

MNI India Consumer Report - May 2016

India Consumer Sentiment Loses Steam in May

Key Findings

- The MNI India Consumer Sentiment Indicator decreased 1.5% on the month to 111.7 in May from 113.4 in April, offsetting last month's increase. Confidence is up 3% since December when it hit a record low, although it still sits below the series average of 120.4.

- The latest fall in sentiment was the first decline in three months. With a range of spending gauges in the survey retreating, it seems consumers are reeling under the pressure of higher service taxes and are following a conservative approach towards spending.

- The pull back in the Consumer Indicator was led by a fall in expectations about the future, while sentiment towards the current situation improved for the second month in a row. If the increase is sustained, it could result in a recovery in consumer spending.

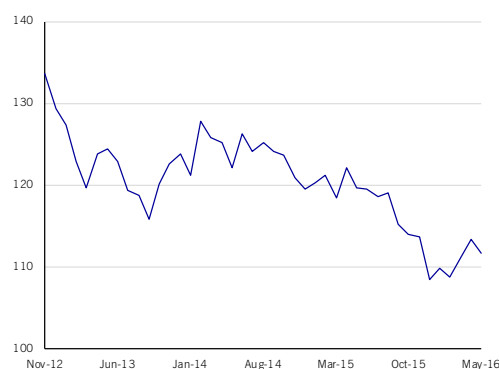
- More positively, respondents were more optimistic about their current personal financial situation with the Current Personal Finances Indicator increasing 3% to 106.6 in May, the highest since November last year. Expectations about the future have also improved since the start of the year but remained more or less the same in May compared with last month.

- A range of metrics aimed at assessing how willing respondents are to purchase goods or spend on leisure activities, decreased this month. The Shopping, Entertainment and Dining Out Expenditure Indicators remained in contractionary territory for the second consecutive month.

- Buying conditions for IT products, phones and other appliances all remained broadly stable, while the wider measure of Durable Buying Conditions recovered slightly.

- There was bad news for the automobile sector as consumers revised down their expectations for car purchases over the coming year while gas price expectations rose to the highest since August 2014. The

MNI India Consumer Indicator



Car Purchase Expectations Indicator fell into contraction for the first time in nine months as price hikes took their toll. Panellists were also less keen on buying a two-wheeler in the next 12 months.

- Housing sentiment has worsened this year, reversing the gains from the second half of last year. Housing demand has remained immune to several rate cuts since last year with sentiment falling further to a record low in May. The indicator has remained below 100 since May 2014, indicating that pessimists outnumber optimists, with the majority attributing lower willingness to purchase a house to prices.

Embargoed until 9:45 a.m. Mumbai time, June 7, 2016
Next Release: July 8, 2016

Written and researched by
Philip Uglow, Chief Economist
Shaily Mittal, Economist
Nelson Aston, Economist

E: info@mni-indicators.com
T: +44 (0)20 7862 7400

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

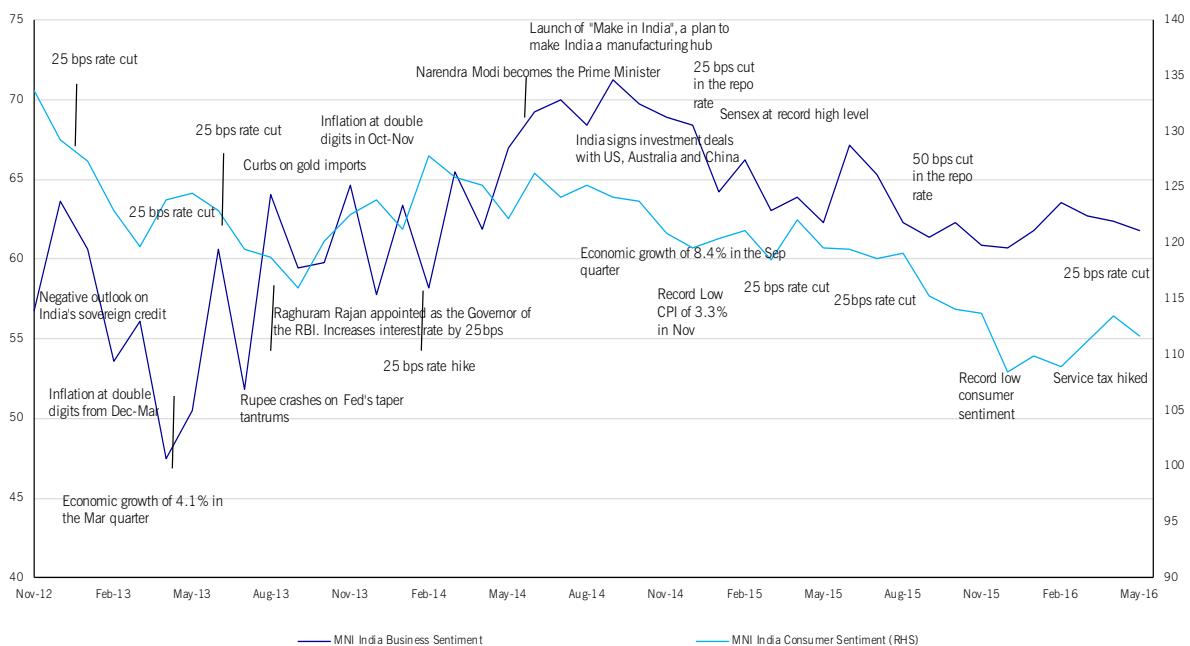
[MNI Indicators](https://www.linkedin.com/company/mni-indicators)

www.mni-indicators.com

All India - Overview

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Consumer Indicator	111.2	113.4	111.7	-	Mar-16	112.1	-1.7	-1.5%
Current Indicator	104.8	105.5	107.3	Nov-15	-	105.9	1.8	1.7%
Expectations Indicator	115.5	118.7	114.6	-	Feb-16	116.3	-4.1	-3.4%
Personal Finance: Current	100.1	103.5	106.6	Nov-15	-	103.4	3.1	3.0%
Personal Finance: Expected	112.4	113.2	113.1	-	Mar-16	112.9	-0.1	-0.1%
Business Condition: 1 Year	110.1	113.9	110.7	-	Mar-16	111.6	-3.2	-2.9%
Business Condition: 5 Year	124.1	129.0	120.1	-	Feb-16	124.4	-8.9	-6.9%
Durable Buying Conditions	109.4	107.4	108.0	Mar-16	-	108.3	0.6	0.5%
Current Business Conditions Indicator	91.5	98.6	96.9	-	Mar-16	95.7	-1.7	-1.7%
Stock Investment Indicator	117.2	110.5	106.4	-	Nov-15	111.4	-4.1	-3.7%
-Investment Return	121.7	125.2	109.0	-	Nov-15	118.6	-16.2	-12.9%
-Stock Price Sentiment	101.2	125.7	128.4	Mar-15	-	118.4	2.7	2.2%
-Stock Market Expectations	131.3	132.0	138.6	Mar-15	-	134.0	6.5	5.0%
Real Estate Investment Indicator	110.2	115.0	115.2	Aug-15	-	113.5	0.2	0.2%
-House Price Expectations	148.5	159.5	160.2	series high	-	156.1	0.8	0.5%
-House Buying Sentiment	88.6	87.6	80.6	-	series low	85.6	-7.0	-7.9%
-House Selling Sentiment	106.5	102.0	95.3	-	Sep-15	101.3	-6.8	-6.6%
Car Purchase Indicator	96.3	86.1	81.8	-	Aug-14	88.1	-4.3	-5.0%
-Car Purchase Expectations	103.6	103.2	99.7	-	Aug-15	102.2	-3.5	-3.4%
-Price of Gasoline Expectations	111.1	131.0	136.1	Aug-14	-	126.0	5.1	3.9%
Employment Outlook Indicator	107.0	111.2	104.0	-	Feb-16	107.4	-7.2	-6.5%
Inflation Expectations Indicator	132.4	140.7	145.5	May-14	-	139.5	4.8	3.4%
Current Prices Satisfaction Indicator	69.9	69.6	60.6	-	series low	66.7	-9.0	-12.9%
Interest Rates Expectations Indicator	117.4	124.9	124.4	-	Mar-16	122.2	-0.5	-0.4%

India Consumer Sentiment - Event Map

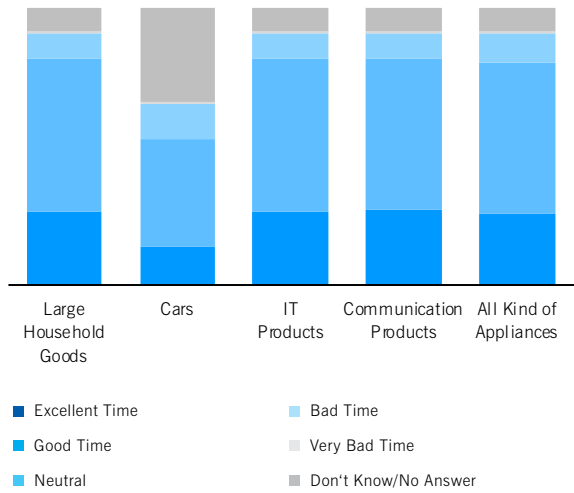


Spending

Each month we gather respondents' views on whether they believe it is a good time to buy IT products (such as laptops), communication products (phones) and household appliances such as fridges and washing machines.

Buying conditions remained broadly stable in May following a trend decline in recent months. However, consumers expected to reduce their leisure, dining out and entertainment activities over the next three months.

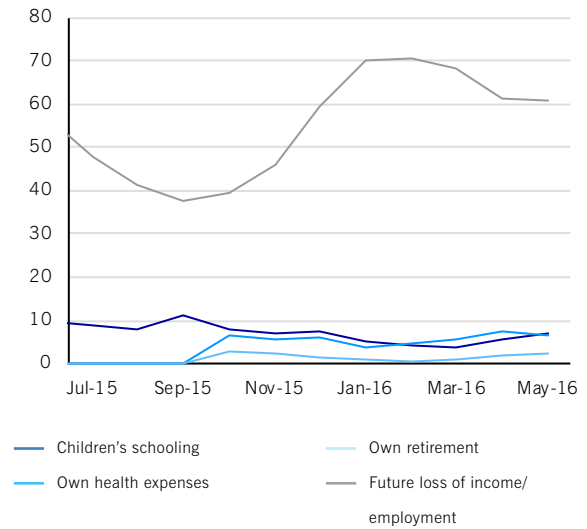
Is It a Good or Bad Time to Buy?
(% of Households)



Savings

In May, 89% of consumers reported that they spent 70-100% of their monthly household income on daily expenses, slightly higher than the 86% of consumers who did so a year earlier. With consumers shelling out more money on day-to-day expenses, there has been a decline in household savings. The proportion of respondents who saved between 1-29% of their monthly household income fell to 42.3% in May from 63.6% a year ago.

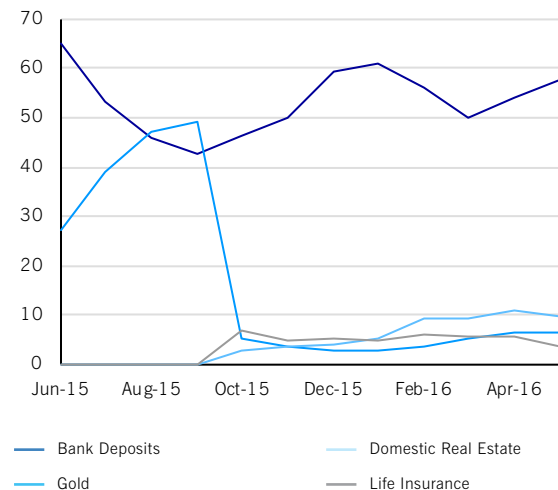
Main Reason for Saving



Investment

Consumers remained risk averse and on the whole favoured a conservative approach when managing savings. 57.6% of respondents said that the wisest place for savings was a bank deposit, up from 54.1% in April. Domestic real estate was the second most likely place for consumers to park savings, with 9.7% of respondents selecting this option, down from 11.1% in April. With household finances still under pressure relatively, more than three quarters did not spend anything from their household savings on investments in May. 21.4% reported they spent 1-29% of their monthly income on investments.

Wisest Place for Saving



Buying Conditions & Leisure Expenditure Indicators

	Long Run Average	2015 Average	May-15	Mar-16	Apr-16	May-16	Monthly % Change	Market signal
Buying Conditions Indicators								
Cars	102.2	102.2	102.1	103.6	103.2	99.7	-3.4%	↓
Houses	98.6	91.4	88.4	88.6	87.6	80.6	-7.9%	↓
Large Household Goods	110.9	110.1	109.2	109.4	107.4	108.0	0.5%	↑
IT Products	110.7	110.7	-	109.0	107.6	108.1	0.5%	↑
Communication Products	110.7	110.6	-	108.9	108.0	108.4	0.4%	↑
All Kind of Appliances	110.4	110.5	-	108.9	107.2	106.9	-0.3%	↓
Expected Expenditure Over the Next 3 Months								
Shopping	118.0	128.1	-	102.0	94.2	91.5	-2.9%	↓
Dinning Out	117.0	127.5	-	102.0	90.2	88.3	-2.1%	↓
Entertainment	116.3	127.2	-	100.5	87.4	86.9	-0.6%	↓
Western Style Fastfood Restaurants	116.0	127.3	-	100.8	85.4	84.7	-0.8%	↓
Online Shopping (% of respondents)	72.2	72.8	-	75.3	75.0	70.3	-6.3%	↓

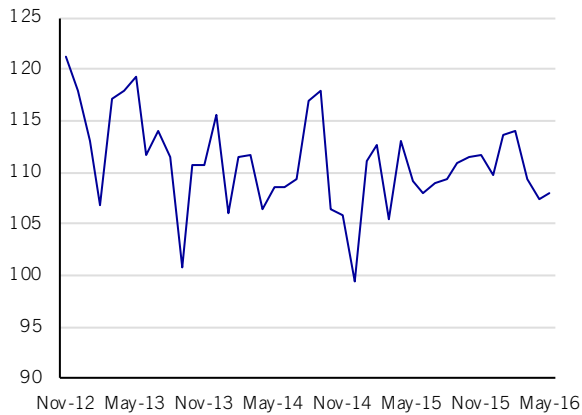
Motivation for Saving (% Households)

	Long Run Average	2015 Average	May-15	Mar-16	Apr-16	May-16	Monthly % Change	Market signal
Precautionary Motive								
Future loss of income/employment	55.1	47.1	-	68.5	61.1	61.0	-0.2%	↓
Children's schooling	7.2	8.7	-	3.6	5.8	6.8	18.3%	↑
Own health expenses	3.8	2.6	-	5.7	7.2	6.5	-9.4%	↓
Own retirement	1.1	1.0	-	1.0	1.7	2.3	34.4%	↑
Non-Precautionary Motive								
Housing purchase or downpayment	0.7	0.5	-	0.8	2.0	0.5	-74.0%	↓
Car purchase or downpayment	0.4	0.7	-	0.0	0.5	0.2	-60.3%	↓
Household good purchase or down-	0.1	0.1	-	0.3	0.2	0.0	-100.0%	↓
Saving to start your own business	0.8	0.8	-	0.9	1.1	1.8	61.0%	↑
Other	0.8	0.8	-	0.5	1.3	0.7	-48.3%	i

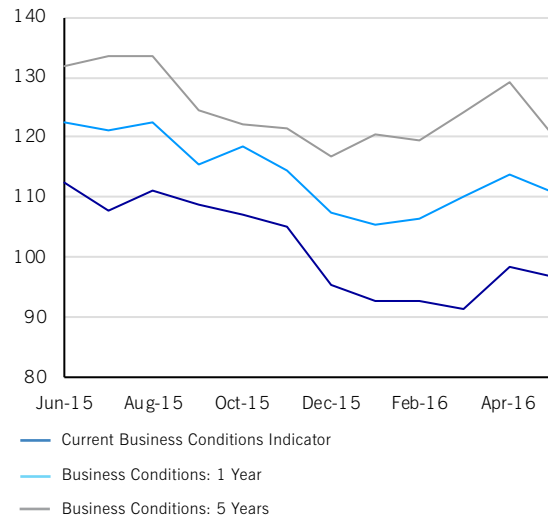
Wisest Place for Saving (% Households)

	Long Run Average	2015 Average	May-15	Mar-16	Apr-16	May-16	Monthly % Change	Market signal
Risk Averse Assets								
Bank Deposits	53.4	51.7	-	49.8	54.1	57.6	6.4%	↑
Gold	16.6	25.0	-	5.3	6.3	6.7	5.9%	↑
India real estate	4.7	1.6	-	9.5	11.1	9.7	-12.3%	↓
Equity Funds	0.4	0.2	-	1.5	0.9	0.4		
Debt Funds	0.2	0.1	-	1.0	0.1	0.2	52.9%	↑
Govt Bonds	1.2	0.5	-	3.9	1.7	2.4	38.7%	↑
Life Insurance	3.6	2.5	-	5.6	5.8	3.8	-35.9%	↓
Silver or other metals	0.0	0.0	-	0.1	0.1	0.2	47.6%	↑
Foreign real estate	0.0	0.0	-	0.0	0.0	0.0	-	-
Pay own Debt	0.0	0.0	-	0.0	0.0	0.0	-	-
Other	1.0	0.4	-	2.8	2.1	1.0	-53.3%	↓

Durable Buying Conditions



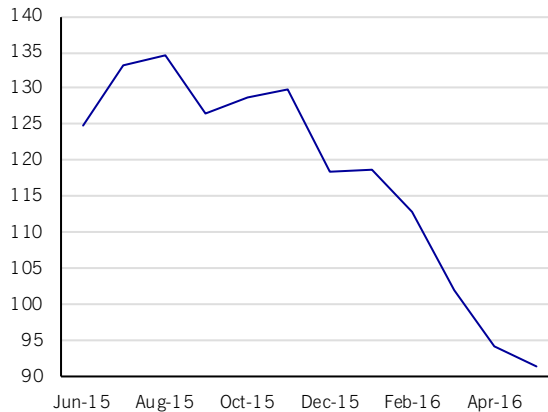
Current and Expected Business Conditions



Household Finances



Shopping Expenditure



Spending: consumers cautious towards spending

- Sentiment towards household finances has bounced back since falling into contraction in February. Expectations for them in the next 12 months have also picked-up, although expectations remain lower than they were at the start of the year.
- The Current Personal Finances Indicator rose 3% on the month to 106.6 in May, continuing the positive momentum built last month and leaving

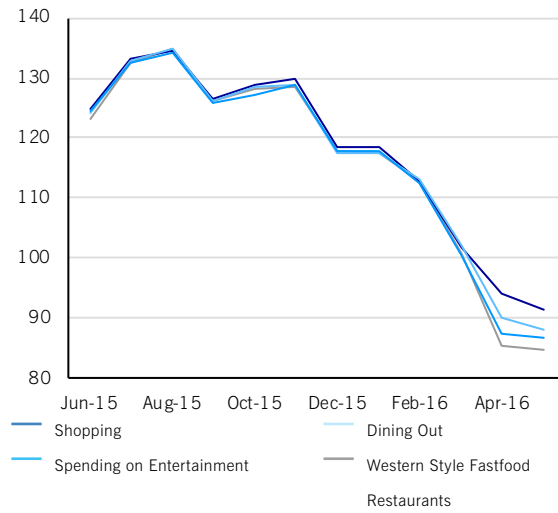
the indicator at the highest since November 2015. It is still, however, 8% below the series average and 9.5% down on the year.

- The biggest improvement in the reported health of household balance sheets came from lower income households and those in the 34-54 age group.
- When asked about the change in income since last year, 42% reported that they had the same level of income. However, respondents with increased incomes outnumbered those who

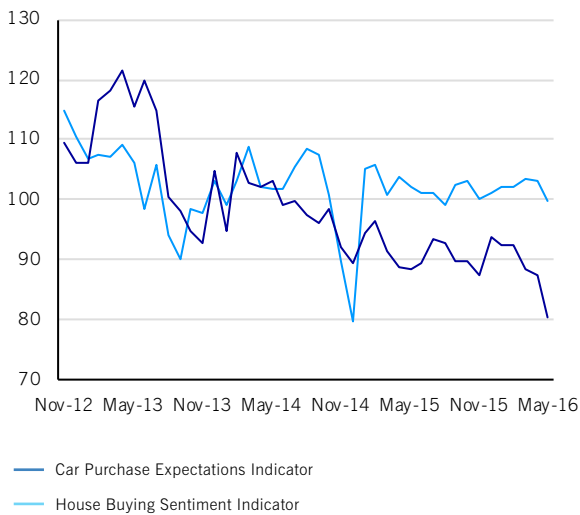
reported a decrease over the past year.

- In spite of an improvement in household balance sheets in May, consumers were less willing to spend money on shopping, entertainment and dining out. Sentiment Indicators declined further below the 100 neutral level, most likely reflecting the impact of the hike in the service charge.
- Consumers' assessment of the timing to make an outlay on a durable good improved a little from last month.
- Conditions for buying specific groups consumer items (IT products, communication products and appliances) remained stable in May.

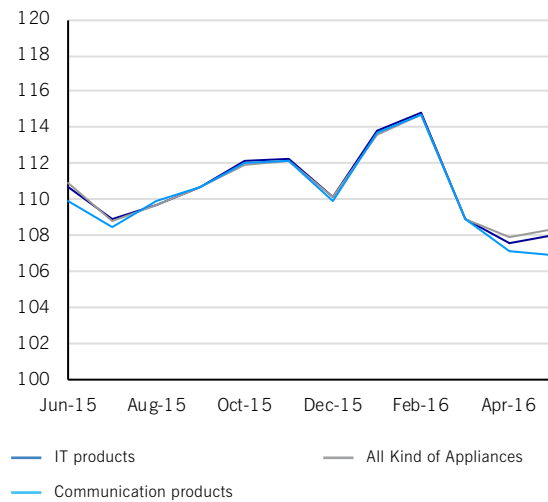
Leisure Expenditure Indicators



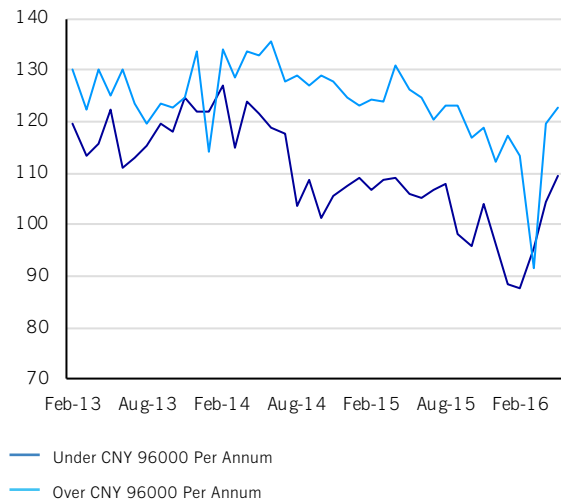
Buying Conditions for Cars and Houses



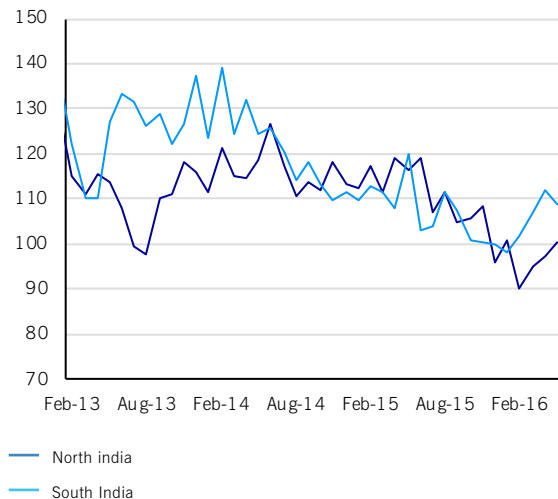
Buying Conditions Indicators: Durable Goods



Personal Finances: Current Indicator by Income



Personal Finances: Current Indicator by Region

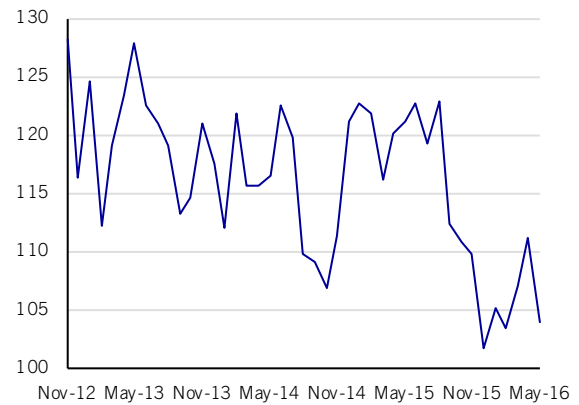


Employment Outlook

Weaker sentiment towards the business environment weighed on respondents' outlook for employment. The Employment Outlook Indicator fell 6.5% to 104.0 in May from 111.2 in April. While sentiment has improved since December's record low level, it is still 10.5% below the series average.

In line with this, consumers reported future loss of employment as a major reason for saving.

Employment Outlook

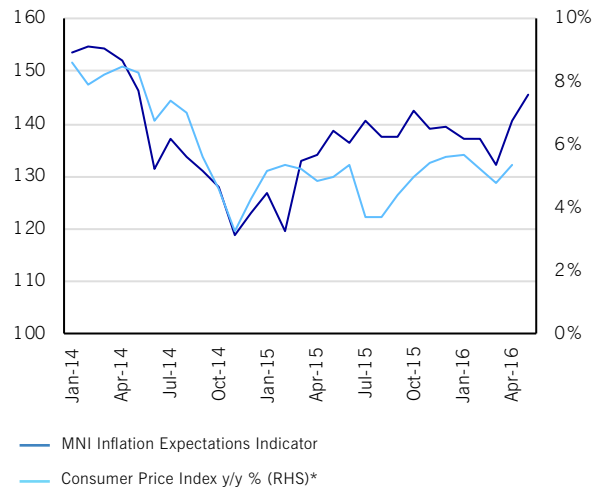


Inflation Outlook

Sentiment towards current prices worsened to a record low, which in turn led to an increase in expectations for inflation in the coming 12 months.

The Current Prices Satisfaction Indicator fell 12.9% to 60.6 in May, the lowest level in the history of the survey. Inflation expectations climbed to the highest in two years. The pick-up in price expectations could add to the RBI's worries about meeting the inflation target of 5% in 2017.

Inflation Expectations Indicator and Official CPI



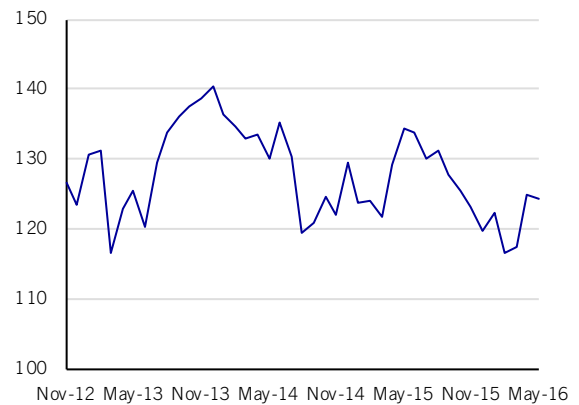
*Source: Central Statistic Office

Interest Rate Outlook

In spite of the 25 basis point cut to the key policy repo rate in April, consumers were unchanged in their forecast for interest rates on loans over the coming year.

The Interest Rate Expectations Indicator stood at 124.4 in May compared with 124.9 in April. Having fallen throughout second half of last year, this year we have seen higher expectations, although the indicator is still 7.4% down on the year and 2.1% below last year's average.

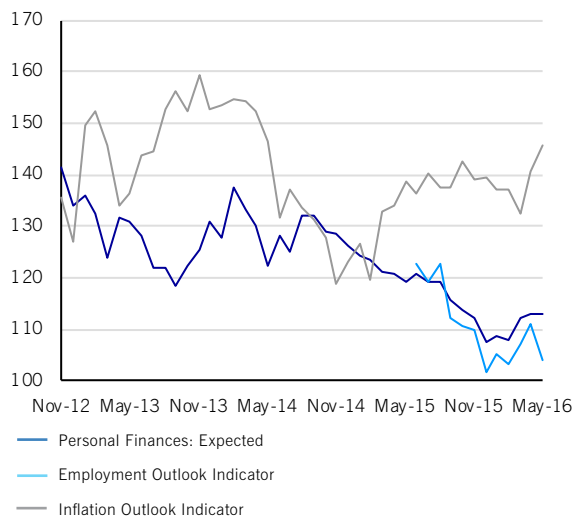
Interest Rate Expectations



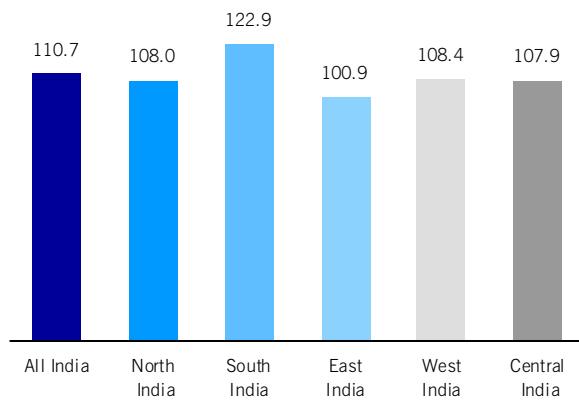
Consumer Outlook

	Long Run Average	2015 Average	May-15	Mar-16	Apr-16	May-16	Monthly % Change	Market signal
Employment Outlook Indicator	116.2	116.8	121.1	107.0	111.2	104.0	-6.5%	↑
Inflation Outlook Indicator	140.1	135.4	138.7	132.4	140.7	145.5	3.4%	↑
Interest Rates Expectations Indicator	127.8	127.1	134.3	117.4	124.9	124.4	-0.4%	↓
Personal Finances: Expected	123.9	118.2	119.1	112.4	113.2	113.1	-0.1%	↓
Business Conditions: 1 Year	119.8	118.8	121.1	110.1	113.9	110.7	-2.9%	↓
Business Conditions: 5 Years	131.4	129.0	131.0	124.1	129.0	120.1	-6.9%	↓

Outlook in One Year: Personal Finances, Employment and Inflation



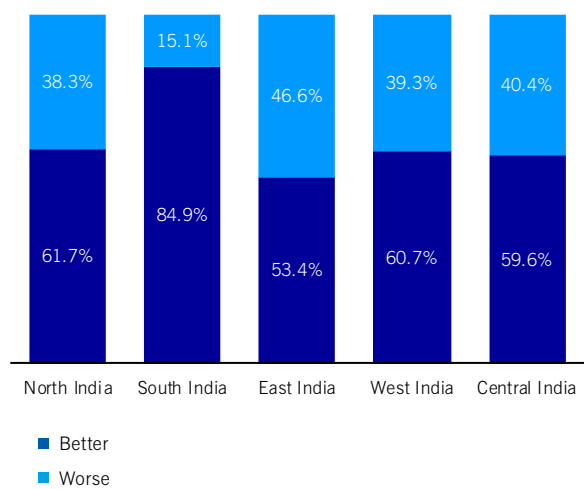
Expected Business Conditions



Business Conditions in One Year: Selected Reasons

	Long Run Average	May-15	Apr-16	May-16	
Reasons for better					
Government/policy	24.1	30.7	18.4	17.7	↓
Economic development	39.4	45.7	49.0	53.3	↑
Income/employment	17.0	16.6	22.7	23.1	↑
Social stability/security	2.1	2.2	0.4	1.2	↑
Others	5.8	4.8	9.5	4.6	↓
Reasons for worse					
Government/policy	26.5	39.0	27.0	24.3	↓
Economic development	33.6	31.0	29.5	40.5	↑
Income/employment	20.6	21.5	36.5	29.6	↓
Social stability/security	2.9	2.1	0.7	2.1	↑
Others	4.9	6.4	6.2	3.5	↓

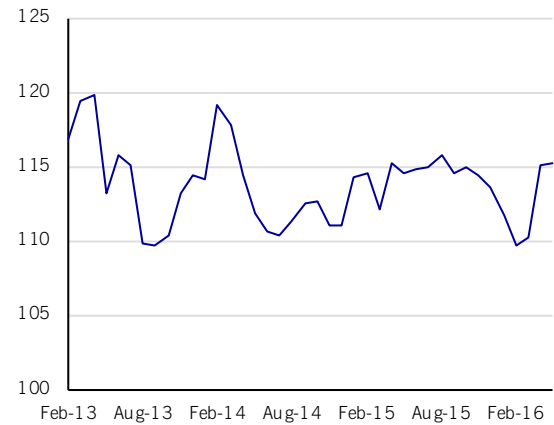
Business Expectations: Worse or Better? (% of Respondents)



Real Estate: buying sentiment remains unfavourable

- The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment) remained broadly stable at 115.2 in May compared with 115.0 in the previous month.
- House Buying Sentiment, a measure of whether it is a good or bad time to buy a home in the next six months, fell to a new record low of 80.6 from 87.6 in April. The indicator has remained below 100 since May 2014, indicating that pessimists outnumber optimists, with the majority attributing lower willingness to purchase a house to prices.

Real Estate Investment Indicator

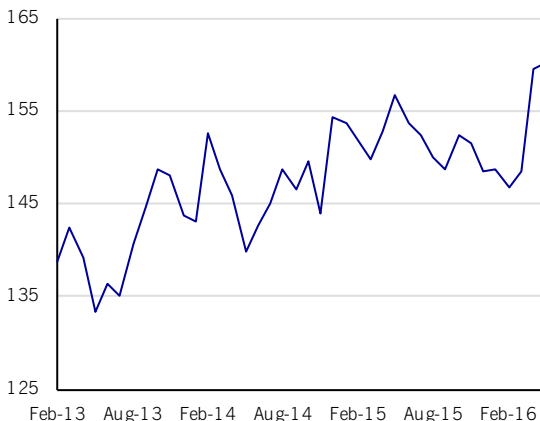


Consumer Sentiment Towards Real Estate

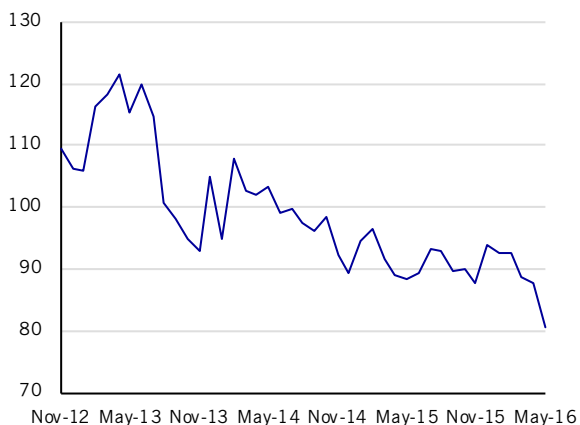
	Long Run Average	2015 Average	May-15	Mar-16	Apr-16	May-16	Monthly % Change	Market signal
Real Estate Investment Indicator	113.7	114.5	114.6	110.2	115.0	115.2	0.2%	↑
-House Price Expectations	147.4	151.8	156.6	148.5	159.5	160.2	0.5%	↑
-House Buying Sentiment	98.6	91.4	88.4	88.6	87.6	80.6	-7.9%	↓
-House Selling Sentiment	104.7	99.8	101.4	106.5	102.0	95.3	-6.6%	↓
% Respondents who cited								
Buying a house or downpayment as motive for saving	0.7	0.5	-	0.8	2.0	0.5	-74.0%	i
Real estate (local & foreign) as the wisest place to keep your savings	4.7	4.7	-	11.0	12.0	10.1	-15.8%	i
Have a house loans	7.8	8.1	-	9.1	7.5	7.4	-1.5%	i
House Buying Sentiment By Region								
North India	99.3	90.7	84.8	93.6	81.5	83.0	1.8%	↑
South India	104.7	97.1	95.5	91.5	103.2	88.3	-14.4%	↓
East India	99.5	95.9	91.8	88.4	90.7	86.5	-4.5%	↓
West India	93.2	86.2	84.2	80.9	80.7	71.5	-11.5%	↓
Central India	99.1	91.1	91.7	100.0	83.0	78.9	-4.9%	↓
House Price Expectations By Region								
North India	146.8	152.6	159.5	138.7	155.8	154.0	-1.2%	↓
South India	138.1	143.2	145.1	142.2	148.3	153.9	3.8%	↑
East India	146.9	146.4	156.1	152.1	151.6	152.7	0.7%	↑
West India	154.2	159.5	162.7	161.0	172.0	171.8	-0.1%	↓
Central India	150.3	151.8	157.3	136.2	167.0	164.0	-1.8%	↓
% Respondents who cited the following sectors that will perform well in the stock market								
Real estate	2.7	-	-	2.0	0.0	24.2	-	-
Construction and building materials	4.0	4.1	-	2.0	0.0	10.9	-	-
Steel	2.8	1.3	-	0.0	6.2	4.3	-30.5%	↓

- Prices continued to play a dominant role in determining whether it was a good time to buy a house with 80.3% of those who said it was a bad time to buy a house nominating prices as the main reason. House Price Expectations hit a record high in May, with 76.3% of panellists reporting that they expect house prices to rise in the next six months.

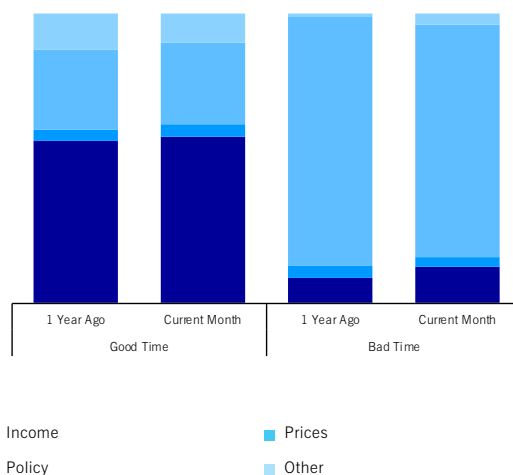
House Price Expectations



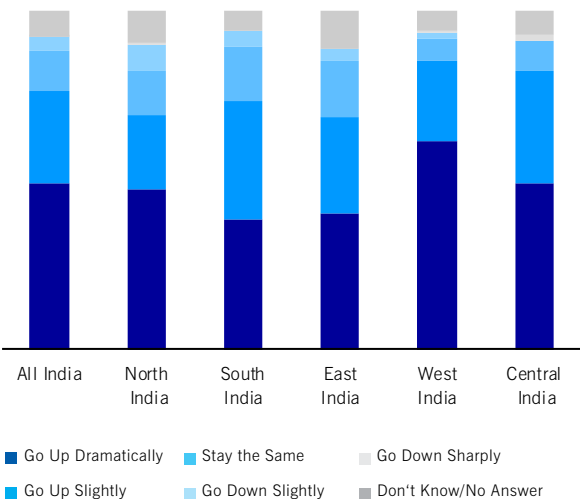
Buying Conditions for Houses



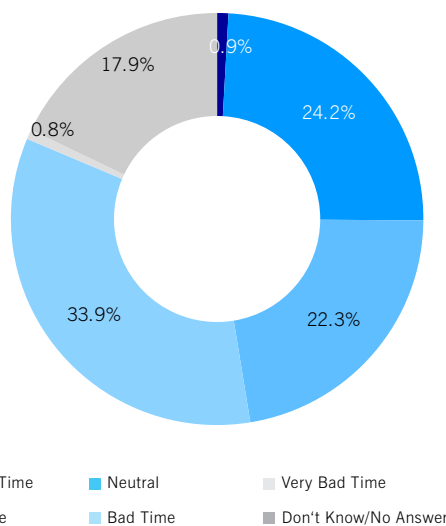
Reasons for Good/Bad Time to Buy a House (% of Responses)



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



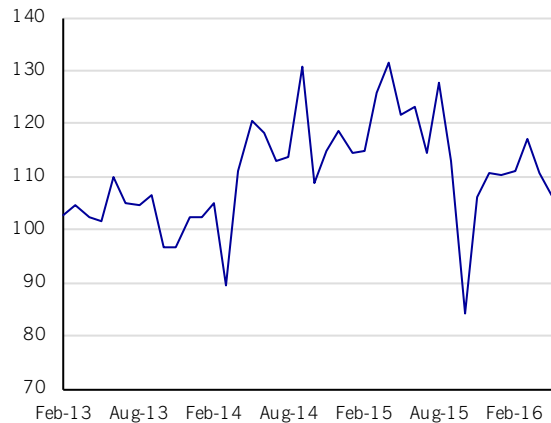
Timing for Selling Houses (% of Households)



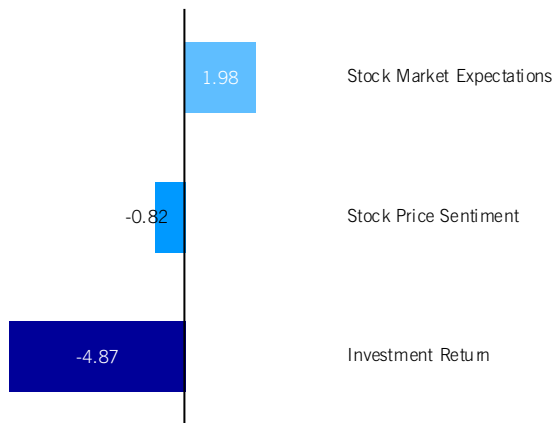
Stock Market: return on investment declines

- The Stock Investment Indicator, a gauge of whether it is a good or bad time to invest in the stock market, fell 3.7% to 106.4 in May from 110.5 in April.
- Over the past few months, the BSE Sensex has been in free fall. Predictably, the decline in equity prices has lowered investors' returns. The Stock Investment Return component, a measure of the amount of profit or loss in investments over the past year, fell considerably to 109.0 in May from 125.2 in April, the lowest in six months.

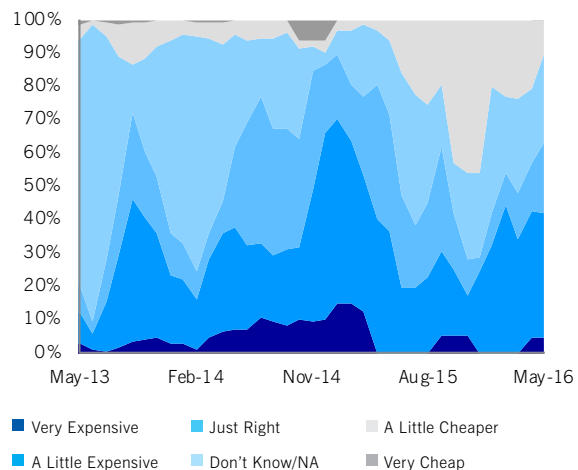
Stock Investment Indicator



Stock Investment Indicator: Contribution to Monthly Change (% point)



Average Stock Prices in the Local Stock Market (% of Households - 3 Month Average)



Consumer Sentiment Towards the Stock Market

	Long Run Average	2015 Average	May-15	Mar-16	Apr-16	May-16	Monthly % Change	Market signal
Stock Investment Indicator	110.5	115.6	121.5	117.2	110.5	106.4	-3.7%	↑
-Investment Return	120.5	127.9	154.2	121.7	125.2	109.0	-12.9%	↓
-Stock Price Sentiment	112.3	107.8	112.6	101.2	125.7	128.4	2.2%	↑
-Stock Market Expectations	123.6	126.8	122.9	131.3	132.0	138.6	5.0%	↑
Return your investments have brought over the past 12 months								
Good Income	12.1	13.8	18.0	4.4	12.8	15.2	18.0%	↑
Slight Income	35.1	48.7	72.3	48.6	40.0	35.5	-11.3%	↓
No Income/No Loss	12.1	9.7	9.7	23.4	23.1	16.7	-27.7%	↓
Slight Loss	7.4	4.4	0.0	5.4	6.5	17.5	167.9%	↑
Bad Loss	5.5	8.1	0.0	4.4	4.4	15.2	241.4%	↑
Don't Know/No Answer	27.7	15.2	0.0	13.8	13.1	0.0	-100.0%	↓

All India - Monthly Summary

	2015								2016				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
MNI India Consumer Indicator	119.6	119.5	118.6	119.1	115.3	114.1	113.7	108.5	109.8	108.9	111.2	113.4	111.7
Current Indicator	113.5	111.2	109.6	110.2	110.5	108.0	109.9	105.4	107.2	105.1	104.8	105.5	107.3
Expectations Indicator	123.7	125.1	124.6	125.1	118.5	118.2	116.2	110.6	111.6	111.4	115.5	118.7	114.6
Personal Finance: Current	117.7	114.4	110.3	111.1	110.1	104.4	108.0	101.0	100.8	96.2	100.1	103.5	106.6
Personal Finance: Expected	119.1	120.9	119.3	119.3	115.7	113.9	112.4	107.6	108.8	108.1	112.4	113.2	113.1
Business Condition: 1 Year	121.1	122.5	121.1	122.6	115.5	118.4	114.5	107.4	105.6	106.4	110.1	113.9	110.7
Business Condition: 5 Years	131.0	131.9	133.4	133.4	124.4	122.1	121.7	116.7	120.4	119.6	124.1	129.0	120.1
Durable Buying Conditions	109.2	108.0	109.0	109.3	110.8	111.5	111.8	109.8	113.5	114.0	109.4	107.4	108.0
Current Business Conditions Indicator	113.0	112.4	107.9	111.0	108.8	107.0	105.2	95.6	92.7	93.0	91.5	98.6	96.9
Stock Investment Indicator	121.5	123.2	114.5	127.7	112.8	84.3	106.0	110.7	110.2	111.0	117.2	110.5	106.4
Investment Return	154.2	137.3	109.3	160.7	131.1	31.7	104.4	132.9	117.5	122.5	121.7	125.2	109.0
Stock Price Sentiment	112.6	88.5	93.9	113.7	117.2	50.0	98.5	118.5	101.6	112.6	101.2	125.7	128.4
Stock Market Expectations	122.9	120.8	128.1	136.1	124.5	71.1	112.0	117.7	114.6	123.2	131.3	132.0	138.6
Real Estate Investment Indicator	114.6	114.8	115.0	115.7	114.5	115.0	114.3	113.5	111.7	109.7	110.2	115.0	115.2
House Price Expectations	156.6	153.7	152.4	149.9	148.8	152.3	151.5	148.6	148.6	146.7	148.5	159.5	160.2
House Buying Sentiment	88.4	89.3	93.3	93.0	89.7	89.8	87.6	93.8	92.6	92.7	88.6	87.6	80.6
House Selling Sentiment	101.4	98.5	100.8	95.7	95.0	97.1	96.0	101.8	106.2	110.2	106.5	102.0	95.3
Car Purchase Indicator	87.7	84.6	84.9	93.4	99.2	88.9	87.2	89.9	88.9	91.2	96.3	86.1	81.8
Car Purchase expectations	102.1	101.0	101.1	99.2	102.6	103.2	100.3	101.1	102.3	102.1	103.6	103.2	99.7
Price of Gasoline expectations	126.6	131.8	131.3	112.4	104.1	125.4	125.8	121.3	124.5	119.7	111.1	131.0	136.1
Employment Outlook Indicator	121.1	122.7	119.3	122.9	112.3	110.8	109.9	101.8	105.1	103.5	107.0	111.2	104.0
Inflation Expectations Indicator	138.7	136.3	140.4	137.5	137.7	142.4	139.2	139.6	137.3	137.2	132.4	140.7	145.5
Current Prices Satisfaction Indicator	86.7	89.1	87.7	89.6	85.1	82.7	78.6	66.8	61.7	64.4	69.9	69.6	60.6
Interest Rates Expectations Indicator	134.3	133.7	130.1	131.2	127.8	125.5	123.1	119.9	122.3	116.7	117.4	124.9	124.4

India Consumer Sentiment - Demographic Overview

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
India Consumer Indicator	111.2	113.4	111.7	-	Mar-16	112.1	-1.7	-1.5%
North India Consumer Indicator	110.1	107.4	109.0	Mar-16	-	108.8	1.6	1.5%
South India Consumer Indicator	115.9	124.6	120.4	-	Mar-16	120.3	-4.2	-3.3%
East India Consumer Indicator	111.9	109.7	101.0	-	Feb-16	107.5	-8.7	-7.9%
West India Consumer Indicator	108.5	112.6	112.5	-	Mar-16	111.2	-0.1	0.0%
Central India Consumer Indicator	111.4	107.1	107.2	Mar-16	-	108.6	0.1	0.0%
Mumbai Consumer Indicator	116.9	115.6	112.6	-	Feb-16	115.0	-3.0	-2.6%
Delhi Consumer Indicator	112.6	109.4	108.8	-	Feb-16	110.3	-0.6	-0.6%
Bengaluru Consumer Indicator	108.4	134.5	120.6	-	Mar-16	121.2	-13.9	-10.3%
Under Rs. 432,000 Per Annum	112.1	115.2	115.8	Jul-15	-	114.4	0.6	0.5%
Over Rs. 432,000 Per Annum	113.8	127.5	120.3	-	Mar-16	120.5	-7.2	-5.7%
Age 18-34	112.7	118.0	111.5	-	Feb-16	114.1	-6.5	-5.5%
Age 34-54	109.3	107.9	111.5	Nov-15	-	109.6	3.6	3.3%
Age 55-64	111.0	111.4	112.6	Aug-15	-	111.7	1.2	1.1%

Region

Consumer sentiment moderated in South and East India in May. In East India, confidence fell 7.9% on the month to 101.0, the lowest since February when the indicator had fallen below 100. In South India, weaker expectations about the future weighed on consumer sentiment, leading to a 3.3% decline on the month. Still, in aggregate, residents from South India were the most confident across India. Sentiment held steady in West and Central India while residents from North India were more confident this month.

Main Cities

Consumer sentiment fell among seven out of the 10 major cities surveyed. In Mumbai, the most populous city in India, consumer sentiment was down 2.6% on the month to 112.6 mainly led by weaker expectations for the future. In Delhi, sentiment eased slightly to 108.8 from 109.4 in the previous month. Consumers were less confident of their financial situation but expected it to improve in the next 12 months. In Bengaluru, confidence fell 10.3% on the month to 120.6, partly offsetting last month's gain.

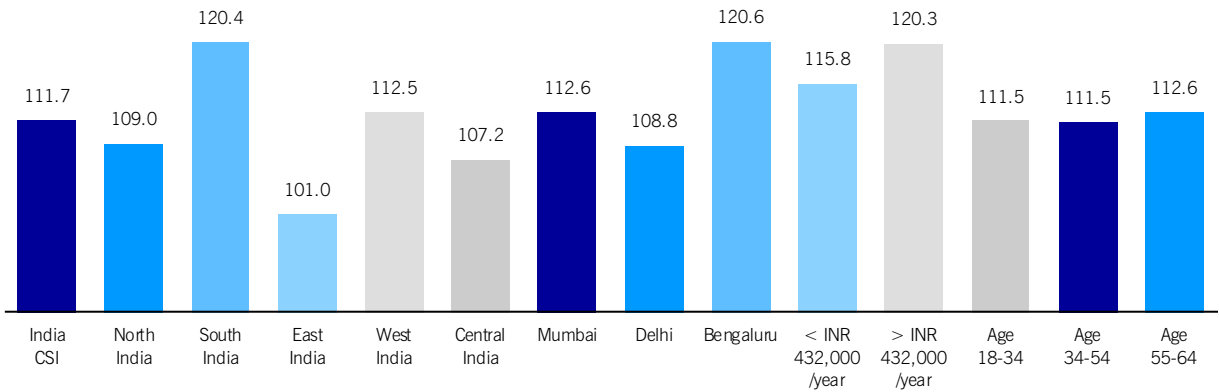
Income

Consumers with higher incomes reported a drop in confidence, while those with lower incomes saw a minor rise. The Consumer Indicator for households with an average annual income under Rs. 432,000 rose to 115.8 in May from 115.2 in April mainly led by better perception of personal finances. For households with an average annual income over Rs. 432,000, the Consumer Indicator fell to 120.3 in May from 127.5 in April, led by weaker expectations about the future household finances and business conditions.

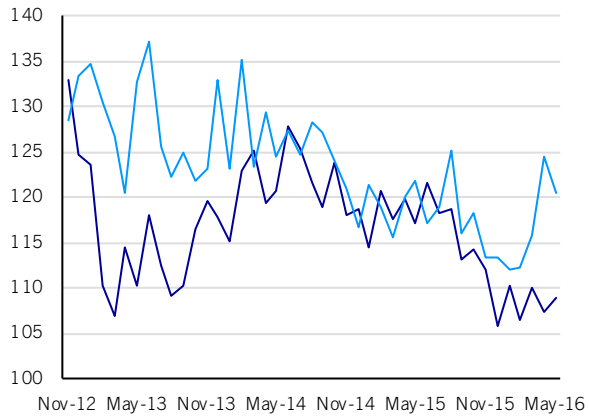
Age

A fall in confidence among younger people led the overall decline in May. The indicator for those aged 18- 34 dropped 5.5% to 111.5. Sentiment for the 35- 54 age range rose 3.3% to 111.5, led by all components apart from Business Conditions in Five Years. Sentiment among those aged 55-64 rose 1.1% on the month to 112.6. Throughout the survey, the youngest group has mostly been more optimistic compared with other cohorts. However, recently confidence among them has been easing while that among older groups is catching up.

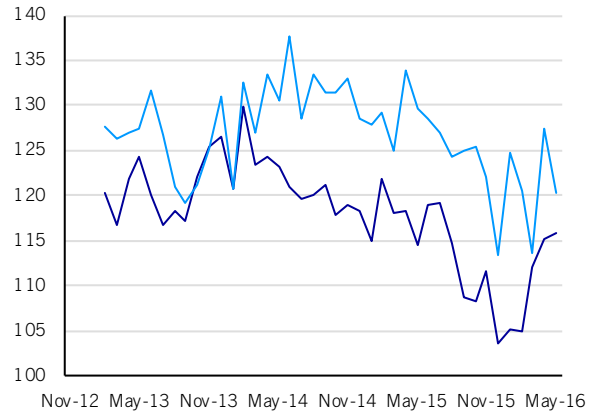
Consumer Sentiment



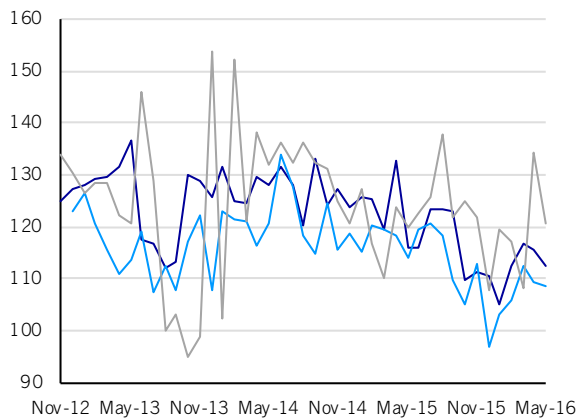
Consumer Sentiment By Region



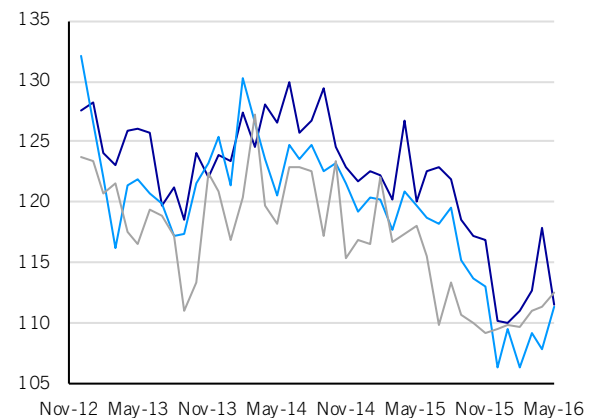
Consumer Sentiment By Income



Consumer Sentiment By Main Cities



Consumer Sentiment By Age



All India - Quarterly Summary

	Q2 15	Q3 15	Q4 15	Q1 16	Q1 16	Highest Since	Lowest Since	Quarterly Change	Quarterly % Change
MNI India Consumer Indicator	120.4	117.7	112.1	110.0	-	series low	-2.1	-1.9%	2.3%
Current Indicator	113.5	110.1	107.7	105.7	-	series low	-2.0	-1.9%	0.4%
Expectations Indicator	125.1	122.7	115.0	112.8	-	series low	-2.2	-1.9%	3.4%
Personal Finance: Current	116.8	110.5	104.5	99.1	-	series low	-5.4	-5.2%	-1.4%
Personal Finance: Expected	120.3	118.1	111.3	109.8	-	series low	-1.5	-1.4%	3.4%
Business Condition: 1 Year	122.5	119.7	113.4	107.4	-	series low	-6.0	-5.4%	4.6%
Business Condition: 5 Year	132.5	130.4	120.2	121.4	Q3 15	-	1.2	1.0%	2.5%
Durable Buying Conditions	110.1	109.7	111.0	112.3	Q3 14	-	1.3	1.1%	2.2%
Current Business Conditions Indicator	113.3	109.3	102.6	92.4	-	series low	-10.2	-10.0%	1.7%
Stock Investment Indicator	125.3	118.3	100.3	112.8	Q3 15	-	12.5	12.5%	-8.7%
Real Estate Investment Indicator	114.9	115.1	114.3	110.5	-	Q1 13	-3.8	-3.3%	0.1%
Car Purchase Indicator	89.5	92.5	88.7	92.1	Q3 15	-	3.4	3.9%	3.2%
Employment Outlook Indicator	121.3	118.2	107.5	105.2	-	series low	-2.3	-2.1%	-2.1%
Inflation Expectations Indicator	136.4	138.5	140.4	135.7	-	Q1 15	-4.7	-3.4%	2.2%
Current Prices Satisfaction Indicator	89.5	87.5	76.0	65.3	-	series low	-10.7	-14.1%	-0.9%
Interest Rates Expectations Indicator	132.4	129.7	122.9	118.8	-	series low	-4.1	-3.3%	2.1%

Overview by Main Cities

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Mumbai Consumer Indicator	116.9	115.6	112.6	-	Feb-16	115.0	-3.0	-2.6%
Current Indicator	110.0	104.5	106.9	Mar-16	-	107.1	2.4	2.3%
Expectations Indicator	121.5	123.0	116.4	-	Feb-16	120.3	-6.6	-5.4%
Personal Finances: Current	109.2	109.0	104.6	-	Feb-16	107.6	-4.4	-4.0%
Personal Finances: Expected	114.6	129.0	112.0	-	Feb-16	118.5	-17.0	-13.1%
Business Conditions: 1 Year	117.7	116.0	116.7	Mar-16	-	116.8	0.7	0.6%
Business Conditions: 5 Years	132.3	124.0	120.4	-	Jan-16	125.6	-3.6	-2.9%
Durable Buying Conditions	110.8	100.0	109.3	Mar-16	-	106.7	9.3	9.3%
Delhi Consumer Indicator	112.6	109.4	108.8	-	Feb-16	110.3	-0.6	-0.6%
Current Indicator	103.5	105.4	107.0	Nov-15	-	105.3	1.6	1.5%
Expectations Indicator	118.7	112.1	109.9	-	Jan-16	113.6	-2.2	-1.9%
Personal Finances: Current	98.0	102.9	101.8	-	Mar-16	100.9	-1.1	-1.2%
Personal Finances: Expected	125.0	107.8	111.4	Mar-16	-	114.7	3.6	3.3%
Business Conditions: 1 Year	110.0	113.7	104.4	-	Dec-15	109.4	-9.3	-8.2%
Business Conditions: 5 Years	121.0	114.7	114.0	-	Dec-15	116.6	-0.7	-0.6%
Durable Buying Conditions	109.0	107.8	112.3	Apr-15	-	109.7	4.5	4.1%
Bengaluru Consumer Indicator	108.4	134.5	120.6	-	Mar-16	121.2	-13.9	-10.3%
Current Indicator	101.0	113.5	107.7	-	Mar-16	107.4	-5.8	-5.1%
Expectations Indicator	113.3	148.5	129.2	-	Mar-16	130.3	-19.3	-13.0%
Personal Finances: Current	85.7	119.2	95.2	-	Mar-16	100.0	-24.0	-20.2%
Personal Finances: Expected	106.1	145.4	117.3	-	Mar-16	122.9	-28.1	-19.3%
Business Conditions: 1 Year	112.2	144.6	129.8	-	Mar-16	128.9	-14.8	-10.2%
Business Conditions: 5 Years	121.4	155.4	140.4	-	Mar-16	139.1	-15.0	-9.7%
Durable Buying Conditions	116.3	107.7	120.2	Feb-16	-	114.7	12.5	11.6%

Overview By Region: North India

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
North India Consumer Indicator	110.1	107.4	109.0	Mar-16	-	108.8	1.6	1.5%
Current Indicator	100.7	101.7	103.7	Jan-16	-	102.0	2.0	2.0%
Expectations Indicator	116.3	111.2	112.5	Mar-16	-	113.3	1.3	1.2%
Personal Finance: Current	95.3	97.3	100.6	Jan-16	-	97.7	3.3	3.4%
Personal Finance: Expected	115.2	103.2	113.2	Mar-16	-	110.5	10.0	9.7%
Business Condition: 1 Year	108.4	108.0	108.0	-	Feb-16	108.1	0.0	0.0%
Business Condition: 5 Years	125.4	122.5	116.3	-	Dec-15	121.4	-6.2	-5.0%
Durable Buying Conditions	106.1	106.2	106.9	Feb-16	-	106.4	0.7	0.7%
Current Business Conditions Indicator	87.6	95.7	95.5	-	Mar-16	92.9	-0.2	-0.2%
Stock Investment Indicator	116.7	99.6	100.0	Mar-16	-	105.4	0.4	0.4%
Real Estate Investment Indicator	109.9	112.7	114.2	Nov-15	-	112.3	1.5	1.3%
Car Purchase Indicator	96.8	85.6	80.4	-	Aug-14	87.6	-5.2	-6.2%
Employment Outlook Indicator	106.6	102.5	100.8	-	Dec-15	103.3	-1.7	-1.7%
Inflation Expectations Indicator	130.3	144.3	147.2	Oct-15	-	140.6	2.9	2.0%
Current Prices Satisfaction Indicator	70.0	61.5	61.8	Mar-16	-	64.4	0.3	0.5%
Interest Rates Expectations Indicator	115.9	119.8	127.5	Nov-15	-	121.1	7.7	6.4%

Overview By Region: South India

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
South India Consumer Indicator	115.9	124.6	120.4	-	Mar-16	120.3	-4.2	-3.3%
Current Indicator	111.8	113.0	113.7	Aug-15	-	112.8	0.7	0.6%
Expectations Indicator	118.5	132.2	124.9	-	Mar-16	125.2	-7.3	-5.5%
Personal Finance: Current	106.9	112.1	108.9	-	Mar-16	109.3	-3.2	-2.8%
Personal Finance: Expected	118.0	127.5	122.2	-	Mar-16	122.6	-5.3	-4.1%
Business Condition: 1 Year	112.6	128.0	122.9	-	Mar-16	121.2	-5.1	-3.9%
Business Condition: 5 Years	125.0	141.3	129.5	-	Mar-16	131.9	-11.8	-8.3%
Durable Buying Conditions	116.8	114.0	118.5	Feb-16	-	116.4	4.5	4.0%
Current Business Conditions Indicator	95.8	112.5	105.2	-	Mar-16	104.5	-7.3	-6.5%
Stock Investment Indicator	139.0	106.4	97.3	-	Sep-15	114.2	-9.1	-8.5%
Real Estate Investment Indicator	109.5	114.3	112.1	-	Mar-16	112.0	-2.2	-1.9%
Car Purchase Indicator	103.4	93.5	91.7	-	Jul-15	96.2	-1.8	-2.0%
Employment Outlook Indicator	111.3	118.7	108.1	-	Feb-16	112.7	-10.6	-8.9%
Inflation Expectations Indicator	128.1	136.5	140.2	Jul-14	-	134.9	3.7	2.7%
Current Prices Satisfaction Indicator	79.2	74.7	70.8	-	Jan-16	74.9	-3.9	-5.3%
Interest Rates Expectations Indicator	108.3	118.6	111.5	-	Mar-16	112.8	-7.1	-6.0%

Overview By Region: East India

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
East India Consumer Indicator	111.9	109.7	101.0	-	Feb-16	107.5	-8.7	-7.9%
Current Indicator	101.7	100.1	97.6	-	Feb-16	99.8	-2.5	-2.5%
Expectations Indicator	118.6	116.2	103.3	-	Feb-16	112.7	-12.9	-11.0%
Personal Finance: Current	90.0	92.5	95.0	Dec-15	-	92.5	2.5	2.7%
Personal Finance: Expected	114.7	111.6	105.7	-	Feb-16	110.7	-5.9	-5.3%
Business Condition: 1 Year	117.5	114.7	100.9	-	Jan-16	111.0	-13.8	-12.0%
Business Condition: 5 Years	123.7	122.2	103.4	-	series low	116.4	-18.8	-15.4%
Durable Buying Conditions	113.4	107.8	100.2	-	Dec-14	107.1	-7.6	-7.0%
Current Business Conditions Indicator	76.7	94.6	87.3	-	Mar-16	86.2	-7.3	-7.7%
Stock Investment Indicator	109.7	125.4	-	-	-	-	-	-
Real Estate Investment Indicator	106.2	110.4	116.2	Oct-15	-	110.9	5.8	5.2%
Car Purchase Indicator	92.9	87.3	77.3	-	Aug-14	85.8	-10.0	-11.5%
Employment Outlook Indicator	109.1	109.0	84.0	-	Jan-14	100.7	-25.0	-22.9%
Inflation Expectations Indicator	131.5	135.9	154.7	Dec-13	-	140.7	18.8	13.8%
Current Prices Satisfaction Indicator	78.5	72.4	51.9	-	series low	67.6	-20.5	-28.3%
Interest Rates Expectations Indicator	121.2	114.2	125.0	Jan-16	-	120.1	10.8	9.5%

Overview By Region: West India

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
West India Consumer Indicator	108.5	112.6	112.5	-	Mar-16	111.2	-0.1	0.0%
Current Indicator	104.0	106.6	110.4	Nov-15	-	107.0	3.8	3.6%
Expectations Indicator	111.5	116.6	114.0	-	Mar-16	114.0	-2.6	-2.2%
Personal Finance: Current	104.2	109.1	114.7	Sep-15	-	109.3	5.6	5.1%
Personal Finance: Expected	106.3	112.0	110.2	-	Mar-16	109.5	-1.8	-1.6%
Business Condition: 1 Year	106.6	109.2	108.4	-	Mar-16	108.1	-0.8	-0.7%
Business Condition: 5 Years	121.6	128.5	123.3	-	Mar-16	124.5	-5.2	-4.1%
Durable Buying Conditions	103.7	104.0	106.1	Feb-16	-	104.6	2.1	2.0%
Current Business Conditions Indicator	95.3	93.9	97.0	Feb-16	-	95.4	3.1	3.3%
Stock Investment Indicator	121.8	116.7	111.1	-	Feb-16	116.5	-5.6	-4.8%
Real Estate Investment Indicator	112.2	118.7	117.1	-	Mar-16	116.0	-1.6	-1.3%
Car Purchase Indicator	93.3	81.5	78.7	-	Jul-14	84.5	-2.8	-3.5%
Employment Outlook Indicator	103.4	114.4	111.4	-	Mar-16	109.7	-3.0	-2.7%
Inflation Expectations Indicator	137.3	142.1	146.6	May-14	-	142.0	4.5	3.2%
Current Prices Satisfaction Indicator	60.9	70.3	55.8	-	series low	62.3	-14.5	-20.6%
Interest Rates Expectations Indicator	123.9	137.4	128.8	-	Mar-16	130.0	-8.6	-6.2%

Overview By Region: Central India

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Central India Consumer Indicator	111.4	107.1	107.2	Mar-16	-	108.6	0.1	0.0%
Current Indicator	105.2	96.9	100.4	Mar-16	-	100.8	3.5	3.7%
Expectations Indicator	115.5	114.0	111.7	-	series low	113.7	-2.3	-2.0%
Personal Finance: Current	93.1	88.4	102.6	Jan-16	-	94.7	14.2	16.1%
Personal Finance: Expected	107.8	108.0	108.8	Feb-16	-	108.2	0.8	0.7%
Business Condition: 1 Year	109.5	108.0	107.9	-	Jan-16	108.5	-0.1	-0.1%
Business Condition: 5 Years	129.3	125.9	118.4	-	series low	124.5	-7.5	-5.9%
Durable Buying Conditions	117.2	105.4	98.2	-	Dec-15	106.9	-7.2	-6.7%
Current Business Conditions Indicator	102.6	90.2	89.5	-	Jan-16	94.1	-0.7	-0.8%
Stock Investment Indicator	100.0	133.3	-	-	-	-	-	-
Real Estate Investment Indicator	112.1	117.3	119.3	Oct-14	-	116.2	2.0	1.7%
Car Purchase Indicator	89.7	82.1	76.8	-	Aug-14	82.9	-5.3	-6.6%
Employment Outlook Indicator	107.8	104.5	104.4	-	Feb-16	105.6	-0.1	-0.1%
Inflation Expectations Indicator	133.6	145.5	132.5	-	Feb-16	137.2	-13.0	-9.0%
Current Prices Satisfaction Indicator	63.8	73.2	62.3	-	Feb-16	66.4	-10.9	-14.9%
Interest Rates Expectations Indicator	115.5	125.0	136.0	Jul-15	-	125.5	11.0	8.8%

Overview by Income

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< Rs. 432,000 Per Annum								
Consumer Indicator	102.3	104.7	107.0	Jul-15	-	104.7	2.3	2.2%
Current Indicator	118.7	122.2	121.7	-	Mar-16	120.9	-0.5	-0.4%
Expectations Indicator	95.3	104.5	109.4	Jul-14	-	103.1	4.9	4.7%
Personal Finance: Current	115.3	119.7	121.3	Jul-15	-	118.8	1.6	1.4%
Personal Finance: Expected	115.2	117.7	118.0	Jul-15	-	117.0	0.3	0.3%
Business Condition: 1 Year	125.5	129.2	125.6	-	Mar-16	126.8	-3.6	-2.8%
Business Condition: 5 Years	109.2	105.0	104.7	-	Dec-15	106.3	-0.3	-0.3%
Durable Buying Conditions								
> Rs. 432,000 Per Annum								
Consumer Indicator	113.8	127.5	120.3	-	Mar-16	120.5	-7.2	-5.7%
Current Indicator	100.6	114.4	115.8	Feb-16	-	110.3	1.4	1.2%
Expectations Indicator	122.6	136.3	123.3	-	Mar-16	127.4	-13.0	-9.6%
Personal Finance: Current	91.5	119.5	122.7	Sep-15	-	111.2	3.2	2.7%
Personal Finance: Expected	114.5	136.7	121.7	-	Mar-16	124.3	-15.0	-11.0%
Business Condition: 1 Year	115.1	128.5	116.3	-	Mar-16	120.0	-12.2	-9.5%
Business Condition: 5 Years	138.1	143.7	131.9	-	Jan-16	137.9	-11.8	-8.3%
Durable Buying Conditions	109.6	109.4	108.8	-	May-14	109.3	-0.6	-0.5%

Overview by Age

	Mar-16	Apr-16	May-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
Consumer Indicator	112.7	118.0	111.5	-	Feb-16	114.1	-6.5	-5.5%
Current Indicator	104.0	106.4	106.1	-	Mar-16	105.5	-0.3	-0.2%
Expectations Indicator	118.5	125.7	115.1	-	Feb-16	119.8	-10.6	-8.4%
Personal Finance: Current	99.7	106.1	107.8	Nov-15	-	104.5	1.7	1.6%
Personal Finance: Expected	114.5	121.7	111.1	-	Feb-16	115.8	-10.6	-8.7%
Business Condition: 1 Year	113.1	120.8	111.2	-	Feb-16	115.0	-9.6	-8.0%
Business Condition: 5 Years	128.0	134.6	123.2	-	Feb-16	128.6	-11.4	-8.5%
Durable Buying Conditions	108.4	106.7	104.5	-	Mar-15	106.5	-2.2	-2.0%
Age 35-54								
Consumer Indicator	109.3	107.9	111.5	Nov-15	-	109.6	3.6	3.3%
Current Indicator	102.7	102.1	106.6	Jan-16	-	103.8	4.5	4.5%
Expectations Indicator	113.7	111.8	114.7	Nov-15	-	113.4	2.9	2.6%
Personal Finance: Current	96.4	98.8	105.6	Nov-15	-	100.3	6.8	6.8%
Personal Finance: Expected	111.8	103.8	114.3	Sep-15	-	110.0	10.5	10.1%
Business Condition: 1 Year	108.5	106.0	111.3	Nov-15	-	108.6	5.3	5.0%
Business Condition: 5 Years	120.7	125.5	118.4	-	Feb-16	121.5	-7.1	-5.7%
Durable Buying Conditions	108.9	105.3	107.7	Mar-16	-	107.3	2.4	2.3%
Age 55-64								
Consumer Indicator	111.0	111.4	112.6	Aug-15	-	111.7	1.2	1.1%
Current Indicator	110.5	110.7	110.7	-	Mar-16	110.6	0.0	0.0%
Expectations Indicator	111.4	111.8	113.8	Aug-15	-	112.3	2.0	1.8%
Personal Finance: Current	108.3	106.1	107.2	Mar-16	-	107.2	1.1	1.1%
Personal Finance: Expected	108.3	106.7	113.3	Jun-15	-	109.4	6.6	6.1%
Business Condition: 1 Year	105.3	110.0	108.4	-	Mar-16	107.9	-1.6	-1.5%
Business Condition: 5 Years	120.5	118.6	119.7	Mar-16	-	119.6	1.1	0.9%
Durable Buying Conditions	112.7	115.4	114.2	-	Mar-16	114.1	-1.2	-1.0%

Methodology

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

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