

MNI India Consumer Report December 2013

Insight and data for better decisions

About MNI Indicators

Insight and data for better decisions

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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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No Rate Hike for Now

Even though inflation accelerated further in November to the highest level for more than a year, the Reserve Bank of India surprised markets by not raising interest rates in December.

Even though inflation accelerated further in November to the highest level for more than a year, the Reserve Bank of India surprised markets by not raising interest rates in December. That doesn't mean they won't take the plunge early next year though.

Inflation, measured by the Wholesale Price Index, actually fell to 4.6% in May 2013, the lowest since November 2009, but has subsequently accelerated to 7.5%, not least due to spiralling food costs.

Following the decision not to tighten policy, the central bank said that it would remain vigilant, and left the door open to acting between policy reviews should inflation not ease as expected. But should the central bank tighten policy now if most of the recent rise is due to higher food prices?

The central bank can't do much about the rising cost of food staples such as onions or other vegetables which have leapt in price this year. They can only try to manipulate the demand side of the economy through monetary policy, and can do little to help on the supply side.

This suggests that the RBI should look through food price movements and base policy on a core measure of inflation which would exclude food and possibly other erratic items such as fuel.

This has been a point of contention with the central bank. The current governor, Raghuram Rajan, has not been particularly vocal on this topic, but the previous governor, Mr Subbarao, made it clear that excluding erratic items such as food and fuel would mean that the central bank would be ignoring 60% of the CPI basket. He has a point, although the latest rise in food prices appears to be less structural and more due to temporary supply issues.

At the current time, however, the argument matters less, as it is not just food price inflation which has accelerated recently. Non-food inflation increased to 7.6% in November, up from just 1.2% in August, possibly due to the depreciation in the currency seen earlier in the year. In the three months to November it

was up 1.9% compared with the previous month. That's an annualised rise of more than 7.5% and is where the central bank should focus its attention.

Our latest India Consumer Sentiment survey contains a mine of information on how consumers view the economy. On prices, the latest report showed that expectations for inflation in a year's time have risen sharply this year but dropped back in December after hitting a record high in November. It was a similar story for consumers' views on the current level of prices, a very tentative sign that inflation and inflation expectations may have turned the corner.

Philip Uglow

Chief Economist

MNI Indicators



Executive Summary

The MNI India Consumer Indicator rose for the third consecutive month in December to 123.9, the highest since May, as consumers reported that it was a better time to purchase a large household good and that they expected their finances to improve.

The MNI India Consumer Indicator rose for the third consecutive month in December to the highest since May, as consumers reported that it was a better time to purchase a large household good and that they expected their finances to improve in the future.

The rise of 1.1% on the month took the Consumer Indicator to 123.9 in December, from 122.5 in November.

Two out of the five components that make up the Consumer Indicator increased in December. Expected Personal Finances and Durable Buying Conditions rose by more than 4% on the month, offsetting a slight worsening in Current Personal Finances and lower optimism about the business outlook in the short and long term.

Both current and future measures of confidence improved for the third consecutive month, having hit record lows in September. The Current Indicator increased to 119.0 in December from 117.0 in November, while the Expectations Indicator rose marginally to 127.2 from 126.2 in the previous month, the highest since June.

The increase in the MNI India Consumer Indicator was led by South India, where all indicators, save for inflation expectations, rose sharply on the month. Confidence also improved in Central and East India. Confidence improved in four out of the ten major Indian cities, including Bangalore.

Consumer sentiment improved in both younger age groups, but it fell in the oldest age range.

Current Personal Finances fell to the lowest since October, while Expected Personal Finances rose for third consecutive month, to 131.0 in December, from 125.3 in the previous month.

Perceptions about the current state of business improved for the second consecutive month in December, while the business outlook in one and five years deteriorated.

The Employment Outlook Indicator fell for the first time in three months, to 117.6 in December, with declines in four out of the five regions.

Concerns over current prices and expectations for inflation in a year's time eased in December, having hit record levels in November, a tentative sign that the sharp increase in inflation seen this year could be nearing a peak.

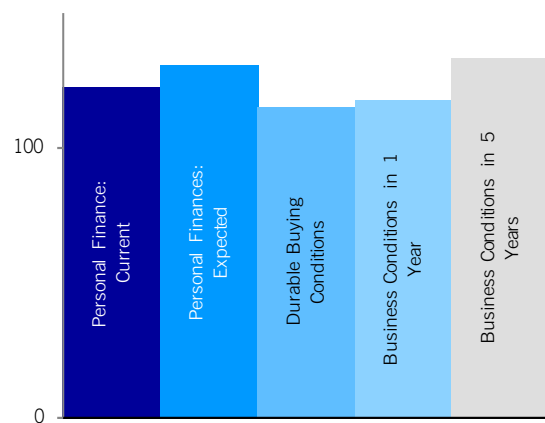
Following recent monetary tightening from the Reserve Bank of India, the Interest Rate Expectations Indicator rose for the sixth straight month, ending the year at a new record high of 140.4 in December.

The Stock Investment Indicator rose back above 100 in December, to 102.3, from 96.8 in November, a 5.7% rise on the month and the highest since September.

The Real Estate Investment Indicator increased for the third consecutive month, up to 114.4 in December, although it was still below the average level seen earlier in the year.

The Car Purchase Indicator rose sharply to 73.8 in December, continuing the momentum seen at the start of the festival season, helped by seasonal end of year discounting from retailers.

MNI India Consumer Indicator - Components



All India - Overview

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Consumer Indicator	120.2	122.5	123.9	May-13	-	122.2	1.4	1.1%
Current Indicator	113.9	117.0	119.0	May-13	-	116.6	2.0	1.7%
Expectations Indicator	124.3	126.2	127.2	Jun-13	-	125.9	1.0	0.7%
Personal Finance: Current	117.1	123.3	122.5	-	Oct-13	121.0	-0.8	-0.6%
Personal Finance: Expected	122.4	125.3	131.0	Apr-13	-	126.2	5.7	4.5%
Business Condition: 1 Year	119.3	118.2	117.4	-	41518.0	118.3	-0.8	-0.7%
Business Condition: 5 Year	131.3	135.2	133.1	-	Oct-13	133.2	-2.1	-1.5%
Durable Buying Conditions	110.7	110.7	115.5	May-13	-	112.3	4.8	4.3%
Current Business Conditions Indicator	108.2	109.1	114.5	Jun-13	-	110.6	5.4	4.9%
Stock Investment Indicator	96.8	96.8	102.3	41518	-	98.6	5.5	5.7%
Real Estate Investment Indicator	110.4	113.2	114.4	Jul-13	-	112.6	1.2	1.1%
Car Purchase Indicator	67.1	65.7	73.8	May-13	-	68.9	8.1	12.4%
Employment Outlook Indicator	114.6	121.0	117.6	-	Oct-13	117.8	-3.4	-2.8%
Inflation Expectations Indicator	152.4	159.2	152.6	-	Oct-13	154.7	-6.6	-4.1%
Current Prices Satisfaction Indicator	90.2	70.2	86.2	Oct-13	-	82.2	16.0	22.8%
Interest Rates Expectations Indicator	137.5	138.8	140.4	series high	-	138.9	1.6	1.1%

All India - Summary

	2012	2013											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MNI India Consumer Indicator	129.3	127.3	122.9	119.7	123.9	124.5	122.9	119.5	118.7	115.9	120.2	122.5	123.9
Current Indicator	123.9	123.5	115.1	116.8	119.5	120.7	113.7	114.1	113.9	109.3	113.9	117.0	119.0
Expectations Indicator	132.9	129.8	128.1	121.6	126.8	127.0	129.0	123.0	122.0	120.3	124.3	126.2	127.2
Personal Finance: Current	130.0	133.9	123.4	116.6	121.1	122.2	115.8	114.2	116.3	118.0	117.1	123.3	122.5
Personal Finance: Expected	134.0	136.0	132.5	124.0	131.8	131.0	128.3	121.9	122.1	118.4	122.4	125.3	131.0
Business Condition: 1 Year	131.8	129.6	119.7	114.9	117.2	119.4	124.2	121.2	115.3	114.1	119.3	118.2	117.4
Business Condition: 5 Year	132.8	123.9	132.0	126.0	131.6	130.5	134.6	126.0	128.5	128.4	131.3	135.2	133.1
Durable Buying Conditions	117.8	113.0	106.8	117.1	117.9	119.2	111.6	114.0	111.5	100.7	110.7	110.7	115.5
Current Business Conditions Indicator	124.9	122.3	121.2	116.4	120.0	121.0	118.4	113.1	111.4	108.9	108.2	109.1	114.5
Stock Investment Indicator			102.9	104.5	102.3	101.4	110.1	105.1	104.6	106.4	96.8	96.8	102.3
Investment Return	108.1	112.7	106.5	110.1	105.1	104.0	102.7	112.7	111.1	125.2	94.0	93.5	100.5
Stock Price Sentiment			102.0	104.2	103.7	103.5	100.4	111.9	116.5	124.8	107.5	115.8	105.8
Stock Market Expectations	105.5	118.5	104.1	107.5	105.5	103.8	127.8	114.6	119.2	118.8	103.8	112.6	112.1
Real Estate Investment Indicator			116.9	119.4	119.9	113.1	115.7	115.1	109.8	109.7	110.4	113.2	114.4
House Price Expectations			138.7	142.4	139.1	133.3	136.3	135.1	140.8	144.7	148.6	147.9	143.8
House Buying Sentiment	106.1	106.1	116.4	118.1	121.5	115.5	119.7	114.7	100.6	98.1	95.0	92.8	104.8
House selling Sentiment	110.1	112.5	104.5	102.2	101.1	109.4	109.0	104.4	111.9	113.6	112.5	101.2	105.4
Car Purchase Indicator	84.0	71.5	80.1	76.6	76.4	75.8	69.5	68.5	61.6	60.1	67.1	65.7	73.8
Car Purchase expectations	110.5	106.9	107.6	107.3	109.2	106.0	98.5	105.7	94.3	90.3	98.4	97.7	103.0
Price of Gasoline expectations	142.5	164.0	147.4	154.0	156.4	154.5	159.5	168.7	171.0	170.2	164.1	166.3	155.4
Employment Outlook Indicator	116.4	124.6	112.2	119.1	123.4	127.9	122.6	120.9	119.2	113.2	114.6	121.0	117.6
Inflation Expectations Indicator	126.8	149.4	152.4	145.6	134.0	136.5	143.9	144.4	152.9	156.1	152.4	159.2	152.6
Current Prices Satisfaction Indicator	102.8	91.3	76.7	78.2	96.5	99.7	96.4	93.9	92.6	83.2	90.2	70.2	86.2
Interest Rates Expectations Indicator	123.6	130.6	131.4	116.6	123.0	125.6	120.4	129.6	133.8	136.1	137.5	138.8	140.4

All India - Records

	2012-Current			
	Minimum	Maximum	Mean	Median
MNI India Consumer Indicator	115.9	133.7	123.2	122.9
Current Indicator	109.3	128.3	117.8	116.9
Expectations Indicator	120.3	137.3	126.8	126.9
Personal Finance: Current	114.2	135.4	122.1	121.6
Personal Finance: Expected	118.4	141.5	128.6	129.6
Business Condition: 1 Year	114.1	131.8	120.9	119.4
Business Condition: 5 Year	123.9	139.7	131.0	131.4
Durable Buying Conditions	100.7	121.1	113.4	113.5
Current Business Conditions Indicator	108.2	124.9	116.6	117.4
Stock Investment Indicator	96.8	110.1	103.0	102.9
Investment Return	93.5	136.5	108.8	107.3
Stock Price Sentiment	100.4	124.8	108.7	105.8
Stock Market Expectations	103.8	134.4	113.4	112.4
Real Estate Investment Indicator	109.7	119.9	114.3	114.4
House Price Expectations	133.3	148.6	141.0	140.8
House Buying Sentiment	92.8	121.5	108.5	107.8
House selling Sentiment	101.1	113.6	107.9	109.2
Car Purchase Indicator	60.1	84.0	72.4	72.6
Car Purchase expectations	90.3	114.8	103.6	105.8
Price of Gasoline expectations	142.5	171.0	158.8	157.9
Employment Outlook Indicator	112.2	128.3	120.1	120.0
Inflation Expectations Indicator	126.8	159.2	145.9	147.5
Current Prices Satisfaction Indicator	70.2	115.9	91.0	91.9
Interest Rates Expectations Indicator	116.6	140.4	129.6	130.1

GDP expanded 4.8% in the third quarter while inflation accelerated further.

Inflation rose at the fastest pace since September 2012, rising to 7.5% in November.



Economic Landscape

Indian GDP accelerated to 4.8% on the year in the third quarter but industrial output contracted for the first time in four months in October. Inflation has gathered pace, but with growth still weak, the Reserve Bank of India kept the policy rate unchanged.

GDP expanded at a faster pace in the third quarter but growth remains weak. Industrial production fell in October and inflation accelerated to 7.5% in November. In spite of the rise in inflation the Reserve Bank of India decided not to raise interest rates in December, although the decision was close with Governor Raghuram Rajan warning that if inflation did not fall then monetary policy would need to be tightened.

More optimistic news came from the external sector. Recent government measures to curb gold imports have apparently been effective, and accompanied by lower oil imports, brought down the trade deficit in November. Exports continued to grow, but at a slower pace. For 2014, external demand is expected to grow faster.

GDP expands 4.8% in the second quarter

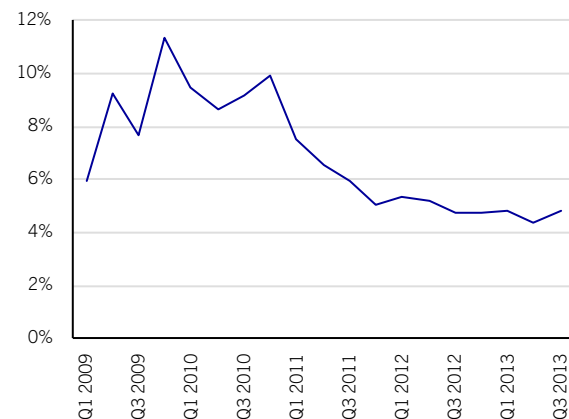
Economic growth in India accelerated to 4.8% on the year in the three months to September, up from 4.4% in the previous quarter, but down from 5.2% in the same period a year ago. Higher exports and a surge in investment were the main drivers of growth, expanding by 16.3% and 2.6% respectively, having both fallen by 1.2% in the three months to June.

Private consumption, the main component of Indian GDP, rose 2.2% in the three months to September, down from 3.5% in the same quarter last year but up from the 1.6% rise seen in the previous quarter.

Data on an output basis, however, showed that growth was partly boosted by a good monsoon, while manufacturing activity remained anaemic. Agricultural output rose 4.6% on the year, compared with 2.7% in the previous quarter. Manufacturing posted a 1% increase, up from a meagre growth rate of just 0.1% in the same period a year earlier, although moved back into positive territory following a decline of 1.2% in the three months to June.

The Reserve Bank of India lowered its growth forecast for the 2013-14 fiscal year to 5% from 5.5%.

Slowing Economic Growth



— GDP y/y %

Source: Central Statistical Organisation, India

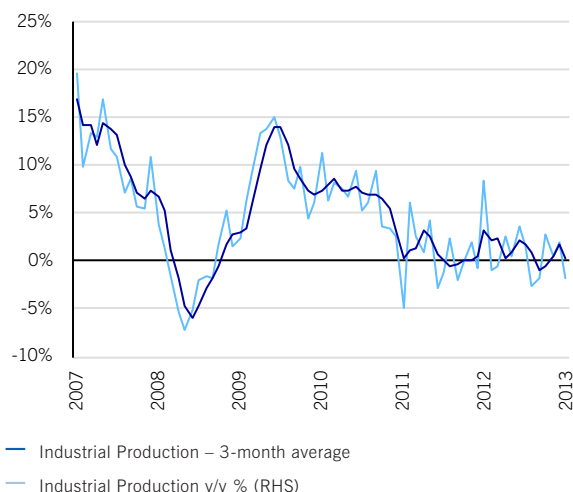
Industrial output declines

Industrial production contracted for the first time in four months, falling 1.8% on the year in October, driven by lower production of consumer durable goods, which decreased 12% on the year. Except for capital goods, all production sub-categories declined in October.

Manufacturing output fell 2% compared with a year earlier, down from 0.6% in September. Overall, ten out of the 22 industry groups within the manufacturing sector contracted in October. The furniture industry posted a 28.9% fall compared with October last year. Other industries such as office, accounting & computing machinery and communication equipment also contracted by more than 20% on the year.

Mining output fell 3.5% on the year in October following growth of 3.3% in September, and has now contracted 11 times in the past 12 months. Output of consumer durables, a measure of consumer demand, fell 12%, the eleventh consecutive decline. In contrast, capital goods output rose 2.3% in October, recovering from a 6.7% annual contraction in September.

Industrial Production



Source: Central Statistical Organisation, India

Inflation at 14-month high

India's headline rate of inflation, measured by the wholesale price index, increased to 7.5% in November from 7% in October, further above the government's end-year target of 5% and the highest since September 2012. Food price inflation rose at the fastest pace since June 2010, to 19.9% in November, having remained broadly unchanged at 18% in October and September. Onion prices were up a staggering 190% on the year, although this was down from a rise of 278% in September. Fuel prices rose by 11.3% on the year, compared with 10.3% in the previous month.

Non-food price inflation rose 2.1% in November after falling by 0.4% in October, well below the increase seen in food prices, but the highest rate since August 2012.

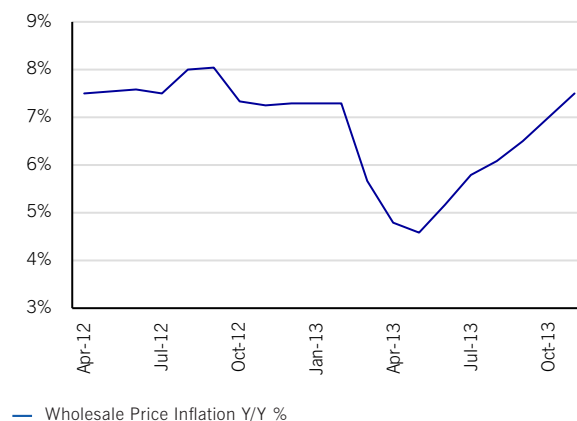
Consumer price inflation also accelerated further, to 11.2% in November, from 10.1% in October. Food price inflation, which has a weight of 45.7% in the index, rose 14.7% in the 12 months to November, compared with 12.6% in October. Vegetable prices picked up on the month, expanding 61.6% compared with a year earlier and 9.3% compared with October.

RBI maintains interest rate at 7.75%

In spite of the continued increase in inflation, the Reserve Bank of India kept the policy rate unchanged at 7.75% at its December meeting, citing high uncertainty about the short-term path of inflation, the weakness of the economy and the lagged impact of monetary policy on the economy. The bank said that there were indications that vegetable prices, which have risen considerably on the year, may be decreasing sharply.

The central bank's governor, Raghuram Rajan, warned, however, that the bank would hike interest rates if inflation does not fall in line with the expected trend. The bank next meets on January 28 to decide on the path of monetary policy.

Inflation



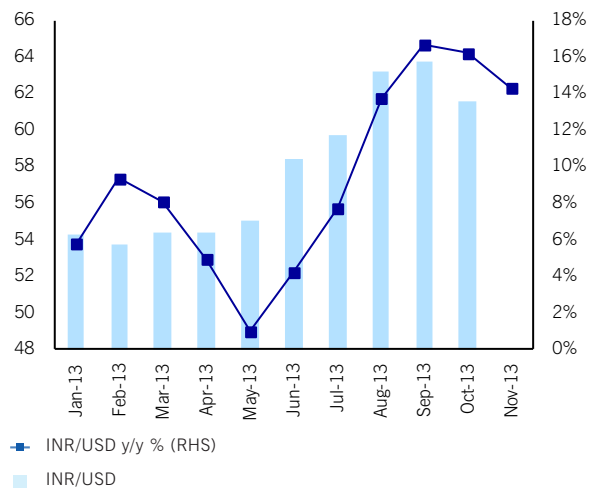
Source: Office of the Economic Advisor, India

Lower reserves

Foreign exchange reserves rose for the fifth consecutive week to a seven-month high, increasing hopes that the current account deficit may fall. Reserves rose to \$295.7 billion in the week ending December 6. Reserves have been boosted by the dollar swap window, which has contributed around \$34 billion. While the window shut on November 30, banks have continued to swap their dollar borrowings with the central bank.

Moves by the RBI have greatly strengthened India's

Rupee Exchange Rate



Source: Reserve Bank of India

foreign exchange reserve position, leaving it less vulnerable to another run on the currency.

The rupee has bounced back. It was trading at 62 against the dollar on December 22 as sentiment was boosted by a record high turnout at elections and a strong performance by the Bharatiya Janata Party (BJP), seen as a pro-investment party.

Trade deficit shrinks

India's trade deficit narrowed to \$9.2 billion in November from \$10.5 billion in October as imports of oil, gold and silver decelerated. This was the second lowest monthly deficit this year, after a \$6.7 billion shortfall seen in September, and was less than half the level seen in November last year, when the trade deficit was \$19.7 billion.

Exports rose for the fifth straight month, but at a slower pace, up 5.9% from a year earlier to \$24.6 billion, but below October's \$27.3 billion outturn. Imports stood at \$33.8 billion, compared with \$37.8 billion in October, 16.4% down from a year earlier and the lowest level since February 2011. Crude oil imports rose \$12.9 billion, down from \$15.2 billion in October and 1.1% lower than November last year.

The current account deficit narrowed sharply to \$5.2

billion in the three months to September, down from \$21.8 billion in the previous quarter. As a share of GDP, the deficit reduced to 1.2% from 4.9% in the previous quarter, and 5% last year.

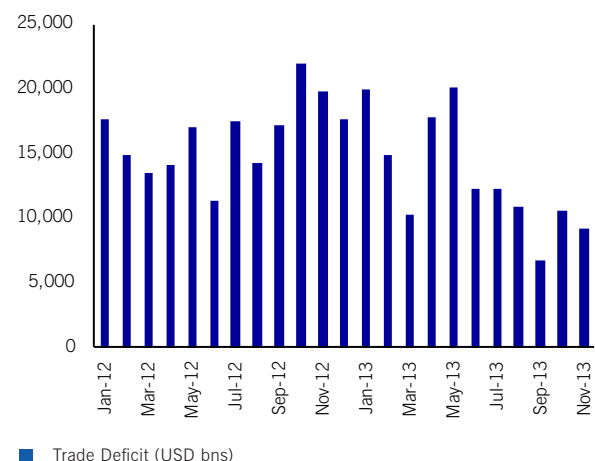
The government hopes to see the current account deficit fall to \$60 billion in the current fiscal year. Early indications are that the target will be reached.

Car sales down

Passenger car sales declined for the second consecutive month in November, to 142,849 units, 8.2% down from a year earlier. Sales of commercial vehicles fell 28.7% in November compared with the same period a year earlier.

According to the Society of Indian Automobile Manufacturers, the industry is facing a challenging time. From April to November, total domestic car sales were down 2.7% compared with the same period a year earlier, while automobile exports expanded by 5.5%.

Trade Deficit



■ Trade Deficit (USD bns)

Source: Indian Ministry of Commerce and Industry



Indicators

The MNI India Consumer Indicator rose for the third consecutive month in December, to the highest since May.

MNI India Consumer Indicator Rises for Third Consecutive Month



The MNI India Consumer Indicator rose for the third consecutive month in December, to the highest since May, as consumers reported that it was a better time to purchase a large household good and that they expected their finances to improve in the future.

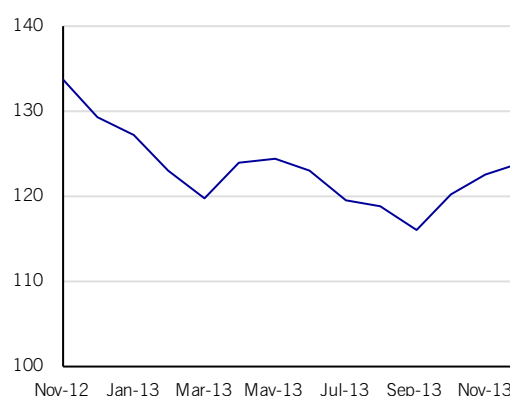
The rise of 1.1% on the month took the India Consumer Indicator to 123.9 in December, from 122.5 in November. While sentiment is now 4.2% down compared with a year ago, and some of the recent pick-up is seasonal, the back-to-back monthly increases suggest that the record low of 115.9 seen in September could turn out to be the trough in sentiment. Compared with December 2012, though, sentiment is down 2.9%.

Two out of the five components that make up the India Consumer Indicator increased in December. Expected Personal Finances and Durable Buying Conditions rose by more than 4% on the month, offsetting a slight worsening in current personal finances and lower optimism about the business outlook in one and five years.

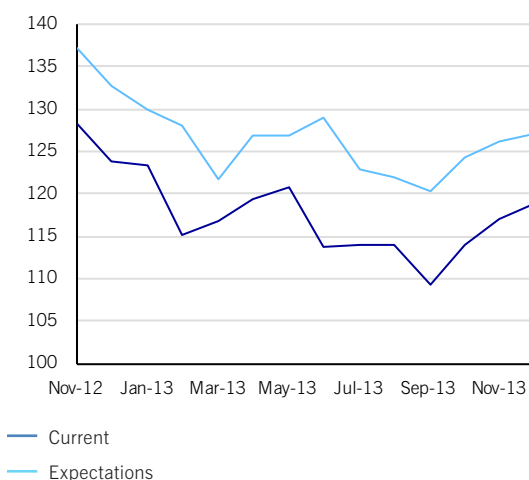
Some respondents thought that following the elections in May next year a new government would help to bring down inflation, which would boost disposable income.

Both current and future measures of confidence rose for the third consecutive month in December, having hit record lows in September. The Current Indicator increased 1.7% on the month to 119 in December, from 117 in November, led by a 4.3% monthly gain in

MNI India Consumer Indicator



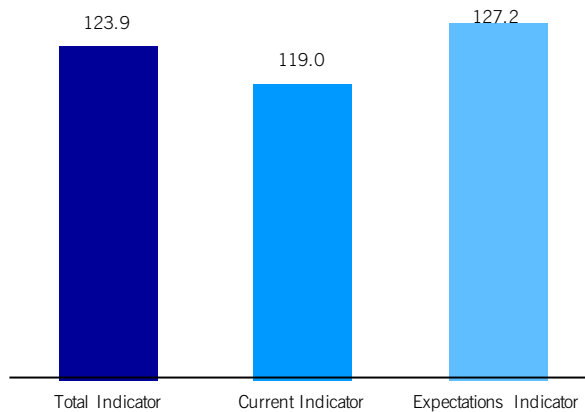
Consumer Indicators



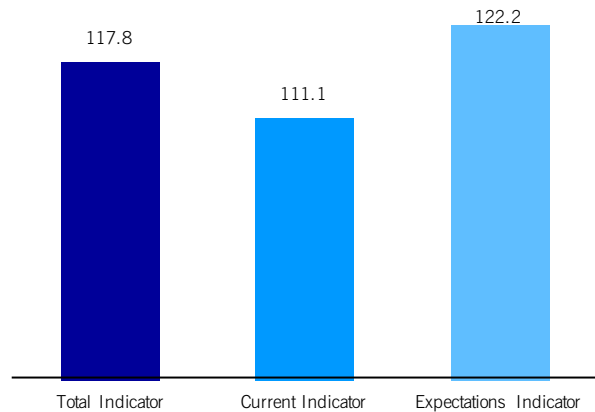
MNI India Consumer Indicator

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
MNI India Consumer Indicator	129.3	119.5	118.7	115.9	120.2	122.5	123.9
Current	123.9	114.1	113.9	109.3	113.9	117.0	119.0
Expectations	132.9	123.0	122.0	120.3	124.3	126.2	127.2

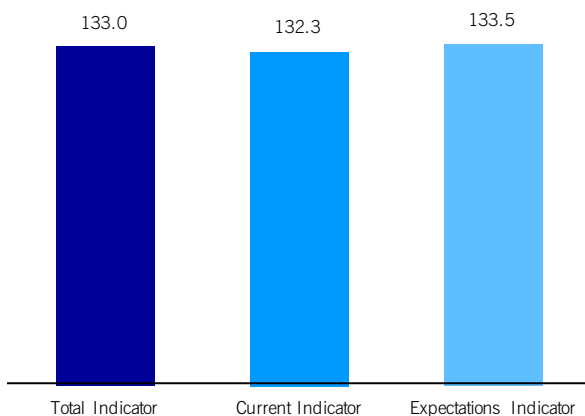
All India



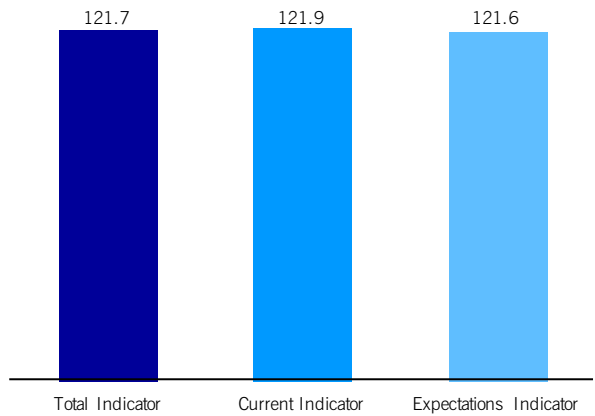
North India



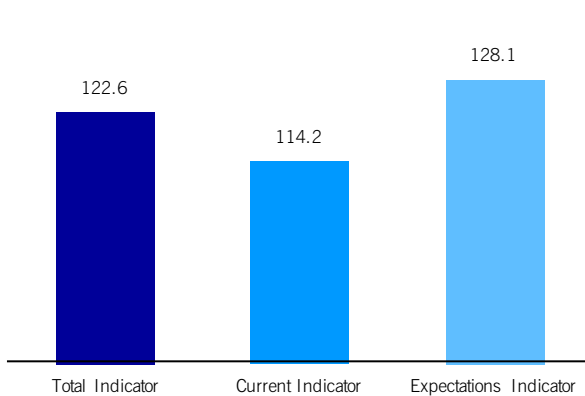
South India



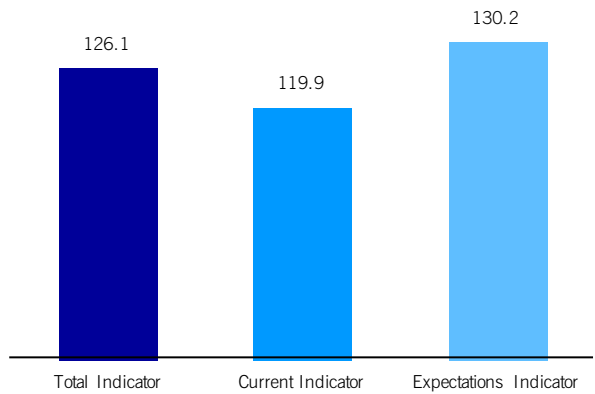
East India



West India



Central India





Durable Buying Conditions, which rose to 115.5 in December, from 110.7 in the past two months. Current Personal Finances, which led November's rise in the headline indicator, fell 0.6% in December, to 122.5 from 123.3 previously.

The Expectations Indicator rose a modest 0.7%, to 127.2 in December from 126.2 in November, the highest since June. Of the three components that comprise the Expectations Indicator, only Expected Personal Finances rose, standing at 131 in December, from 125.3 previously. In contrast, Business Conditions in One Year decreased for the second consecutive month, to 117.4 in December from 118.2 a month earlier, while Business Conditions in Five Years dropped for the first time in three months, to 133.1, from 135.2 in November.

Regions

The increase in the MNI India Consumer Indicator was led by South India, where confidence rose sharply on the month, supported by smaller rises in Central and East India. Consumer confidence fell in North and West India to the lowest since October in both regions.

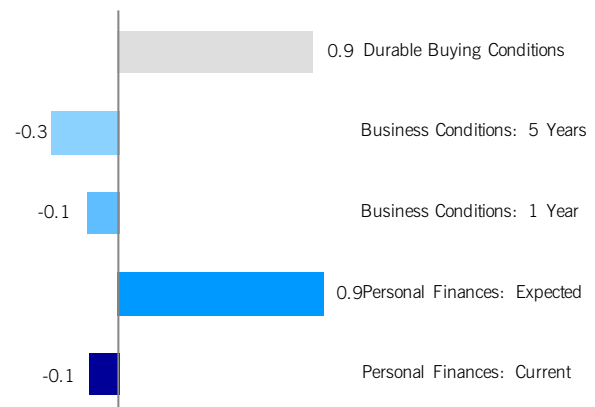
Consumers were most confident in South India, where the consumer indicator rose 8% on the month to 133 in December. Confidence was lowest in North India, where the indicator decreased 1.6% on the month to 117.8.

The Current Conditions Indicator improved in the South, East and Central regions, while the Expectations Indicator improved in only the South and Central regions. Respondents from South India were the most optimistic about the future.

Age

Consumer sentiment improved in both of the younger age groups, while it fell in the oldest age group.

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





The Consumer Indicator for the 18-34 age range rose to 124 in December from 122.1 in November, as four of its five components increased on the month. Only Business Conditions in Five Years fell slightly.

For the 35-54 age group, confidence increased to 125.4 in December, following a sharp rise of 16.1% in November to 123.2. A 5.6% monthly gain in Expected Personal Finances offset falls in the other four components.

For the oldest age range, 55-64 year olds, the indicator decreased to 120.9 in December, having risen sharply to 122.4 in November. A large drop in confidence in the long-term business outlook led the decline. Only Expected Personal Finances.

Confidence this year has been higher among 18- to 34-year olds and weaker for the 55-64 age range. In December, however, the 34-54 age group reported the strongest level of confidence of all the age groups.

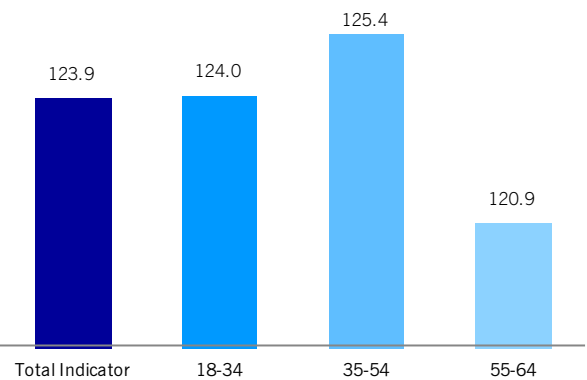
Income

Consumer confidence improved for the third consecutive month in both low and high income households, though it rose more strongly in the latter.

The Consumer Indicator for households with an average annual income of over INR 432,000 per annum increased 4.6% on the month, to 131 in December, from 125.2 in November. For households with an average annual income under INR 432,000, the indicator rose 0.8% on the month, to 126.5 in December, compared with 125.4 in November.

Since data on income became available in February, confidence has fallen 2.4% among higher income households, while it has increased 5% in lower income households, supported by the gains seen over the past three months. On average, though, the level of confidence remains greater for high-income households.

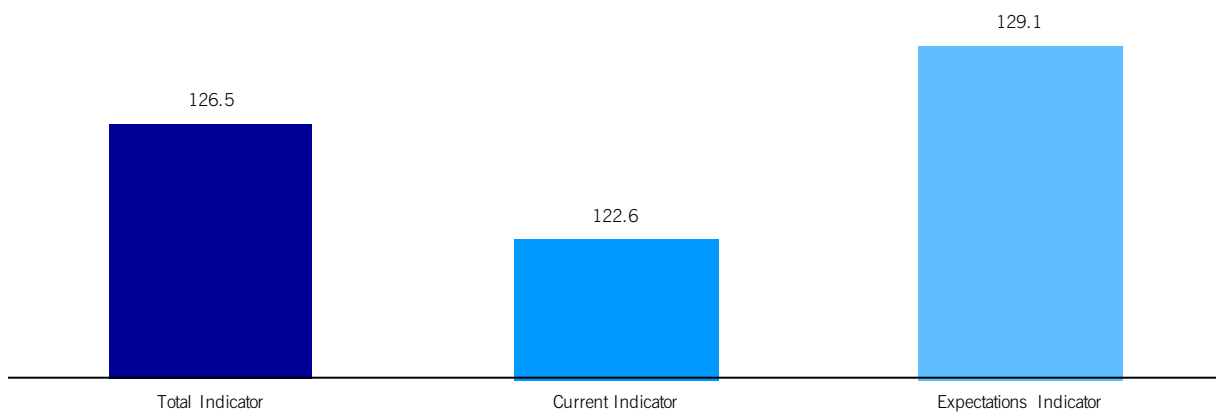
Consumer Indicator: Age Groups



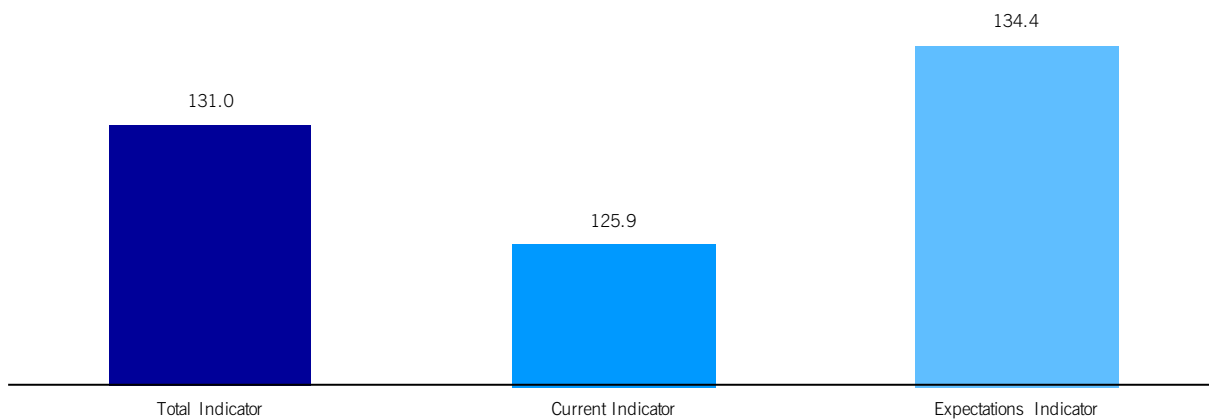
MNI India Consumer Indicator Income Groups



< INR 432,000



> INR 432,000



MNI India Consumer Indicator Main Cities



The Consumer Indicator improved in only four out of the ten major Indian cities: Kolkata, Chennai, Surat and Bangalore. Bangalore saw confidence improve sharply. Delhi, Mumbai, Hyderabad, Ahmedabad and Visakhapatnam all saw a fall in confidence, while it remained broadly unchanged in Pune.

In the capital, Delhi, the Consumer Indicator decreased 11.9% on the month to 107.8 in December, giving up the monthly gains of the past two months and moving back to the same level it was at in September. All five components contributing to the overall indicator fell on the month, with Business Conditions in One and Five Years leading the decline.

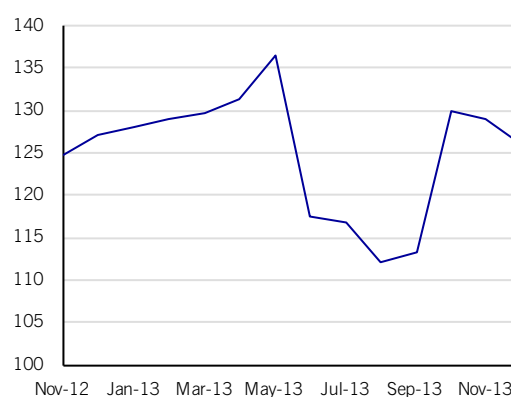
Both Current Conditions and Future Expectations for Delhi decreased on the month. The Current Indicator fell to 102 in December from 107.6 in November, while the Expectations Indicator dropped sharply from 132.1 to 111.6.

On the back of December's fall, Delhi became the least optimistic city among the ten major cities in India.

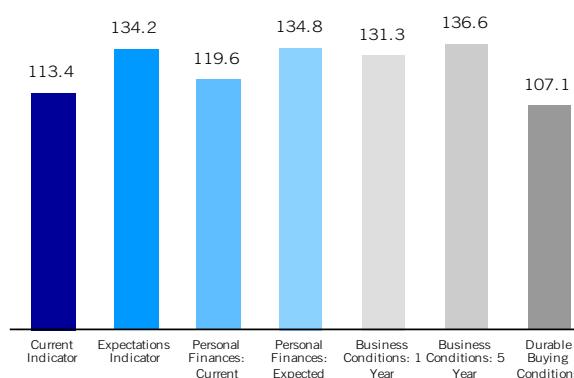
In Mumbai, India's most populous city, consumer sentiment declined 2.4% on the month, to 125.9 in December, from 129.0 in November. Only Expected Personal Finances improved, while the other four components fell, with Business Conditions in Five Years falling the most. The Current Indicator for Mumbai rose slightly by 0.6% from 112.7 in November to 113.4 in December, while the Expectations Indicator fell 4% on the month, to 134.2 from 139.9 in the previous month.

In contrast to Delhi and Mumbai, confidence in Bangalore, the third largest city by population in India, rose sharply. The Consumer Indicator increased to 153.8 in December from 99.0 in November, led by sharp increases in all five components.

Consumer Indicator - Mumbai

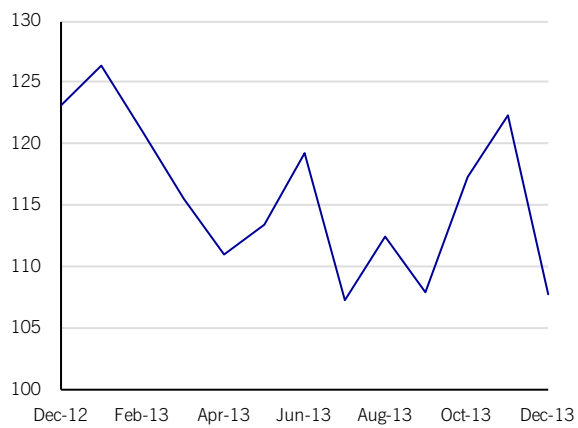


Consumer Indicator Components - Mumbai

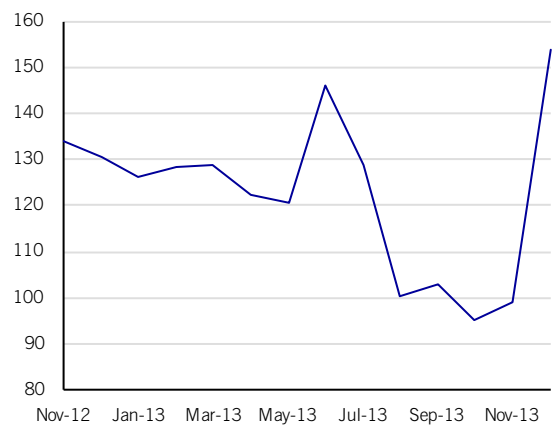




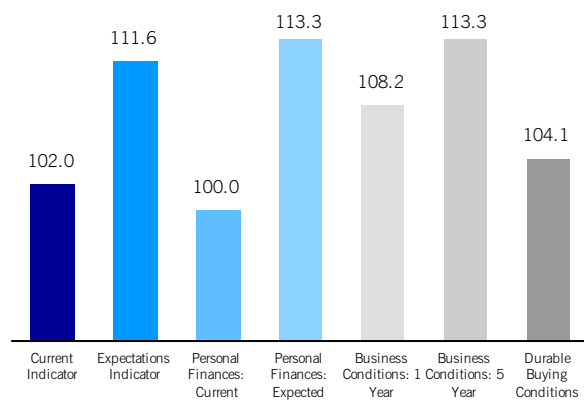
Consumer Indicator - Delhi



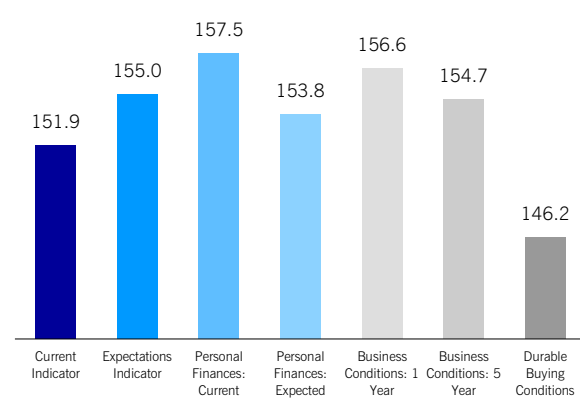
Consumer Indicator - Bangalore



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bangalore



Personal Finances

Expected Personal Finances Improve Further



Current Personal Finances fell slightly to the lowest since October, while Expected Personal Finances improved for the third consecutive month as the percentage of respondents who thought their finances will be a little better in a year's time rose sharply.

The Current Personal Finances Indicator, which measures whether the financial situation of a household is better, the same or worse than a year ago, fell by 0.6%, to 122.5 from 123.3 previously, having hit the highest reading in nine months in November.

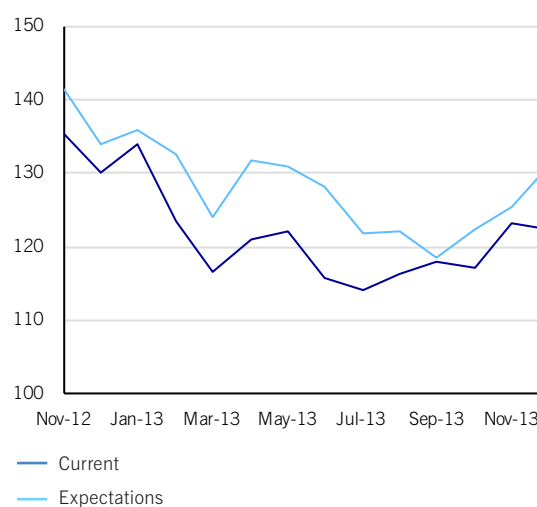
The percentage of respondents who reported that their current financial situation improved compared with a year ago fell from 49.6% to 52.2% in December.

Out of those who responded that their financial condition worsened, most continued to point to increased family expenses, although this was considerably down, from 73.8% in November to 57.9% in December. Instead, more respondents cited employment.

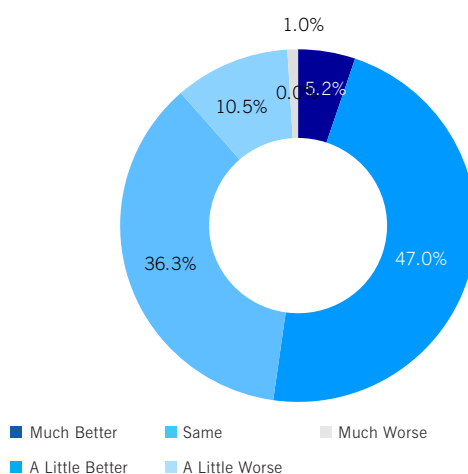
Expected Personal Finances, which measures whether households think their finances will be better in a year's time, improved for the third consecutive month, to 131.0 in December from 125.3 in the previous month, and the highest reading since April. Some respondents said that the election of a new government next year would help to bring down prices and increase disposable income.

In spite of the latest rise, the indicator was down 3.7% from the start of the year and 2.3% below the level seen a year ago.

Personal Finances



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



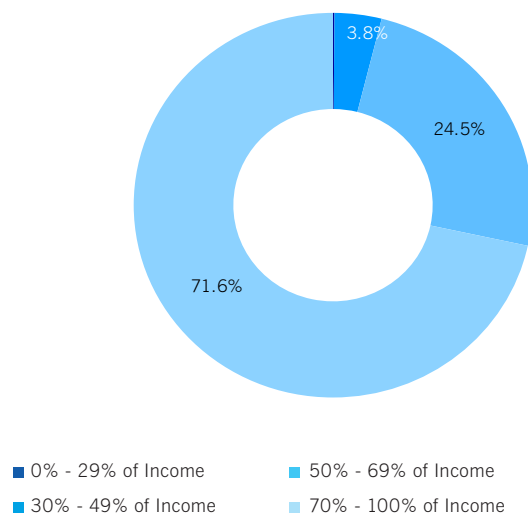
Personal Finances

	Dec-12	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Current	130.0	114.2	116.3	118.0	117.1	123.3	122.5
Expectations	134.0	121.9	122.1	118.4	122.4	125.3	131.0

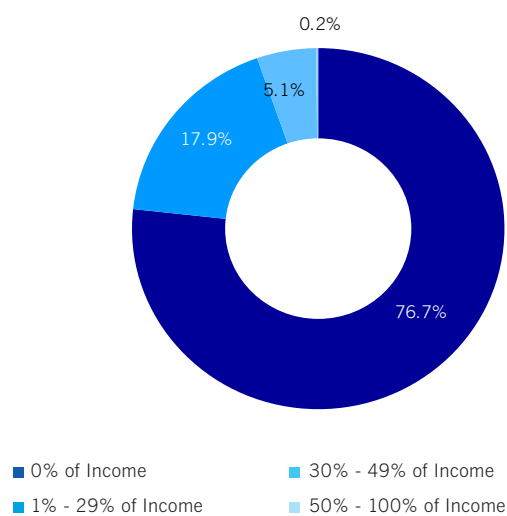
How Households Spend their Money



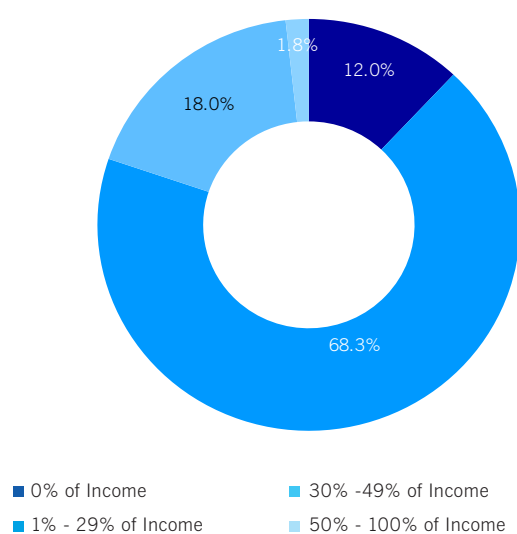
Monthly Household Income Used for Daily Expenses
(% of Households)



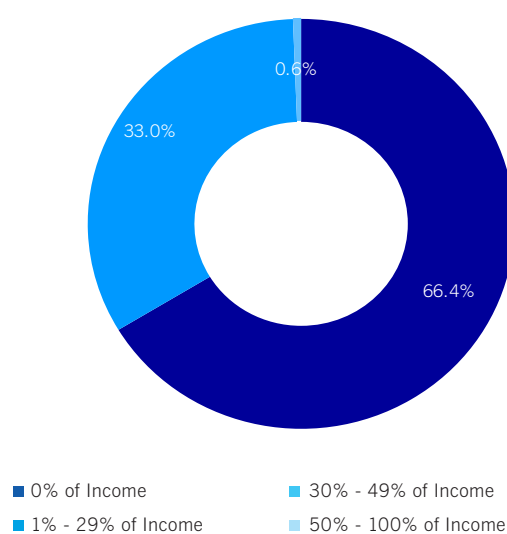
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings
(% of Households)



Monthly Household Income Used for Investments
(% of Households)



The MNI India Consumer Indicator rose to 123.9 in December, the highest since May.

Consumer sentiment is now 4.2% down compared with a year ago, but the back-to-back monthly increases suggest that the record low seen in September could turn out to be the trough in sentiment.

Business Conditions

Current State of Business Picks Up



Perceptions about the current state of business improved for the second consecutive month in December, but both the short- and long-term outlook deteriorated.

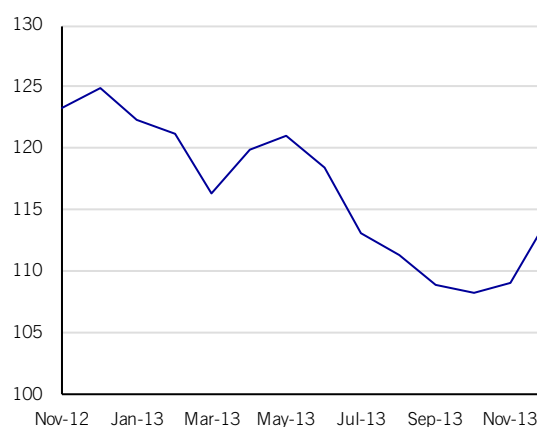
The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, improved 4.9% on the month, to 114.5 in December from 109.1 in November, the highest reading since June. Business conditions hit a low of 108.2 in October, but have risen for the past two months, suggesting that October could prove to be the trough.

Conditions in India have stabilised compared with the summer and the stock market has rallied significantly. Economic data, though, has remained gloomy, with the Reserve Bank of India revising down its GDP forecast for 2013 to 5% from 5.5% previously, while inflation accelerated to 7.5% in November, the highest since September 2012.

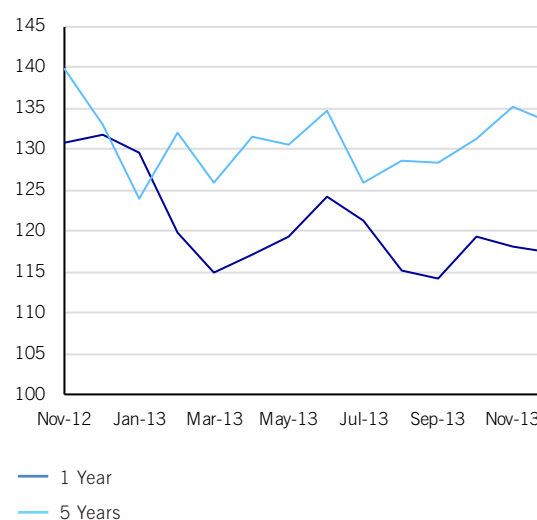
The majority of respondents continued to report that current business conditions were "only fair", although this fell to 44.7% in December from 52.3% in November. The proportion of respondents who said business conditions were "good" rose significantly on the month, from 30.7% to 39.6% in December.

In contrast, longer-term, Expectations for Business Conditions in Five Years also deteriorated, falling 1.5% on the month to 133.1 in December from 135.2 in the previous month.

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years



Business Conditions

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Current	124.9	113.1	111.4	108.9	108.2	109.1	114.5
In 1 Year	131.8	121.2	115.3	114.1	119.3	118.2	117.4
In 5 Years	132.8	126.0	128.5	128.4	131.3	135.2	133.1

Business Conditions in 1 Year Selected Reasons

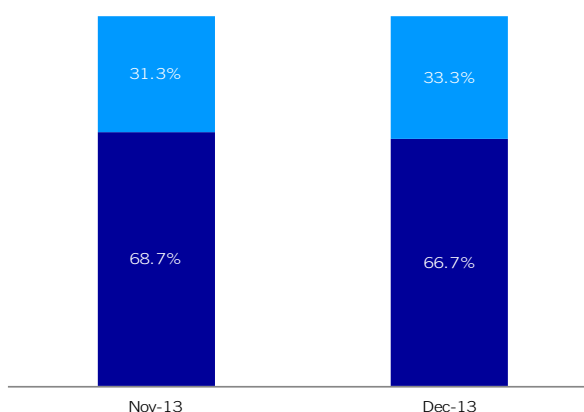


Expectations for Business Conditions in a Year declined for the second consecutive month in December, after a pick-up in October. The indicator stood at 117.4 in December, down from 118.2 in November, as the percentage of respondents who reported that business conditions would worsen rose from 9% in November to 13.8%.

Respondents who expected business conditions to worsen in a year cited poor government policies and poor economic development as the main reasons behind the deterioration. Respondents who cited the latter rose considerably, from 20.5% in November to 29.1% in December, while the proportion of those who cited income and employment fell.

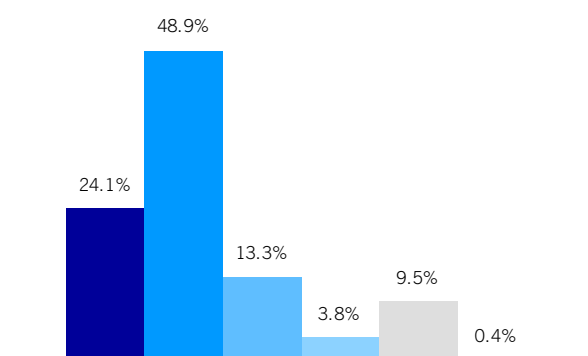
Among the three major cities, respondents from Delhi were least optimistic about the short-term business outlook. By region, North and East India were the least optimistic.

All India



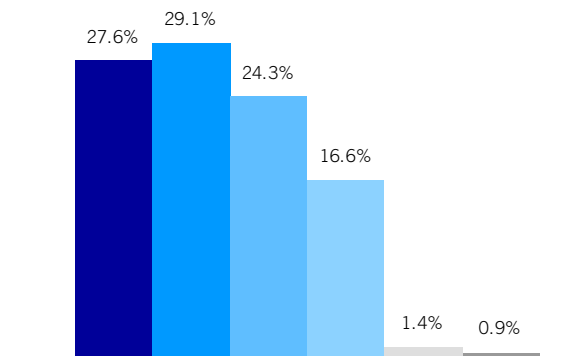
■ Better
■ Worse

All India, Reasons for Better



■ Government/Policy
■ Econ. Development
■ Income/Employment
■ Resource/Environment
■ Social Stability/ Security
■ Events

All India, Reasons for Worse

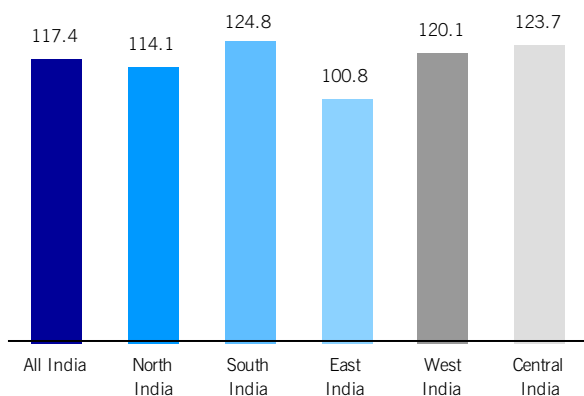


■ Government/Policy
■ Econ. Development
■ Income/Employment
■ Resource/Environment
■ Social Stability/ Security
■ Events

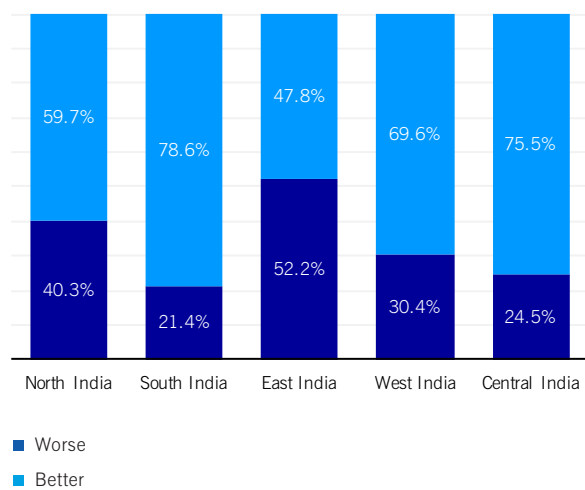
Business Conditions in 1 Year Regions



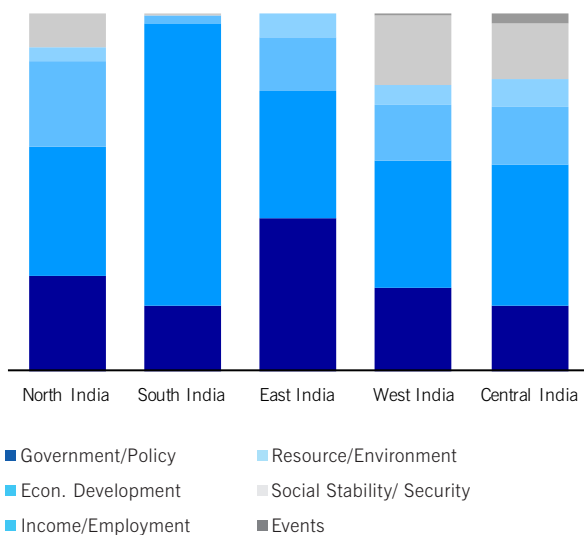
Business Expectations



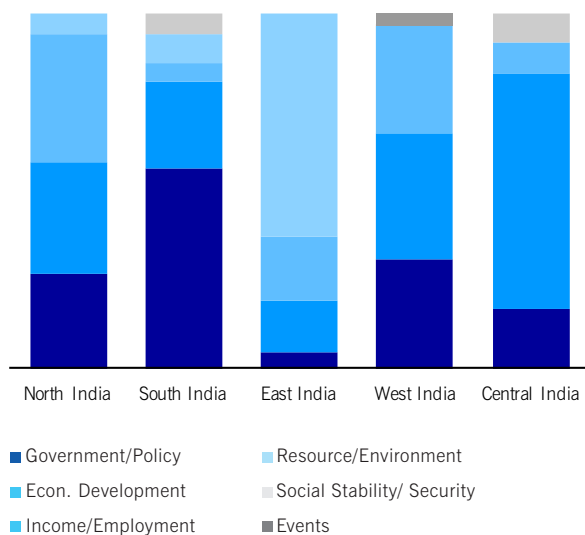
Business Expectations: Worse or Better? (% of Respondents)



Reasons for Better (% of Respondents)



Reasons for Worse (% of Respondents)



Durable Buying Conditions Highest Since May



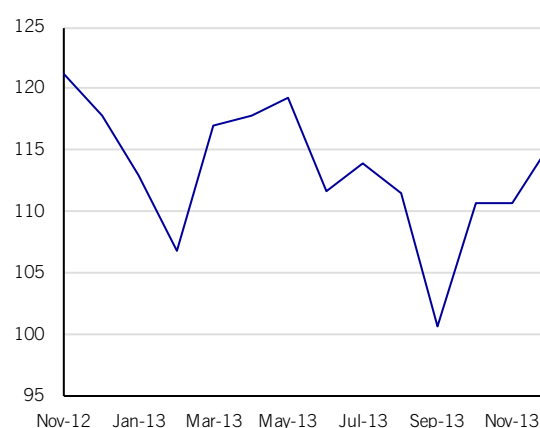
The Durable Buying Conditions Indicator rose 4.3% on the month to 115.5 in December, most likely helped by a further seasonal fillip as the festival season sales extended into the final month of the year. In spite of the latest increase it was still down 2% from December 2012.

The Indicator on Durable Buying Conditions measures whether respondents think it is a good time or bad time to buy a large household good. A rise in the indicator means more respondents said it was a good time to buy a large household good. Respondents thought that December was the best time to make such a purchase since May.

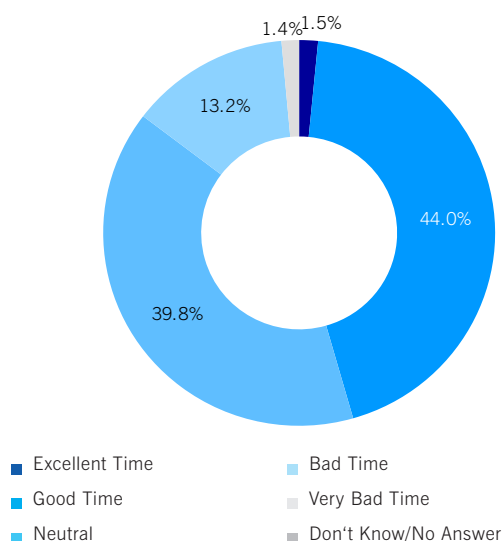
Among the ten major cities, respondents from Bangalore, Chennai and Kolkata were the most optimistic about buying large household items. Out of the five regions, optimism increased in Central, South and East India, with the latter the most optimistic due to a large monthly gain in the Durable Buying Conditions Indicator in December.

The proportion of respondents who said it was an “excellent time” or “good time” to buy large household goods rose sharply from 38.8% in November to 45.6% in December, while the proportion of those saying it was a “bad time” or “very bad time” fell from 16.1% to 14.7%. Those responding “no change” totalled 39.8%, down from 45% a month earlier.

Durable Buying Conditions



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



Durable Buying Conditions

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Durable Buying Conditions	117.8	114.0	111.5	100.7	110.7	110.7	115.5

Employment Outlook Indicator

First Fall in Three Months



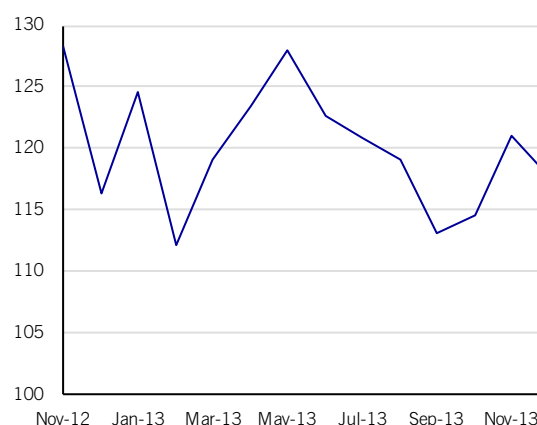
The Employment Outlook Indicator fell for the first time in three months to 117.6 in December, from 121 a month earlier, the lowest reading since October, but up 1% from a year ago.

The indicator measures opinion on the outlook for the employment market over the next 12 months. A reading above 100 suggests respondents are more positive about the employment market while a reading below 100 points to increasing negativity.

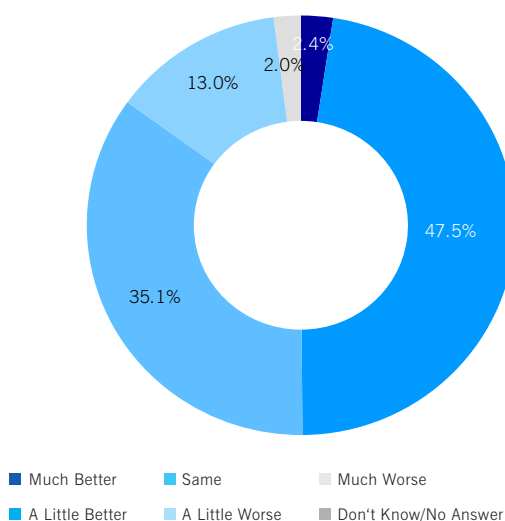
Of the five regions, only respondents in South India expected employment to improve, with the indicator rising to a record high of 142.5 in December. South India ended the year as the most optimistic about the employment outlook, while East India was the least optimistic region, with the employment indicator down sharply to 74.4 in December.

Survey participants forecasting an improvement in employment totalled 49.9% in December, up from 48.6% in November, having fallen more than 15 percentage points from May to September. The proportion of those forecasting a worsening rose to 15.1% from 8.3% in November. Those suggesting there would be no change decreased from 42.6% to 35.1% in December.

Employment Outlook Indicator



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



Employment Outlook

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Employment Outlook	116.4	120.9	119.2	113.2	114.6	121.0	117.6

Inflation expectations eased and Expected Personal Finances rose for the third consecutive month.

Some respondents said that the election of a new government next year would help to bring down prices and increase disposable income.

Prices Sentiment

Price Dissatisfaction Eases



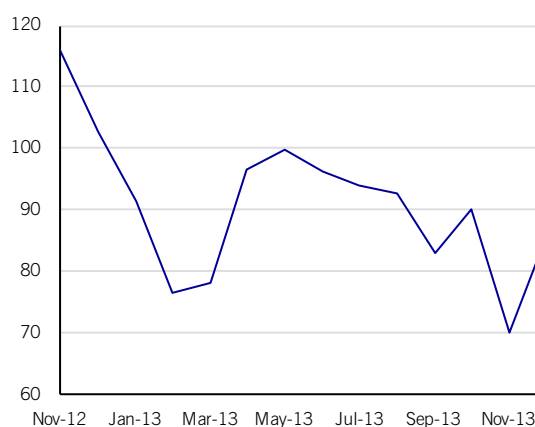
Concerns over current prices and expectations for inflation in a year's time eased in December having hit record levels in November, a tentative sign that the sharp increase in inflation seen this year could be nearing a peak.

The Satisfaction with Current Prices Indicator rose to 86.2 in December from 70.2 in November, a rise of 22.8% on the month, having fallen by 22.2% in November. A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction. The indicator has only ever been above 100 in November and December 2012.

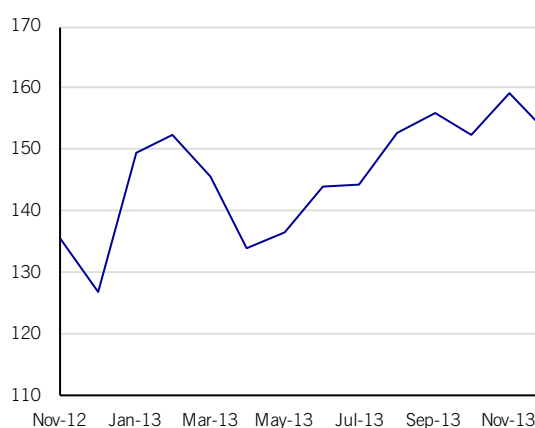
India's headline rate of inflation, measured by the Wholesale Price Index, increased further to 7.5% in November from 7% in October, above the government's end-year target of 5% and the highest since September 2012. Consumer price inflation also accelerated further to 11.2% in November from 10.1% in October as food price inflation increased to 14.7%.

The Inflation Expectations Indicator, which measures whether respondents think prices will be higher or lower in 12 months' time, fell to 152.6 in December from 159.2 in November. Expectations for inflation have picked up sharply over the past year, having stood at 126.8 in December 2012. Some respondents said they are looking forward for elections in May 2014 as the new government would help to bring down inflation.

Current Prices Satisfaction



Inflation Expectations Indicator



Prices Sentiment

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Satisfaction with Current Prices	102.8	93.9	92.6	83.2	90.2	70.2	86.2
Inflation Expectations	126.8	144.4	152.9	156.1	152.4	159.2	152.6

Prices Sentiment Regions



The percentage of respondents who believed prices would be much higher in a years' time fell from 29.1% in December to 22.9% in December while those saying prices would be about the same increased to just under 12% from 7.8% previously, the third consecutive monthly increase.

Asked about how much prices would rise, the majority of respondents in December thought that prices would rise between 11% to 24% next year.

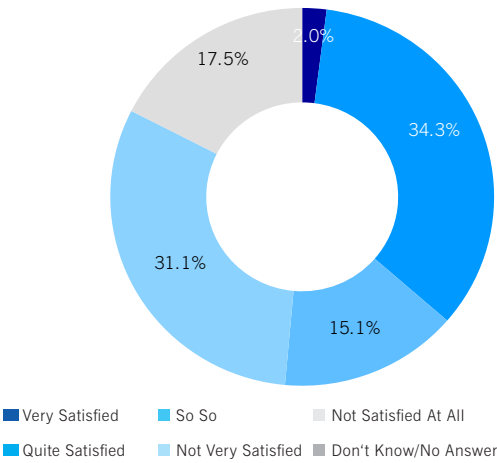
Regions

All regions except for East India showed an improvement in their satisfaction with current prices. The sharp fall in satisfaction in the East took the indicator to only 52.3, the lowest on record as food prices have rocketed in the region including a 100% increase in the price of salt which has been reported in the East and Northern regions.

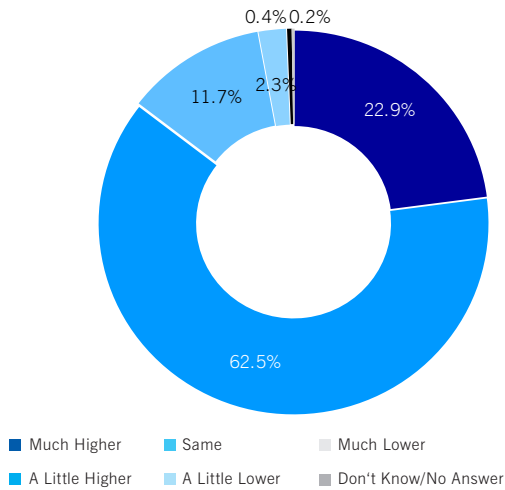
In contrast, respondents were much happier with prices in the South where the indicator increased sharply to above 100.

Inflation expectations fell in all five regions, with the greatest decline in the South. Expectations in the East fell 1.7% on the month to 169.8 the highest of all five regions.

Satisfaction with Prices
(% of Households)

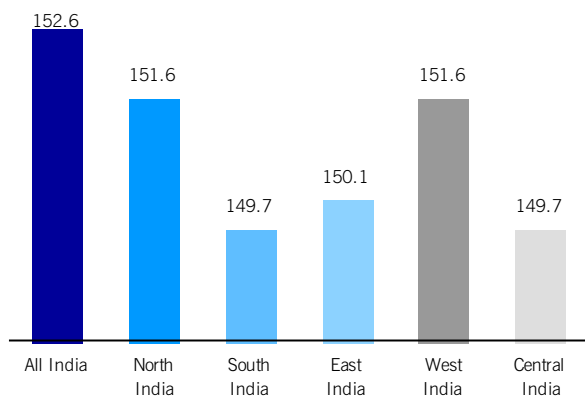


Inflation Expectations in 12 Months
(% of Households)

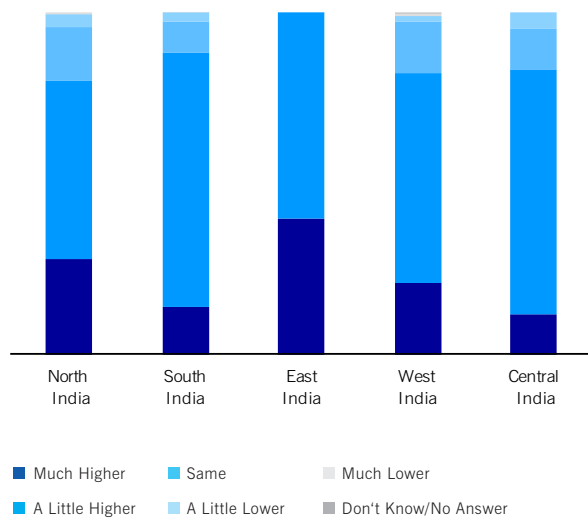




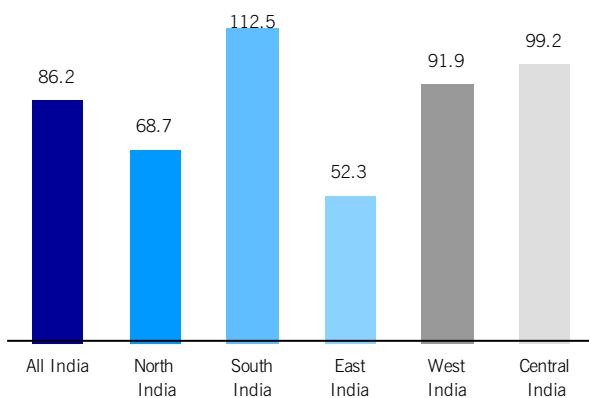
Inflation Expectations Indicator



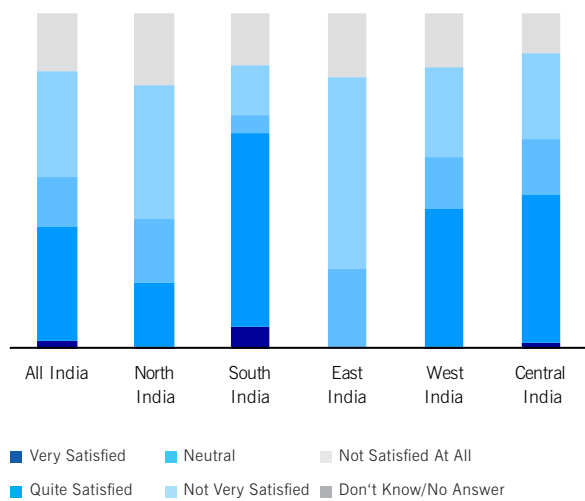
Inflation Expectations in 12 Months (% of Households)



Current Prices Satisfaction Indicator



Satisfaction with Current Prices Indicator (% of Households)



Interest Rate Expectations Indicator

Highest on Record

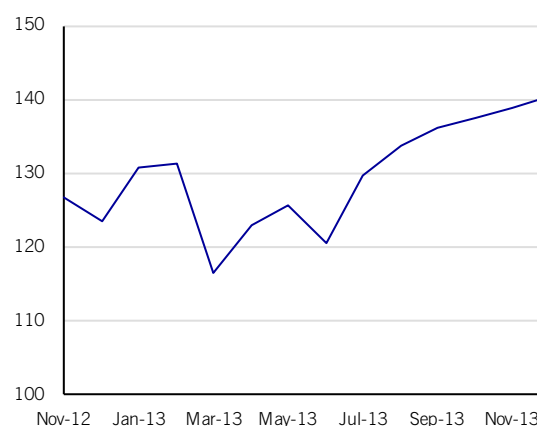


The Interest Rate Expectations Indicator continued to increase in December, ending the year at a new record high following the recent monetary tightening from the Reserve Bank of India.

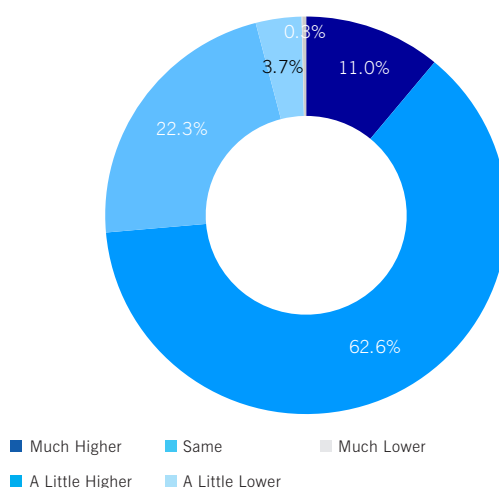
The indicator increased to 140.4 in December from 138.8 in November, the sixth consecutive monthly increase. Nearly three quarters of respondents, the highest percentage on record, thought rates would be higher in a year's time. There was a fall in the percentage who thought interest rates would be "much higher" but a large gain in those who thought they would be "a little higher".

The Reserve Bank of India hiked the key policy rate for the second consecutive month in October to 7.75% from 7.5% in September, citing the elevated level of inflation expectations as the main reason. Most analysts had expected to see another 25 basis points hike in December, but the RBI held policy steady likely due to concerns about weak growth. Our survey data was collected before this decision was made.

Interest Rate Expectations Indicator



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



Expected Interest Rate

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Expected Interest Rate	123.6	129.6	133.8	136.1	137.5	138.8	140.4

Stock Investment Indicator Improves to the Highest in Three Months



The Stock Investment Indicator, which gauges whether it is a good time to invest in the stock market, rose back above 100 in December as the number of respondents who thought equity prices were expensive declined significantly.

The indicator rose to 102.3 in December from 96.8 in November, a 5.7% rise on the month and the highest since September.

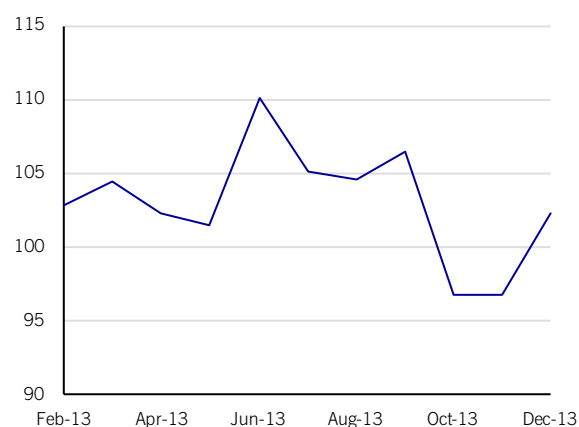
The Indicator is made up of three components; Investment Return, Stock Price Sentiment and Stock Market Expectation.

Stock Price Sentiment, which measures whether respondents view equity prices as high or low, declined to 105.8 in December from 115.8 in November, the lowest since June. The component has a negative impact on the overall investment indicator.

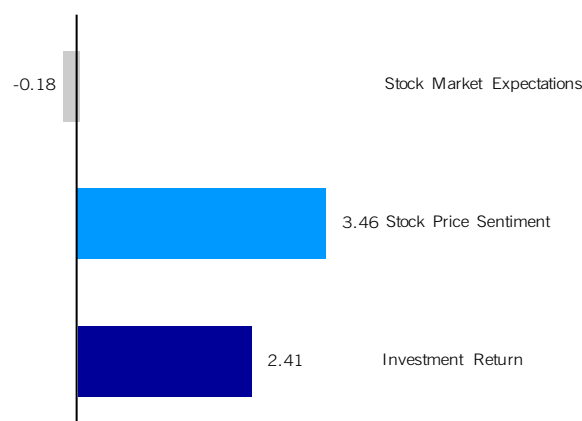
The Stock Investment Return component rose to 100.5 from a series low of 93.5 in November, reflecting the recent bounce back in the stock market, and adding significantly to the overall Stock Investment Indicator.

Expectations for stock prices in three months' time decreased slightly to 112.1 in December from 112.6 in the previous month, but still indicating that more respondents than fewer expect equity prices to increase.

Stock Investment Indicator



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



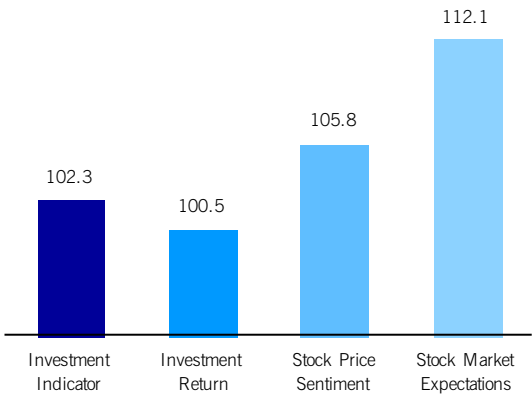
Investment Sentiment

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Investment Sentiment Indicator	-	105.1	104.6	106.4	96.8	96.8	102.3
Investment Return	108.1	112.7	111.1	125.2	94.0	93.5	100.5
Stock Price Sentiment	-	111.9	116.5	124.8	107.5	115.8	105.8
Stock Market Expectation	105.5	114.6	119.2	118.8	103.8	112.6	112.1

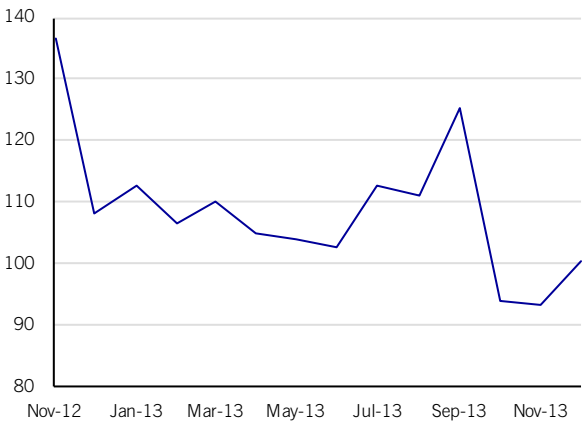
Stock Investment Indicator Regions and Components



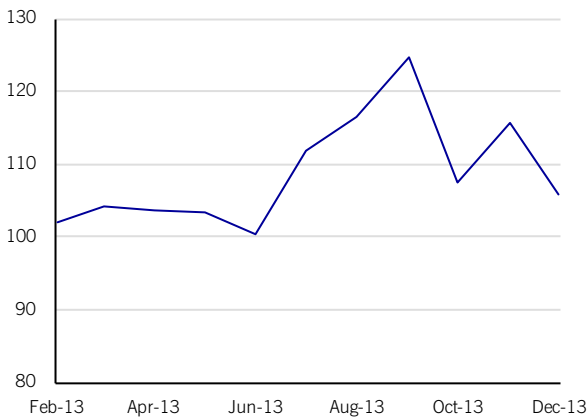
Stock Investment Indicator - Components



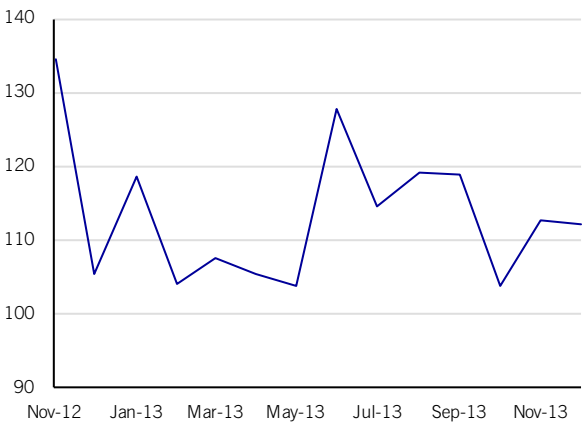
Investment Return



Stock Price Sentiment



Stock Market Expectation



The Interest Rate Expectations Indicator ended the year at new record high...

...following the recent monetary tightening from the Reserve Bank of India. The indicator increased to 140.4 in December from 138.8 previously, the sixth consecutive monthly increase.

South India is seen as the best place to invest in real estate.

The Real Estate Investment Indicator rose strongly in South India to 119.4 in December, the highest level among the five regions.

Real Estate Investment Indicator Third Consecutive Rise



The Real Estate Investment Indicator, which gauges whether it is a good time to invest in the housing market, increased for the third consecutive month in December due to a seasonal bounceback in consumers' views on whether it is a good or bad time to purchase a house over the coming months.

The indicator increased to 114.4 in December from 113.2 in November, although was still below the average level seen earlier in the year. Between February and July it averaged 116.7 before falling to a low of 109.7 in September.

The Real Estate Investment Indicator is composed of three sub-indicators to gauge sentiment on the housing market; House Price Expectations, House Buying Sentiment and House Selling Sentiment.

House buying sentiment increased 13% on the month to 104.8 in December, back above the 100 positive/negative dividing line, and the highest since July. The recovery in sentiment most likely reflected a seasonal bounceback following the festival period with a rise in the number of respondents saying it was "good time" to buy a house and fall in those reporting it to be a "bad time".

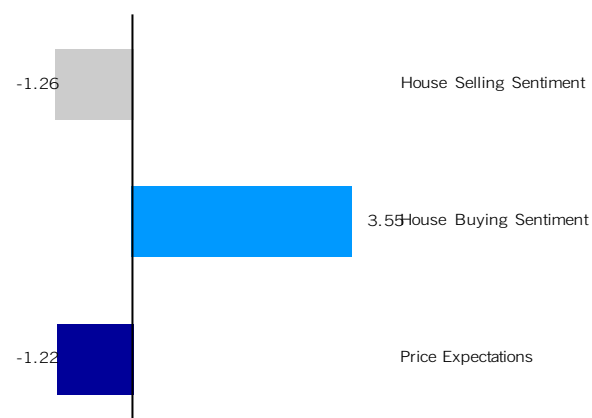
Of those who reported it was a good time to purchase a house, the largest group said it was for investment value. This was the first time investment was ranked above prices as a reason to buy a house.

Both of the other components had a negative impact on the Real Estate Investment Indicator. Most

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Real Estate Investment Sentiment	-	115.1	109.8	109.7	110.4	113.2	114.4
Price Expectations	-	135.1	140.8	144.7	148.6	147.9	143.8
House Buying	106.1	114.7	100.6	98.1	95.0	92.8	104.8
House Selling	110.1	104.4	111.9	113.6	112.5	101.2	105.4

Real Estate Investment Indicator

Components and Balances



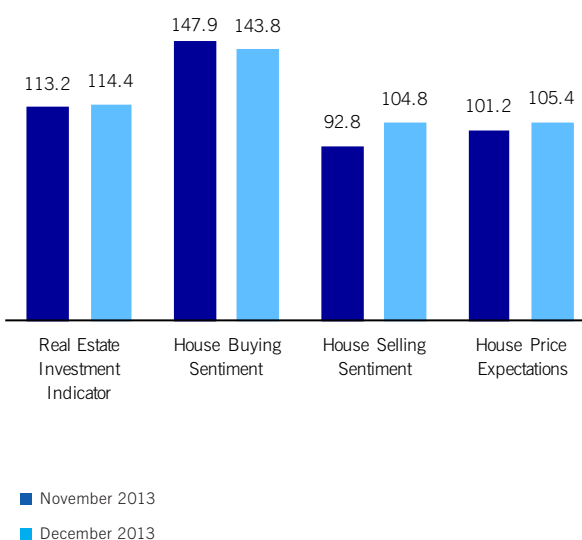
consumers still thought prices would rise in the next six months, although they were fewer in number than in November. The House Price Expectations Indicator fell to 143.8 in December from 147.9 previously.

The House Selling Sentiment component increased to 105.4 in December from 101.2 in November as significantly more respondents said it was a “good time” to sell a house.

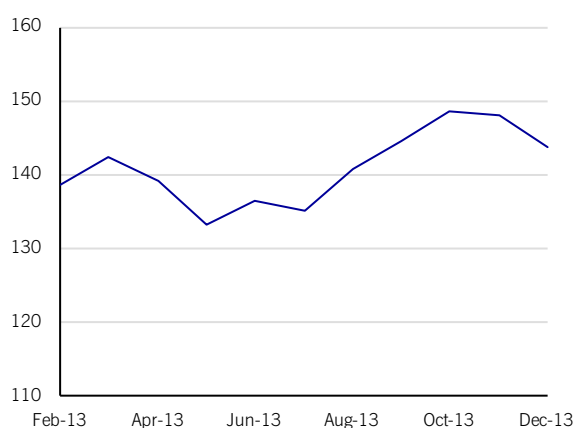
Regions

The Real Estate Investment Indicator rose strongly in both the South and Central India regions from already elevated levels, with the former seen as the best place to invest in real estate. The indicator also rose in the North but fell sharply in East India and was down marginally in the West.

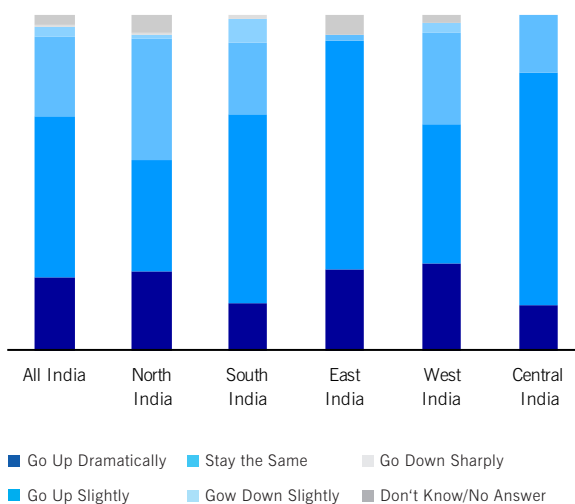
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes in Next 6 Months

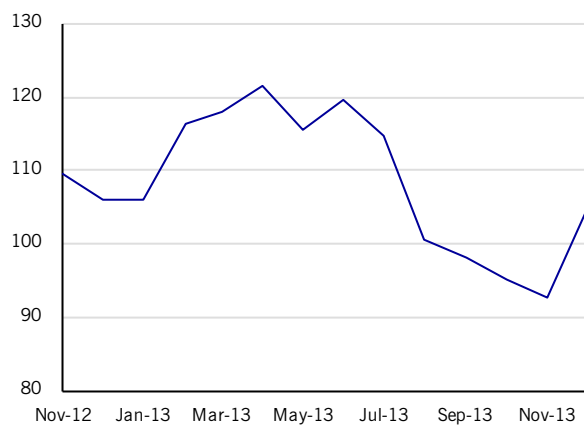


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

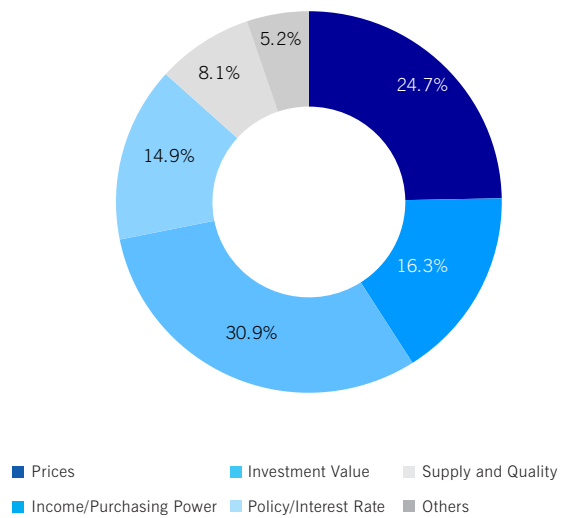




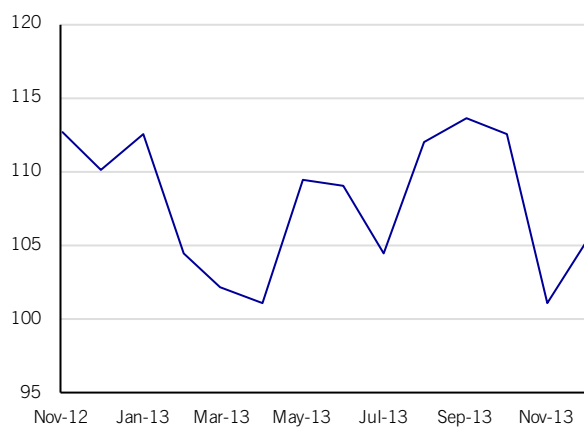
House Buying Sentiment



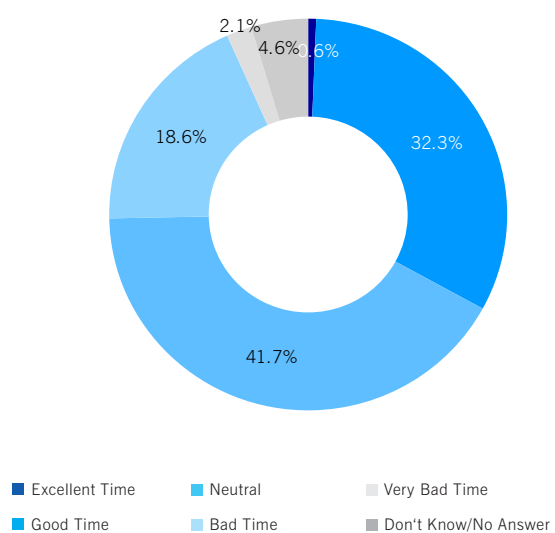
Reasons for Buying Houses (% of Households)



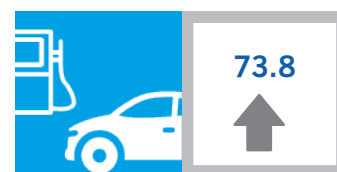
House Selling Sentiment



Timing for Selling Houses (% of Households)



Car Purchase Indicator Highest Since May



The Car Purchase Indicator rose sharply in December, continuing the momentum seen at the start of the festival season, helped by seasonal end of year discounting from retailers.

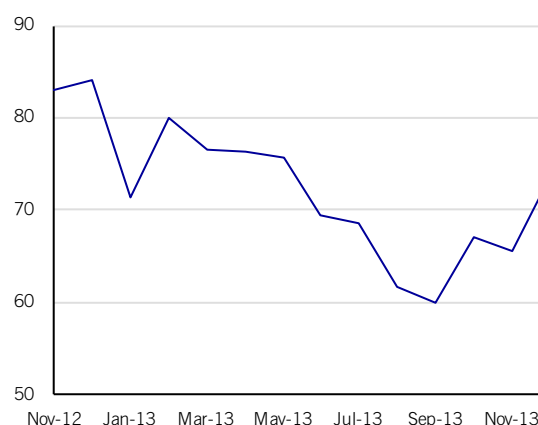
The indicator rose to 73.8 in December, the highest since May, up from 65.7 in November. The festival period in October and November is typically seen as a good time to buy a car with December also seen as a good time as discounts extend to the end of the year.

While it has risen strongly from the series low of 60.1 seen in September helped by seasonal factors, the indicator is down over 12% since December 2012, reflecting the economic downturn seen over the past year and the relatively high cost of finance to purchase cars. Data shows that passenger car sales deteriorated further in November falling by 8.2% on the year down from a drop of 3.9% in October.

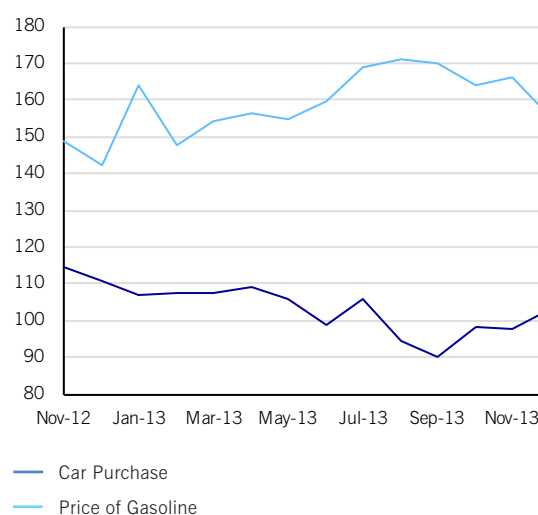
The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, rose 5.5% on the month to 103.0 in December from 97.7 a month earlier. This was the first time it has topped the breakeven 100 mark since July indicating increasing optimism, although consumers were even more positive in December 2012 when the component was 7.3% higher at 110.5.

The Indicator on Gasoline Prices, which measures expectations for the price of gasoline in a year, fell to 155.4 in December from 166.3 in November, although was still 9.1% above December 2012.

Car Purchase Indicator



Car Purchase Indicator - Components



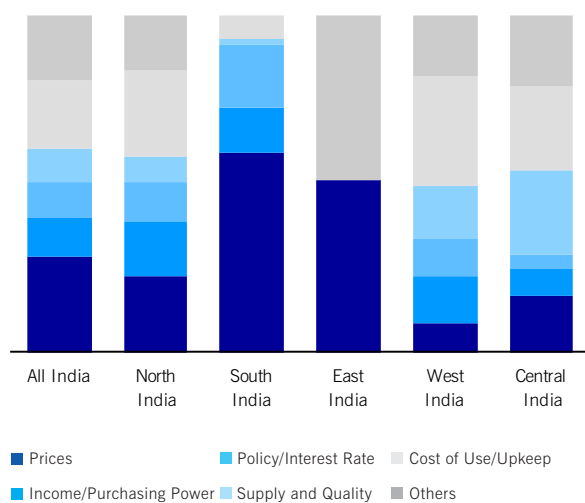
Car Purchase Sentiment

	Dec-12	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Car Purchase Sentiment	84.0	68.5	61.6	60.1	67.1	65.7	73.8
Car Purchase Expectations	110.5	105.7	94.3	90.3	98.4	97.7	103.0
Price of Gasoline	142.5	168.7	171.0	170.2	164.1	166.3	155.4

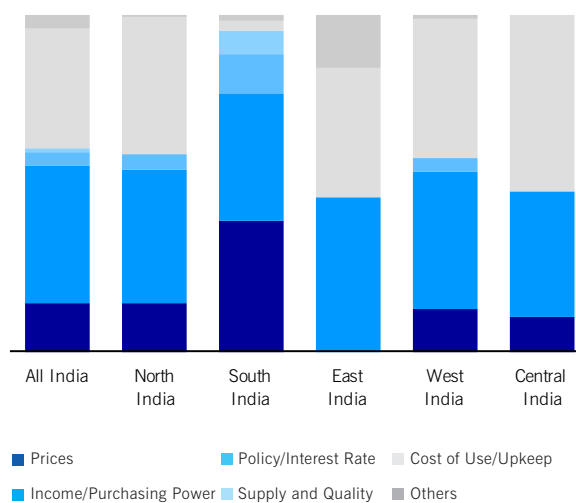
Car Purchase Indicator Regions



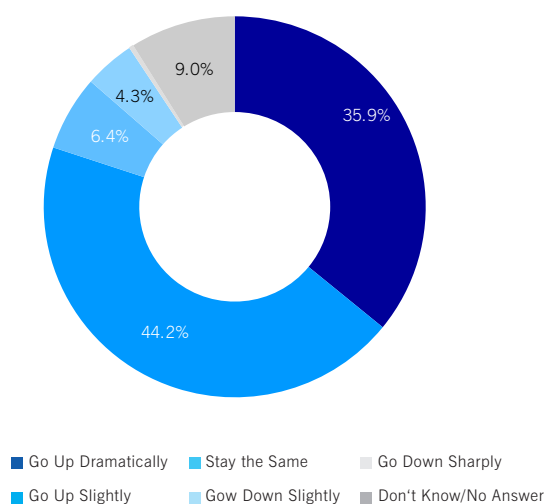
Reasons for a Good Time to Buy a Car
(% of Households)



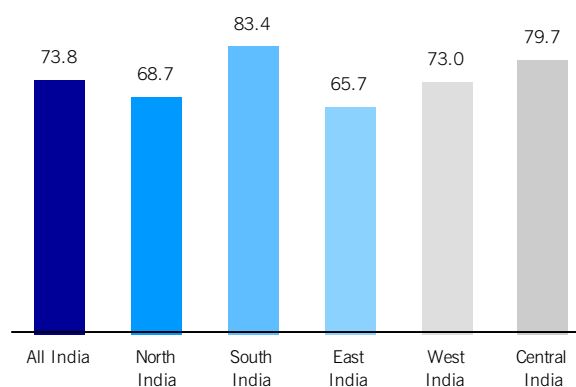
Reasons for a Bad Time to Buy a Car
(% of Households)



Expected Change in the Price of Gasoline
(% of Households)



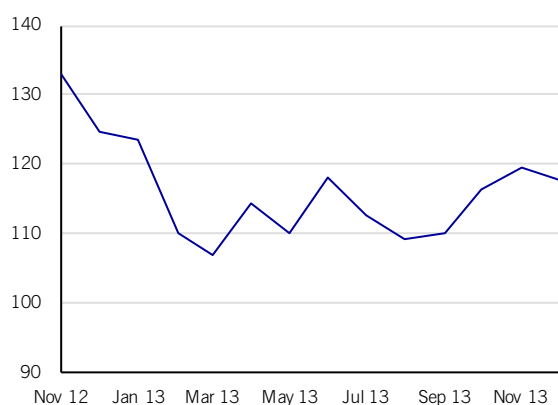
Car Purchase Expectations Indicator - Regions



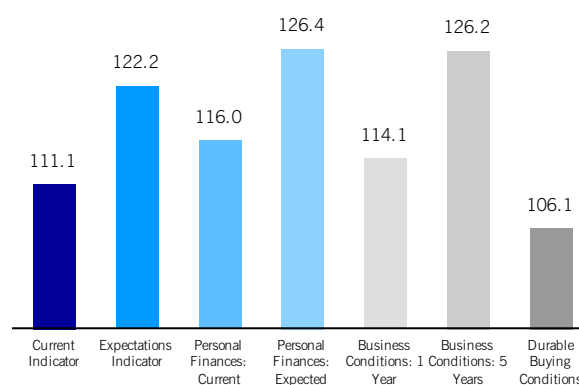
MNI India Consumer Indicator Regions



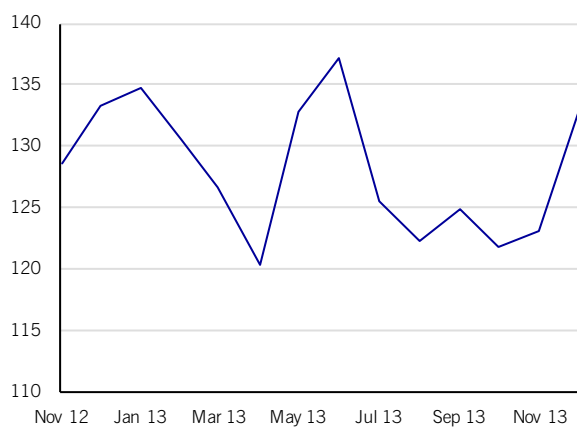
Consumer Indicator: North India



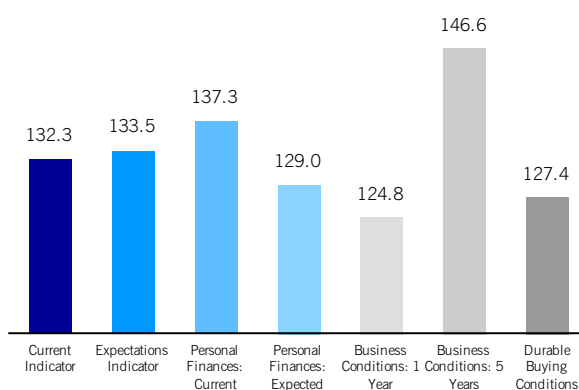
Consumer Indicator Components: North India



Consumer Indicator: South India

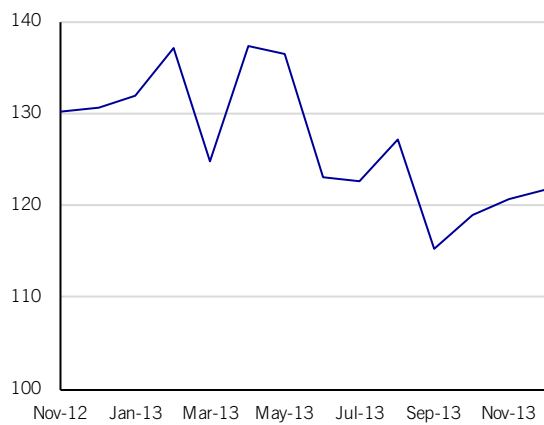


Consumer Indicator Components: South India

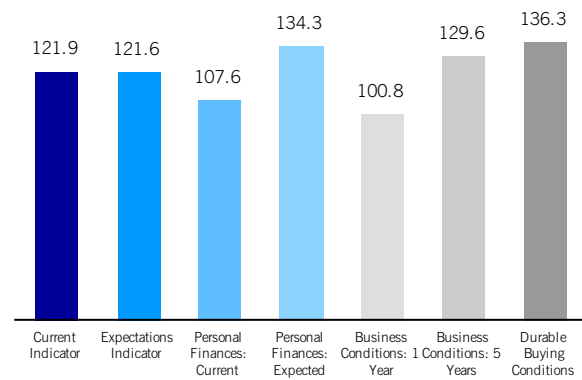




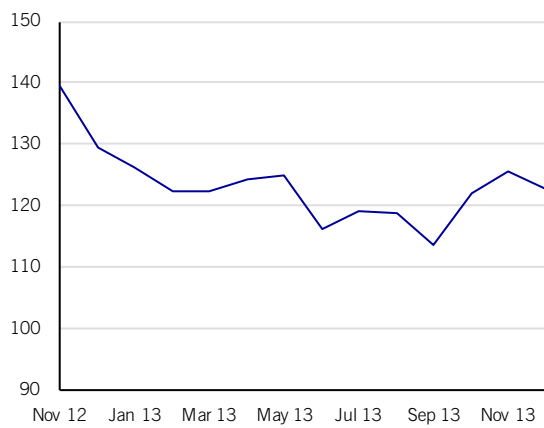
Consumer Indicator: East India



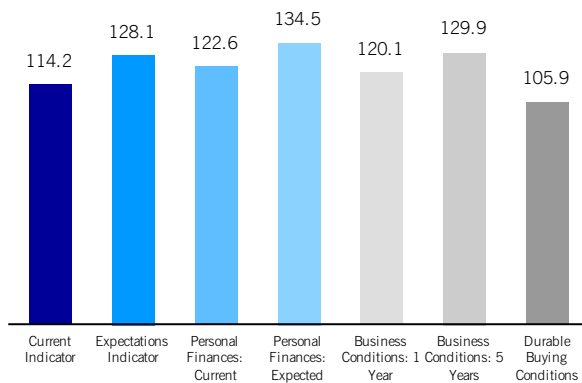
Consumer Indicator Components: East India



Consumer Indicator: West India

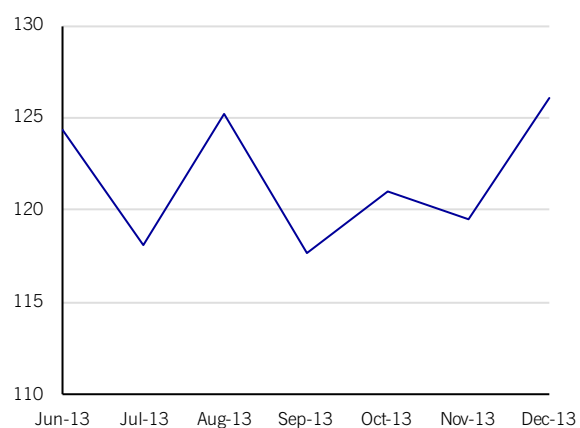


Consumer Indicator Components: West India

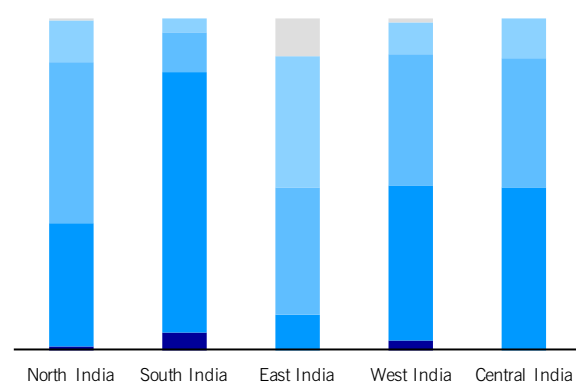




Consumer Indicator: Central India

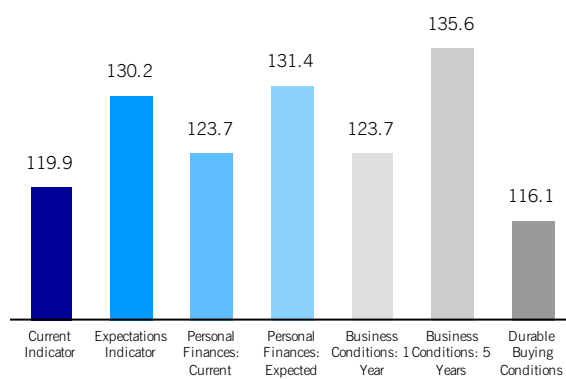


Employment Indicator Outlook for the Next 12 Months (% of Households)

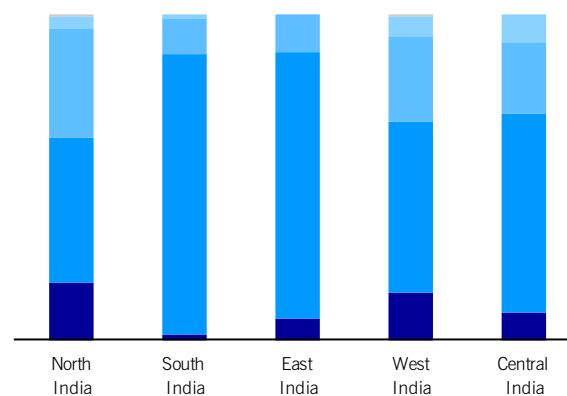


■ Much Better ■ A Little Better ■ About the Same ■ A Little Worse ■ Much Worse ■ Don't Know/No Answer

Consumer Indicator Components: Central India

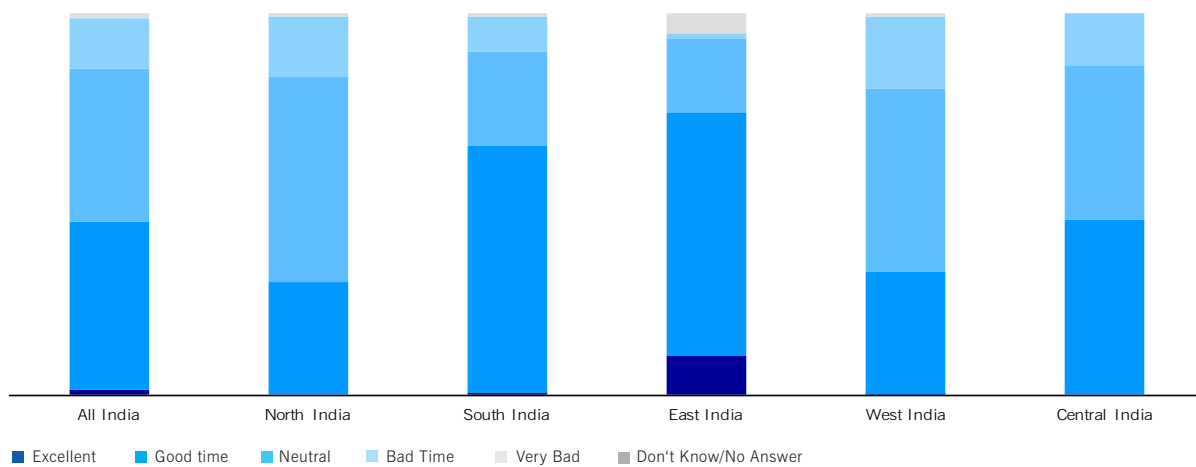


Interest Rates Expectations Indicator

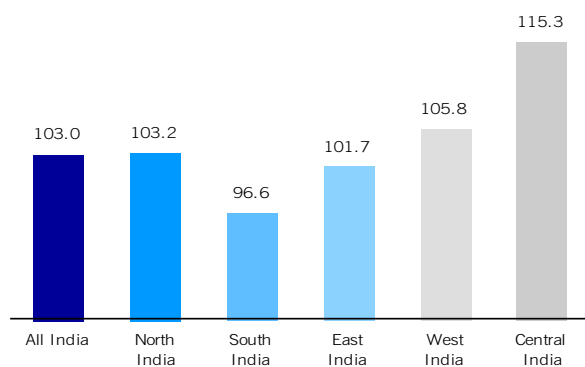




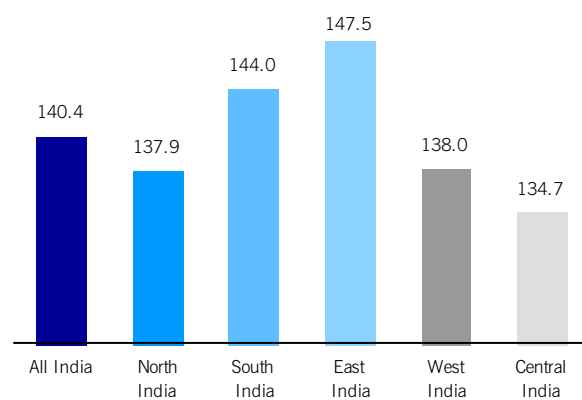
Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



Car Purchase Expectations – Regions



Expected Interest Rate on House and Car Loans Indicator

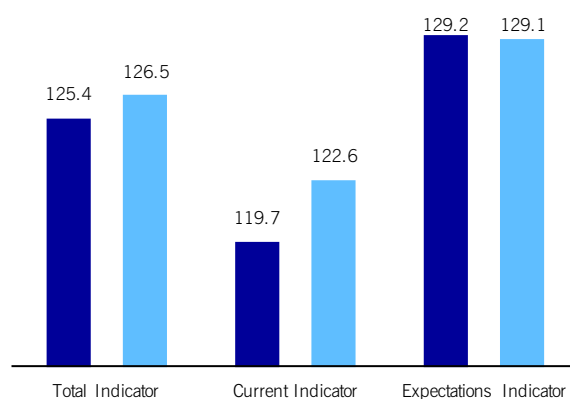


MNI India Consumer Indicator

Income Groups



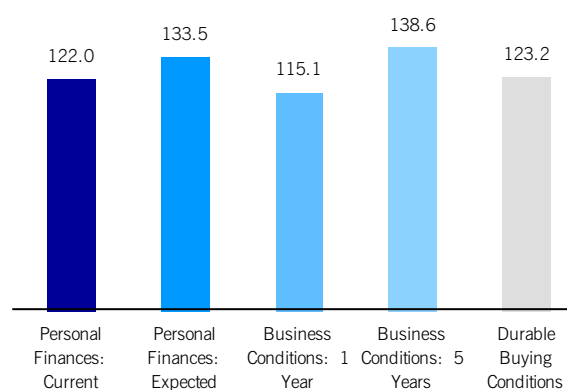
< INR 432,000



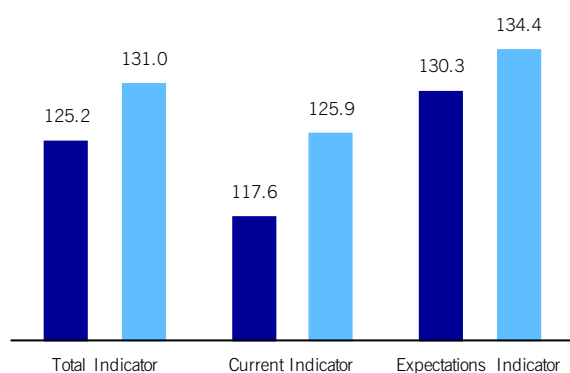
■ November 2013

■ December 2013

< INR 432,000 - Components



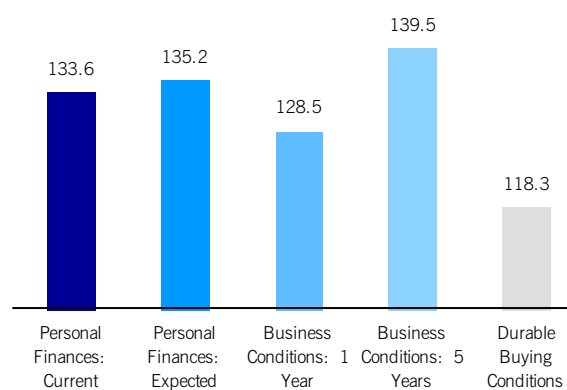
> INR 432,000



■ November 2013

■ December 2013

> INR 432,000 - Components



Delhi was the least optimistic city, as expectations worsened sharply.

In the capital city the Consumer Indicator decreased 11.9% on the month to 107.8 in December, giving up the monthly gains of the past two months.



What the Panel Said

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

"Expenses are increasing continuously. Expenses of education are also high."

"Income is less and overall prices are increasing continuously."

"Vegetables prices are increasing and they should be reduced, but this depends upon the government addressing rising prices."

"Prices are increasing and salaries are not increasing as much."

"Prices of household goods have gone up, so people can't afford to go for luxury things."

"As the government will change at the elections, we are expecting the inflation conditions to be more controlled."

"Nowadays things like TVs, mobiles and many other electronic gadgets are becoming basic needs of human beings, so they are buying them at any cost."

"The common man cannot afford to buy a new house in the city area and luxury items are out of reach."

"Business conditions are very poor... no new business is coming."

"Business conditions are getting poorer day by day."

"If a good finance minister comes into power, and he brings good economic policies, then business conditions will improve."

"Property is a safe investment as the Sensex is going up and down."

"People should invest in real estate rather than in bank saving."

"House prices are unstable and rent for even one room is unaffordable."

"Real estate prices are high. People can't afford to buy daily household goods."

"The financial condition of the market is very weak and people can't afford to buy luxury items."

The Car Purchase Indicator rose sharply to the highest since May...

...helped by seasonal end of year discounting from retailers.



Data Tables

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

North India Overview

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
North India Consumer Indicator	116.5	119.7	117.8	-	Oct-13	118.0	-1.9	-1.62%
Current Indicator	110.0	113.6	111.1	-	Oct-13	111.6	-2.5	-2.22%
Expectations Indicator	120.8	123.8	122.2	-	Oct-13	122.3	-1.6	-1.26%
Personal Finance: Current	111.1	118.2	116.0	-	Oct-13	115.1	-2.2	-1.89%
Personal Finance: Expected	119.5	122.9	126.4	Jan-13	-	122.9	3.5	2.81%
Business Condition: 1 Year	115.5	118.4	114.1	-	Sep-13	116.0	-4.3	-3.69%
Business Condition: 5 Year	127.6	129.9	126.2	-	Sep-13	127.9	-3.7	-2.88%
Durable Buying Conditions	108.9	108.9	106.1	-	Sep-13	108.0	-2.8	-2.57%
Current Business Conditions Indicator	100.1	109.7	105.2	-	Oct-13	105.0	-4.5	-4.06%
Stock Investment Indicator	92.9	99.8	109.4	Jun-13	-	100.7	9.6	9.61%
Real Estate Investment Indicator	107.1	111.1	113.1	Jul-13	-	110.4	2.0	1.77%
Car Purchase Indicator	65.3	61.5	68.7	Mar-13	-	65.2	7.2	11.68%
Employment Outlook Indicator	109.4	119.1	112.8	-	Oct-13	113.8	-6.3	-5.31%
Inflation Expectations Indicator	153.6	157.4	151.6	-	Aug-13	154.2	-5.8	-3.70%
Current Prices Satisfaction Indicator	69.4	57.9	68.7	Oct-13	-	65.3	10.8	18.69%
Interest Rates Expectations Indicator	130.7	135.7	137.9	series high	-	134.8	2.2	1.62%

South India Overview

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
South India Consumer Indicator	121.9	123.1	133.0	Jun-13	-	126.0	9.9	8.02%
Current Indicator	117.1	120.3	132.3	series high	-	123.3	12.0	9.95%
Expectations Indicator	125.0	125.0	133.5	Jun-13	-	127.8	8.5	6.79%
Personal Finance: Current	122.0	126.9	137.3	Dec-12	-	128.7	10.4	8.18%
Personal Finance: Expected	119.2	120.1	129.0	Jun-13	-	122.8	8.9	7.42%
Business Condition: 1 Year	117.4	114.7	124.8	Jul-13	-	119.0	10.1	8.78%
Business Condition: 5 Year	138.4	140.1	146.6	series high	-	141.7	6.5	4.61%
Durable Buying Conditions	112.3	113.8	127.4	Jun-13	-	117.8	13.6	11.93%
Current Business Conditions Indicator	118.2	116.4	128.0	Jun-13	-	120.9	11.6	9.98%
Stock Investment Indicator	98.9	98.0	100.0	Jul-13	-	98.9	2.0	2.05%
Real Estate Investment Indicator	112.5	111.7	119.4	Apr-13	-	114.5	7.7	6.88%
Car Purchase Indicator	73.2	71.9	83.4	Jun-13	-	76.2	11.5	16.10%
Employment Outlook Indicator	114.9	129.8	142.5	series high	-	129.0	12.7	9.77%
Inflation Expectations Indicator	148.3	161.9	149.7	-	Oct-13	153.3	-12.2	-7.59%
Current Prices Satisfaction Indicator	110.2	74.8	112.5	Jul-13	-	99.2	37.7	50.33%
Interest Rates Expectations Indicator	137.5	133.7	144.0	Jul-13	-	138.4	10.3	7.73%

East India Overview

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
East India Consumer Indicator	118.8	120.6	121.7	Aug-13	-	120.4	1.1	0.90%
Current Indicator	113.1	116.0	121.9	May-13	-	117.0	5.9	5.16%
Expectations Indicator	122.6	123.7	121.6	-	series low	122.6	-2.1	-1.76%
Personal Finance: Current	116.2	118.1	107.6	-	series low	114.0	-10.5	-8.88%
Personal Finance: Expected	126.0	131.1	134.3	Aug-13	-	130.5	3.2	2.43%
Business Condition: 1 Year	116.0	108.6	100.8	-	series low	108.4	-7.8	-7.20%
Business Condition: 5 Year	125.8	131.5	129.6	-	Oct-13	129.0	-1.9	-1.45%
Durable Buying Conditions	110.1	113.8	136.3	Apr-13	-	120.0	22.5	19.74%
Current Business Conditions Indicator	103.2	102.9	106.2	Sep-13	-	104.1	3.3	3.17%
Stock Investment Indicator	103.8	83.3	0.0	-	-	62.4	-83.3	-100.00%
Real Estate Investment Indicator	109.2	115.8	108.1	-	Sep-13	111.0	-7.7	-6.57%
Car Purchase Indicator	63.7	60.7	65.7	May-13	-	63.4	5.0	8.13%
Employment Outlook Indicator	108.8	100.4	74.4	-	series low	94.5	-26.0	-25.86%
Inflation Expectations Indicator	161.0	172.7	169.8	-	Oct-13	167.8	-2.9	-1.69%
Current Prices Satisfaction Indicator	86.4	63.7	52.3	-	series low	67.4	-11.4	-17.89%
Interest Rates Expectations Indicator	144.3	152.4	147.5	-	Oct-13	148.1	-4.9	-3.23%

West India Overview

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
West India Consumer Indicator	122.1	125.5	122.6	-	Oct-13	123.4	-2.9	-2.36%
Current Indicator	114.4	119.3	114.2	-	Sep-13	116.0	-5.1	-4.24%
Expectations Indicator	127.2	129.7	128.1	-	Oct-13	128.4	-1.6	-1.20%
Personal Finance: Current	118.7	129.5	122.6	-	Oct-13	123.6	-6.9	-5.31%
Personal Finance: Expected	125.0	129.0	134.5	Apr-13	-	129.5	5.5	4.26%
Business Condition: 1 Year	124.2	123.4	120.1	-	Sep-13	122.6	-3.3	-2.71%
Business Condition: 5 Year	132.5	136.7	129.9	-	Sep-13	133.0	-6.8	-4.98%
Durable Buying Conditions	110.1	109.1	105.9	-	Sep-13	108.4	-3.2	-2.98%
Current Business Conditions Indicator	109.9	109.5	114.8	May-13	-	111.4	5.3	4.86%
Stock Investment Indicator	89.6	89.7	102.0	Sep-13	-	93.8	12.3	13.78%
Real Estate Investment Indicator	111.1	114.0	113.6	-	Oct-13	112.9	-0.4	-0.34%
Car Purchase Indicator	65.8	65.0	73.0	May-13	-	67.9	8.0	12.36%
Employment Outlook Indicator	121.3	124.3	120.6	-	Sep-13	122.1	-3.7	-3.03%
Inflation Expectations Indicator	149.7	155.2	150.1	-	Oct-13	151.7	-5.1	-3.27%
Current Prices Satisfaction Indicator	92.9	79.4	91.9	Oct-13	-	88.1	12.5	15.72%
Interest Rates Expectations Indicator	139.8	142.5	138.0	-	Sep-13	140.1	-4.5	-3.19%

Central India Overview

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Central India Consumer Indicator	121.0	119.5	126.1	Apr-13	-	122.2	6.6	5.56%
Current Indicator	116.8	107.3	119.9	Apr-13	-	114.7	12.6	11.79%
Expectations Indicator	123.9	127.6	130.2	Aug-13	-	127.2	2.6	2.08%
Personal Finance: Current	116.4	106.4	123.7	Jun-13	-	115.5	17.3	16.33%
Personal Finance: Expected	124.1	122.7	131.4	Apr-13	-	126.1	8.7	7.03%
Business Condition: 1 Year	123.3	122.7	123.7	Jun-13	-	123.2	1.0	0.82%
Business Condition: 5 Year	124.1	137.3	135.6	-	Oct-13	132.3	-1.7	-1.22%
Durable Buying Conditions	117.2	108.2	116.1	Oct-13	-	113.8	7.9	7.32%
Current Business Conditions Indicator	104.3	88.2	116.1	Aug-13	-	102.9	27.9	31.66%
Stock Investment Indicator	116.7	105.6	98.0	-	May-13	106.7	-7.6	-7.19%
Real Estate Investment Indicator	112.2	113.5	118.4	Jun-13	-	114.7	4.9	4.29%
Car Purchase Indicator	65.9	73.6	79.7	Apr-13	-	73.1	6.1	8.18%
Employment Outlook Indicator	111.2	121.8	118.6	-	Oct-13	117.2	-3.2	-2.61%
Inflation Expectations Indicator	159.5	147.3	144.9	-	Jun-13	150.6	-2.4	-1.60%
Current Prices Satisfaction Indicator	92.2	66.4	99.2	Apr-13	-	85.9	32.8	49.41%
Interest Rates Expectations Indicator	137.9	120.9	134.7	Oct-13	-	131.2	13.8	11.44%

All India Overview by Age

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI India Consumer Indicator	122.8	122.1	124.0	Jun-13	-	122.9	1.9	1.5%
Current Indicator	113.4	117.2	118.6	May-13	-	116.4	1.4	1.1%
Expectations Indicator	129.0	125.3	127.6	Oct-13	-	127.3	2.3	1.8%
Personal Finance: Current	105.5	121.7	121.9	May-13	-	116.4	0.2	0.2%
Personal Finance: Expected	117.6	125.6	130.4	Jun-13	-	124.5	4.8	3.8%
Business Condition: 1 Year	125.7	115.2	117.2	Oct-13	-	119.4	2.0	1.8%
Business Condition: 5 Year	143.6	135.2	135.1	-	Sep-13	138.0	-0.1	-0.1%
Durable Buying Conditions	121.4	112.8	115.2	Oct-13	-	116.4	2.4	2.2%
Age 35-54								
MNI India Consumer Indicator	106.1	123.2	125.4	Jan-13	-	118.2	2.2	1.8%
Current Indicator	93.1	117.8	121.8	Jan-13	-	110.9	4.0	3.4%
Expectations Indicator	114.8	126.8	127.8	Jun-13	-	123.1	1.0	0.7%
Personal Finance: Current	94.9	125.3	124.6	-	Oct-13	114.9	-0.7	-0.6%
Personal Finance: Expected	99.8	125.9	133.0	Jan-13	-	119.6	7.1	5.6%
Business Condition: 1 Year	111.3	119.8	117.3	-	Oct-13	116.1	-2.5	-2.1%
Business Condition: 5 Year	133.3	134.8	133.0	-	Sep-13	133.7	-1.8	-1.3%
Durable Buying Conditions	91.2	110.4	119.1	May-13	-	106.9	8.7	7.9%
Age 55-64								
MNI India Consumer Indicator	108.8	122.4	120.9	-	Oct-13	117.4	-1.5	-1.2%
Current Indicator	98.7	117.6	117.9	Jan-13	-	111.4	0.3	0.3%
Expectations Indicator	115.5	125.7	122.9	-	Oct-13	121.3	-2.8	-2.2%
Personal Finance: Current	100.5	124.7	122.5	-	Oct-13	115.9	-2.2	-1.8%
Personal Finance: Expected	110.1	124.2	128.3	Mar-13	-	120.9	4.1	3.3%
Business Condition: 1 Year	115.5	119.5	117.6	-	Oct-13	117.5	-1.9	-1.6%
Business Condition: 5 Year	120.8	133.3	122.9	-	Oct-13	125.6	-10.4	-7.8%
Durable Buying Conditions	96.9	110.4	113.3	Jul-13	-	106.9	2.9	2.6%

All India - Overview by Income

	Oct-13	Nov-13	Dec-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< INR 432,000								
MNI India Consumer Indicator	122.0	125.4	126.5	series high	-	124.7	1.1	0.8%
Current Indicator	114.0	119.7	122.6	series high	-	118.8	2.9	2.4%
Expectations Indicator	127.3	129.2	129.1	-	Oct-13	128.6	-0.1	-0.1%
Personal Finance: Current	117.9	124.6	122.0	-	Oct-13	121.5	-2.6	-2.0%
Personal Finance: Expected	124.9	126.9	133.5	series high	-	128.5	6.6	5.2%
Business Condition: 1 Year	120.1	118.4	115.1	-	Sep-13	117.9	-3.3	-2.7%
Business Condition: 5 Year	137.0	142.4	138.6	-	Oct-13	139.3	-3.8	-2.7%
Durable Buying Conditions	110.2	114.9	123.2	series high	-	116.1	8.3	7.2%
> INR 432,000								
MNI India Consumer Indicator	121.3	125.2	131.0	Jun-13	-	125.8	5.8	4.6%
Current Indicator	117.1	117.6	125.9	series high	-	120.2	8.3	7.0%
Expectations Indicator	124.1	130.3	134.4	Jun-13	-	129.6	4.1	3.2%
Personal Finance: Current	122.5	124.5	133.6	series high	-	126.8	9.1	7.3%
Personal Finance: Expected	120.1	125.0	135.2	Jun-13	-	126.8	10.2	8.1%
Business Condition: 1 Year	121.8	121.7	128.5	Mar-13	-	124.0	6.8	5.6%
Business Condition: 5 Year	130.4	144.1	139.5	-	Oct-13	138.0	-4.6	-3.2%
Durable Buying Conditions	111.7	110.8	118.3	Jul-13	-	113.6	7.5	6.8%

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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