

# MNI India Consumer Report January 2014

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.

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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 - January 2014

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# Aiming for a target

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Mr Raghuram, like Fed Governor Ben Bernanke or Bank of England Governor Mark Carney, is seen as a new breed of rock-star central banker. Any self-respecting central banker these days needs an inflation target – something that India has not had.

When the Reserve Bank of India Governor Raghuram Rajan took up office in September last year, he immediately commissioned his Deputy Governor to report within three months on what needs to be done to strengthen the monetary policy framework. Mr Raghuram, like Fed Governor Ben Bernanke or Bank of England Governor Mark Carney is seen as a new breed of rock-star central banker. And any self-respecting central banker these days needs an inflation target – something that India to date has not explicitly had.

The report's findings were published in January and recommend a number of changes to the current rather archaic set-up, most importantly the adoption of an explicit inflation target and the creation of a monetary policy committee which would vote on policy moves, in contrast to the current set-up where the governor himself decides.

The actual recommendations, which seem likely to be introduced at some point, suggest that the central bank should target consumer price inflation at 4% within a range of 2% above or below at all times. Given that inflation on this measure is currently close to 10%, the report recommends that a rate of 8% should be aimed for in 12 months and 6% in 24 months, before the 4% target is finally adopted.

Inflation targeting is popular, but not without its critics. One key issue the central bank would face should it move to the new targeting framework is just how to ensure CPI inflation falls towards the target amid a backdrop of weak growth. Not wanting to miss their new target could mean the new Monetary Policy Committee could err on the side of caution, and keep monetary policy relatively tight.

India will face other problems should it adopt an inflation targeting regime. First, the economy is vulnerable to supply shocks especially from food and oil. Food price inflation leapt to 19% over the summer of 2013, with a well publicised rise in onion price inflation to 336%! Supply shocks can both reduce growth and raise inflation and tightening policy in response can make things worse and lead to increased

variability in output. Unlike a developed country which might target core inflation, food makes up around 50% of the CPI basket in India making it difficult to ignore. In the case of India, to make inflation targeting more effective, government efforts to increase food security would help.

A second issue faced by India is the monetary transmission mechanism and whether the central bank has the necessary tool in the form of short term interest rates to ensure the target is met. As noted in the report itself, India requires various financial sector reforms and deregulation to improve the transmission mechanism.

Inflation has been a large problem for India and something which has an adversely large impact on poorer households. Anchoring inflation at a target rate could bring long-term rewards for the country, although the central bank should be careful not to constrain output too much on the journey to 4%.

**Philip Uglow**

Chief Economist  
MNI Indicators



# Executive Summary

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The MNI India Consumer Indicator fell from 123.9 in December to 121.2 in January, following three monthly seasonal gains.

The MNI India Consumer Indicator declined in January to the lowest level since October, driven by a decline in consumers' intentions to purchase a large household item.

The Consumer Indicator fell from 123.9 in December to 121.2 in January, a decline of 2.1% on the month, following three monthly gains.

Four out of the five components which make up the India Consumer Indicator fell in January. The only component to increase was Business Conditions in a Year, although even this was down almost 8% compared with the same period last year.

The decline was led by a deterioration in current conditions, with the Current Indicator declining 4.8% on the month to 113.2 from 119.0 in December. The Expectations Indicator remained broadly stable at 126.6 in January compared with 127.2 in December.

The decline in the MNI India Consumer Indicator was led by South and Central India and smaller falls in North and East India. Consumer confidence increased in West India to the highest for a year.

Consumer sentiment fell in all age groups in January, with the youngest the most optimistic and the oldest the least.

Current Personal Finances fell for the second month in a row, while Expected Personal Finances fell for the first time in four months.

Perceptions about the current state of business worsened in January, although expectations for the coming year brightened a little.

The Employment Outlook Indicator fell for the second consecutive month to 112.0 in January from 117.6 in December, the lowest reading since the survey started in November 2012, and almost 10% below January 2013.

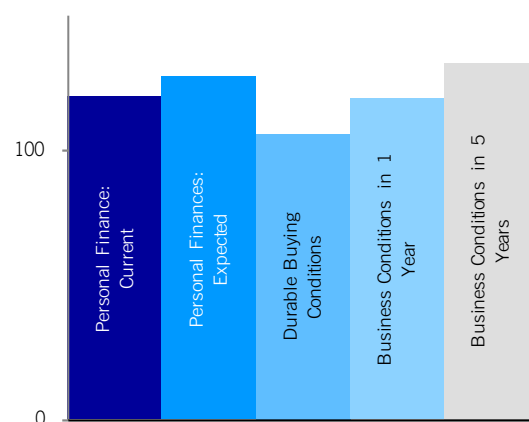
Willingness to buy large household items fell throughout most of last year with the Durable Buying Conditions Indicator down 6.2% compared with January 2013.

Concerns over current prices and expectations for inflation in a year's time increased in January after easing slightly at the end of last year.

The Real Estate Investment Indicator, which gauges whether it is a good time to invest in the housing market, remained broadly stable in January following increases in the past three months.

The Car Purchase Indicator fell in January as car purchase expectations declined and the expectations for the price of gasoline rose.

#### MNI India Consumer Indicator - Components



## All India - Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI India Consumer Indicator</b>	122.5	123.9	121.2	-	Oct-13	122.6	-2.7	-2.1%
Current Indicator	117.0	119.0	113.2	-	Sep-13	116.4	-5.8	-4.8%
Expectations Indicator	126.2	127.2	126.6	-	Nov-13	126.7	-0.6	-0.5%
Personal Finance: Current	123.3	122.5	120.5	-	Oct-13	122.1	-2.0	-1.7%
Personal Finance: Expected	125.3	131.0	127.8	-	Nov-13	128.0	-3.2	-2.5%
Business Condition: 1 Year	118.2	117.4	119.3	Oct-13	-	118.3	1.9	1.6%
Business Condition: 5 Year	135.2	133.1	132.7	-	Oct-13	133.7	-0.4	-0.3%
Durable Buying Conditions	110.7	115.5	106.0	-	Sep-13	110.7	-9.5	-8.2%
Current Business Conditions Indicator	109.1	114.5	108.9	-	Oct-13	110.8	-5.6	-4.9%
Stock Investment Indicator	96.8	102.3	102.3	-	Nov-13	100.4	0.0	0.0%
Real Estate Investment Indicator	113.2	114.4	114.2	-	Nov-13	113.9	-0.2	-0.2%
Car Purchase Indicator	65.7	73.8	69.2	-	Nov-13	69.6	-4.6	-6.2%
Employment Outlook Indicator	121.0	117.6	112.0	-	series low	116.9	-5.6	-4.8%
Inflation Expectations Indicator	159.2	152.6	153.6	Nov-13	-	155.1	1.0	0.6%
Current Prices Satisfaction Indicator	70.2	86.2	75.7	-	Nov-13	77.4	-10.5	-12.2%
Interest Rates Expectations Indicator	138.8	140.4	136.3	-	Sep-13	138.5	-4.1	-2.9%



## All India - Summary

	2013												2014
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>MNI India Consumer Indicator</b>	127.3	122.9	119.7	123.9	124.5	122.9	119.5	118.7	115.9	120.2	122.5	123.9	121.2
Current Indicator	123.5	115.1	116.8	119.5	120.7	113.7	114.1	113.9	109.3	113.9	117.0	119.0	113.2
Expectations Indicator	129.8	128.1	121.6	126.8	127.0	129.0	123.0	122.0	120.3	124.3	126.2	127.2	126.6
Personal Finance: Current	133.9	123.4	116.6	121.1	122.2	115.8	114.2	116.3	118.0	117.1	123.3	122.5	120.5
Personal Finance: Expected	136.0	132.5	124.0	131.8	131.0	128.3	121.9	122.1	118.4	122.4	125.3	131.0	127.8
Business Condition: 1 Year	129.6	119.7	114.9	117.2	119.4	124.2	121.2	115.3	114.1	119.3	118.2	117.4	119.3
Business Condition: 5 Year	123.9	132.0	126.0	131.6	130.5	134.6	126.0	128.5	128.4	131.3	135.2	133.1	132.7
Durable Buying Conditions	113.0	106.8	117.1	117.9	119.2	111.6	114.0	111.5	100.7	110.7	110.7	115.5	106.0
<b>Current Business Conditions Indicator</b>	122.3	121.2	116.4	120.0	121.0	118.4	113.1	111.4	108.9	108.2	109.1	114.5	108.9
<b>Stock Investment Indicator</b>		102.9	104.5	102.3	101.4	110.1	105.1	104.6	106.4	96.8	96.8	102.3	102.3
Investment Return	112.7	106.5	110.1	105.1	104.0	102.7	112.7	111.1	125.2	94.0	93.5	100.5	103.0
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	107.4
Stock Market Expectations	118.5	104.1	107.5	105.5	103.8	127.8	114.6	119.2	118.8	103.8	112.6	112.1	111.1
<b>Real Estate Investment Indicator</b>		116.9	119.4	119.9	113.1	115.7	115.1	109.8	109.7	110.4	113.2	114.4	114.2
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	143.1
House Buying Sentiment	106.1	116.4	118.1	121.5	115.5	119.7	114.7	100.6	98.1	95.0	92.8	104.8	94.9
House selling Sentiment	112.5	104.5	102.2	101.1	109.4	109.0	104.4	111.9	113.6	112.5	101.2	105.4	95.5
<b>Car Purchase Indicator</b>	71.5	80.1	76.6	76.4	75.8	69.5	68.5	61.6	60.1	67.1	65.7	73.8	69.2
Car Purchase expectations	106.9	107.6	107.3	109.2	106.0	98.5	105.7	94.3	90.3	98.4	97.7	103.0	99.0
Price of Gasoline expectations	164.0	147.4	154.0	156.4	154.5	159.5	168.7	171.0	170.2	164.1	166.3	155.4	160.6
<b>Employment Outlook Indicator</b>	124.6	112.2	119.1	123.4	127.9	122.6	120.9	119.2	113.2	114.6	121.0	117.6	112.0
Inflation Expectations Indicator	149.4	152.4	145.6	134.0	136.5	143.9	144.4	152.9	156.1	152.4	159.2	152.6	153.6
Current Prices Satisfaction Indicator	91.3	76.7	78.2	96.5	99.7	96.4	93.9	92.6	83.2	90.2	70.2	86.2	75.7
Interest Rates Expectations Indicator	130.6	131.4	116.6	123.0	125.6	120.4	129.6	133.8	136.1	137.5	138.8	140.4	136.3

## All India - Records

	2012-Current			
	Minimum	Maximum	Mean	Median
<b>MNI India Consumer Indicator</b>	115.9	133.7	123.1	122.9
Current Indicator	109.3	128.3	117.5	116.8
Expectations Indicator	120.3	137.3	126.8	126.8
Personal Finance: Current	114.2	135.4	122.0	121.1
Personal Finance: Expected	118.4	141.5	128.5	128.3
Business Condition: 1 Year	114.1	131.8	120.8	119.3
Business Condition: 5 Year	123.9	139.7	131.1	131.6
Durable Buying Conditions	100.7	121.1	112.9	113.0
<b>Current Business Conditions Indicator</b>	108.2	124.9	116.1	116.4
<b>Stock Investment Indicator</b>	96.8	110.1	102.9	102.6
Investment Return	93.5	136.5	108.4	106.5
Stock Price Sentiment	100.4	124.8	108.6	106.6
Stock Market Expectations	103.8	134.4	113.3	112.1
<b>Real Estate Investment Indicator</b>	109.7	119.9	114.3	114.3
House Price Expectations	133.3	148.6	141.1	141.6
House Buying Sentiment	92.8	121.5	107.6	106.1
House selling Sentiment	95.5	113.6	107.1	109.0
<b>Car Purchase Indicator</b>	60.1	84.0	72.2	71.5
Car Purchase Expectations	90.3	114.8	103.3	105.7
Price of Gasoline Expectations	142.5	171.0	158.9	159.5
<b>Employment Outlook Indicator</b>	112.0	128.3	119.5	119.2
Inflation Expectations Indicator	126.8	159.2	146.4	149.4
Current Prices Satisfaction Indicator	70.2	115.9	90.0	91.3
Interest Rates Expectations Indicator	116.6	140.4	130.0	130.6

# The RBI raised the policy repo rate by 25 basis points to 8% in January.

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If retail price inflation eases, the RBI does not foresee further near-term monetary policy tightening.



# Economic Landscape

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Latest official economic data has done little to lift the current feeling of economic gloom.

Latest official economic data has done little to lift the current feeling of economic gloom. Following a 4.8% rise in GDP in the July-September quarter, latest data on industrial production for November showed output was still below levels a year earlier. Manufacturing output fared even worse contracting 3.5% on the year. Export growth slowed causing a rise in the trade deficit while the budget deficit remains high.

One ray of light came from the inflation data which showed Wholesale Price Inflation falling for the first time since May. In spite of this decline, the Reserve Bank of India raised the policy rate by 25 basis points to 8% at its January meeting, citing the continued elevated level of consumer price inflation.

#### GDP expands 4.8% in the quarter ending September

Economic growth increased by 4.8% on the year in the three months to September, up from 4.4% in the previous quarter, although below the 5.2% growth seen in the same period a year ago.

The acceleration in growth may have been partly due to a good monsoon which helped boost agricultural output, 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 the 1.2% fall seen in the previous quarter, although only 0.1% above the same period a year earlier.

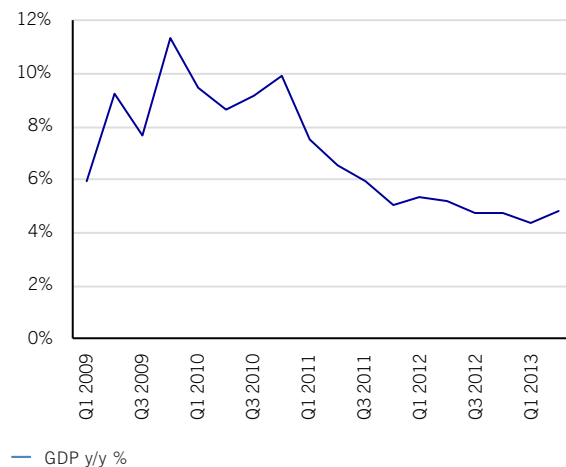
On an expenditure basis, higher exports and a surge in investment were the main drivers of growth, expanding by 16.3% and 2.6% respectively on the year, having both fallen by 1.2% in the three months to June.

Private consumption, the largest component of GDP, rose 2.2% in the three months to September compared with a year earlier, up from 1.6% in the three months to June, but down from 3.5% in the same quarter last year.

The Reserve Bank of India (RBI) had lowered its growth forecast for the 2013-14 fiscal year to 5% from 5.7% in October 2013 but at its recent monetary

policy meeting it said that economic growth was likely to fall short of its forecast for this year before picking up in the coming year starting from April.

#### Economic Growth



Source: Central Statistical Organisation, India

#### Industrial output declines further

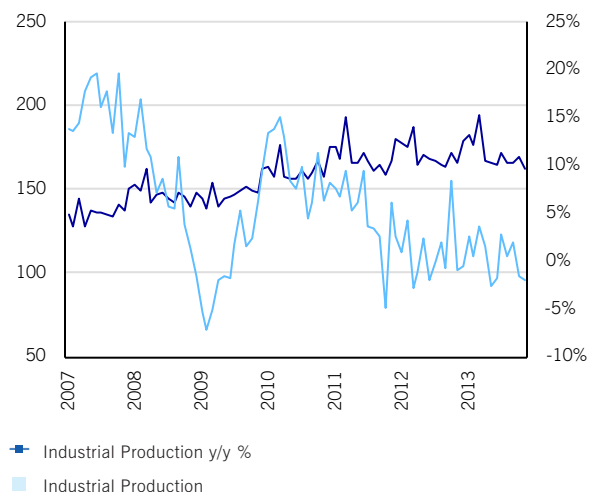
Industrial production contracted for the second consecutive month, falling 2.1% on the year in November, driven by a sharp decline in manufacturing output.

Manufacturing output was down 3.5% in November compared with a year earlier, down from a decline of 1.8% seen in October. Overall, ten out of the 22 industry groups within the manufacturing sector contracted in November, led by a 42.2% fall in Radio, TV and communication equipment & apparatus, followed by a 27.5% fall in Office, accounting & computing machinery.

Output of consumer durables, a measure of consumer demand, posted the twelfth consecutive decline, falling 21.5% in November compared with a fall of 12.1% in October.

Capital goods output, a proxy for investment in the economy, grew slightly by 0.3% in November, down from a 2.4% growth in October.

### Industrial Production



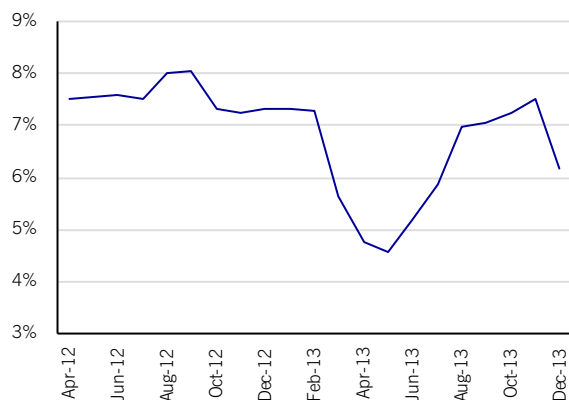
Source: Central Statistical Organisation, India

Following a 3.5% contraction on the year in October, mining output grew 1% in November, helping to boost the wider measure of industrial production.

### Some relief from high prices

India's rate of inflation, measured by the Wholesale Price Index, fell to 6.2% in December from a 14-month high of 7.5% in November, the first monthly decline since May.

### Wholesale Price Inflation

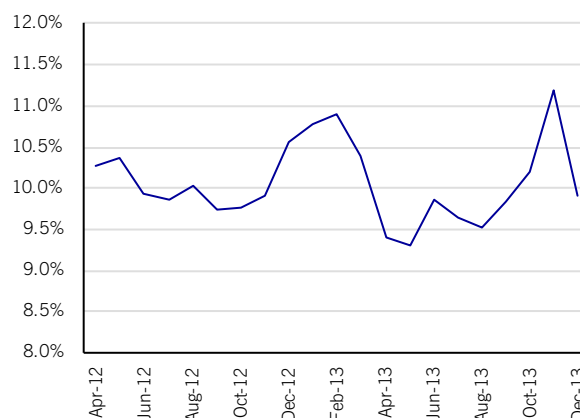


Source: Office of the Economic Advisor, India

Food price inflation eased to 13.7% after accelerating to 19.9% in November. Onion prices were still up 39.6% in December, but this was well down from the 190% increase seen in November. Fuel prices remained broadly stable and rose by 11% on the year.

Consumer price inflation also eased in December to a three-month low of 9.9% compared with 11.2% in November. Food price inflation, which has a weight of 45.7% in the index, eased to 12.2% from 14.7% in November. The moderation was driven by cooling of vegetable prices that rose by 38.8% compared with a year earlier, down from 61.6% in November.

### Consumer Price Inflation



Source: MOSPI

### Hike in the Repo rate

The RBI raised the policy rate by 25 basis points to 8% from 7.75% at its January meeting, citing the elevated level of consumer price inflation. The hike came amid wide expectations that the central bank would leave policy unchanged following the recent decline in wholesale price inflation.

RBI Governor Raghuram Rajan made clear that inflation needed to be brought down to a low and stable level so that monetary policy could contribute to reviving consumption and investment in a sustainable way. The RBI, however, said that if retail inflation eases as projected, it does not foresee a need for further monetary policy tightening in the

near-term.

A central bank panel set up by Governor Rajan has proposed revamping its policymaking structure by setting a long-term CPI inflation target of 4%, plus or minus 2%. Given the current high level of inflation, it recommended that the goal should be phased in gradually. The RBI should initially aim for CPI to fall to 8% by January 2015 and 6% by January 2016.

The RBI expects CPI inflation to stay above 9% during the final quarter of the fiscal year ending March, before easing to 7.5-8.5% for the quarter that ends in March 2015, with the balance of risks tilted to the upside.

#### **Budget Deficit Rises**

The government budget deficit stood at Rs.5.1 trillion (\$82 billion) in the April-November period, about 94% of the target for the year ending March 2014. Total revenue from taxes fell 52% short of target in the same period. The gap in the public finances has put the nation's debt rating at risk, with most credit rating agencies keeping India on a special watch with a high probability of a downgrade.

Finance Minister P. Chidambaram has pledged to cut the budget gap to a six-year low of 4.8% of GDP this fiscal year, from 4.9% in the previous 12 months. The banks, in which the government holds at least 55%, are paying dividends after the government announced a Rs.14,000 crore infusion to boost capital so as to meet the budget deficit goal.

#### **Rise in foreign reserves**

Foreign exchange reserves rose to \$292.2 billion in the week ending January 24. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of forex reserves, grew by \$117.3 million to \$266.1 billion.

Forex reserves surged 7% in the October-December quarter to \$295.7 billion, the biggest quarterly increase since January-March 2008. Moves by the RBI have greatly strengthened India's foreign exchange reserve position. The value of India's gold reserves

remained at \$19.7 billion.

#### **Trade deficit widens**

India's trade deficit widened to \$10.1 billion in December as export growth slowed, compared with a shortfall of \$9.2 billion in November. The trade gap, though, is much improved from the \$18 billion deficit posted in December 2012.

Exports rose for the sixth straight month, but at a slower pace, up 3.5% from a year earlier to \$26.4 billion, down from the 5.9% pace witnessed in November. Imports fell 15.3% to \$36.5 billion. Oil imports rose to \$13.8 billion, higher than the \$12.9 billion seen a month earlier and 1.1% above last year. Gold imports were down almost 70% on the year this December to \$1.8 billion.

The government attributed slow export growth to the drop in petroleum exports led by an unplanned maintenance shutdown at Reliance Industries, one of the country's largest exporters.

RBI Governor Raghuram Rajan expects India's current account deficit to narrow to less than 3% of GDP in the year through March 2014, from a record high of 4.8% in the previous year.

#### **Car sales decline**

The car industry faced an annual decline in sales for the first time in 11 years in 2013, with passenger car sales down 10%, following a rise of 3% in 2012.

Passenger car sales declined for the third consecutive month in December, to 132,561 units, 4.5% down from the same period a year earlier. Sales of commercial vehicles fell 28% in December compared with the same period a year earlier.

High inflation, rising fuel prices and interest rates have resulted in a higher cost of ownership, which has impacted the demand for cars.



# Indicators

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The MNI India Consumer Indicator declined in January to the lowest level since October, driven by a decline in consumers' intentions to purchase a large household item.



## MNI India Consumer Indicator

### First Fall in Four Months



The MNI India Consumer Indicator declined in January to the lowest level since October, driven by a decline in consumers' intentions to purchase a large household item.

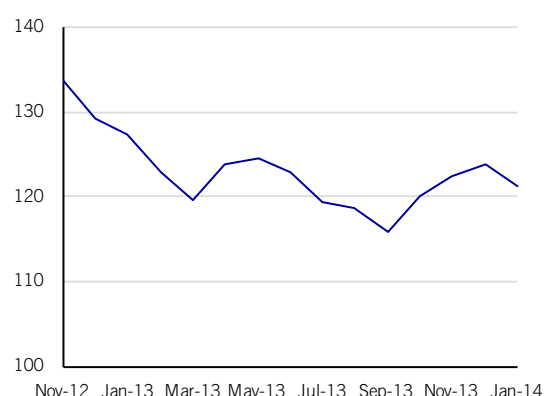
The Consumer Indicator fell from 123.9 in December to 121.2 in January, a decline of 2.1% on the month, following three monthly gains. While January's decline is partly seasonal following the festive period, sentiment was still down 4.8% compared with a year earlier, underlying the economic weakness that India has seen over the past 12 months.

Four out of the five components which make up the India Consumer Indicator fell in January. The only component to increase was Business Conditions in a Year, although even this was down almost 8% compared with the same period last year.

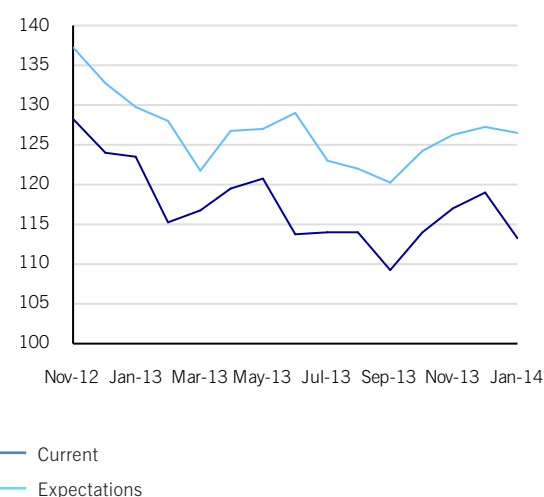
The decline was led by a deterioration in current conditions, with the Current Indicator declining 4.8% on the month to 113.2 from 119.0 in December. Durable Buying Conditions fell 8.2% on the month to 106.0 while Current Personal Finances declined by 1.7% to 120.5.

The Expectations Indicator remained broadly stable at 126.6 in January compared with 127.2 in December. Of the three components which make up the Expectations Indicator, Business Conditions in a Year rose 1.6% on the month to 119.3. Expected Personal Finances declined for the first time in four months, falling 2.5% to 127.8 in January, while Business

MNI India Consumer Indicator



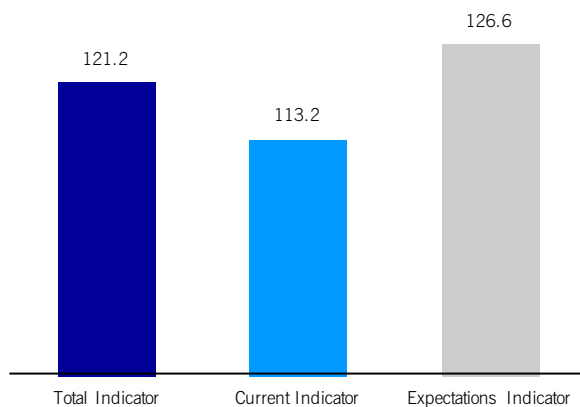
Consumer Indicators



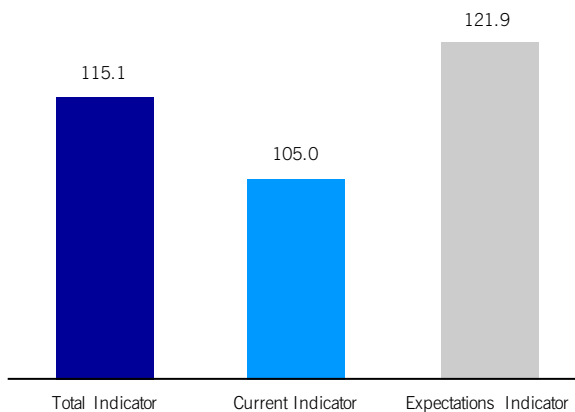
MNI India Consumer Indicator

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
MNI India Consumer Indicator	127.3	118.7	115.9	120.2	122.5	123.9	121.2
Current	123.5	113.9	109.3	113.9	117.0	119.0	113.2
Expectations	129.8	122.0	120.3	124.3	126.2	127.2	126.6

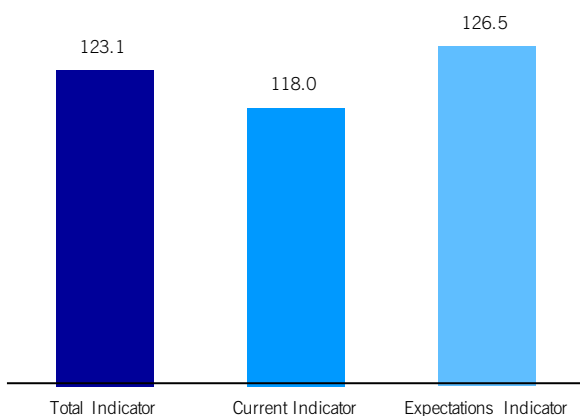
## All India



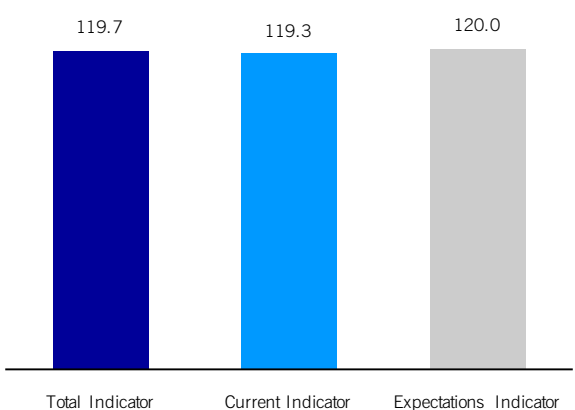
## North India



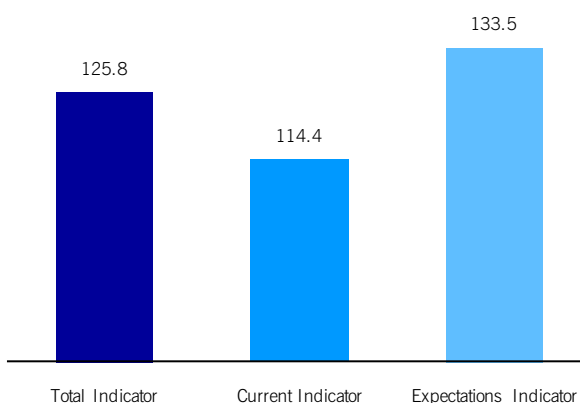
## South India



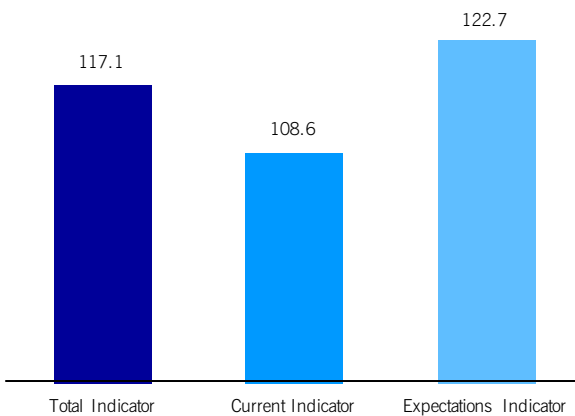
## East India



## West India



## Central India





Conditions in Five Years remained almost flat at 132.7.

### Regions

The decline in the MNI India Consumer Indicator was led by South and Central India and smaller falls in North and East India. Consumer confidence increased in West India to the highest for a year.

Consumers were the most confident in West India where the consumer indicator rose 2.7% on the month to 125.8 in January. Confidence in North India, where confidence has been the weakest over the past year, fell 2.2% on the month to 115.1, the lowest since September.

The Current Conditions Indicator fell in all the regions apart from West India where it remained broadly stable, while the Expectations Indicator only improved in the West region, increasing to the highest since the series started in November 2012.

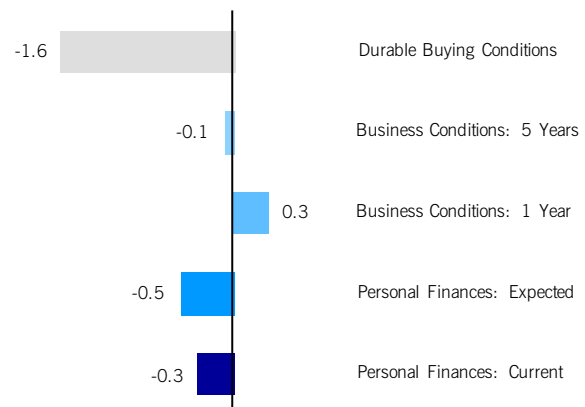
### Age

Consumer sentiment fell in all age groups in January, with the youngest the most optimistic and the oldest the least.

The Consumer Indicator for the 18-34 age range remained broadly stable at 123.4 in January compared with 124.0 in December. Current Personal Finances was the only component to increase on the month and Business Conditions in a Year and Expected Personal Finances remained broadly unchanged.

For the 35-54 age range, confidence fell from 125.4 in December to 121.4 in January, the lowest since October. The decline in sentiment was led by a large fall in Durable Buying Conditions and smaller declines

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





in both Current and Expected Personal Finances.

For the oldest age range, 55-64 year olds, sentiment decreased to 116.9 in January from 120.9 in December. Consumer confidence had been falling for most of the past year, but picked up sharply in November. Personal Finances and Durable Buying Conditions declined while consumers were more optimistic about Business Conditions in a Year and Five Years' time.

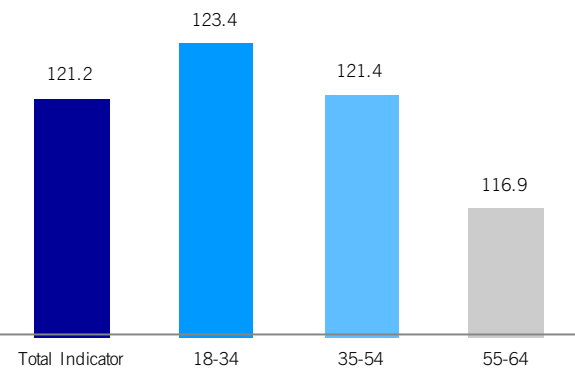
Income

Consumer confidence deteriorated in January in both low and high income households, though, it fell more sharply in the latter.

The Consumer Indicator for households with an average annual income over INR 432,000 declined 7.7% on the month to 120.9 in January from 131.0 in December. For households with an average annual income under INR 432,000, the indicator fell 4.6% on the month to 120.7 in January from 126.5 in December.

Since the series began in February 2013, confidence has fallen 5.5% among higher income households, while for lower income households it has remained broadly unchanged. On average, though, the level of confidence has been greater for high income households.

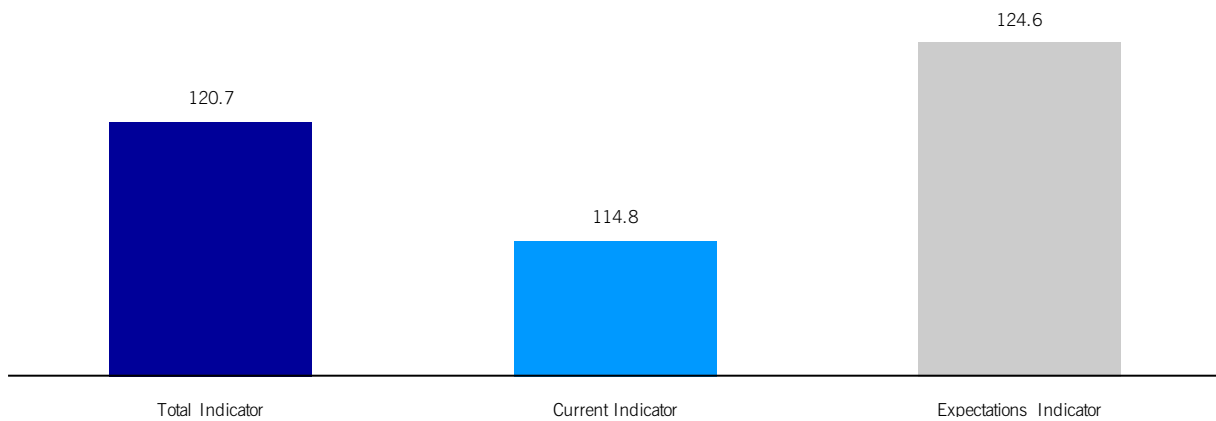
Consumer Indicator: Age Groups



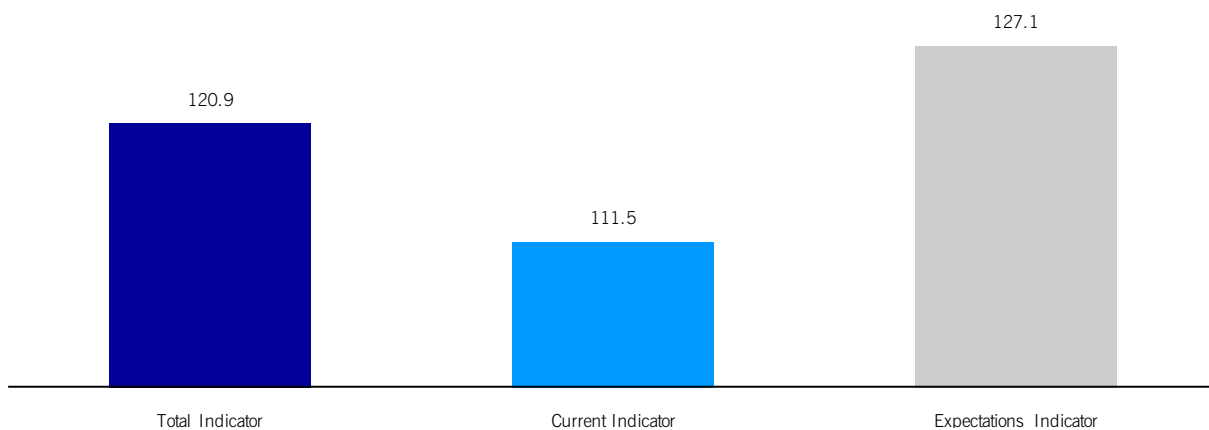
## MNI India Consumer Indicator Income Groups



< INR 432,000 per annum



> INR 432,000 per annum



## MNI India Consumer Indicator Main Cities



The Consumer Indicator improved in five out of the ten major Indian cities in January – Mumbai, Delhi, Hyderabad, Ahmadabad and Visakhapatnam. Sentiment improved sharply in Delhi and Hyderabad. Chennai was the most optimistic city and Bangalore the least.

In the capital Delhi, the Consumer Indicator increased to 123.1, up from a near series low seen in December of 107.8. Apart from Durable Buying Conditions, which remained broadly stable, the four remaining components had double digit gains.

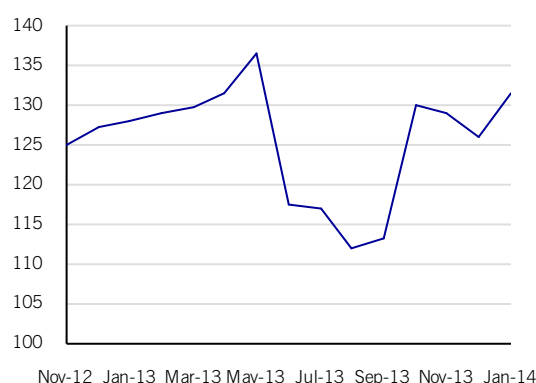
Consumers in Delhi were optimistic about both current and future conditions, likely buoyed by Arvind Kejriwal becoming the Chief Minister. Kejriwal is known for his anti-corruption campaign and his drive for political change. The Current Indicator increased to 107.6, up from 102.0 in December, while the Expectations Indicator increased by 19.5% to 133.3, returning to levels last seen in January 2013.

In Mumbai, India's most populous city, consumer sentiment increased 4.5% on the month to 131.6 from 125.9 in December. Current Personal Finances drove sentiment, rising 10% on the month. Consumers' optimism about business conditions also improved, but they felt it was not a good time to buy large household items, with the Durable Buying Conditions Indicator falling on the month following the festive period when large household items are heavily discounted.

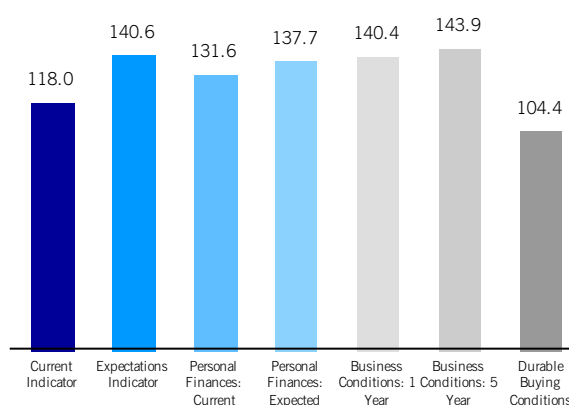
The Current Indicator for Mumbai rose 4% from 113.4 in December to 118.0 in January, while the Expectations Indicator increased by 4.8% from 134.2 to 140.6.

In contrast to Delhi and Mumbai, confidence in Bangalore, the third largest city by population in India, fell sharply following a large increase in December. The Consumer Indicator fell to 102.6 from 153.8 in December, led by sharp falls in all five components

Consumer Indicator - Mumbai



Consumer Indicator Components - Mumbai

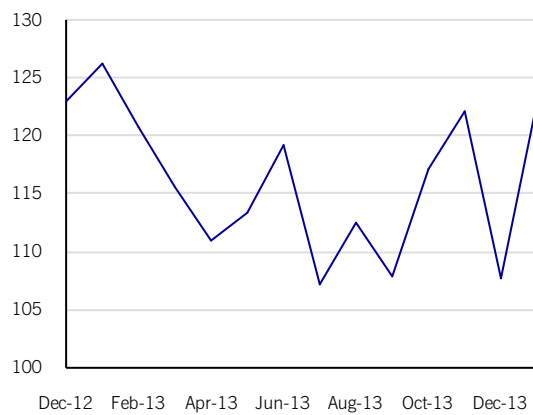


back in line with the levels seen prior to December. The sudden spurt in consumer confidence seen at the end of the year was possibly seasonal.

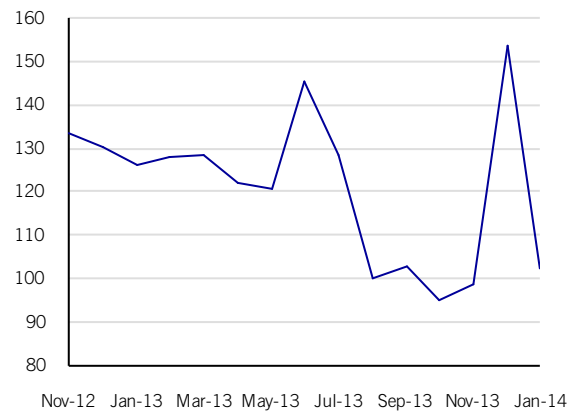
The Current Conditions Indicator fell from 151.9 in December to 88.9, while the Expectations Indicator declined from 155.0 to 111.7.



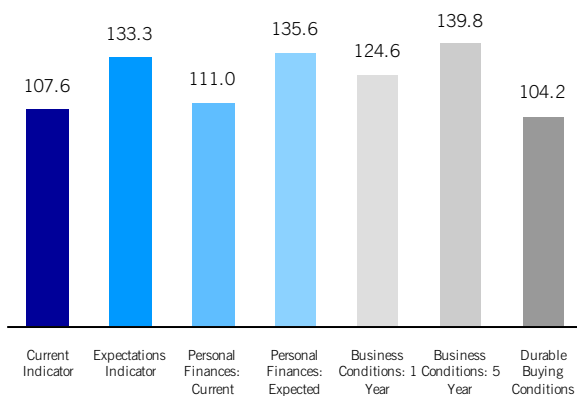
Consumer Indicator - Delhi



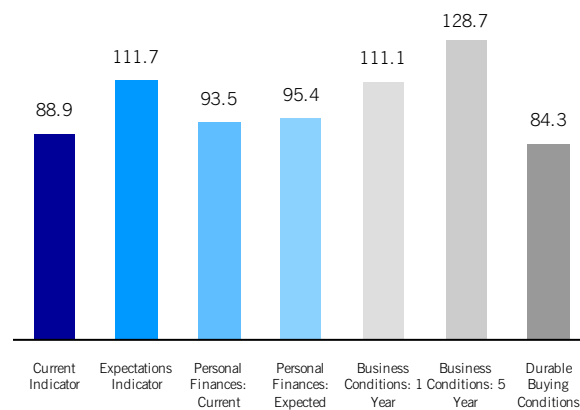
Consumer Indicator - Bangalore



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bangalore



## Personal Finances

### Decline in January



Current Personal Finances fell for the second month in a row in January, while Expected Personal Finances fell for the first time in four months.

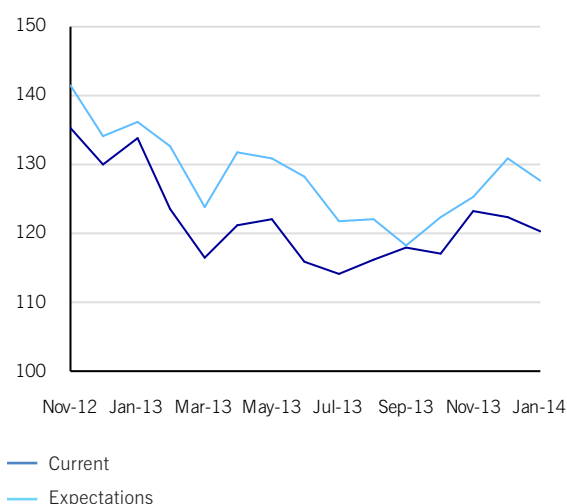
The Current Personal Finances Indicator, which measures whether the financial situation of a household is better, the same or worse than a year ago, fell by 1.7% to 120.5 from 122.5 in December, the lowest since October. Current Personal Finances have fallen significantly over the past year and were down 10% on the year in January.

The percentage of respondents who reported that their current financial situation improved compared with a year ago fell from 52.2% in December to 47.2% in January. Those reporting financial conditions were the same as last year increased from 36.3% to 41.4%, while those reporting a worsening remained broadly stable at 11.3% compared with 11.5% previously.

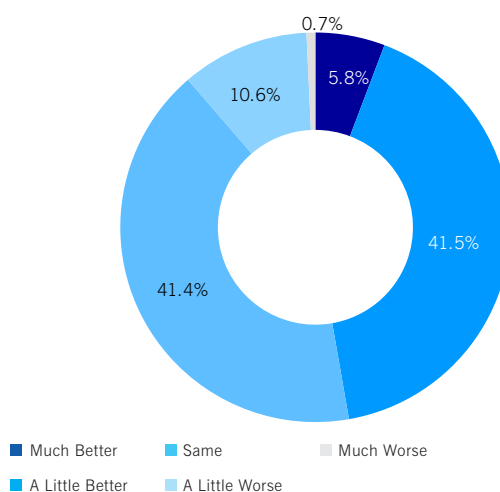
Out of those who responded that their financial condition worsened, most continued to point to increased family expenses, not too surprising given the high level of inflation households have had to endure in recent months. A growing proportion of respondents cited policy/business conditions as the main reason behind a worsening in their current financial situation.

Expected Personal Finances, which measures whether households think their finances will be better in a years' time, fell to 127.8 from 131.0 in December and were down 6.1% compared with January 2013.

#### Personal Finances



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



#### Personal Finances

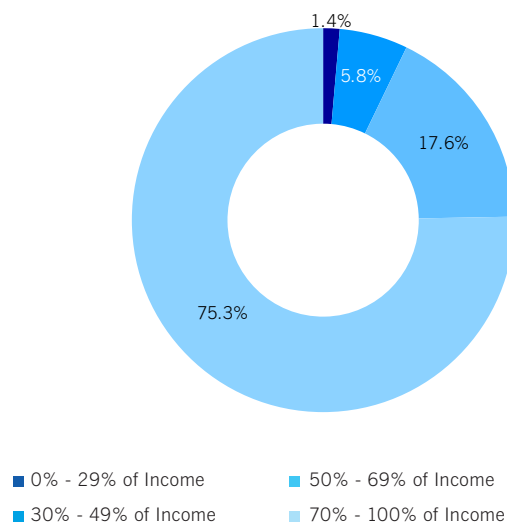
	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Current	133.9	116.3	118.0	117.1	123.3	122.5	120.5
Expectations	136.0	122.1	118.4	122.4	125.3	131.0	127.8



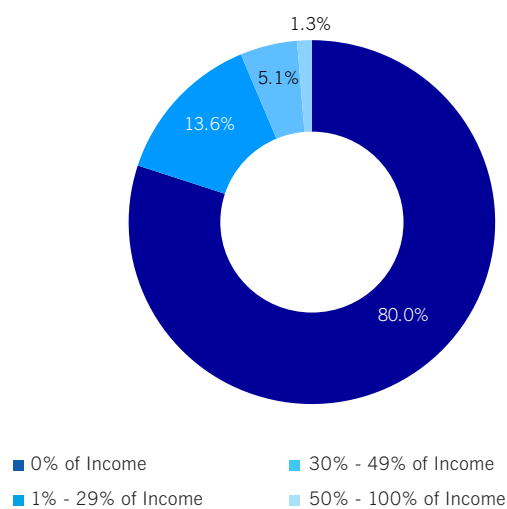
## How Households Spend their Money



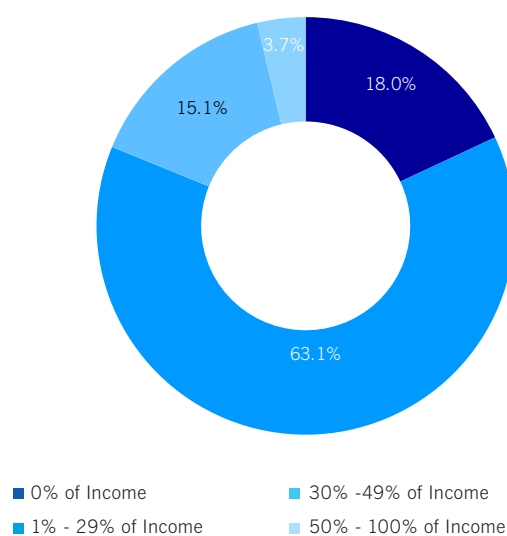
Monthly Household Income Used for Daily Expenses  
(% of Households)



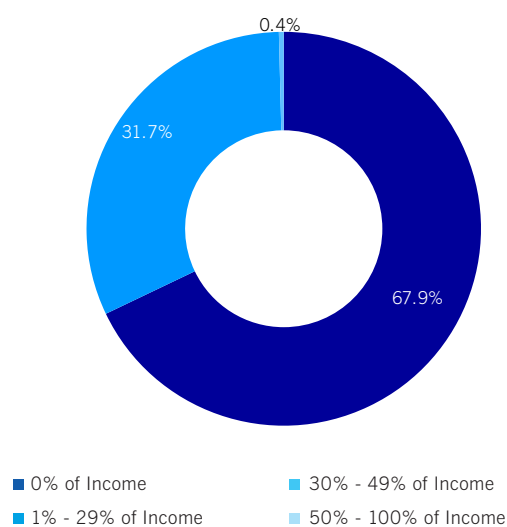
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings  
(% of Households)



Monthly Household Income Used for Investments  
(% of Households)



# Perceptions about the current state of business worsened in January.

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The Current Business Conditions Indicator declined almost 5% to 108.9 in January, more than offsetting a similar rise in the previous month.

## Business Conditions

### Current State of Business Weakens



Perceptions about the current state of business worsened in January, although expectations for the coming year brightened a little.

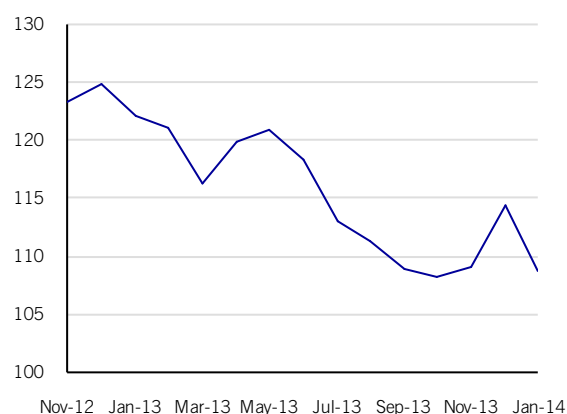
The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, declined almost 5% to 108.9 in January, down from 114.5 in December, more than offsetting a similar rise in the previous month. Business sentiment is now back to the level seen in October.

The majority of respondents continued to report that current business conditions were "only fair", rising to 52% after dipping slightly to 44.7% in December. There was a considerable increase in the proportion of respondents who said business conditions were "very poor", although they were in a minority.

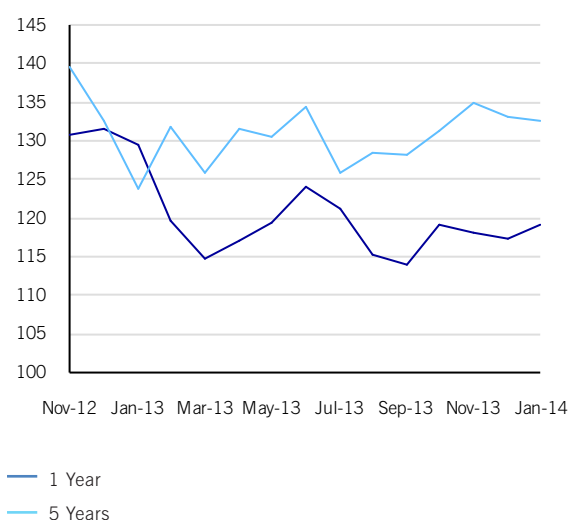
The majority of respondents who expected business conditions to be better in a year cited economic development as the main reason and there was a considerable rise in those who said a better income and employment situation improved their outlook. Respondents who expected business conditions to worsen blamed government policy. Many respondents expected business conditions to improve after the elections in May.

In contrast, Expectations for Business Conditions in a Year improved after declining for two consecutive months. The indicator increased to 119.3 in January from 117.4 in December, as the percentage of respondents who reported that business conditions

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years



#### Business Conditions

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Current	122.3	111.4	108.9	108.2	109.1	114.5	108.9
In 1 Year	129.6	115.3	114.1	119.3	118.2	117.4	119.3
In 5 Years	123.9	128.5	128.4	131.3	135.2	133.1	132.7

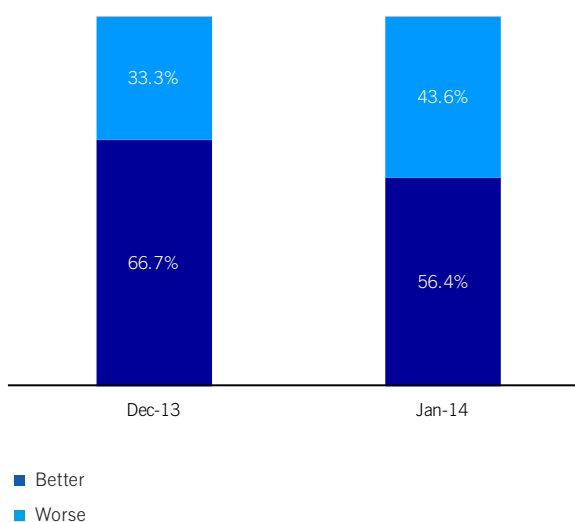
## Business Conditions in 1 Year Selected Reasons



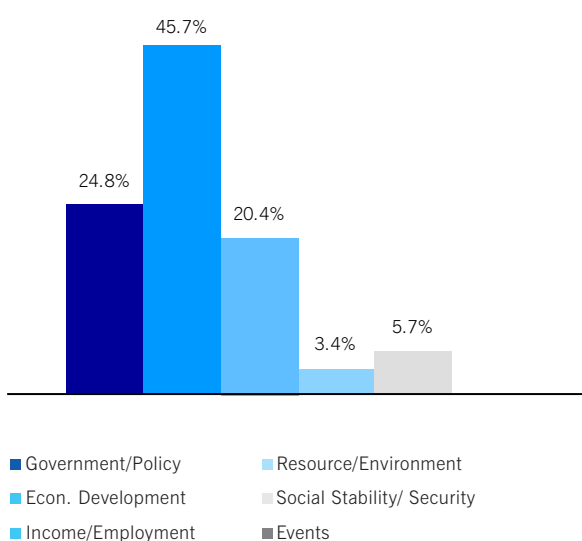
would worsen in a year's time fell from 14.1% in December to 10.4% in January.

Longer term, Expectations for Business Conditions in Five Years remained broadly stable at 132.7 in January compared with 133.1 in the previous month and above the series average of 131.1. Among the major cities surveyed, Chennai was the most optimistic and Kolkata the least.

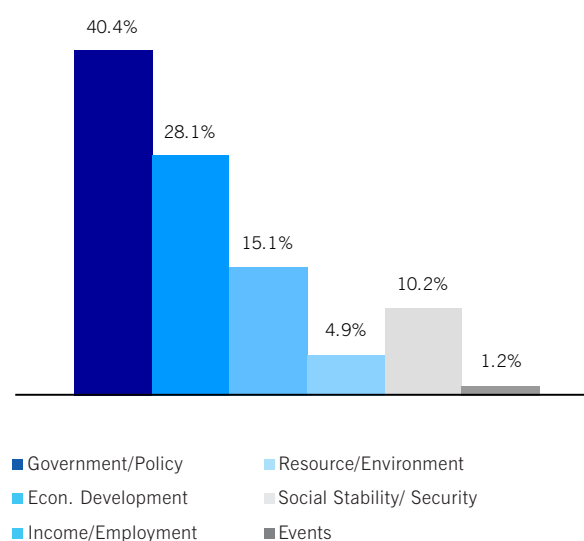
All India



All India, Reasons for Better



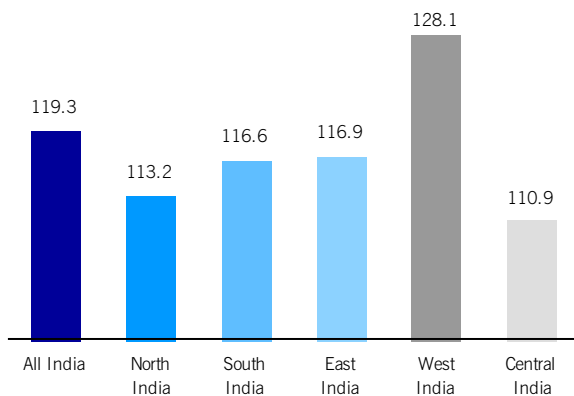
All India, Reasons for Worse



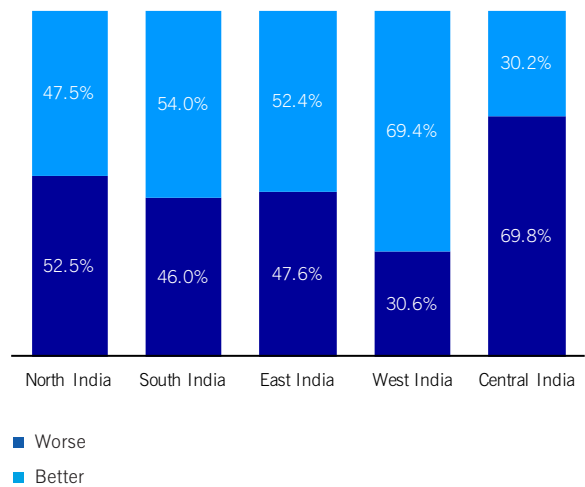
## Business Conditions in 1 Year Regions



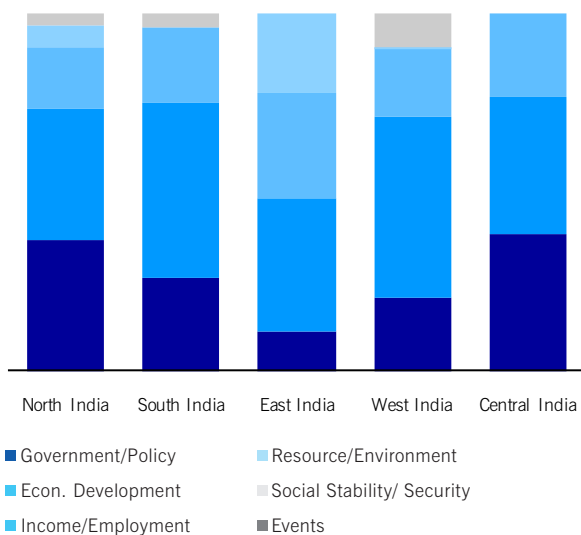
### Business Expectations



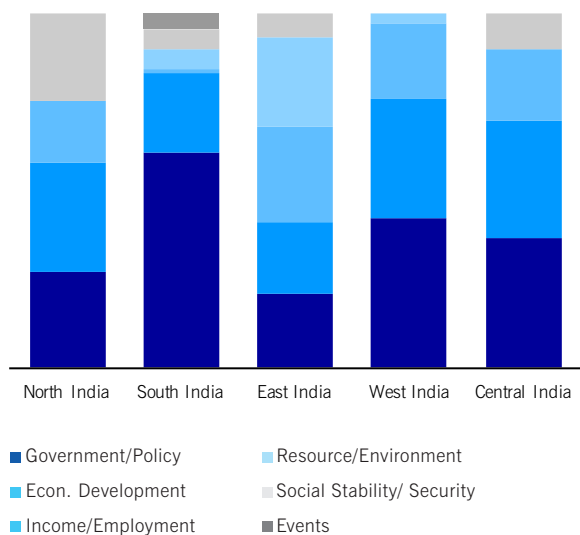
### Business Expectations: Worse or Better? (% of Respondents)



### Reasons for Better (% of Respondents)



### Reasons for Worse (% of Respondents)



## Durable Buying Conditions Lowest Since September



The Durable Buying Conditions Indicator fell 8.2% on the month to 106.0 in January, ending the seasonal boost seen since October.

Sentiment on buying conditions fell throughout most of last year and compared with January 2013, the indicator was down 6.2%, highlighting the pressure on disposable income over the past year.

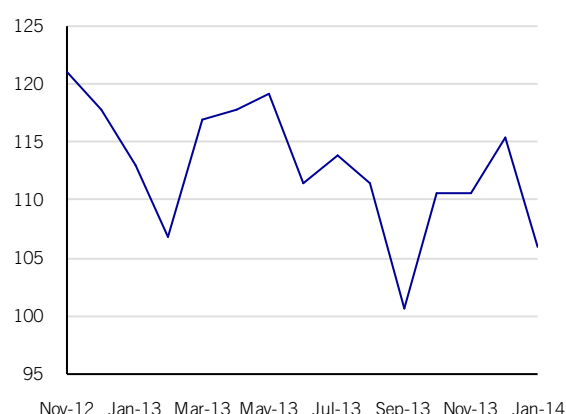
The Indicator on Durable Buying Conditions measures whether respondents think it is a good time or bad time to buy a large household good. A fall in the indicator means fewer respondents said it was a good time to buy a large household good.

From the ten largest cities surveyed, only respondents from Kolkata, Hyderabad and Visakhapatnam were more optimistic about buying large household items compared with last month. Sentiment declined considerably in Mumbai, Bangalore, Chennai and Surat.

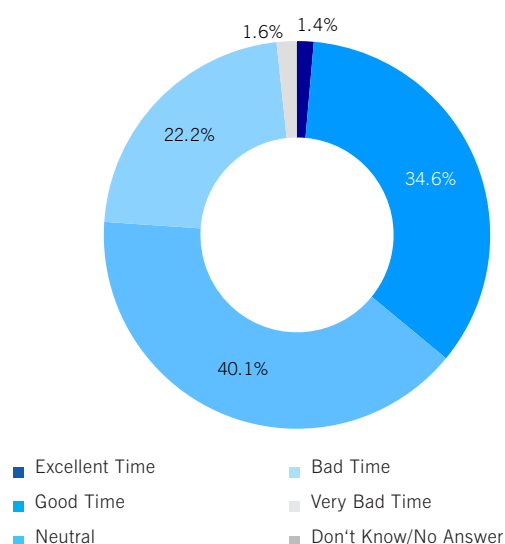
The Durable Buying Conditions Indicator fell in all five regions with Central India hitting a record low and North India close to its record low recorded in September.

The proportion of respondents who said it was an “excellent time” or “good time” to buy large household goods fell from 45.6% in December to 36% in January, while the proportion of those saying it was a “bad time” or “very bad time” increased from 14.7% to 23.8% in January. Those responding “no change” remained broadly unchanged at 40.1%.

Durable Buying Conditions



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



Durable Buying Conditions

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Durable Buying Conditions	113.0	111.5	100.7	110.7	110.7	115.5	106.0

## Employment Outlook Indicator Hits a Record Low



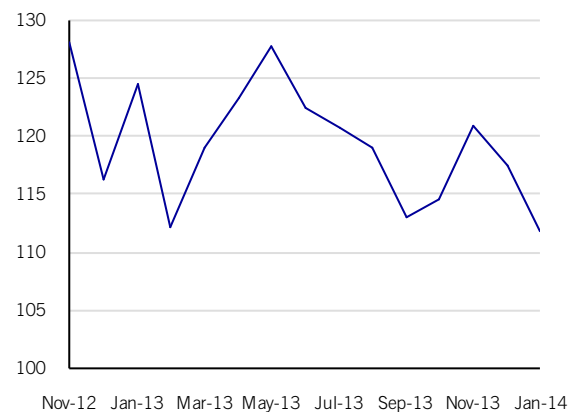
The Employment Outlook Indicator fell for the second consecutive month to 112.0 in January from 117.6 in December, the lowest reading since the survey started in November 2012, and almost 10% below January 2013.

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.

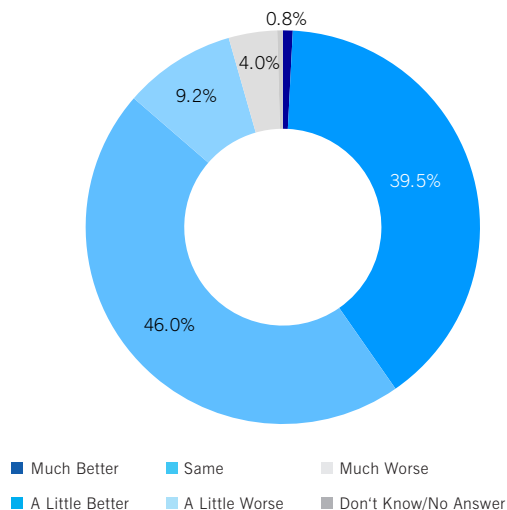
Of the five regions, only respondents in East India expected employment to improve, with the indicator rising to 82.5, though it still remained in contraction and was the least optimistic of all the regions. South India continued to remain the most optimistic region, though the indicator fell significantly from a record high of 142.5 in December to 124.0 in January.

Survey participants forecasting an improvement in employment totalled 40.3% in January, down from almost 50% in December. The proportion of those forecasting a worsening fell from 15.1% to 13.2% in January. Those suggesting there would be no change increased to 46% from 35.1% in December.

Employment Outlook Indicator



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



Employment Outlook

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Employment Outlook	124.6	119.2	113.2	114.6	121.0	117.6	112.0

# Concerns over current prices and expectations for inflation in a year's time increased.

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The Satisfaction with Current Prices Indicator declined to 75.7 in January from 86.2 in December, while the Inflation Expectations Indicator remained at high levels.



## Prices Sentiment

### Dissatisfied with Prices



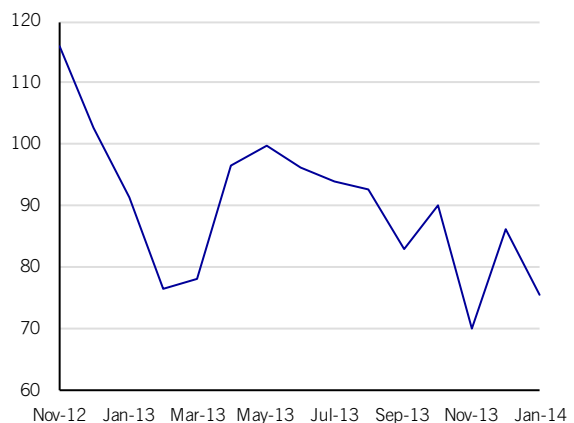
Concerns over current prices and expectations for inflation in a year's time worsened in January after easing slightly at the end of last year.

The Satisfaction with Current Prices Indicator declined to 75.7 in January from 86.2 in December, a fall of 12.2% on the month. A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction. The indicator has been above 100 only in November and December 2012.

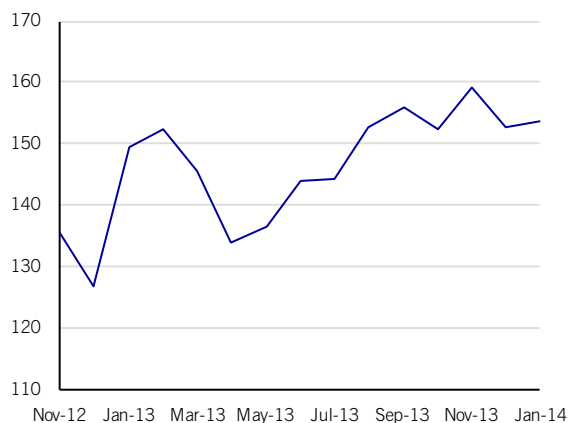
India's rate of inflation, measured by the Wholesale Price Index, fell to 6.2% in December from a 14-month high of 7.5% in November, the first monthly decline since May. Consumer price inflation also eased in December to a three month low of 9.9% compared with 11.2% in November. Food price inflation eased to 12.2% from 14.7%, driven by a cooling in vegetable prices which were up 38.8% compared with a year earlier, down from 61.6% in November.

The Inflation Expectations Indicator, which measures whether respondents think prices will be higher or lower in 12 month's time, increased to 153.6 in January from 152.6 in December. Expectations for inflation have picked up sharply over the past year, given the high rate of inflation. Some respondents said they are looking forward to the national elections in May with an expectation that the new government would help bring down price pressures.

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



#### Prices Sentiment

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Satisfaction with Current Prices	91.3	92.6	83.2	90.2	70.2	86.2	75.7
Inflation Expectations	149.4	152.9	156.1	152.4	159.2	152.6	153.6

# Prices Sentiment Regions



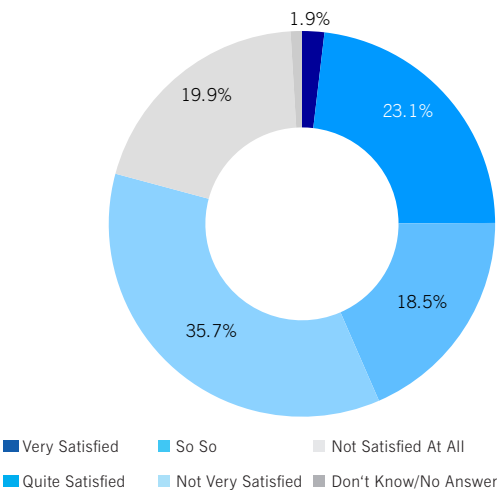
The percentage of respondents who believed prices would be higher in a years' time fell from 85.4% in December to 83.2% in January while those saying prices would be about the same decreased from 11.7% to 10.7%. A small but rising proportion of respondents believed prices would be lower in a year's time increased from 2.7% in December to 5.7% in January.

Asked about how much they thought prices would increase, the proportion of respondents who thought that prices would rise by more than 25% rose significantly. Most respondents thought that prices would rise by between 10% and 24%.

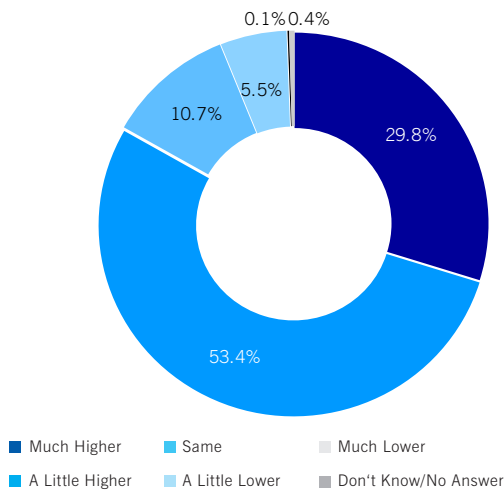
### Regions

Satisfaction with Current Prices improved in North and East India and inflation expectations eased as well. The South, West and Central India regions showed higher discontent with current prices in January, with the South hitting a record low since the survey started in November 2012. These regions also showed an increase in inflation expectations.

Satisfaction with Current Prices  
(% of Households)

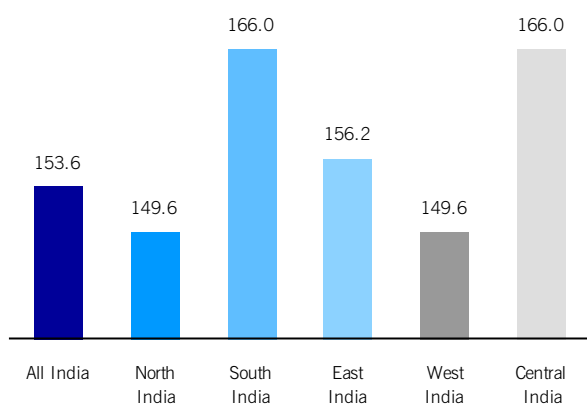


Inflation Expectations in 12 Months  
(% of Households)

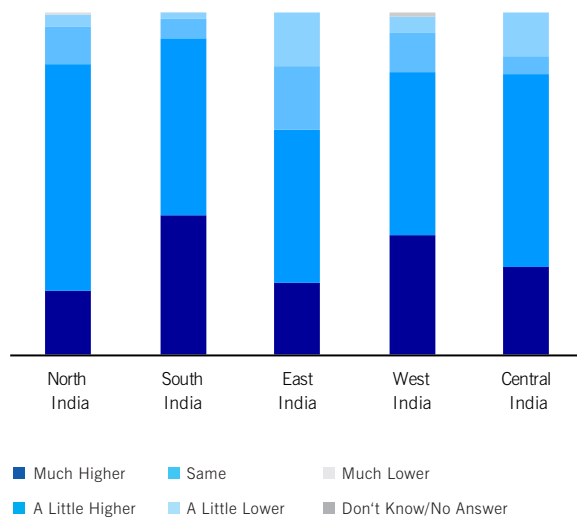




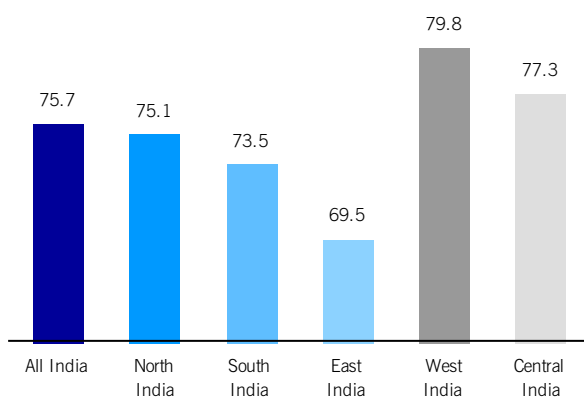
### Inflation Expectations Indicator



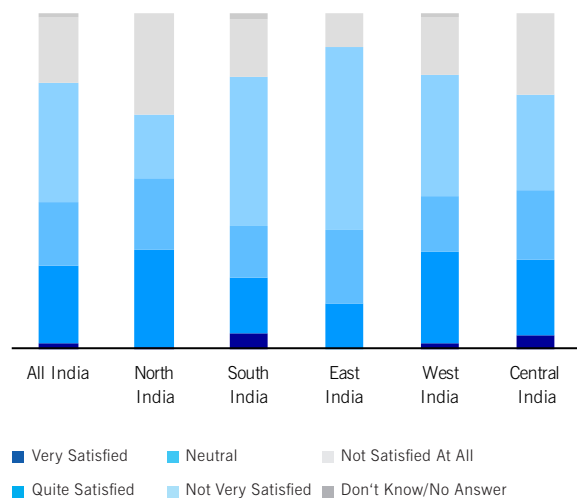
### Inflation Expectations in 12 Months (% of Households)



### Satisfaction with Current Prices Indicator



### Satisfaction with Current Prices Indicator (% of Households)



## Interest Rate Expectations Remain at a High Level



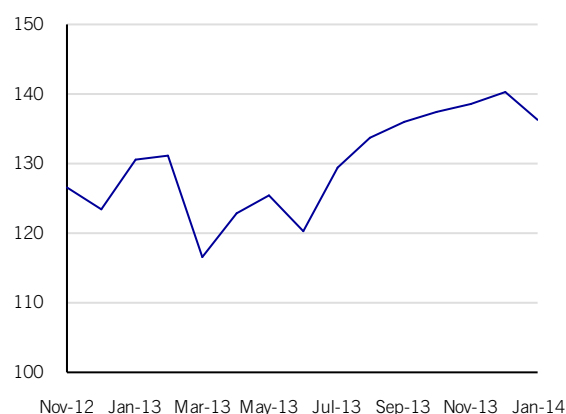
After rising for the past six months, the Interest Rate Expectations Indicator eased in January to the lowest since September 2013, though still remains at an elevated level.

The indicator fell from 140.4 in December to 136.3, a decline of almost 3% on the month.

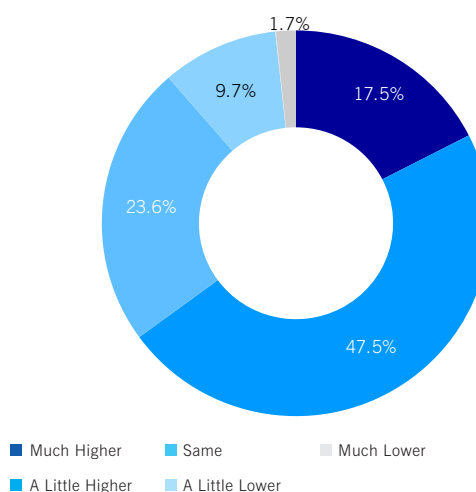
The Reserve Bank of India surprisingly hiked the key policy repo rate at the January monetary policy meeting by 25 basis points from 7.75% to 8%, although this came after the survey period had ended.

The RBI plans to introduce a formal inflation targeting regime, which would commit them to bring consumer price inflation down to below 8% in a year's time, which could keep monetary policy tighter.

Interest Rate Expectations Indicator



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



Expected Interest Rate

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Expected Interest Rate	130.6	133.8	136.1	137.5	138.8	140.4	136.3

## Stock Investment Indicator Remains Flat



The Stock Investment Indicator, which gauges whether it is a good time to invest in the stock market, remained unchanged at 102.3 in January, a little above the 100 breakeven mark and close to the series average of 102.9.

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

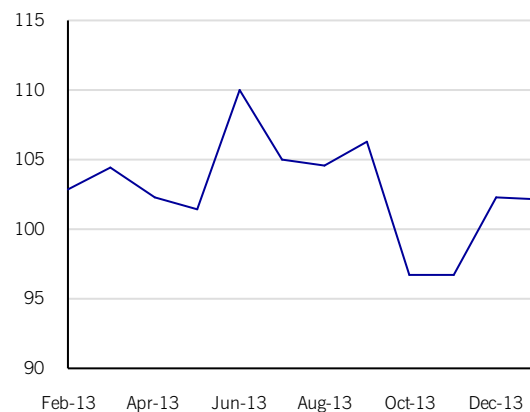
Stock Price Sentiment, which measures whether respondents view equity prices as high or low, increased to 107.4 in January from 105.8 in December, the lowest since June. The component has a negative impact on the overall investment indicator.

The Investment Return component rose to 103.0 in January from 100.5 in December. The proportion of respondents who made a profit in last year increased from 12.6% to 17.3% in January while those who made a loss almost halved from 15.3% to 7.2%.

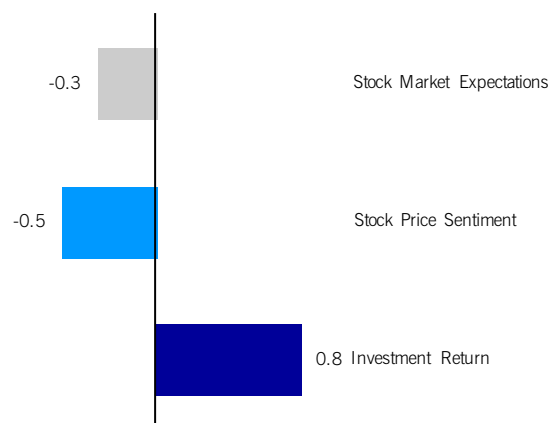
Expectations for the stock market in three months' time decreased to 111.1 in January from 112.1 in the previous month, as the proportion of respondents who expected equity prices to go up, fell from 23.5% to 18.8% in January.

The benchmark Sensex dropped more than 300 points to 20,209.26 on February 3, its lowest close in over 10 weeks, amid turmoil in emerging market economies driven by concerns over China and the continued tapering in the US.

Stock Investment Indicator



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



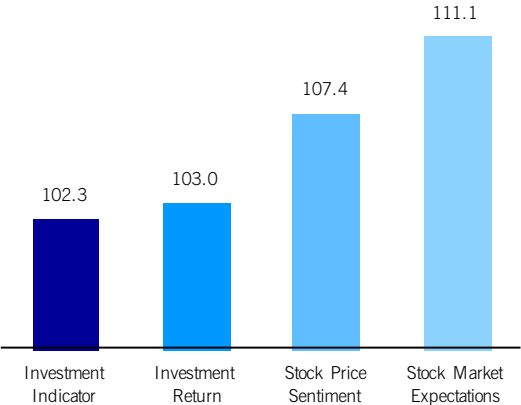
### Investment Sentiment

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Investment Sentiment Indicator	0.0	104.6	106.4	96.8	96.8	102.3	102.3
Investment Return	112.7	111.1	125.2	94.0	93.5	100.5	103.0
Stock Price Sentiment	0.0	116.5	124.8	107.5	115.8	105.8	107.4
Stock Market Expectation	118.5	119.2	118.8	103.8	112.6	112.1	111.1

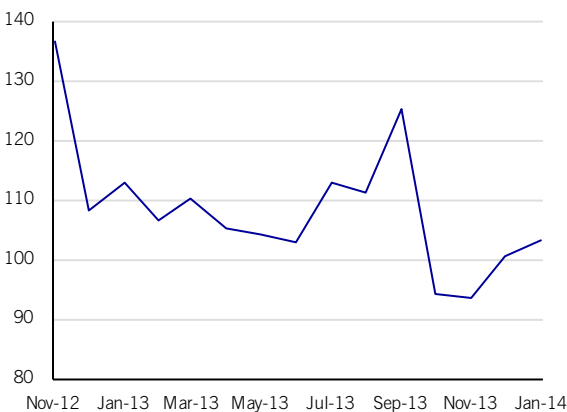
# Stock Investment Indicator Regions and Components



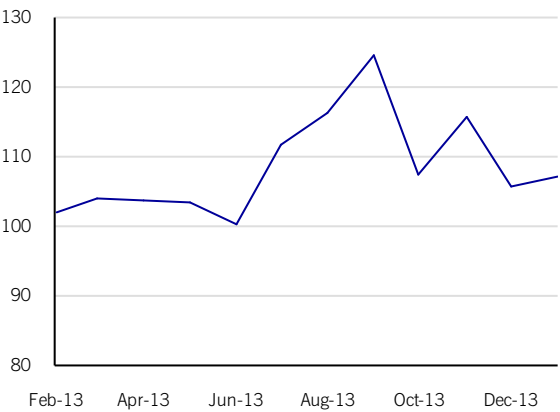
Stock Investment Indicator - Components



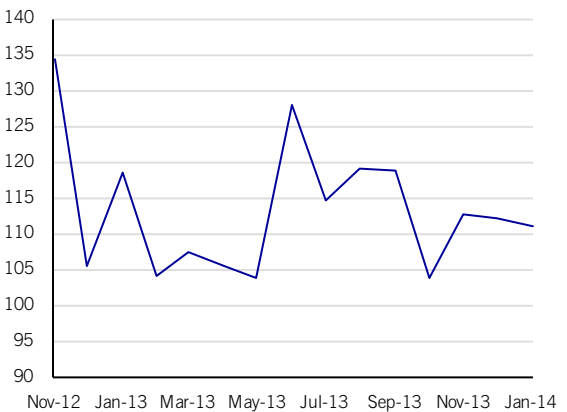
Investment Return



Stock Price Sentiment



Stock Market Expectation



# House Buying Sentiment has been falling throughout 2013, apart from an uptick in December.

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In January, there was a significant increase in the proportion of respondents who said it was a very bad time to buy a house.

# The Employment Outlook worsened for the second consecutive month in January.

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Survey participants forecasting an improvement in employment totalled 40.3% in January, down from almost 50% in December.



## Real Estate Investment Indicator Remains Broadly Stable



The Real Estate Investment Indicator, which gauges whether it is a good time to invest in the housing market, remained broadly stable in January following increases in the past three months.

The indicator stood at 114.2 in January compared with 114.4 in December, close to the series average of 114.3.

The Real Estate Investment Indicator is composed of three sub-indicators; House Price Expectations, House Buying Sentiment and House Selling Sentiment.

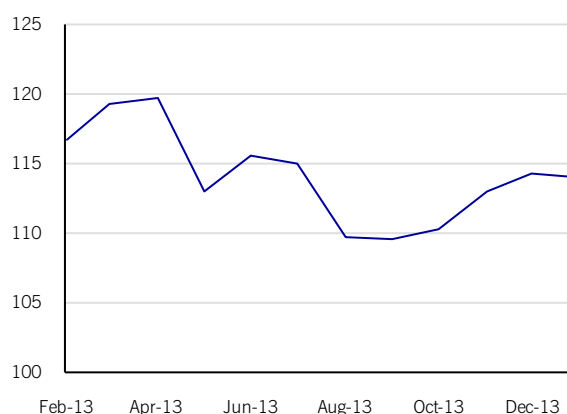
House Buying Sentiment has fallen throughout the past year, apart from an uptick in December. The start of 2014 saw weak house buying sentiment with the indicator falling by 9.4% to 94.9 from 104.8 in December, possibly due to seasonal factors.

There was a significant increase in the proportion of respondents who said it was a very bad time to buy a house. Moreover, the proportion of respondents who did not know or did not answer has been increasing every month, an indication of rising uncertainty about the RBI's action on interest rates.

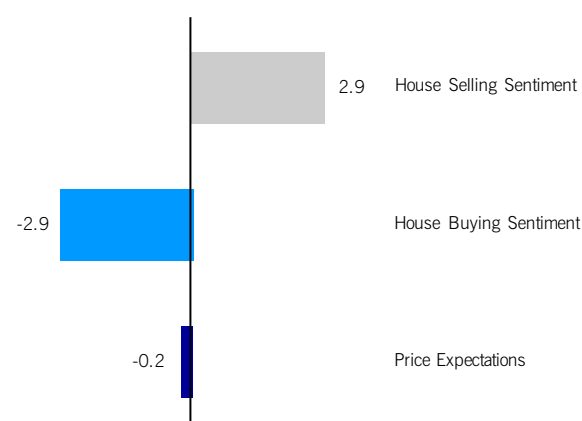
Most consumers continued to think that prices would rise in the next six months as the House Price Expectations Indicator remained broadly stable at 143.1 in January compared with 143.8 in December.

The proportion of respondents who thought house prices would rise in the next six months stood at 63.7%, down from 69.7% previously.

Real Estate Investment Indicator



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



### Real Estate Investment Sentiment

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Real Estate Investment Sentiment	-	109.8	109.7	110.4	113.2	114.4	114.2
Price Expectations	-	140.8	144.7	148.6	147.9	143.8	143.1
House Buying	106.1	100.6	98.1	95.0	92.8	104.8	94.9
House Selling	112.5	111.9	113.6	112.5	101.2	105.4	95.5

## Real Estate Investment Indicator Components and Balances

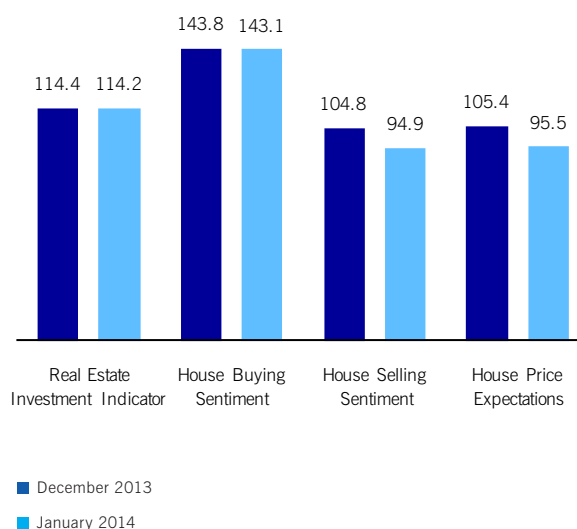


The House Selling Sentiment component decreased to 95.5 in January from 105.4 in December, the lowest since the survey started in November 2012. The component has a negative impact on the Real Estate Investment Indicator and the January rise offset the decline in House Buying Sentiment.

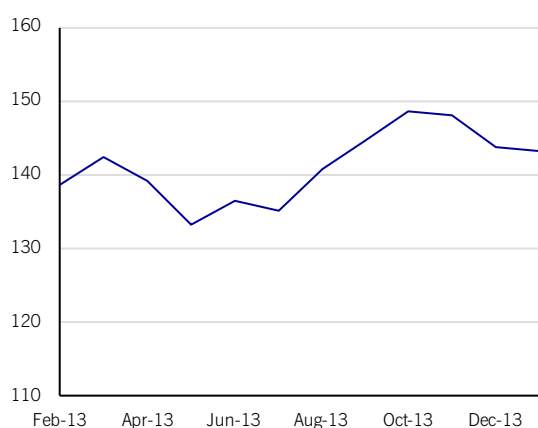
### Regions

The Real Estate Investment Indicator rose strongly in both East and West India, the latter hitting a record high on the month. The indicator fell in the North, South and Central regions after picking up in the previous month, though all remained above the 100 breakeven mark.

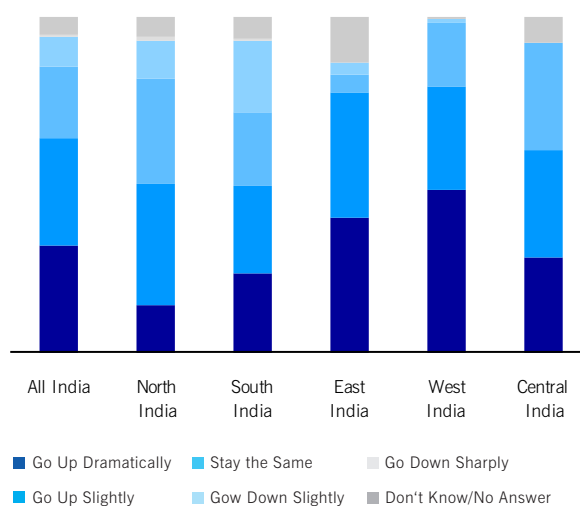
### Real Estate Investment Indicator - Components



### Real Estate Prices: Expected Changes in Next 6 Months

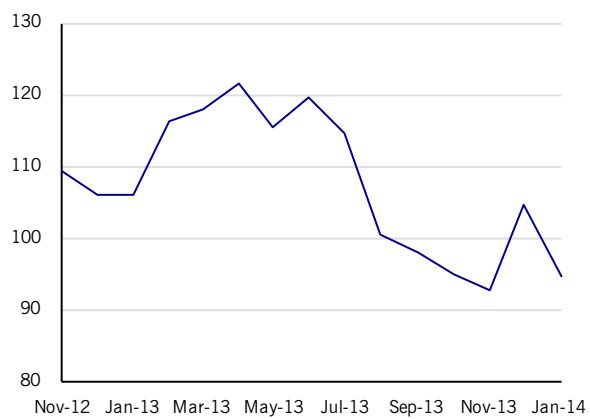


### Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

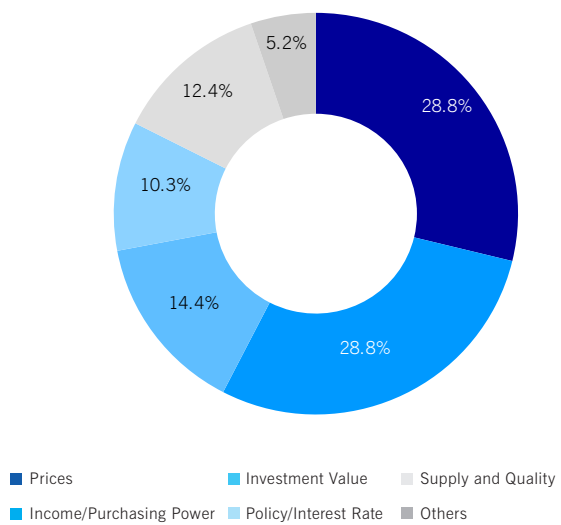




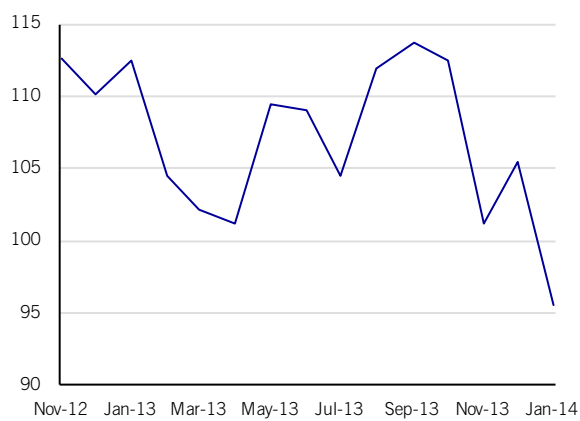
### House Buying Sentiment



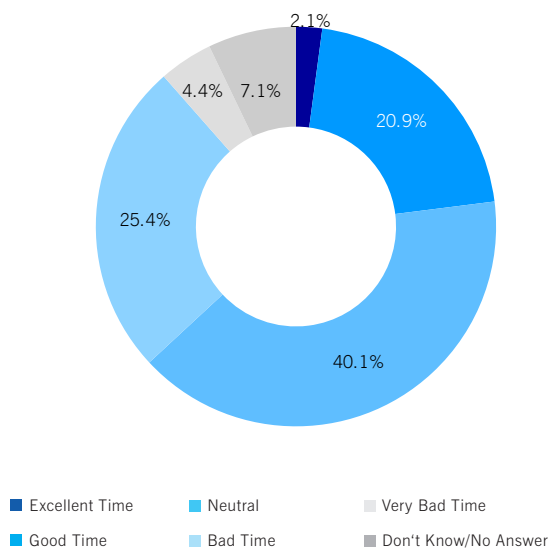
### Reasons for Buying Houses (% of Households)



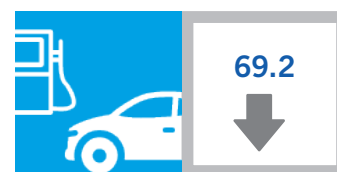
### House Selling Sentiment



### Timing for Selling Houses (% of Households)



## Car Purchase Indicator Declines Again



The Car Purchase Indicator fell in January as car purchase expectations declined and the expectations for the price of gasoline rose.

The indicator fell to 69.2 in January from 73.8 in December, a fall of 6.2% on the month, having been buoyed in recent months by the festive season which is a good time to buy a car due to the heavy discounts offered by car retailers.

According to the latest data from the Society of Indian Automobile Manufacturers, passenger car sales were down by 10% in 2013, the first time in a decade that sales have fallen. In December, car sales were down by 4.5% compared to the same period a year earlier, the third consecutive month of decline.

The Car Purchase Sentiment Indicator is made up of two components, Car Purchase Expectations and Price of Gasoline Expectations, with the latter having a negative impact on the indicator as higher fuel costs dampen car purchase sentiment.

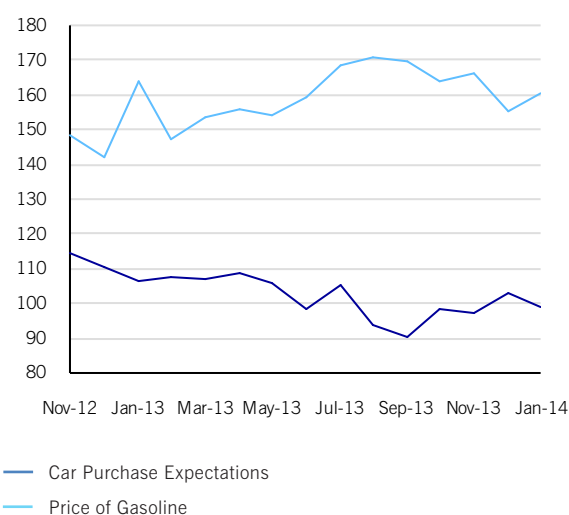
The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, declined almost 4% on the month to 99.0 from 103.0 in December, back below the 100 breakeven mark.

The Indicator on Gasoline Prices, which measures expectations for the price of gasoline in a year, increased to 160.6 in January following December's decline to 155.4.

Car Purchase Indicator



Car Purchase Indicator - Components



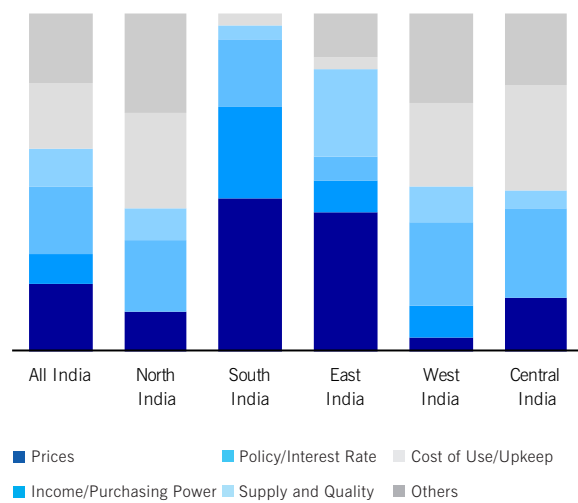
Car Purchase Sentiment

	Jan-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Car Purchase Sentiment	71.5	61.6	60.1	67.1	65.7	73.8	69.2
Car Purchase Expectations	106.9	94.3	90.3	98.4	97.7	103.0	99.0
Price of Gasoline	164.0	171.0	170.2	164.1	166.3	155.4	160.6

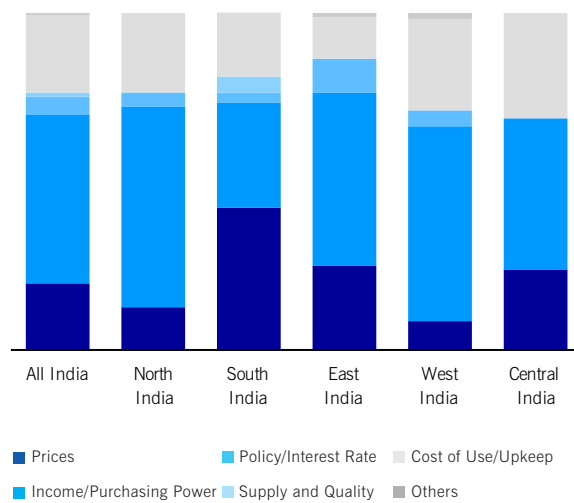
## Car Purchase Indicator Regions



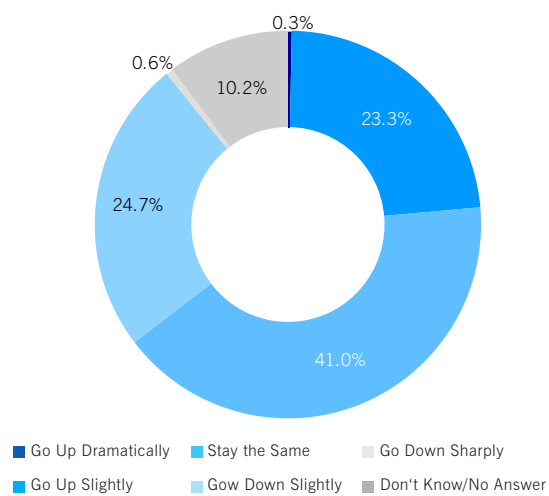
Reasons for a Good Time to Buy a Car  
(% of Households)



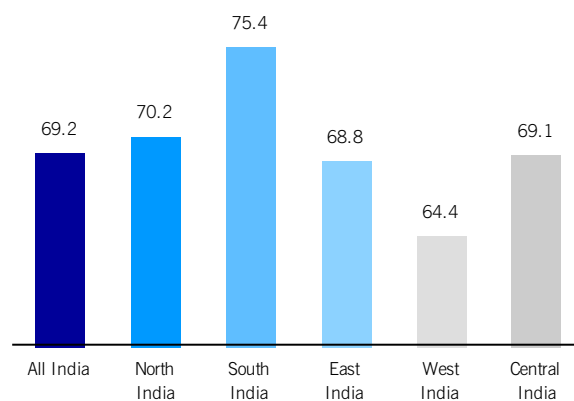
Reasons for a Bad Time to Buy a Car  
(% of Households)



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



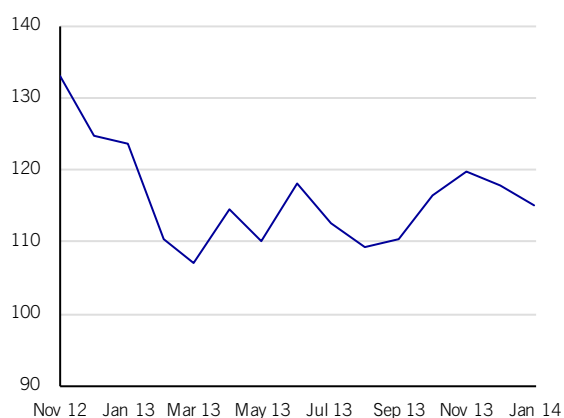
Car Purchase Expectations Indicator - Regions



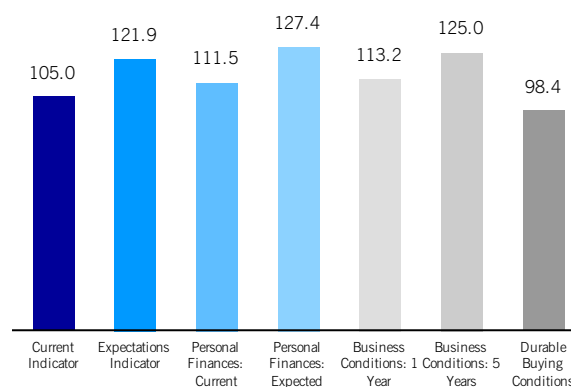
# MNI India Consumer Indicator Regions



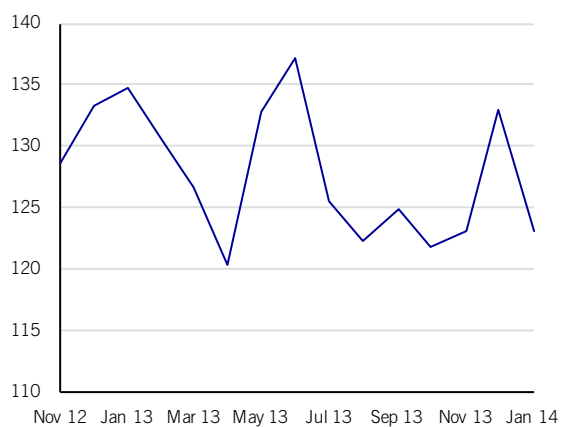
Consumer Indicator: North India



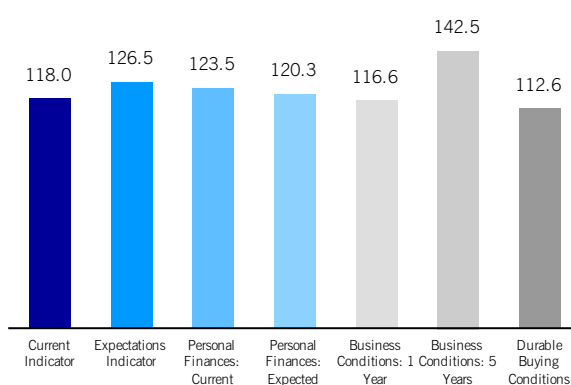
Consumer Indicator Components: North India



Consumer Indicator: South India

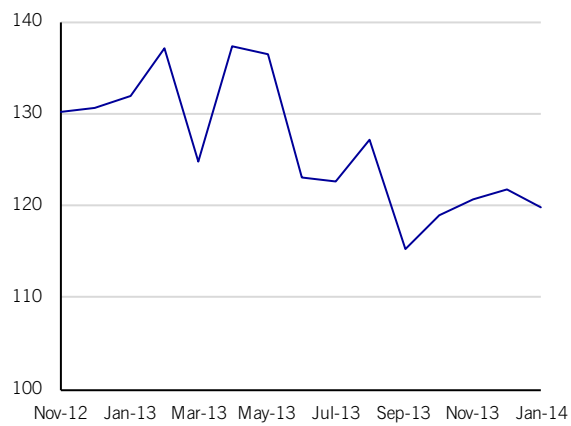


Consumer Indicator Components: South India

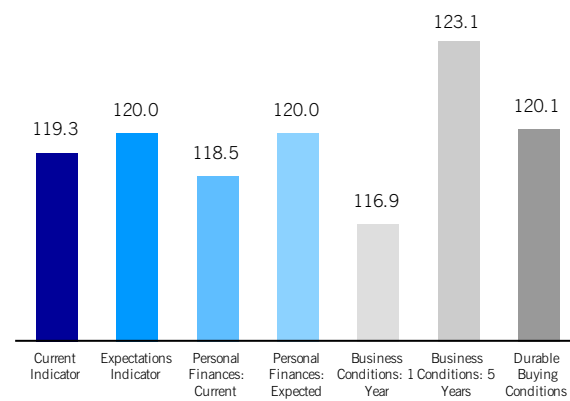




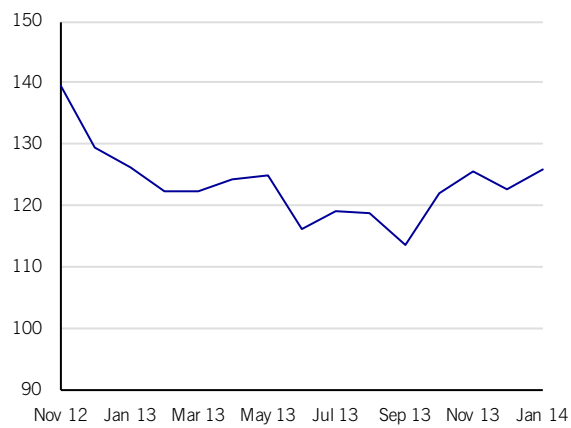
Consumer Indicator: East India



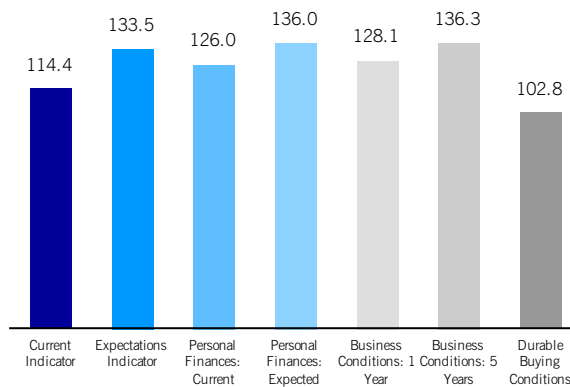
Consumer Indicator Components: East India



Consumer Indicator: West India

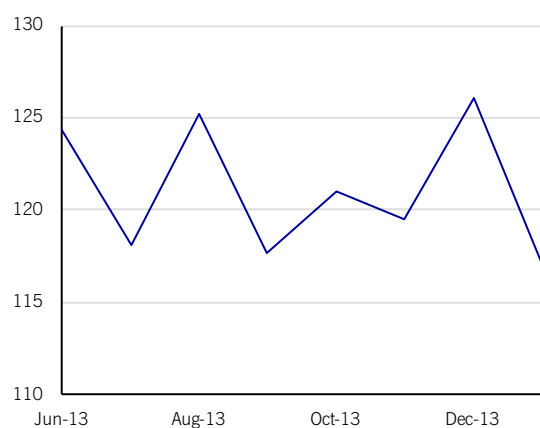


Consumer Indicator Components: West India

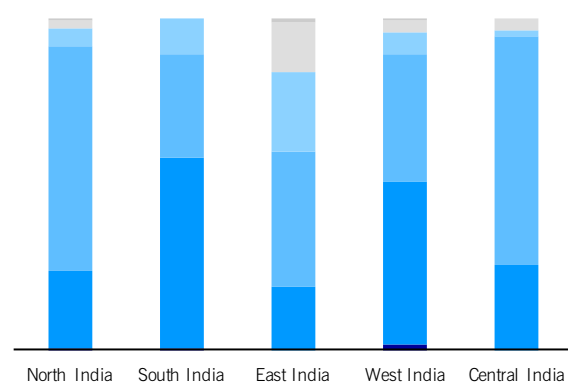




### Consumer Indicator: Central India

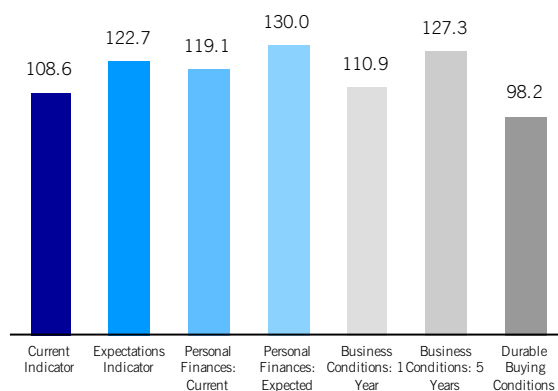


### Employment Outlook for the Next 12 Months (% of Households)

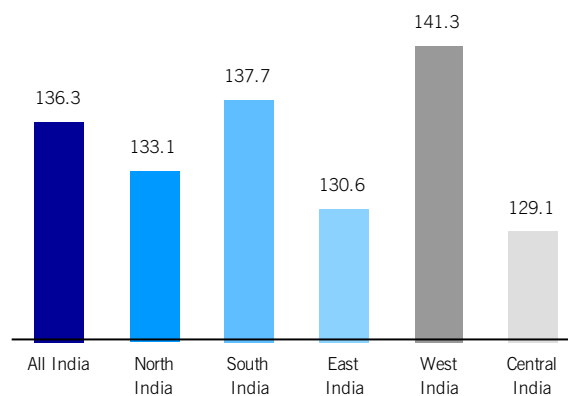


■ Much Better    ■ About the Same    ■ Much Worse  
 ■ A Little Better    ■ A Little Worse    ■ Don't Know/No Answer

### Consumer Indicator Components: Central India



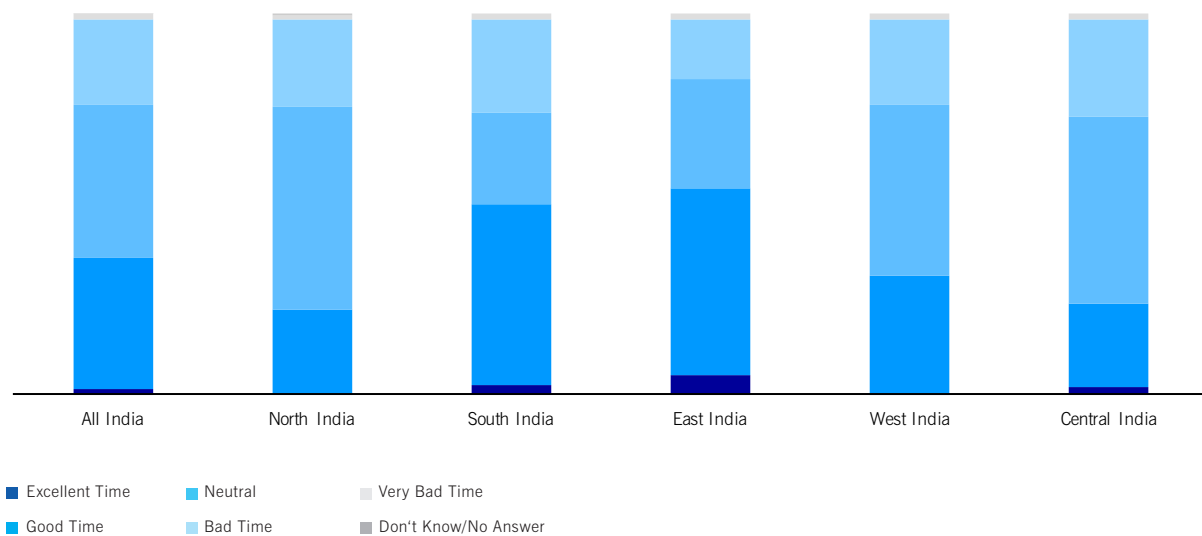
### Expected Interest Rate on House and Car Loans Indicator



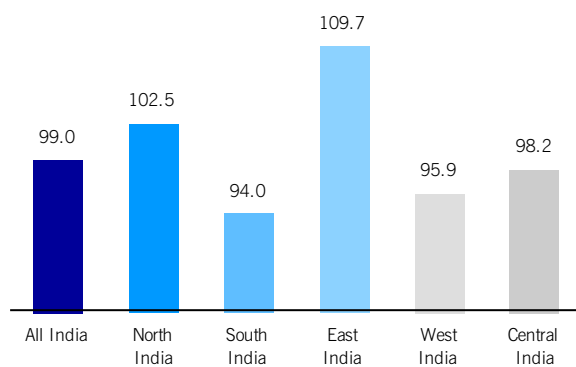




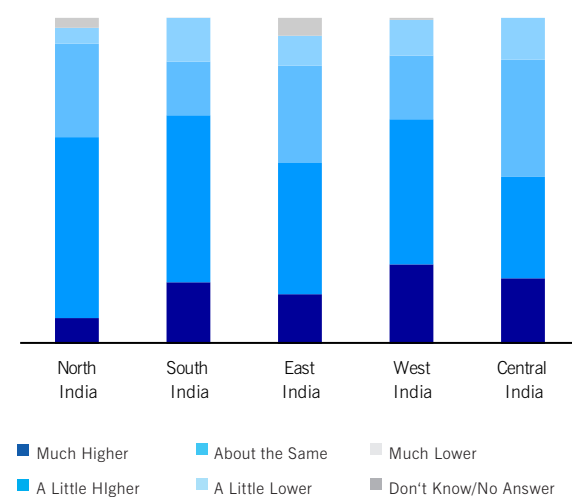
### Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



### Car Purchase Expectations - Regions



### Interest Rates Expectations (% of Households)

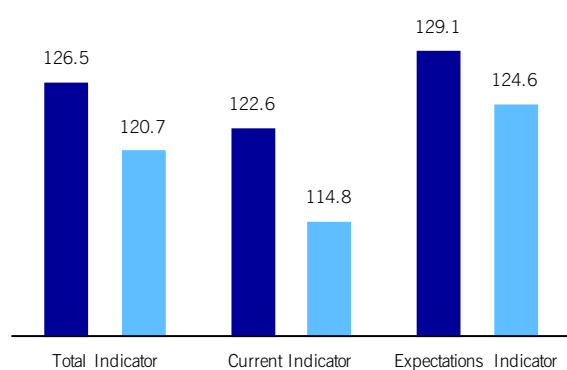


## MNI India Consumer Indicator

### Income Groups



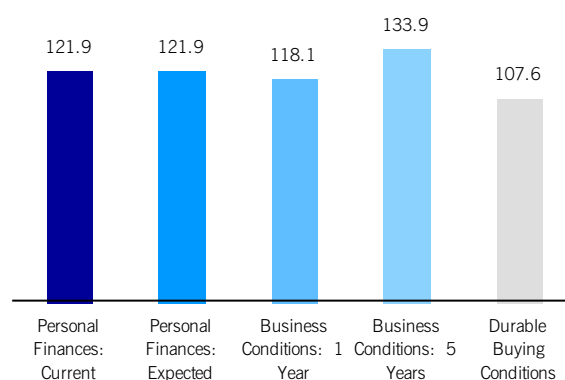
#### < INR 432,000 per annum



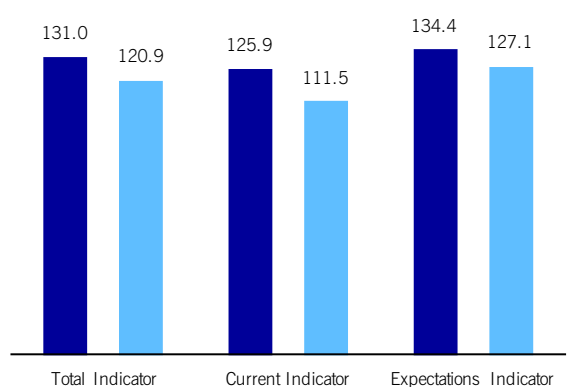
■ December 2013

■ January 2014

#### < INR 432,000 - Components



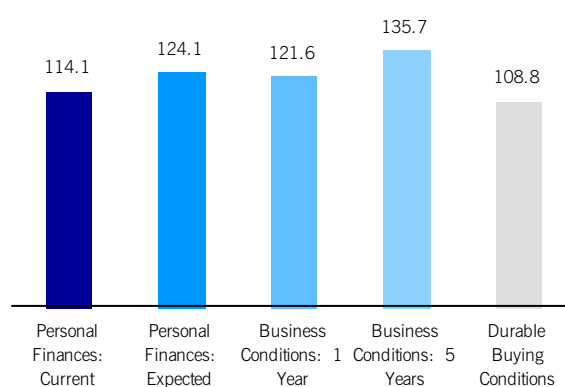
#### > INR 432,000 per annum



■ December 2013

■ January 2014

#### > INR 432,000 - Components



# Car purchase expectations declined and the expectations for the price of gasoline rose.

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The petrol price was hiked by 75 paise and diesel by 50 paise a litre in January as rise in global oil prices and fall in the rupee increased costs.



# What the Panel Said

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

"Gasoline prices are continuously rising and hence I cannot afford to buy a two wheeler vehicle."

"No change in business condition."

"Inflation is totally out of government's control and we are waiting for the elections for things to change."

"New Government of Aam Aadmi Party will do something good for development of Delhi, they started well by reducing electricity rates."

"We can't afford to buy consumer durables due to high inflation."

"I am very disappointed with the growing prices of household and food products."

"In Uttar Pradesh, crime is increasing day by day because of rising unemployment."

"Inflation is out of control. The Government should do some changes."

"Gasoline prices are high so it is not easy to afford a car."

"There are house buying schemes in Ahmadabad so a common person can buy a house."

"If the current government changes, business conditions would become better."

"If people elect BJP in the upcoming elections, then business conditions might get better."

"The rate of inflation is too high, it has become too hard to live daily life."

"Government should increase the price of cigarettes and alcohol instead of the daily household goods."

"In Faridabad, property rates will fall by 10-20% in coming months."

"Discounts are available on consumer durables so I can afford to buy."

"Poor policies by local government are affecting business conditions."

"Due to an increase in prices of household goods, people cannot afford to buy luxury items."

"Different schemes are available to purchase a car so it is a good time to buy it."

"A change in government can bring about a change in inflation rate too."

# The decline in the Consumer Indicator was led by South and Central India.

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Consumer confidence increased only in West India to the highest for year.



# Data Tables

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

## North India Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>North India Consumer Indicator</b>	119.7	117.8	115.1	-	Sep-13	117.5	-2.7	-2.2%
Current Indicator	113.6	111.1	105.0	-	Sep-13	109.9	-6.1	-5.5%
Expectations Indicator	123.8	122.2	121.9	-	Oct-13	122.6	-0.3	-0.3%
Personal Finance: Current	118.2	116.0	111.5	-	Oct-13	115.3	-4.5	-3.9%
Personal Finance: Expected	122.9	126.4	127.4	Jan-13	-	125.6	1.0	0.8%
Business Condition: 1 Year	118.4	114.1	113.2	-	Sep-13	115.2	-0.9	-0.7%
Business Condition: 5 Year	129.9	126.2	125.0	-	Sep-13	127.0	-1.2	-0.9%
Durable Buying Conditions	108.9	106.1	98.4	-	Sep-13	104.5	-7.7	-7.3%
Current Business Conditions Indicator	109.7	105.2	98.2	-	Aug-13	104.4	-7.0	-6.7%
Stock Investment Indicator	99.8	109.4	105.6	-	Nov-13	105.0	-3.8	-3.5%
Real Estate Investment Indicator	111.1	113.1	110.0	-	Oct-13	111.4	-3.1	-2.8%
Car Purchase Indicator	61.5	68.7	70.2	Mar-13	-	66.8	1.5	2.1%
Employment Outlook Indicator	119.1	112.8	107.4	-	Sep-13	113.1	-5.4	-4.8%
Inflation Expectations Indicator	157.4	151.6	149.6	-	Aug-13	152.9	-2.0	-1.4%
Current Prices Satisfaction Indicator	57.9	68.7	75.1	Aug-13	-	67.2	6.4	9.4%
Interest Rates Expectations Indicator	135.7	137.9	133.1	-	Oct-13	135.5	-4.8	-3.5%



### South India Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>South India Consumer Indicator</b>	123.1	133.0	123.1	-	Oct-13	126.4	-9.9	-7.4%
Current Indicator	120.3	132.3	118.0	-	Oct-13	123.6	-14.3	-10.8%
Expectations Indicator	125.0	133.5	126.5	-	Nov-13	128.3	-7.0	-5.2%
Personal Finance: Current	126.9	137.3	123.5	-	Oct-13	129.2	-13.8	-10.0%
Personal Finance: Expected	120.1	129.0	120.3	-	Nov-13	123.1	-8.7	-6.7%
Business Condition: 1 Year	114.7	124.8	116.6	-	Nov-13	118.7	-8.2	-6.6%
Business Condition: 5 Year	140.1	146.6	142.5	-	Nov-13	143.1	-4.1	-2.8%
Durable Buying Conditions	113.8	127.4	112.6	-	Oct-13	117.9	-14.8	-11.6%
Current Business Conditions Indicator	116.4	128.0	118.0	-	Nov-13	120.8	-10.0	-7.8%
Stock Investment Indicator	98.0	100.0	102.0	Jul-13	-	100.0	2.0	2.0%
Real Estate Investment Indicator	111.7	119.4	109.0	-	Jul-13	113.3	-10.4	-8.7%
Car Purchase Indicator	71.9	83.4	75.4	-	Nov-13	76.9	-8.0	-9.6%
Employment Outlook Indicator	129.8	142.5	124.0	-	Oct-13	132.1	-18.5	-13.0%
Inflation Expectations Indicator	161.9	149.7	166.0	Feb-13	-	159.2	16.3	10.9%
Current Prices Satisfaction Indicator	74.8	112.5	73.5	-	Mar-13	86.9	-39.0	-34.7%
Interest Rates Expectations Indicator	133.7	144.0	137.7	-	Nov-13	138.5	-6.3	-4.3%

## East India Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>East India Consumer Indicator</b>	120.6	121.7	119.7	-	Oct-13	120.7	-2.0	-1.6%
Current Indicator	116.0	121.9	119.3	-	Nov-13	119.1	-2.6	-2.1%
Expectations Indicator	123.7	121.6	120.0	-	series low	121.8	-1.6	-1.3%
Personal Finance: Current	118.1	107.6	118.5	Aug-13	-	114.8	10.9	10.1%
Personal Finance: Expected	131.1	134.3	120.0	-	Sep-13	128.5	-14.3	-10.7%
Business Condition: 1 Year	108.6	100.8	116.9	Aug-13	-	108.7	16.1	16.0%
Business Condition: 5 Year	131.5	129.6	123.1	-	Jan-13	128.0	-6.5	-5.0%
Durable Buying Conditions	113.8	136.3	120.1	-	Nov-13	123.4	-16.2	-11.8%
Current Business Conditions Indicator	102.9	106.2	100.6	-	series low	103.3	-5.6	-5.3%
Stock Investment Indicator	83.3	-	100.0	Oct-13	-	-	-	-
Real Estate Investment Indicator	115.8	108.1	115.4	Nov-13	-	113.1	7.3	6.7%
Car Purchase Indicator	60.7	65.7	68.8	May-13	-	65.1	3.1	4.7%
Employment Outlook Indicator	100.4	74.4	82.5	Nov-13	-	85.7	8.1	10.8%
Inflation Expectations Indicator	172.7	169.8	135.5	-	Mar-13	159.3	-34.3	-20.2%
Current Prices Satisfaction Indicator	63.7	52.3	69.5	Oct-13	-	61.8	17.2	32.9%
Interest Rates Expectations Indicator	152.4	147.5	130.6	-	Mar-13	143.5	-16.9	-11.4%

## West India Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>West India Consumer Indicator</b>	125.5	122.6	125.8	Jan-13	-	124.7	3.2	2.7%
Current Indicator	119.3	114.2	114.4	Nov-13	-	116.0	0.2	0.2%
Expectations Indicator	129.7	128.1	133.5	Nov-12	-	130.4	5.4	4.1%
Personal Finance: Current	129.5	122.6	126.0	Nov-13	-	126.1	3.4	2.8%
Personal Finance: Expected	129.0	134.5	136.0	Apr-13	-	133.1	1.5	1.1%
Business Condition: 1 Year	123.4	120.1	128.1	Jan-13	-	123.9	8.0	6.7%
Business Condition: 5 Year	136.7	129.9	136.3	Nov-13	-	134.3	6.4	4.9%
Durable Buying Conditions	109.1	105.9	102.8	-	Sep-13	105.9	-3.1	-2.9%
Current Business Conditions Indicator	109.5	114.8	115.7	May-13	-	113.3	0.9	0.8%
Stock Investment Indicator	89.7	102.0	99.3	-	Nov-13	97.0	-2.7	-2.7%
Real Estate Investment Indicator	114.0	113.6	120.3	series high	-	116.0	6.7	5.9%
Car Purchase Indicator	65.0	73.0	64.4	-	Sep-13	67.5	-8.6	-11.9%
Employment Outlook Indicator	124.3	120.6	119.3	-	Sep-13	121.4	-1.3	-1.0%
Inflation Expectations Indicator	155.2	150.1	156.2	series high	-	153.8	6.1	4.1%
Current Prices Satisfaction Indicator	79.4	91.9	79.8	-	Nov-13	83.7	-12.1	-13.2%
Interest Rates Expectations Indicator	142.5	138.0	141.3	Nov-13	-	140.6	3.3	2.4%

## Central India Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Central India Consumer Indicator</b>	119.5	126.1	117.1	-	May-13	120.9	-9.0	-7.1%
Current Indicator	107.3	119.9	108.6	-	Nov-13	111.9	-11.3	-9.4%
Expectations Indicator	127.6	130.2	122.7	-	Jul-13	126.8	-7.5	-5.8%
Personal Finance: Current	106.4	123.7	119.1	-	Nov-13	116.4	-4.6	-3.7%
Personal Finance: Expected	122.7	131.4	130.0	-	Nov-13	128.0	-1.4	-1.0%
Business Condition: 1 Year	122.7	123.7	110.9	-	May-13	119.1	-12.8	-10.4%
Business Condition: 5 Year	137.3	135.6	127.3	-	Oct-13	133.4	-8.3	-6.1%
Durable Buying Conditions	108.2	116.1	98.2	-	May-13	107.5	-17.9	-15.4%
Current Business Conditions Indicator	88.2	116.1	97.3	-	Nov-13	100.5	-18.8	-16.2%
Stock Investment Indicator	105.6	98.0	133.3	Jul-13	-	112.3	35.3	36.1%
Real Estate Investment Indicator	113.5	118.4	115.5	-	Nov-13	115.8	-2.9	-2.5%
Car Purchase Indicator	73.6	79.7	69.1	-	Oct-13	74.1	-10.6	-13.3%
Employment Outlook Indicator	121.8	118.6	108.2	-	May-13	116.2	-10.4	-8.8%
Inflation Expectations Indicator	147.3	144.9	147.3	Nov-13	-	146.5	2.4	1.6%
Current Prices Satisfaction Indicator	66.4	99.2	77.3	-	Nov-13	80.9	-21.9	-22.1%
Interest Rates Expectations Indicator	120.9	134.7	129.1	-	Nov-13	128.2	-5.6	-4.2%

## All India Overview by Age

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Age 18-34</b>								
<b>MNI India Consumer Indicator</b>	122.1	124.0	123.4	-	Nov-13	123.2	-0.6	-0.5%
Current Indicator	117.2	118.6	118.0	-	Nov-13	117.9	-0.6	-0.4%
Expectations Indicator	125.3	127.6	127.0	-	Nov-13	126.6	-0.6	-0.5%
Personal Finance: Current	121.7	121.9	124.2	May-13	-	122.6	2.3	1.9%
Personal Finance: Expected	125.6	130.4	130.0	-	Nov-13	128.7	-0.4	-0.3%
Business Condition: 1 Year	115.2	117.2	117.3	Oct-13	-	116.6	0.1	0.1%
Business Condition: 5 Year	135.2	135.1	133.6	-	Sep-13	134.6	-1.5	-1.1%
Durable Buying Conditions	112.8	115.2	111.8	-	Sep-13	113.3	-3.4	-2.9%
<b>Age 35-54</b>								
<b>MNI India Consumer Indicator</b>	123.2	125.4	121.4	-	Oct-13	123.3	-4.0	-3.2%
Current Indicator	117.8	121.8	112.6	-	Oct-13	117.4	-9.2	-7.5%
Expectations Indicator	126.8	127.8	127.2	-	Nov-13	127.3	-0.6	-0.5%
Personal Finance: Current	125.3	124.6	121.3	-	Oct-13	123.7	-3.3	-2.6%
Personal Finance: Expected	125.9	133.0	128.2	-	Nov-13	129.1	-4.8	-3.6%
Business Condition: 1 Year	119.8	117.3	120.2	Jul-13	-	119.1	2.9	2.5%
Business Condition: 5 Year	134.8	133.0	133.1	Nov-13	-	133.7	0.1	0.1%
Durable Buying Conditions	110.4	119.1	104.0	-	Oct-13	111.1	-15.1	-12.7%
<b>Age 55-64</b>								
<b>MNI India Consumer Indicator</b>	122.4	120.9	116.9	-	Oct-13	120.1	-4.0	-3.3%
Current Indicator	117.6	117.9	106.2	-	Oct-13	113.9	-11.7	-9.9%
Expectations Indicator	125.7	122.9	124.0	Nov-13	-	124.2	1.1	0.9%
Personal Finance: Current	124.7	122.5	109.9	-	Oct-13	119.0	-12.6	-10.3%
Personal Finance: Expected	124.2	128.3	119.8	-	Oct-13	124.1	-8.5	-6.6%
Business Condition: 1 Year	119.5	117.6	122.8	Jan-13	-	119.9	5.2	4.4%
Business Condition: 5 Year	133.3	122.9	129.5	Nov-13	-	128.6	6.6	5.4%
Durable Buying Conditions	110.4	113.3	102.6	-	Oct-13	108.8	-10.7	-9.5%

## All India - Overview by Income

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< INR 432,000 per annum								
<b>MNI India Consumer Indicator</b>	125.4	126.5	120.7	-	Sep-13	124.2	-5.8	-4.6%
Current Indicator	119.7	122.6	114.8	-	Oct-13	119.0	-7.8	-6.4%
Expectations Indicator	129.2	129.1	124.6	-	Sep-13	127.6	-4.5	-3.4%
Personal Finance: Current	124.6	122.0	121.9	-	Oct-13	122.8	-0.1	-0.1%
Personal Finance: Expected	126.9	133.5	121.9	-	Sep-13	127.5	-11.6	-8.7%
Business Condition: 1 Year	118.4	115.1	118.1	Nov-13	-	117.2	3.0	2.6%
Business Condition: 5 Year	142.4	138.6	133.9	-	Sep-13	138.3	-4.7	-3.4%
Durable Buying Conditions	114.9	123.2	107.6	-	Sep-13	115.2	-15.6	-12.6%
> INR 432,000 per annum								
<b>MNI India Consumer Indicator</b>	125.2	131.0	120.9	-	Sep-13	125.7	-10.1	-7.7%
Current Indicator	117.6	125.9	111.5	-	Jan-13	118.4	-14.4	-11.5%
Expectations Indicator	130.3	134.4	127.1	-	Oct-13	130.6	-7.3	-5.4%
Personal Finance: Current	124.5	133.6	114.1	-	Jan-13	124.1	-19.5	-14.5%
Personal Finance: Expected	125.0	135.2	124.1	-	Oct-13	128.1	-11.1	-8.2%
Business Condition: 1 Year	121.7	128.5	121.6	-	Sep-13	123.9	-6.9	-5.4%
Business Condition: 5 Year	144.1	139.5	135.7	-	Oct-13	139.7	-3.8	-2.7%
Durable Buying Conditions	110.8	118.3	108.8	-	Sep-13	112.7	-9.5	-8.0%

## 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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