



mni | DEUTSCHE BÖRSE
GROUP

MNI India Consumer Report January 2015

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
George Brown, Junior Economist

Release Time


Embargoed until 9:45 a.m. Mumbai time
February 5, 2015

MNI Indicators | Deutsche Börse Group

Westferry House
11 Westferry Circus
London
E14 4HE
Tel: +44 (0)20 7862 7444
Email: info@mni-indicators.com

www.mni-indicators.com

 [@MNIIndicators](https://twitter.com/MNIIndicators)

 [MNI Indicators](#)

MNI India Consumer Report - January 2015

Contents

4	Editorial
6	Executive Summary
12	Economic Landscape
20	Indicators
21	MNI India Consumer Indicator
28	Personal Finances
31	Current Business Conditions
33	Durable Buying Conditions
35	Employment Outlook
37	Prices Sentiment
40	Interest Rate Expectations Indicator
42	Stock Investment Indicator
45	Real Estate Investment Indicator
48	Car Purchase Indicator
50	Consumer Sentiment - Regions
54	Consumer Sentiment - Income Group
56	What the Panel Said
58	Data Tables
66	Methodology



New Year, New Beginning

After a long wait, the start of 2015 has brought cheer to Indian businesses after the Reserve Bank of India's Governor announced a 25 basis point cut in the repo rate on January 15.

After a long wait, the start of 2015 has brought cheer to Indian businesses after the Reserve Bank of India's Governor announced a 25 basis point cut in the repo rate on January 15 citing lower than expected inflation and greater reassurance from the government that it would meet its fiscal deficit target for the year ending March 2015.

Times have changed. Oil prices have plummeted 60% from their June 2014 peak, largely due to a mismatch in demand and supply. Demand from Europe, China and Japan has weakened while supply is rising on account of the US shale boom and the reluctance of OPEC to lower its target production ceiling.

What do lower oil prices mean for India? Falling energy prices helped push CPI inflation to an all-time low of 4.4% in November, less than half the 11.2% rate seen in November 2013, before picking up slightly in December. This has allowed the RBI to ease monetary policy sooner than otherwise would have been the case.

Falling oil prices are also a blessing for the Indian economy in terms of growth. India imports more than two-thirds of its oil requirement, which comprises around 30% of total imports. Declining global crude prices reduce India's import bill and will significantly reduce its balance of payments deficit. Latest data showed that the trade deficit narrowed to a 10-month low in December as the value of oil imports dropped 28.6% from a year earlier. As an illustration, a dollar decrease in the oil price could cut Rs. 40 billion from the government's oil import bill. For businesses, lower input costs are expected to lift profit margins and potentially strengthen their balance sheets. This should leave companies better placed to start new projects or revive stalled ones, generate new jobs and investment. Cheap oil also puts more money into the hands of consumers for discretionary spending.

Moreover, the government has proactively capped the budget subsidy on cooking gas and eliminated the subsidy on diesel. This will in turn ease pressure on the government's ambitious deficit target of 4.1% of GDP, which it is finding difficult to achieve due to slower than expected divestment and lower tax receipts. More importantly, oil savings can be directed

towards much-needed infrastructure investment, which has been slow to take off.

With disinflationary pressures set to continue, there is greater optimism that the RBI will be successful in achieving its inflation target. This increased fiscal discipline and further reforms by the government should allow the central bank to cut rates further which should help to spur investment spending and boost economic growth.

The timing of the decline in oil prices could not have been better for India's economy. With China losing momentum, Brazil's future in doubt and Russia set to enter a deep recession, the world is actively looking for another high growth frontier. The government should capitalise on such an opportunity by not wavering on reforms and put its energy into increasing India's productive potential.

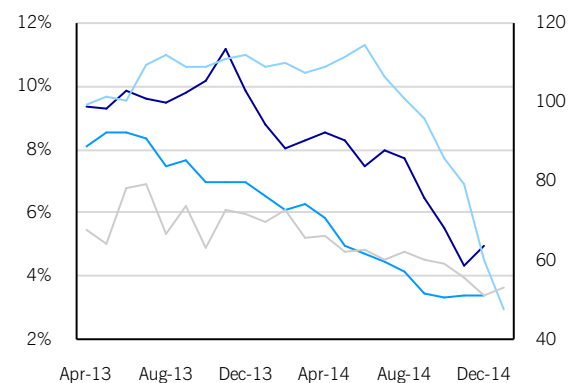
Shaily Mittal [Twitter](#) [LinkedIn](#)

@ShailyMittal

Economist

MNI Indicators

Oil Prices and Inflation



— Consumer Price Inflation* — Brent Crude Oil (RHS)**
— Consumer Price Fuel Inflation* — MNI Input Prices (RHS)***

Source: *MOSPI, **ICIS Pricing, ***MNI India Business Survey



Executive Summary

The MNI India Consumer Indicator rose to 120.4 in January from 119.6 in December, although was below the outturn of 121.2 in January 2014.

The MNI India Consumer Indicator rose to 120.4 in January from 119.6 in December, although was below the outturn of 121.2 in January 2014.

If not for a large seasonal boost from the winter sales, which caused purchases of large household items to spike to 111.2, sentiment would have fallen. Despite the rise in the Durable Buying Conditions Indicator, overall consumer sentiment was still down 0.7% on the year.

A significant number of consumers believed that it was a good time to purchase large household goods, although an increasing proportion of our panel were unsure and preferred to wait for the upcoming budget before making a decision on whether to make any big-ticket purchases.

The remaining four components that comprise the MNI India CSI fell between December and January. In spite of the recent slowdown in inflation, household finances remained squeezed with respondents reporting current finances at a record low of 113.3 in January. Expectations for the coming 12 months also turned down to 124.4.

Respondents cited higher family expenses as the main reason for the worsening in their finances, while a growing proportion thought that it was due to a fall in their income. As a result, consumers were left with much less to save as a result, with 49% of respondents saving between 1-29% of their monthly household income in January, significantly lower than last year's 63%.

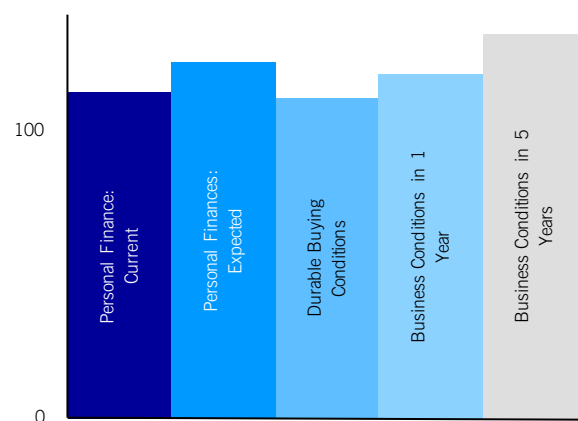
There was, however, some good news surrounding the job market. More than half of consumers had a more optimistic outlook of their employment prospects. The Employment Outlook Indicator rose to 122.7 in January, the highest since May 2013.

All three measures of business conditions worsened in January as the survey revealed an increasing number of respondents were less optimistic about both the current and future state of business.

Following a sharp downward move last year, the Real Estate Investment Indicator picked up in January as an increasing number of our respondents reported a greater willingness to purchase a house. The recent 25 basis point rate cut should further help to underpin housing sentiment.

The Car Purchase Indicator rose to a record high of 104.0 in January from 91.4 in December as there was a greater willingness to purchase a car and respondents expected gas prices to fall further. This was the first time the indicator has been above the 100 breakeven level since the survey started. However, a substantial proportion of consumers weren't sure about whether they would make a car purchase as they were probably waiting to see whether any supportive measures for the automobile industry would be announced in the upcoming budget.

MNI India Consumer Indicator - Components



All India - Overview

	Nov-14	Dec-14	Jan-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Consumer Indicator	120.9	119.6	120.4	Nov-14	-	120.3	0.8	0.7%
Current Indicator	110.7	106.9	112.2	Sep-14	-	109.9	5.3	5.0%
Expectations Indicator	127.7	128.0	125.8	-	Oct-13	127.2	-2.2	-1.8%
Personal Finance: Current	115.6	114.4	113.3	-	series low	114.4	-1.1	-0.9%
Personal Finance: Expected	128.7	126.3	124.2	-	May-14	126.4	-2.1	-1.7%
Business Condition: 1 Year	116.3	119.9	119.6	-	Nov-14	118.6	-0.3	-0.3%
Business Condition: 5 Years	138.1	137.9	133.6	-	Sep-14	136.5	-4.3	-3.1%
Durable Buying Conditions	105.8	99.4	111.2	Sep-14	-	105.5	11.8	11.8%
Current Business Conditions Indicator	108.6	116.6	112.4	-	Nov-14	112.5	-4.2	-3.6%
Stock Investment Indicator	114.8	118.5	114.5	-	Oct-14	115.9	-4.0	-3.4%
Real Estate Investment Indicator	111.0	111.0	114.2	Apr-14	-	112.1	3.2	2.9%
Car Purchase Indicator	91.7	91.4	104.0	series high	-	95.7	12.6	13.9%
Employment Outlook Indicator	111.4	121.1	122.7	May-13	-	118.4	1.6	1.3%
Inflation Expectations Indicator	119.0	123.2	126.8	Oct-14	-	123.0	3.6	2.9%
Current Prices Satisfaction Indicator	89.7	97.1	96.4	-	Nov-14	94.4	-0.7	-0.8%
Interest Rates Expectations Indicator	122.0	129.4	123.9	-	Nov-14	125.1	-5.5	-4.3%

All India - Summary

	2014												2015
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
MNI India Consumer Indicator	121.2	127.8	125.8	125.2	122.1	126.2	124.1	125.2	124.1	123.7	120.9	119.6	120.4
Current Indicator	113.2	118.4	115.5	114.1	114.6	115.7	114.2	116.2	117.5	111.0	110.7	106.9	112.2
Expectations Indicator	126.6	134.2	132.8	132.6	127.2	133.2	130.8	131.2	128.4	132.3	127.7	128.0	125.8
Personal Finance: Current	120.5	125.3	119.4	121.8	120.6	122.9	119.1	115.4	117.1	115.4	115.6	114.4	113.3
Personal Finance: Expected	127.8	137.4	133.1	130.2	122.5	128.1	125.2	132.1	132.2	129.2	128.7	126.3	124.2
Business Condition: 1 Year	119.3	128.2	124.5	126.3	122.3	127.2	125.9	126.4	120.7	128.8	116.3	119.9	119.6
Business Condition: 5 Years	132.7	136.9	140.8	141.3	136.8	144.5	141.3	135.1	132.5	138.8	138.1	137.9	133.6
Durable Buying Conditions	106.0	111.4	111.6	106.4	108.6	108.5	109.3	116.9	118.0	106.5	105.8	99.4	111.2
Current Business Conditions Indicator	108.9	116.0	102.9	106.3	104.7	111.4	107.7	109.0	113.9	113.5	108.6	116.6	112.4
Stock Investment Indicator	102.3	105.1	89.7	110.9	120.6	118.4	112.9	113.5	130.8	108.9	114.8	118.5	114.5
Investment Return	103.0	104.5	82.7	114.6	139.1	132.8	131.1	126.5	162.4	109.1	144.3	158.2	140.4
Stock Price Sentiment	107.4	103.7	128.6	119.3	112.8	117.8	125.6	106.0	122.2	111.8	131.8	145.5	145.9
Stock Market Expectations	111.1	114.3	114.9	137.4	135.5	140.1	133.2	120.1	152.2	129.2	131.8	142.8	148.9
Real Estate Investment Indicator	114.2	119.1	117.8	114.4	111.9	110.6	110.3	111.3	112.5	112.6	111.0	111.0	114.2
House Price Expectations	143.1	152.6	148.6	145.9	139.8	142.6	144.9	148.7	146.4	149.6	144.0	154.2	153.6
House Buying Sentiment	94.9	107.7	102.8	102.1	103.2	99.1	99.7	97.4	96.2	98.4	92.1	89.3	94.6
House Selling Sentiment	95.5	102.9	98.2	104.9	107.3	110.0	113.7	112.2	105.2	110.0	103.2	110.7	105.5
Car Purchase Indicator	69.2	73.0	75.3	71.7	75.2	78.6	75.6	78.5	86.6	86.1	91.7	91.4	104.0
Car Purchase Expectations	99.0	103.2	108.9	102.3	101.8	101.7	105.4	108.5	107.6	100.8	89.8	79.7	105.1
Price of Gasoline Expectations	160.6	157.2	158.3	158.8	151.4	144.6	154.2	151.4	134.4	128.5	106.3	96.9	97.0
Employment Outlook Indicator	112.0	121.8	115.7	115.7	116.5	122.5	119.9	109.8	109.1	106.9	111.4	121.1	122.7
Inflation Expectations Indicator	153.6	154.8	154.2	152.2	146.4	131.5	137.0	133.7	131.1	127.9	119.0	123.2	126.8
Current Prices Satisfaction Indicator	75.7	75.4	67.2	66.3	63.0	69.8	72.5	68.3	78.8	81.6	89.7	97.1	96.4
Interest Rates Expectations Indicator	136.3	134.6	133.0	133.6	130.1	135.3	130.2	119.4	121.0	124.6	122.0	129.4	123.9

All India - Records

	2012-Current			
	Minimum	Maximum	Mean	Median
MNI India Consumer Indicator	115.9	133.7	123.4	123.7
Current Indicator	106.9	128.3	115.9	115.1
Expectations Indicator	120.3	137.3	128.4	128.0
Personal Finance: Current	113.3	135.4	120.4	119.4
Personal Finance: Expected	118.4	141.5	128.8	128.7
Business Condition: 1 Year	114.1	131.8	122.2	120.7
Business Condition: 5 Years	123.9	144.5	134.2	133.6
Durable Buying Conditions	99.4	121.1	111.4	111.4
Current Business Conditions Indicator	102.9	124.9	113.5	113.1
Stock Investment Indicator	89.7	130.8	108.1	105.8
Investment Return	82.7	162.4	118.2	112.7
Stock Price Sentiment	100.4	145.9	115.6	112.4
Stock Market Expectations	103.8	152.2	122.4	118.8
Real Estate Investment Indicator	109.7	119.9	113.7	113.1
House Price Expectations	133.3	154.2	144.4	144.3
House Buying Sentiment	89.3	121.5	103.6	102.1
House Selling Sentiment	95.5	113.7	107.0	107.3
Car Purchase Indicator	60.1	104.0	76.7	75.6
Car Purchase Expectations	79.7	114.8	102.4	103.2
Price of Gasoline Expectations	96.9	171.0	149.0	154.5
Employment Outlook Indicator	106.9	128.3	118.0	119.1
Inflation Expectations Indicator	119.0	159.2	142.0	144.4
Current Prices Satisfaction Indicator	63.0	115.9	84.3	83.2
Interest Rates Expectations Indicator	116.6	140.4	129.2	130.1

Indian economic growth was revised up from 5% to 6.9% in 2013-14...

...following a methodological change in the calculation of GDP.



Economic Landscape

Following the prolonged easing of inflation and the continued weakness in oil prices, the Reserve Bank of India shed its long-held hawkish position and cut the key repo rate by 25 basis points to 7.75% on January 15.

Following the prolonged easing of inflation and the continued weakness in oil prices, the Reserve Bank of India (RBI) shed its long-held hawkish position and cut the key repo rate by 25 basis points to 7.75% on January 15. Three weeks later on February 3, at its scheduled monetary policy meeting, the RBI left the key policy rate unchanged, but lowered the statutory liquidity ratio by 50 basis points to increase liquidity and encourage banks to pass on the earlier rate cut.

The Central Statistics Office re-wrote India's recent economic history, with changes to the GDP calculation methodology resulting in a huge 1.9 percentage point upward revision to GDP in 2013-14 to 6.9%. The upward revision is surprising as during that period the economy and rupee were under pressure, forcing the government and the central bank to tighten fiscal and monetary policies to prevent a currency crisis.

Thanks to the fall in the oil price, the monthly data has generally painted a more optimistic picture of the economy. Given that India imports three quarters of its oil consumption, the 60% reduction in the oil price has considerably strengthened India's trade position and will boost the government's fiscal arsenal. Inflation picked up slightly in December but remains at a historically low level and averaged 7.2% in 2014, substantially below the 10.1% rate recorded in 2013. Industrial production rebounded in November, buoyed by manufacturing output which grew at the fastest rate in six months.

Rewriting history

India's Central Statistics Office made significant changes to the way the GDP data is compiled suggesting India's economic performance was much better than previously estimated. There were three key changes to the calculation method. First, the base year was updated to 2011-12 from 2004-05 previously. Second, India will now follow international norms by calculating GDP at market prices rather than factor cost. The latter method, which was the convention until now, included production subsidies and excluded taxes on production. Finally, GDP will now include under-represented and informal sectors and items such as smart phones and LED television sets.

The revisions to growth are quite staggering and not surprisingly raise questions about the credibility of the

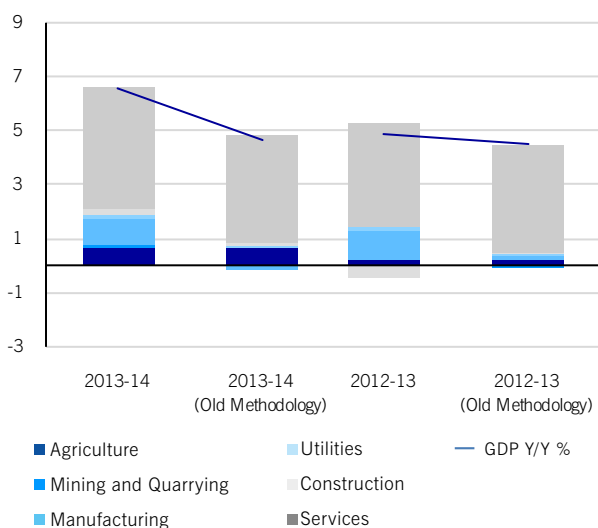
data. We are now told that growth in real GDP at market prices was revised up from 4.7% to 5.1% in 2012-13 and from 5% to 6.9% in 2013-14. The previous value added measure was revised up to 4.9% in 2012-13 from 4.5% previously, and in 2013-14 was revised up to 6.6% from 4.7%.

The new estimates of growth in 2013-14 don't sit well with other indicators during the period with trade data pointing to slower domestic demand and survey evidence pointing to a significant weakening, at least in the first half of the year.

Modi's 'Make in India' campaign received an instant boost with growth in industry revised up sharply. Manufacturing saw massive upward revisions to growth from 1.1% to 6.2% in 2012-13 and -0.7% to 5.3% in 2013-14. The sector is now said to account for 17.3% of the economy compared with 12.9% previously. Mining, too, was revised up from -2.2% to -0.2% and -1.4% to 5.4%.

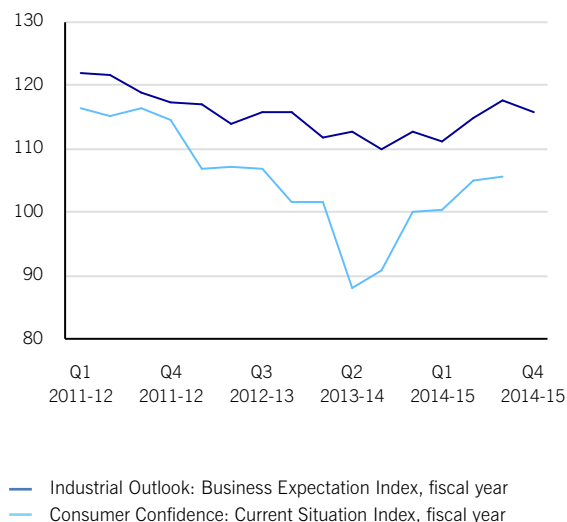
Growth in 2013-14 was still primarily due to the service sector, which contributed 4.5 percentage points to GDP growth, higher than the 3.9 percentage points reported previously. Still, as the percentage share of manufacturing in Gross Value Added was revised up, the share of

Contribution to GDP



Source: Central Statistical Organisation, India

RBI Business and Consumer Sentiment



services was revised down to 59.6% from 64.8% previously.

Manufacturing, which was previously estimated to have dragged down GDP, contributed a percentage point, just below 1.1 percentage points in 2012-13. Agriculture's contribution rose from 0.2 to 0.6 percentage point in 2013-14.

In 2013-14, on an expenditure basis, personal consumption added 3.6 percentage points to growth, having contributed 2.7 percentage points in the previous year, while net exports contributed 4.4 percentage points to GDP growth, having subtracted 0.2 percentage point previously. Investment was a drag on GDP growth, subtracting 1.5 percentage points after adding 0.9 percentage point in the previous year.

Maybe most importantly, the statistics office told us nothing about the fate of the June and September quarter data for 2014-15. We expect to see revisions when the Oct-Dec quarter data are released on February 9.

RBI Industrial Outlook worsens

The RBI's Industrial Outlook Survey showed that the Business Expectation Index (BEI), a gauge of manufacturing business sentiment, declined in the

quarter ending March 2015 to 115.6 from a three-year high of 117.7 in the quarter ending December and 112.7 a year earlier. Manufacturing companies witnessed some moderation in demand during the October-December quarter to 104.6 from the previous quarter's 106.3, the lowest since March 2014.

The slowdown in demand was reflected by declines in both order books and the accumulation of inventories which prompted an easing in production. As a consequence, companies revised down their expectations for business conditions in the subsequent quarter for production, orders, exports as well as employment.

More up-to-date monthly data from the MNI India Business Sentiment Survey has shown business confidence easing in recent months. In January, the MNI India Business Sentiment Indicator fell to a nine-month low, with production and orders waning on the month.

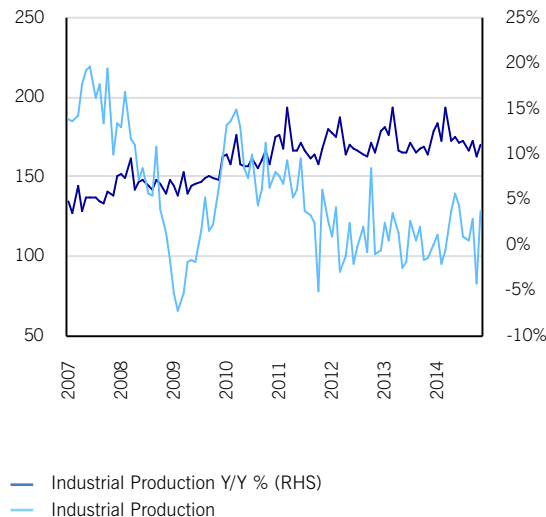
RBI Consumer Confidence improves

The RBI's Consumer Confidence survey showed that the Current Situation Index (CSI), an assessment of consumer sentiment, remained buoyant in the quarter ending December at 105.5, slightly up from 105.0 in the quarter ending September. This was markedly above the 90.7 recorded in the quarter ending December a year earlier.

The Future Expectations Index remained robust at 122.2, but slightly down from 123.2 in the quarter ending September as expectations regarding future economic conditions, future household circumstances, future income and future spending all declined. The employment outlook remained consistently stronger with more than 60% of respondents expecting improvement in the employment situation during the latest three quarterly rounds of the survey. Regarding price levels and inflation, consumers were more satisfied with both current conditions and future expectations.

More up-to-date monthly data from the MNI India Consumer Sentiment Survey has shown confidence easing in recent months. In December, the MNI India Consumer Sentiment Indicator fell to a 15-month low, with the current conditions indicator hitting the lowest level on record.

Industrial Production



Source: Central Statistical Organisation, India

Industrial output expands in November

Industrial production expanded by 3.8% on the year in November following a contraction of 4.2% in October, mainly on account of the lower number of working days due to festivals in October. Accordingly, cumulative growth for the April-November period of the 2014-15 fiscal year rose to 2.2% over the corresponding period in 2013-14. Even though growth has been better in 2014, it is far from satisfactory and provides additional impetus for the government to take action in order to improve the business environment.

The rise in industrial production was led by manufacturing, which comprises around 75% of overall industrial output. Manufacturing output grew by 3% on the year after contracting by 7.4% in the previous month. 16 out of the 22 industry groups within the manufacturing sector expanded in November. The industry group 'Wearing apparel' saw the largest growth of 19.8%, followed by 17.5% growth in 'Motor vehicles, trailers & semi-trailers'.

Mining output grew for the 13th month in a row by 3.4% on the year in November compared with growth of 4.9% in October. Output of consumer durables, a measure of consumer demand, continues to be a drag on industrial output as it contracted for the sixth consecutive month

by 14.5% on the year. Capital goods output, a proxy for investment, rose by 6.5% on the year.

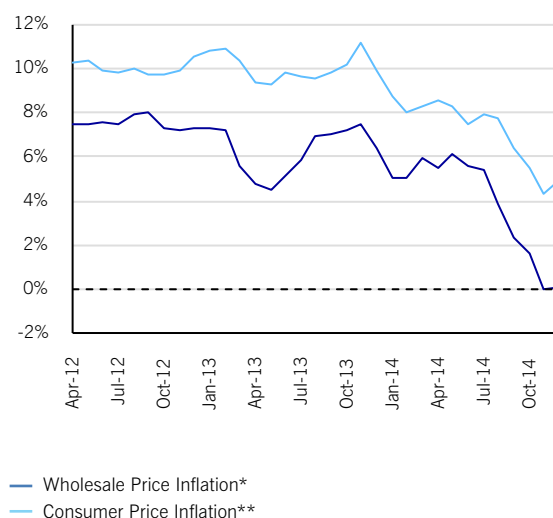
Inflation remains weak

Consumer price inflation, which the RBI targets, picked up to 5% in December from a historic low of 4.4% in November, although, was below market expectations of 5.3%. This was the seventh consecutive month it has been below the RBI's inflation target of 8% by January 2015, and the third time it has been below the January 2016 target of 6%.

Food price inflation, which makes up almost half of the basket, rose to 4.8% from 3.1% in the previous month but contracted 1.3% on the month, mainly led by vegetable prices which contracted 8% on the month. Core CPI inflation, which excludes food and energy, slowed to 5.4% on the year from 5.7% in November. Favourable base effects and falling global oil prices helped to lower inflation to 7.2% in 2014 compared with over 10% a year ago. In 2015, base effects will turn less favourable, although the weak price of oil should help to cap inflation.

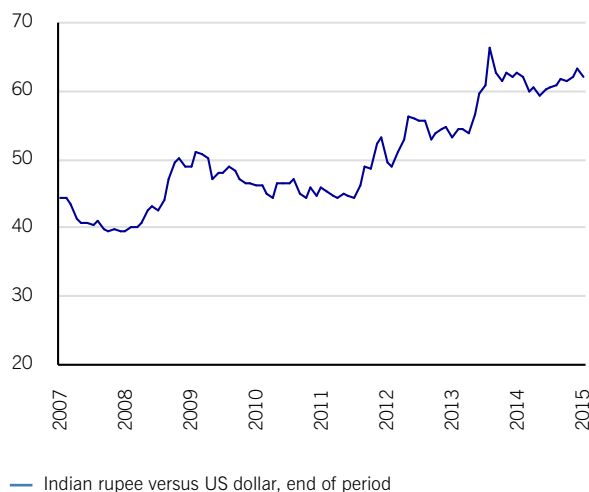
The previously targeted measure of inflation, based on the wholesale price index, grew marginally by 0.1% on the year in December from November's zero growth.

Inflation



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

Rupee Exchange Rate



Source: Reuters

The Central Statistics Office has announced that it will revise the base year from 2010 to 2012 for the consumer price index from January 2015 onwards. This will also include a change in the composition and weights of various components in the basket based on the consumption pattern in 2011-12.

Repo rate at 7.75%

The RBI cut the key policy rate by 25 basis points to 7.75% from 8% on January 15. This was mainly on the grounds of low inflation given the large fall in international crude prices, weaker than expected demand and on greater reassurance that the government will meet its fiscal deficit target of 4.1% of GDP in the year ending March 2015. At its scheduled monetary policy meeting on February 3, the RBI kept the policy repo rate unchanged, but cut the statutory liquidity ratio (SLR) by 50 basis points to 21.5%. A cut in the SLR, which is the minimum portion of net deposits that banks must hold in government bonds, cash or gold, was aimed at boosting banks' liquidity. It is likely that the RBI followed up with the SLR move to try and persuade more banks to pass on the rate cut which many banks have yet to do.

The RBI is now confident that it will achieve its 6% inflation target by January 2016 given that inflation expectations and crude oil prices are likely to remain

subdued. There is now every possibility the RBI will cut interest rates again following the union budget, although some of the onus lies with government to keep the fiscal situation in check and stick to its supply side pledges. Recent revisions to past GDP data and further possible revisions when the October-December data is released on February 9 will also have a critical impact on the RBI's thinking.

High fiscal budget deficit

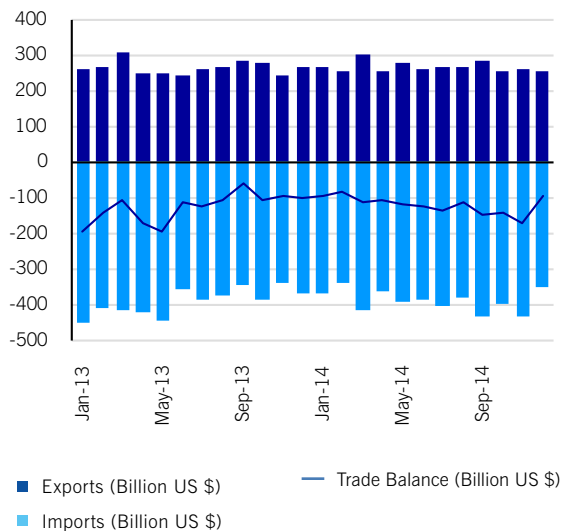
In the April-December period, the government budget deficit stood at Rs 5.32 trillion, 100.2% of the target mainly due to subdued revenue realization. Government receipts totalled Rs. 7.04 trillion, higher than Rs. 6.47 trillion a year earlier. Out of this, net tax receipts were Rs. 5.46 trillion, higher than Rs. 5.18 trillion last year. Total expenditure was Rs. 12.36 trillion compared with Rs. 11.64 trillion a year earlier.

In his maiden budget, Finance Minister Arun Jaitley stuck to the fiscal deficit target of 4.1% of GDP for 2014-15 set by his predecessor Palaniappan Chidambaram in the interim budget. The government had put in place a fiscal consolidation roadmap in which the fiscal deficit has to be brought down subsequently to 3% of the GDP by 2016-17. To reduce the fiscal deficit to the seven-year low level, the government has announced a slew of austerity measures aimed at cutting non-planned spending by 10%.

The government however remains optimistic that divestment in public ownership should pick-up to gather the much needed cash. The 10% stake sale in Coal India has already gathered Rs 226 billion. The 2G and 3G telecom auction would help the government add Rs. 1000 billion to its kitty and with ONGC's disinvestment to follow, the government is confident to contain the deficit. In addition, a slew of government austerity measures, such as curbs on foreign travel, conferences, purchase of vehicles and the creation of new posts will also help to contain the budget deficit.

The recent removal of the diesel fuel subsidy should help to alleviate pressures on government finances. The government has raised excise duties on both petrol and diesel five times since it lifted price controls on the latter in October to generate higher revenues amid the sharp fall in global crude prices. Consumers will not face

Trade Balance



Source: Ministry of Commerce and Industry

higher prices as state-owned fuel retailers will absorb the hike in duties.

Trade deficit narrows in December

India's trade deficit narrowed to a 10-month low of \$9.4 billion in December from \$16.7 billion in November, 7.4% below the \$10.2 billion shortfall recorded in December a year earlier. The decline in global oil prices and muted domestic demand have resulted in a trade deficit that was 8.5% narrower during 2014 as a whole compared with a year earlier.

Exports declined by 3.8% on the year to \$25.4 billion in December after rising 7.3% to \$26 billion in November. Imports declined by 4.8% on the year to \$34.8 billion in December from \$42.8 billion in November as tumbling oil prices and weak gold demand provided some respite.

Oil imports, which account for a third of total imports declined for the third consecutive month as global crude prices have plunged to less than \$45 per barrel in January from around \$110 per barrel in June 2014. In December, oil imports fell 28.6% to \$9.9 billion from \$13.9 billion in the same month a year earlier and were at the lowest level since March 2011. This in turn, along with a slower growth in gold imports, helped lower India's import bill and narrow its trade deficit.

Gold imports weakened to \$1.34 billion in December from the previous month's total of \$5.6 billion, coinciding with the end of the Indian wedding season. Towards the end of November, the RBI surprised markets by abolishing the rule that made it mandatory to export 20% of all imported gold. Still, there are reports that many importers have been reluctant to import gold due to high price volatility and while awaiting greater clarification in the budget, which is due on February 28.

Foreign exchange reserves decline

India's foreign exchange reserves fell marginally by \$97.9 million to \$322.04 billion in the week to January 23, after the biggest accumulation of \$2.66 billion in the week before to \$322.13 billion as the RBI bought dollars from the open market to limit the sharp appreciation in the rupee. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of foreign exchange reserves, fell by \$19.7 million to \$297.5 billion while the value of India's gold reserves remained unchanged at \$19.4 billion in the week ending January 23.

Foreign investors have poured in money to the Indian economy amid high expectations that Prime Minister Narendra Modi's government will bring about pro-business economic reforms and because of the central bank's success in reducing inflation. In January alone, foreign institutional investors bought \$337 billion in local equity markets, the highest investment in six months due to easing in inflation and a rate cut. The RBI has been building a sufficient level of reserves to help curb volatility in the foreign exchange market, and the RBI governor is confident that the country is less vulnerable to another run on the currency.

Car sales rise markedly in December

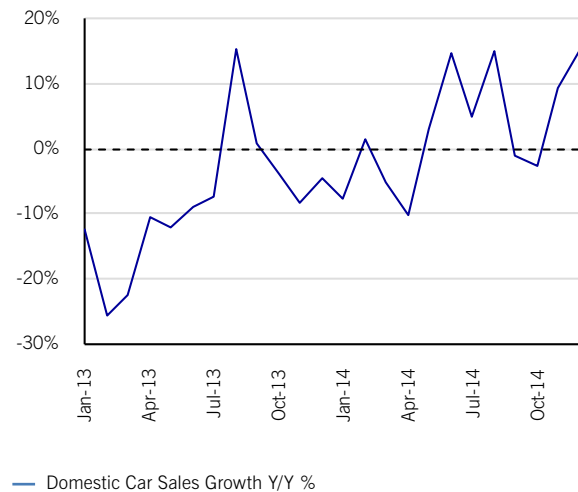
Car sales in India rose by 15.3% on the year in December following a rise of 9.5% in November as consumers brought forward their purchases in anticipation of a discontinuation of excise duty concessions on the automobile industry. In 2014, car sales grew by 2.5% to 1.85 million units compared with a contraction of almost 10% a year earlier. Consumers have also benefitted from a reduction in fuel prices in 2014. While this only reduces the cost of the car's maintenance, the price of buying has already grown with the government switching back to previous rates of higher excise duty.

A cut in interest rates might help the car industry recover although will ultimately not be enough to offset the impact of increased car prices due to the withdrawal of excise duty concessions. Consequently, the Society of Indian Automobile Manufacturers (SIAM) has revised down its growth projections for passenger vehicles for 2014-15 to around 1% against its earlier forecast of up to 4%.

Sales of commercial vehicles grew by 9% on the year in December, almost 7% above November's outturn of 47,686 units. Commercial vehicles' sales dropped by almost 12% to 606,284 units in 2014, as real economic activity is yet to pick-up. For two-wheelers, sales of scooters were up by 24% on the year to 374,159 units in December, while sales for motorcycles contracted for the third consecutive month by 3.5% to 779,908. Two wheeler sales have grown remarkably at 11.5% in 2014 compared with a growth of just 4% a year earlier.

The automobile industry was hit in 2014 as sales were relatively poor in comparison with the growth in production. In total, production was 23,267,591 units in 2014, 10% above the level recorded in 2013. In December, production declined 7.2% on the month to 1,850,616 units although was 6.3% above the level recorded a year earlier.

Car Sales



Source: Society of Indian Automobile Manufacturers

Key Monthly Economic Data

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-14
Consumer Price Index (Y/Y %)	8.0	7.7	6.5	5.5	4.4	5.0	-
Wholesale Price Index (Y/Y %)	5.4	3.9	2.4	1.7	0.0	0.1	-
Industrial Production (Y/Y %)	0.9	0.5	2.8	-4.2	3.8	-	-
Car Sales (Y/Y %)	5.0	15.2	-1.0	-2.6	9.5	15.3	-
Trade Balance (Million US \$)	-133.5	-109.5	-145.9	-140.4	-168.6	-94.3	-
MNI India Business Sentiment Indicator	70.0	68.4	71.2	69.7	68.9	68.4	64.2
MNI India Consumer Sentiment Indicator	124.1	125.2	124.1	123.7	120.9	119.6	120.4

The MNI India Consumer Indicator rose to 120.4 in January from 119.6 in December...

...although was below the outturn of 121.2 in
January 2014.



Indicators

The small increase in headline consumer sentiment in January masks an underlying negative tone within the report, with household finances still under pressure and the outlook for business relatively subdued.

MNI India Consumer Indicator

Sluggish Start to the New Year



The small increase in headline consumer sentiment in January masks an underlying negative tone within the report, with household finances still under pressure and the outlook for business relatively subdued.

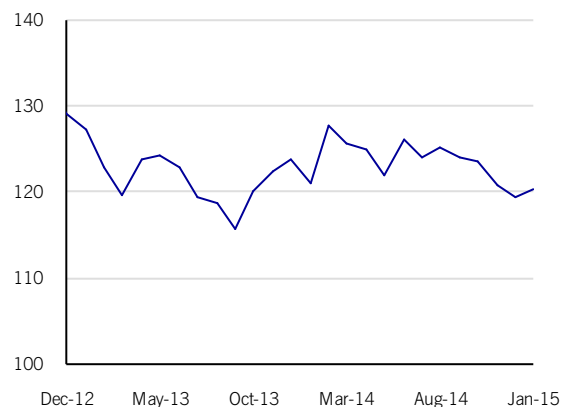
The MNI India Consumer Indicator rose to 120.4 in January from 119.6 in December, although was below the outturn of 121.2 in January 2014.

There would have been a fall in sentiment this month had it not been for an 11.8% increase in the Durable Buying Conditions Indicator which measures whether it is a good or bad time to purchase a large household item. The four remaining components which make up the MNI India CSI all fell on the month. The improvement in big-ticket purchasing looked to be mainly seasonal with winter discounts attracting consumers.

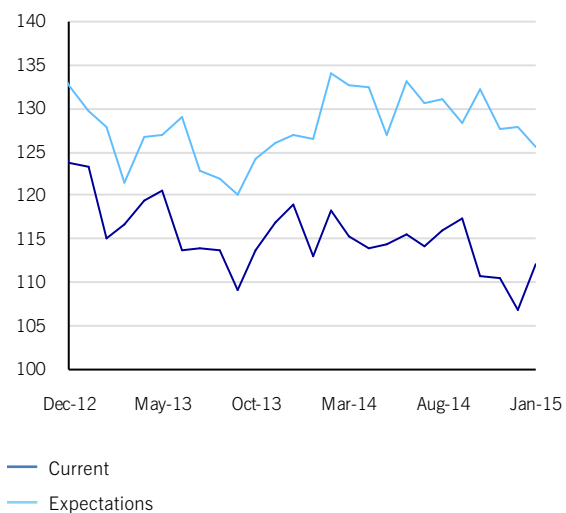
The January 15 interest rate cut from the Reserve Bank of India, which came towards the end of our survey period which closed on January 21, may also have had some impact on the willingness to purchase measures.

Other evidence to support the view that most of this low level buying frenzy was seasonal is the fact that household finances remain under severe pressure. The Current Personal Finances indicator hit a record low in January and expectations declined to the lowest level since May. Both the short and long-term outlook for business conditions also worsened and sit below their series averages which include the dire 2013 period. Respondents' views on Current Business

MNI India Consumer Indicator



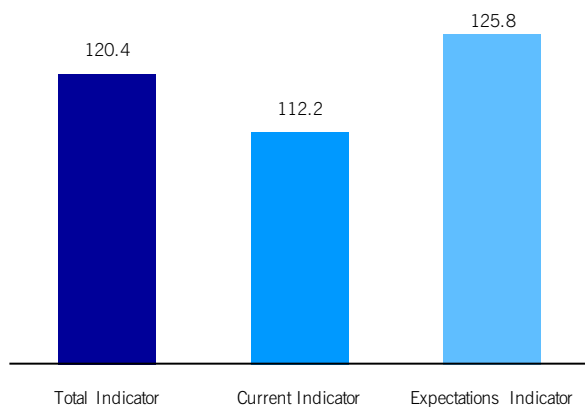
Consumer Indicators



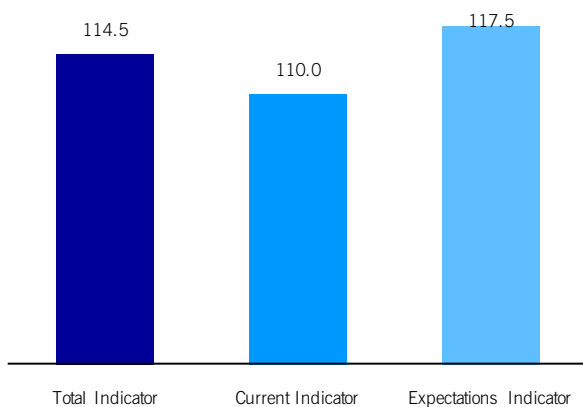
MNI India Consumer Indicator

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
MNI India Consumer Indicator	121.2	125.2	124.1	123.7	120.9	119.6	120.4
Current	113.2	116.2	117.5	111.0	110.7	106.9	112.2
Expectations	126.6	131.2	128.4	132.3	127.7	128.0	125.8

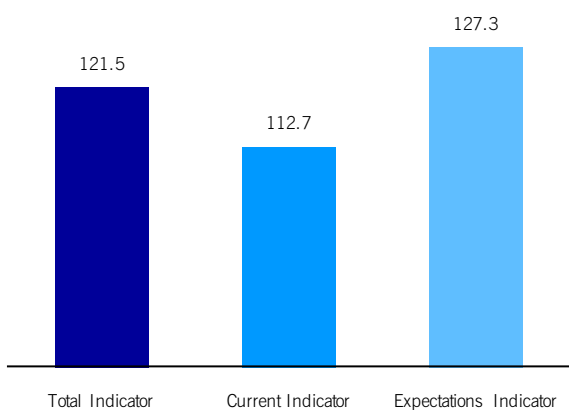
All India



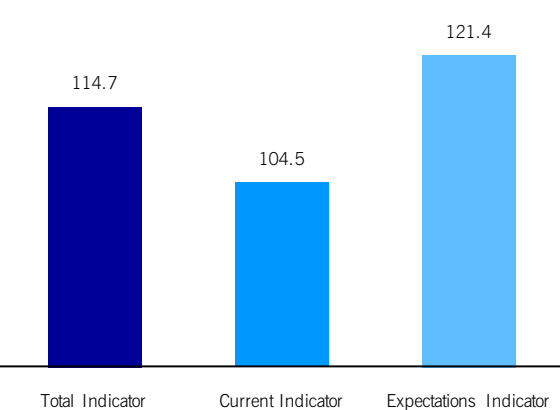
North India



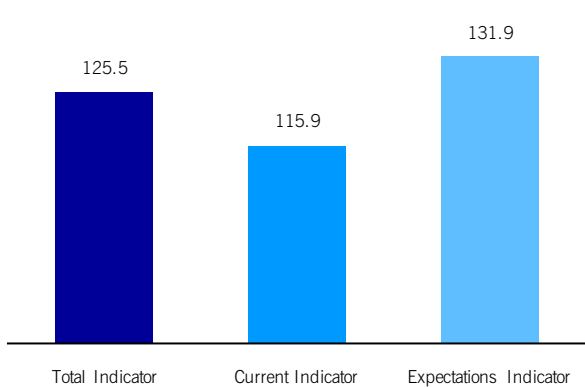
South India



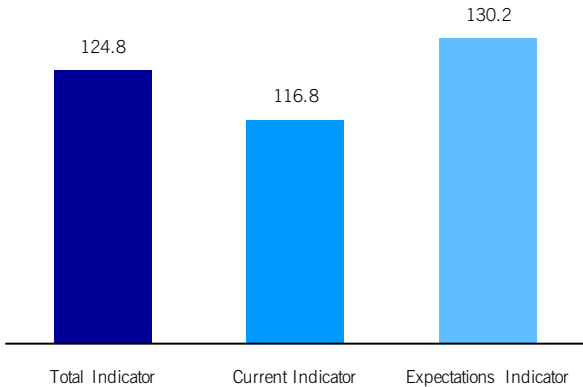
East India



West India



Central India





Conditions have been more positive recently, although sentiment took a knock in January as well.

The Current Indicator, which measures consumers' assessment of their current conditions, rose to 112.2 in January from a record low of 106.9 in December – boosted by the Durable Buying Conditions Indicator. The forward looking Expectations Indicator, though, declined to 125.8 from 128.0 in the previous month.

The drastic revision to the GDP data from the Ministry of Statistics, which saw 2013-14 growth revised higher to 6.9% from 4.7% looks difficult to square with the overall weakness in sentiment during that period. Revisions to the June and September quarters are expected to be released alongside the December quarter data due to be published on February 9. An upward revision of a similar magnitude would raise questions about the credibility of the revisions in light of the weaker tone echoed by our consumer survey and its sister business survey. We'll provide a fuller analysis next month when the new data has been published.

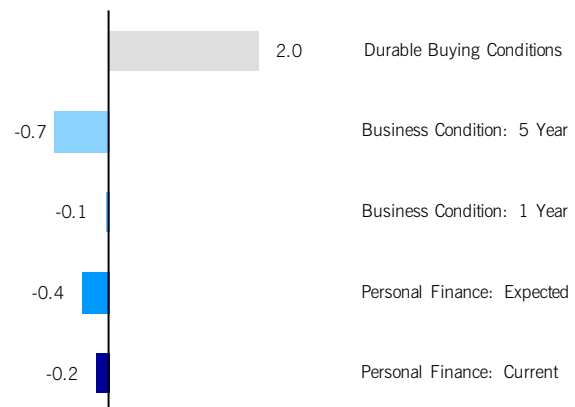
We had expected to see the RBI ease monetary policy further over the coming months, although judgement on the timing is now very much reserved until after the February 9 GDP release.

Regions

Consumer sentiment rose across all regions except North and East India.

In South India, the Consumer Indicator recovered to 121.5 after falling to a series low of 116.8 in December. This was mainly led by a pick-up in buying sentiment among consumers, with the Durable Buying Conditions Indicator rising sharply to 115.6 in January from 89.0 in December. Respondents were, however, less optimistic in both their perception of the current business environment and outlook for future Business Conditions, particularly in the long-term.

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



Among the five regions surveyed, confidence was lowest amongst consumers in North India where the Consumer Indicator declined to 114.5 in January after remaining broadly stable at 118.7 in the previous month. A growing proportion of respondents were less optimistic about their outlook for the future business environment. In particular, their expectations about Business Conditions in Five Years' time fell close to the level observed in September 2013 when the country was mired in a currency crisis. A growing proportion of consumers were dissatisfied with their household finances and many did not expect them to improve in the next 12 months either.

Age

Consumer sentiment remained broadly stable across all age groups in January.

The Consumer Indicator for the 18-34 year age range, the youngest group, rose slightly to 122.6 in January from 121.8 in December. Both current and expected Personal Finances declined in January, with the former falling to a series low, although respondents were more optimistic about purchasing big-ticket



items with the Durable Buying Conditions indicator rising to a four-month high of 113.6 in January.

Consumer sentiment among 35-54 year olds rose slightly to 120.4 from 119.3 in December. This was led by a double-digit rise in the Durable Buying Conditions Indicator which climbed above the 100 breakeven level to 109.3 in January. Consumers were less optimistic about both short and long-term future Business Conditions, while sentiment on Personal Finances remained broadly stable.

For the oldest age range, 55-64 year olds, sentiment declined marginally to 116.5 from 116.8 in December. The only component to increase this month was the Durable Buying Conditions Indicator which rose above the 100 mark for the first time in three months in spite of consumers being less confident about their Personal Finances and amid low expectations for future Business Conditions.

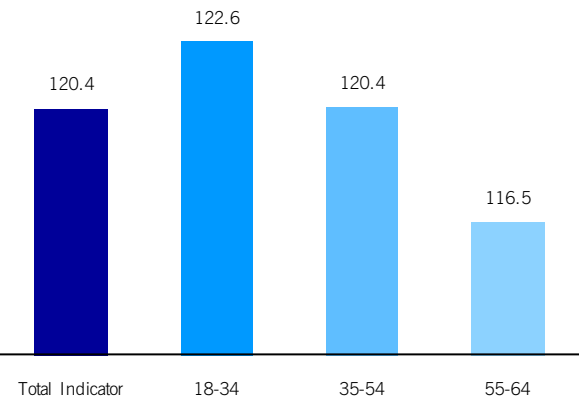
Income

Consumer confidence fell among both high and low-income households in January.

The Consumer Indicator for households with an average annual income under INR 432,000 fell to a record low of 114.9 from 118.4 in December. This was led by a sharp deterioration in future expectations for both long-term Business Conditions and Personal Finances. Among these, a large decline was seen in consumers' expectations about Business Conditions in Five Years which fell by 11.7% to the lowest since July 2013. In contrast, respondents were more optimistic about purchasing big-ticket items with the Durable Buying Conditions Indicator rising above the 100 breakeven level.

For households with an average annual income over INR 432,000, the indicator remained broadly stable at 127.9 in December compared with 128.6 in December. Fewer respondents were confident about the business environment, with the Business

Consumer Indicator: Age Groups



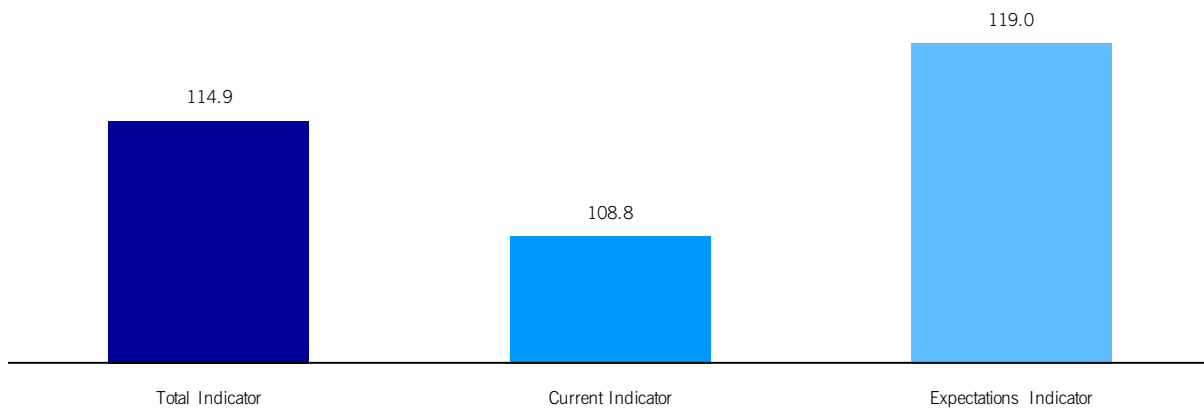
Conditions in One Year component declining to the lowest since July 2014 and the five-year outlook declining to the lowest since September 2014. Respondents were also less confident about their finances, yet an increasing proportion thought that it was a good time to purchase household items.

Compared with the previous year, confidence was down by 4.8% among lower income households, while for higher income households it was up by 5.8%.

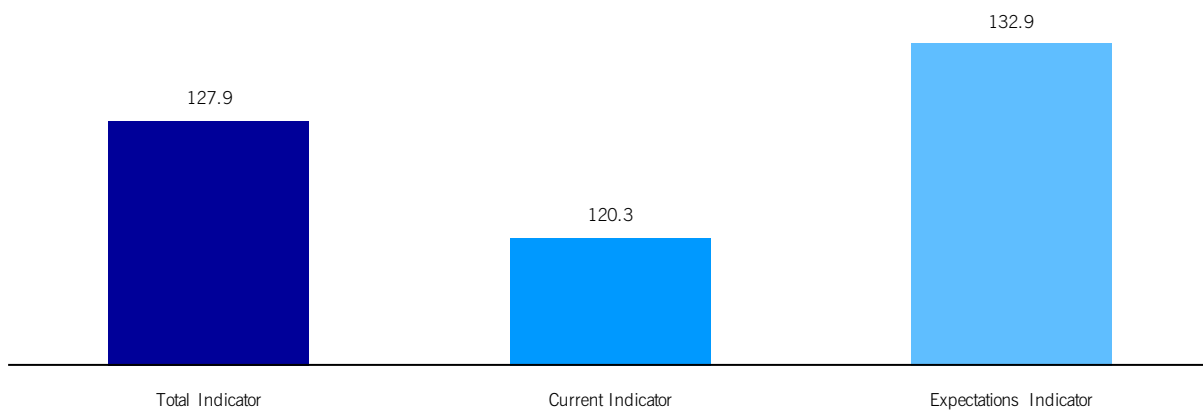
MNI India Consumer Indicator Income Groups



< INR 432,000 per annum



> INR 432,000 per annum



MNI India Consumer Indicator

Main Cities



The Consumer Indicator rose in seven of the ten major Indian cities surveyed in January, with the largest rise in sentiment in Bengaluru where the gain was sufficient to offset the previous month's decline.

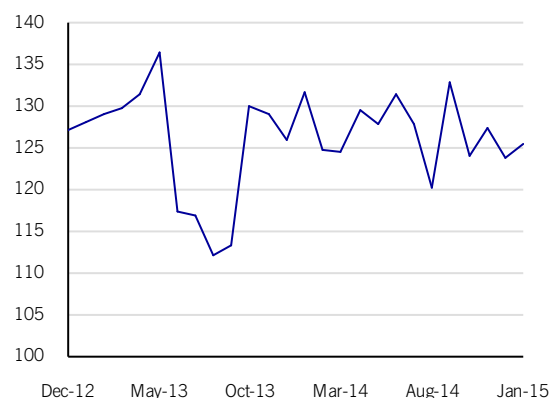
In the capital, Delhi, consumer sentiment declined to 115.4 from 118.8 in December, with all five components of the Consumer Indicator declining on the month. The sharpest fall was in consumers' expectations for long-term business conditions which declined to the lowest in four months. Respondents were also increasingly more disappointed with their household finances, with the Current Personal Finances indicator declining to the lowest since August 2014.

In Mumbai, India's most populous city, consumer sentiment rose to 125.6 from 123.8 in December. There was a double-digit rise in the Durable Buying Conditions indicator, partly compensating for the loss sustained in the previous month, while a greater proportion of respondents were more satisfied with their Current Personal Finances. Consumers were, however, less optimistic about the future of their household finances and long-term expectations for Business Conditions also declined on the month.

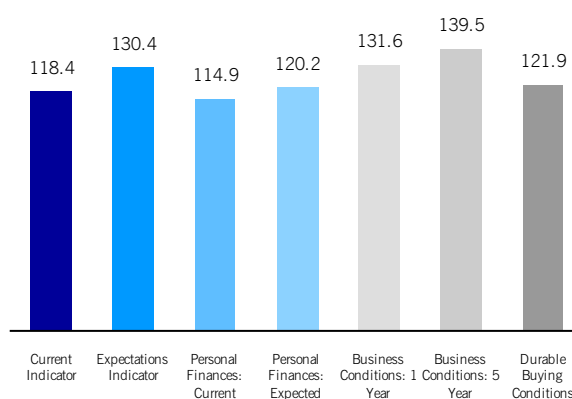
Consumer confidence in Bengaluru, the third largest city by population in India, rose for the first time in five months to 127.4 in January from 120.8 in December, the highest level since October 2014. Much of the rise in consumer sentiment was accounted for by the Durable Buying Conditions Indicator which rose above the 100 level having been in contraction for the previous two months.

In contrast, consumer sentiment in Kolkata declined by 3.5% to 114.6 in January from 118.8 in December, the lowest since September 2014. Apart from the Durable Buying Conditions indicator, all four components of the Consumer Sentiment Indicator declined on the month. An increasing number of consumers were dissatisfied with their Personal Finances and their outlook for business also worsened this month.

Consumer Indicator - Mumbai

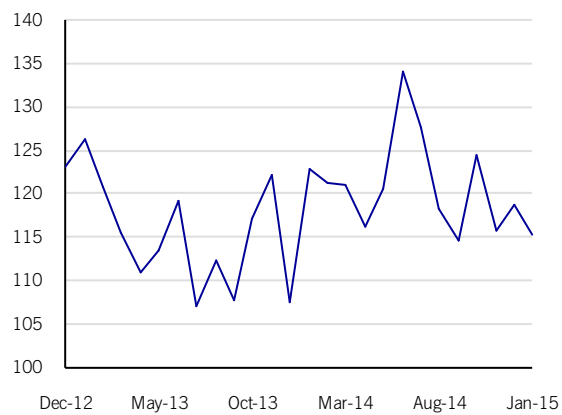


Consumer Indicator Components - Mumbai





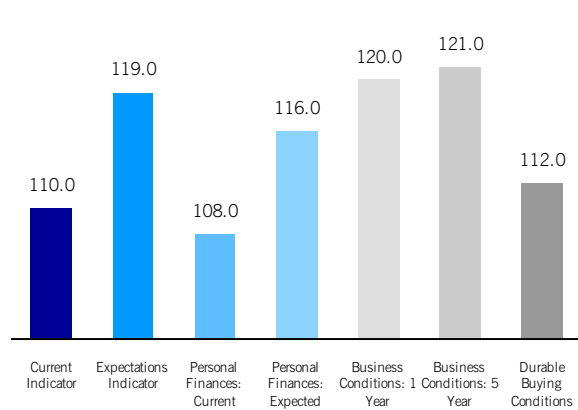
Consumer Indicator - Delhi



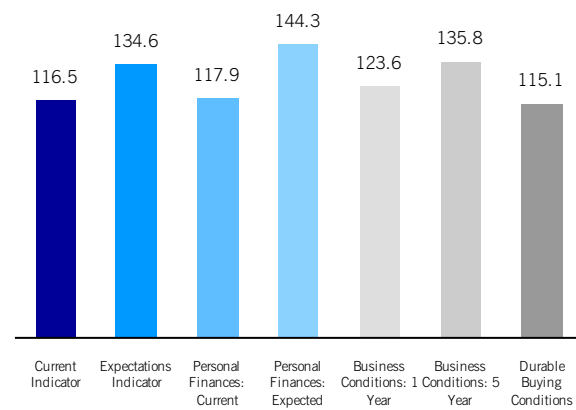
Consumer Indicator - Bengaluru



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bengaluru



Personal Finances

Current Finances at Record Low



In spite of the recent weakening in inflation, household finances were squeezed further in January, while consumers were also less optimistic about the outlook for their finances over the next 12 months.

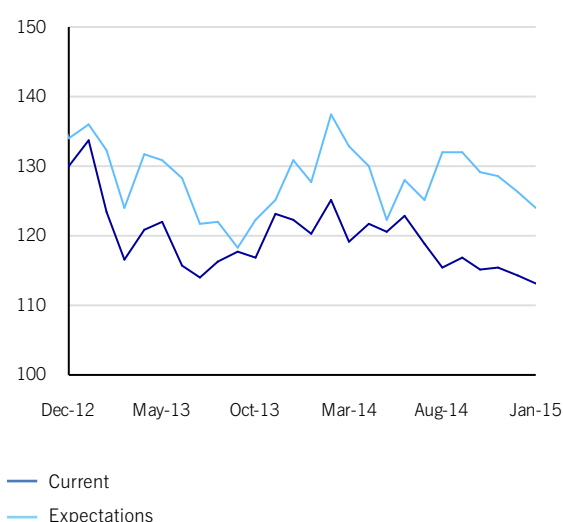
The Current Personal Finances Indicator, which measures whether a household is better or worse off financially than a year ago, declined to 113.3 in January from 114.4 in December. This was the lowest in the survey history, underlining just how poorly consumers view their current financial situation.

Of those who reported that their household finances had worsened, the majority of respondents cited higher family expenses as the main reason, while a growing proportion thought that it was due to a fall in their income.

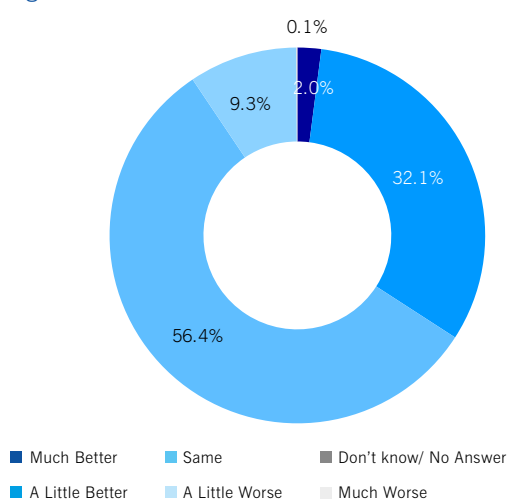
In January, around 90% of consumers reported that they spent 70-100% of their monthly household income on daily expenses compared with just 75% of consumers a year earlier. Almost half of respondents saved between 1-29% of their monthly household income, significantly lower than last year's 63%.

Consumers have been more optimistic about their financial position in the next 12 months compared with their current situation since the start of the survey. This gap, however, has reduced over the past five months, weighing negatively on overall sentiment. Expectations for future Personal Finances fell to 124.2 in January from 126.3 in December, the lowest level since May 2014.

Personal Finances



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



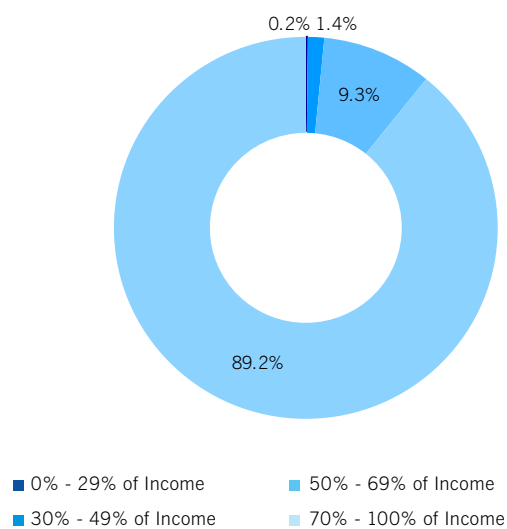
Personal Finances

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Current	120.5	115.4	117.1	115.4	115.6	114.4	113.3
Expectations	127.8	132.1	132.2	129.2	128.7	126.3	124.2

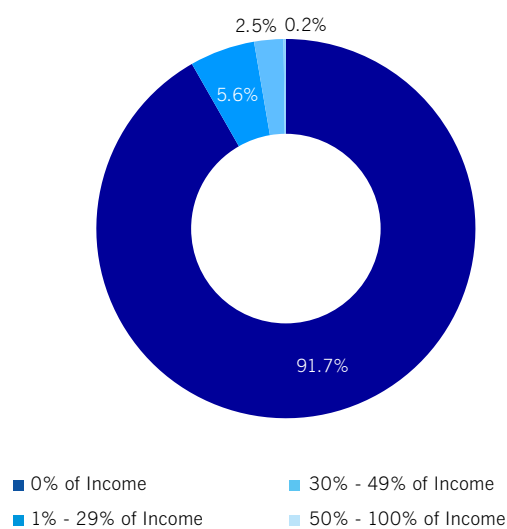
How Households Spend their Money



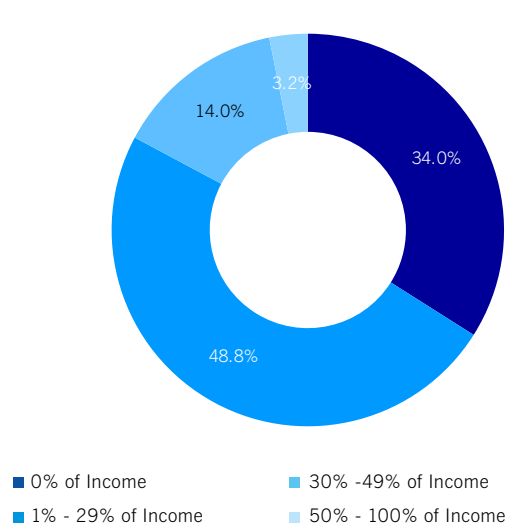
Monthly Household Income Used for Daily Expenses
(% of Households)



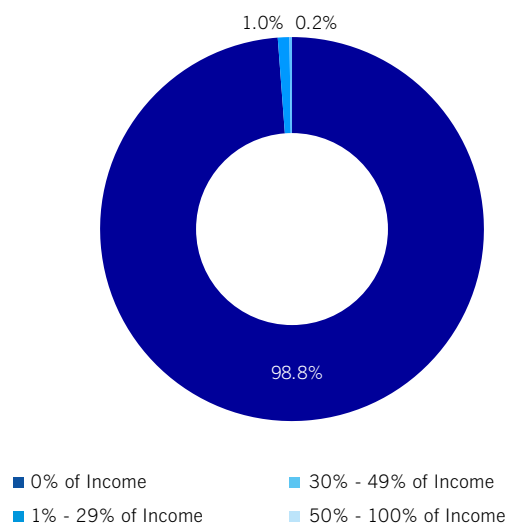
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings
(% of Households)



Monthly Household Income Used for Investments
(% of Households)



While the majority of respondents were optimistic about business conditions in the coming year...

...the acute level of enthusiasm witnessed just after the Modi government was elected has subsided somewhat over the past three months.

Business Conditions

Outlook Worsens as Budget Approaches



All three measures of business conditions worsened in January as the survey revealed an increasing number of respondents were less optimistic about both the current and future state of business.

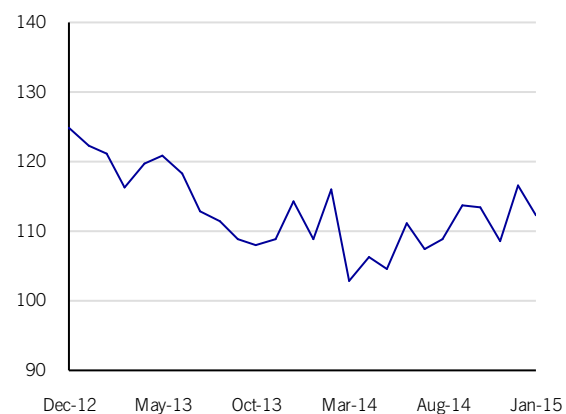
The Current Business Conditions Indicator has outperformed the expectations measures from March 2014, having trended broadly higher. January, however, saw a decline to 112.4 from 116.6 in December, although this was still above the 2014 average of 109.9. The recovery in Current Business Conditions last year came as it was becoming clear that the pro-business Bharatiya Janata Party (BJP) was set to win the 2014 Indian general election.

The government has eased some rules for doing business in India but respondents continue to expect bolder policies and have high expectations for the annual budget which is scheduled to be presented on February 28.

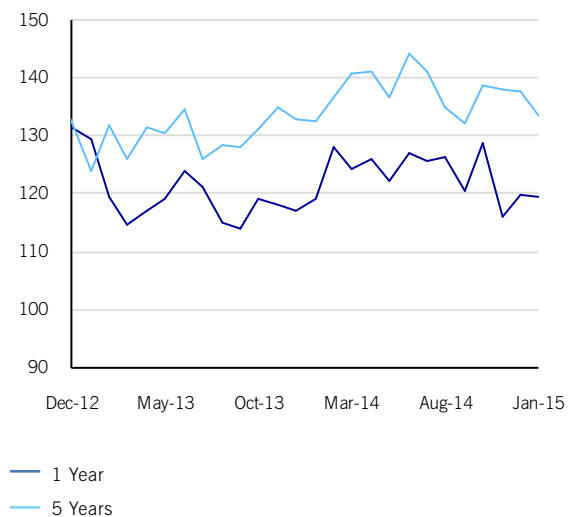
While in level terms, respondents are relatively more optimistic about future business conditions, both short and long-term expectations have trended lower in recent months.

The Business Conditions in One Year component ticked down to 119.6 in January from 119.9 in December. While the majority of respondents were optimistic about business conditions in the coming year, the acute level of enthusiasm witnessed just after the Modi government was elected has subsided somewhat over the past three months. Of those who expected business conditions to improve, the majority cited the government and its policies as the main

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years



Business Conditions

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Current	108.9	109.0	113.9	113.5	108.6	116.6	112.4
In 1 Year	119.3	126.4	120.7	128.8	116.3	119.9	119.6
In 5 Years	132.7	135.1	132.5	138.8	138.1	137.9	133.6

Business Conditions in 1 Year

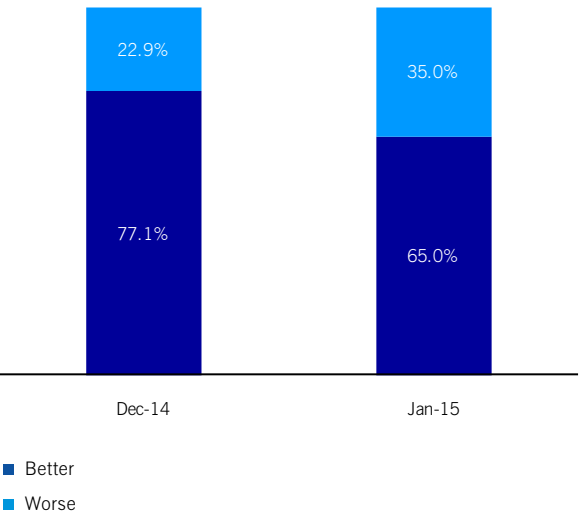
Selected Reasons



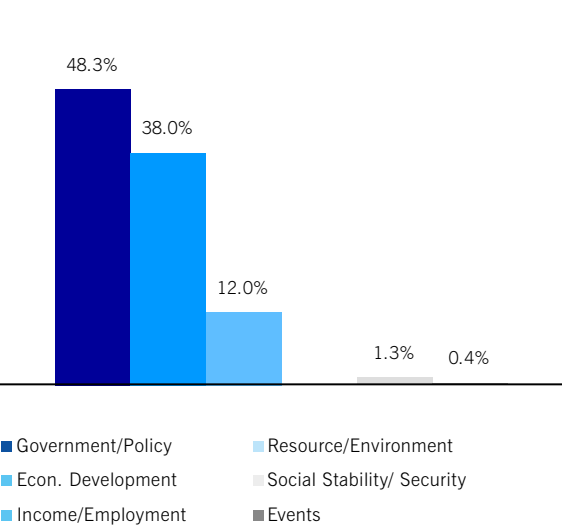
reason. A growing proportion of respondents, however, were unsure what the business environment would be like in the next year or did not answer as they were probably still waiting for the government’s policies to take effect.

Respondents’ long-term business expectations have trended downwards since hitting a record high in June last year. The Business Conditions in Five Years component fell 3.1% to 133.6 in January from 137.9 in December. Sentiment declined in six of the ten major cities surveyed, with confidence in long-term business conditions lowest in Delhi, the capital of India.

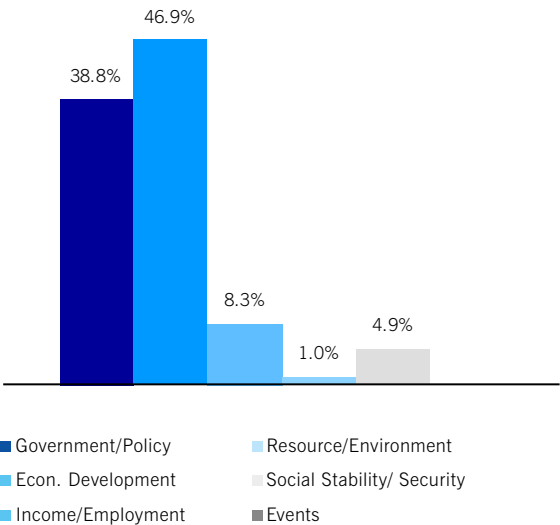
All India



All India, Reasons for Better



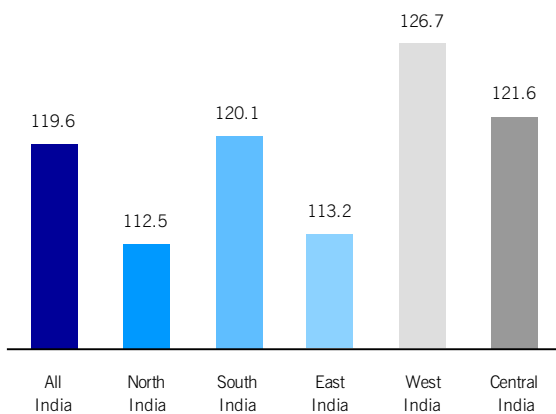
All India, Reasons for Worse



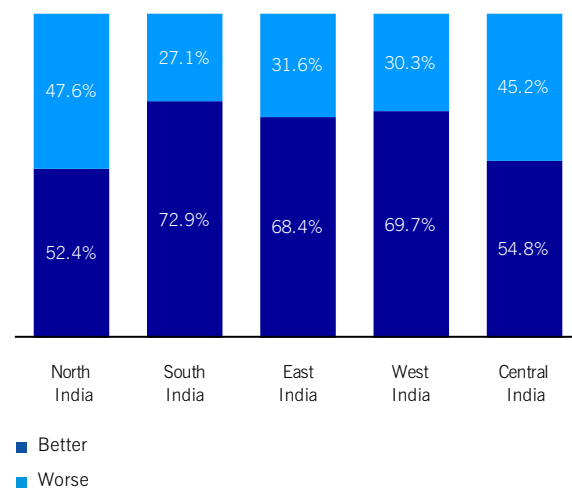
Business Conditions in 1 Year Regions



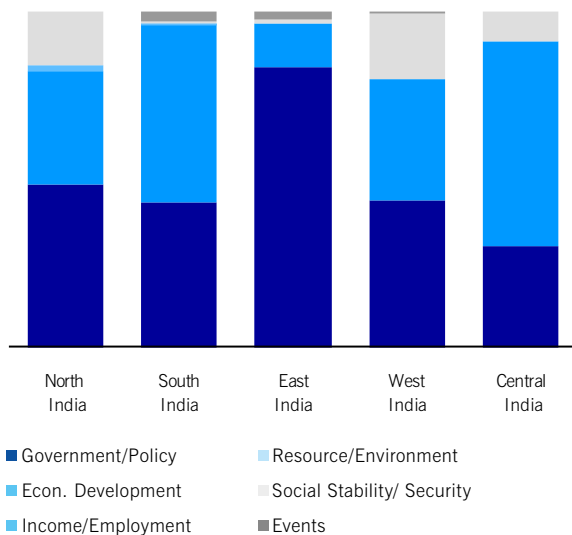
Business Expectations



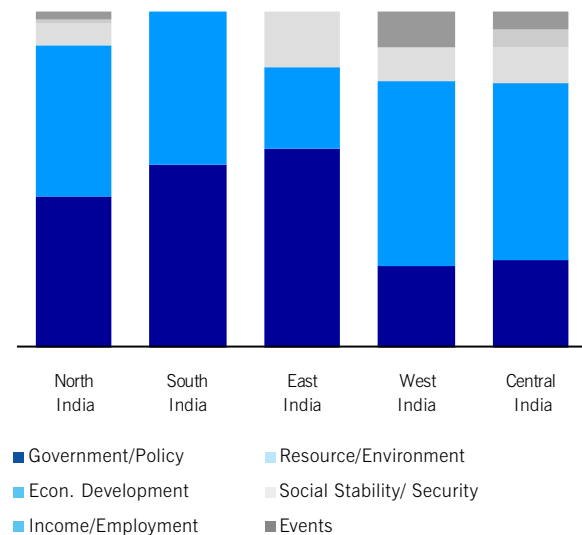
Business Expectations: Better or Worse? (% of Respondents)



Reasons for Better (% of Respondents)



Reasons for Worse (% of Respondents)



Durable Buying Conditions Highest Since September 2014



The leap in respondents' willingness to purchase a large household good underpinned overall consumer sentiment in January, stopping it from falling for a fifth consecutive month.

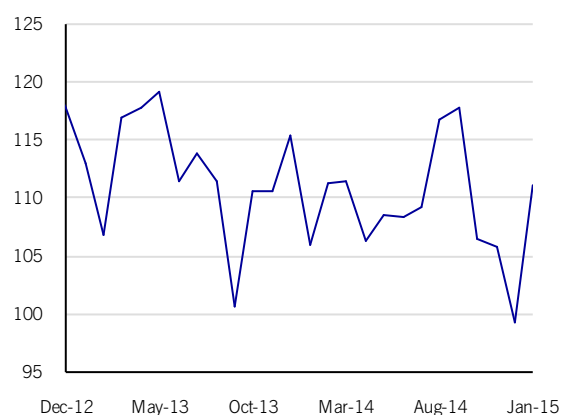
The Durable Buying Conditions Indicator jumped to 111.2 in January from a series low of 99.4 in December. It seems likely that most of the increase was seasonal as significant winter discounts managed to attract buyers despite the continuing deterioration in household finances.

The interest rate cut by the central bank may have had a marginal upward impact in January, although it was small and came late in the survey period.

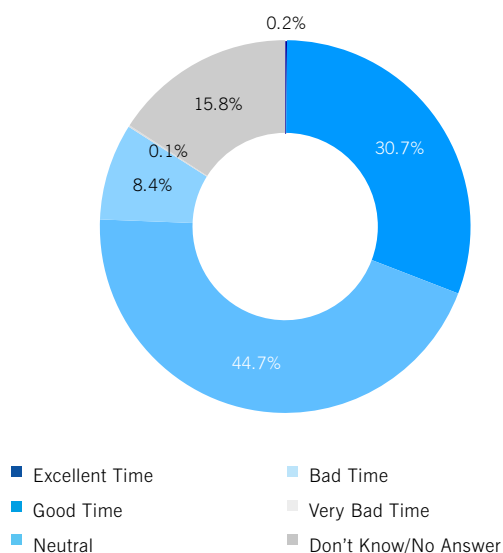
A significant number of consumers believed that it was a good time to purchase large household goods, although an increasing proportion of our panel were unsure and preferred to wait for the upcoming budget before making a decision on whether to make any big-ticket purchases.

Interestingly, in recent months a growing proportion of consumers purchased items online rather than from traditional brick and mortar stores. While online shopping is long-established in advanced countries, e-commerce has only just begun to gain traction in India as the rapid rise in smartphone ownership has increased Indians' access to online shopping sites. When asked specifically about online shopping in the past three months, a third of consumers reported that they had purchased items using the Internet and were keen to do so again in future as e-retailers often offered greater discounts than physical stores.

Durable Buying Conditions



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



Durable Buying Conditions

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Durable Buying Conditions	106.0	116.9	118.0	106.5	105.8	99.4	111.2

Employment Outlook

Highest Since May 2013



Optimism surrounding the job market improved for the third consecutive month in January after hitting a record low in October.

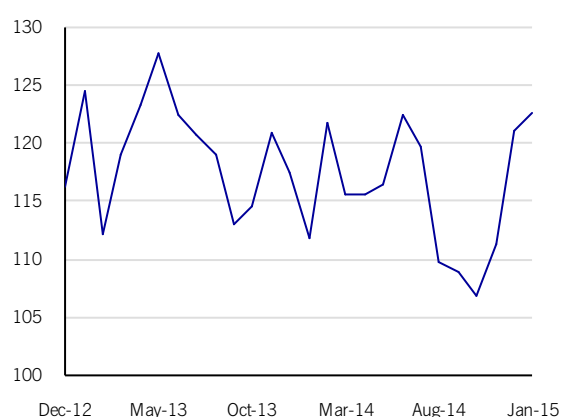
The Employment Outlook Indicator rose to 122.7 in January from 121.1 in December as more than half of respondents thought that the employment market would improve over the next 12 months.

The employment outlook has improved sharply following the downturn in the second half of the last year which coincided with the first six months of the Modi government's tenure and raised questions about its ability to create jobs quickly. However, for the first time since May 2013, more than 50% of respondents believed that the outlook for employment was brighter at the start of 2015.

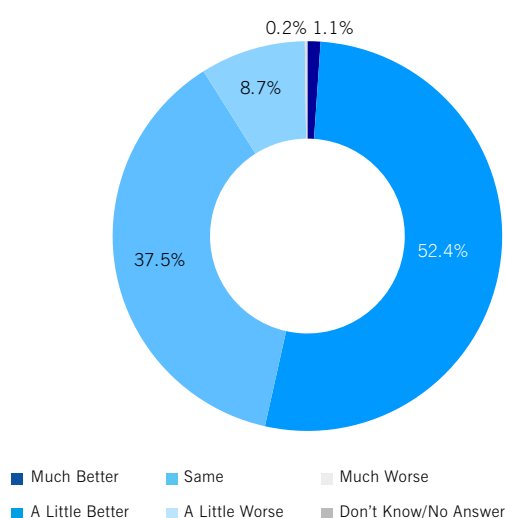
Strengthening in the labour market has also been observed in our sister business survey. The January edition showed that the Employment Indicator, a measure of whether companies have an adequate number of employees, rose above the 50 breakeven mark to the highest level since June 2014.

The improvement in the employment outlook was observed across all regions apart from Central India where the Employment Outlook Indicator declined by 7%, wiping out nearly all of last month's rise. Meanwhile, respondents from South India were the most optimistic and a growing proportion of respondents from East India became confident about the employment situation.

Employment Outlook Indicator



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



Employment Outlook

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Employment Outlook	112.0	109.8	109.1	106.9	111.4	121.1	122.7

Expectations for future prices rose in all regions...

...apart from East India where they fell for the fifth consecutive month to a new record low.

Prices Sentiment

Inflation Expectations Pick up



It looked like respondents' satisfaction with the current level of prices might move into positive territory in January, but a slight fall on the month ended a run of four consecutive monthly increases.

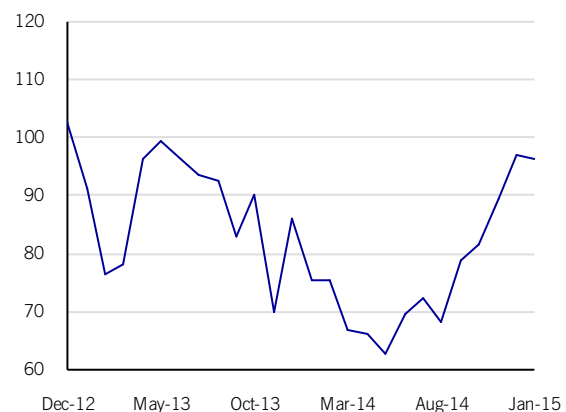
The Current Prices Satisfaction Indicator decreased to 96.4 in January from 97.1 in December. A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction.

Satisfaction with prices had trended down since the start of the survey in November 2012 and has only been above 100 during the first two months of the survey. Since May 2014, however, sentiment has picked up in line with the fall in inflationary pressures. In spite of a small fall this month, sentiment remained 27.4% higher than a year earlier and was also above the series average of 84.3.

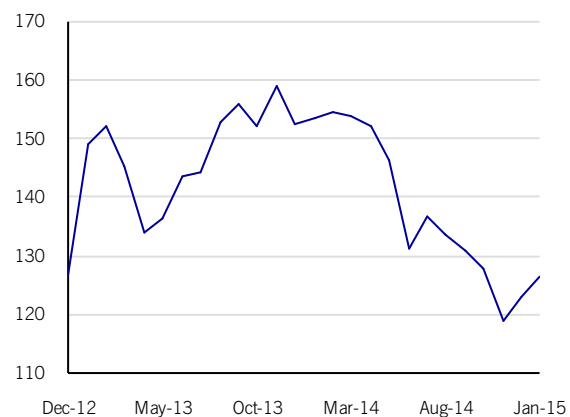
Official data showed that consumer price inflation picked up to 5% in December from a historic low of 4.4% in November. Food price inflation, which makes up almost half of the basket, rose to 4.8% from 3.1% in the previous month but contracted 1.3% on the month, mainly led by vegetable prices which contracted 8%. Favourable base effects and falling global oil prices helped to lower inflation in 2014 to 7.2% compared with over 10% in the previous year. Although base effects will turn less favourable in 2015, the weak price of oil should help to restrain inflation.

Expectations for inflation in 12 months time rose to 126.8 in January from 123.2 in December. The

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



Prices Sentiment

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Satisfaction with Current Prices	75.7	68.3	78.8	81.6	89.7	97.1	96.4
Inflation Expectations	153.6	133.7	131.1	127.9	119.0	123.2	126.8

Prices Sentiment Regions



Inflation Expectations Indicator closely matches the trend in consumer price inflation and suggests that inflation, which has eased in the recent months, may well have troughed.

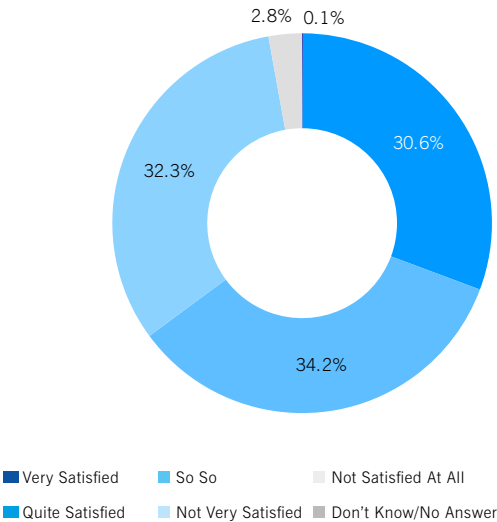
Of those who expected prices to rise, 14.5% of respondents thought that they would go up by 5%, while a substantial proportion were unsure or did not answer.

Regions

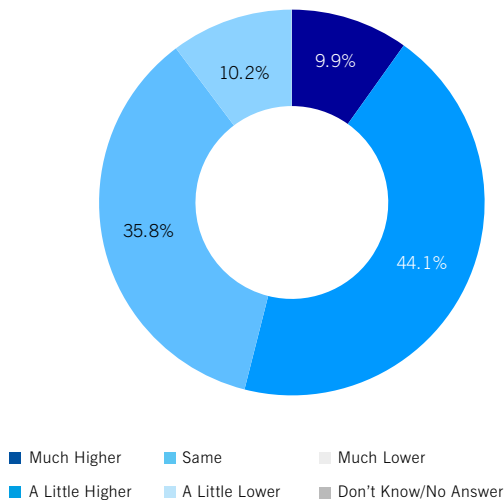
Satisfaction with Current Prices fell across all regions of India except South and East India. In both South and East India, the majority of consumers were satisfied with the current level of prices with the indicator hitting a record high in the former and rising above 100 for the first time since May 2013 in the latter.

Expectations for future prices rose in all regions apart from East India where they fell for the fifth consecutive month to a new record low, although remained above the 100 threshold suggesting that the majority still expected prices to rise. In contrast, the sharpest rise in inflation expectations was among respondents from Central India, the majority of whom thought prices would rise by 5% in the coming 12 months.

Satisfaction with Current Prices
(% of Households)

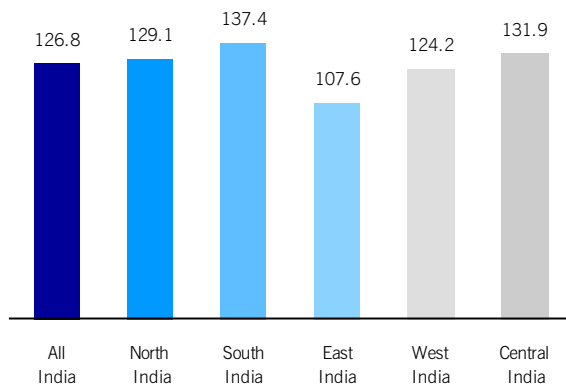


Inflation Expectations in 12 Months
(% of Households)

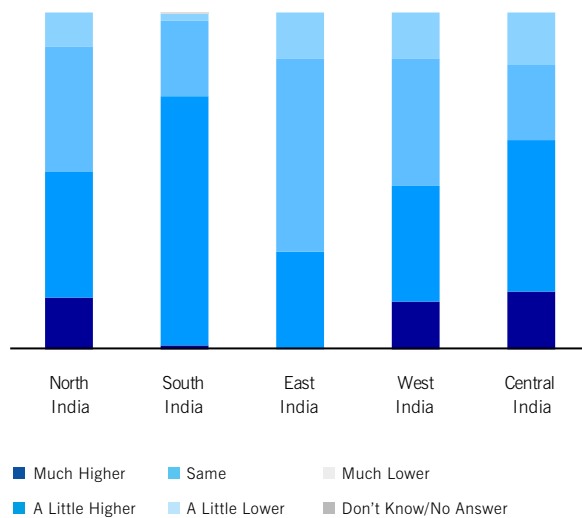




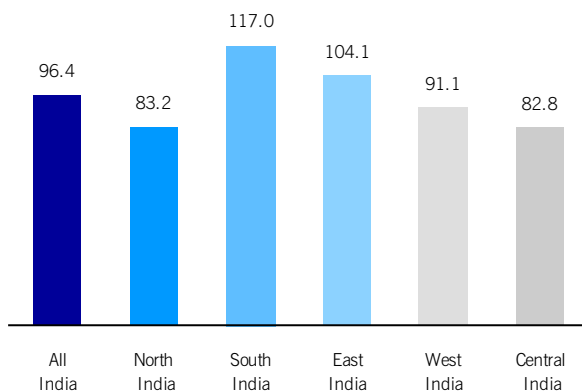
Inflation Expectations Indicator



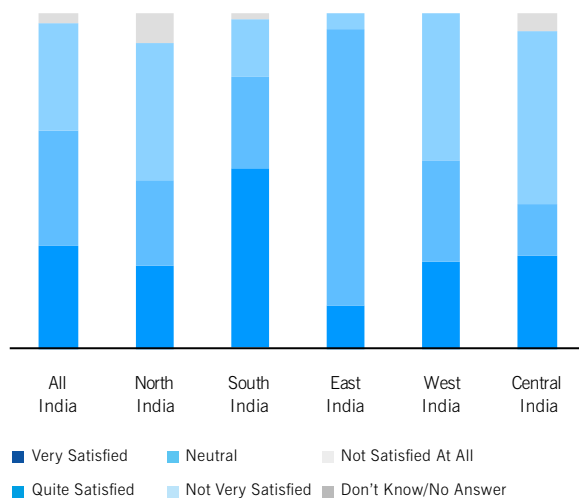
Inflation Expectations in 12 Months (% of Households)



Satisfaction with Current Prices Indicator



Satisfaction with Current Prices (% of Households)



Interest Rate Expectations

Lowest Since November 2014



The Interest Rates Expectations Indicator fell by 4.3% to 123.9 in January from 129.4 in December, the lowest since November 2014.

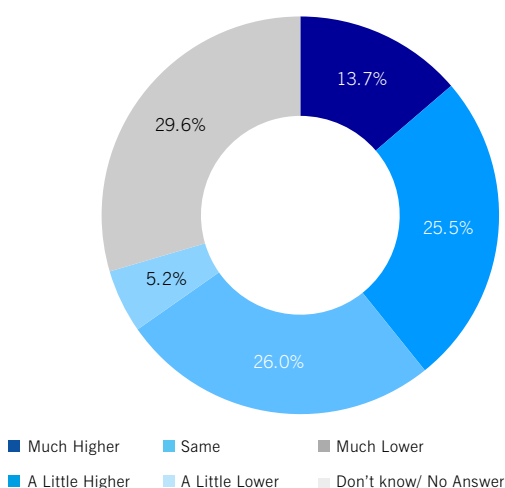
The Reserve Bank of India's (RBI) decision to cut the key policy rate by 25 basis points to 7.75% in early January came towards the later part of our survey period so the full impact of the move is yet to be seen. Despite this, in December the indicator was below the average of 128.1 for the past 12 months and also below the series average of 129.2.

This marks the first time since Raghuram Rajan took over as the Governor of the RBI in September 2013 that the repo rate has been cut. The continued low level of both inflation and inflation expectations suggests there is further scope for the RBI to loosen monetary policy further although the timing is uncertain after the major revision to the GDP data revealed that economic growth was much higher than previously estimated.

Interest Rate Expectations Indicator



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



Interest Rate Expectations

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Interest Rate Expectations	136.3	119.4	121.0	124.6	122.0	129.4	123.9

68% of respondents
were bullish about
the stock market
over the next three
months...

...while a fifth were unsure.

Stock Investment Indicator

Lowest Since October 2014



The Stock Investment Indicator declined to the lowest level in three months as fewer profited from their investments. Respondents, though, were more optimistic about the performance of the stock market at the start of 2015.

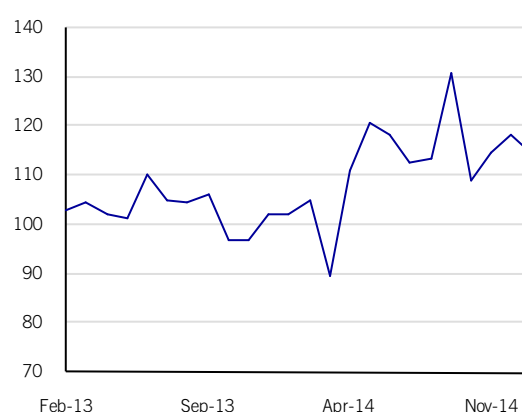
The Stock Investment Indicator, a gauge of whether it is a good or bad time to invest in the stock market that is made up of three components, fell to 114.5 in January from 118.5 in December. Investment sentiment was almost 12% above the same month a year earlier, although has subsided slightly following the boost in sentiment during the Indian general election last year.

Stock Price Sentiment, which measures whether equity prices are high or low, jumped to a new high of 145.9 in January from 145.5 in the previous month. With Indian stock markets rallying, the majority of respondents thought that stock prices were expensive.

The Stock Market Expectations component, which shows whether consumers think stock prices will rise or fall in the next three months, rose to 148.9 from 142.8 in December. 68% of respondents were bullish about the stock market over the next three months while a fifth were unsure.

The Stock Investment Return component, a measure of the amount of profit or loss in investments in the last year, declined to 140.4 from 158.2 in the previous month. The majority of respondents made a profit on their investments, albeit fewer than last month, as Indian stock markets rose to record levels over the past year and show no sign of slowing in 2015.

Stock Investment Indicator



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



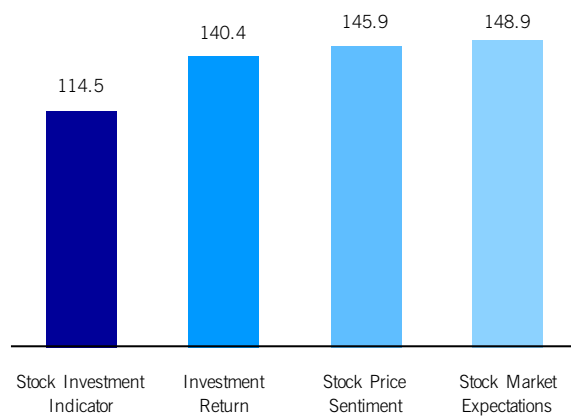
Investment Sentiment

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Investment Sentiment Indicator	102.3	113.5	130.8	108.9	114.8	118.5	114.5
Investment Return	103.0	126.5	162.4	109.1	144.3	158.2	140.4
Stock Price Sentiment	107.4	106.0	122.2	111.8	131.8	145.5	145.9
Stock Market Expectations	111.1	120.1	152.2	129.2	131.8	142.8	148.9

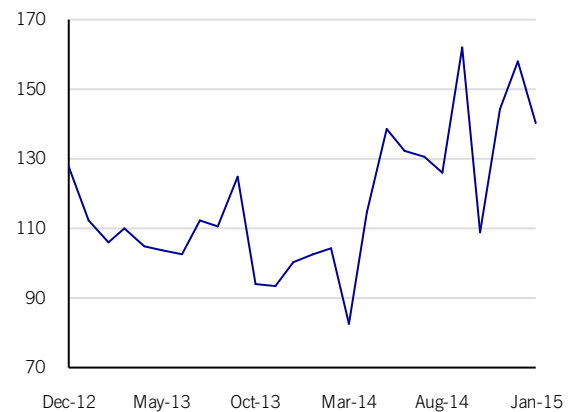
Stock Investment Indicator Components



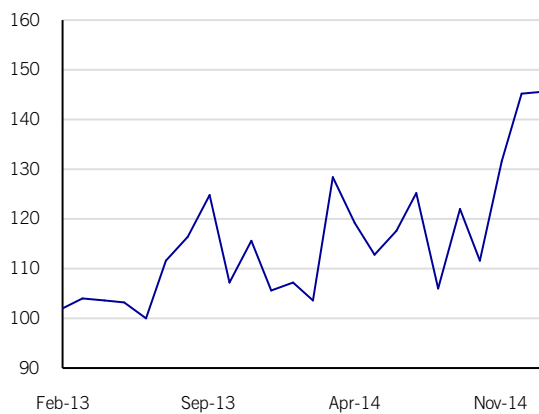
Stock Investment Indicator - Components



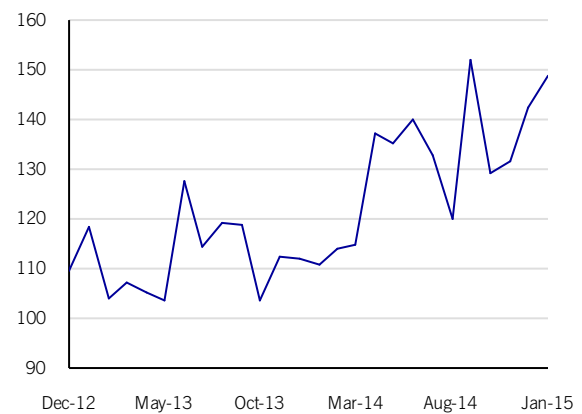
Investment Return



Stock Price Sentiment



Stock Market Expectations



More than three quarters of respondents expected house prices to rise in the next six months...

...but a rising, albeit very small proportion, expected them to fall as well.

Real Estate Investment Indicator Highest Since April 2014



Following a sharp downward move last year, the Real Estate Investment Indicator picked up in January as an increasing number of our respondents reported a greater willingness to purchase a house.

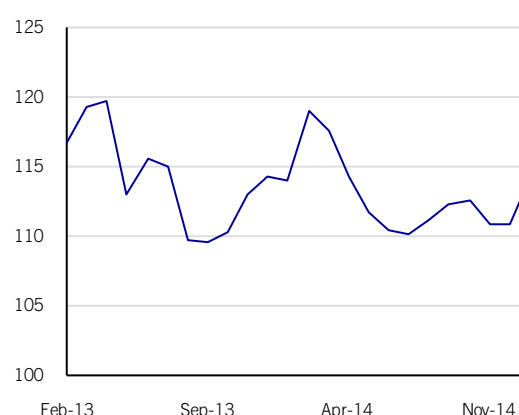
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment), rose to the highest since April last year to 114.2 in January after remaining flat at 111.0 in December.

The House Price Expectations component fell slightly to 153.6 in January from a record high of 154.2 observed at the end of last year. More than three quarters of respondents expected house prices to rise in the next six months but a rising, albeit very small proportion, expected them to fall as well.

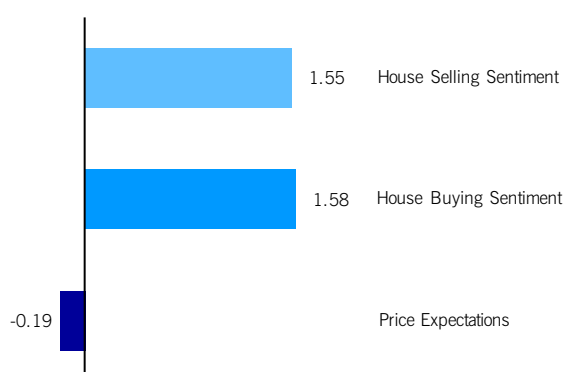
House Buying Sentiment, a measure of whether it is a good or bad time to buy a home in the next six months, posted the largest rise in 11 months to hit 94.6 in January from a series low of 89.3 in December. The majority of respondents attributed favourable prices to the improvement in purchase sentiment. Since the start of the survey, consumer confidence surrounding house purchases has fallen significantly, mainly due to high interest rates which have increased mortgage costs. But the recent 25 basis point cut in the key rate should help to underpin housing sentiment.

House Selling Sentiment, a measure of whether it is a good or bad time to sell a house in the next six

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Real Estate Investment Sentiment	114.2	111.3	112.5	112.6	111.0	111.0	114.2
Price Expectations	143.1	148.7	146.4	149.6	144.0	154.2	153.6
House Buying	94.9	97.4	96.2	98.4	92.1	89.3	94.6
House Selling	95.5	112.2	105.2	110.0	103.2	110.7	105.5

Real Estate Investment Indicator

Components and Balances

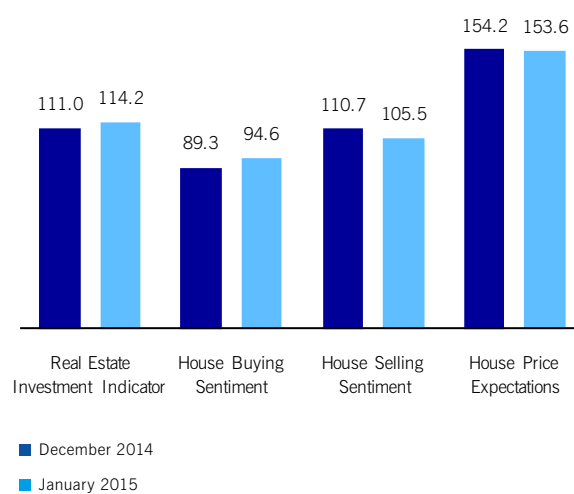


months, eased to 105.5 in January from 110.7 in December.

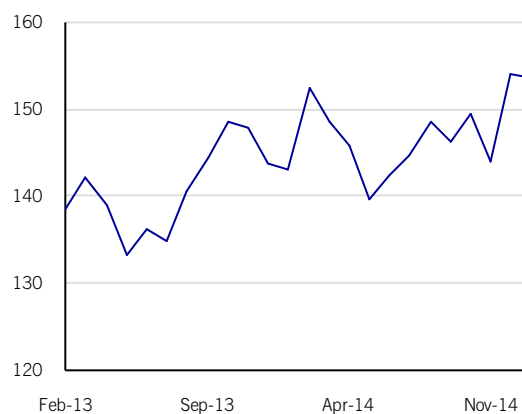
Regions

The Real Estate Investment Indicator rose across all regions except Central India where fewer respondents thought that house prices would rise and held the view that it would be better to sell, rather than buy, a house in the next six months. In contrast, respondents from South and East India became optimistic about purchasing a house in the next six months as reflected by House Buying sentiment rising above the 100 threshold in both regions.

Real Estate Investment Indicator - Components

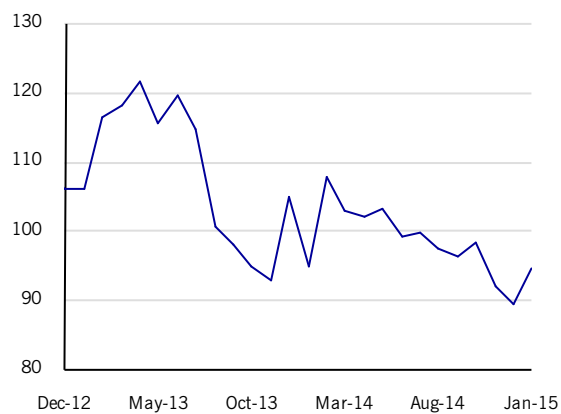


Real Estate Prices: Expected Changes in Next 6 Months

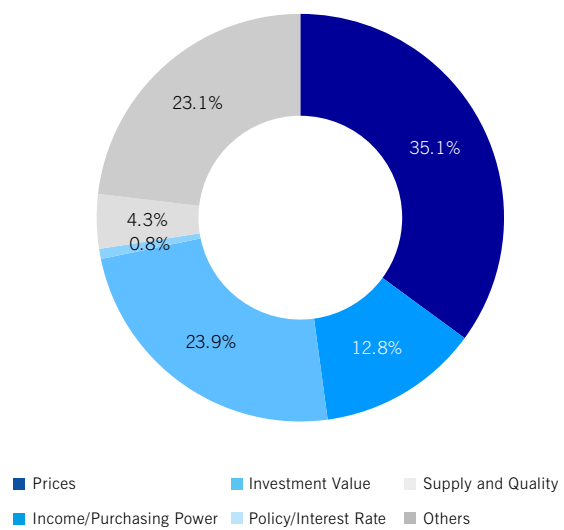




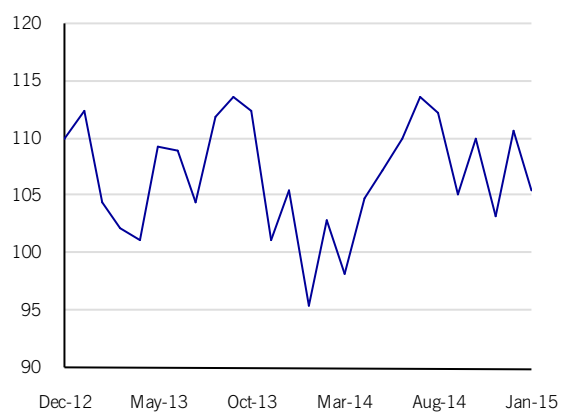
House Buying Sentiment



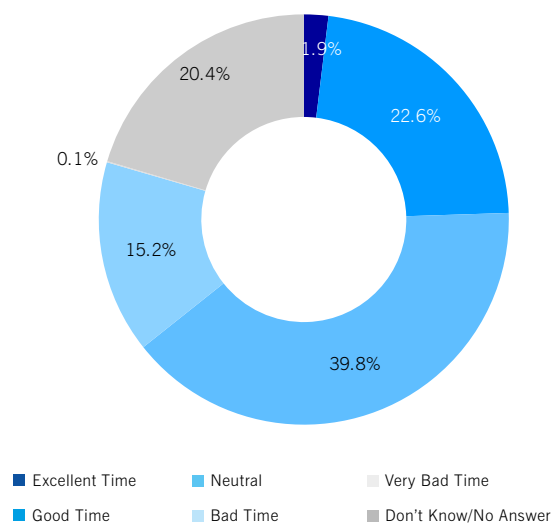
Reasons for Buying Houses (% of Households)



House Selling Sentiment



Timing for Selling Houses (% of Households)



Car Purchase Indicator

Series High



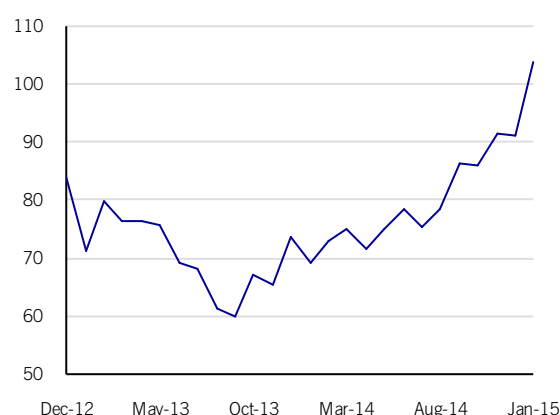
The Car Purchase Indicator rose to a record high of 104.0 in January from 91.4 in December as respondents reported a greater willingness to purchase a car and expected gas prices to fall further. This was the first time the indicator has been above the 100 breakeven level since the survey started.

The Car Purchase 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. 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 to 105.1 following a record low of 79.7 in December. This put it above both the averages for 2014 and the series. However, a substantial proportion of consumers weren't sure about whether they would make a car purchase as they were probably waiting to see whether any supportive measures for the automobile industry would be announced in the upcoming budget.

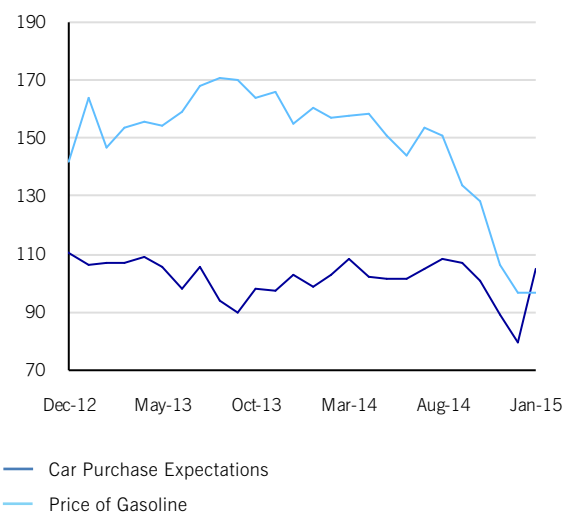
Among consumers who felt it was a good time to purchase a car, a growing proportion of respondents reported that interest rates were more favourable.

Car sales in India rose by 15.3% on the year in December following a rise of 9.5% in November as consumers brought forward their purchases in anticipation of a discontinuation of excise duty concessions on the automobile industry. In 2014, car sales grew by 2.5% to 1.85 million units compared with a contraction of almost 10% a year earlier. Consumers have also benefitted from a reduction in fuel prices in 2014. While this only reduces the cost

Car Purchase Indicator



Car Purchase Indicator - Components



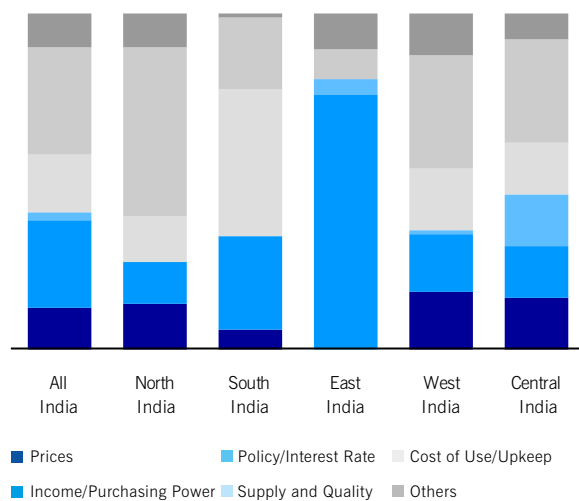
Car Purchase Sentiment

	Jan-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Car Purchase Sentiment	69.2	78.5	86.6	86.1	91.7	91.4	104.0
Car Purchase Expectations	99.0	108.5	107.6	100.8	89.8	79.7	105.1
Price of Gasoline	160.6	151.4	134.4	128.5	106.3	96.9	97.0

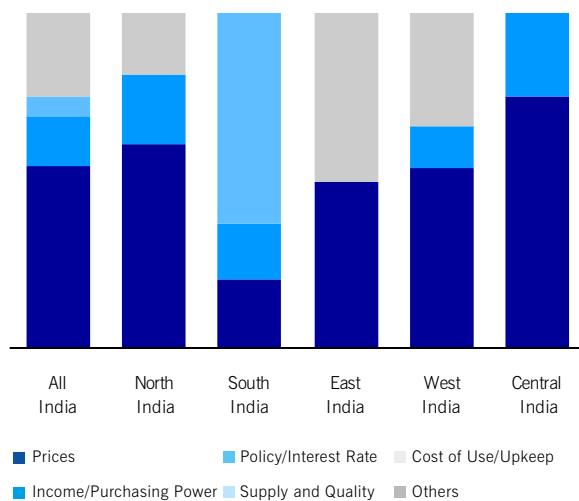
Car Purchase Indicator Regions



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



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

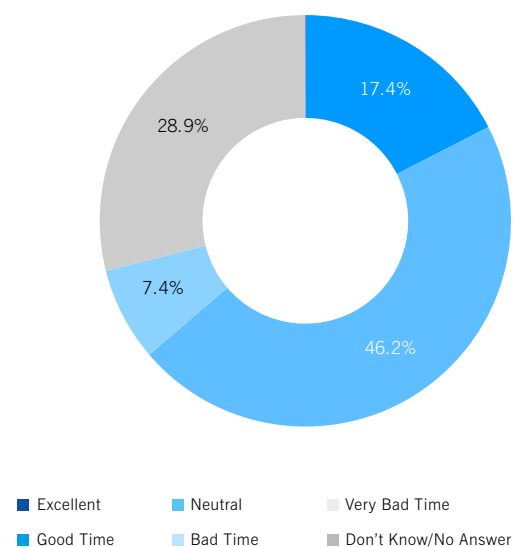


of the car's maintenance, the price of buying has already grown in 2015 after the government switched back to higher excise duty.

Amid the fall in global oil prices and subsequent deregulation of fuel prices, Expectations for the Price of Gasoline have fallen considerably, especially during the second half of last year. Expectations were subdued and the indicator remained broadly stable at 97.0 in January, very close to December's record low of 96.9.

The majority of consumers expected gasoline prices to remain the same in the next 12 months, while about a quarter expected prices would go down. However, a substantial proportion did not know or answer this month, probably due to the volatility in oil prices.

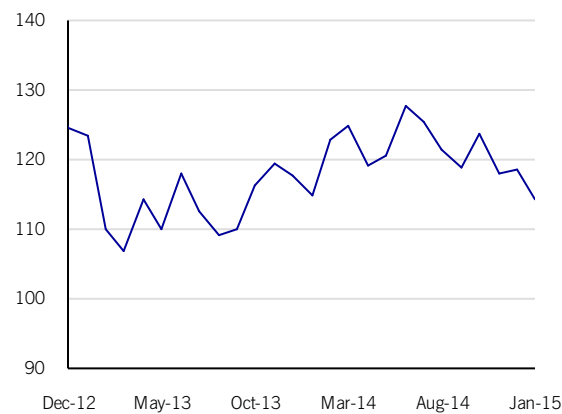
Is it a Good Time to Buy a Car?
(% of Households)



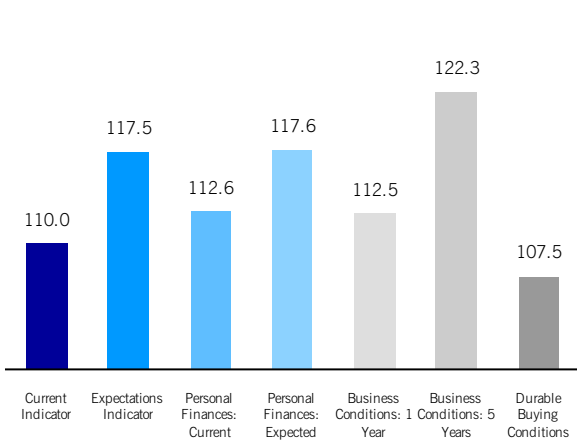
MNI India Consumer Indicator Regions



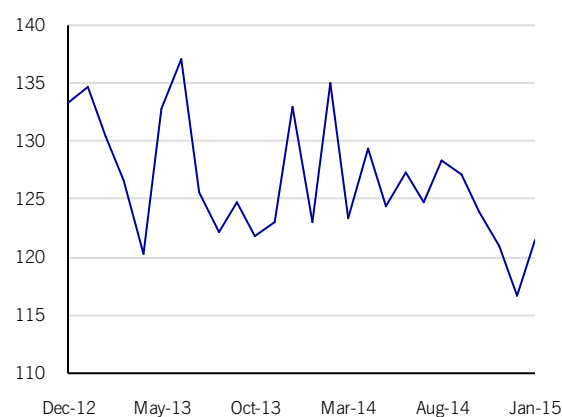
Consumer Indicator: North India



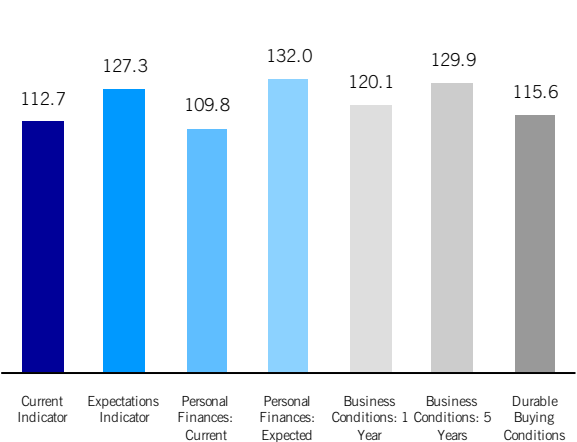
Consumer Indicator Components: North India



Consumer Indicator: South India

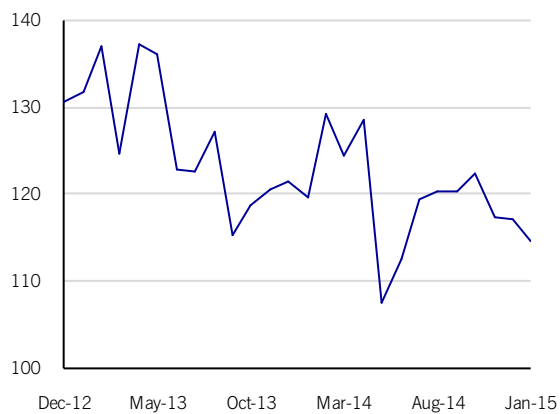


Consumer Indicator Components: South India

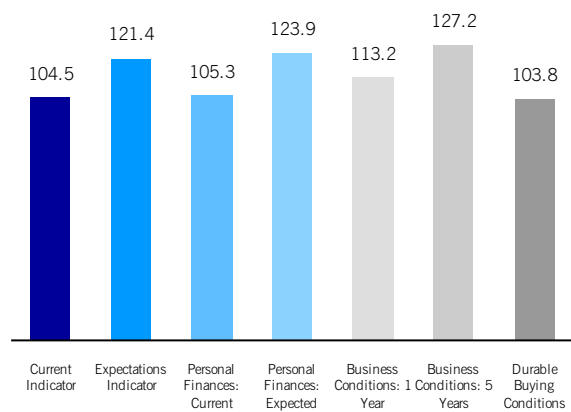




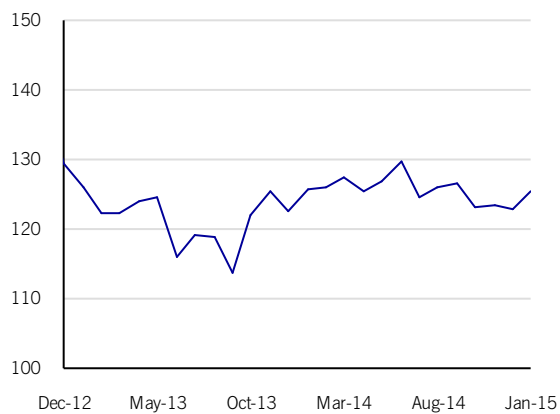
Consumer Indicator: East India



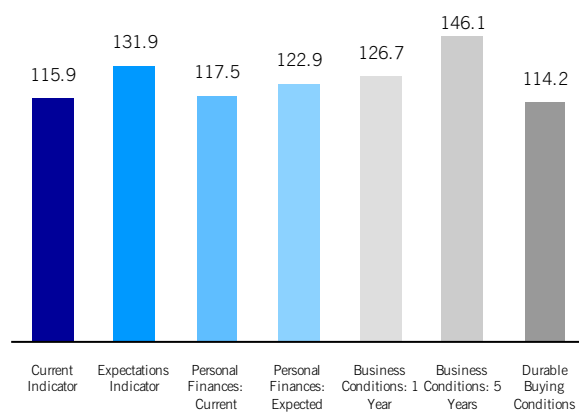
Consumer Indicator Components: East India



Consumer Indicator: West India

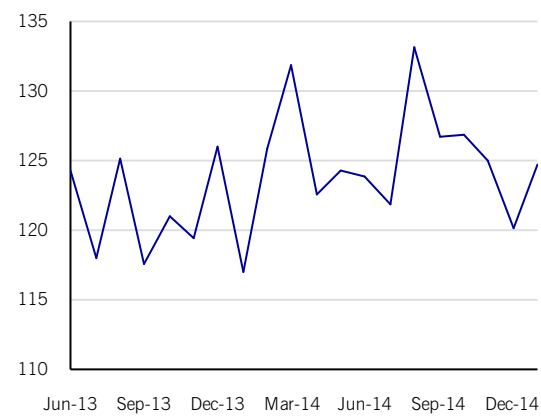


Consumer Indicator Components: West India

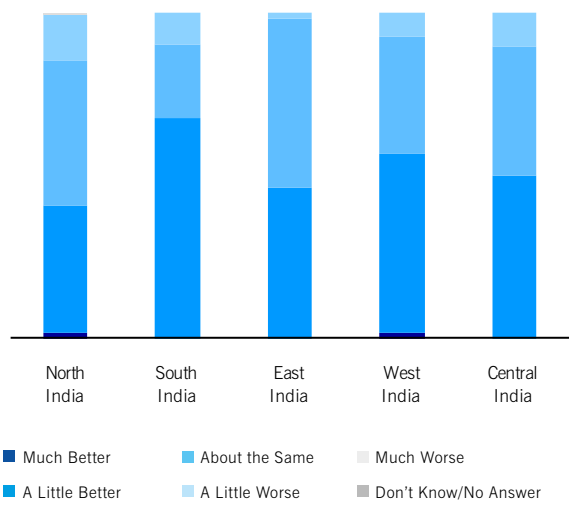




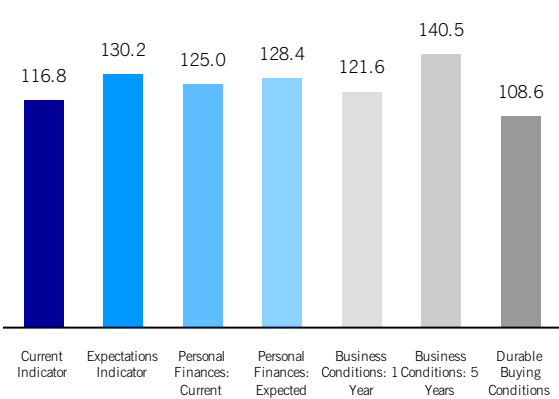
Consumer Indicator: Central India



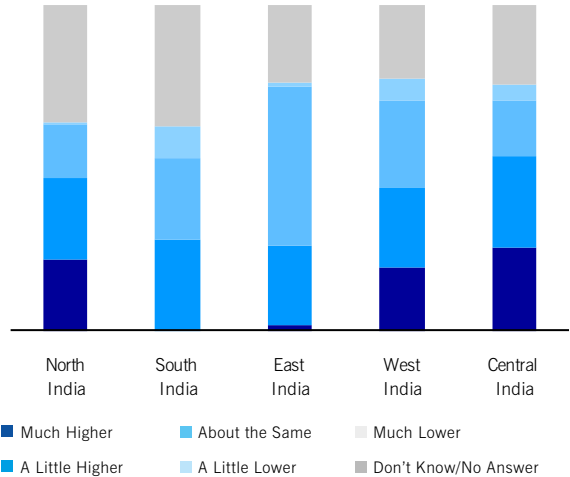
Employment Outlook for the Next 12 Months (% of Households)



Consumer Indicator Components: Central India

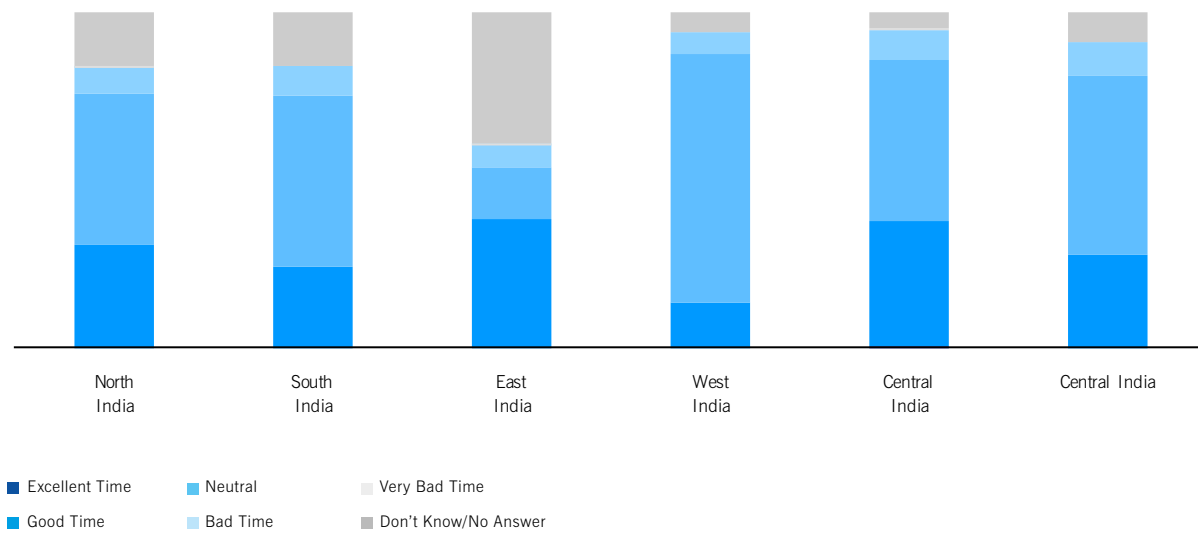


Interest Rate Expectations on House and Car Loans Indicator (% of Households)

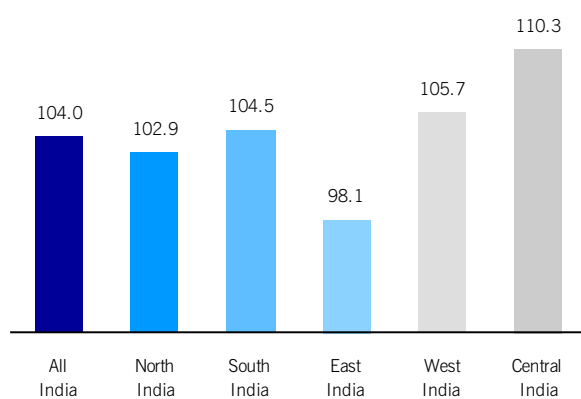




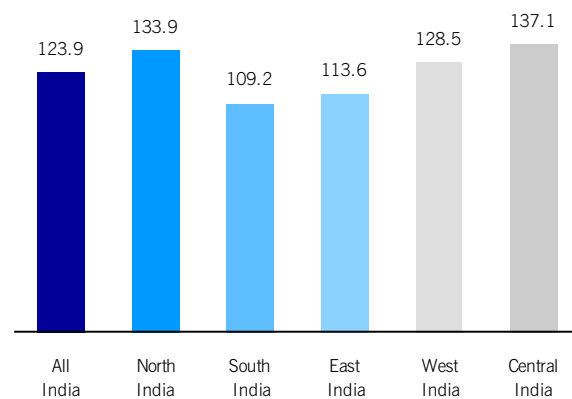
Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



Car Purchase Indicator - Regions



Interest Rates Expectations (% of Households)

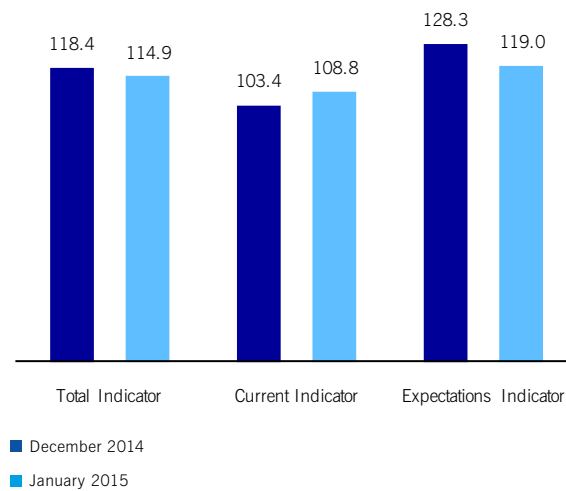


MNI India Consumer Indicator

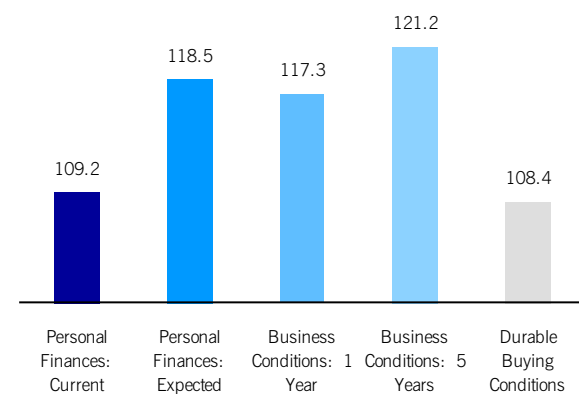
Income Groups



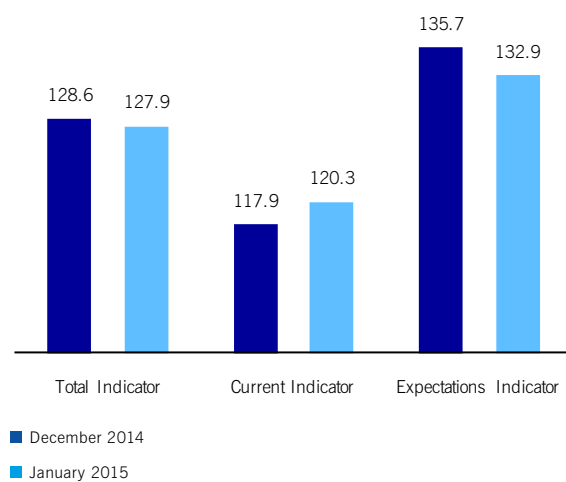
< INR 432,000 per annum



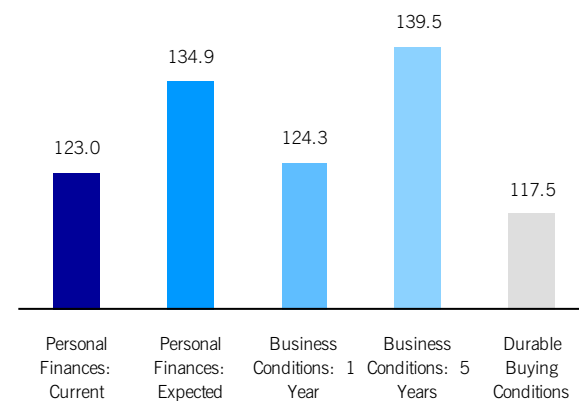
< INR 432,000 - Components



> INR 432,000 per annum



> INR 432,000 - Components



Consumer confidence fell among both high and low-income households in January.

Compared with the previous year, confidence was down by 4.8% among lower income households, while for higher income households it was up by 5.8%.



What the Panel Said



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

"We need to take a loan to start a business; loans are easily available." **40-year-old female from Moradabad**

"Both sons are settled in the US so income situation is better." **60-year-old male from Visakhapatnam**

"There is too much competition to start a business." **45-year-old male from Moradabad**

"There are no big companies in the city, only small industries." **43-year-old male from Ludhiana**

"Automobile industry is doing well." **47-year-old female from Faridabad**

"Smaller businesses are not doing well because peoples mostly buy from big showrooms." **42-year-old male from Kolkata**

"Discounts and offers are available; second-hand appliances are also good options." **37-year-old male from Indore**

"Conditions for business are not favourable." **58-year-old female from Mumbai**

"Car prices are not increasing as much as prices of household items." **58-year-old female from Delhi**

"Savings are good." **60-year-old female from Ghaziabad**

"Buying a car will become more expensive later on." **64-year-old male from Mumbai**

"Multinational companies are coming and due to this small scale businesses are badly affected." **58-year-old male from Delhi**

"It is good to buy a car before the budget." **64-year-old male from Mumbai**

"Online offers are ample." **22-year-old male from Chennai**

"It is a bad time for people to buy major household items like furniture, appliances, computers and TVs." **26-year-old female from Surat**

"Good business opportunities are available." **60-year-old female from Indore**

"New companies are coming in our area and construction sites are also active." **20-year-old female from Indore**

"The local government will help to improve the business environment." **38-year-old male from Visakhapatnam**

"Crude oil prices are going down so it will help business." **26-year-old male from Mumbai**

"Only CNG car is economical for buying." **38-year-old male from Ahmedabad**

"Online shopping is a good source of shopping." **25-year-old male from Mumbai**

"One should wait for the budget." **52-year-old female from Delhi**

"Only one person is earning so financial situation is just alright." **48-year-old female from Rohtak**

"Electronics market is doing quite good." **50-year-old male from Hyderabad**

"It is not a good time to buy consumer durable items." **28-year-old male from Surat**

"Financial condition is not good because the real estate market is down. If the government changes its taxation policies then it will be easier to do business." **27-year-old male from Kolkata**



Data Tables

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

North India Overview

	Nov-14	Dec-14	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
North India Consumer Indicator	118.0	118.7	114.5	-	Sep-13	117.1	-4.2	-3.5%
Current Indicator	112.0	110.3	110.0	-	Apr-14	110.8	-0.3	-0.3%
Expectations Indicator	122.0	124.2	117.5	-	Sep-13	121.2	-6.7	-5.4%
Personal Finance: Current	118.3	113.2	112.6	-	Oct-14	114.7	-0.6	-0.5%
Personal Finance: Expected	125.8	119.8	117.6	-	Sep-13	121.1	-2.2	-1.8%
Business Condition: 1 Year	110.5	120.2	112.5	-	Nov-14	114.4	-7.7	-6.4%
Business Condition: 5 Years	129.8	132.7	122.3	-	Sep-13	128.3	-10.4	-7.8%
Durable Buying Conditions	105.6	107.5	107.5	-	Nov-14	106.9	0.0	-0.1%
Current Business Conditions Indicator	101.1	108.7	103.3	-	Nov-14	104.4	-5.4	-5.0%
Stock Investment Indicator	116.7	114.0	123.2	Sep-14	-	118.0	9.2	8.0%
Real Estate Investment Indicator	111.2	113.0	114.6	Mar-14	-	112.9	1.6	1.4%
Car Purchase Indicator	91.7	94.3	102.9	series high	-	96.3	8.6	9.1%
Employment Outlook Indicator	104.0	111.1	113.7	Jun-14	-	109.6	2.6	2.4%
Inflation Expectations Indicator	121.3	126.9	129.1	Oct-14	-	125.8	2.2	1.7%
Current Prices Satisfaction Indicator	93.2	84.5	83.2	-	Oct-14	87.0	-1.3	-1.6%
Interest Rates Expectations Indicator	130.3	139.8	133.9	-	Nov-14	134.7	-5.9	-4.2%

South India Overview

	Nov-14	Dec-14	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
South India Consumer Indicator	121.0	116.8	121.5	Oct-14	-	119.8	4.7	4.0%
Current Indicator	108.0	100.4	112.7	Sep-14	-	107.0	12.3	12.3%
Expectations Indicator	129.7	127.8	127.3	-	Mar-14	128.3	-0.5	-0.3%
Personal Finance: Current	109.7	111.7	109.8	-	Nov-14	110.4	-1.9	-1.7%
Personal Finance: Expected	129.9	128.1	132.0	Oct-14	-	130.0	3.9	3.0%
Business Condition: 1 Year	116.3	120.8	120.1	-	Nov-14	119.1	-0.7	-0.5%
Business Condition: 5 Years	143.0	134.4	129.9	-	Aug-13	135.8	-4.5	-3.4%
Durable Buying Conditions	106.4	89.0	115.6	Sep-14	-	103.7	26.6	29.8%
Current Business Conditions Indicator	110.2	120.5	118.1	-	Nov-14	116.3	-2.4	-2.0%
Stock Investment Indicator	120.2	158.3	116.7	-	Jun-14	131.7	-41.6	-26.3%
Real Estate Investment Indicator	111.0	105.4	113.8	Aug-14	-	110.1	8.4	8.1%
Car Purchase Indicator	94.9	86.0	104.5	series high	-	95.1	18.5	21.5%
Employment Outlook Indicator	111.3	125.3	129.0	Jul-14	-	121.9	3.7	3.0%
Inflation Expectations Indicator	127.1	133.5	137.4	Sep-14	-	132.7	3.9	2.9%
Current Prices Satisfaction Indicator	97.4	108.7	117.0	series high	-	107.7	8.3	7.7%
Interest Rates Expectations Indicator	106.1	112.4	109.2	-	Nov-14	109.2	-3.2	-2.9%

East India Overview

	Nov-14	Dec-14	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
East India Consumer Indicator	117.5	117.3	114.7	-	Jun-14	116.5	-2.6	-2.3%
Current Indicator	108.1	104.1	104.5	Nov-14	-	105.6	0.4	0.4%
Expectations Indicator	123.7	126.1	121.4	-	Jun-14	123.7	-4.7	-3.7%
Personal Finance: Current	116.4	111.2	105.3	-	Aug-14	111.0	-5.9	-5.3%
Personal Finance: Expected	131.3	130.4	123.9	-	Jul-14	128.5	-6.5	-5.0%
Business Condition: 1 Year	109.2	112.7	113.2	Oct-14	-	111.7	0.5	0.4%
Business Condition: 5 Years	130.5	135.2	127.2	-	Sep-14	131.0	-8.0	-5.9%
Durable Buying Conditions	99.8	97.0	103.8	Oct-14	-	100.2	6.8	7.0%
Current Business Conditions Indicator	105.7	117.9	108.0	-	Nov-14	110.5	-9.9	-8.4%
Stock Investment Indicator	116.7	116.7	-	-	-	-	-	-
Real Estate Investment Indicator	109.5	109.2	111.5	Oct-14	-	110.1	2.3	2.1%
Car Purchase Indicator	89.3	89.9	98.1	series high	-	92.4	8.2	9.1%
Employment Outlook Indicator	114.8	118.3	122.2	Aug-13	-	118.4	3.9	3.3%
Inflation Expectations Indicator	121.1	113.2	107.6	-	series low	114.0	-5.6	-5.0%
Current Prices Satisfaction Indicator	97.0	98.8	104.1	May-13	-	100.0	5.3	5.4%
Interest Rates Expectations Indicator	126.7	125.1	113.6	-	Jun-14	121.8	-11.5	-9.2%

West India Overview

	Nov-14	Dec-14	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
West India Consumer Indicator	123.7	123.0	125.5	Sep-14	-	124.1	2.5	2.0%
Current Indicator	112.0	109.6	115.9	Sep-14	-	112.5	6.3	5.7%
Expectations Indicator	131.4	132.0	131.9	-	Nov-14	131.8	-0.1	0.0%
Personal Finance: Current	116.9	117.7	117.5	-	Nov-14	117.4	-0.2	-0.2%
Personal Finance: Expected	128.6	128.7	122.9	-	Sep-13	126.7	-5.8	-4.5%
Business Condition: 1 Year	122.0	122.7	126.7	Oct-14	-	123.8	4.0	3.3%
Business Condition: 5 Years	143.7	144.5	146.1	Jun-14	-	144.8	1.6	1.1%
Durable Buying Conditions	107.1	101.5	114.2	Sep-14	-	107.6	12.7	12.6%
Current Business Conditions Indicator	114.3	118.6	115.8	-	Nov-14	116.2	-2.8	-2.3%
Stock Investment Indicator	115.6	111.1	111.9	Nov-14	-	112.9	0.8	0.7%
Real Estate Investment Indicator	111.7	113.5	115.8	Mar-14	-	113.7	2.3	2.0%
Car Purchase Indicator	90.9	93.5	105.7	series high	-	96.7	12.2	13.1%
Employment Outlook Indicator	116.9	125.6	125.7	May-14	-	122.7	0.1	0.1%
Inflation Expectations Indicator	110.5	118.3	124.2	Oct-14	-	117.7	5.9	5.0%
Current Prices Satisfaction Indicator	81.3	98.1	91.1	-	Nov-14	90.2	-7.0	-7.2%
Interest Rates Expectations Indicator	123.7	132.3	128.5	-	Nov-14	128.2	-3.8	-2.9%

Central India Overview

	Nov-14	Dec-14	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Central India Consumer Indicator	125.1	120.2	124.8	Nov-14	-	123.4	4.6	3.9%
Current Indicator	114.5	109.3	116.8	Oct-14	-	113.5	7.5	6.8%
Expectations Indicator	132.1	127.4	130.2	Nov-14	-	129.9	2.8	2.2%
Personal Finance: Current	119.1	118.6	125.0	May-14	-	120.9	6.4	5.4%
Personal Finance: Expected	130.9	124.6	128.4	Nov-14	-	128.0	3.8	3.1%
Business Condition: 1 Year	125.5	115.3	121.6	Nov-14	-	120.8	6.3	5.5%
Business Condition: 5 Years	140.0	142.4	140.5	-	Nov-14	141.0	-1.9	-1.3%
Durable Buying Conditions	110.0	100.0	108.6	Nov-14	-	106.2	8.6	8.6%
Current Business Conditions Indicator	109.1	120.3	118.1	-	Nov-14	115.8	-2.2	-1.9%
Stock Investment Indicator	83.3	133.3	-	-	-	-	-	-
Real Estate Investment Indicator	109.4	114.4	111.5	-	Nov-14	111.8	-2.9	-2.5%
Car Purchase Indicator	89.5	91.5	110.3	series high	-	97.1	18.8	20.6%
Employment Outlook Indicator	105.5	128.8	119.8	-	Nov-14	118.0	-9.0	-7.0%
Inflation Expectations Indicator	120.9	116.9	131.9	Oct-14	-	123.2	15.0	12.8%
Current Prices Satisfaction Indicator	74.5	95.8	82.8	-	Nov-14	84.4	-13.0	-13.6%
Interest Rates Expectations Indicator	130.9	146.6	137.1	-	Nov-14	138.2	-9.5	-6.5%

All India - Overview by Age

	Nov-14	Dec-14	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI India Consumer Indicator	123.0	121.8	122.6	Nov-14	-	122.5	0.8	0.7%
Current Indicator	113.1	108.5	113.6	Sep-14	-	111.7	5.1	4.7%
Expectations Indicator	129.5	130.6	128.7	-	Jan-14	129.6	-1.9	-1.5%
Personal Finance: Current	116.8	115.6	113.5	-	series low	115.3	-2.1	-1.8%
Personal Finance: Expected	133.3	131.6	126.4	-	Nov-13	130.4	-5.2	-3.9%
Business Condition: 1 Year	116.8	119.7	122.6	Oct-14	-	119.7	2.9	2.4%
Business Condition: 5 Years	138.4	140.5	136.9	-	Oct-14	138.6	-3.6	-2.5%
Durable Buying Conditions	109.4	101.4	113.6	Sep-14	-	108.1	12.2	12.0%
Age 35-54								
MNI India Consumer Indicator	121.6	119.3	120.4	Nov-14	-	120.4	1.1	0.9%
Current Indicator	111.7	107.0	112.1	Sep-14	-	110.3	5.1	4.8%
Expectations Indicator	128.2	127.5	125.9	-	May-14	127.2	-1.6	-1.2%
Personal Finance: Current	117.2	115.8	114.8	-	Oct-14	115.9	-1.0	-0.8%
Personal Finance: Expected	129.2	125.8	126.4	Nov-14	-	127.1	0.6	0.5%
Business Condition: 1 Year	117.1	120.2	118.1	-	Nov-14	118.5	-2.1	-1.7%
Business Condition: 5 Years	138.3	136.5	133.3	-	Sep-14	136.0	-3.2	-2.4%
Durable Buying Conditions	106.1	98.1	109.3	Sep-14	-	104.5	11.2	11.4%
Age 55-64								
MNI India Consumer Indicator	115.5	116.8	116.5	-	Nov-14	116.3	-0.3	-0.3%
Current Indicator	103.1	104.5	110.4	Oct-14	-	106.0	5.9	5.7%
Expectations Indicator	123.7	125.1	120.6	-	Sep-14	123.1	-4.5	-3.6%
Personal Finance: Current	108.4	110.3	109.6	-	Nov-14	109.4	-0.7	-0.6%
Personal Finance: Expected	120.0	117.5	115.3	-	Oct-13	117.6	-2.2	-1.9%
Business Condition: 1 Year	112.9	120.9	117.6	-	Nov-14	117.1	-3.3	-2.7%
Business Condition: 5 Years	138.2	136.8	128.8	-	Sep-14	134.6	-8.0	-5.9%
Durable Buying Conditions	97.7	98.7	111.3	Aug-14	-	102.6	12.6	12.8%

All India - Overview by Income

	Nov-14	Dec-14	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< INR 432,000 per annum								
MNI India Consumer Indicator	119.1	118.4	114.9	-	series low	117.5	-3.5	-2.9%
Current Indicator	107.1	103.4	108.8	Sep-14	-	106.4	5.4	5.2%
Expectations Indicator	127.1	128.3	119.0	-	Mar-13	124.8	-9.3	-7.3%
Personal Finance: Current	105.6	107.5	109.2	Jul-14	-	107.4	1.7	1.6%
Personal Finance: Expected	124.8	125.6	118.5	-	Jul-14	123.0	-7.1	-5.7%
Business Condition: 1 Year	118.5	122.0	117.3	-	Jul-14	119.3	-4.7	-3.9%
Business Condition: 5 Year	137.9	137.3	121.2	-	Jul-13	132.1	-16.1	-11.7%
Durable Buying Conditions	108.7	99.3	108.4	Nov-14	-	105.5	9.1	9.1%
> INR 432,000 per annum								
MNI India Consumer Indicator	132.9	128.6	127.9	-	Mar-14	129.8	-0.7	-0.6%
Current Indicator	124.4	117.9	120.3	Nov-14	-	120.9	2.4	2.0%
Expectations Indicator	138.6	135.7	132.9	-	Mar-14	135.7	-2.8	-2.1%
Personal Finance: Current	127.8	124.6	123.0	-	Jan-14	125.1	-1.6	-1.2%
Personal Finance: Expected	142.3	134.6	134.9	Nov-14	-	137.3	0.3	0.3%
Business Condition: 1 Year	128.2	127.7	124.3	-	Jul-14	126.7	-3.4	-2.6%
Business Condition: 5 Year	145.4	145.0	139.5	-	Sep-14	143.3	-5.5	-3.8%
Durable Buying Conditions	121.1	111.3	117.5	Nov-14	-	116.6	6.2	5.6%

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 has been in place since November 2012.

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.



mni | DEUTSCHE BÖRSE
GROUP

Discovering trends in Emerging Markets

MNI's Emerging Markets Indicators explore attitudes, perspectives and confidence in Russia, India and China. Our data and monthly reports present an advance picture of the economic landscape as perceived by businesses and consumers.

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

www.mni-indicators.com

Insight and data for better decisions

Published by

MNI Indicators | Deutsche Börse Group

Westferry House

11 Westferry Circus

London

E14 4HE

www.mni-indicators.com



@MNIIndicators



MNI Indicators

Copyright © 2015 MNI Indicators | Deutsche Börse Group.

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