



**mni** | DEUTSCHE BÖRSE  
GROUP

# MNI India Consumer Report February 2014

Insight and data for better decisions

## About MNI Indicators

### Insight and data for better decisions

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

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

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

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

MNI Indicators is part of MNI, a leading provider of news and intelligence. MNI is a wholly owned subsidiary of Deutsche Börse Group, one of the largest worldwide exchange organisations.

#### Written and researched by

Philip Uglow, Chief Economist

Shaily Mittal, Economist

#### MNI Indicators | Deutsche Börse Group

Westferry House

11 Westferry Circus

London

E14 4HE

Tel: +44 (0)20 7862 7444

Email: [info@mni-indicators.com](mailto:info@mni-indicators.com)

[support@mni-indicators.com](mailto:support@mni-indicators.com)

[www.mni-indicators.com](http://www.mni-indicators.com)

@MNIIndicators

# MNI India Consumer Report - February 2014

## Contents

<b>4</b>	<b>Editorial</b>
<b>6</b>	<b>Executive Summary</b>
<b>12</b>	<b>Economic Landscape</b>
<b>16</b>	<b>Indicators</b>
17	MNI India Consumer Indicator
24	Personal Finances
27	Current Business Conditions
30	Durable Buying Conditions
31	Employment Outlook
33	Prices Sentiment
36	Interest Rate Expectations Indicator
37	Stock Investment Indicator
41	Real Estate Investment Indicator
44	Car Purchase Indicator
46	Consumer Sentiment - Regions
50	Consumer Sentiment - Income Group
<b>52</b>	<b>What the Panel Said</b>
<b>55</b>	<b>Data Tables</b>
<b>63</b>	<b>Methodology</b>



# It's Not all the Fed's Fault

---

Reserve Bank of India Governor Raghuram Rajan has lambasted US monetary policy for not taking emerging markets into consideration.

Reserve Bank of India Governor Raghuram Rajan has lambasted US monetary policy for not taking emerging markets into consideration. While it's true that the Federal Reserve doesn't appear at all sensitive to the problems their domestic policies cause, unwinding quantitative easing is a key step on the path back to normalisation.

As emerging markets around the world were once again thrown into turmoil this year, some expected, or hoped, that the US Fed would hold back on their tapering of asset purchases which began in December. It was not to be and the Fed trimmed purchases of treasuries and mortgage backed securities to \$65 billion.

Many erupted with consternation that in a statement accompanying the move, the Fed didn't even mention emerging markets. The Fed would argue that its remit is domestic, although clearly its actions reverberate globally.

"International monetary co-operation has broken down," said Rajan in a recent interview. "Industrial countries have to play a part in restoring that [co-operation], and they can't at this point wash their hands off and say, we'll do what we need to and you do the adjustment."

Still, the Fed's tapering has been flagged well in advance and monetary policy in the US needs to adjust at some point. I doubt there would ever be a good time to turn off the monetary tap.

Since taking over as Governor of the RBI in September, Rajan has made all the right noises for global markets. He has set his sight clearly on inflation and raised official interest rates three times since coming to office, most recently in late January, when against the judgement of his colleagues, he decided to hike the policy rate by 25 basic points to 8%. Importantly, his decisions have never been taken with a sense of panic but he has always focused on the long-term goals - the move to introduce an inflation targeting regime is a case in point.

The currency has outperformed most other emerging markets since Rajan took office. While growth remains poor, the current account deficit has shrunk, helped by curbs on gold imports, and foreign exchange reserves have increased. Financial markets have now turned their attention to perceived more vulnerable countries such as Turkey or Argentina.

India, though, is by no means out of the woods and while the central bank can better formulate its policy framework to attempt to eradicate the current damaging high rate of inflation, it is the government that needs to take action to ensure India continues to grow. With the May elections looming, India could yet find itself back in the firing line.

**Philip Uglow**

Chief Economist

MNI Indicators



# Executive Summary

---

The Consumer Indicator increased to 127.8 in February from 121.2 in January, leaving sentiment 4% above the level seen a year ago. This gain was the first annual rise on record following three months of declines.

The MNI India Consumer Indicator increased to the highest level since December 2012, driven by a rise in both current and future expectations. All five components which make up the MNI India Consumer Indicator increased in February.

The Consumer Indicator increased 5.4% on the month to 127.8 in February from 121.2 in January. The latest increase left sentiment 4% above the same level a year ago, and was the first annual rise on record following three months of declines.

The increase in the MNI India Consumer Indicator was seen in all five regions, with consumers in South India the most optimistic and North India the least. Sentiment improved in five out of the ten major Indian cities in February – Kolkata, Bangalore, Chennai, Pune and Surat. Confidence improved sharply in Bangalore to make it the most optimistic city in February.

Consumer sentiment also improved in all age groups in February, with optimism the greatest among 35 to 54 year olds and the least among the 55-64 age range.

Current Personal Finances rose from 120.5 in January to 125.3 in February, the highest level since January 2013, while Expected Personal Finances accelerated to 137.4 from 127.8 in January, posting the highest reading in 15 months.

Perceptions about the current state of business improved in February, with the indicator rising from 108.9 in January to 116.0, the highest level since June 2013.

Business expectations also improved. The indicator measuring Expectations for Business Conditions in a Year increased to 128.2 from 119.3 in January. Longer term, Expectations for Business Conditions in Five Years increased to 136.9 from 132.7 previously.

The Employment Outlook Indicator improved to 121.8

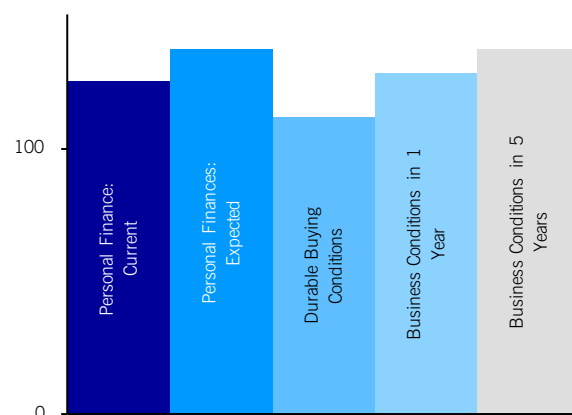
in February, following two consecutive monthly declines, up from January's record low of 112.0 and 8.6% above the same period a year earlier.

Concerns over the current level of prices and expectations for inflation in a year's time increased further in February. The Satisfaction with Current Prices Indicator declined to 75.4 in February from 75.7 in January, while the Inflation Expectations Indicator rose to 154.8 in February from 153.6 in January.

The Real Estate Investment Indicator, which gauges whether it is a good time to invest in the housing market, rose close to 119.1 in February from 114.2 in January, a level last seen in April 2013, when it hit a record high.

The Car Purchase Indicator picked up in February as car purchase expectations improved and expectations for the price of gasoline fell. The indicator increased to 73.0 in February from 69.2 in January. This was close to levels seen in December last year which was buoyed by heavy discounts offered by car retailers.

#### MNI India Consumer Indicator - Components



## All India - Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI India Consumer Indicator</b>	123.9	121.2	127.8	Dec-12	-	124.3	6.6	5.4%
Current Indicator	119.0	113.2	118.4	Dec-13	-	116.9	5.2	4.5%
Expectations Indicator	127.2	126.6	134.2	Nov-12	-	129.3	7.6	6.0%
Personal Finance: Current	122.5	120.5	125.3	Jan-13	-	122.8	4.8	4.0%
Personal Finance: Expected	131.0	127.8	137.4	Nov-12	-	132.1	9.6	7.6%
Business Condition: 1 Year	117.4	119.3	128.2	Jan-13	-	121.6	8.9	7.4%
Business Condition: 5 Year	133.1	132.7	136.9	Nov-12	-	134.2	4.2	3.2%
Durable Buying Conditions	115.5	106.0	111.4	Dec-13	-	111.0	5.4	5.1%
Current Business Conditions Indicator	114.5	108.9	116.0	Jun-13	-	113.1	7.1	6.6%
Stock Investment Indicator	102.3	102.3	105.1	Sep-13	-	103.2	2.8	2.8%
Real Estate Investment Indicator	114.4	114.2	119.1	Apr-13	-	115.9	4.9	4.3%
Car Purchase Indicator	73.8	69.2	73.0	Dec-13	-	72.0	3.8	5.5%
Employment Outlook Indicator	117.6	112.0	121.8	Jun-13	-	117.1	9.8	8.8%
Inflation Expectations Indicator	152.6	153.6	154.8	Nov-13	-	153.7	1.2	0.7%
Current Prices Satisfaction Indicator	86.2	75.7	75.4	-	Nov-13	79.1	-0.3	-0.3%
Interest Rates Expectations Indicator	140.4	136.3	134.6	-	Aug-13	137.1	-1.7	-1.3%



## All India - Summary

	2013												2014
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>MNI India Consumer Indicator</b>	122.9	119.7	123.9	124.5	122.9	119.5	118.7	115.9	120.2	122.5	123.9	121.2	127.8
Current Indicator	115.1	116.8	119.5	120.7	113.7	114.1	113.9	109.3	113.9	117.0	119.0	113.2	118.4
Expectations Indicator	128.1	121.6	126.8	127.0	129.0	123.0	122.0	120.3	124.3	126.2	127.2	126.6	134.2
Personal Finance: Current	123.4	116.6	121.1	122.2	115.8	114.2	116.3	118.0	117.1	123.3	122.5	120.5	125.3
Personal Finance: Expected	132.5	124.0	131.8	131.0	128.3	121.9	122.1	118.4	122.4	125.3	131.0	127.8	137.4
Business Condition: 1 Year	119.7	114.9	117.2	119.4	124.2	121.2	115.3	114.1	119.3	118.2	117.4	119.3	128.2
Business Condition: 5 Year	132.0	126.0	131.6	130.5	134.6	126.0	128.5	128.4	131.3	135.2	133.1	132.7	136.9
Durable Buying Conditions	106.8	117.1	117.9	119.2	111.6	114.0	111.5	100.7	110.7	110.7	115.5	106.0	111.4
<b>Current Business Conditions Indicator</b>	121.2	116.4	120.0	121.0	118.4	113.1	111.4	108.9	108.2	109.1	114.5	108.9	116.0
<b>Stock Investment Indicator</b>	102.9	104.5	102.3	101.4	110.1	105.1	104.5	106.4	96.8	96.8	102.3	102.3	105.1
Investment Return	106.5	110.1	105.1	104.0	102.7	112.7	110.9	125.2	94.0	93.5	100.5	103.0	104.5
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	107.4	103.7
Stock Market Expectations	104.1	107.5	105.5	103.8	127.8	114.6	119.2	118.8	103.8	112.6	112.1	111.1	114.3
<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	119.1
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	152.6
House Buying Sentiment	116.4	118.1	121.5	115.5	119.7	114.7	100.6	98.1	95.0	92.8	104.8	94.9	107.7
House selling Sentiment	104.5	102.2	101.1	109.4	109.0	104.4	111.9	113.6	112.5	101.2	105.4	95.5	102.9
<b>Car Purchase Indicator</b>	80.1	76.6	76.4	75.8	69.5	68.5	61.6	60.1	67.1	65.7	73.8	69.2	73.0
Car Purchase Expectations	107.6	107.3	109.2	106.0	98.5	105.7	94.3	90.3	98.4	97.7	103.0	99.0	103.2
Price of Gasoline Expectations	147.4	154.0	156.4	154.5	159.5	168.7	171.0	170.2	164.1	166.3	155.4	160.6	157.2
<b>Employment Outlook Indicator</b>	112.2	119.1	123.4	127.9	122.6	120.9	119.2	113.2	114.6	121.0	117.6	112.0	121.8
Inflation Expectations Indicator	152.4	145.6	134.0	136.5	143.9	144.4	152.9	156.1	152.4	159.2	152.6	153.6	154.8
Current Prices Satisfaction Indicator	76.7	78.2	96.5	99.7	96.4	93.9	92.6	83.2	90.2	70.2	86.2	75.7	75.4
Interest Rates Expectations Indicator	131.4	116.6	123.0	125.6	120.4	129.6	133.8	136.1	137.5	138.8	140.4	136.3	134.6

## All India - Records

	2013-Current			
	Minimum	Maximum	Mean	Median
<b>MNI India Consumer Indicator</b>	115.9	127.8	121.8	122.5
Current Indicator	109.3	120.7	115.7	115.1
Expectations Indicator	120.3	134.2	125.9	126.6
Personal Finance: Current	114.2	125.3	119.7	120.5
Personal Finance: Expected	118.4	137.4	127.2	127.8
Business Condition: 1 Year	114.1	128.2	119.1	119.3
Business Condition: 5 Year	126.0	136.9	131.3	131.6
Durable Buying Conditions	100.7	119.2	111.8	111.5
<b>Current Business Conditions Indicator</b>	108.2	121.2	114.4	114.5
<b>Stock Investment Indicator</b>	96.8	110.1	103.1	102.9
Investment Return	93.5	125.2	105.6	104.5
Stock Price Sentiment	100.4	124.8	108.2	105.8
Stock Market Expectations	103.8	127.8	112.0	112.1
<b>Real Estate Investment Indicator</b>	109.7	119.9	114.7	114.4
House Price Expectations	133.3	152.6	142.0	142.4
House Buying Sentiment	92.8	121.5	107.7	107.7
House selling Sentiment	95.5	113.6	105.7	104.5
<b>Car Purchase Indicator</b>	60.1	80.1	70.6	69.5
Car Purchase Expectations	147.4	171.0	160.4	159.5
Price of Gasoline Expectations	108.2	121.2	114.4	114.5
<b>Employment Outlook Indicator</b>	112.0	127.9	118.9	119.2
Inflation Expectations Indicator	134.0	159.2	149.1	152.4
Current Prices Satisfaction Indicator	70.2	99.7	85.8	86.2
Interest Rates Expectations Indicator	116.6	140.4	131.1	133.8

# Economic growth slowed to 4.7% on the year in the three months to December.

---

This was below growth of 4.8% in the previous quarter, but up from 4.4% in the same period a year ago.



# Economic Landscape

---

Taming inflation may help to garner growth in the long-term but any short-term boost will likely have to wait until after the May elections.

Latest official economic data showed that economic growth slowed to just 4.7% in the October-December quarter and manufacturing growth fell into negative territory again. The Central Bank seems more concerned with bringing inflation under control and raised the policy rate by 25 basis points at its January meeting. Taming inflation may help to garner growth in the long-term but any short-term boost will likely have to wait until after the May elections.

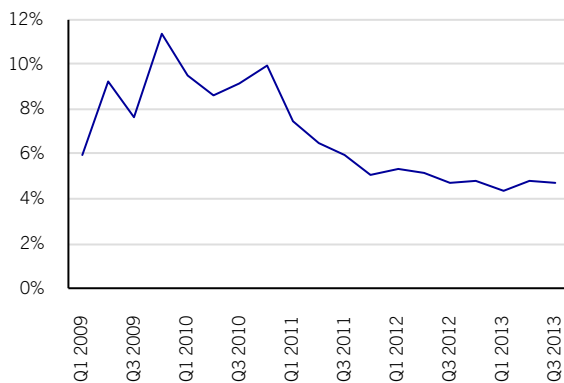
More positively, consumer price inflation fell to a two year low and wholesale price inflation moderated due to lower vegetable prices. In January, the trade deficit narrowed as gold and silver imports fell and exports continued to trend up.

#### Disappointing economic growth

Economic growth in India slowed to 4.7% on the year in the three months to December, down from 4.8% in the previous quarter. It was, though, marginally above the 4.4% rate seen in the same period a year ago.

Data on an output basis showed that growth was boosted by services that grew 7% on the year, compared with 4.2% in the previous quarter. A bountiful harvest was expected to translate into strong agricultural growth but output here was disappointing as it slowed to 3.6% compared with 4.6% in the

#### Economic Growth



— GDP y/y %

Source: Central Statistical Organisation, India

previous quarter. Manufacturing fell back into contraction, declining by 1.9% compared with 1% growth in the previous quarter.

The Finance Minister P Chidambaram expects the economy to grow by 4.9% this year and to accelerate to 6% in the next fiscal year. The economy must expand by 5.7% in the January-March quarter to achieve the forecast which on current evidence looks unlikely. This would be the first time in 26 years that growth will be below 5% for two successive years.

#### Industrial outlook shows minor recovery

The Reserve Bank's Industrial Outlook Survey, showed that the Business Expectation Index, a gauge of manufacturing business sentiment, improved marginally in the quarter ending December to 98.8 from 97.3 in the quarter ending September. Expectations for the next quarter ending March rose to 112.7 compared with the previous quarter's 109.9.

Current assessment and expectations sentiment for production, order books, capacity utilisation, exports and imports improved slightly, showing that companies were more optimistic about the demand outlook.

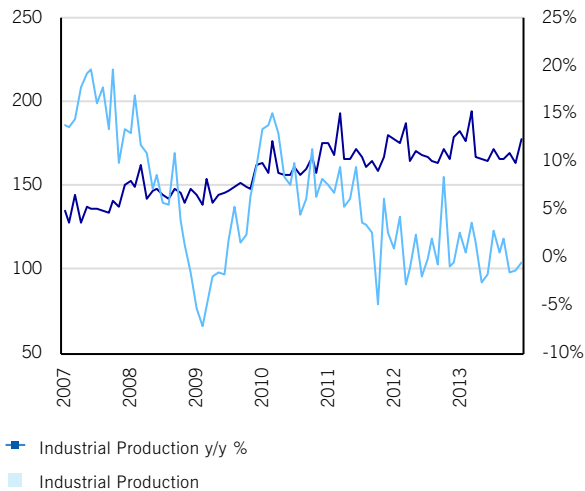
#### Industrial output continued to fall

Industrial production contracted for the third consecutive month, falling 0.6% on the year in December. November's industrial output was revised up to a 1.3% decline from the previously reported 2.1% decline.

Manufacturing output slumped by 1.6% in December compared with a year earlier, although up from a decline of 2.7% in November (revised up from -3.5% previously). Overall, eight out of the 22 industry groups within the manufacturing sector contracted in December, led by Radio, TV and communication equipment & apparatus which posted a fall of 35.7% on the year. This was followed by a 26.1% decline in output for Furniture and a 22.1% fall in Office, accounting & computing machinery.

After growing by 1.7% on the year in November, mining output growth slowed to 0.4% in December.

### Industrial Production



Source: Central Statistical Organisation, India

Output of consumer durables, a measure of consumer demand, posted the thirteenth consecutive decline, falling 16.2% in December compared with a fall of 21.5% in November. Capital goods output, a proxy for investments in the economy, fell 3% in December compared with a decline of 0.1% in November.

### Inflation slows as vegetable prices decelerate

Consumer price inflation eased to a two year low of 8.8% in January compared with 9.9% in December 2013. Food price inflation, which is almost half of the index, eased to 9.9%, down from 12.2% in December. The moderation was driven by cooling in vegetable prices that rose by 21.9% compared with a year earlier, down from 38.5% in November.

Wholesale price inflation decelerated to an eight month low of 5% in January, down from 6.2% in December. The slowdown was largely driven by vegetable prices that expanded 22% in January, compared with a near 30% rise in December. Consequently, food price inflation eased to 3% in January, half of the 6% outturn seen in December.

### RBI hikes repo rate to 8%

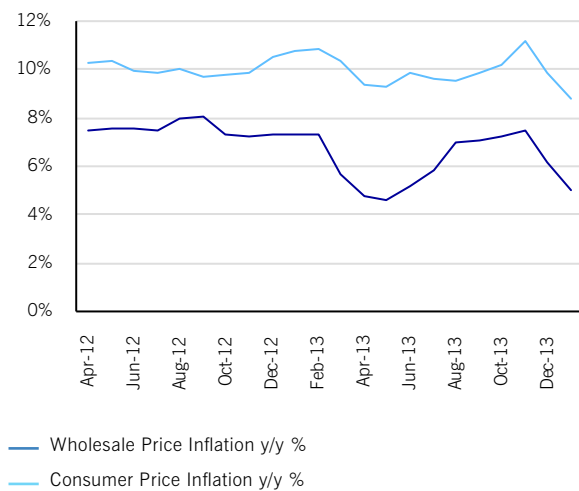
The RBI raised the policy rate by 25 basis points to 8% from 7.75% at its January meeting, citing the

elevated level of consumer price inflation.

RBI Governor Raghuram Rajan made clear that inflation needed to be brought down to a low and stable level, so that monetary policy could eventually help to revive 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.

The RBI expects consumer price 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.

### Wholesale and Consumer Price Inflation



Source: MOSPI

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

### Fiscal budget deficit

The government budget deficit was Rs.5.3 trillion in the April-January period, or 101.6% of the target for the year ending March 2014, compared with 89.4% at the same point a year ago. Net tax receipts were at Rs. 5.76 trillion in the first ten months to March 2014, while total expenditure was Rs. 12.7 trillion.

The gap in the public finances has put the nation's debt rating at risk, with most credit rating agencies keeping India on alert with a high probability of a downgrade. Finance Minister P Chidambaram will likely tighten spending in what is left of the year to meet his goal.

The government had in the budget for 2013-14 proposed to bring down the fiscal deficit to 4.8% of GDP. This figure, however, was revised downwards in the interim budget to 4.6% the GDP. The government plans to defer some subsidy payments to next year, while focusing on speeding up the sale of stakes in state-run firms and minority stakes in some private companies. The government raised over Rs. 610 billion from selling licences for mobile internet spectrum in February.

The fiscal deficit for 2014-15 was projected at 4.1% of GDP in the interim budget presented on February 17 and further down to 3% of GDP in 2016-17.

### Foreign reserves rise

Foreign exchange reserves rose to \$292.3 billion in the week ending February 7, from \$291.1 billion a week earlier. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of the forex reserves, rose by \$1.26 billion to \$265.8 billion. These are expressed in dollar terms and include the effect of appreciation or depreciation of the non-US currencies such as the euro, pound and yen, held in its reserves.

Moves by the RBI have greatly strengthened India's foreign exchange reserve position, leaving it less vulnerable to another run on the currency. The value of India's gold reserves remained steady at \$20.1 billion.

### Trade deficit shrinks

India's trade deficit narrowed to \$9.9 billion in January, down from a \$10.1 billion deficit in December, and almost halving the deficit of \$18.9 billion seen in the same period last year. Higher exports and lower imports of gold and silver led the improvement.

Exports rose for the seventh straight month in January to \$26.8 billion, up 3.8% on the year compared with the 3.5% growth witnessed in December. Imports fell 18.1% on the year to \$36.7 billion in January. Oil imports declined to \$13.2 billion, lower than the \$13.8 billion seen a month earlier and 10.1% below the level in January 2013. Gold and silver imports were down 77% to \$1.7 billion compared with \$7.5 billion in the same month a year earlier.

In 10 months to January, the trade deficit totaled \$120 billion, down from \$167.8 billion in the same period a year back.

The government expects to keep the current account deficit at \$45 billion in the fiscal year that ends in March.

### Car sales decline

Passenger car sales declined for the fourth consecutive month in January, to 160,289 units, 7.6% down from a year earlier. Sales of commercial vehicles fell for ninth month in a row by 20.9% compared with a year back.

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

In 2013, car sales declined for the first time in 11 years. Sales of passenger cars dropped by 10% in 2013, down from a 3% growth in 2012.

In the interim budget, Finance Minister Palaniappan Chidambaram cut excise duty on small cars, two wheelers, and commercial vehicles to 8% from 12%, providing some relief to the automobile industry.



# Indicators

---

The February MNI India Consumer Indicator increased to the highest level since December 2012, driven by a rise in both current and future expectations.



# MNI India Consumer Indicator

## Highest in 14 Months



The February MNI India Consumer Indicator increased to the highest level since December 2012, driven by a rise in both current and future expectations.

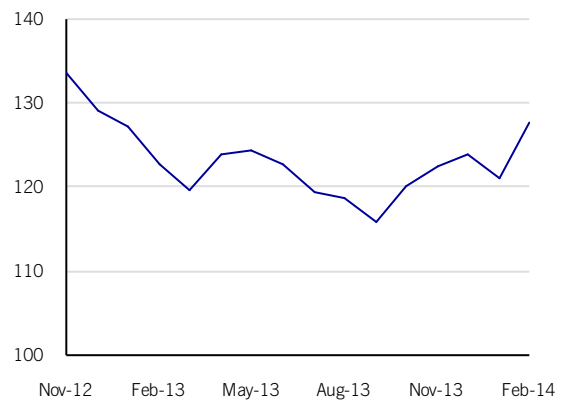
The Consumer Indicator increased 5.4% on the month to 127.8 in February from 121.2 in January. The latest increase left sentiment 4% above the same level a year ago, the first annual rise on record following three months of declines.

Consumer sentiment fell sharply throughout 2013 as Indian growth slowed to half the rate of the boom years of the past decade, inflation remained high and the turmoil in emerging markets saw the currency come under intense pressure.

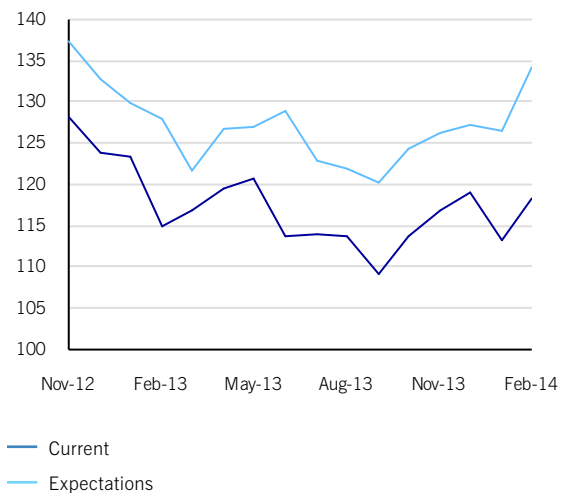
All components of the Consumer Indicator, except for Business Conditions in five Years fell sharply during 2013, with Current Personal Finances down nearly 15% by the middle of the year. Expected Personal Finances fell by nearly as much, but have bounced back more sharply and were the main contributor to the increase in the Consumer Indicator over the past year.

In February, all five components of the headline indicator increased. The Current Indicator rose to 118.4 from 113.2 in January. Of the two components which make up the indicator, Durable Buying Conditions increased 5.1% on the month to 111.4 and Current Personal Finances increased by 4% to 125.3.

MNI India Consumer Indicator



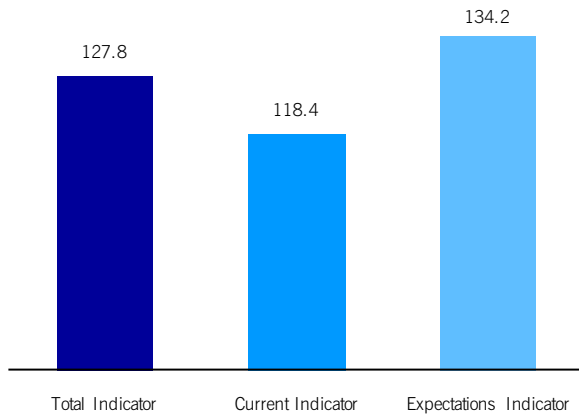
Consumer Indicators



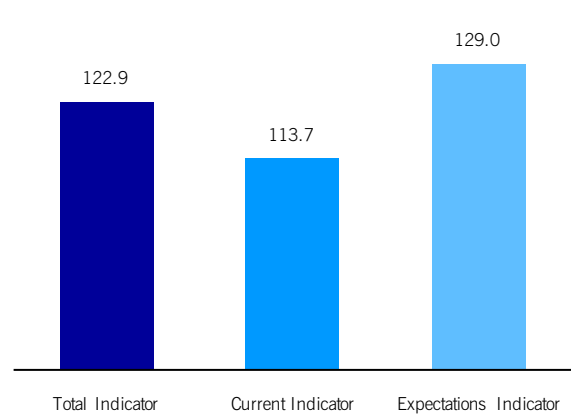
MNI India Consumer Indicator

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
MNI India Consumer Indicator	122.9	115.9	120.2	122.5	123.9	121.2	127.8
Current	115.1	109.3	113.9	117.0	119.0	113.2	118.4
Expectations	128.1	120.3	124.3	126.2	127.2	126.6	134.2

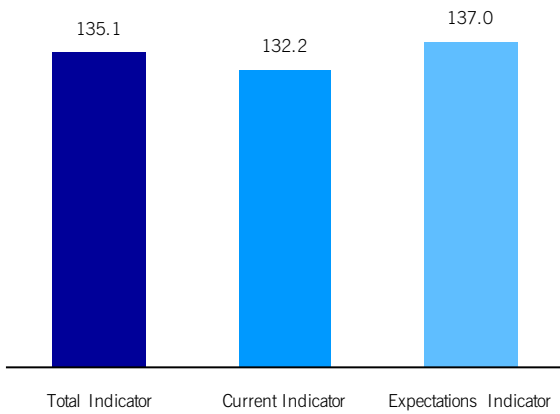
## All India



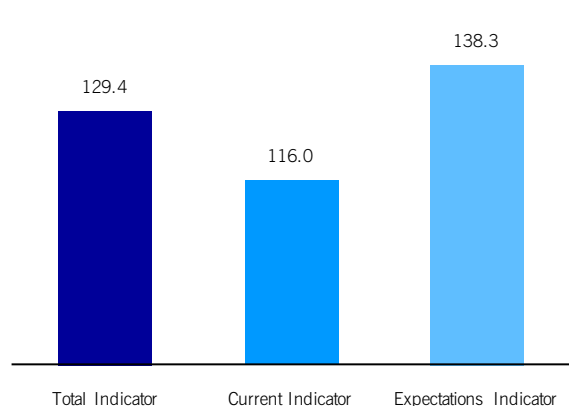
## North India



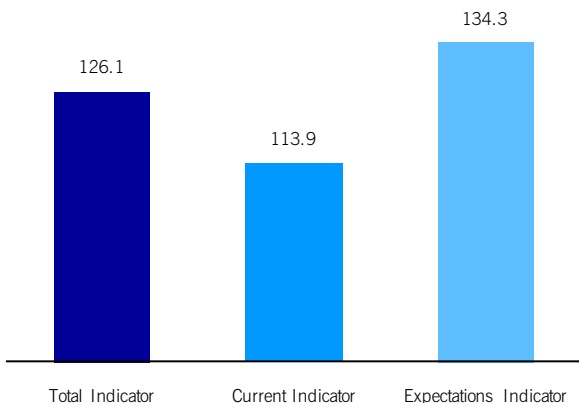
## South India



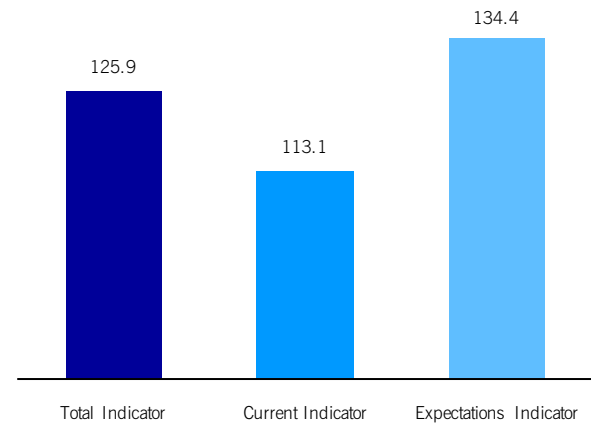
## East India



## West India



## Central India





The Expectations Indicator increased to 134.2 in February from 126.6 in January, a rise of 6% on the month. There were significant gains in Expected Personal Finances and Business Conditions in a Year while Business Conditions in Five Years posted a smaller gain.

**Regions**

The increase in the MNI India Consumer Indicator was seen in all five regions, with consumers in South India the most optimistic and North India the least.

In South India, sentiment hit a record high with the Consumer Indicator rising by 9.8% to 135.1 from 123.1 previously. In North India, confidence rose for the first time in three months to 122.9 in February from 115.1 in January, the highest since December 2012.

The Expectations Indicator increased in all regions while the Current Indicator improved in all regions except for East and West India.

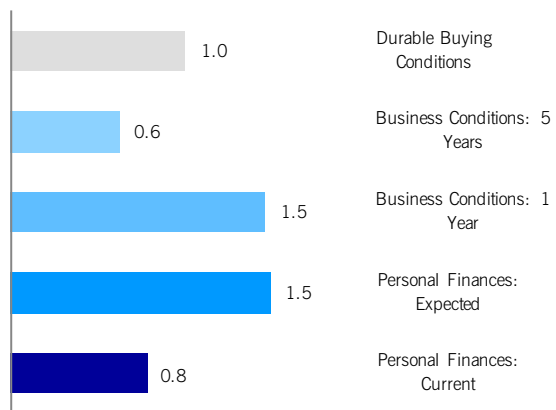
**Age**

Consumer sentiment improved in all age groups in February, with optimism the greatest among 35 to 54 year olds and the least among the 55-64 age range.

The Consumer Indicator for the 18-34 age range increased to 127.5 in February from 123.4 in January. Expected Personal Finances and Business Conditions in One Year increased significantly, while the third component of the Expectations Indicator, Business Conditions in Five Years rose less. The Durable Buying Conditions Indicator declined for the second month in a row while Current Personal Finances remained broadly stable.

For the 35-54 age range, confidence increased to the highest level in 14 months to 130.2 in February from

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





121.4 in January. The rise in sentiment was led by significant increases in all five components, with Durable Buying Conditions rising the most. Both Expected Personal Finances and Business Conditions in Five Years increased to hit record highs on the month.

For the oldest age range, 55-64 year olds, sentiment increased from 116.9 in January to 120.5 in February, following two consecutive monthly declines. The 3% gain on the month put the Consumer Indicator close to levels seen last year. Much of the rise was led by Personal Finances, while Business Conditions in a Year increased by a smaller degree.

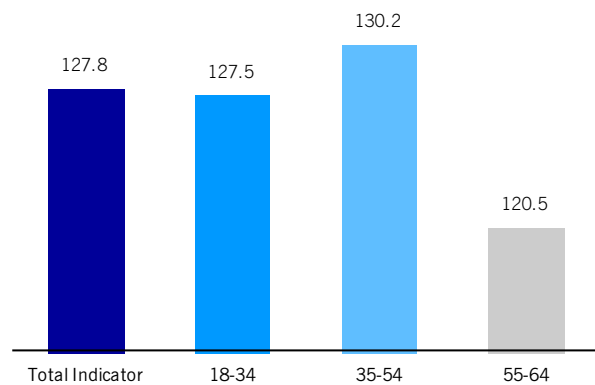
#### Income

Consumer confidence improved significantly in both low and high income households, though it increased more sharply in the latter.

The Consumer Indicator for households with an average annual income of over INR 432,000 increased 9.7% on the month to 132.6 in February from 120.9 in January, the highest since records began in February 2013. For households with an average annual income under INR 432,000, the indicator rose 7.6% on the month to 129.8 from 120.7 in January, also the highest on record.

Since both series began, confidence has increased 3.9% among higher income households, while for lower income households it has risen by 7.8%. On average, though, the level of confidence remains greater for higher income households.

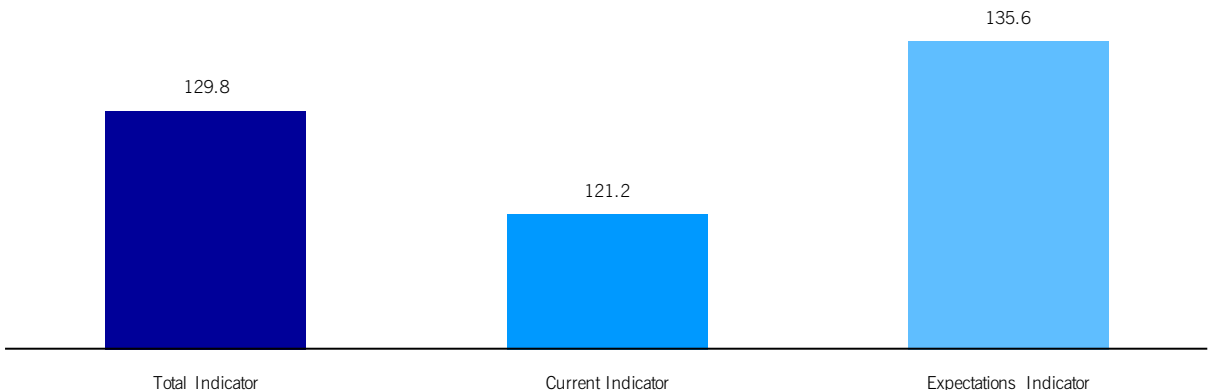
Consumer Indicator: Age Groups



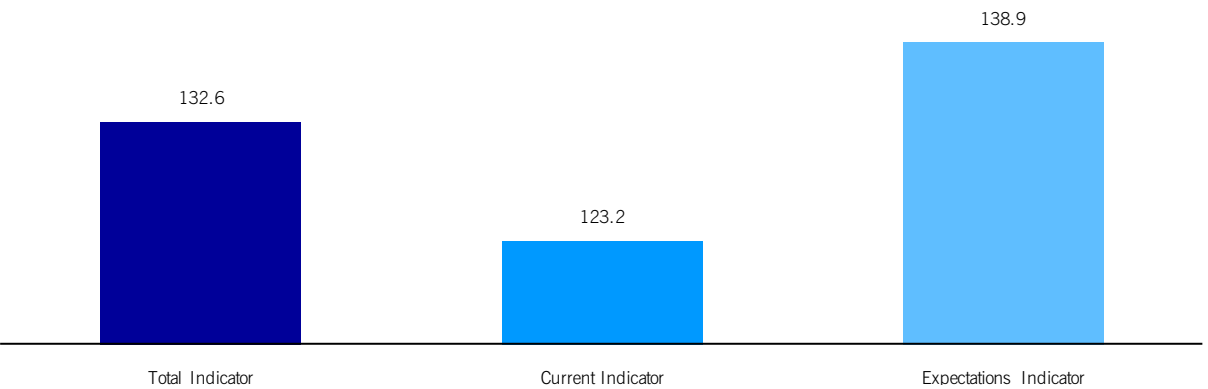
# MNI India Consumer Indicator Income Groups



< INR 432,000 per annum



> INR 432,000 per annum



# MNI India Consumer Indicator

## Main Cities



The Consumer Indicator improved in five out of the ten major Indian cities in February – Kolkata, Bangalore, Chennai, Pune and Surat. Sentiment improved sharply in Bangalore to make it the most optimistic city in February while Visakhapatnam was the least.

In the capital Delhi, consumer sentiment declined, having risen to a record high in January. The Consumer Indicator declined 1.4% on the month to 121.4 compared with 123.1 in January. Of the five components, only Business Conditions in a Year improved while the remainder declined, among which Durable Buying Conditions hit a record low.

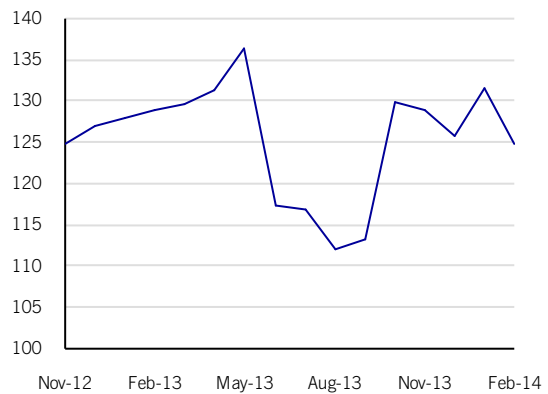
Consumers' optimism regarding current conditions declined in Delhi possibly because of the abrupt resignation of the popular Chief Minister Arvind Kejriwal after failing to get clearance of his anti-graft Jan Lokpal Bill in the Delhi Assembly. Kerjiwal is known for his anti-corruption campaign and his drive for political change. The Current Indicator decreased to 103.1 from 107.6 in January. Consumers' expectations increased very slightly but still hit a series high in February as the Expectations Indicator rose from 133.3 to 133.6

In Mumbai, India's most populous city, consumer sentiment declined 5.1% on the month to 124.8 from 131.6 in January. All five components of the Consumer Indicator declined, of which Current Personal Finances fell the most. Consumers' outlook about business conditions worsened and they continued to feel that it was not a good time to buy large household items, with the Durable Buying Conditions Indicator falling to the lowest in three months.

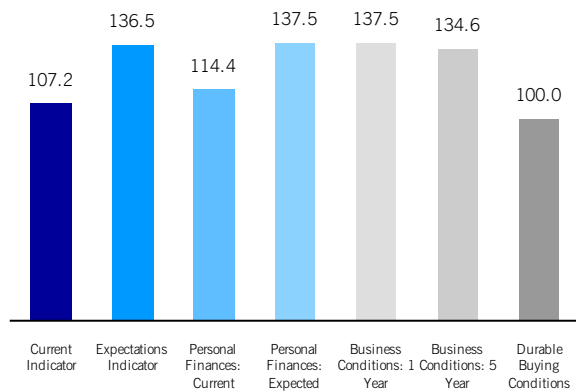
The Current Indicator for Mumbai declined 9.1% from 118.0 in January to 107.2 in February, while the Expectations Indicator posted a smaller decline of 2.9% to 136.5 from 140.6 in the previous month.

In contrast to Delhi and Mumbai, confidence in Bangalore, the third largest city by population in India,

Consumer Indicator - Mumbai



Consumer Indicator Components - Mumbai

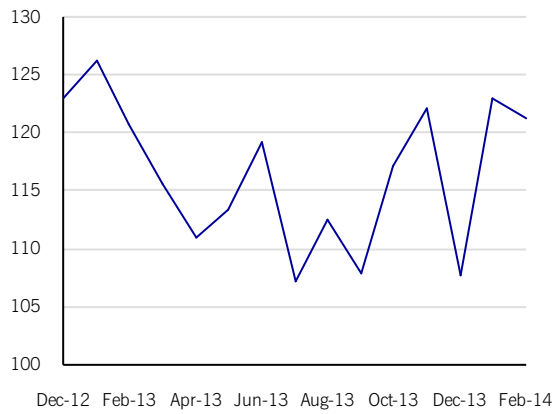


increased sharply following a large decline in January. The Consumer Indicator rose from 102.6 in January to 152.0 in February, led by significant gains in all five components.

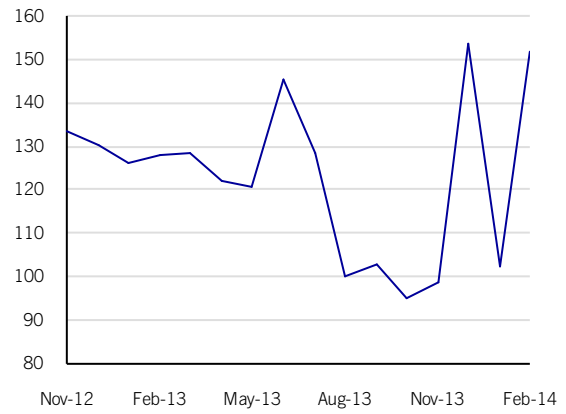
Both current and future expectations rose to series highs in February. The Current Conditions Indicator increased to 146.0 from 88.9, while the Expectations



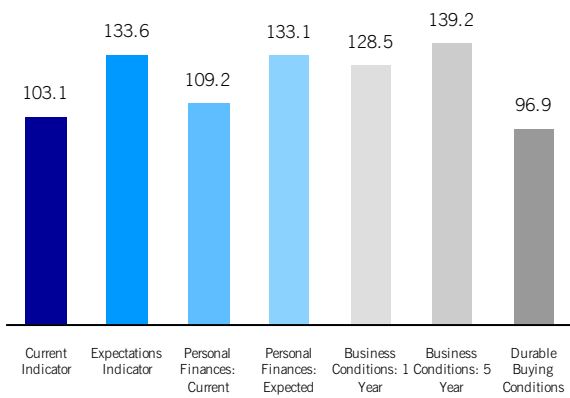
Consumer Indicator - Delhi



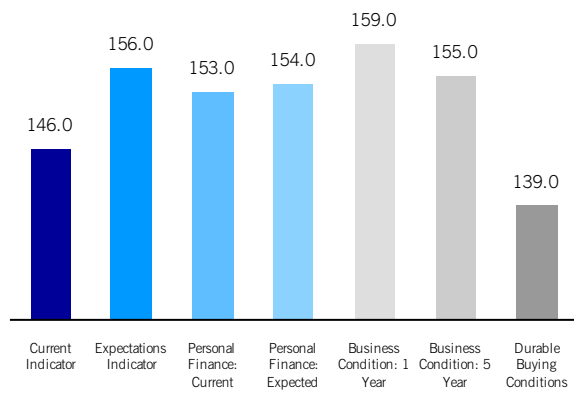
Consumer Indicator - Bangalore



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bangalore



Indicator rose to 156.0 from 111.7 in the previous month.

# Personal Finances

## Both Current and Expected Finances Improve



Current Personal Finances rose to the highest level since January 2013 following two consecutive monthly declines, while Expected Personal Finances accelerated to the highest in 15 months.

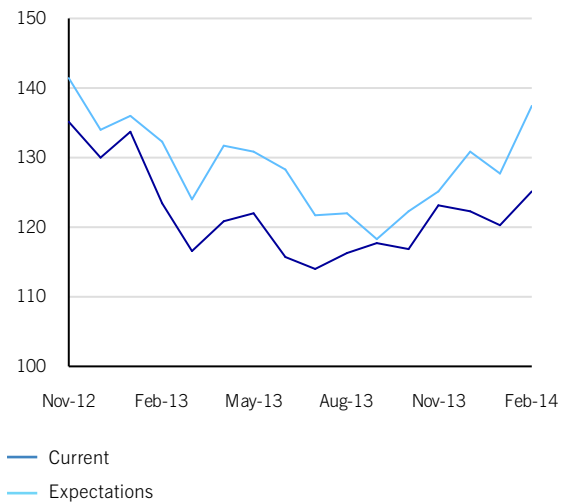
The Current Personal Finances Indicator, which measures whether the financial situation of a household is better, the same or worse than a year ago, rose 4% to 125.3 from 120.5 in January. Since November 2012 when the survey started, Current Personal Finances have fallen significantly. After hitting a low in the summer of 2013 it has bounced backed sharply.

The percentage of respondents who reported that their current financial situation improved compared with a year ago increased to 51.2% in February from 47.2% in January while those reporting a worsening fell from 11.3% to 7.4%. Out of those who responded that their financial condition improved, three fourths cited better income as the reason for it.

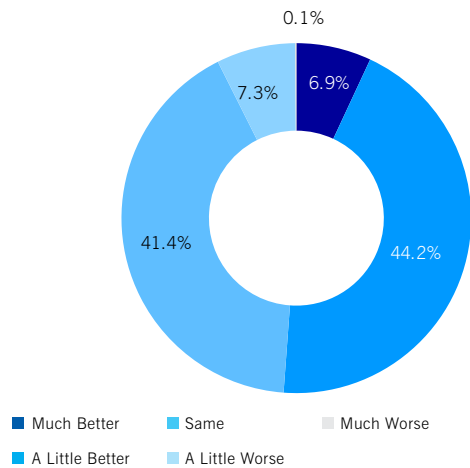
Expected Personal Finances, which measures whether households think their finances will be better in a year's time, increased significantly to 137.4 from 127.8 in January, the highest since November 2012.

The percentage of respondents reporting that they expected their financial situation to improve in a year's time increased to 65% from 57.3% in January.

Personal Finances



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



Personal Finances

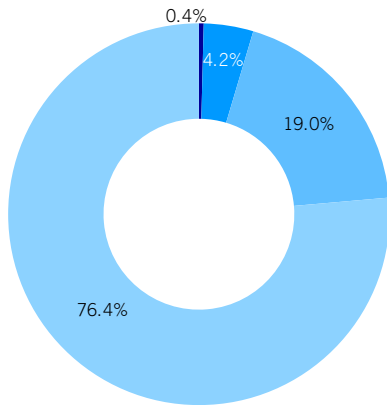
	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Current	123.4	118.0	117.1	123.3	122.5	120.5	125.3
Expectations	132.5	118.4	122.4	125.3	131.0	127.8	137.4



# How Households Spend their Money

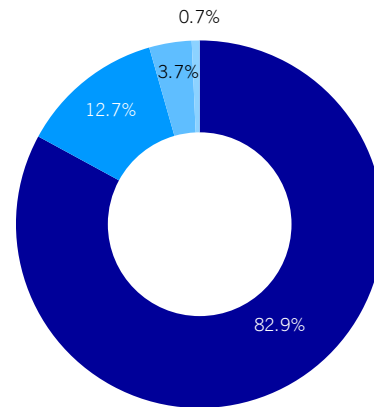


Monthly Household Income Used for Daily Expenses (% of Households)



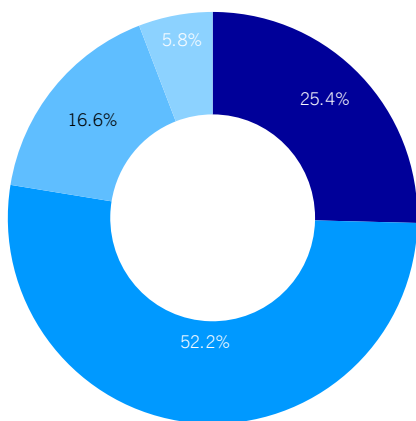
- 0% - 29% of Income
- 30% - 49% of Income
- 50% - 69% of Income
- 70% - 100% of Income

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



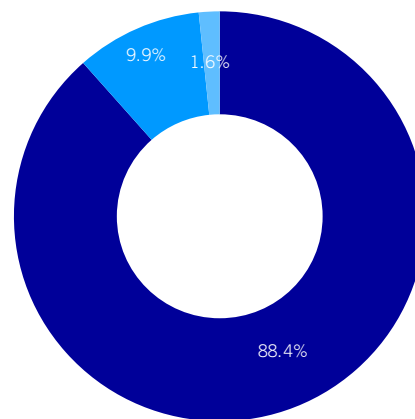
- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Monthly Household Income Used for Savings (% of Households)



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

Monthly Household Income Used for Investments (% of Households)



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

# More than half of respondents expected business conditions in a year's time to improve.

---

The majority of respondents who expected business conditions to be better in a year cited economic development as the main reason.

# Business Conditions

## Current and Future Expectations for Business Rise



Perceptions about the current state of business improved in February, although they were still worse than the same period a year ago, although more than half of respondents expected business conditions in a year's time to improve.

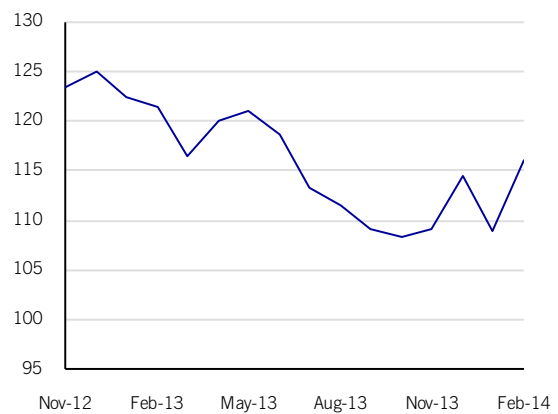
The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, increased to 116.0 from 108.9 in January, the highest level since June 2013.

It was the first time in nine months that the majority of respondents reported that current business conditions were "good" or "excellent" rather than "only fair". The proportion of respondents who were positive about business conditions rose from 32.2% in January to 44.1% in February while the proportion of those who found them just fair fell significantly from 52% to 36.8%. Respondents who said business conditions were "poor" or "very poor" remained broadly stable at 14.5% compared with 14.9% previously.

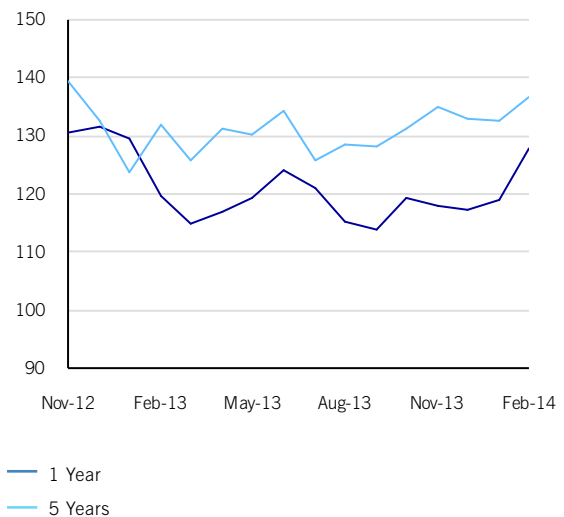
Expectations for Business Conditions in a Year increased for the second consecutive month to the highest since January 2013. The indicator increased to 128.2 from 119.3 in January, as the percentage of respondents who reported that business conditions would be better in a year's time increased from 47.5% to almost 60%.

The majority of respondents who expected business conditions to be better in a year cited economic development as the main reason. Most respondents who expected business conditions to worsen, blamed

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years



### Business Conditions

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Current	121.2	108.9	108.2	109.1	114.5	108.9	116.0
In 1 Year	119.7	114.1	119.3	118.2	117.4	119.3	128.2
In 5 Years	132.0	128.4	131.3	135.2	133.1	132.7	136.9

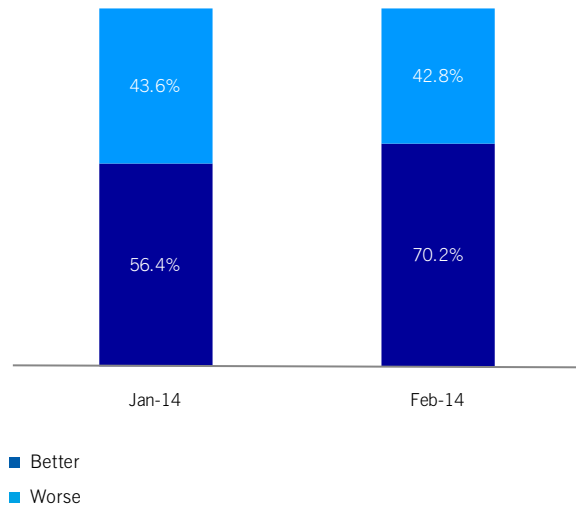
# Business Conditions in 1 Year Selected Reasons



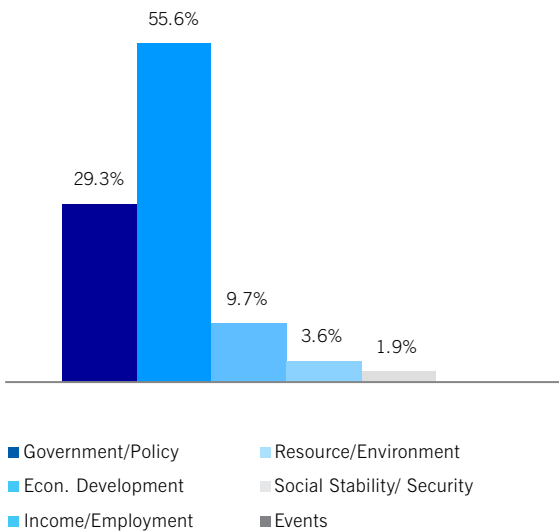
government policy. Many panellists expected business conditions to improve after the national elections, in the hope that a new government will push forward with business friendly policies.

Longer term, Expectations for Business Conditions in Five Years have been on an upward trend since July last year and rose in February to the highest in 15 months. The indicator increased to 136.9 from 132.7 previously. Among the major cities surveyed, Bangalore was the most optimistic and Mumbai the least optimistic about long term business conditions.

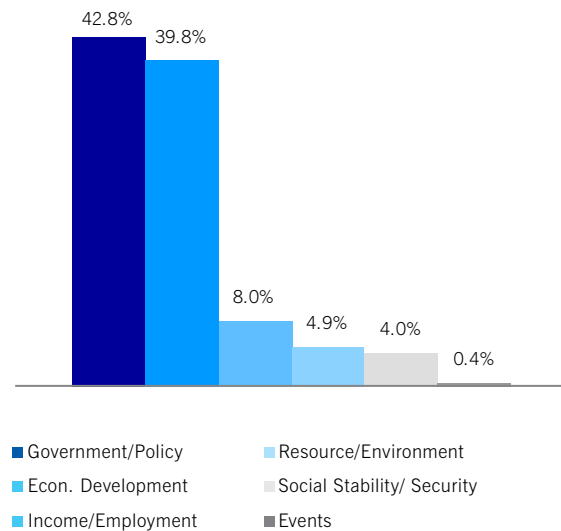
All India



All India, Reasons for Better



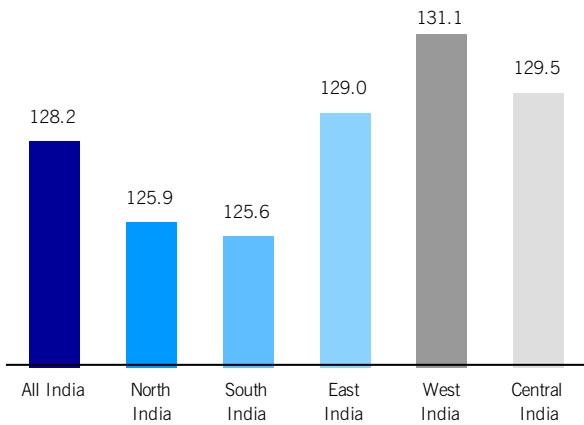
All India, Reasons for Worse



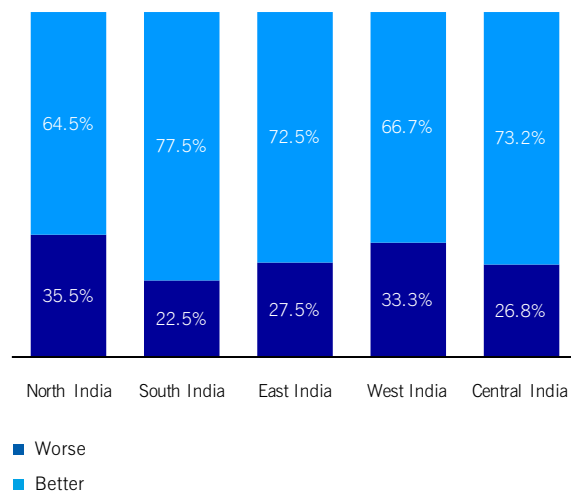
# Business Conditions in 1 Year Regions



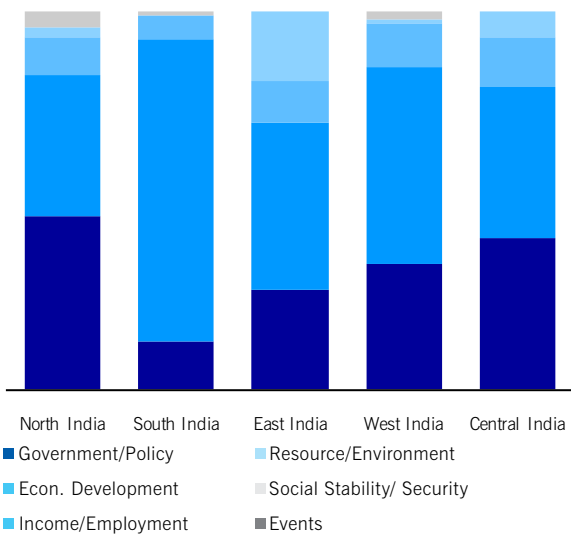
Business Expectations



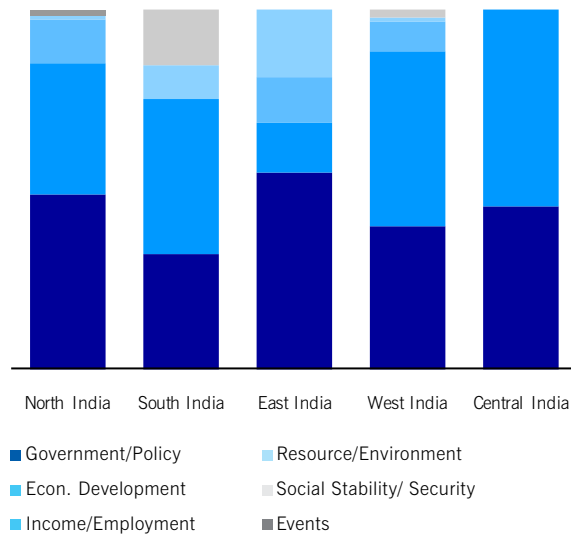
Business Expectations: Worse or Better? (% of Respondents)



Reasons for Better (% of Respondents)



Reasons for Worse (% of Respondents)



# Durable Buying Conditions Rises on the Month



The Durable Buying Conditions Indicator rose to 111.4 in February after declining significantly in the previous month to 106.0.

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.

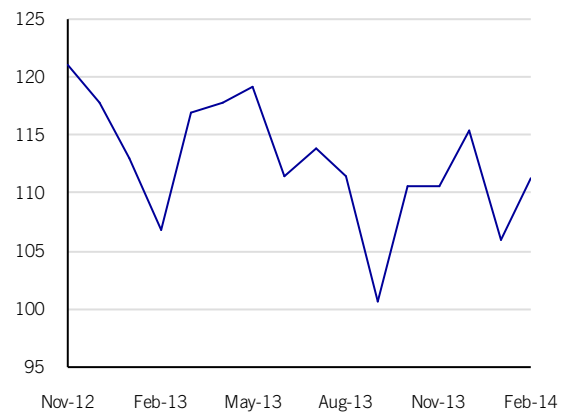
Sentiment on buying conditions fell throughout most of last year, highlighting the pressure on disposable income, but the gain in February puts it 4.3% above the same period a year earlier.

Out of the ten largest cities surveyed, respondents from Bangalore were the most optimistic about buying a large household item in February. Compared with last month, consumers from Bangalore, Hyderabad, Ahmedabad, Pune and Surat thought it was a better time to buy a large household item.

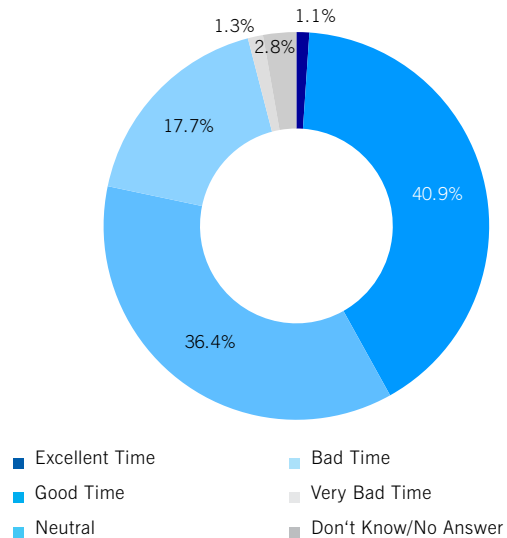
The indicator increased in all regions apart from East India. Respondents from South India were the most optimistic about buying durable goods with the Durable Buying Conditions Indicator rising to 125.3, the highest since June 2013.

For all India, the proportion of respondents who said it was an “excellent time“ or “good time“ to buy large household goods rose from 36% in January to 42%, while the proportion of those saying it was a “bad time“ or “very bad time“ fell from 23.8% to 18.9%.

Durable Buying Conditions



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



Durable Buying Conditions

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Durable Buying Conditions	106.8	100.7	110.7	110.7	115.5	106.0	111.4

# Employment Outlook Indicator Highest Since June



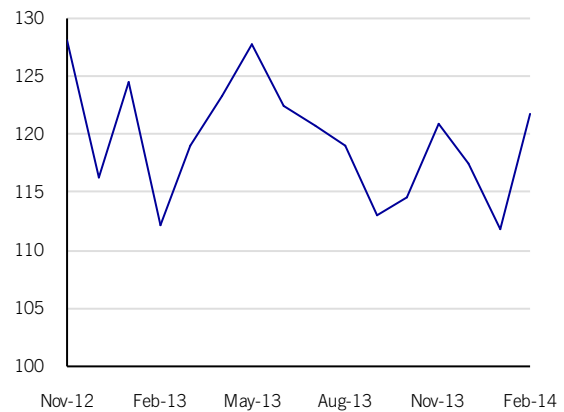
The Employment Outlook Indicator improved to 121.8 in February following two consecutive monthly declines, up from January's record low of 112.0 and 8.6% above the same period a year earlier.

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.

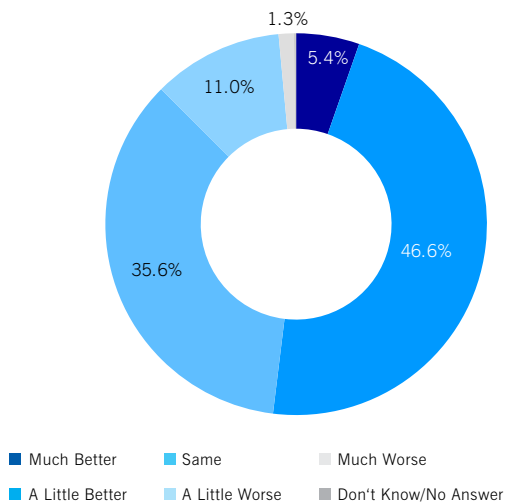
Of the five regions, respondents from East India expected a considerable improvement in the employment situation, with the indicator rising to 115.7 in February from 82.5 in January. South India continued to remain the most optimistic region with the indicator increasing to 134.9 from 124.0.

It was the first time in six months that more than half of the survey participants expected to see an improvement in the employment outlook. The proportion here increased to almost 52% in February from 40.3% in January while those forecasting a worsening fell to 12.3% from 13.2%. Those suggesting there would be no change declined to 35.6% from 46%.

Employment Outlook Indicator



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



## Employment Outlook

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Employment Outlook	112.2	113.2	114.6	121.0	117.6	112.0	121.8

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

---

The increased dissatisfaction with prices came in spite of a decline in India's official inflation figures.



# Prices Sentiment

## Discontent With Prices Rises



Concerns over the current level of prices and expectations for inflation in a year's time increased further in February.

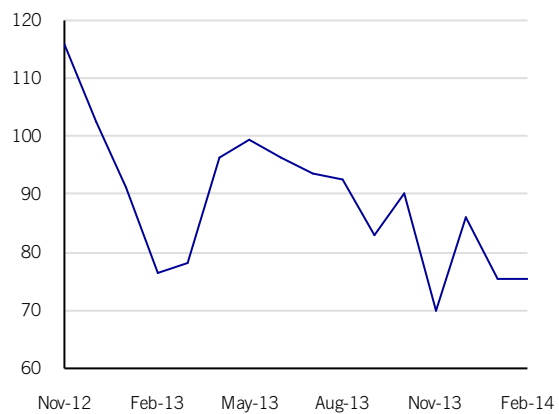
The Satisfaction with Current Prices Indicator declined slightly to 75.4 in February compared with 75.7 in January. A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction.

The increased dissatisfaction with prices came in spite of a decline in India's official inflation figures. Consumer price inflation eased to a two year low of 8.8% in January compared with 9.9% in December 2013. Food price inflation, which constitutes almost half of the index, eased to 9.9%, down from 12.2% in December. Wholesale price inflation also decelerated to an eight month low of 5% in January, down from 6.2% in December.

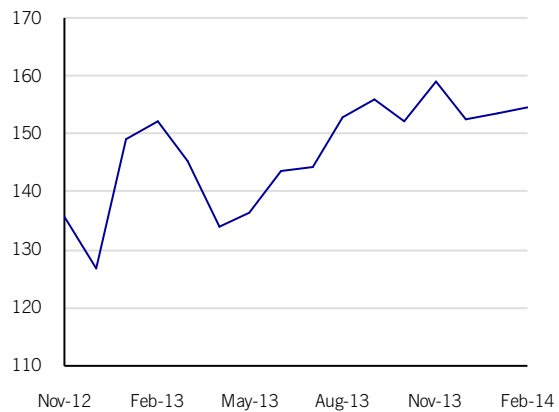
The Inflation Expectations Indicator, which measures whether respondents think prices will be higher or lower in 12 months' time, increased slightly to 154.8 in February compared with 153.6 in January. Consumers' expectations for inflation have remain elevated since November 2012 when the series started. 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.

The percentage of respondents who believed prices

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



### Prices Sentiment

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Satisfaction with Current Prices	76.7	83.2	90.2	70.2	86.2	75.7	75.4
Inflation Expectations	152.4	156.1	152.4	159.2	152.6	153.6	154.8

# Prices Sentiment Regions



would be higher in a year's time remained broadly stable at 83.9% compared with 83.2% in January while those saying prices would be about the same increased from 10.7% to 12%. A small number of respondents believed prices would be lower in a year's time and their proportion fell from 5.7% to 4.1%.

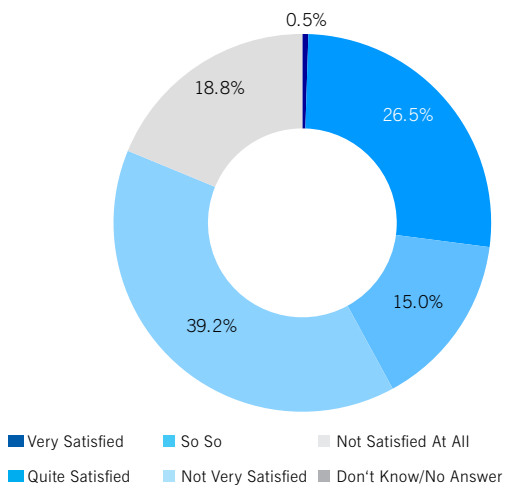
Asked about how much they thought prices would increase, a growing proportion of respondents thought that prices would rise between 6% and 9%. This was in contrast to last month where a rising proportion expected price rises of more than 25%.

### Regions

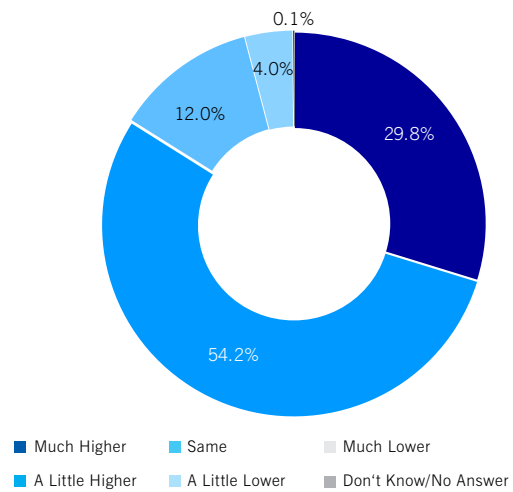
Satisfaction with Current Prices worsened in all regions apart from South India where the proportion of respondents who were satisfied with the current level of prices rose from 21.3% to almost 60%. Respondents from East India continued to be the most dissatisfied with current prices while those from Central India saw a significant drop in satisfaction levels to hit a record low on the month.

Apart from South and West India, respondents from the other three regions expected prices to rise further in a year's time. The Central region had the highest inflation expectations in February.

Satisfaction with Current Prices  
(% of Households)

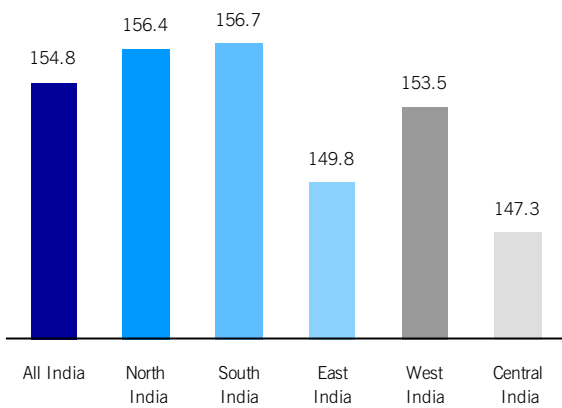


Inflation Expectations in 12 Months  
(% of Households)

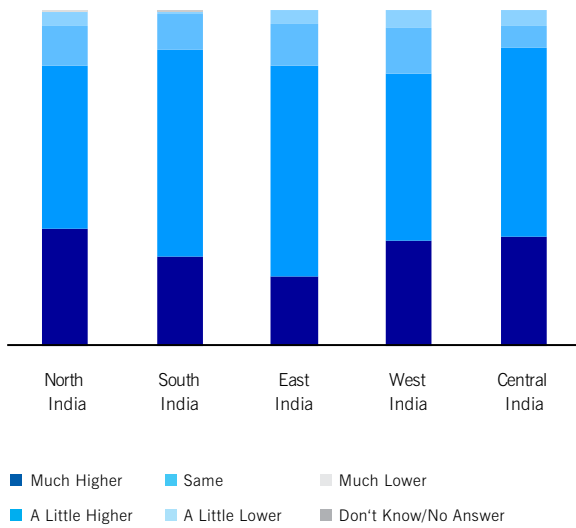




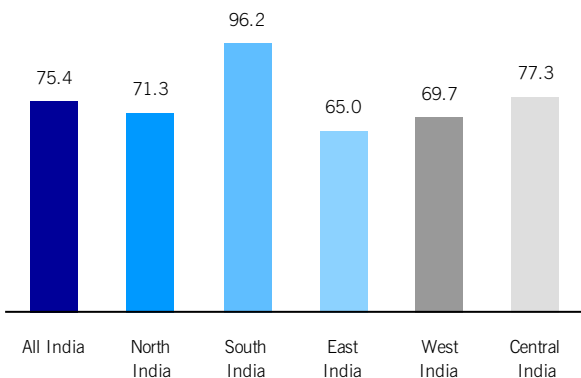
Inflation Expectations Indicator



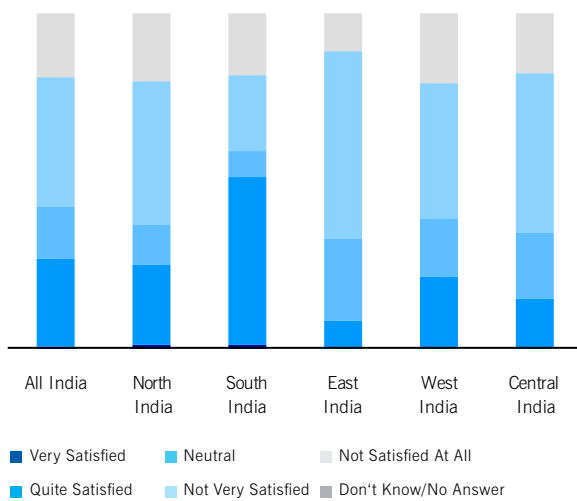
Inflation Expectations in 12 Months (% of Households)



Current Prices Satisfaction Indicator

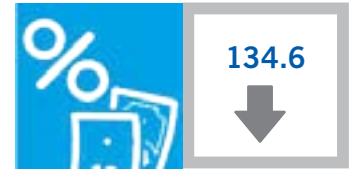


Satisfaction with Current Prices (% of Households)



# Interest Rate Expectations

## Second Decline in a Row

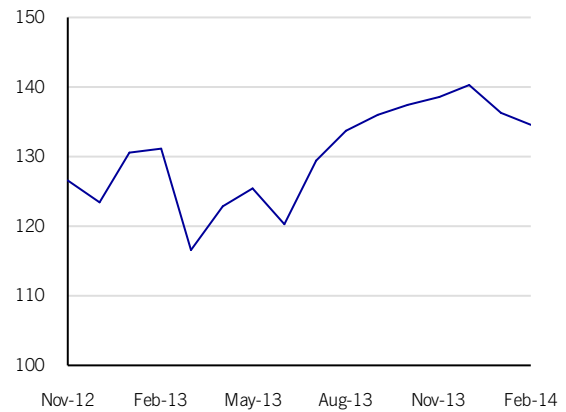


The Expected Interest Rates Indicator declined for the second consecutive month in February, although remained at an elevated level.

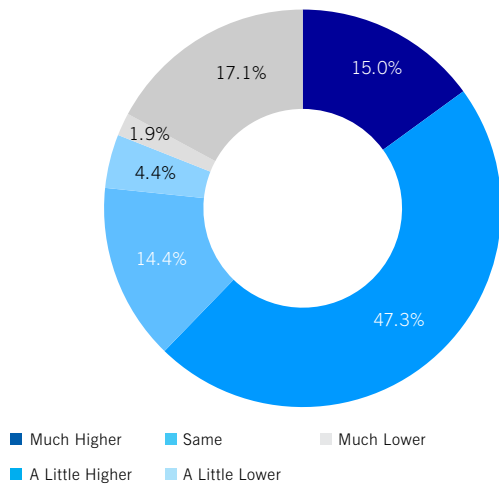
The indicator declined to 134.6 from 136.3 in the previous month, the lowest since August 2013, but still above the series average of 130.3.

The Reserve Bank of India hiked the key policy repo rate at the January monetary policy meeting by 25 basis points from 7.75% to 8%. The RBI said, however, that if retail price inflation eased as projected, it did not foresee a need for further monetary policy tightening in the near-term.

Interest Rate Expectations Indicator



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



### Interest Rate Expectations

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Expected Interest Rate	131.4	136.1	137.5	138.8	140.4	136.3	134.6

# Stock Investment Indicator Highest Since September



The Stock Investment Indicator, which gauges whether it is a good time to invest in the stock market, rose to 105.1 in February having remained unchanged in January at 102.3.

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

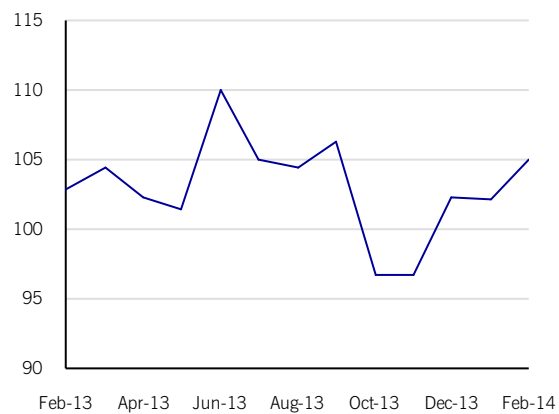
Stock Price Sentiment, which measures whether respondents view equity prices as high or low, declined to the lowest in eight months to 103.7 down 3.5% from 107.4 in January. The component has a negative impact on the overall investment indicator.

The Stock Investment Return component rose for the third consecutive month to 104.5 in February from 103.0 in January. The proportion of respondents who made a profit in the last year increased from 17.3% in January to 21.6% while those who made a loss rose from 7.2% to 12.2%.

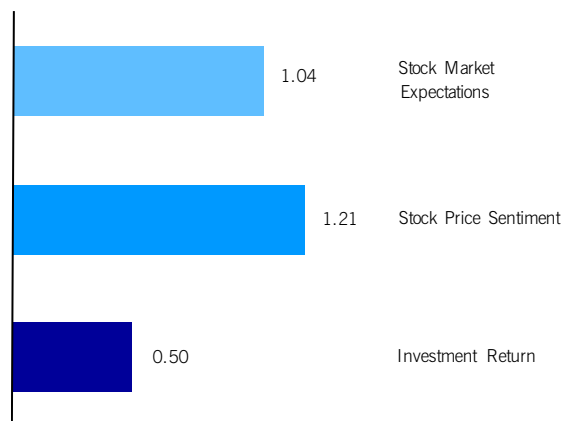
Expectations for the stock market in three months' time rose to 114.3 compared with 111.1 in January, as the proportion of respondents who expected equity prices to go up, rose from 18.8% to 24.4%.

The benchmark Sensex rallied 154 points, breaching the 21000 mark on February 28 for the first time in a month. Analysts expect to see increasing volatility in the benchmark index ahead of general elections which are due by May 2014.

Stock Investment Indicator



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



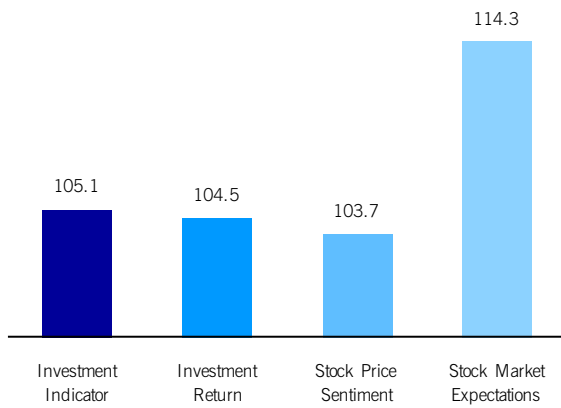
## Investment Sentiment

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Investment Sentiment Indicator	102.9	106.4	96.8	96.8	102.3	102.3	105.1
Investment Return	106.5	125.2	94.0	93.5	100.5	103.0	104.5
Stock Price Sentiment	102.0	124.8	107.5	115.8	105.8	107.4	103.7
Stock Market Expectation	104.1	118.8	103.8	112.6	112.1	111.1	114.3

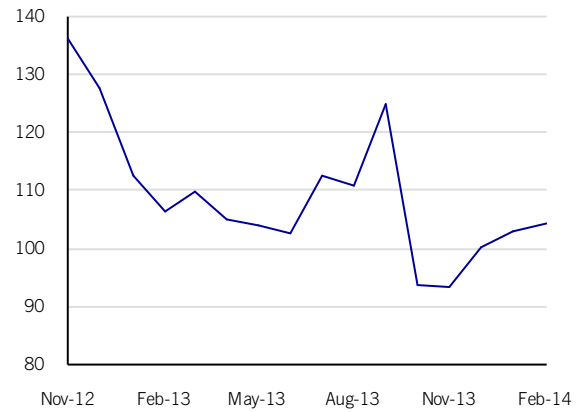
# Stock Investment Indicator Regions and Components



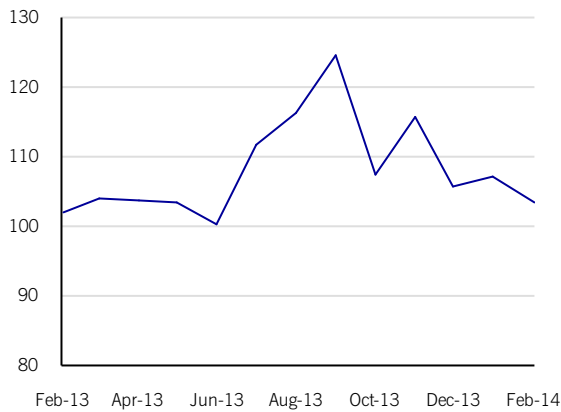
Stock Investment Indicator - Components



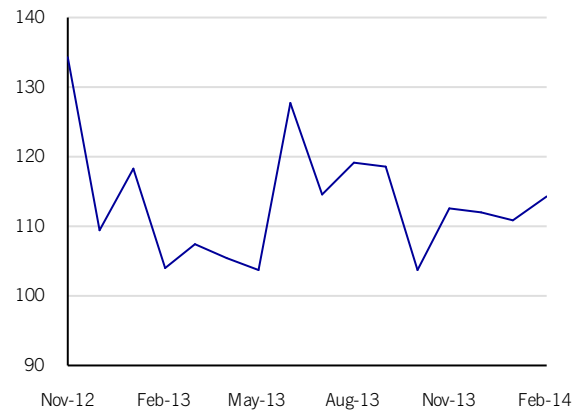
Investment Return



Stock Price Sentiment



Stock Market Expectation



# Expectations for the stock market in three months' time rose to 114.3 from 111.1 in January...

---

...as the proportion of respondents who expected equity prices to go up, rose from 18.8% to 24.4%

# House Buying Sentiment improved sharply to 107.7 in February from 94.9 in January.

---

There was a significant increase in the proportion of respondents who said it was an excellent or a good time to buy a house.



# Real Estate Investment Indicator Rises Markedly



The Real Estate Investment Indicator, which gauges whether it is a good time to invest in the housing market, rose close to levels last seen in April 2013 when it hit a record high.

The indicator increased to 119.1 in February from 114.2 in January, with the three month trend rising for the fifth consecutive month.

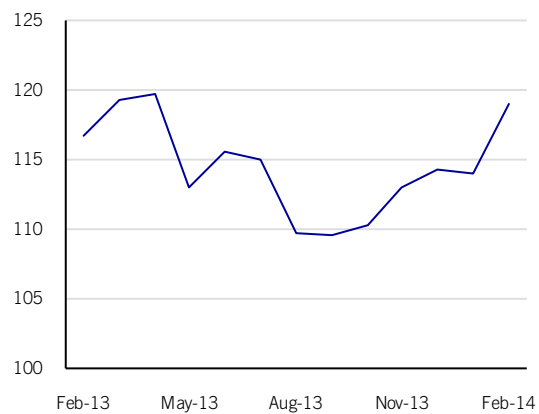
The Real Estate Investment Indicator is composed of three sub-indicators to gauge sentiment on the housing market; House Price Expectations, House Buying Sentiment and House Selling Sentiment.

House Buying Sentiment improved sharply on the month to 107.7 in February from 94.9 in January possibly due to seasonal factors. There was a significant increase in the proportion of respondents who said it was an excellent or a good time to buy a house. The number of respondents who saw house buying as a good investment more than doubled as compared with the previous month.

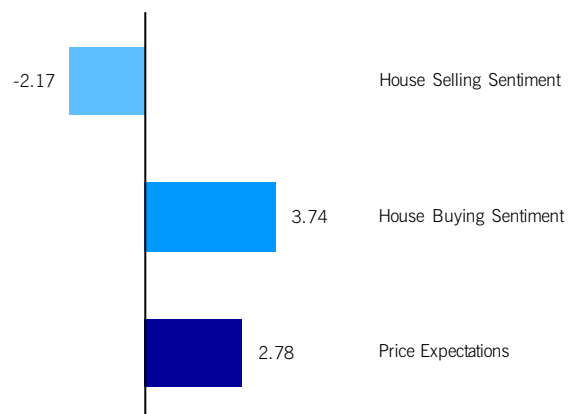
Since February 2013, increasingly more consumers have had a view that prices would rise in the next six months as the House Price Expectations Indicator has trended up. It increased significantly to a record high of 152.6 in February compared with 143.1 in January. The proportion of respondents who thought house prices would rise in the next six months increased to 78.3% compared with from 63.7% previously.

The House Selling Sentiment component that fell below the 100 mark to a series low in January rose

Real Estate Investment Indicator



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



## Real Estate Investment Sentiment

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Real Estate Investment Sentiment	116.9	109.7	110.4	113.2	114.4	114.2	119.1
Price Expectations	138.7	144.7	148.6	147.9	143.8	143.1	152.6
House Buying	116.4	98.1	95.0	92.8	104.8	94.9	107.7
House Selling	104.5	113.6	112.5	101.2	105.4	95.5	102.9



# Real Estate Investment Indicator

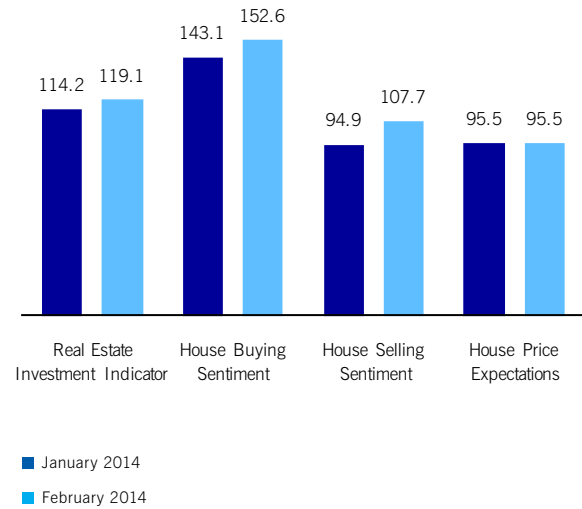
## Components and Balances

from 95.5 to 102.9 in February. The component has a negative impact on the Real Estate Investment Indicator, although the February rise was not enough to offset the increase in House Buying Sentiment.

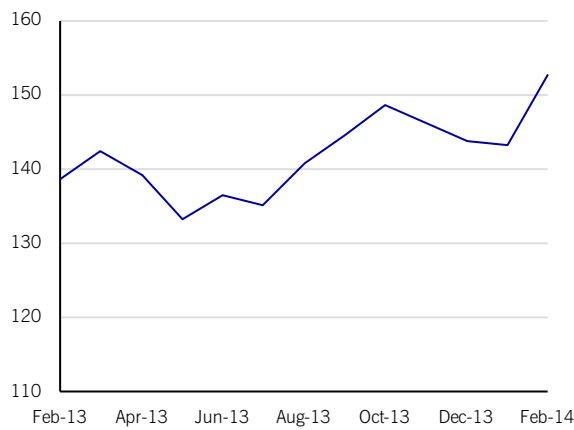
### Regions

The Real Estate Investment Indicator rose in all the regions apart from West India where a rise in House Selling Sentiment led the decline. A significant improvement in the House Buying Sentiment in the North, South, East and Central regions led the increase in the headline indicator. East India saw the largest rise and to a record high.

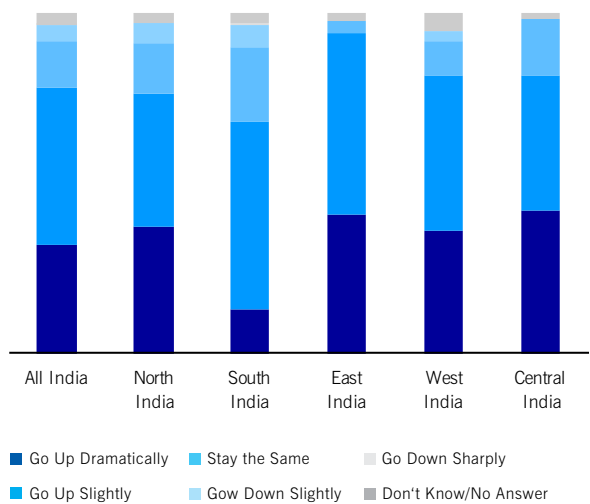
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes in Next 6 Months

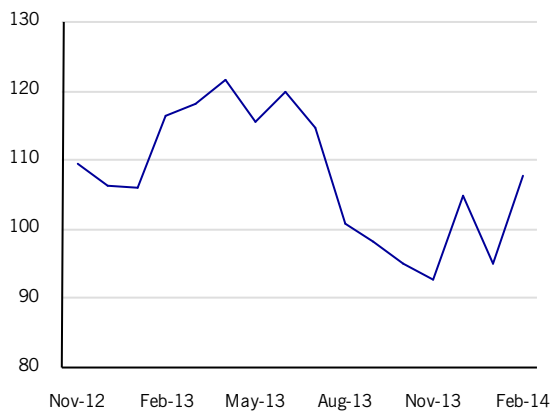


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

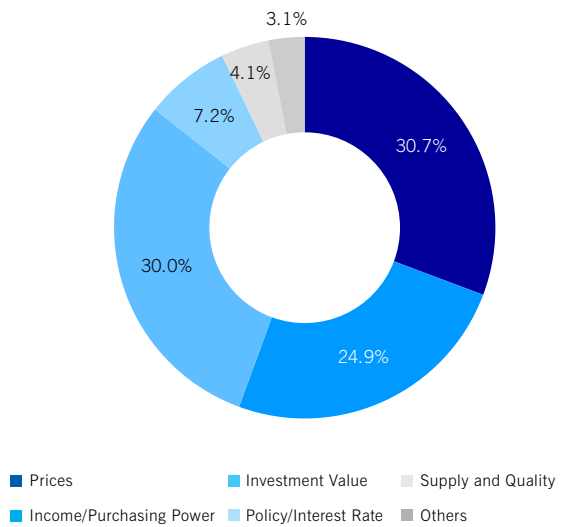




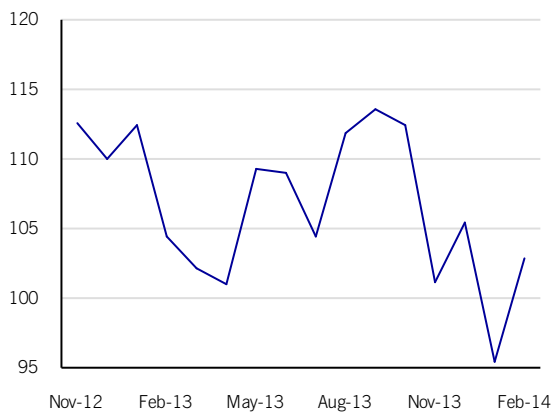
House Buying Sentiment



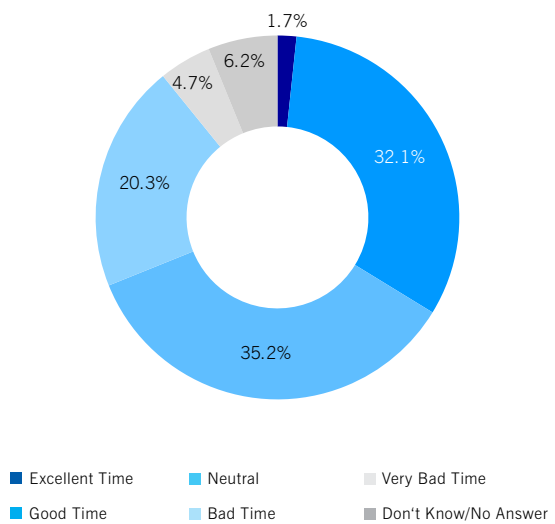
Reasons for Buying Houses (% of Households)



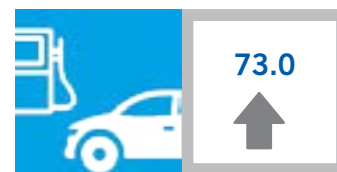
House Selling Sentiment



Timing for Selling Houses (% of Households)



## Car Purchase Indicator Picks Up in February



The Car Purchase Indicator picked up in February as car purchase expectations improved and expectations for the price of gasoline fell.

The indicator increased to 73.0 in February from 69.2 in January, a rise of 5.5% on the month. This was close to levels seen in December last year which was buoyed by heavy discounts offered by car retailers. It was, though, still below the 80.1 level seen in the same month a year earlier.

According to the latest data from the Society of Indian Automobile Manufacturers, Passenger car sales declined for the fourth consecutive month in January, to 160,289 units, 7.6% down from a year earlier. In the interim budget, Finance Minister P Chidambaram cut excise duty on small cars, two wheelers, and commercial vehicles to 8% from 12% until June to provide some relief to the automobile industry.

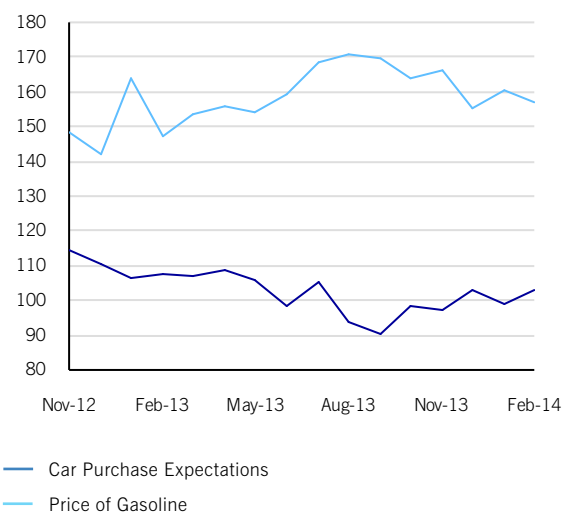
The Car Purchase Sentiment Indicator is made up of two components. The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, rose by 4.2% on the month to 103.2 after it fell into contraction in January to 99.0. Although, positive expectations led the component to the highest since July 2013, it was still 4% below the level seen in the previous year.

The second component, the Indicator on Gasoline Prices, which measures expectations for the price of gasoline in a year, declined to 157.2 in February following January's rise to 160.6.

### Car Purchase Indicator



### Car Purchase Indicator - Components



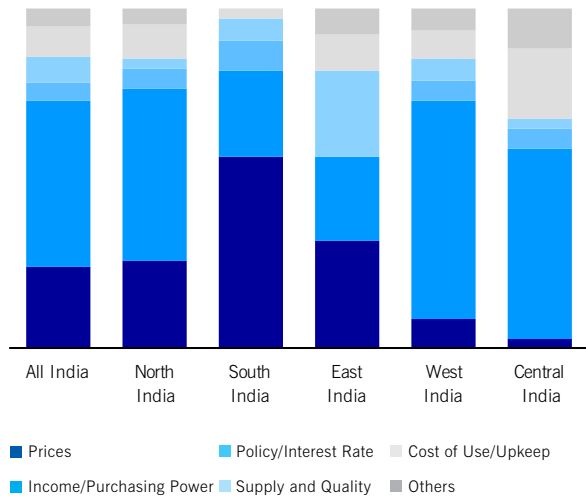
### Car Purchase Sentiment

	Feb-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Car Purchase Sentiment	80.1	60.1	67.1	65.7	73.8	69.2	73.0
Car Purchase Expectations	107.6	90.3	98.4	97.7	103.0	99.0	103.2
Price of Gasoline	147.4	170.2	164.1	166.3	155.4	160.6	157.2

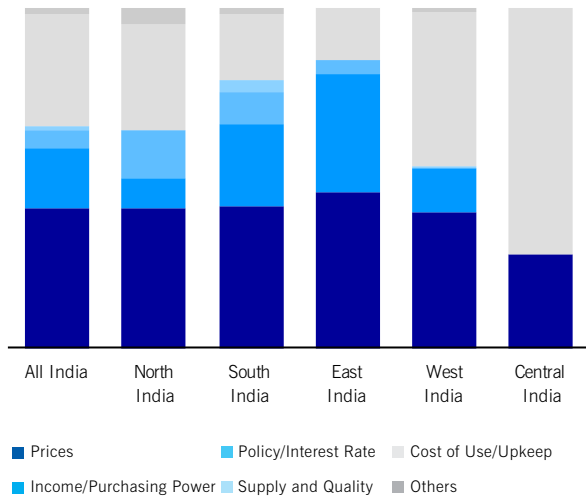
# Car Purchase Indicator Regions



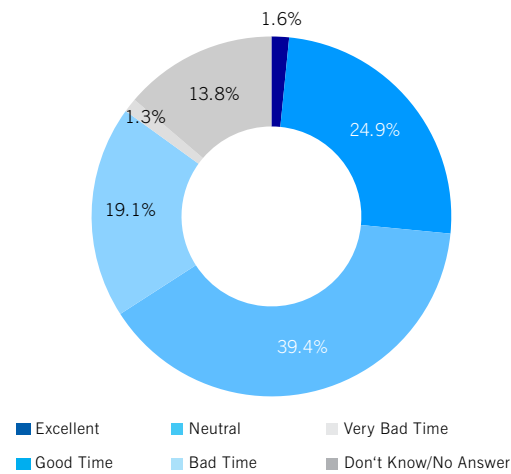
Reasons for a Good Time to Buy a Car (% of Households)



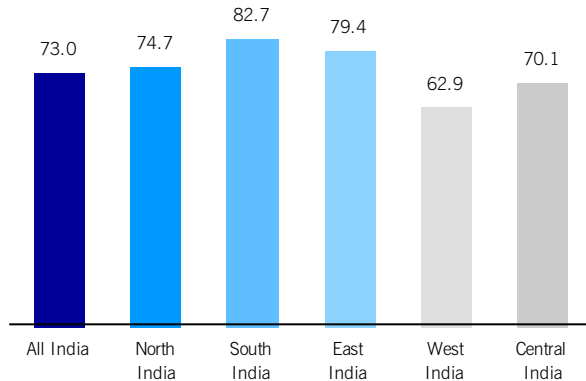
Reasons for a Bad Time to Buy a Car (% of Households)



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



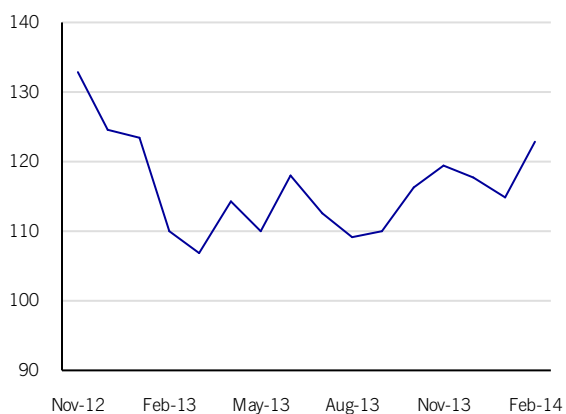
Car Purchase Indicator - Regions



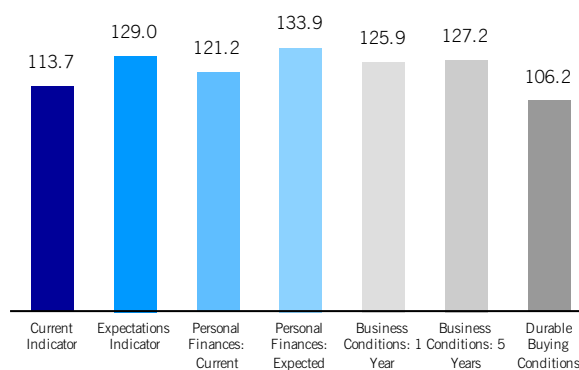
# MNI India Consumer Indicator Regions



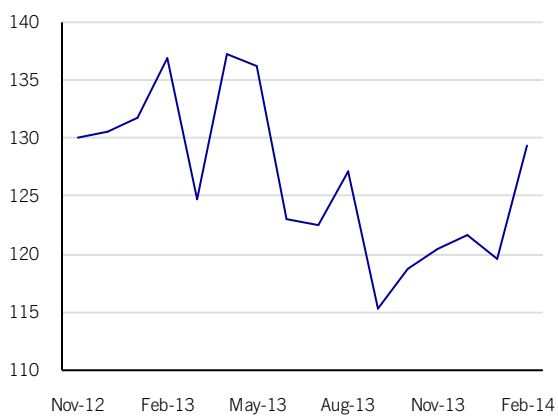
Consumer Indicator: North India



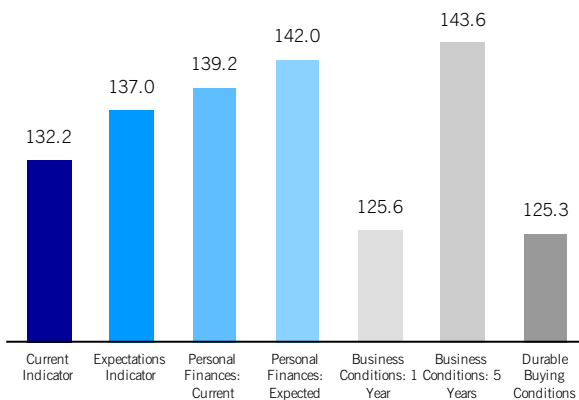
Consumer Indicator Components: North India



Consumer Indicator: South India

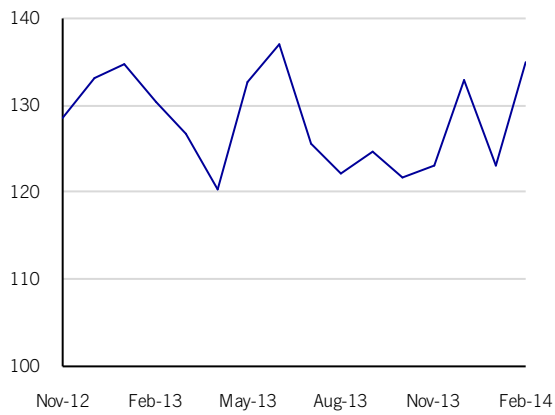


Consumer Indicator Components: South India

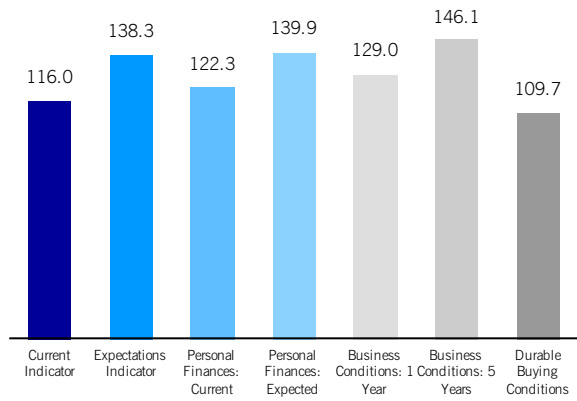




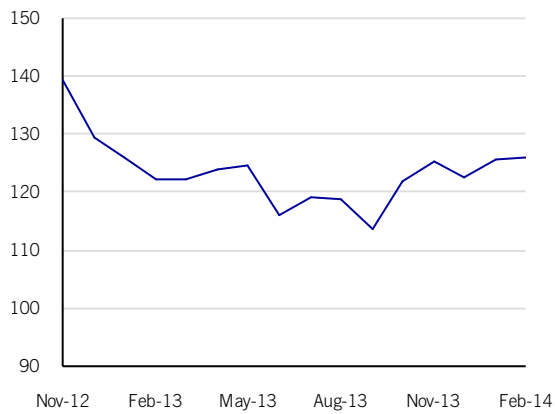
Consumer Indicator: East India



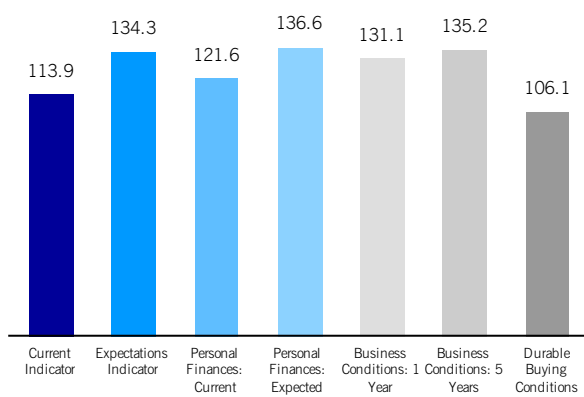
Consumer Indicator Components: East India



Consumer Indicator: West India

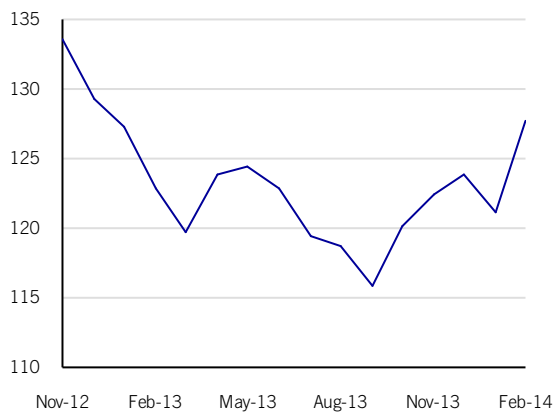


Consumer Indicator Components: West India

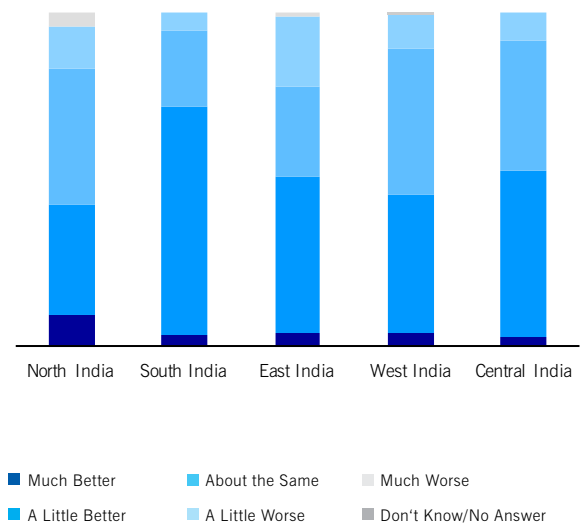




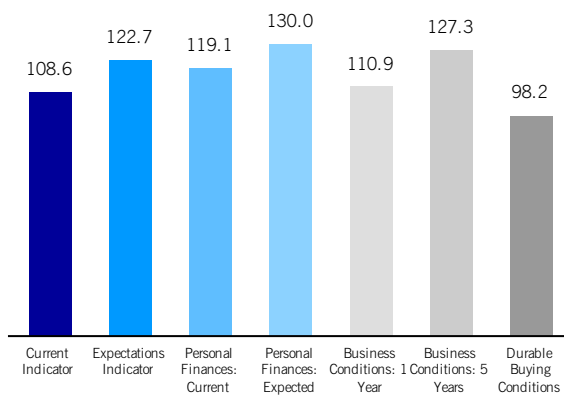
Consumer Indicator: Central India



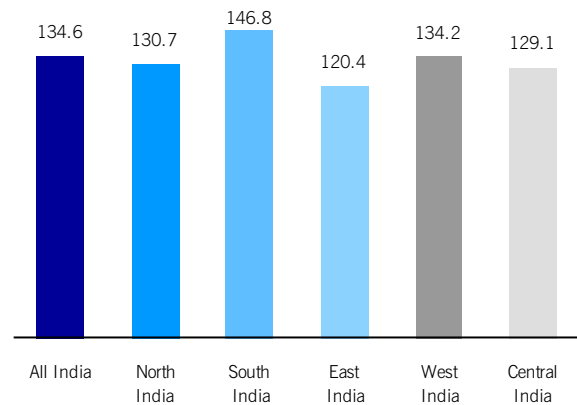
Employment Outlook for the Next 12 Months (% of Households)



Consumer Indicator Components: Central India



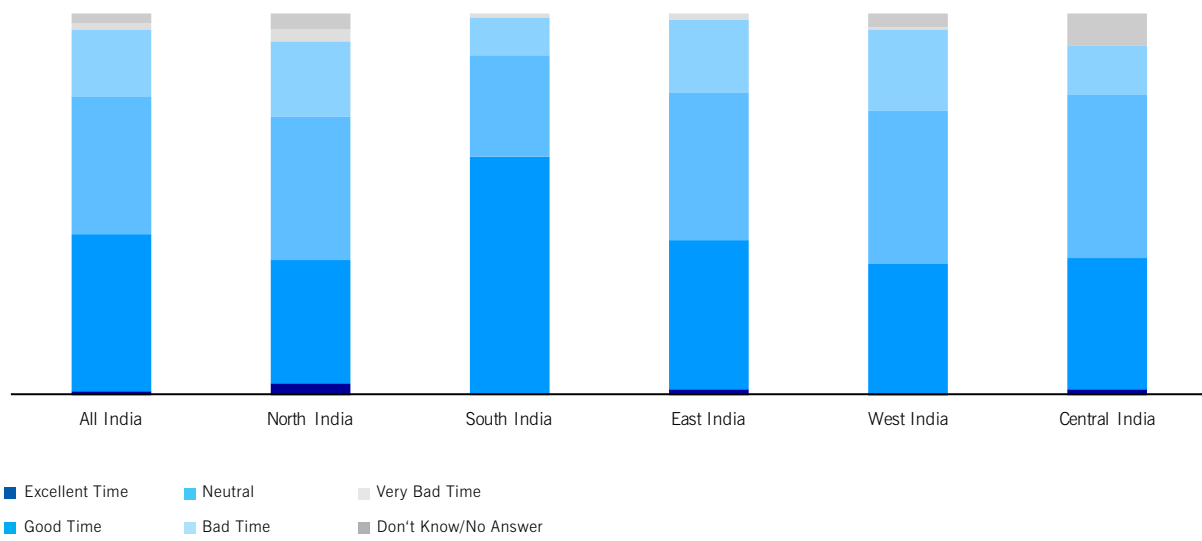
Expected Interest Rate on House and Car Loans Indicator



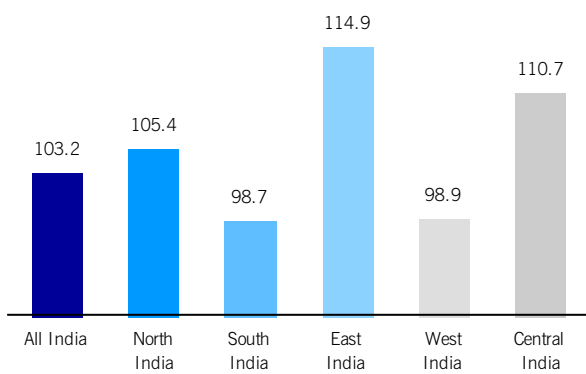




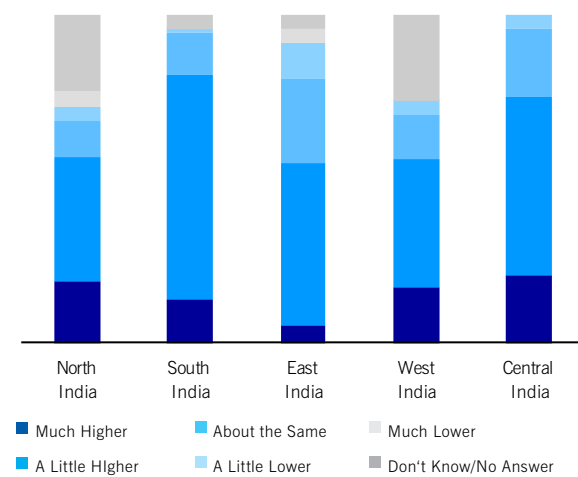
Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



Car Purchase Expectations Indicator - Regions



Interest Rates Expectations (% of Households)

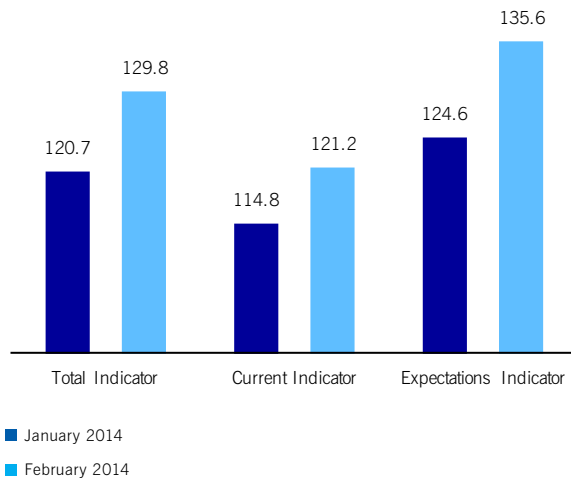




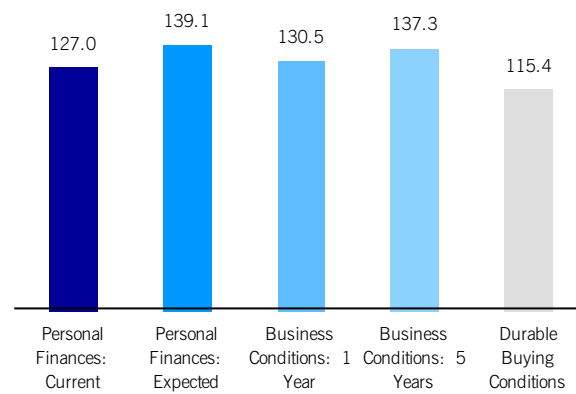
# MNI India Consumer Indicator

## Income Groups

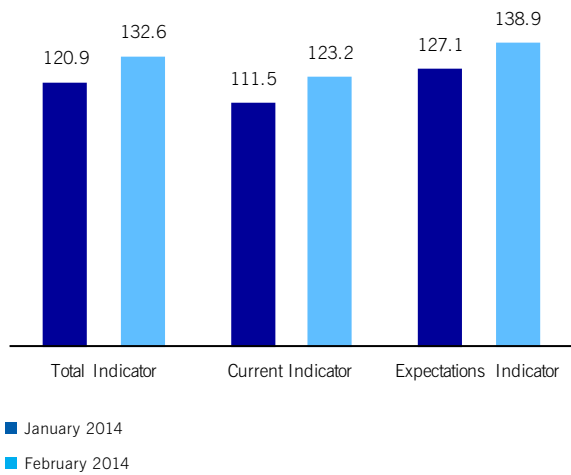
< INR 432,000 per annum



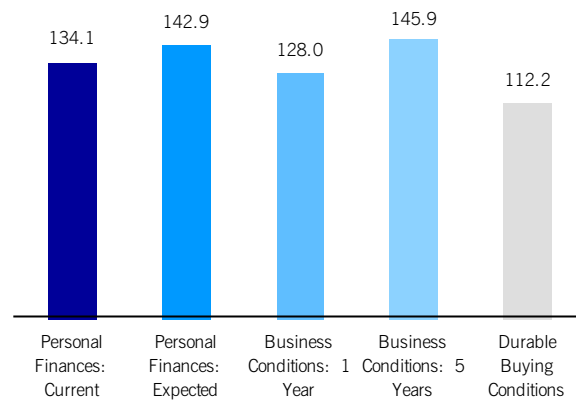
< INR 432,000 - Components



> INR 432,000 per annum



> INR 432,000 - Components



# Consumer confidence improved in both low and high income households.

---

Since both series began, confidence has increased 3.9% among higher income households, while for lower income households it has risen by 7.8%.



## What the Panel Said

---

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

“An easy loan facility is available to buy cars.”

“Our expenses are going up but income is the same.”

“The business conditions are good in Ahmadabad because of Narendra Modi government policies.”

“Whatever our household income is, we spend it on general expenses and repayment of loans, the prices of household products is high and salary growth is low.”

“A little increase in our family income has led to a better financial situation of the family as pressure has eased on paying instalments for the house loan.”

“More job opportunities coming up.”

“Petrol prices are high.”

“After elections, prices may decrease. Poor government policies are responsible for high inflation.”

“Discounts and easy loans are available to buy consumer durables.”

“Competition between various companies has made the price of cars lower.”

“If anyone wants to own a property they should buy by March as after that prices may rise.”

# The increase in consumer confidence was seen in all five regions...

---

...with consumers in South India the most optimistic and North India the least.



# Data Tables

---

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

## North India Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>North India Consumer Indicator</b>	117.8	115.1	122.9	Jan-13	-	118.6	7.8	6.8%
Current Indicator	111.1	105.0	113.7	May-13	-	109.9	8.7	8.3%
Expectations Indicator	122.2	121.9	129.0	Nov-12	-	124.4	7.1	5.8%
Personal Finance: Current	116.0	111.5	121.2	Jan-13	-	116.2	9.7	8.7%
Personal Finance: Expected	126.4	127.4	133.9	Dec-12	-	129.2	6.5	5.1%
Business Condition: 1 Year	114.1	113.2	125.9	Jan-13	-	117.7	12.7	11.2%
Business Condition: 5 Year	126.2	125.0	127.2	Nov-13	-	126.1	2.2	1.8%
Durable Buying Conditions	106.1	98.4	106.2	Nov-13	-	103.6	7.8	7.9%
Current Business Conditions Indicator	105.2	98.2	103.3	Dec-13	-	102.2	5.1	5.2%
Stock Investment Indicator	109.4	105.6	101.6	-	Nov-13	105.5	-4.0	-3.8%
Real Estate Investment Indicator	113.1	110.0	120.8	Jul-13	-	114.6	10.8	9.8%
Car Purchase Indicator	68.7	70.2	74.7	Feb-13	-	71.2	4.5	6.4%
Employment Outlook Indicator	112.8	107.4	115.3	Nov-13	-	111.8	7.9	7.4%
Inflation Expectations Indicator	151.6	149.6	156.4	Nov-13	-	152.5	6.8	4.6%
Current Prices Satisfaction Indicator	68.7	75.1	71.3	-	Dec-13	71.7	-3.8	-5.0%
Interest Rates Expectations Indicator	137.9	133.1	130.7	-	Aug-13	133.9	-2.4	-1.8%



## South India Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>South India Consumer Indicator</b>	133.0	123.1	135.1	Jun-13	-	130.4	12.0	9.8%
Current Indicator	132.3	118.0	132.2	Dec-13	-	127.5	14.2	12.0%
Expectations Indicator	133.5	126.5	137.0	Jun-13	-	132.3	10.5	8.4%
Personal Finance: Current	137.3	123.5	139.2	Dec-12	-	133.3	15.7	12.7%
Personal Finance: Expected	129.0	120.3	142.0	Jun-13	-	130.4	21.7	18.0%
Business Condition: 1 Year	124.8	116.6	125.6	Jul-13	-	122.3	9.0	7.7%
Business Condition: 5 Year	146.6	142.5	143.6	Dec-13	-	144.2	1.1	0.7%
Durable Buying Conditions	127.4	112.6	125.3	Dec-13	-	121.8	12.7	11.3%
Current Business Conditions Indicator	128.0	118.0	138.6	May-13	-	128.2	20.6	17.4%
Stock Investment Indicator	100.0	102.0	104.6	Jun-13	-	102.2	2.6	2.6%
Real Estate Investment Indicator	119.4	109.0	116.2	Dec-13	-	114.9	7.2	6.6%
Car Purchase Indicator	83.4	75.4	82.7	Dec-13	-	80.5	7.3	9.7%
Employment Outlook Indicator	142.5	124.0	134.9	Dec-13	-	133.8	10.9	8.8%
Inflation Expectations Indicator	149.7	166.0	156.7	-	Dec-13	157.5	-9.3	-5.6%
Current Prices Satisfaction Indicator	112.5	73.5	96.2	Dec-13	-	94.1	22.7	30.8%
Interest Rates Expectations Indicator	144.0	137.7	146.8	series high	-	142.8	9.1	6.6%

### East India Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>East India Consumer Indicator</b>	121.7	119.7	129.4	May-13	-	123.6	9.7	8.1%
Current Indicator	121.9	119.3	116.0	-	Nov-13	119.1	-3.3	-2.8%
Expectations Indicator	121.6	120.0	138.3	May-13	-	126.6	18.3	15.3%
Personal Finance: Current	107.6	118.5	122.3	Aug-13	-	116.1	3.8	3.2%
Personal Finance: Expected	134.3	120.0	139.9	May-13	-	131.4	19.9	16.6%
Business Condition: 1 Year	100.8	116.9	129.0	May-13	-	115.6	12.1	10.3%
Business Condition: 5 Year	129.6	123.1	146.1	series high	-	132.9	23.0	18.7%
Durable Buying Conditions	136.3	120.1	109.7	-	Sep-13	122.0	-10.4	-8.7%
Current Business Conditions Indicator	106.2	100.6	113.5	Aug-13	-	106.8	12.9	12.8%
Stock Investment Indicator	0.0	100.0	0.0	-	series low	33.3	-100.0	-100.0%
Real Estate Investment Indicator	108.1	115.4	132.4	series high	-	118.6	17.0	14.7%
Car Purchase Indicator	65.7	68.8	79.4	May-13	-	71.3	10.6	15.4%
Employment Outlook Indicator	74.4	82.5	115.7	Aug-13	-	90.9	33.2	40.3%
Inflation Expectations Indicator	169.8	135.5	149.8	Dec-13	-	151.7	14.3	10.6%
Current Prices Satisfaction Indicator	52.3	69.5	65.0	-	Dec-13	62.3	-4.5	-6.5%
Interest Rates Expectations Indicator	147.5	130.6	120.4	-	Mar-13	132.8	-10.2	-7.8%

## West India Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>West India Consumer Indicator</b>	122.6	125.8	126.1	Jan-13	-	124.8	0.3	0.2%
Current Indicator	114.2	114.4	113.9	-	Sep-13	114.2	-0.5	-0.5%
Expectations Indicator	128.1	133.5	134.3	Nov-12	-	132.0	0.8	0.6%
Personal Finance: Current	122.6	126.0	121.6	-	Oct-13	123.4	-4.4	-3.5%
Personal Finance: Expected	134.5	136.0	136.6	Apr-13	-	135.7	0.6	0.5%
Business Condition: 1 Year	120.1	128.1	131.1	Dec-12	-	126.4	3.0	2.3%
Business Condition: 5 Year	129.9	136.3	135.2	-	Dec-13	133.8	-1.1	-0.8%
Durable Buying Conditions	105.9	102.8	106.1	Nov-13	-	104.9	3.3	3.2%
Current Business Conditions Indicator	114.8	115.7	110.9	-	Nov-13	113.8	-4.8	-4.1%
Stock Investment Indicator	102.0	99.3	106.6	Sep-13	-	102.6	7.3	7.4%
Real Estate Investment Indicator	113.6	120.3	114.9	-	Dec-13	116.3	-5.4	-4.5%
Car Purchase Indicator	73.0	64.4	62.9	-	Sep-13	66.8	-1.5	-2.3%
Employment Outlook Indicator	120.6	119.3	119.7	Dec-13	-	119.9	0.4	0.3%
Inflation Expectations Indicator	150.1	156.2	153.5	-	Dec-13	153.3	-2.7	-1.7%
Current Prices Satisfaction Indicator	91.9	79.8	69.7	-	series low	80.5	-10.1	-12.6%
Interest Rates Expectations Indicator	138.0	141.3	134.2	-	Sep-13	137.8	-7.1	-5.0%

### Central India Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Central India Consumer Indicator</b>	126.1	117.1	125.9	Dec-13	-	123.0	8.8	7.5%
Current Indicator	119.9	108.6	113.1	Dec-13	-	113.9	4.5	4.1%
Expectations Indicator	130.2	122.7	134.4	Apr-13	-	129.1	11.7	9.5%
Personal Finance: Current	123.7	119.1	113.9	-	Nov-13	118.9	-5.2	-4.3%
Personal Finance: Expected	131.4	130.0	133.6	Apr-13	-	131.7	3.6	2.8%
Business Condition: 1 Year	123.7	110.9	129.5	Apr-13	-	121.4	18.6	16.8%
Business Condition: 5 Year	135.6	127.3	140.2	Aug-13	-	134.4	12.9	10.1%
Durable Buying Conditions	116.1	98.2	112.3	Dec-13	-	108.9	14.1	14.4%
Current Business Conditions Indicator	116.1	97.3	114.8	Dec-13	-	109.4	17.5	18.0%
Stock Investment Indicator	98.0	133.3	116.7	-	Dec-13	116.0	-16.6	-12.5%
Real Estate Investment Indicator	118.4	115.5	118.3	Dec-13	-	117.4	2.8	2.5%
Car Purchase Indicator	79.7	69.1	70.1	Dec-13	-	73.0	1.0	1.4%
Employment Outlook Indicator	118.6	108.2	123.8	Aug-13	-	116.9	15.6	14.4%
Inflation Expectations Indicator	144.9	147.3	158.2	Oct-13	-	150.1	10.9	7.4%
Current Prices Satisfaction Indicator	99.2	77.3	65.6	-	series low	80.7	-11.7	-15.1%
Interest Rates Expectations Indicator	134.7	129.1	136.1	Oct-13	-	133.3	7.0	5.4%

## All India Overview by Age

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Age 18-34</b>								
<b>MNI India Consumer Indicator</b>	124.0	123.4	127.5	Jan-13	-	125.0	4.1	3.3%
Current Indicator	118.6	118.0	117.1	-	Sep-13	117.9	-0.9	-0.7%
Expectations Indicator	127.6	127.0	134.3	series high	-	129.6	7.3	5.8%
Personal Finance: Current	121.9	124.2	124.6	May-13	-	123.6	0.4	0.3%
Personal Finance: Expected	130.4	130.0	141.1	series high	-	133.8	11.1	8.6%
Business Condition: 1 Year	117.2	117.3	126.0	Jan-13	-	120.2	8.7	7.4%
Business Condition: 5 Year	135.1	133.6	135.8	series high	-	134.8	2.2	1.7%
Durable Buying Conditions	115.2	111.8	109.7	-	Sep-13	112.2	-2.1	-1.9%
<b>Age 35-54</b>								
<b>MNI India Consumer Indicator</b>	125.4	121.4	130.2	Dec-12	-	125.7	8.8	7.3%
Current Indicator	121.8	112.6	121.7	Dec-13	-	118.7	9.0	8.0%
Expectations Indicator	127.8	127.2	135.9	series high	-	130.3	8.7	6.8%
Personal Finance: Current	124.6	121.3	127.9	Jan-13	-	124.6	6.6	5.4%
Personal Finance: Expected	133.0	128.2	137.0	series high	-	132.8	8.8	6.9%
Business Condition: 1 Year	117.3	120.2	130.4	Dec-12	-	122.7	10.2	8.5%
Business Condition: 5 Year	133.0	133.1	140.2	series high	-	135.5	7.1	5.3%
Durable Buying Conditions	119.1	104.0	115.5	Dec-13	-	112.8	11.5	11.0%
<b>Age 55-64</b>								
<b>MNI India Consumer Indicator</b>	120.9	116.9	120.5	Dec-13	-	119.4	3.6	3.0%
Current Indicator	117.9	106.2	109.8	Dec-13	-	111.3	3.6	3.4%
Expectations Indicator	122.9	124.0	127.6	Dec-12	-	124.8	3.5	2.8%
Personal Finance: Current	122.5	109.9	117.8	Dec-13	-	116.7	7.9	7.1%
Personal Finance: Expected	128.3	119.8	128.6	Mar-13	-	125.6	8.8	7.3%
Business Condition: 1 Year	117.6	122.8	126.1	Jan-13	-	122.2	3.4	2.8%
Business Condition: 5 Year	122.9	129.5	128.0	-	Dec-13	126.8	-1.5	-1.2%
Durable Buying Conditions	113.3	102.6	101.9	-	Sep-13	105.9	-0.7	-0.6%

## All India - Overview by Income

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>&lt; INR 432,000 per annum</b>								
<b>MNI India Consumer Indicator</b>	126.5	120.7	129.8	series high	-	125.7	9.1	7.6%
Current Indicator	122.6	114.8	121.2	Dec-13	-	119.5	6.4	5.6%
Expectations Indicator	129.1	124.6	135.6	series high	-	129.8	11.0	8.8%
Personal Finance: Current	122.0	121.9	127.0	series high	-	123.6	5.1	4.2%
Personal Finance: Expected	133.5	121.9	139.1	series high	-	131.5	17.2	14.1%
Business Condition: 1 Year	115.1	118.1	130.5	series high	-	121.2	12.4	10.5%
Business Condition: 5 Year	138.6	133.9	137.3	Dec-13	-	136.6	3.4	2.5%
Durable Buying Conditions	123.2	107.6	115.4	Dec-13	-	115.4	7.8	7.2%
<b>&gt; INR 432,000 per annum</b>								
<b>MNI India Consumer Indicator</b>	131.0	120.9	132.6	series high	-	128.2	11.7	9.7%
Current Indicator	125.9	111.5	123.2	Dec-13	-	120.2	11.7	10.5%
Expectations Indicator	134.4	127.1	138.9	series high	-	133.5	11.8	9.3%
Personal Finance: Current	133.6	114.1	134.1	series high	-	127.3	20.0	17.5%
Personal Finance: Expected	135.2	124.1	142.9	series high	-	134.1	18.8	15.1%
Business Condition: 1 Year	128.5	121.6	128.0	Dec-13	-	126.0	6.4	5.2%
Business Condition: 5 Year	139.5	135.7	145.9	series high	-	140.4	10.2	7.5%
Durable Buying Conditions	118.3	108.8	112.2	Dec-13	-	113.1	3.4	3.1%

## 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.

**Published by**

MNI Indicators | Deutsche Börse Group

Westferry House

11 Westferry Circus

London

E14 4HE

[www.mni-indicators.com](http://www.mni-indicators.com)

[@MNIIndicators.com](mailto:@MNIIndicators.com)

Copyright© 2014 MNI Indicators | Deutsche Börse  
Group.

Reproduction or retransmission in whole or in part is  
prohibited except by permission. All rights reserved.