123.0	122.0	120.3	124.3	126.2	127.2	126.6	134.2	132.8	132.6	127.2	133.2
Personal Finance: Current	115.8	114.2	116.3	118.0	117.1	123.3	122.5	120.5	125.3	119.4	121.8	120.6	122.9
Personal Finance: Expected	128.3	121.9	122.1	118.4	122.4	125.3	131.0	127.8	137.4	133.1	130.2	122.5	128.1
Business Condition: 1 Year	124.2	121.2	115.3	114.1	119.3	118.2	117.4	119.3	128.2	124.5	126.3	122.3	127.2
Business Condition: 5 Years	134.6	126.0	128.5	128.4	131.3	135.2	133.1	132.7	136.9	140.8	141.3	136.8	144.5
Durable Buying Conditions	111.6	114.0	111.5	100.7	110.7	110.7	115.5	106.0	111.4	111.6	106.4	108.6	108.5
Current Business Conditions Indicator	118.4	113.1	111.4	108.9	108.2	109.1	114.5	108.9	116.0	102.9	106.3	104.7	111.4
Stock Investment Indicator	110.1	105.1	104.5	106.4	96.8	96.8	102.3	102.3	105.1	89.7	110.9	120.6	118.4
Investment Return	102.7	112.7	110.9	125.2	94.0	93.5	100.5	103.0	104.5	82.7	114.6	139.1	132.8
Stock Price Sentiment	100.4	111.9	116.5	124.8	107.5	115.8	105.8	107.4	103.7	128.6	119.3	112.8	117.8
Stock Market Expectations	127.8	114.6	119.2	118.8	103.8	112.6	112.1	111.1	114.3	114.9	137.4	135.5	140.1
Real Estate Investment Indicator	115.7	115.1	109.8	109.7	110.4	113.2	114.4	114.2	119.1	117.8	114.4	111.9	110.6
House Price Expectations	136.3	135.1	140.8	144.7	148.6	147.9	143.8	143.1	152.6	148.6	145.9	139.8	142.6
House Buying Sentiment	119.7	114.7	100.6	98.1	95.0	92.8	104.8	94.9	107.7	102.8	102.1	103.2	99.1
House Selling Sentiment	109.0	104.4	111.9	113.6	112.5	101.2	105.4	95.5	102.9	98.2	104.9	107.3	110.0
Car Purchase Indicator	69.5	68.5	61.6	60.1	67.1	65.7	73.8	69.2	73.0	75.3	71.7	75.2	78.6
Car Purchase Expectations	98.5	105.7	94.3	90.3	98.4	97.7	103.0	99.0	103.2	108.9	102.3	101.8	101.7
Price of Gasoline Expectations	159.5	168.7	171.0	170.2	164.1	166.3	155.4	160.6	157.2	158.3	158.8	151.4	144.6
Employment Outlook Indicator	122.6	120.9	119.2	113.2	114.6	121.0	117.6	112.0	121.8	115.7	115.7	116.5	122.5
Inflation Expectations Indicator	143.9	144.4	152.9	156.1	152.4	159.2	152.6	153.6	154.8	154.2	152.2	146.4	131.5
Current Prices Satisfaction Indicator	96.4	93.9	92.6	83.2	90.2	70.2	86.2	75.7	75.4	67.2	66.3	63.0	69.8
Interest Rates Expectations Indicator	120.4	129.6	133.8	136.1	137.5	138.8	140.4	136.3	134.6	133.0	133.6	130.1	135.3

All India - Records

	2012-Current			
	Minimum	Maximum	Mean	Median
MNI India Consumer Indicator	115.9	133.7	123.7	123.4
Current Indicator	109.3	128.3	117.0	115.6
Expectations Indicator	120.3	137.3	128.1	127.2
Personal Finance: Current	114.2	135.4	122.0	121.4
Personal Finance: Expected	118.4	141.5	129.0	129.3
Business Condition: 1 Year	114.1	131.8	122.0	120.5
Business Condition: 5 Years	123.9	144.5	133.3	132.8
Durable Buying Conditions	100.7	121.1	112.0	111.6
Current Business Conditions Indicator	102.9	124.9	114.2	113.8
Stock Investment Indicator	89.7	120.6	104.7	104.5
Investment Return	82.7	139.1	111.0	108.3
Stock Price Sentiment	100.4	128.6	110.9	107.5
Stock Market Expectations	103.8	140.1	117.3	114.4
Real Estate Investment Indicator	109.7	119.9	114.4	114.4
House Price Expectations	133.3	152.6	142.5	142.6
House Buying Sentiment	92.8	121.5	106.4	105.4
House Selling Sentiment	95.5	113.6	106.5	106.4
Car Purchase Indicator	60.1	84.0	72.8	73.4
Car Purchase Expectations	90.3	114.8	103.4	103.1
Price of Gasoline Expectations	142.5	171.0	157.7	157.8
Employment Outlook Indicator	112.0	128.3	119.3	119.1
Inflation Expectations Indicator	126.8	159.2	146.7	150.8
Current Prices Satisfaction Indicator	63.0	115.9	84.6	84.7
Interest Rates Expectations Indicator	116.6	140.4	130.8	132.2

Consumer sentiment rose to the highest level since February...

...as consumers' expectations for the future improved markedly.



Economic Landscape

As soon as Narendra Modi took over as India's Prime Minister, he highlighted his government's agenda to remove the bottlenecks stifling the growth and plans to bring in more foreign investment.

As soon as Narendra Modi took over as India's Prime Minister, he highlighted his government's agenda to remove the bottlenecks stifling the growth and plans to bring in more foreign investment. The new government has promised to repair the economy and tackle stubbornly high inflation. Latest economic data from India has shown a modest improvement, with industrial production recording the highest growth in 13 months and manufacturing output also growing for the first time in three months.

Consumer price inflation eased to a three month low in May. However, there are increased fears that a below normal monsoon will put upward pressure on food prices, making it challenging for the Reserve Bank of India to cut interest rates and for the government to kick start the economy.

Economic growth remains subdued

The Indian economy grew by 4.7% in 2013-14, slightly above the 4.5% growth witnessed a year ago. This was the first time in 26 years that growth has been below 5% for two successive years.

Economic growth in India slowed to 4.6% on the year in the three months to March, down from 4.7% in the previous quarter. It was, though, marginally above

the 4.4% rate seen in the same period a year ago.

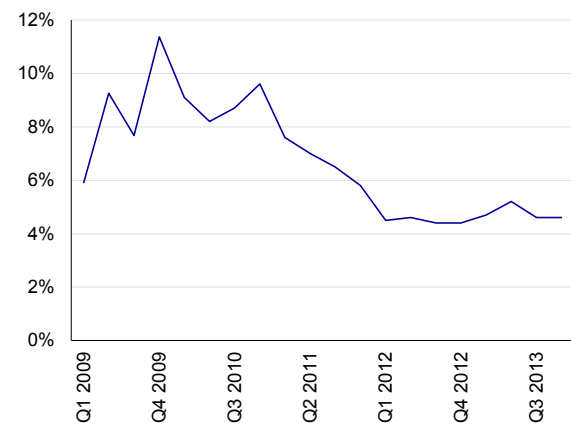
Data on an output basis showed that growth in the three months to March was boosted by agriculture which grew 6.3% on the year, compared with 3.7% in the previous quarter and 1.6% in the same quarter a year earlier. Manufacturing data was disappointing and remained in contraction, declining by 1.4% compared with a fall of 1.5% in the previous quarter, and substantially below the growth of 3% in the same quarter a year earlier. Service sector output, grew by 12.4%, down from 14.1% in the previous quarter but up from the 11.2% increase seen in the January-March quarter a year ago.

April industrial output expands

Industrial production surged in April, up by 3.4% on the year, following two months of contraction, a significant turnaround from the 0.5% decline seen in March.

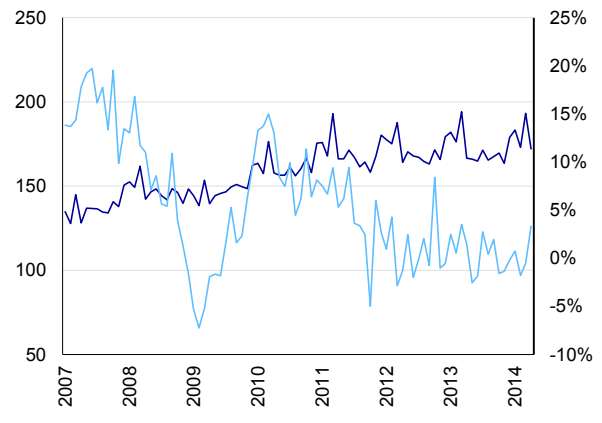
Manufacturing, which contributes about 75% to industrial output, grew by 2.6% on the year, after contracting by 1.3% in the previous month. Fourteen out of the 22 industry groups within the manufacturing sector expanded in April, led by a huge 66% rise in 'Electrical machinery and apparatus'

Economic Growth



— GDP y/y %, fiscal year
Source: Central Statistical Organisation, India

Industrial Production



— Industrial Production y/y % (RHS)
— Industrial Production
Source: Central Statistical Organisation, India

output, followed by 9.6% growth in 'Machinery and equipment' and a 9.1% increase in the output of the 'Tobacco products' sector. The industry group 'Radio, TV and communication equipment & apparatus' showed the highest negative growth of 31.6%, followed by a 22.1% decline in 'Wearing apparel; dressing and dyeing of fur' and 14.6% contraction in 'Motor vehicles, trailers & semi-trailers'.

After paltry growth of just 0.3% in March, mining output grew by 1.2% in April. Output of consumer durables, a measure of consumer demand, posted the seventeenth consecutive decline, falling 7.6% in April compared with an 11.8% decline in the previous month. Capital goods output, a proxy for investment, rose by 15.7% on the year, following four months of contraction, owing mainly to base effects.

Consumer price inflation eases

Consumer price inflation, which the Reserve Bank of India now targets, eased to a three month low of 8.3% in May from 8.6% in April. Food price inflation, which makes up almost half of the basket, increased to 9.3% in May from 9.6% in the previous month. There are, though, concerns that a deficient monsoon could push food inflation higher. Core CPI inflation, which

excludes food and energy, eased slightly to 7.7% from 7.8% in the previous month.

Wholesale price inflation, which the RBI used to focus on, rose to the highest in five months, increasing by 6% in May from 5.2% in April. The Modi government has said it plans to bring down inflation by tackling supply constraints. The prospect of weak monsoon rains and turmoil in Iraq have increased the risk of rising food and fuel prices.

The trade ministry recently imposed a restriction on onion exports, a widely used vegetable in Indian households, in an attempt to check the rise in prices. A minimum price had also been put in place last September by the government but was lifted in March after onion prices stabilised.

Repo rate unchanged at 8%

The RBI left the key policy rate unchanged at 8% at its monetary policy meeting on June 3, the first interest rate decision after the BJP formed a new government.

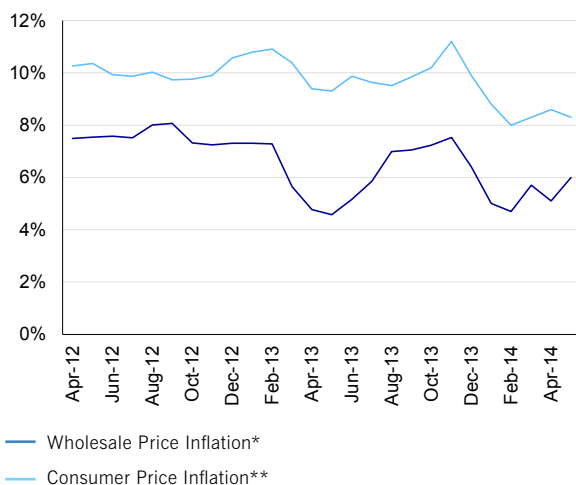
Governor Raghuram Rajan said further policy tightening would not be warranted if the economy continues on a disinflationary path. At the same time, the RBI took steps to raise the availability of credit, reducing the mandatory amount of bonds lenders must keep with the central bank - called the statutory liquidity ratio - by 50 basis points to 22.5% of deposits from mid June.

Fighting inflation is expected to remain the central bank's priority and it is firmly focused on keeping the economy on a disinflationary glide path that is intended to hit 8% inflation by January 2015 and 6% by January 2016.

Lower fiscal budget deficit

The government budget deficit stood at Rs. 5.08 trillion in 2013-14, or 4.5% of GDP, lower than the 4.6% projected in the revised estimate in early 2014, mainly on account of curbs on government expenditure. Net tax receipts totalled Rs. 10.15 trillion,

Wholesale and Consumer Price Inflation



Source: *Office of the Economic Advisor, India, **MOSPI

below the revised target of Rs. 10.29 trillion, while total expenditure was Rs. 15.63 trillion, below the target of Rs. 15.9 trillion in the interim budget.

The government will present its first budget early next month and is expected to continue on the path towards fiscal consolidation by maintaining a moderate pace of government expenditure. A slight improvement in the economic outlook is likely to lead to higher forecast for tax revenues.

Foreign reserves increase

India's foreign exchange reserves rose \$1.39 billion to \$314.9 billion in the week to June 20, as the RBI purchased dollars from the foreign exchange market to prevent volatility in the exchange rate amid strong capital inflows. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of the forex reserves, rose \$1.373 billion to \$287.96 billion.

India's foreign exchange reserves have risen substantially since September, leaving the country less vulnerable to another run on the currency. The value of India's gold reserves remained unchanged at \$21 billion in the week ending June 20.

Trade deficit widens in May

India's trade deficit widened to \$11.2 billion in May compared with \$10.1 billion in April, but was significantly below the \$19.4 billion shortfall recorded in May a year earlier.

Exports increased by 12.4% to \$28 billion in May compared with 5.3% growth in April, the first double digit growth in seven months. Imports contracted 11.4% on the year to \$39.2 billion in May but were 9.8% above the \$35.7 billion recorded in April. Oil imports rose from \$13 billion in April to \$14.5 billion in May. Gold imports inched up to \$2.2 billion in May from \$1.8 billion in April but were down 72% on the year. The trade ministry is in favour of easing the restrictions on gold imports, as the curbs have led to smuggling.

India's current account deficit for the January-March period narrowed sharply to \$1.2 billion (0.2% of GDP) from \$18.1 billion (3.6% of GDP) in the same period last year, which was also lower than \$4.2 billion (0.9% of GDP) in the October-December quarter of 2013-14. The lower current account deficit was primarily on account of a decline in the trade deficit, as the decline in imports was sharper than in exports due to the stringent gold curbs.

Car sales rise in May

Car sales rose for the first time in three months, by 3.1% in May, following a sharp deceleration of 10.2% in April. This was the strongest growth in nine months. Heavy discounting by car manufacturers has aided volume growth as companies have gone the extra mile to attract price sensitive buyers.

Last week, the government extended the cut in excise duty levied on the auto industry, which was introduced in the interim budget in February, for another six months until December. In the interim budget, the government had reduced central excise duty on small cars, scooters/two-wheelers from 12% to 8%. It had also reduced the duty from 30% to 24% on SUVs, and medium segment sedans from 27-24% to 24-20%, respectively. The automobile industry is optimistic that sales will increase in 2014 as the economy rebounds and interest rates and inflation stabilise. However, the industry is cautious about the demand for two-wheelers and small cars as the predicted below average monsoons could result in lower incomes for many of the rural households who rely on these rains.



Indicators

The MNI India Consumer Sentiment Indicator rose to 126.2 in June from 122.1 in May as consumers' expectations for the future improved markedly.

MNI India Consumer Indicator

Highest Since February



The MNI India Consumer Sentiment Indicator rose to the highest level since February as consumers were increasingly confident that the government will be able to improve future economic growth and household incomes.

The MNI India Consumer Indicator rose 3.3% to 126.2 in June from 122.1 in May, as consumers' expectations for the future improved markedly.

While the Current Indicator, which measures consumers' assessment of current conditions, rose slightly to 115.7 in June from 114.6 in May, the Expectations Indicator, made up of the three forward looking components, rose to 133.2 from 127.2.

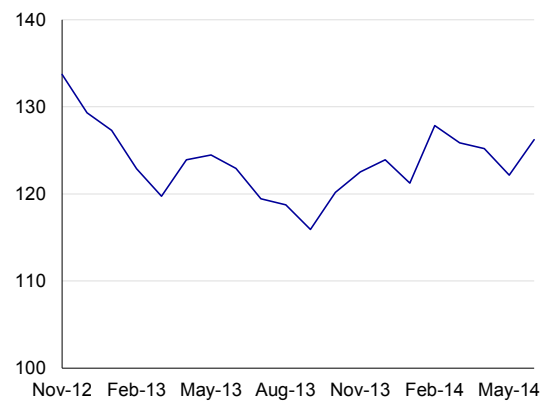
All five components which make up the Consumer Indicator increased apart from the Durable Buying Conditions Indicator, which remained broadly stable. Business Conditions in Five Years hit the highest level since the survey began in 2012 and contributed the most to the rise in confidence in June.

Consumers' perceptions of their Personal Finances improved, with both Current and Expected Personal Finances rising by 1.9% and 4.6% respectively.

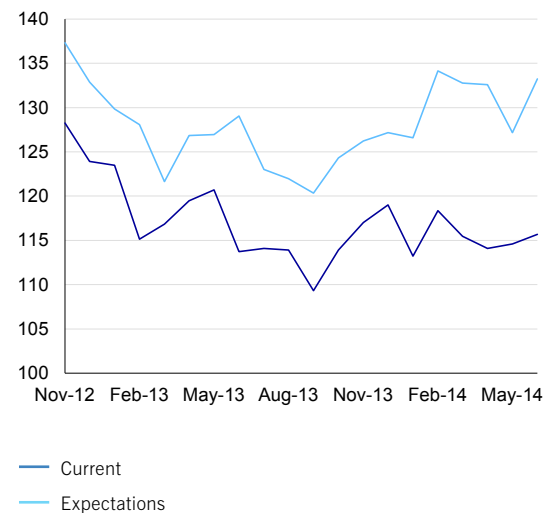
Regions

The rise in the MNI India Consumer Indicator was led by all regions apart from Central India, where sentiment declined very slightly to the lowest since April. Of all the regions, respondents from Central India were the only ones to be less optimistic about future Business Conditions.

MNI India Consumer Indicator



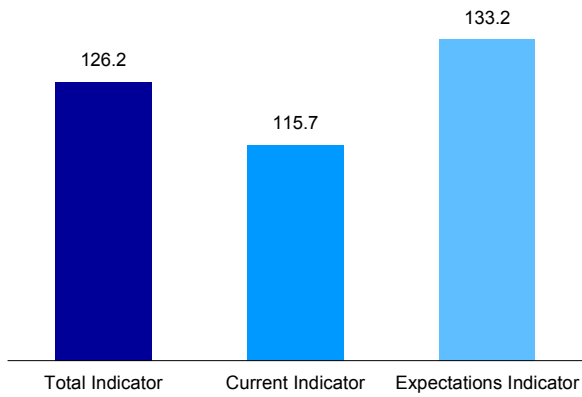
Consumer Indicators



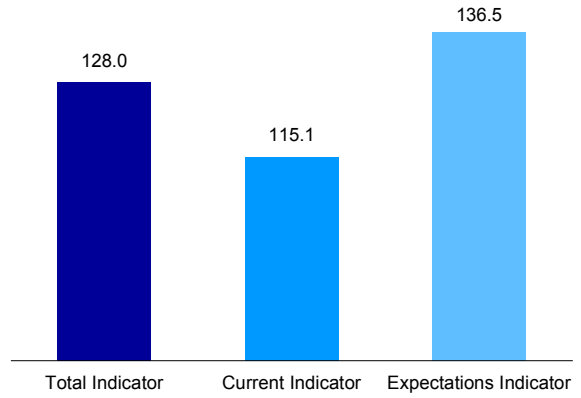
MNI India Consumer Indicator

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
MNI India Consumer Indicator	122.9	121.2	127.8	125.8	125.2	122.1	126.2
Current	113.7	113.2	118.4	115.5	114.1	114.6	115.7
Expectations	129.0	126.6	134.2	132.8	132.6	127.2	133.2

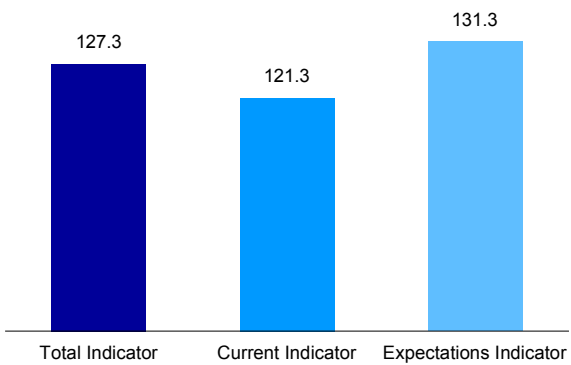
All India



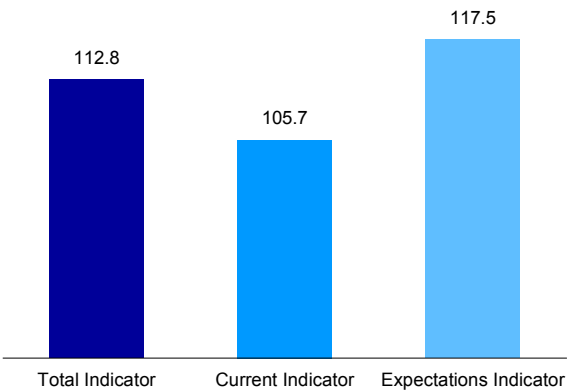
North India



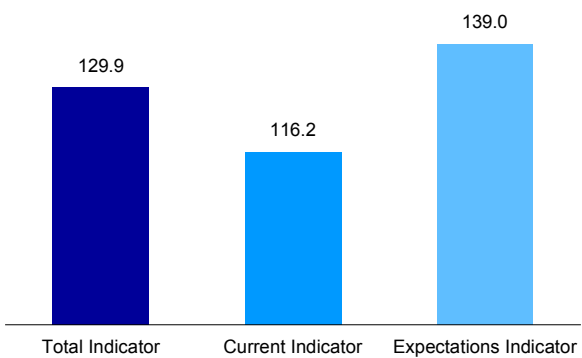
South India



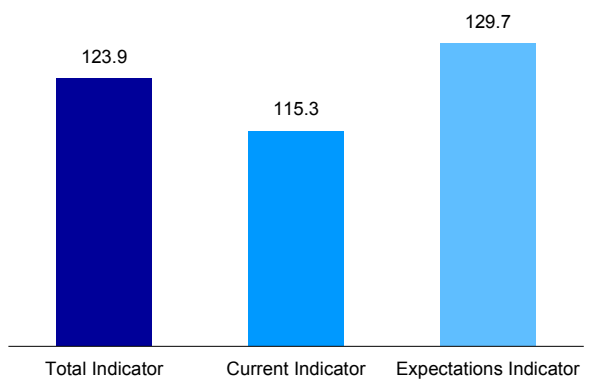
East India



West India



Central India





Respondents from West India had the highest consumer sentiment and were highly optimistic about Business Conditions, especially the longer term outlook which hit a record high.

Age

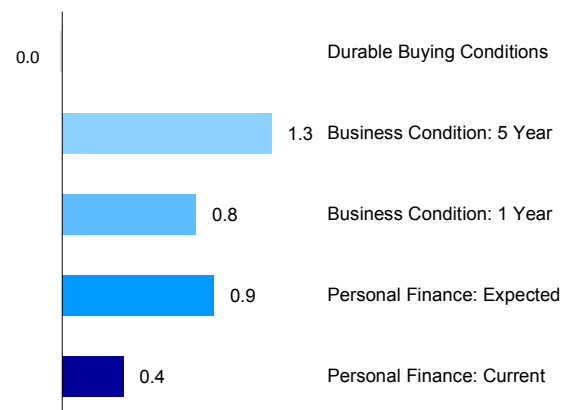
For the first time in four months, consumer sentiment improved in all age groups in June.

Consumer confidence among the youngest group, who were the key support for the BJP in the general election, hit a record high in June. The Consumer Indicator for the 18-34 year age range rose to 129.9 from 126.6 in May. All five components of the Consumer Indicator rose, with respondents most optimistic about Business Conditions in Five Years. Their willingness to buy large household goods, as depicted by the Durable Buying Conditions Indicator, rose only marginally, but was the highest compared with other age groups.

Consumer sentiment among 35-54 year olds rose for the first time in four months to 124.8 in June from 120.5 in May. Consumers were more optimistic about future conditions while their confidence about current conditions remained flat. They were highly optimistic about their Personal Finances in the next 12 months as well as both short and long term Business Conditions.

For the oldest age range, 55-64 year olds, sentiment rose to the highest since March to 122.9 in June from 118.2 in May. Consumers expected their current conditions to remain broadly unchanged, but were hopeful about future conditions. Consumers' optimism for purchasing household goods was lower from the previous month, although the indicator was above 100 indicating optimists outweighed those who thought it was not a good time to purchase.

Consumer Indicator: Contribution to Monthly Change (% pt.)





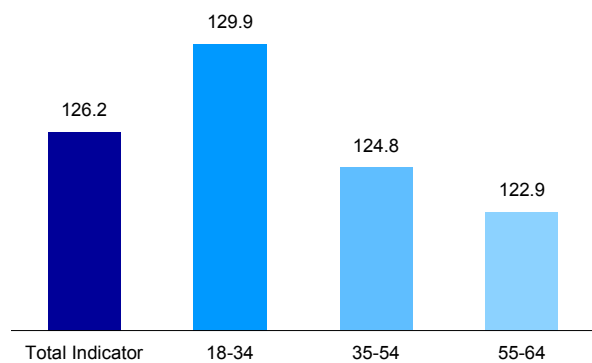
Income

Confidence deteriorated in low income households and improved markedly among high income households in June.

The Consumer Indicator for households with an average annual income of over INR 432,000 rose 5.3% on the month to 137.6 in June from 130.6 in May, the highest since the start of the survey. For households with an average annual income under INR 432,000, the indicator declined for the second consecutive month to 120.9 from 123.2 in May.

Compared with the previous year, confidence increased 4.6% among higher income households, while for lower income households it was close to the level seen a year ago. On average, though, the level of confidence remains greater for higher income households.

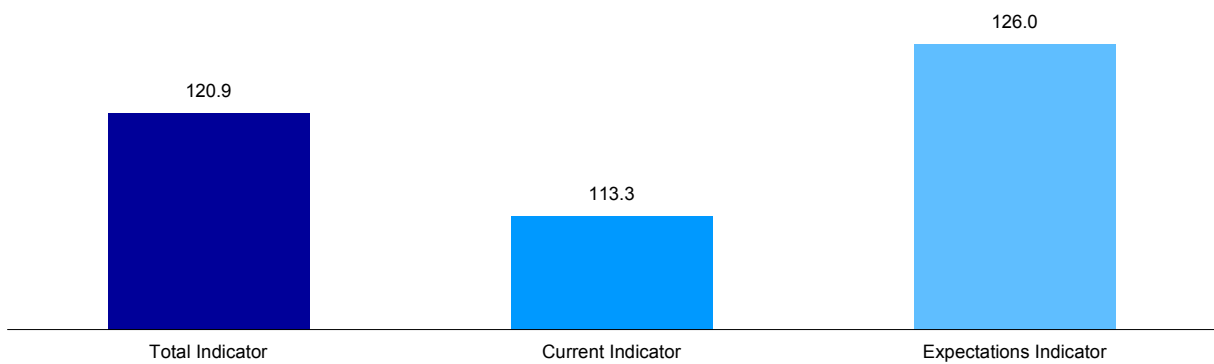
Consumer Indicator: Age Groups



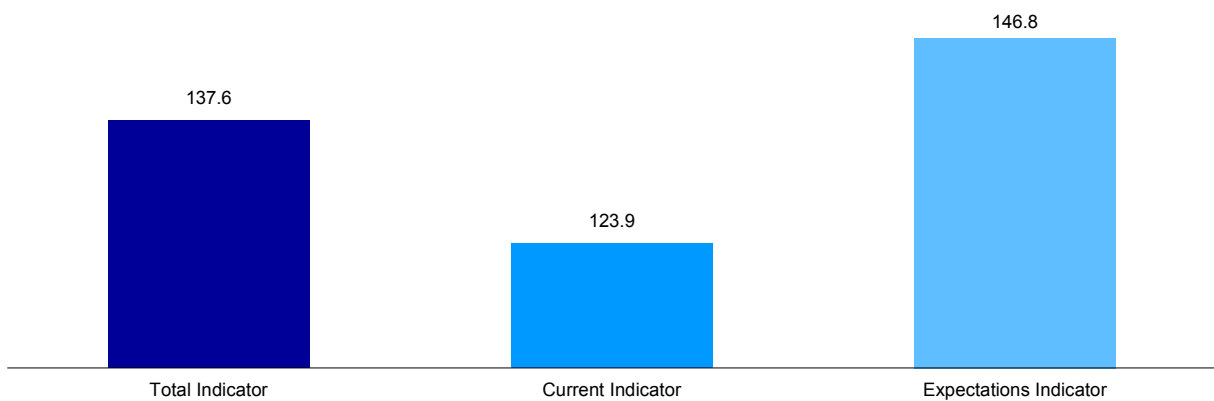
MNI India Consumer Indicator Income Groups



< INR 432,000 per annum



> INR 432,000 per annum



MNI India Consumer Indicator

Main Cities



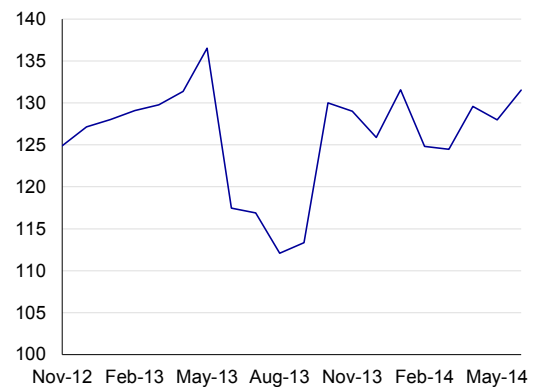
The Consumer Indicator rose in six out of the ten major Indian cities in June, with the largest increase in Delhi where the indicator jumped to the highest level since the survey started in 2012. Consumers in Pune were the most optimistic in June, mainly owing to higher future expectations.

In the capital Delhi, consumer sentiment increased for the second month in a row to 134.1 in June from 120.8 in May. All five components that make up the Consumer Indicator rose, apart from Expected Personal Finances which remained broadly stable. Respondents were the most optimistic about Business Conditions in Five Years. There was also a sharp rise in the proportion of consumers who reported a pick-up in their personal finances. However, this came in spite of a weaker rise in the proportion of consumers who thought it would be a good time to buy a durable good in the coming 12 months.

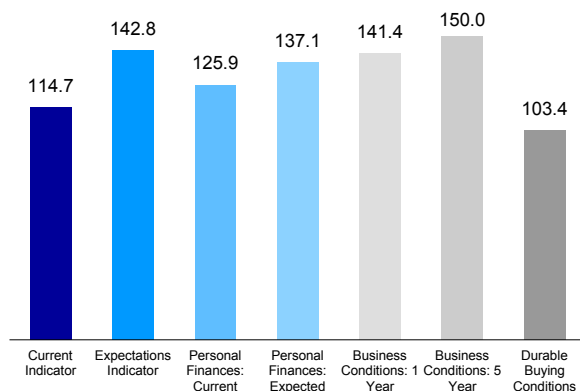
In Mumbai, India's most populous city, consumer sentiment increased to 131.6 in June from 128.0 in May. Consumers were the most optimistic about Business Conditions in Five Years, although the indicator remained flat on the month, while expectations for a year's time rose markedly. Consumers were less optimistic about their personal finances in the next 12 months compared with the previous month, but the indicator was significantly above the same period a year ago.

Consumer confidence in Bengaluru, the third largest city by population in India, increased to 136.2 in June from 131.8 in May. Consumers expected a sharp rise in their Personal Finances in the next 12 months, although they were less confident about their finances in the current month. In spite of this, consumers were more willing to purchase big ticket items as the Durable Buying Conditions Indicator rose to the highest in four months.

Consumer Indicator - Mumbai



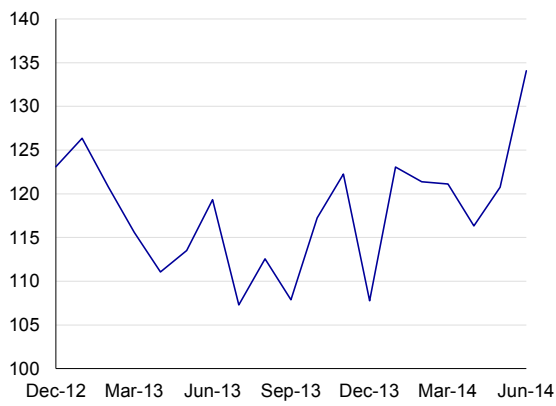
Consumer Indicator Components - Mumbai



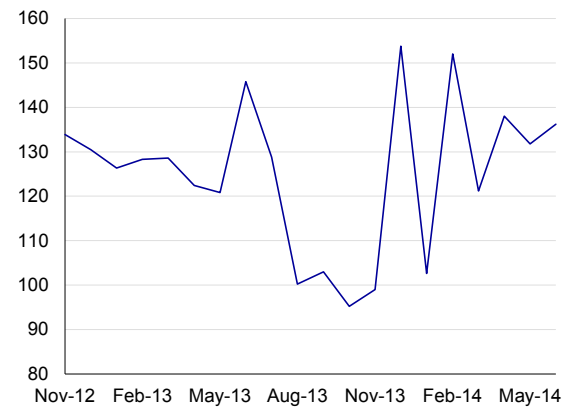
Consumer sentiment rose to the highest in 17 months in Pune, driven by higher expectations for personal finances and business conditions. Consumers were increasingly more optimistic about purchasing large durable goods, pushing the indicator to the highest since December 2012.



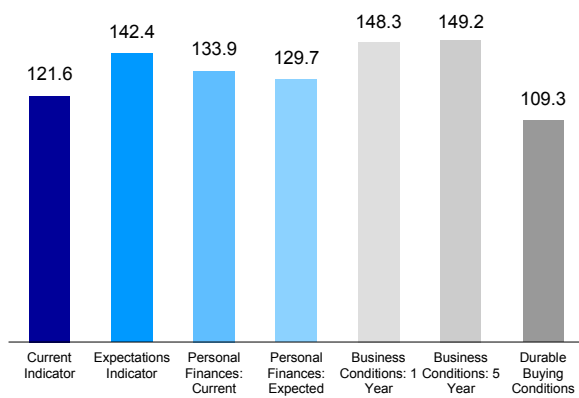
Consumer Indicator - Delhi



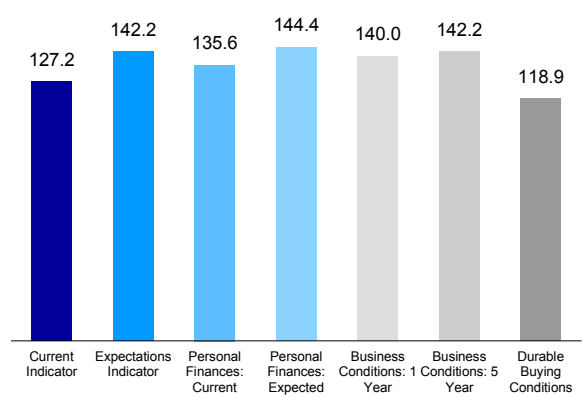
Consumer Indicator - Bengaluru



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bengaluru



Personal Finances

Highest Since February



Respondents were more confident about their finances in the current month and were also more optimistic about better finances in the next 12 months.

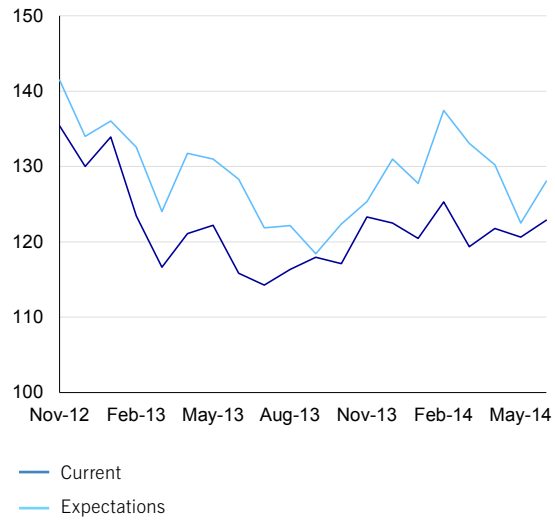
The Current Personal Finances Indicator, which measures whether a household is better or worse off than a year ago, rose to 122.9 in June from 120.6 in May. Current Personal Finances hit a series low in July 2013, but have subsequently recovered.

Out of those who reported that their financial conditions improved, the majority cited better income as the main reason. However, a growing proportion gave credit to better investments which earned healthier income for them.

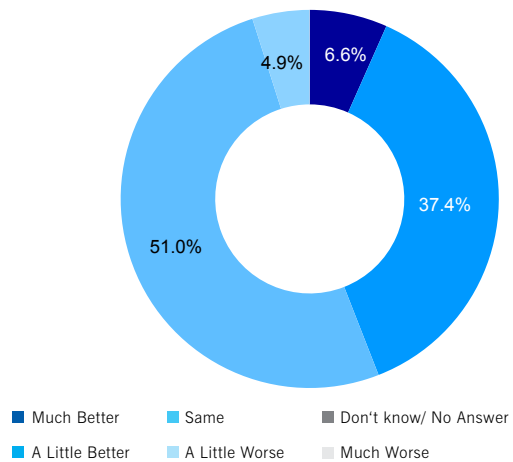
Consumers have been hit by high inflation for two years now, and this has impacted their personal disposable income, savings and their ability to purchase goods. In June, almost 82% of respondents spent 70-100% of their monthly household income on daily expenses, the highest since the start of the survey while 42.2% of respondents said they were saving just 1-29% of their monthly household income in June.

The majority of respondents were confident that their financial situation would improve in the next 12 months. Expected Personal Finances rose 4.6% on the month to 128.1 in June, from 122.5 in May.

Personal Finances



Current Financial Situation Compared with 1 Year Ago (% of Households)



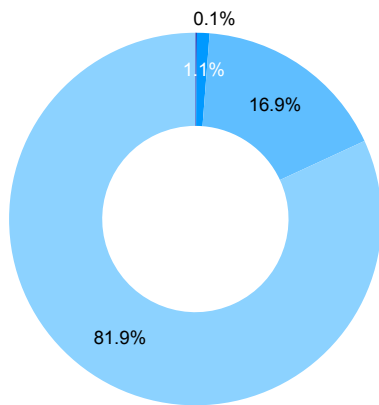
Personal Finances

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Current	115.8	120.5	125.3	119.4	121.8	120.6	122.9
Expectations	128.3	127.8	137.4	133.1	130.2	122.5	128.1

How Households Spend their Money

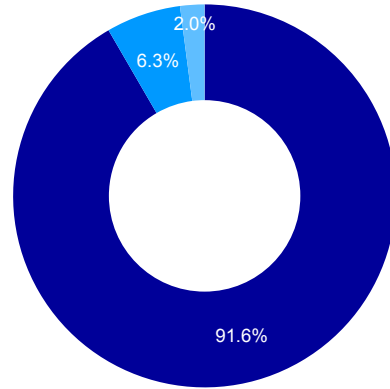


Monthly Household Income Used for Daily Expenses (% of Households)



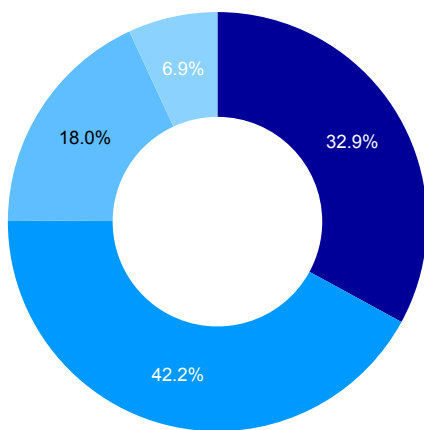
- 0% - 29% of Income
- 30% - 49% of Income
- 50% - 69% of Income
- 70% - 100% of Income

Monthly Household Income Used for Large Loan Repayment (% of Households)



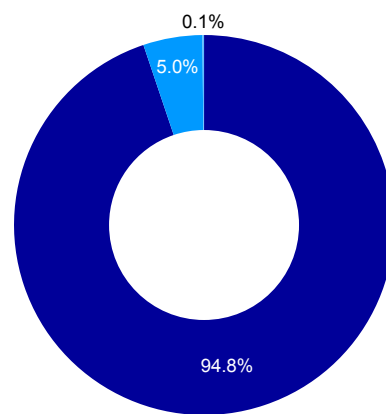
- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Monthly Household Income Used for Savings (% of Households)



- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Monthly Household Income Used for Investments (% of Households)



- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Around half of respondents thought Business Conditions in a Year's time would be better...

...and the majority of them cited government and its policies as the main reason.

Business Conditions

Long term Expectations Hit Series High



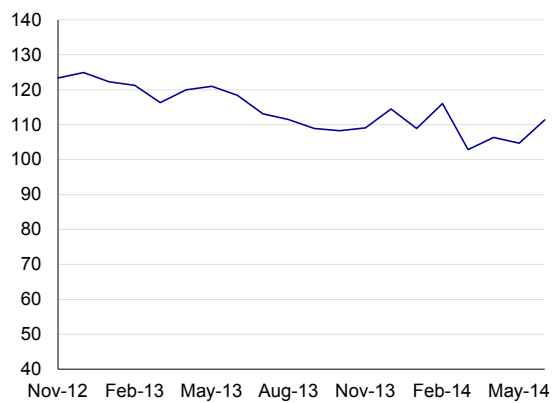
Consumers were increasingly confident about the current business climate and felt that business conditions over the short and long term would also improve, with expectations for the next five years hitting a series high in June.

The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, rose to the highest in four months to 111.4 in June from 104.7 in May. Current business sentiment has declined considerably since the survey started in November 2012 and was 6% below the same period a year ago. However, with a more business friendly government now in place, most expected conditions to improve strongly.

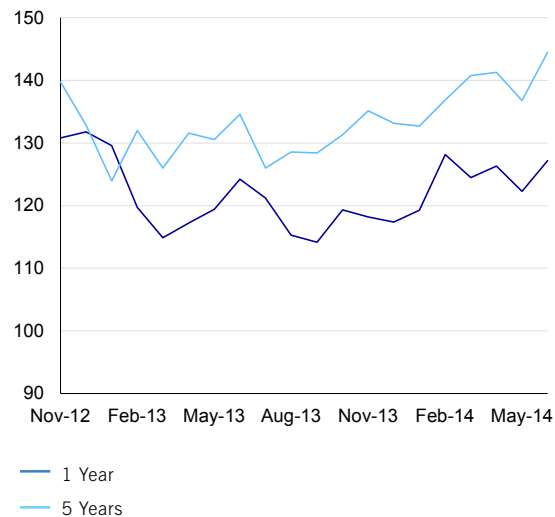
Around half of respondents thought Business Conditions in a Year's time would be better. The Indicator rose 4% on the month to 127.2 in June from 122.3 in May, the highest since February. The majority of those who expected business conditions to be better in a year cited government and its policies as the main reason.

Longer term expectations for business hit a record high in June. Business Conditions in Five Years rose 5.6% on the month in June to 144.5 from 136.8 in May.

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years



Business Conditions

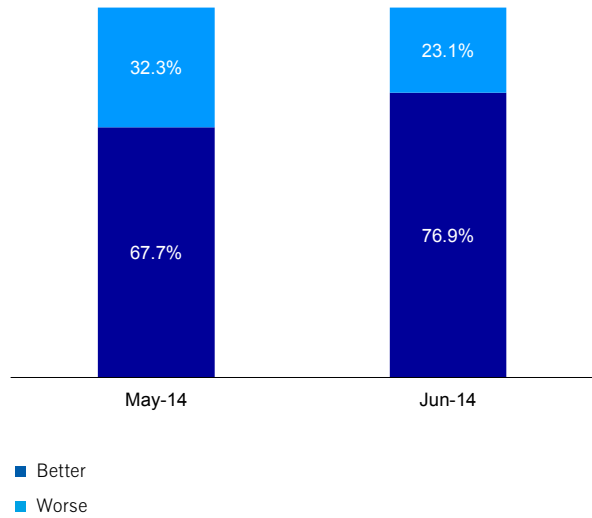
	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Current	118.4	108.9	116.0	102.9	106.3	104.7	111.4
In 1 Year	124.2	119.3	128.2	124.5	126.3	122.3	127.2
In 5 Years	134.6	132.7	136.9	140.8	141.3	136.8	144.5

Business Conditions in 1 Year Selected Reasons

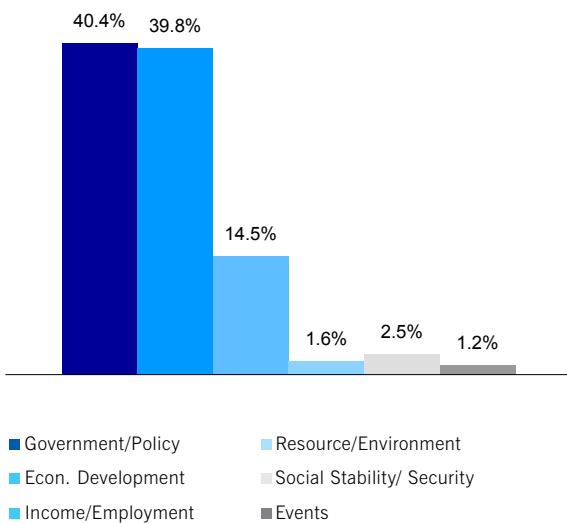


Among the major cities surveyed, Hyderabad, which is one of the largest IT hubs in India, was the most optimistic city. In the capital, Delhi, both indicators for business expectations hit a series high in June.

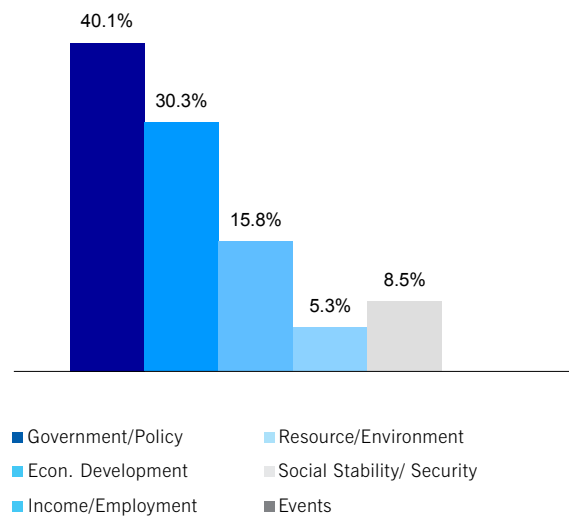
All India



All India, Reasons for Better



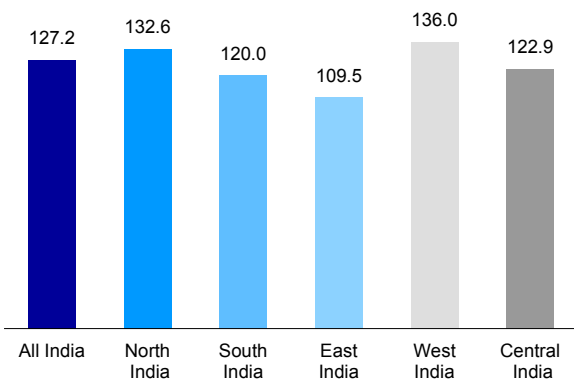
All India, Reasons for Worse



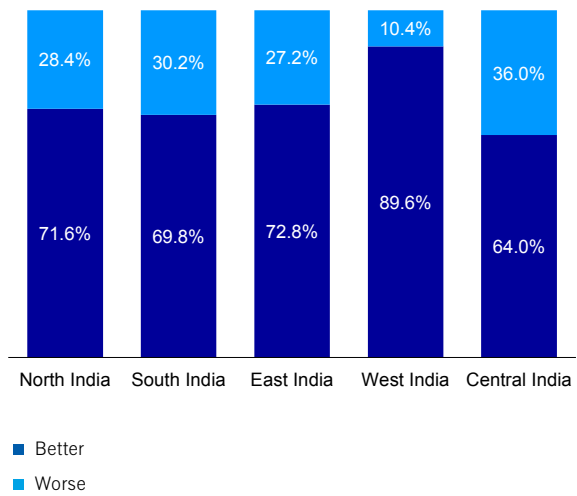
Business Conditions in 1 Year Regions



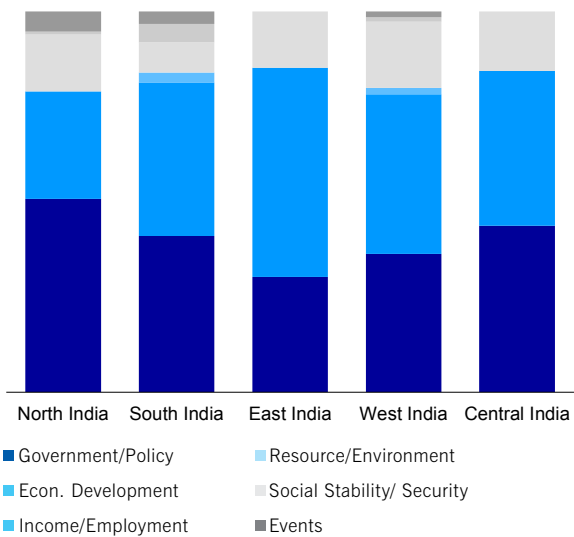
Business Expectations



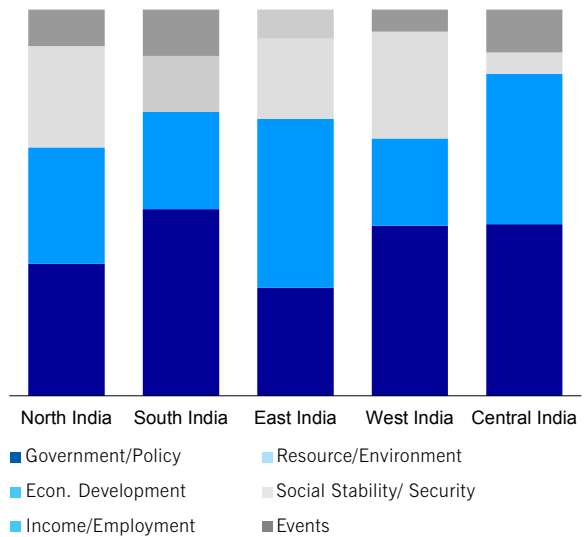
Business Expectations: Better or Worse? (% of Respondents)



Reasons for Better (% of Respondents)



Reasons for Worse (% of Respondents)



Durable Buying Conditions Remain Broadly Stable



The percentage of respondents who reported that it was a “good” or “excellent” time to purchase a large household item fell to the lowest since September, in sharp contrast with the remaining components of the Consumer Sentiment Indicator, all of which increased in June.

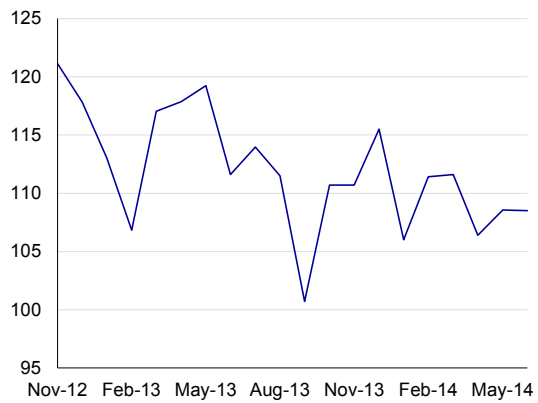
The Durable Buying Conditions Indicator stood at 108.5 in June compared with 108.6 in May, the lowest since April.

Respondents are asked whether they believe it is a good or bad time to purchase a large consumer durable, and a result above 100 means that a higher percentage of respondents view it as a good time. Although, the indicator was above the 100 breakeven level, it was the weakest component of the MNI Consumer Indicator.

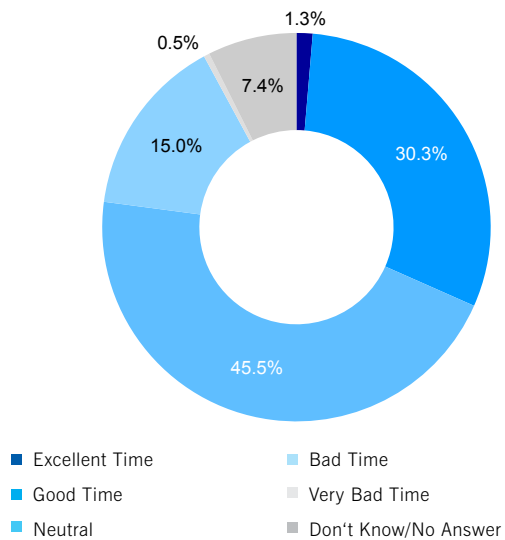
Sentiment on buying conditions fell throughout most of last year, as consumers’ disposable income was squeezed, owing to the weakening of economy and the high rate of inflation. The ground lost in 2013 has still not been regained, with the result in June down 2.8% from the same period a year earlier. Last week, the government extended duty relief on mobile phones and other consumer durables up to December in a bid to boost demand.

Out of the ten largest cities surveyed, Chennai was the most optimistic city while fewer consumers from Kolkata, Surat and Visakhapatnam thought it was a better time to buy a large household item. Some consumers reported they were keener to purchase electronic goods online due to better prices and offers.

Durable Buying Conditions



Is It a Good or Bad Time to Buy Large Household Goods? (% of Households)



Durable Buying Conditions

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Durable Buying Conditions	111.6	106.0	111.4	111.6	106.4	108.6	108.5

Employment Outlook Indicator Highest Since June 2013

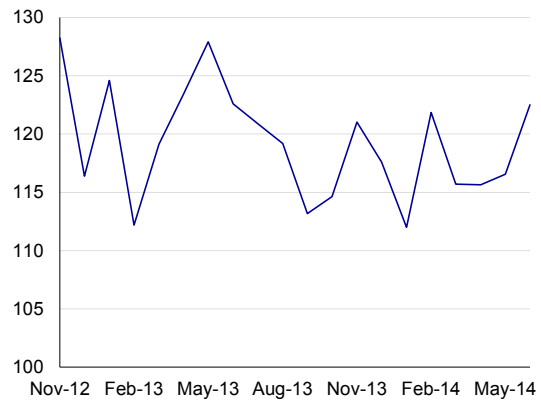


The proportion of respondents who thought that the outlook for employment over the next 12 months would be better increased to the highest level in four months in June as consumers expected higher economic growth to generate more jobs.

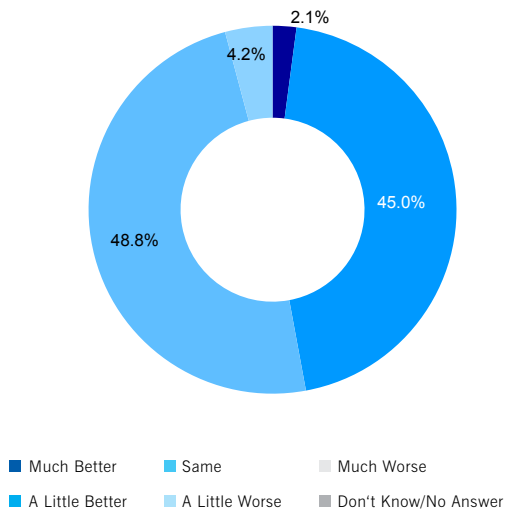
The Employment Outlook Indicator rose to 122.5 in June from 116.5 in May, the highest reading since June 2013. 47.1% of respondents expected conditions to be either “a little better” or “much better”, and an almost equal proportion said conditions would remain broadly unchanged.

Apart from West India, respondents from all the other regions expected an improvement in the employment situation in the next 12 months. Respondents from South India were the most optimistic. More than 70% thought labour market conditions would be better. A growing proportion of respondents thought employment conditions would be better in East India, with the indicator jumping above the 100 expansion/contraction level, following a decline in the previous month.

Employment Outlook Indicator



Employment Outlook for the Next 12 Months (% of Households)



Employment Outlook

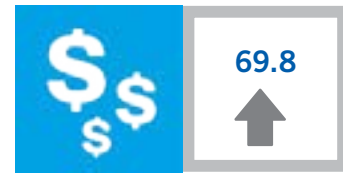
	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Employment Outlook	122.6	112.0	121.8	115.7	115.7	116.5	122.5

Consumers' dissatisfaction with the current level of prices eased for the first time...

...in six months in June, and expectations for inflation eased to the lowest for a year and a half.

Prices Sentiment

Inflation Expectations Lowest Since December 2012



Consumers' dissatisfaction with the current level of prices eased for the first time in six months in June, while expectations for inflation eased to the lowest level for a year and a half.

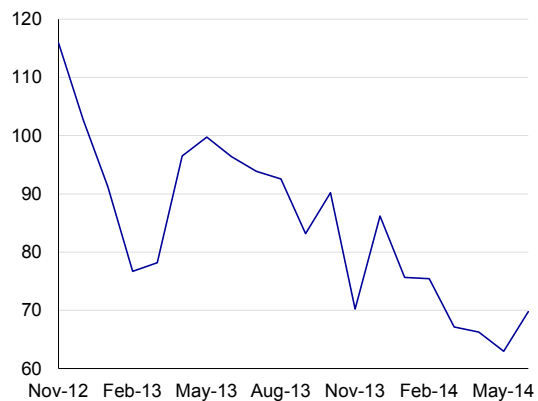
The Current Prices Satisfaction Indicator rose to 69.8 in June from 63.0 in May. It lies well below the average of 80.0 for the past 12 months and slightly above the series average of 84.6.

A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction. The indicator has trended down since the start of the survey in November 2012 and has been above 100 in only the first two months of the survey.

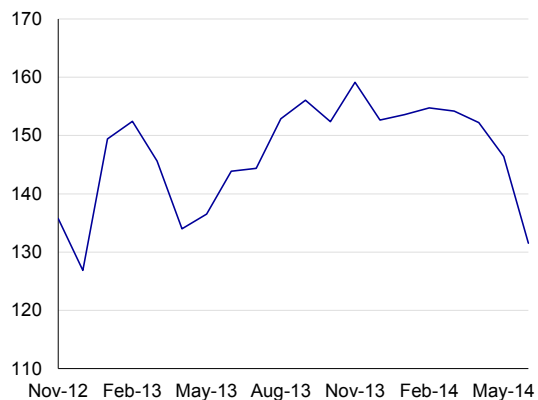
Official data showed that consumer price inflation eased to a three month low of 8.3% in May from 8.6% in April. Food price inflation, which makes up almost half of the basket, eased to 9.3% from 9.6% in the previous month. There are, though, concerns that a poor monsoon could push food inflation higher over the coming months.

Expectations for inflation in 12 months' time fell significantly in June to 131.5 from 146.4 in May, the lowest reading since December 2012. This was the fourth month in a row that an increasing number of respondents expected prices to ease in the coming 12 months. The Inflation Expectations Indicator closely matches the trend in consumer price inflation and this month's drop suggests that the inflation rate could ease in the coming months.

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



Prices Sentiment

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Satisfaction with Current Prices	96.4	75.7	75.4	67.2	66.3	63.0	69.8
Inflation Expectations	143.9	153.6	154.8	154.2	152.2	146.4	131.5

Prices Sentiment Regions



The percentage of respondents who believed prices would be higher in a year's time fell from 75.3% to 54.4%, while those saying prices would be about the same increased to 33% from 19.8% in the previous month. A small, albeit growing proportion of respondents believed prices would be lower in a year's time.

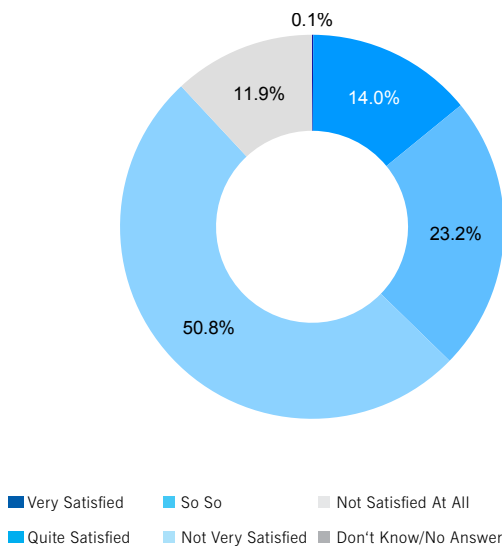
Although a lower proportion of consumers thought prices would rise, of those who thought prices would go up, a growing proportion thought they would go up by 11%-24%, as in contrast to the 10% rise expected a month ago.

Regions

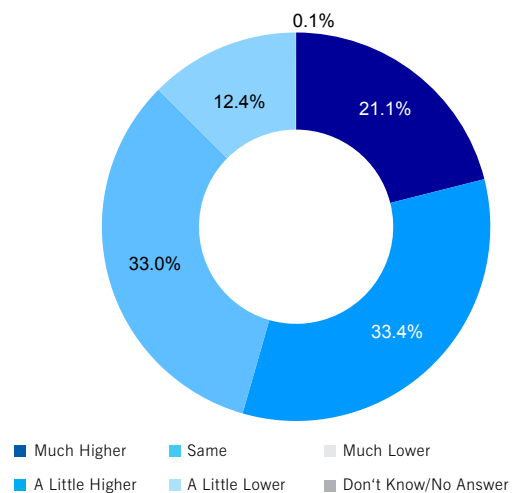
Satisfaction with Current Prices rose in all regions for the first time since the start of the survey. The largest improvement was in East India, where sentiment rose by double digits, offsetting the decline in the previous month. For the first time in five months, a growing proportion of North Indian respondents were more satisfied with the current level of prices.

Expectations for future prices also eased in all regions in June. The largest decline was in Central India, where a growing proportion of respondents expected prices to be a little lower in a year's time. Consumers from East India had the lowest inflationary expectations since the start of the series in November 2012 and also as compared with the other regions.

Satisfaction with Current Prices
(% of Households)

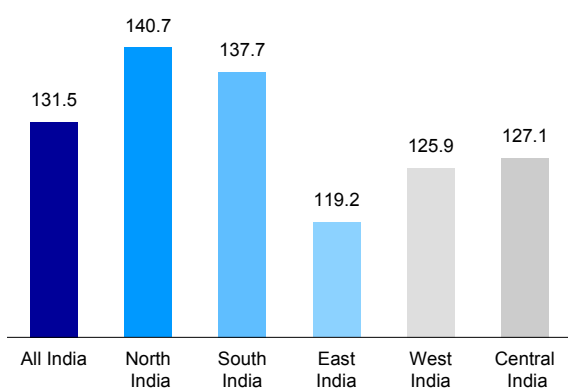


Inflation Expectations in 12 Months
(% of Households)

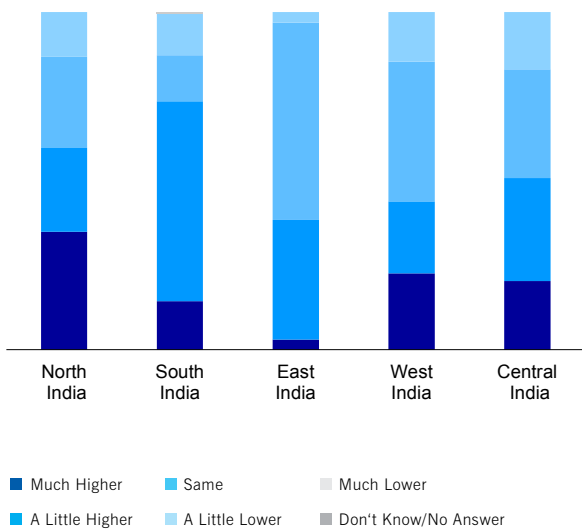




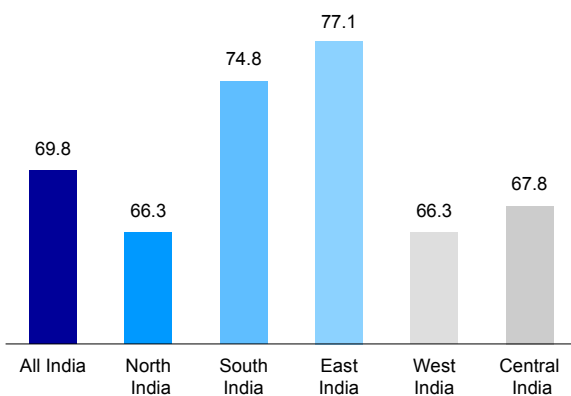
Inflation Expectations Indicator



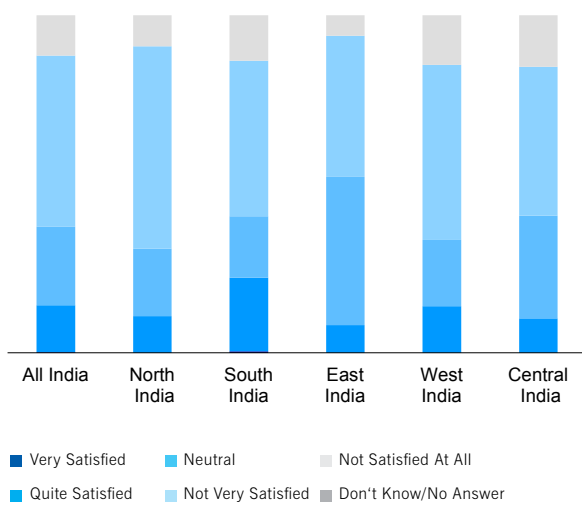
Inflation Expectations in 12 Months (% of Households)



Satisfaction with Current Prices Indicator



Satisfaction with Current Prices (% of Households)



Interest Rate Expectations Highest Since January



In spite of the fact that the central bank left the repo rate on hold and allowed more liquidity to flow into markets, an increased number of respondents expected interest rates to increase in June.

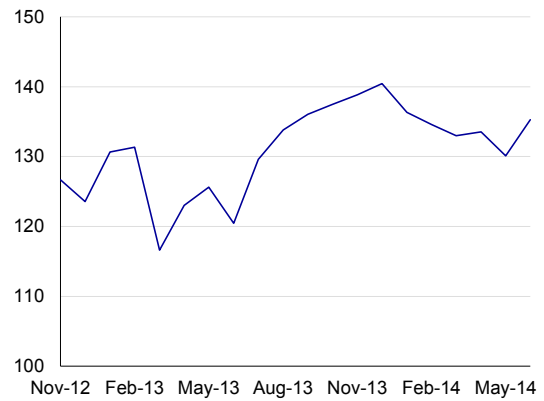
The Interest Rates Expectations Indicator rose 4% on the month to 135.3 in June from 130.1 in May, posting the first significant rise in six months.

The Reserve Bank of India left the key policy rate unchanged at 8% at its monetary policy on June 3, the first interest rate decision since the BJP formed a new government. Governor Raghuram Rajan said further policy tightening would not be warranted if the economy continues on a disinflationary path. At the same time, the RBI took steps to raise the availability of credit, reducing the mandatory amount of bonds lenders must keep with the central bank - called the statutory liquidity ratio - by 50 basis points to 22.5% of deposits from mid June.

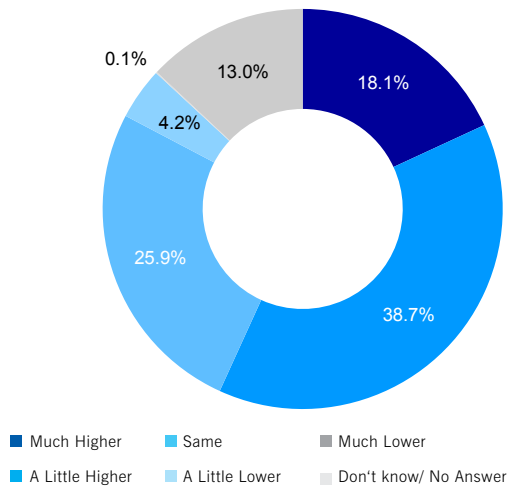
The Interest Rate Expectations Indicator for June was above below the average of 133.7 for the past 12 months and the series average of 130.8.

Since September 2013, when Raghuram Rajan took over as the Governor of the RBI, interest rates have been hiked three times in order to stabilise the sharp fall of the rupee and control inflation.

Interest Rate Expectations Indicator



Expected Change in Interest Rate in 1 Year (% of Households)



Interest Rate Expectations

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Interest Rate Expectations	120.4	136.3	134.6	133.0	133.6	130.1	135.3

The Stock Investment Indicator declined slightly after two significant rises.

The Indicator fell to 118.4 in June from 120.6 in May, the lowest reading since April.

Stock Investment Indicator Lowest Since April



The Stock Investment Indicator declined slightly after two significant rises in the run up to elections. The Indicator fell to 118.4 in June from 120.6 in May, the lowest reading since April, due to lower expectations for investment return and consumers' strong views that equity prices were already very high.

The indicator gauges whether it is a good or bad time to invest in the stock market and is made up of three components; Investment Return, Stock Price Sentiment and Stock Market Expectations.

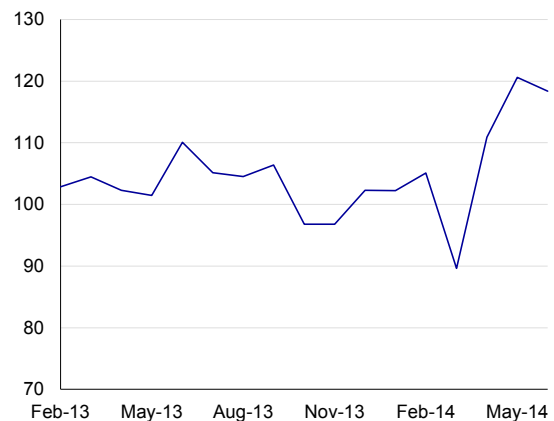
Expectations of reforms and optimism about a recovery in the domestic economy boosted the benchmark Sensex to another all-time high of 25,644.77 on June 9.

Stock Price Sentiment, which measures whether equity prices are high or low, rose to 117.8 in June from 112.8 in May. While above the 100 level, indicating the proportion of respondents who think prices are high outweighed those who thought prices were low, the rise on the month hit the Stock Price Indicator negatively.

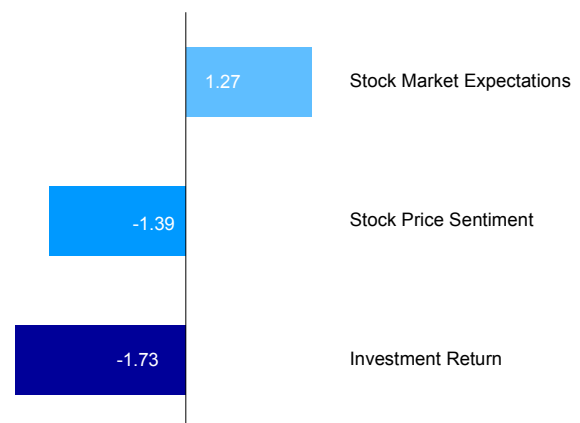
The Stock Market Expectations component, which shows whether consumers think stock prices will rise or fall in the next three months, rose to 140.1 in June from 135.5 in May, posting the highest reading since the survey started.

In contrast, Stock Investment Return, a measure of the amount of profit/loss in investments in the last year, fell to 132.8 in June from 139.1 in May.

Stock Investment Indicator



Stock Investment Indicator: Contribution to Monthly Change (% pt.)



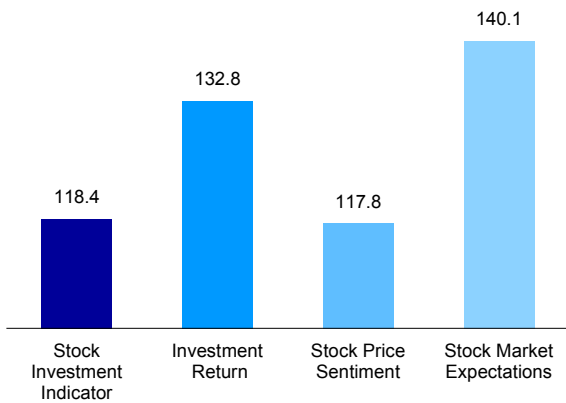
Investment Sentiment

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Investment Sentiment Indicator	110.1	102.3	105.1	89.7	110.9	120.6	118.4
Investment Return	102.7	103.0	104.5	82.7	114.6	139.1	132.8
Stock Price Sentiment	100.4	107.4	103.7	128.6	119.3	112.8	117.8
Stock Market Expectation	127.8	111.1	114.3	114.9	137.4	135.5	140.1

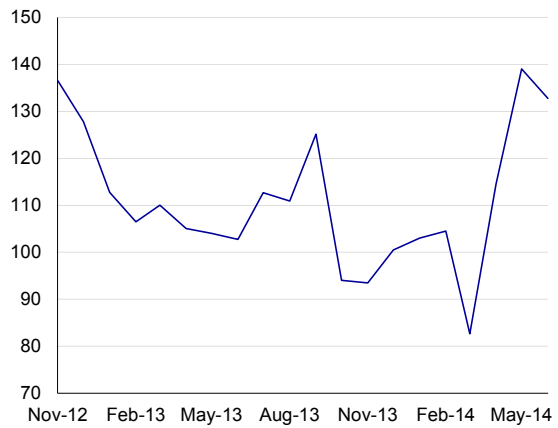


Stock Investment Indicator Regions and Components

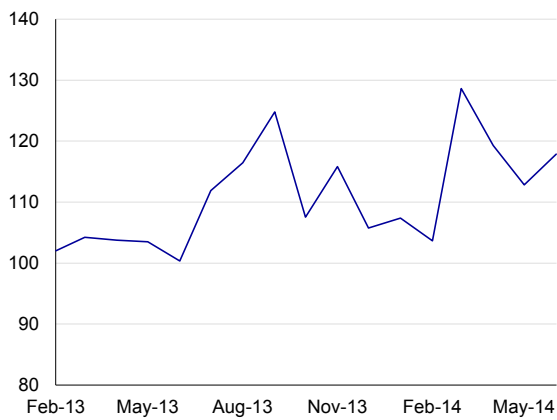
Stock Investment Indicator - Components



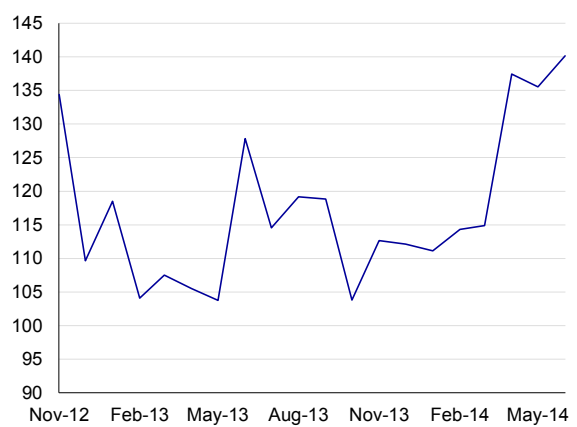
Investment Return



Stock Price Sentiment



Stock Market Expectations



Car purchase sentiment rose to the highest in 16 months.

Of those consumers who felt it was a good time to purchase a car, a growing proportion cited supply and quality as the main reason.

Real Estate Investment Indicator

Lowest Since October 2013



While general levels of confidence rose in June, consumers' confidence about the real estate market fell for the fourth consecutive month.

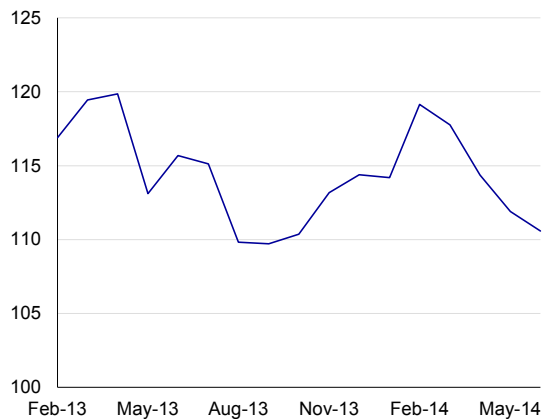
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment), declined to 110.6 in June from 111.9 in May, posting the lowest reading since October 2013. The June indicator was below both the average of 113.8 for the past 12 months and the series average of 114.4.

The House Price Expectations component, which measures the outlook for prices over the coming six months, rose for the first time in four months, to 142.6 in June from 139.8 in May. Consumers' expectations about house prices peaked in February and have since trended downwards.

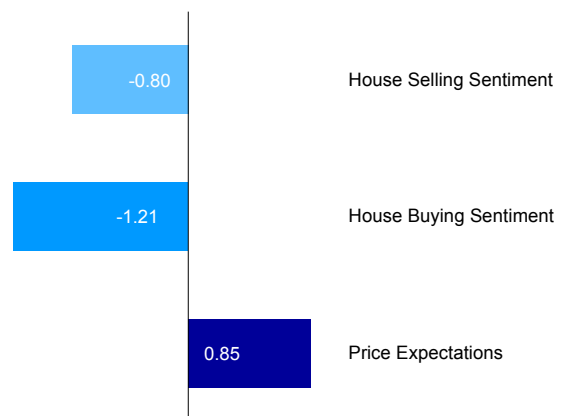
House Buying Sentiment, a measure of whether it is a good time in the next six months to buy a home, fell below the 100 expansion/contraction mark to 99.1 in June from 103.2 in May, the lowest reading since January. There was a sharp turnaround from consumers who had thought it was an excellent time to a very bad time to purchase a house, with respondents possibly in wait-and-see mode ahead of the government's first budget on July 10.

The new government has promised an affordable housing policy. Consumers expect a reduction in home loans and the implementation of the proposed GST framework and its implied tax benefits. The real

Real Estate Investment Indicator



Real Estate Investment Indicator: Contribution to Monthly Change (% pt.)



Real Estate Investment Sentiment

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Real Estate Investment Sentiment	115.7	114.2	119.1	117.8	114.4	111.9	110.6
Price Expectations	136.3	143.1	152.6	148.6	145.9	139.8	142.6
House Buying	119.7	94.9	107.7	102.8	102.1	103.2	99.1
House Selling	109.0	95.5	102.9	98.2	104.9	107.3	110.0



Real Estate Investment Indicator

Components and Balances

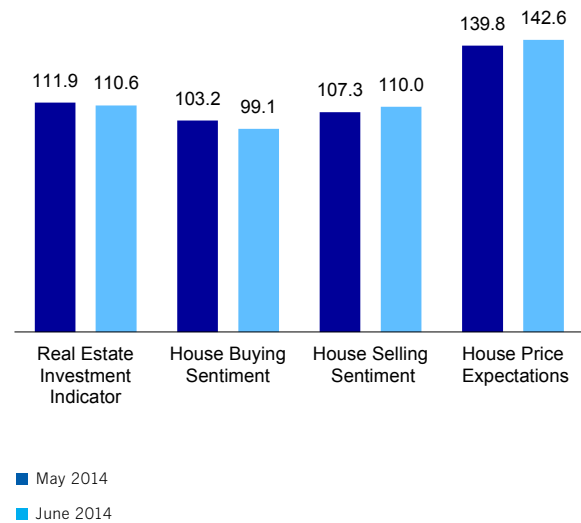
estate industry also hopes to be granted coveted industry status, which will further ease capital inflows.

House Selling Sentiment, a measure of whether it is a good time in the next six months to sell a house, rose to 110.0 in June from 107.3 in May, the highest reading since October 2013. The measure has a negative impact on the Real Estate Investment Indicator.

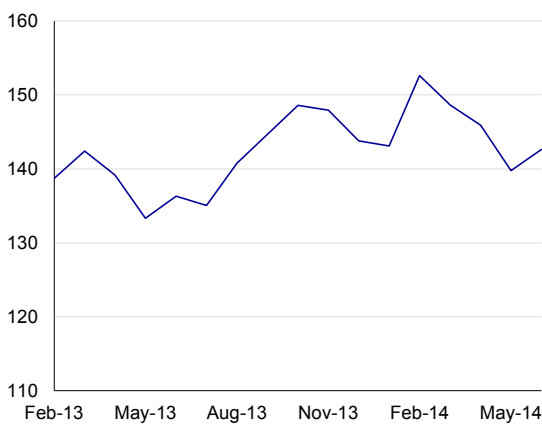
Regions

The Indicator improved only in the Central and North regions, albeit only marginally in the latter. House Buying Sentiment was lower on the month in the other regions (East, West and South India), making the overall Real Estate Investment Indicator weaker.

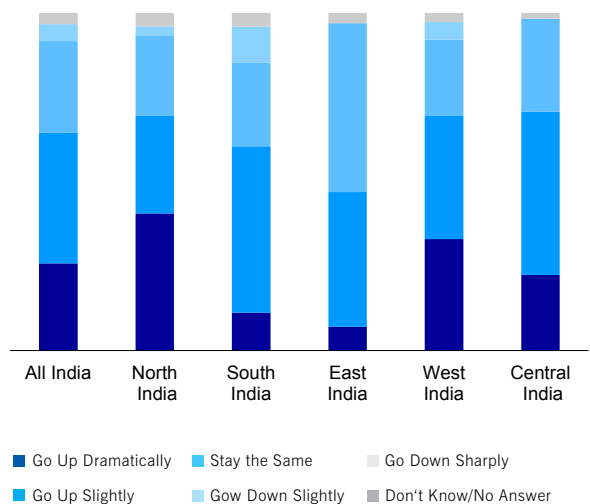
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes in Next 6 Months

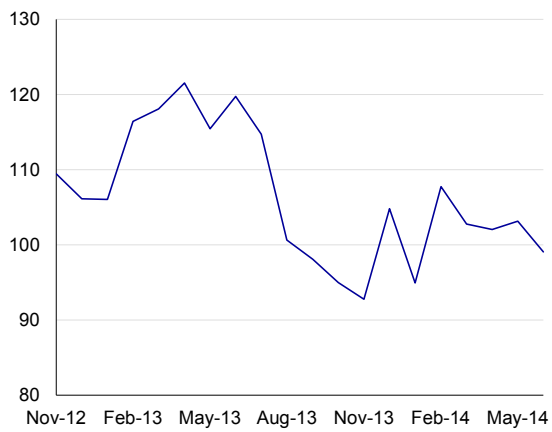


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

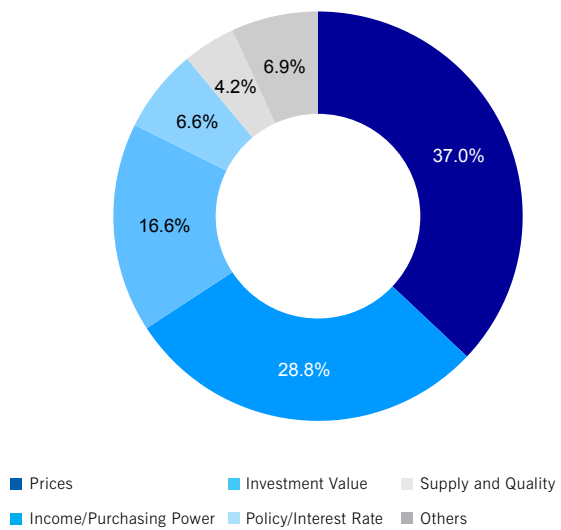




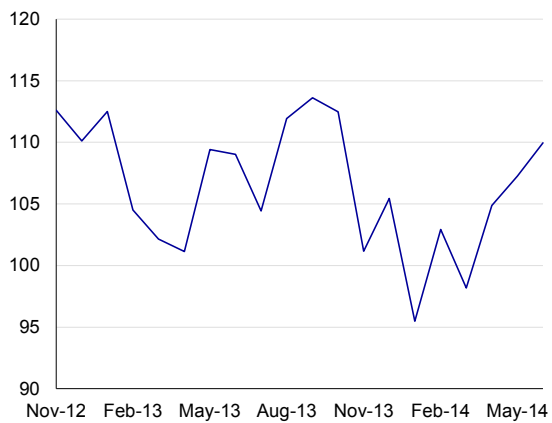
House Buying Sentiment



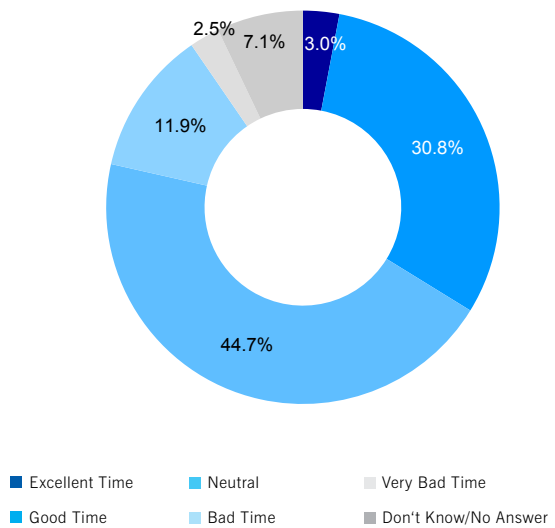
Reasons for Buying Houses (% of Households)



House Selling Sentiment

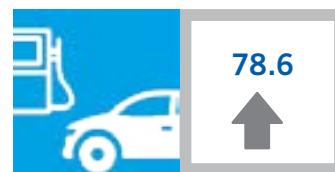


Timing for Selling Houses (% of Households)



Car Purchase Indicator

Highest Since February 2013



Each month we ask consumers whether they think it is a good time to buy a car over the coming 12 months. In June, optimism rose to the highest in 16 months, in line with the general rise in confidence. The Car Purchase Indicator rose to 78.6 in June from 75.2 in the previous month, mainly led by lower expectations for gasoline prices in the next 12 months.

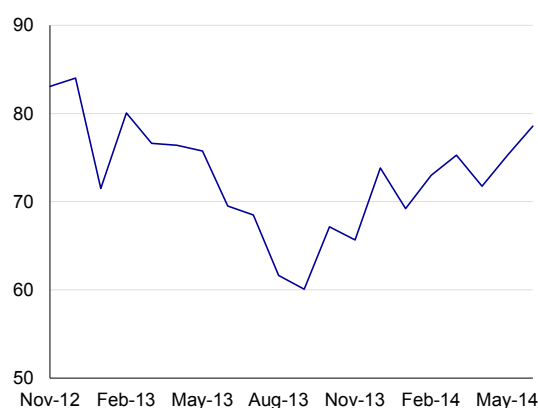
The Car Purchase Indicator is made up of two components, Car Purchase Expectations and Price of Gasoline Expectations, the latter having a negative impact on the indicator.

The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, remained broadly stable for the second month in a row after declining significantly to the lowest in eight months in April. The component stood at 101.7 in June compared with 101.8 in May.

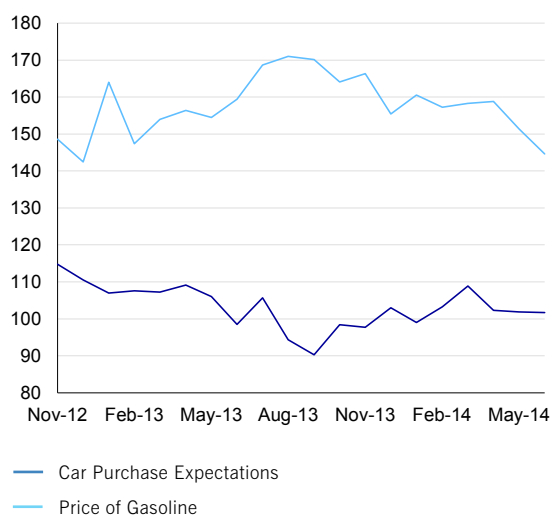
Although consumers' expectations about buying a car remained stable, there was a shift in consumers' inclination from perceiving it as a bad time to buy a car to a good one. There was a sharp rise in those who thought it was an excellent time, although the majority thought it was an "okay" time. Confidence may well have been boosted by expectations that the upcoming budget would extend tax cuts on automobiles.

Of those consumers who felt it was a good time to purchase a car, there was a significant increase in the number of respondents who cited supply and quality as the main reason. The majority of consumers gave credit to better income and purchasing power for their

Car Purchase Indicator



Car Purchase Indicator - Components



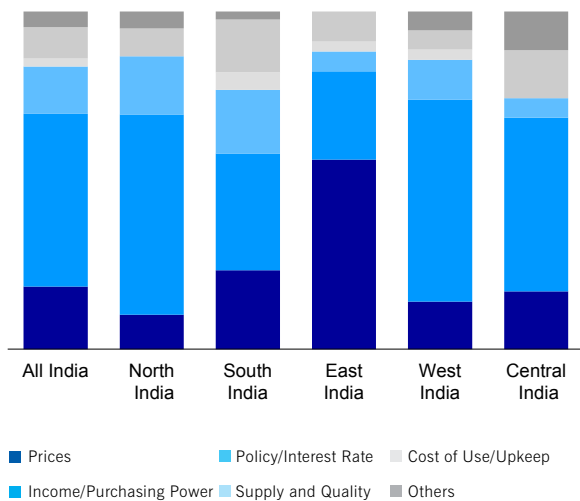
Car Purchase Sentiment

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Car Purchase Sentiment	69.5	69.2	73.0	75.3	71.7	75.2	78.6
Car Purchase Expectations	98.5	99.0	103.2	108.9	102.3	101.8	101.7
Price of Gasoline	159.5	160.6	157.2	158.3	158.8	151.4	144.6

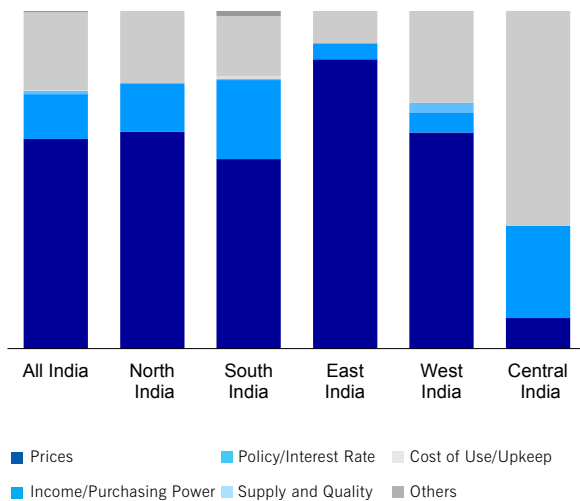
Car Purchase Indicator Regions



Reasons for a Good Time to Buy a Car (% of Households)



Reasons for a Bad Time to Buy a Car (% of Households)

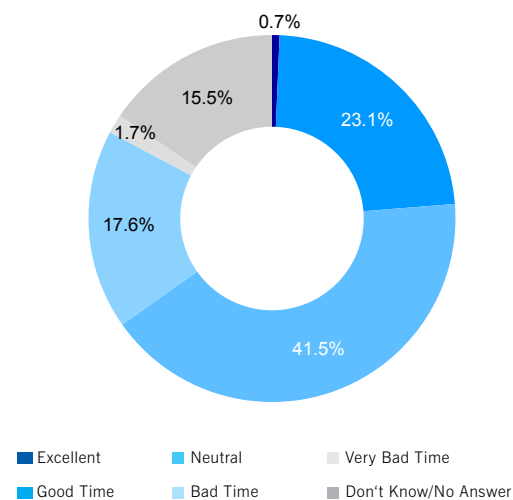


higher willingness. Last week, the government extended the cut in excise duty levied on the auto industry, which was introduced in the interim budget in February, for another six months until December. In the interim budget, the government had reduced central excise duty on small cars, scooters/two-wheelers from 12% to 8%.

Many car makers have launched compact cars to attract price sensitive customers and reduced prices of existing models.

Expectations for the Price of Gasoline decreased to 144.6 in June from 151.4 in May, the lowest reading in one and a half years. About three-quarters of consumers thought the price of gasoline would rise, but those who thought prices would go down rose slightly to the highest proportion since the start of the survey.

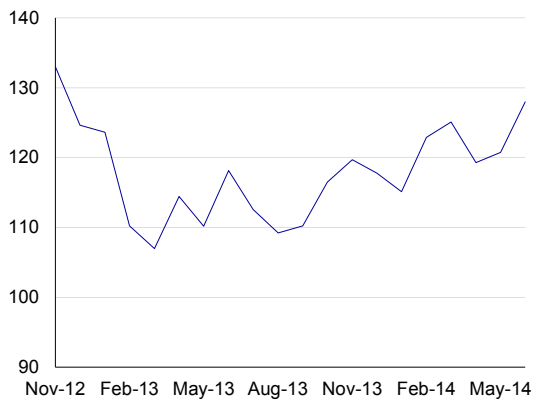
Is it a Good Time to Buy a Car? (% of Households)



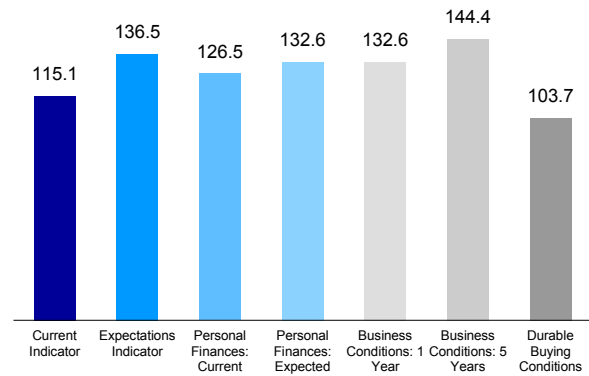
MNI India Consumer Indicator Regions



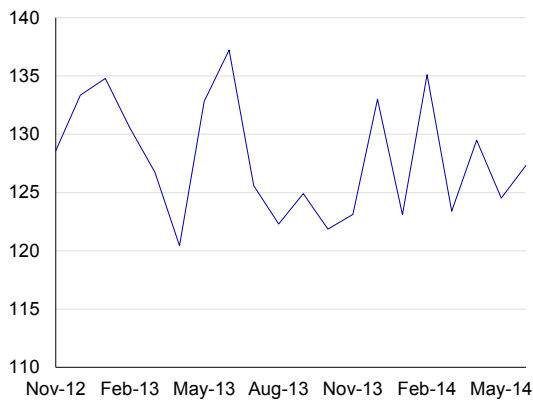
Consumer Indicator: North India



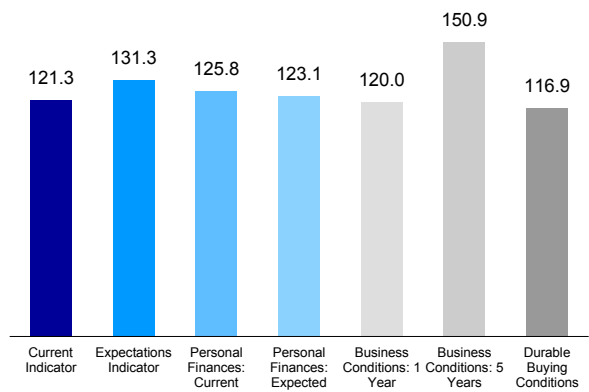
Consumer Indicator Components: North India



Consumer Indicator: South India

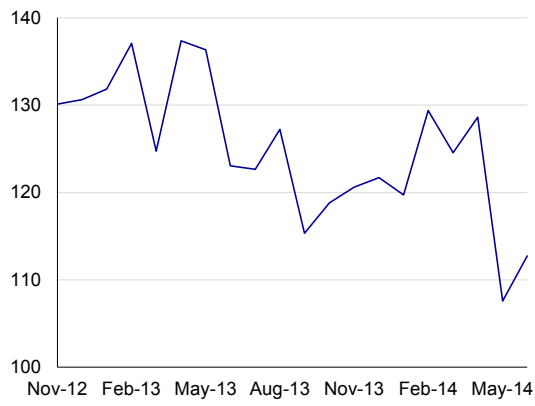


Consumer Indicator Components: South India

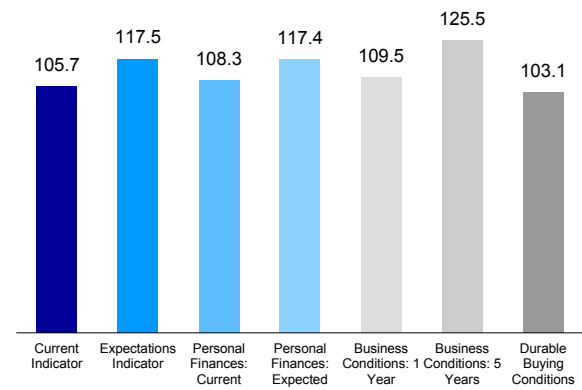




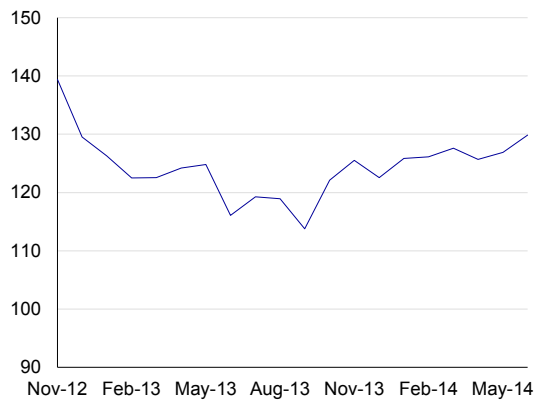
Consumer Indicator: East India



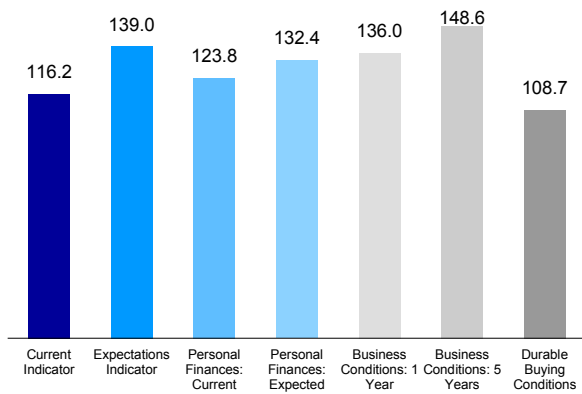
Consumer Indicator Components: East India



Consumer Indicator: West India

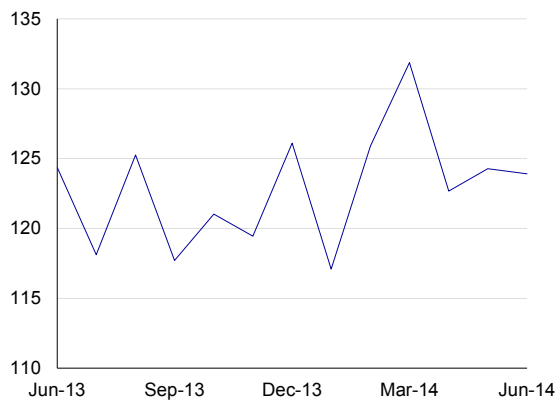


Consumer Indicator Components: West India

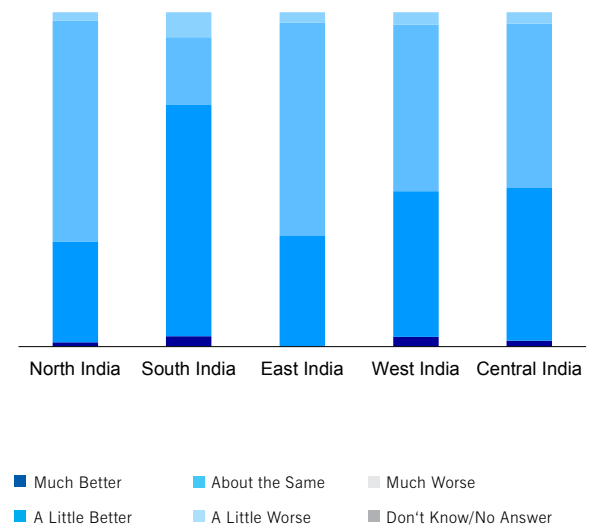




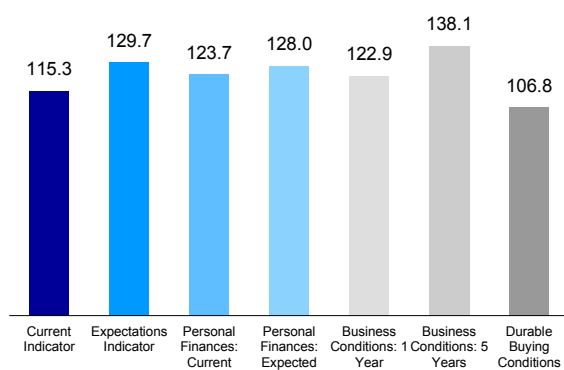
Consumer Indicator: Central India



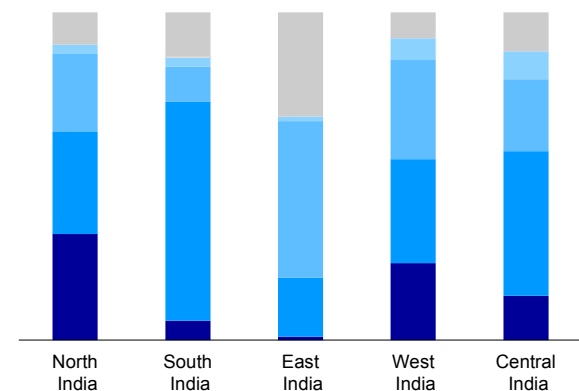
Employment Outlook for the Next 12 Months (% of Households)



Consumer Indicator Components: Central India

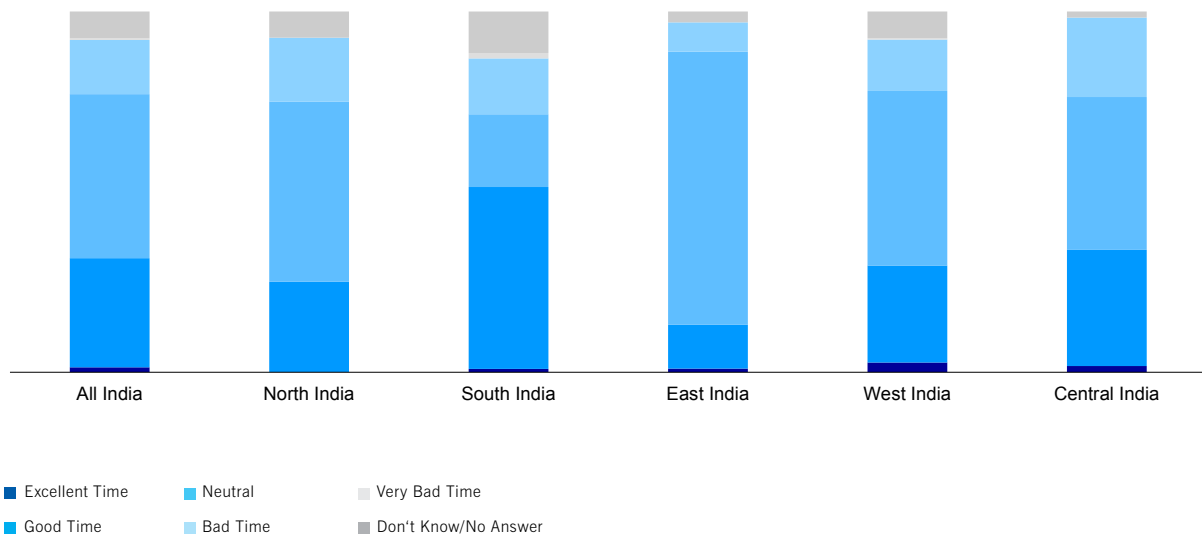


Interest Rate Expectations on House and Car Loans Indicator

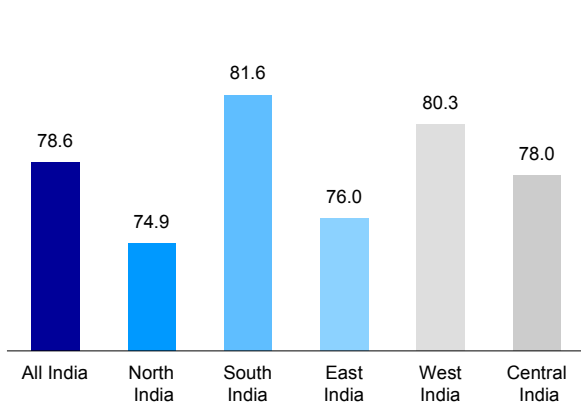




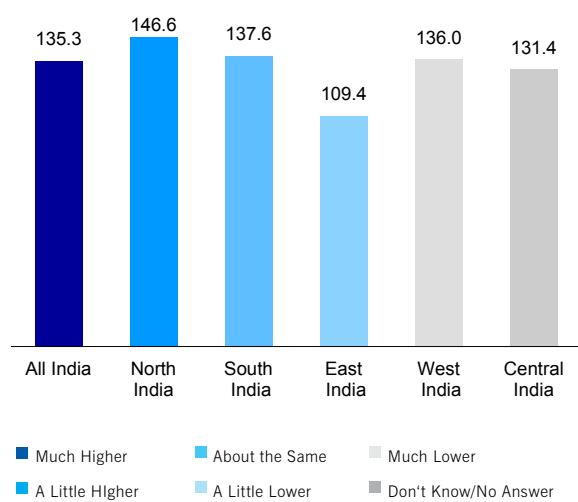
Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



Car Purchase Indicator - Regions



Interest Rates Expectations (% of Households)

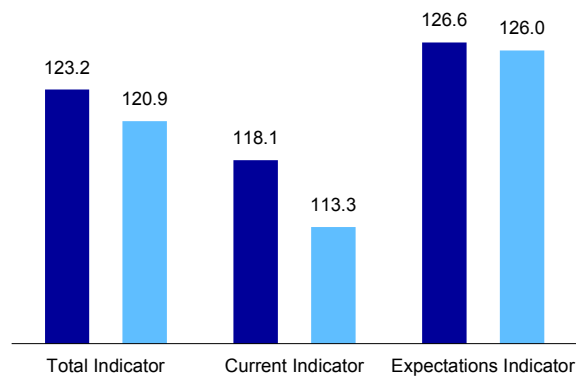




MNI India Consumer Indicator

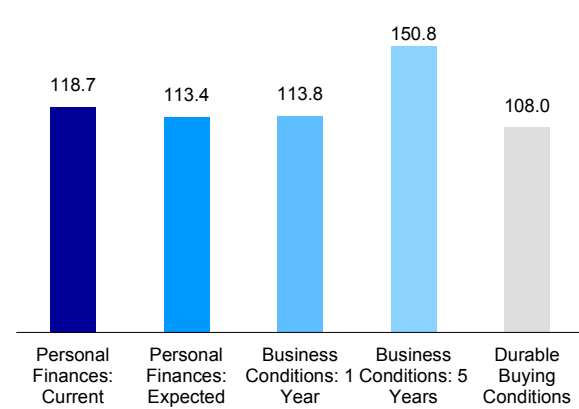
Income Groups

< INR 432,000 per annum

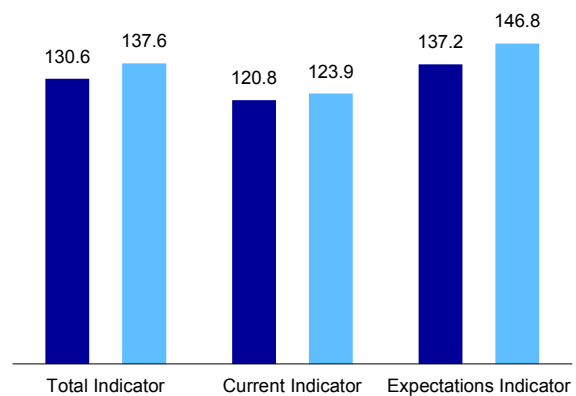


■ May 2014
■ June 2014

< INR 432,000 - Components

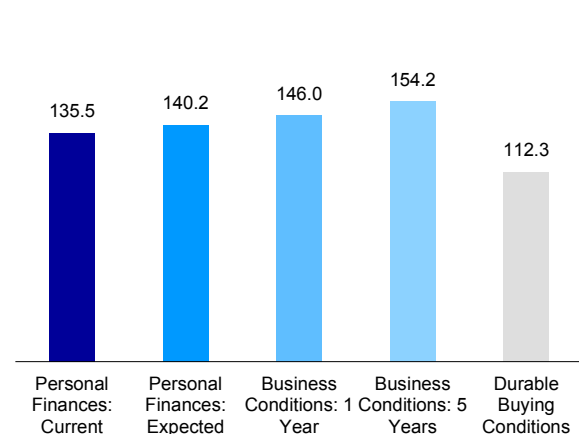


> INR 432,000 per annum



■ May 2014
■ June 2014

> INR 432,000 - Components



Confidence fell in low income households and rose among high income households.

On average, though, the level of confidence remains greater for high income households.



What the Panel Said

A selection of comments from the panel of consumers surveyed over the past month.

“Modi government will do something to improve business conditions.”

“More MNC’s are coming in India so it is a good time for businesses.”

“IT industry is developing in Pune.”

“Budget cars are available.”

“It is a good time to invest in real estate as prices are going up.”

“Bengaluru is a good place to do business as it is an IT hub.”

“Gold price is coming down.”

“I hope that the new government will have good policies to improve business conditions.”

“The price for electronic gadgets is going down, so it is a good time to buy such items.”

“In Coimbatore, lot of new malls are coming up that are offering discounts.”

“Inflation will come down slightly due to new government policies.”

“Some selected brands of cars have good schemes.”

“There are heavy discounts for electronics on online portals.”



Data Tables

A closer look at the data from the June consumer survey.

North India Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
North India Consumer Indicator	119.3	120.8	128.0	Nov-12	-	122.7	7.2	6.0%
Current Indicator	108.0	112.6	115.1	May-13	-	111.9	2.5	2.2%
Expectations Indicator	126.8	126.2	136.5	series high	-	129.8	10.3	8.2%
Personal Finance: Current	114.8	118.7	126.5	Jan-13	-	120.0	7.8	6.5%
Personal Finance: Expected	130.3	126.5	132.6	Mar-14	-	129.8	6.1	4.9%
Business Condition: 1 Year	121.8	126.6	132.6	series high	-	127.0	6.0	4.7%
Business Condition: 5 Years	128.4	125.4	144.4	series high	-	132.7	19.0	15.1%
Durable Buying Conditions	101.2	106.5	103.7	-	Apr-14	103.8	-2.8	-2.6%
Current Business Conditions Indicator	95.5	93.0	107.1	Nov-13	-	98.5	14.1	15.2%
Stock Investment Indicator	106.4	122.2	108.3	-	Apr-14	112.3	-13.9	-11.4%
Real Estate Investment Indicator	111.7	110.0	110.9	Apr-14	-	110.9	0.9	0.8%
Car Purchase Indicator	71.8	73.4	74.9	Feb-13	-	73.4	1.5	2.0%
Employment Outlook Indicator	103.9	105.6	115.1	Feb-14	-	108.2	9.5	9.1%
Inflation Expectations Indicator	148.9	156.1	140.7	-	Dec-12	148.6	-15.4	-9.9%
Current Prices Satisfaction Indicator	54.9	54.4	66.3	Feb-14	-	58.5	11.9	21.7%
Interest Rates Expectations Indicator	130.8	133.6	146.6	series high	-	137.0	13.0	9.7%

South India Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
South India Consumer Indicator	129.5	124.5	127.3	Apr-14	-	127.1	2.8	2.2%
Current Indicator	123.7	119.5	121.3	Apr-14	-	121.5	1.8	1.6%
Expectations Indicator	133.4	127.9	131.3	Apr-14	-	130.9	3.4	2.7%
Personal Finance: Current	131.8	124.6	125.8	Apr-14	-	127.4	1.2	0.9%
Personal Finance: Expected	121.9	116.9	123.1	Feb-14	-	120.6	6.2	5.3%
Business Condition: 1 Year	121.5	118.9	120.0	Apr-14	-	120.1	1.1	0.9%
Business Condition: 5 Years	156.7	147.8	150.9	Apr-14	-	151.8	3.1	2.1%
Durable Buying Conditions	115.5	114.3	116.9	Feb-14	-	115.6	2.6	2.2%
Current Business Conditions Indicator	107.4	114.7	119.6	Feb-14	-	113.9	4.9	4.3%
Stock Investment Indicator	108.8	117.6	113.0	-	Apr-14	113.1	-4.6	-3.9%
Real Estate Investment Indicator	109.4	111.0	108.1	-	Jul-13	109.5	-2.9	-2.6%
Car Purchase Indicator	75.3	82.3	81.6	-	Apr-14	79.7	-0.7	-0.9%
Employment Outlook Indicator	126.8	125.3	134.0	Feb-14	-	128.7	8.7	6.9%
Inflation Expectations Indicator	147.7	143.4	137.7	-	May-13	142.9	-5.7	-3.9%
Current Prices Satisfaction Indicator	67.5	71.3	74.8	Feb-14	-	71.2	3.5	5.0%
Interest Rates Expectations Indicator	132.1	128.6	137.6	Feb-14	-	132.8	9.0	6.9%

East India Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
East India Consumer Indicator	128.6	107.6	112.8	Apr-14	-	116.3	5.2	4.8%
Current Indicator	117.5	107.7	105.7	-	Sep-13	110.3	-2.0	-1.9%
Expectations Indicator	136.1	107.5	117.5	Apr-14	-	120.4	10.0	9.3%
Personal Finance: Current	114.8	108.7	108.3	-	Dec-13	110.6	-0.4	-0.4%
Personal Finance: Expected	130.1	108.1	117.4	Apr-14	-	118.5	9.3	8.6%
Business Condition: 1 Year	129.7	94.2	109.5	Apr-14	-	111.1	15.3	16.3%
Business Condition: 5 Years	148.4	120.2	125.5	Apr-14	-	131.4	5.3	4.4%
Durable Buying Conditions	120.2	106.7	103.1	-	Sep-13	110.0	-3.6	-3.4%
Current Business Conditions Indicator	120.7	99.4	100.8	Apr-14	-	107.0	1.4	1.4%
Stock Investment Indicator	-	-	108.8	Sep-13	-	36.3	108.8	0.0%
Real Estate Investment Indicator	126.1	111.8	106.6	-	Apr-13	114.8	-5.2	-4.6%
Car Purchase Indicator	78.0	64.4	76.0	Apr-14	-	72.8	11.6	18.1%
Employment Outlook Indicator	106.6	95.1	115.0	Feb-14	-	105.6	19.9	20.9%
Inflation Expectations Indicator	152.4	122.4	119.2	-	series low	131.3	-3.2	-2.6%
Current Prices Satisfaction Indicator	80.7	62.4	77.1	Apr-14	-	73.4	14.7	23.5%
Interest Rates Expectations Indicator	126.3	113.5	109.4	-	Mar-13	116.4	-4.1	-3.7%

West India Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
West India Consumer Indicator	125.7	126.9	129.9	Nov-12	-	127.5	3.0	2.3%
Current Indicator	110.0	114.8	116.2	Nov-13	-	113.7	1.4	1.2%
Expectations Indicator	136.2	134.9	139.0	Nov-12	-	136.7	4.1	3.0%
Personal Finance: Current	122.6	122.3	123.8	Jan-14	-	122.9	1.5	1.2%
Personal Finance: Expected	136.1	130.3	132.4	Apr-14	-	132.9	2.1	1.6%
Business Condition: 1 Year	134.2	131.7	136.0	series high	-	134.0	4.3	3.3%
Business Condition: 5 Years	138.2	142.9	148.6	series high	-	143.2	5.7	4.0%
Durable Buying Conditions	97.3	107.4	108.7	Mar-14	-	104.5	1.3	1.2%
Current Business Conditions Indicator	107.8	107.1	114.6	Jan-14	-	109.8	7.5	7.0%
Stock Investment Indicator	113.0	121.0	125.8	series high	-	119.9	4.8	3.9%
Real Estate Investment Indicator	114.1	113.6	112.7	-	Oct-13	113.5	-0.9	-0.7%
Car Purchase Indicator	66.2	77.0	80.3	Nov-12	-	74.5	3.3	4.3%
Employment Outlook Indicator	119.2	127.1	122.8	-	Apr-14	123.0	-4.3	-3.4%
Inflation Expectations Indicator	157.7	148.4	125.9	-	Dec-12	144.0	-22.5	-15.1%
Current Prices Satisfaction Indicator	70.9	63.1	66.3	Apr-14	-	66.8	3.2	5.0%
Interest Rates Expectations Indicator	138.8	132.3	136.0	Apr-14	-	135.7	3.7	2.9%

Central India Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Central India Consumer Indicator	122.7	124.3	123.9	-	Apr-14	123.6	-0.4	-0.3%
Current Indicator	117.4	117.9	115.3	-	Feb-14	116.9	-2.6	-2.2%
Expectations Indicator	126.2	128.6	129.7	Mar-14	-	128.2	1.1	0.8%
Personal Finance: Current	122.3	130.4	123.7	-	Apr-14	125.5	-6.7	-5.1%
Personal Finance: Expected	130.4	115.2	128.0	Apr-14	-	124.5	12.8	11.1%
Business Condition: 1 Year	112.5	126.8	122.9	-	Apr-14	120.7	-3.9	-3.1%
Business Condition: 5 Years	135.7	143.8	138.1	-	Apr-14	139.2	-5.7	-3.9%
Durable Buying Conditions	112.5	105.4	106.8	Apr-14	-	108.2	1.4	1.4%
Current Business Conditions Indicator	108.0	112.5	101.7	-	Mar-14	107.4	-10.8	-9.6%
Stock Investment Indicator	133.3	116.7	-	-	-	-	-	-
Real Estate Investment Indicator	121.1	114.3	115.8	Apr-14	-	117.1	1.5	1.3%
Car Purchase Indicator	75.0	68.8	78.0	Dec-13	-	73.9	9.3	13.4%
Employment Outlook Indicator	121.4	116.1	122.9	Feb-14	-	120.1	6.8	5.9%
Inflation Expectations Indicator	152.7	159.8	127.1	-	Apr-13	146.5	-32.7	-20.5%
Current Prices Satisfaction Indicator	50.9	66.1	67.8	Mar-14	-	61.6	1.7	2.6%
Interest Rates Expectations Indicator	137.5	146.4	131.4	-	Jan-14	138.4	-15.0	-10.3%

All India Overview by Age

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI India Consumer Indicator	128.1	126.6	129.9	series high	-	128.2	3.3	2.6%
Current Indicator	118.1	117.5	119.1	May-13	-	118.2	1.6	1.4%
Expectations Indicator	134.8	132.6	137.1	series high	-	134.8	4.5	3.4%
Personal Finance: Current	126.5	124.7	127.1	Jan-13	-	126.1	2.4	1.9%
Personal Finance: Expected	130.9	130.7	132.3	Feb-14	-	131.3	1.6	1.3%
Business Condition: 1 Year	128.6	126.8	129.9	Jan-13	-	128.4	3.1	2.4%
Business Condition: 5 Years	144.9	140.4	149.0	series high	-	144.8	8.6	6.1%
Durable Buying Conditions	109.6	110.2	111.2	Jan-14	-	110.3	1.0	0.8%
Age 35-54								
MNI India Consumer Indicator	123.6	120.5	124.8	Mar-14	-	123.0	4.3	3.5%
Current Indicator	111.4	115.1	115.0	-	Apr-14	113.8	-0.1	0.0%
Expectations Indicator	131.7	124.2	131.3	Apr-14	-	129.1	7.1	5.7%
Personal Finance: Current	118.4	121.3	121.8	Feb-14	-	120.5	0.5	0.4%
Personal Finance: Expected	130.3	118.6	126.5	Apr-14	-	125.1	7.9	6.7%
Business Condition: 1 Year	124.8	120.3	123.9	Apr-14	-	123.0	3.6	3.0%
Business Condition: 5 Years	140.1	133.7	143.4	series high	-	139.1	9.7	7.3%
Durable Buying Conditions	104.4	108.9	108.2	-	Apr-14	107.2	-0.7	-0.6%
Age 55-64								
MNI India Consumer Indicator	119.7	118.2	122.9	Mar-14	-	120.3	4.7	4.0%
Current Indicator	107.8	110.3	111.0	Mar-14	-	109.7	0.7	0.6%
Expectations Indicator	127.6	123.5	130.9	Mar-14	-	127.3	7.4	6.0%
Personal Finance: Current	117.6	113.6	117.7	Feb-14	-	116.3	4.1	3.6%
Personal Finance: Expected	127.9	116.7	124.2	Apr-14	-	122.9	7.5	6.4%
Business Condition: 1 Year	122.1	116.9	130.0	Mar-14	-	123.0	13.1	11.2%
Business Condition: 5 Years	132.7	136.8	138.5	Mar-14	-	136.0	1.7	1.2%
Durable Buying Conditions	98.1	106.9	104.2	-	Apr-14	103.1	-2.7	-2.5%

All India - Overview by Income

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< INR 432,000 per annum								
MNI India Consumer Indicator	124.3	123.2	120.9	-	Jan-14	122.8	-2.3	-1.8%
Current Indicator	116.1	118.1	113.3	-	Sep-13	115.8	-4.8	-4.1%
Expectations Indicator	129.8	126.6	126.0	-	Jan-14	127.5	-0.6	-0.5%
Personal Finance: Current	124.0	121.7	118.7	-	Mar-14	121.5	-3.0	-2.4%
Personal Finance: Expected	125.2	120.5	113.4	-	series low	119.7	-7.1	-5.9%
Business Condition: 1 Year	119.0	115.6	113.8	-	Sep-13	116.1	-1.8	-1.6%
Business Condition: 5 Year	145.2	143.6	150.8	series high	-	146.5	7.2	5.0%
Durable Buying Conditions	108.3	114.6	108.0	-	Jan-14	110.3	-6.6	-5.8%
> INR 432,000 per annum								
MNI India Consumer Indicator	133.4	130.6	137.6	series high	-	133.9	7.0	5.3%
Current Indicator	120.8	120.8	123.9	Dec-13	-	121.8	3.1	2.6%
Expectations Indicator	141.8	137.2	146.8	series high	-	141.9	9.6	7.0%
Personal Finance: Current	133.5	132.9	135.5	series high	-	134.0	2.6	1.9%
Personal Finance: Expected	137.2	134.4	140.2	Feb-14	-	137.3	5.8	4.3%
Business Condition: 1 Year	137.6	132.2	146.0	series high	-	138.6	13.8	10.4%
Business Condition: 5 Year	150.6	145.0	154.2	series high	-	149.9	9.2	6.3%
Durable Buying Conditions	108.1	108.6	112.3	Dec-13	-	109.7	3.7	3.3%

Methodology

The MNI India Consumer Sentiment Survey is a wide ranging monthly survey of consumer confidence across India.

Data is collected via telephone interviews. At least 1,000 interviews are conducted each month across the country.

The survey adopts a similar methodology to the University of Michigan survey of U.S. consumer sentiment.

The main MNI India Consumer Indicator is derived from five questions, two on current conditions and three on future expectations:

- 1) Current personal financial situation compared to a year ago
- 2) Current willingness to buy major household items
- 3) Personal financial situation one year from now
- 4) Overall business conditions one year from now
- 5) Overall business conditions for the next 5 years

Indicators relating to specific questions in the report are diffusion indices with 100 representing a neutral level, meaning positive and negative answers are equal. Values above 100 indicate increasing positivity while values below show increasing negativity.



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Our indicators allow investors, economists, analysts, and companies to identify economic trends and make informed investment and business decisions. Our data moves markets.

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