

# MNI Russia Consumer Report November 2013

Insight and data for better decisions

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### Insight and data for better decisions

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

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

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

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# MNI Russia Consumer Report - November 2013

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# Russia's Broken Growth

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Commentators have criticised Russia's outdated growth model and now it seems the government itself has officially joined the band of its own critics. With a lack of drive to reform, Russia will be left stagnating.

For years many have called Russia a one trick pony. It's been accused of simply living off of its energy wealth, which in the good times, with high oil prices, had driven growth to around 7% on average in the years before the financial crisis in 2008. Commentators have criticised Russia's outdated growth model and now it seems the government itself has officially joined the band of its own critics.

"The factors behind the sharp economic growth in the pre-2008 crisis years are exhausted," said Economic Development Minister Alexei Ulyukayev in early November, adding that nobody else was to blame but Russia itself. In the spirit of openness, or possibly throwing in the towel, Prime Minister Dmitry Medvedev said that there was no magic bullet to solve Russia's growth problems and that if there was he didn't know what it was.

The Economy Ministry revised down Russia's long term growth potential to just 2.5% from 3.4% per annum through to 2030. It's a large downward revision driven partly by the continued meagre growth seen this year. Third quarter GDP stood unchanged at just 1.2% on the year and industrial production has ground to a halt.

The central bank can't help given the strength of inflation seen this year. Moreover, with many analysts and also the World Bank suggesting the Russian economy is already operating close to capacity, cutting official interest rates would likely only lead to more inflation. For years Russia has made use of old soviet spare capacity and in the meantime failed to invest for the future.

The lower growth forecasts are a blow to Putin who has previously promised to raise growth to 5% in a bid to catch up other major economies. Plans to modernise Russia, championed more by Medvedev, such as increasing investment, reducing its reliance on oil and gas revenues and slashing bureaucracy and corruption have so far come to nothing. Instead Russia is still faced with poor infrastructure, an ageing population and damaging competition from US shale gas.

Increased honesty about the challenges facing Russia should be welcomed and the downgraded forecasts for growth put them more in line with other analysts' views – although some have suggested the gloominess has gone a bit far. The concern is, though, that Russia doesn't have an alternative growth model that it has confidence in being able to deliver. And with a lack of drive to reform, Russia will be left stagnating.

**Philip Uglov**

Chief Economist  
MNI Indicators





# Executive Summary

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The MNI Russia Consumer Indicator fell sharply in November, led by a steep decline in respondents' willingness to purchase a large household item and their expectations for future business conditions.

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The Consumer Indicator decreased from 99.4 in October to 94.8 in November, the lowest level since the series started in March. A reading below 100 indicates that consumer conditions are weaker than a month earlier while a figure above 100 shows an improvement.

Both Current and Expectations Indicators declined in November. The Current Indicator fell 5.0% on the month to 94.3, close to March's record low of 93.8. The Expectations Indicator fell to a record low of 95.1, a 4.4% decline on the month.

Perceptions about the current state of business improved but future expectations worsened, following the previous month's rise.

Current and Expected Personal Finances rose slightly in November, following declines in the previous month.

The Durable Buying Conditions Indicator, which measures whether respondents think it is a good or bad time to buy a large household good, declined significantly in November following October's sharp increase.

Consumer confidence fell more in lower income households in November and also by more among young people.

The Consumer Indicator rose in four out of the 10 main cities surveyed; Moscow, Novosibirsk, Kazan and Omsk. It fell in nine of the 12 regions surveyed and only rose in the West Siberian, Central Black Earth and Kaliningrad regions.

The Employment Indicator, which measures opinion on the outlook for the employment market over the next 12 months, declined in November having increased in each of the three previous months.

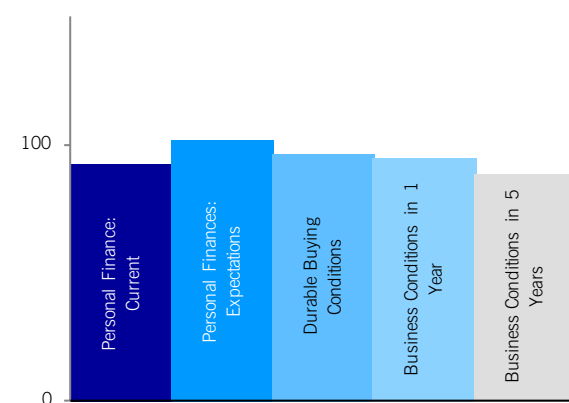
Concerns over inflation worsened in November as the number of respondents who were dissatisfied with the current level of prices increased drastically, although expectations for the future eased a bit.

The Interest Rate Expectations Indicator remained stable in November. The central bank left its new key rate - the one week repo rate at which it lends money to financial institutions - on hold at 5.5% at its November meeting.

The Real Estate Investment Indicator fell in November after rising to a record high in the previous month, led by a decline in house buying sentiment.

The Car Purchase Indicator fell to a record low in November as Car Purchase Expectations fell into contraction and Expectations for the Price of Gasoline increased.

#### MNI Russia Consumer Indicator - Components



## All Russia - Overview

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI Russia Consumer Indicator</b>	97.4	99.4	94.8	-	series low	97.2	-4.6	-4.6%
Current Indicator	95.8	99.2	94.3	-	Mar-13	96.4	-4.9	-5.0%
Expectations Indicator	98.4	99.5	95.1	-	series low	97.6	-4.4	-4.4%
Personal Finance: Current	95.3	91.0	92.0	Sep-13	-	92.8	0.9	1.0%
Personal Finance: Expected	105.4	101.2	101.7	Sep-13	-	102.7	0.5	0.5%
Business Condition: 1 Year	96.1	101.5	94.9	-	Mar-13	97.5	-6.6	-6.5%
Business Condition: 5 Year	93.7	95.8	88.7	-	series low	92.7	-7.1	-7.4%
Durable Buying Conditions	96.3	107.4	96.6	-	Sep-13	100.1	-10.8	-10.0%
Current Business Conditions Indicator	97.6	94.5	97.4	Sep-13		96.5	2.9	3.1%
Real Estate Investment Indicator	108.0	113.0	110.5	-	Sep-13	110.5	-2.5	-2.2%
Car Purchase Indicator	85.7	85.1	81.9	-	series low	84.2	-3.2	-3.8%
Employment Outlook Indicator	99.9	100.4	98.1	-	Aug-13	99.5	-2.3	-2.3%
Inflation Expectations Indicator	135.7	139.7	136.8	-	Sep-13	137.4	-2.9	-2.1%
Current Prices Satisfaction Indicator	85.6	80.5	73.5	-	series low	79.9	-7.0	-8.7%
Interest Rates Expectations Indicator	111.1	115.6	115.5	-	Sep-13	114.1	-0.1	-0.1%



## All Russia - Summary

	2013								
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>MNI Russia Consumer Indicator</b>	97.2	99.1	97.5	98.5	99.5	99.9	97.4	99.4	94.8
Current Indicator	93.8	98.2	96.2	98.4	100.5	99.2	95.8	99.2	94.3
Expectations Indicator	99.4	99.7	98.3	98.6	98.8	100.3	98.4	99.5	95.1
Personal Finance: Current	94.7	97.5	96.3	99.5	103.2	102.1	95.3	91.0	92.0
Personal Finance: Expected	109.2	105.4	105.5	102.4	103.4	104.9	105.4	101.2	101.7
Business Condition: 1 Year	92.3	95.7	96.6	97.8	95.9	98.7	96.1	101.5	94.9
Business Condition: 5 Year	96.8	98.0	93.0	95.7	97.2	97.5	93.7	95.8	88.7
Durable Buying Conditions	92.9	98.8	96.2	97.2	97.8	96.2	96.3	107.4	96.6
<b>Current Business Conditions Indicator</b>	89.6	95.9	95.8	97.7	95.4	95.6	97.6	94.5	97.4
<b>Real Estate Investment Indicator</b>	111.4	108.5	107.9	107.9	105.3	108.5	108.0	113.0	110.5
House Price Expectations	135.0	126.6	123.6	122.9	120.7	128.4	121.6	127.7	128.1
House Buying Sentiment	97.7	98.1	100.2	100.5	96.6	96.7	101.8	109.8	105.0
House Selling Sentiment	98.6	99.1	100.0	99.8	101.4	99.5	99.3	98.4	101.5
<b>Car Purchase Indicator</b>	86.1	86.2	87.2	87.5	86.2	88.4	85.7	85.1	81.9
Car Purchase Expectations	107.6	104.1	105.5	107.5	101.0	109.4	107.1	101.4	98.9
Price of Gasoline Expectations	135.4	131.8	131.0	132.4	128.6	132.7	135.6	131.3	135.2
<b>Employment Outlook Indicator</b>	100.5	98.6	100.3	99.1	97.1	97.5	99.9	100.4	98.1
Inflation Expectations Indicator	130.7	138.3	136.6	133.2	136.1	139.4	135.7	139.7	136.8
Current Prices Satisfaction Indicator	80.6	76.2	84.2	86.0	73.9	85.9	85.6	80.5	73.5
Interest Rates Expectations Indicator	120.6	122.1	123.3	112.3	114.1	113.2	111.1	115.6	115.5

## All Russia - Records

	2013			
	Minimum	Maximum	Mean	Median
<b>MNI Russia Consumer Indicator</b>	94.8	99.9	98.1	98.5
Current Indicator	93.8	100.5	97.3	98.2
Expectations Indicator	95.1	100.3	98.7	98.8
Personal Finance: Current	91.0	103.2	96.9	96.3
Personal Finance: Expected	101.2	109.2	104.3	104.9
Business Condition: 1 Year	92.3	101.5	96.6	96.1
Business Condition: 5 Year	88.7	98.0	95.1	95.8
Durable Buying Conditions	92.9	107.4	97.7	96.6
<b>Current Business Conditions Indicator</b>	89.6	97.7	95.5	95.8
<b>Real Estate Investment Indicator</b>	105.3	113.0	109.0	108.5
House Price Expectations	120.7	135.0	126.1	126.6
House Buying Sentiment	96.6	109.8	100.7	100.2
House Selling Sentiment	98.4	101.5	99.7	99.5
<b>Car Purchase Indicator</b>	81.9	88.4	86.0	86.2
Car Purchase Expectations	98.9	109.4	104.7	105.5
Price of Gasoline Expectations	128.6	135.6	132.7	132.4
<b>Employment Outlook Indicator</b>	97.1	100.5	99.1	99.1
Inflation Expectations Indicator	130.7	139.7	136.3	136.6
Current Prices Satisfaction Indicator	73.5	86.0	80.7	80.6
Interest Rates Expectations Indicator	111.1	123.3	116.4	115.5

# Consumer Sentiment rose in only four out of 10 major cities surveyed.

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Moscow was the most optimistic and Chelyabinsk the least optimistic city in November.



# Economic Landscape

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Latest economic data has shown no improvement in economic growth with both GDP and industrial production remaining weak. Meanwhile a rise in inflation will make it more difficult for the central bank to cut interest rates.

In a stark admission, Prime Minister Dmitry Medvedev said that there is no magic bullet to speed up Russia's growth and there was no one else to blame for the poor outlook but Russia itself. The economy ministry cut its long-term growth forecasts to an average of just 2.5% through 2030 compared with 3.4% previously. Latest economic data has shown no improvement in economic growth with both GDP and industrial production remaining weak.

Meanwhile a rise in inflation will make it more difficult for the central bank to cut interest rates which it held steady at its November monetary meeting. On a more positive note, Russia has made considerable progress in 2013 towards bolstering its business environment, climbing 20 positions to 92nd place out of 189 in the Annual Ease of Doing Business survey compiled by the World Bank and the International Finance Corporation.

#### GDP Growth Remains Weak

Latest data showed GDP rose 1.2% on the year in the third quarter, unchanged from the growth rate seen in the second quarter. The disappointing outturn was attributed to the agriculture sector which experienced disruption in the harvest in many important rural regions due to heavy rains in September. Growth in

construction, trade and investment were also weak. Deputy Economy Minister Andrei Klepach said that the figures revealed disappointing signs of an economy that was losing momentum rather than gathering pace. According to the Ministry's estimate, the economy contracted a seasonally adjusted 0.2% compared with the second quarter.

A fall in the oil price, weak global trade, low domestic consumption and reduced investment activity (large infrastructure projects like the Sochi 2014 Olympics and the North Stream gas pipeline are approaching completion) are likely to bear down on future growth. The government expects the economy to grow 1.4% in 2013, revised down from 1.8% earlier and 2.4% in 2014, revised down from 3.0%.

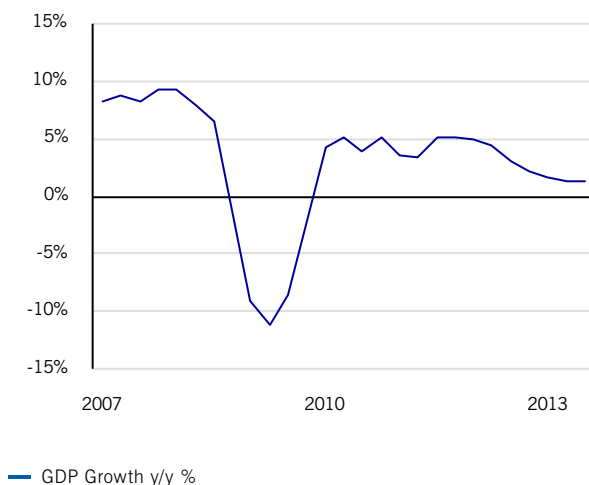
#### Monetary Policy: Interest Rates unchanged

The central bank left its new key rate - the one week repo rate at which it lends money to financial institutions - on hold at 5.5% after the policy meeting on November 8. The central bank said that it would continue to monitor inflation and downside risks to economic growth, adding that it expected economic growth to remain low in the medium-term.

The bank has been unwilling to cut official interest rates due to the continued high level of inflation which rose to 7.4% in May, well above the target of 5.0-6.0%, before falling to 6.1% in September. At the October monetary meeting, the central bank notably removed from its official statement a reference to "no change being made to the benchmark rate in the immediate future". The central bank has previously cautioned that it needs to see a continued downward trend in inflation expectations before it can ease monetary policy. Higher than expected inflation data for October reinforces the central bank's stand to keep interest rates unchanged.

A quarterly survey by the central bank showed that in September, more than three quarters of Russians thought that inflation would outpace wage growth over the next 12 months. Some 67% of the respondents said they expected price rises in October compared with 65% previously.

#### Economic Growth



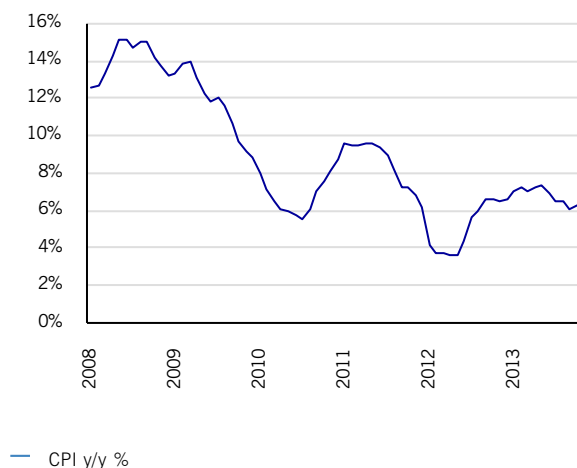
Source: Federal State Statistics Service of Russia

### Spike in consumer prices

The September consumer prices data had raised hopes that inflation would soon fall within the central bank's target range, but it accelerated to 6.3% in October from 6.1% in September. Flooding in the Far East and limits on imports from Belarus in previous months have added to inflationary pressures. Policymakers said the jump in food prices that pushed up the headline inflation rate in October was temporary, adding that they expected the rate of consumer price growth to slow in 2014.

The Central Bank of Russia acknowledges that inflationary expectations are quite high. The bank's first deputy chief, Ksenia Yudayeva, said that the risk of inflation topping 6.0% in 2013 has increased and Russian households believe the inflation is almost double the official figure.

### Consumer Price Inflation



Source: Federal State Statistics Service of Russia

### Weak investment and heavy capital outflows

In an investment forum in October, Putin acknowledged that Russia had to focus on new sources of economic development. He said that infrastructure limitations would be addressed and investment in the communications sector would be increased. Measures would also be taken to create more high paid jobs in modern industries, while small and medium sized

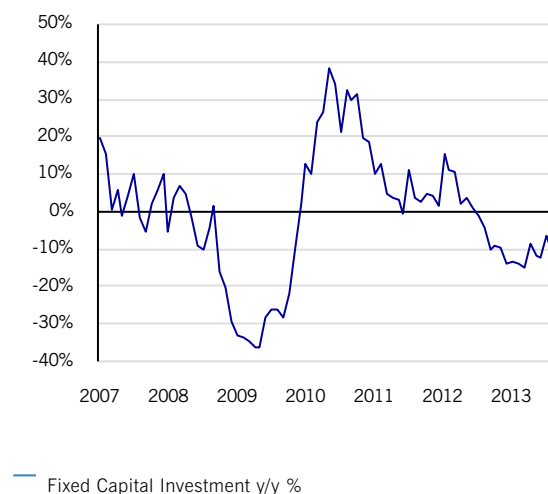
businesses would be provided with easier access to credit to expand.

Investment levels have declined in 2013, with fixed capital investment down 6.3% in the third quarter compared with the same quarter in 2012, although this was an improvement from a decline of 10.7% and 14.0% seen in the second and first quarters of 2013 respectively.

Moscow and Abu Dhabi agreed on a joint investment venture totaling \$5 billion to develop Russian roads, ports and bridges. Russia also launched an investment strategy for civil aviation with investment of \$9 billion and over 100 sites are currently undergoing reconstruction and modernization in public and private partnership.

The private capital outflow from Russia increased to almost \$13 billion in the third quarter from \$8 billion in the same period last year. The Ministry of Finance remains optimistic and expects the outflow to be \$25 billion in 2014 and zero in 2015, compared with \$30 billion and \$10 billion forecast previously. Projections for 2016 have been revised up to a capital inflow of \$20 billion, compared with zero previously.

### Fixed Capital Investment



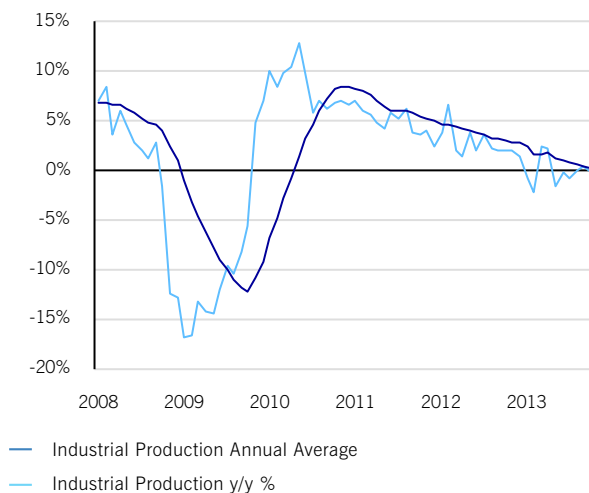
Source: Federal State Statistics Service of Russia



### Industrial production drops again

After a meagre rise in industrial production of 0.3% on the year in September, it fell again in October by 0.2%, with manufacturing weakening sharply. Utilities which had led the growth in industrial production in September, slowed to 1.9% on the year compared with 2.9% in September.

### Industrial Production



Source: Federal State Statistics Service of Russia

Mining and quarrying production grew in October by 1.8% from a year ago, slightly above the 1.7% growth registered in September. The manufacturing sector contracted for the sixth straight month, posting an annual drop of 1.9%, significantly more than the decline of 0.7% in September.

Stagnating industrial output has prompted industry to call for a rate cut to boost growth. After growth of 2.7% in 2012, the government expects industrial output to expand 2.0% in 2013, which looks optimistic given the current gloomy economic scenario.

### Retail Sales Recovered Slightly

Retail sales recovered slightly in October, increasing by 3.5% on the year compared with 3% in the previous month, but still below 4.0% growth seen in August.

In August, Russia overtook Germany to become Europe's biggest car market but the weaker economy has slowed the sales growth. New car sales fell by 7.7% in October to 234,481 units according to Association of European Businesses. This was the eighth consecutive month of falling sales and from January to October, sales of new cars fell by 6.7% compared with the same period in 2012. The Russian government has announced plans to allocate \$3.3 billion in indirect subsidies for the country's automotive industry. These subsidies are designed to both develop Russian car production and include support for importing cars from the Far East, subsidisation of interest rates on loans and compensation of banks' expenses on preferential car loans.

### Trade Surplus falls on the year

The trade surplus rose to \$15.6 billion in September from \$13.8 billion in August, although down from the surplus of \$17.2 billion recorded in January. The trade surplus for September was down by 0.2% compared with the same period last year and in August the trade surplus was 22.5% higher compared with the same period in 2012, mostly due to base effects.

Exports expanded 3.1% to \$44.5 billion compared with the same month a year earlier, the fourth consecutive month of growth, according to the Ministry of Economic Development. Imports rose 5.4% to \$28.8 billion in September, following the 5.3% drop to \$28.4 billion recorded in August.



# Indicators

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The MNI Russia Consumer Indicator decreased from 99.4 in October to 94.8 in November, the lowest level since the series started in March. Both Current and Expectations Indicators led the decline.

## MNI Russia Consumer Indicator

### Confidence at Record Low



The MNI Russia Consumer Indicator fell sharply in November, led by a steep decline in respondents' willingness to purchase a large household item and a worsening in their expectations for future business conditions.

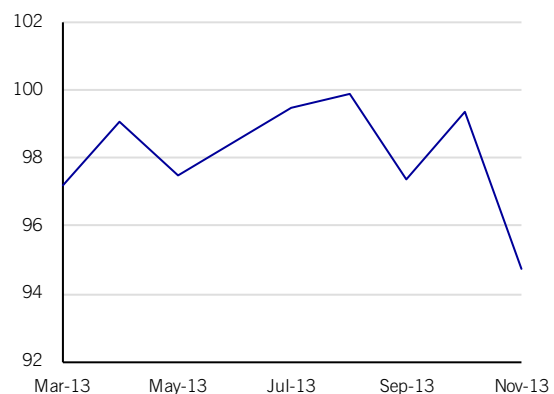
The consumer Indicator decreased from 99.4 in October to 94.8 in November, the lowest level since the series started in March. A reading below 100 indicates that consumer conditions are weaker than a month earlier while a figure above 100 shows an improvement.

In line with record low consumer confidence, recent data has shown Russia's economic outlook has deteriorated dramatically. After a meagre rise on the year in industrial production of 0.3% in September, it fell again in October by 0.2%. In the third quarter, GDP rose by 1.2% compared with a year earlier, unchanged from the growth rate seen in the second quarter. Given the recent poor economic data and a realisation that the current growth model is failing, the Russian government cut their average annual growth forecast from an initial 3.4% to 2.5% through 2030.

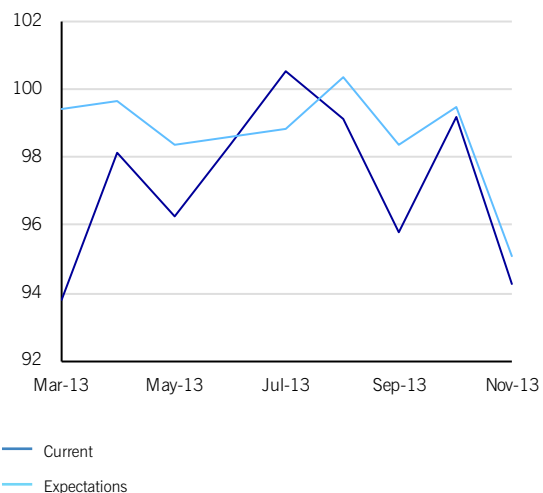
Both Current and Expectations Indicators declined in November. The Current Indicator fell 5.0% on the month to 94.3, close to March's record low of 93.8. The Expectations Indicator fell to a record low of 95.1, a 4.4% decline on the month.

The Durable Buying Conditions Indicator posted the largest decline on the month, falling from 107.4 to

MNI Russia Consumer Indicator



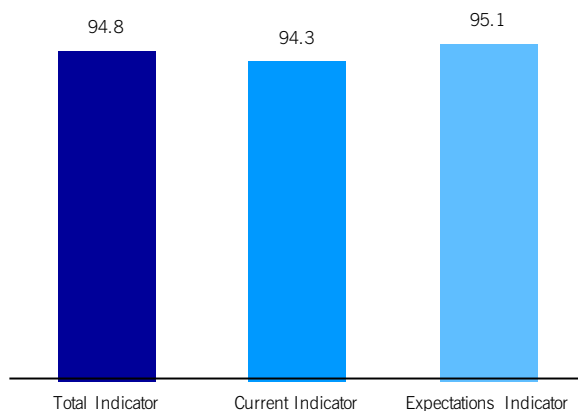
Current and Expected Indicators



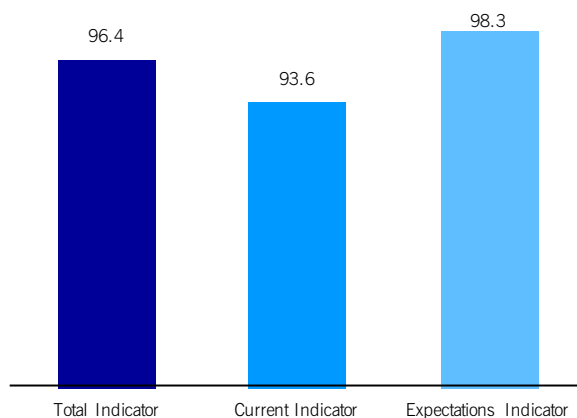
MNI Russia Consumer Indicator

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
MNI Russia Consumer Indicator	97.5	98.5	99.5	99.9	97.4	99.4	94.8
Current	96.2	98.4	100.5	99.2	95.8	99.2	94.3
Expectations	98.3	98.6	98.8	100.3	98.4	99.5	95.1

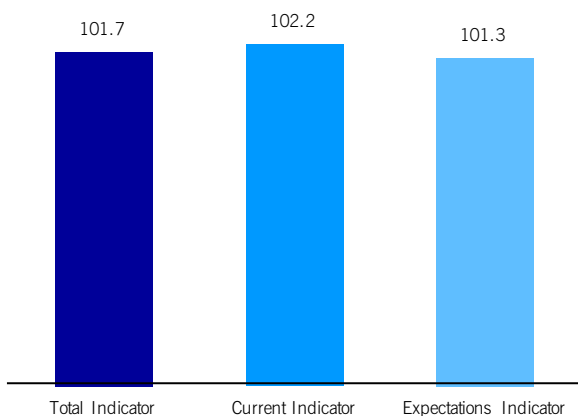
## All Russia



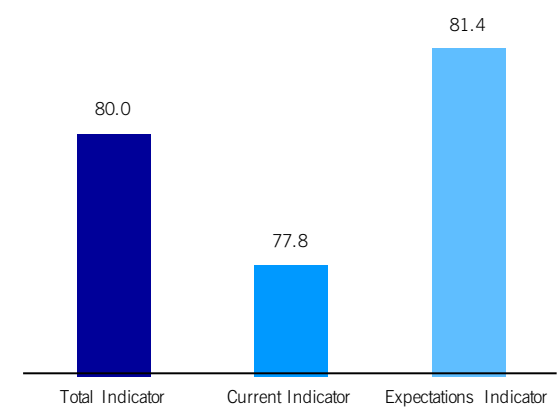
## West Siberian



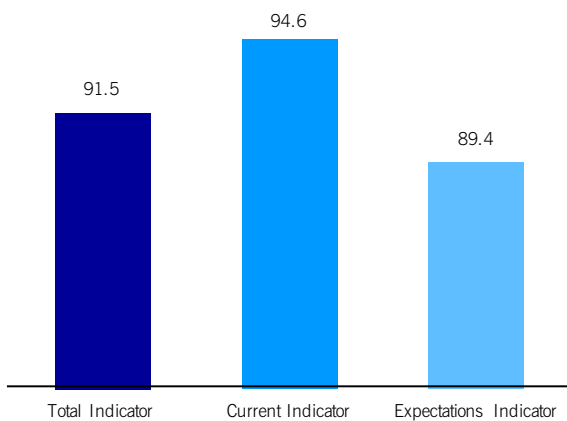
## Central Russia



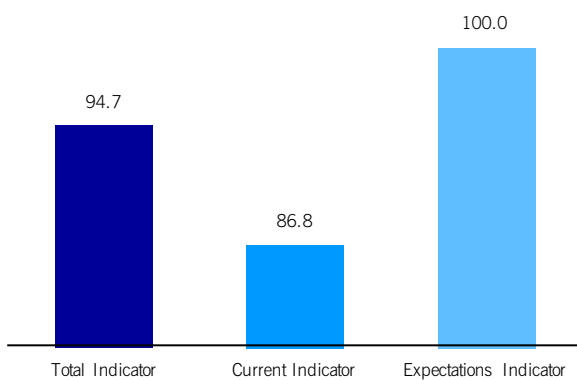
## Volga



## Urals



## North Caucasus





96.6 in November. In contrast, Current Personal Finances increased, albeit only slightly.

The fall in the Expectations Indicator was driven by a decline in future business conditions, while Expected Personal Finances remained broadly stable.

Business Conditions in a Year's time fell below the 100 breakeven level, declining 6.5% on the month to 94.9. Business Conditions in Five Year's time declined by 7.4% to a record low of 88.7 compared with 95.8 in the previous month.

### Regions

In November, consumer sentiment fell in nine of the 12 regions surveyed. The Consumer Indicator rose only in the West Siberian, Central Black Earth and Kaliningrad regions.

Both the North Caucasus and Volga regions suffered double digit falls on the month. The Urals region posted the fourth consecutive monthly decline, while West Siberia rose for the third consecutive month. Consumer sentiment has remained broadly stable in the Central region since September.

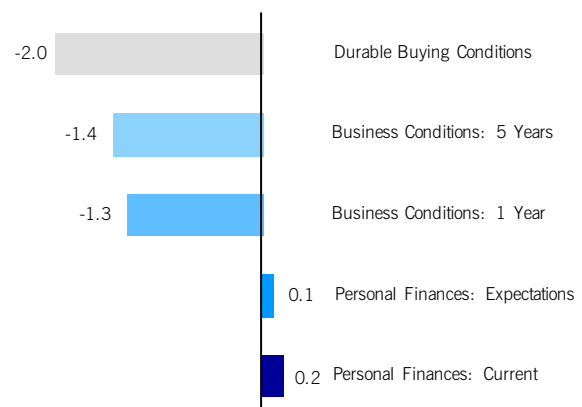
The Consumer Indicator was above the 100 breakeven level in only the Central region while it was the lowest in the Volga region.

The Current Indicator remained unchanged in the Central region, decreased in six regions and increased in the West Siberian, Northwestern, Volga-Vyatka, Kaliningrad and Central Black Earth regions. The Expectations Indicator rose in only Kaliningrad, and it fell in the remaining eleven regions.

### Age

Consumer sentiment declined the most in the youngest age group. Among the 18-34 age range, the Consumer Indicator fell 5.5%, pushing it to a record

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





low and below the breakeven level to 95.5 in November. The decline was led by a sharp fall in Durable Buying Conditions. Expected Personal Finances was the only indicator to show an improvement.

Consumer confidence for the 35-54 age group, declined 3.8% in November to 93.9 having remained stable in October. Of the five components, Current Personal Finances was the only indicator to increase while Business Conditions in Five Years declined the most.

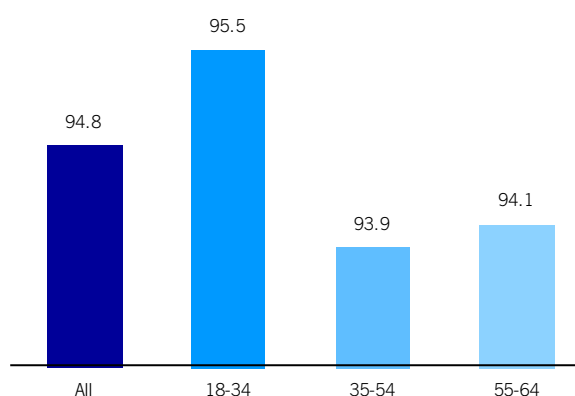
For the oldest group, the 55-65 year age range, consumer confidence dropped to 94.1, down from 97.5 in October and the lowest since May. The Current Indicator fell to 95.8, following a double digit gain in October while the Expectations Indicator decreased to 93.0, the lowest since July.

### Income

Consumer confidence fell more in lower income households in November. For households with an average income under RUB 480,000 per annum, the Consumer Indicator fell from 95.7 in October to 90.5, the lowest on record. For households with an average income over RUB 480,000 per annum, sentiment fell below the breakeven level to 99.9, compared with 101.8 in October.

Consumer confidence has on average been lower among low income households with the indicator having remained in contraction since the series started in March, after dropping significantly in October and November.

Consumer Indicator: Age Groups



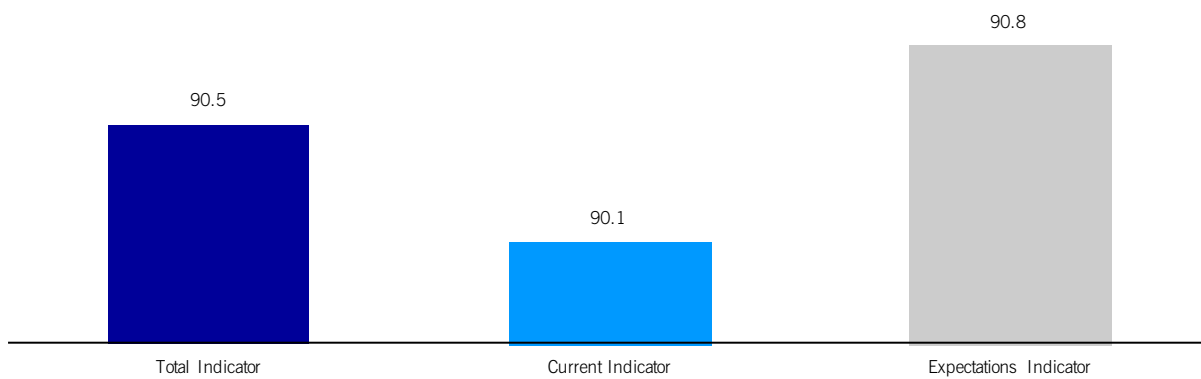


## MNI Russia Consumer Indicator Income Groups



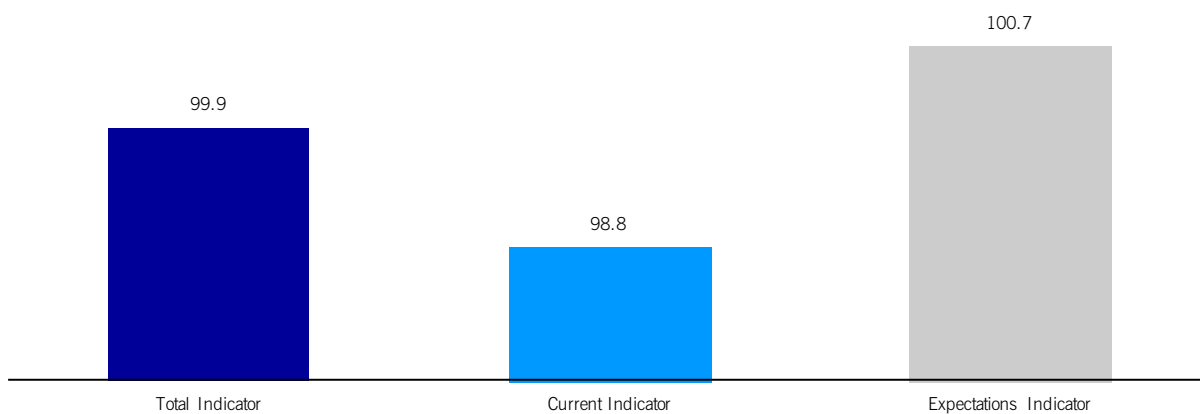
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< RUB 480,000 Per Annum



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> RUB 480,000 Per Annum



## MNI Russia Consumer Indicator

### Main Cities



The Consumer Indicator rose in four out of 10 major cities surveyed; Moscow, Novosibirsk, Kazan and Omsk.

Moscow, the capital of Russia, was the most optimistic and the only city where the Consumer Indicator was above the 100 breakeven level in November. The Consumer Indicator rose to 104.1 compared with 101.2 in October, an increase of 2.9% on the month to the highest since August.

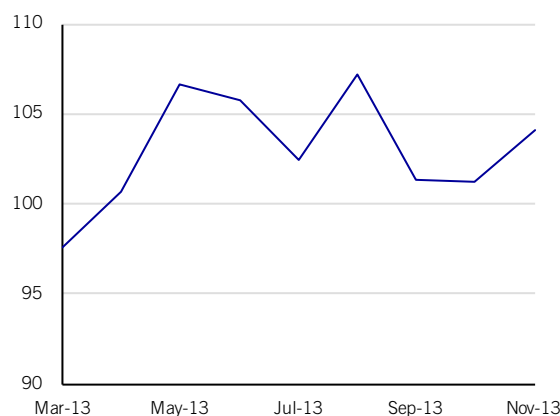
The rise in the Consumer Indicator was led by Current Personal Finances and Business Conditions in a Year, which grew 8.0% and 7.8% on the month respectively. Current conditions for Moscow increased 1.5% to 103.3, compared with 101.8 in the previous month, while the Expectations Indicator rose by 3.8% to 104.6 in November, up from 100.8 in October.

Consumer sentiment fell 2.0% in Saint Petersburg, the second largest city of Russia, with the Consumer Indicator falling to 96.6 in November, from 98.6 in October. Durable Buying Conditions declined significantly pulling down the Current Indicator, while the Expectations Indicator rose 1.3% on the month.

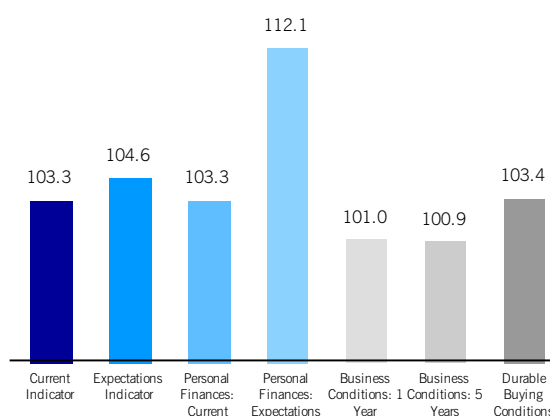
In Novosibirsk, the third most populous city in Russia, consumer sentiment increased for the second consecutive month to 97.8 in November, up from 95.6 in the previous month. Personal Finances, both current and expected, and Business Conditions in Five Years increased.

Chelyabinsk was the least optimistic city among the 10 cities surveyed. The Consumer Indicator stood at 92.4 in November, down from 97.9 in the previous month. Respondents were highly dissatisfied with their current conditions while their future expectations remained broadly stable.

Consumer Indicator - Moscow

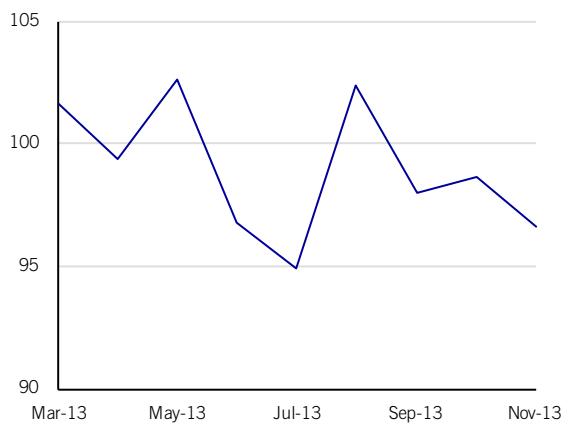


Consumer Indicator Components - Moscow

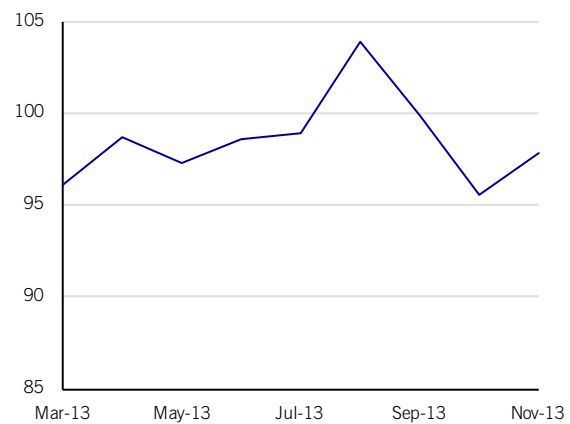




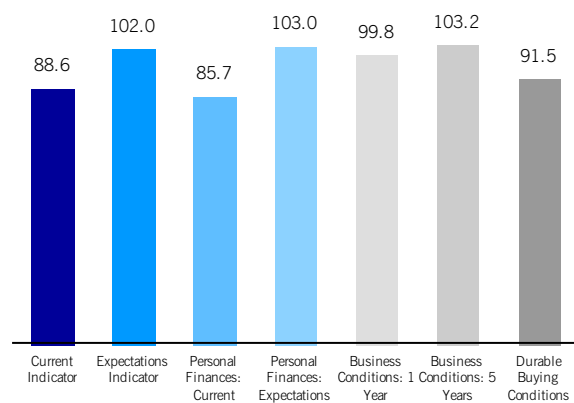
Consumer Indicator - Saint Petersburg



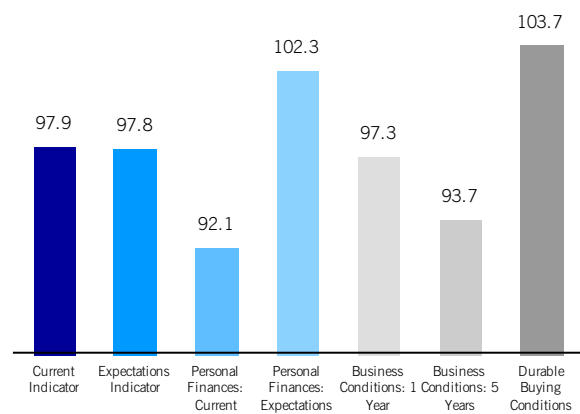
Consumer Indicator - Novosibirsk



Consumer Indicator Components - Saint Petersburg



Consumer Indicator Components - Novosibirsk



# Consumers' expectations about Business Conditions worsened sharply in November.

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Expectations for Business Conditions in a Year fell 6.5% to 94.9 and the indicator for longer term expectations fell 7.4% to 88.7.

## Personal Finances

### Improve on Higher Income



Both Current and Expected Personal Finances rose slightly in November, following declines in the previous month.

The Current Personal Finances Indicator, which measures whether the financial situation of a household is better, the same, or worse than a year ago, increased after three consecutive months of declines. The indicator rose to 92.0 in November, up from 91.0 in October, though was still below the series average of 96.9.

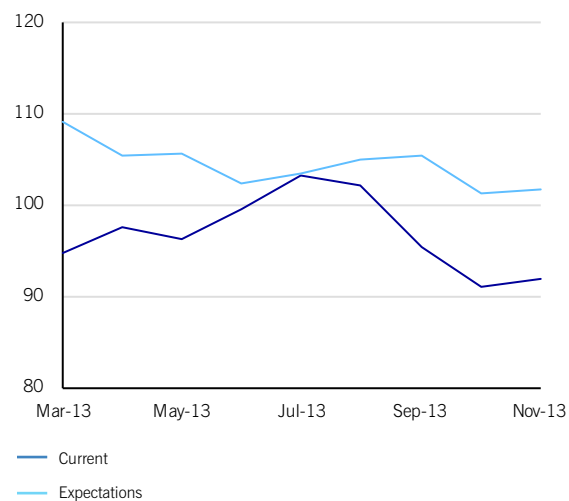
A reading above 100 indicates more households reported that their financial situation was better than a year ago; while a figure below 100 means more households recorded a worsening.

The majority of respondents cited better income as the main reason for the improvement in their Current Personal Finances, though a growing proportion of respondents gave credit to improved family expenses, in spite of the continued high level of inflation.

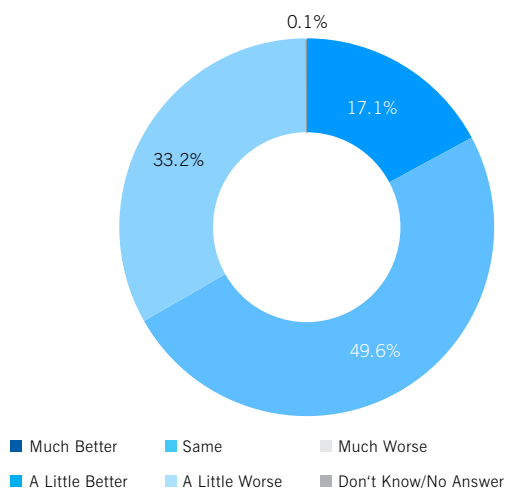
Expected Personal Finances, which measures whether households think their finances will be better in a year's time remained broadly stable at 101.7 in November, compared with 101.2 in October.

The Current and Expected Personal Finances Indicators rose at national level and improved sharply for higher income households, though for lower income households, both indicators declined.

#### Personal Finances



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



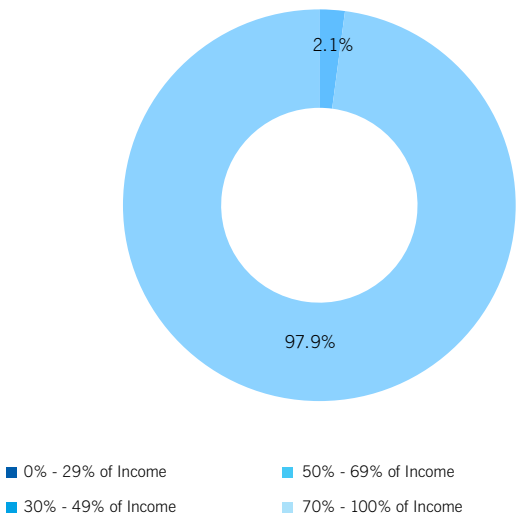
#### Personal Finances

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Current	96.3	99.5	103.2	102.1	95.3	91.0	92.0
Expectations	105.5	102.4	103.4	104.9	105.4	101.2	101.7

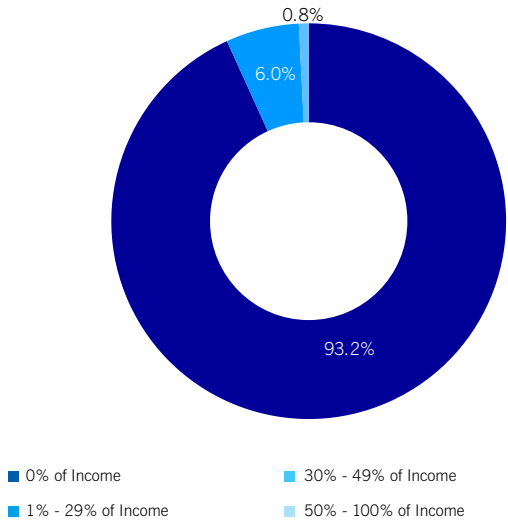
# How Households Spend their Money



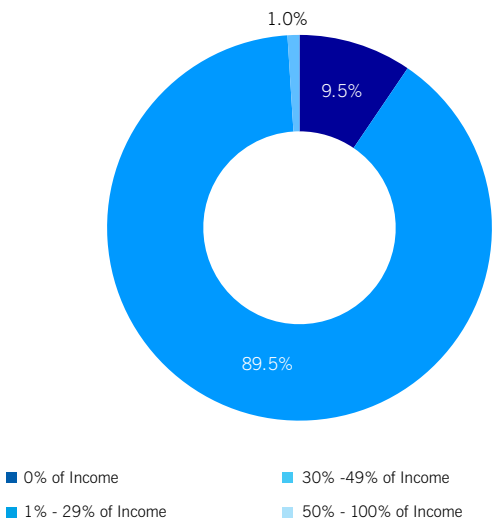
Daily Expenses  
(% of Households)



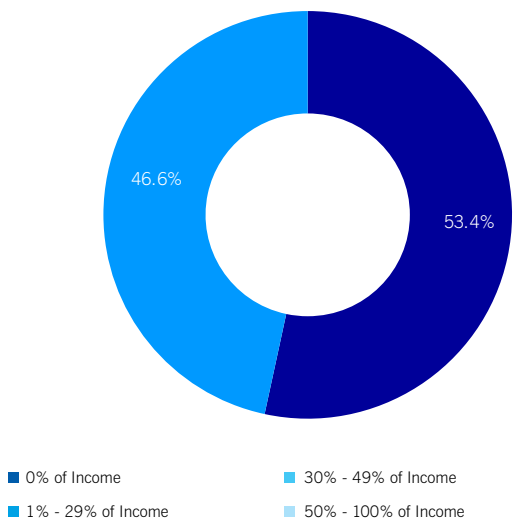
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings  
(% of Households)



Monthly Household Income Used for Investments  
(% of Households)





## Business Conditions

### Future Expectations Worsen



Perceptions about the current state of business improved in November, but expectations for the future worsened significantly, following an increase in October.

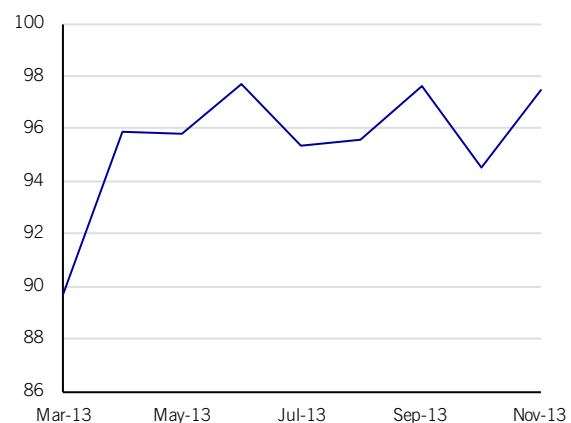
The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, improved to 97.4 in November, up from 94.5 in the previous month. It has always remained below the 100 breakeven level.

The proportion of respondents who believed that business conditions were "good" decreased from 5.4% in October to 5.2% in November. There was an increase in respondents who believed that business conditions were "only fair" compared with the previous month from 75.8% to 82% in November, while the proportion of respondents reporting conditions were "poor" or "very poor" fell from 16.3% to 10.2%.

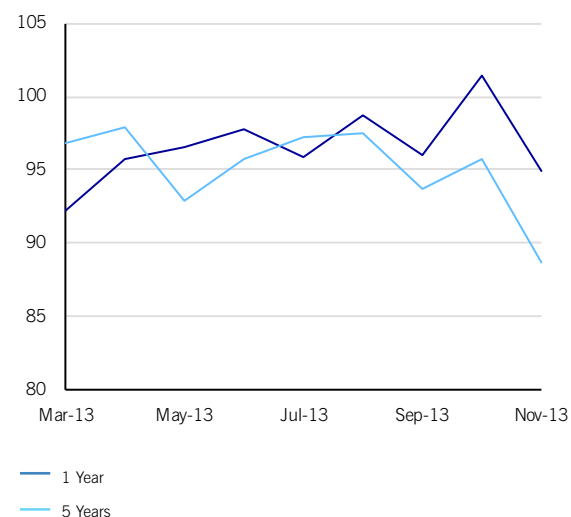
Stagnating industrial output has prompted industry to call for an interest rate cut to boost growth, but the continued high level of inflation has prevented the central bank from easing monetary policy.

Expectations for Business Conditions in a Year fell back into contraction, with the indicator declining by 6.5% to 94.9 in November. The majority of respondents expected business conditions to be "about the same" in a year, though the number of respondents reporting that conditions would worsen rose from 15.7% in October to 27.1% in November.

Current Business Conditions Indicator



Expected Business Conditions



#### Business Conditions

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Current	95.8	97.7	95.4	95.6	97.6	94.5	97.4
In 1 Year	96.6	97.8	95.9	98.7	96.1	101.5	94.9
In 5 Years	93.0	95.7	97.2	97.5	93.7	95.8	88.7

# Business Conditions in 1 Year

## Selected Reasons

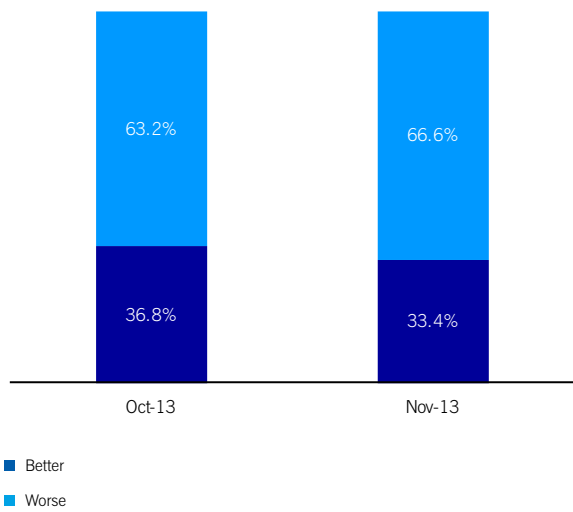


Most respondents cited income and employment as the main reason behind the worsening in their outlook for business conditions in a years' time. There was a significant increase in the proportion of respondents who cited "other events" affecting business conditions.

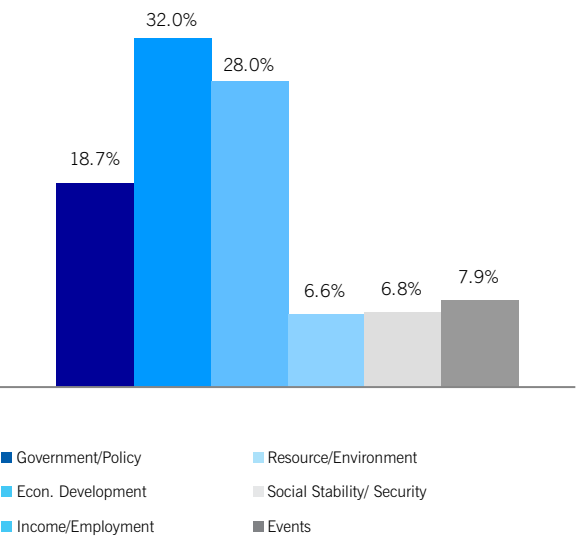
Longer term, Expectations for Business Conditions in Five Years have declined considerably since March when the survey started. The indicator fell sharply in November to 88.7 in November from 95.8 in October, a fall of 7.4% on the month.

The fall in expectations likely reflects a lack of confidence in the government's long-term reform policies and the recent lower growth forecast announced by the economy ministry to just 2.5% through 2030 compared with 3.4% previously.

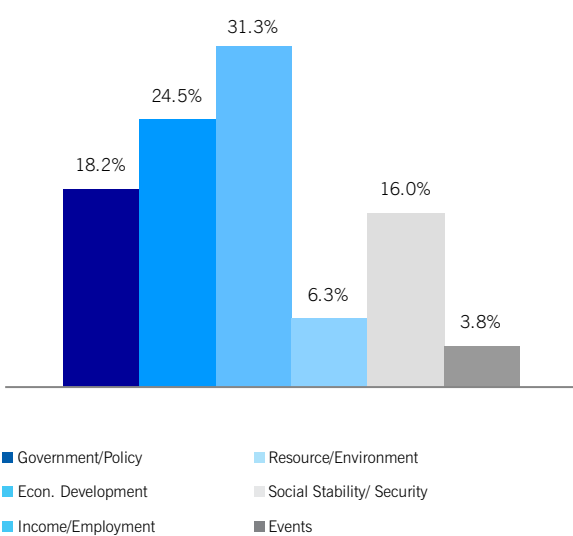
All Russia



All Russia, Reasons for Better



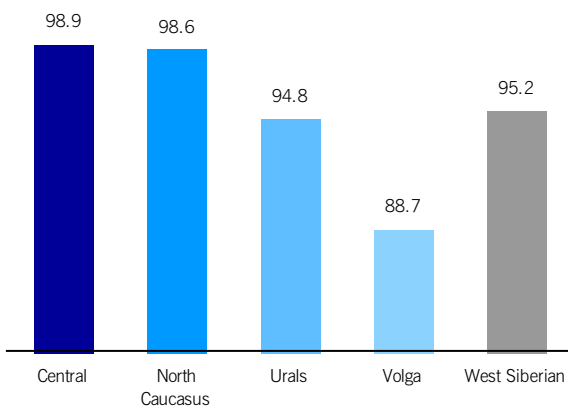
All Russia, Reasons for Worse



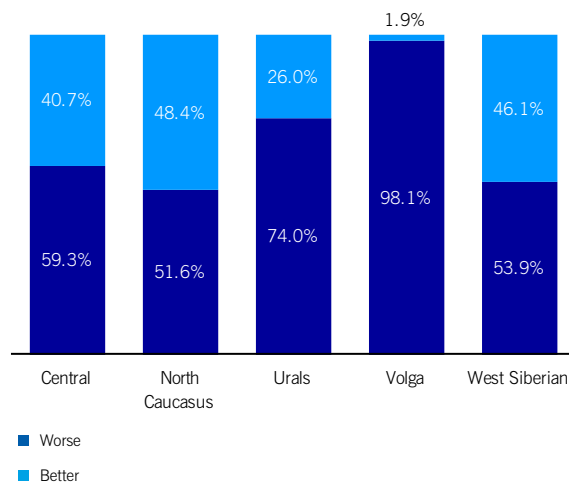
## Business Conditions in 1 Year Regions



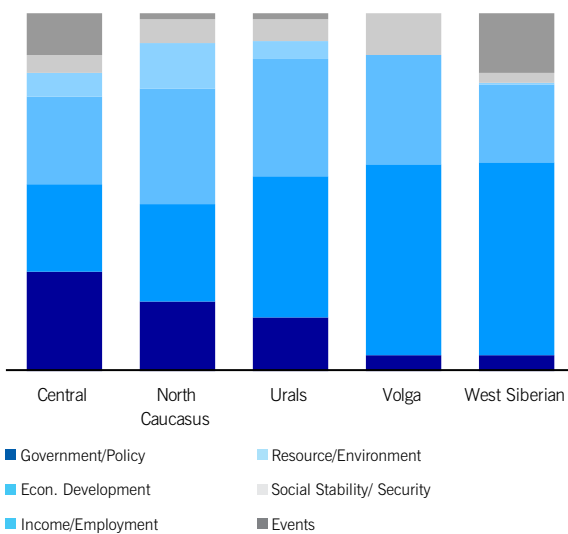
### Business Expectations



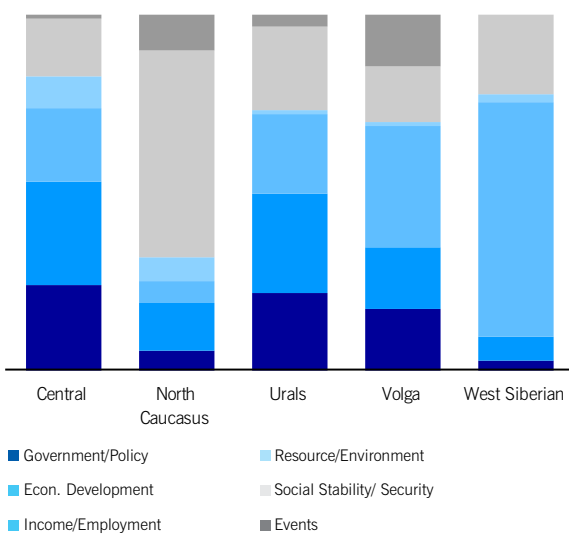
### Business Expectations: Worse or Better? (% of Respondents)



### Reasons for Better (% of Respondents)



### Reasons for Worse (% of Respondents)



# The Durable Buying Conditions Indicator declined to 96.6 in November...

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.. falling back into contraction where it has been in every month since the series started in March except for October.

## Durable Buying Conditions Back In Contraction



The Durable Buying Conditions Indicator, which measures whether respondents think it is a good or bad time to buy a large household good, declined significantly in November following October's sharp increase.

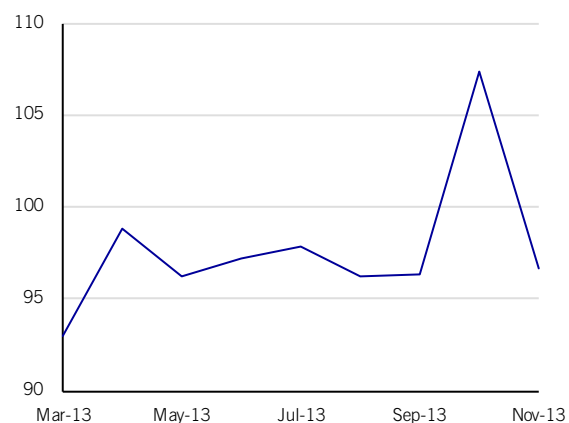
The indicator declined to 96.6 in November, down by 10.0% from a record high of 107.4 in the previous month, falling back into contraction where it has been in every month since the series started in March except for October.

The rise in the indicator in October looked out of place alongside falls in the Personal Finances components. The latest fall leaves it more in line with the average seen over the past nine months.

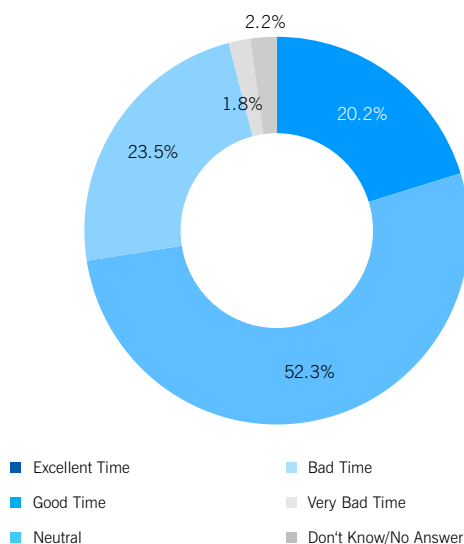
Official figures showed that retail sales recovered slightly in October, increasing 3.5% on the year compared with 3.0% in the previous month, but still below the 4.0% growth rate seen in August.

The proportion of survey participants saying it was a "good time" to buy large household durables fell to 20.2% in November from 30.6% in October, while the proportion of those saying it was a "bad time" or "very bad time" rose to 25.3% from 15.8%. A majority of 52.3% responded that there had been "no change" compared with previous month.

Durable Buying Conditions



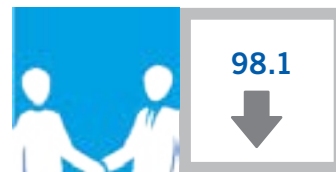
Is It a Good or Bad Time to Buy Large Household Goods? (% of Households)



Durable Buying Conditions

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Durable Buying Conditions	96.2	97.2	97.8	96.2	96.3	107.4	96.6

## Employment Outlook Falls Below Breakeven Level



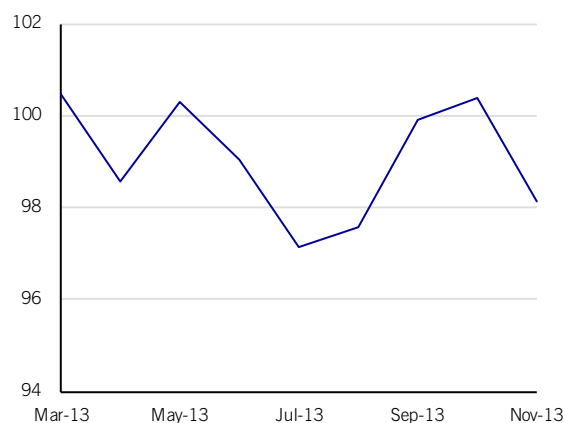
The Employment Indicator, which measures opinion on the outlook for the employment market over the next 12 months, declined in November having increased in each of the three previous months.

The indicator slipped back into contraction in November to 98.1, down from 100.4 in October, indicating that more respondents expect to see a worsening in the employment market.

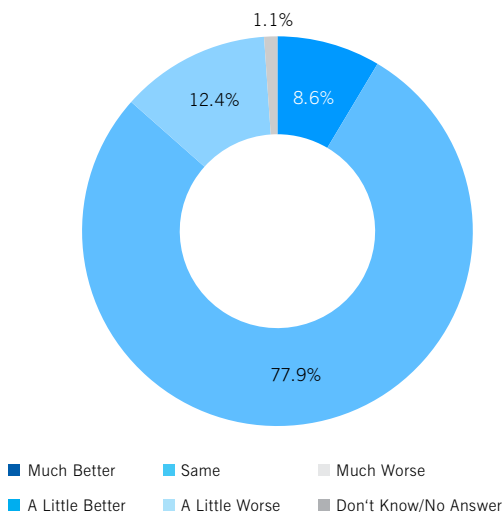
The unemployment rate in Russia rose to 5.5% in October, up from 5.3% in September as the number of unemployed people increased from 4 million to 4.1 million. A recent government promise to relax pressure on companies to keep workers on their payrolls, may already have impacted respondents' views on the labour market and affect them more in the future should the policy come to fruition.

Survey participants forecasting an improvement in the employment market totalled 8.6% in November, down from 10.4% in October, while the proportion of those forecasting a worsening increased to 12.4% compared with 9.6% in October. The percentage of respondents that forecast no change in the employment situation fell slightly from 78.8% in October to 77.9% in November.

Employment Outlook Indicator



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



Employment Outlook

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Employment Outlook	100.3	99.1	97.1	97.5	99.9	100.4	98.1



## Prices Sentiment

### Discontent Highest on Record



Concerns over prices worsened in November as the number of respondents who were not satisfied with the current level of prices increased drastically, although inflation expectations eased slightly.

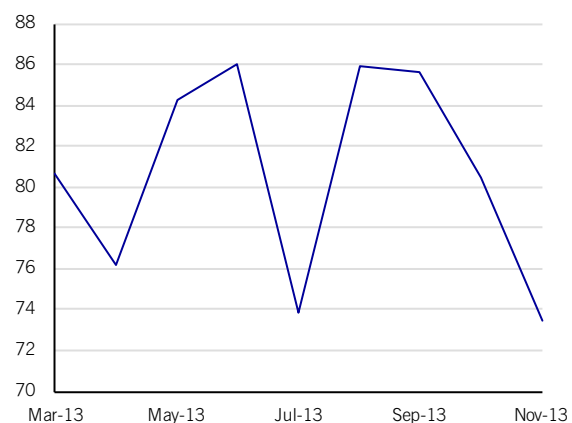
The Current Prices Satisfaction Indicator fell significantly to 73.5 in November, compared with 80.5 in the previous month. A figure below 100 indicates wider dissatisfaction with current prices, and the further below 100 the greater the dissatisfaction. The indicator has remained below the breakeven level since the survey started and hit a record low in November.

Consumer price inflation accelerated to 6.3% in October, up from September's fall to 6.1%. Flooding in the Far East and limits on imports from Belarus in previous months have added to inflationary pressures. The central bank's first deputy chief, Ksenia Yudayeva, said that the risk of inflation topping 6.0% in 2013 had increased, adding that Russian households believe the inflation is almost double the official figure.

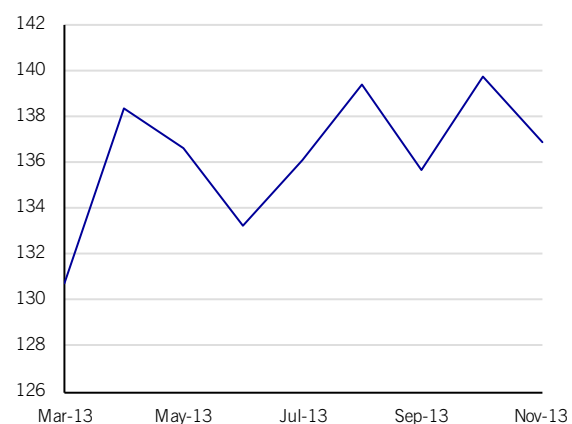
The Inflation Expectations Indicator measures whether respondents think prices will be higher or lower in 12 months' time. The Indicator eased in November to 136.8, down from 139.7 in October, though it has trended upwards since March.

The percentage of respondents who believed prices would be higher in a years' time fell from 76.4% in October to 70.4% in November, while those saying prices would be unchanged increased from 22.0% to 27.9%. Respondents who forecast prices would be lower stood at 0.9%.

Current Prices Satisfaction Indicator



Inflation Expectations Indicator



#### Prices Sentiment

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Satisfaction with Current Prices	84.2	86.0	73.9	85.9	85.6	80.5	73.5
Inflation Expectations	136.6	133.2	136.1	139.4	135.7	139.7	136.8

# Prices Sentiment Regions



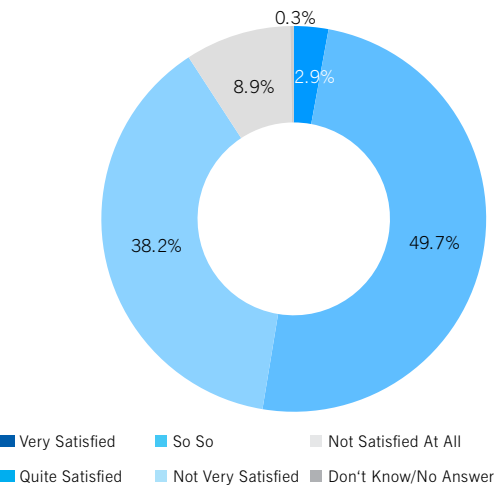
Asked about how much prices would rise over the next year, the proportion of respondents who said they would rise between 6.0%-9.0% rose significantly, while the majority of respondents thought they would rise between 11.0%-24.0% in a year.

### Regions

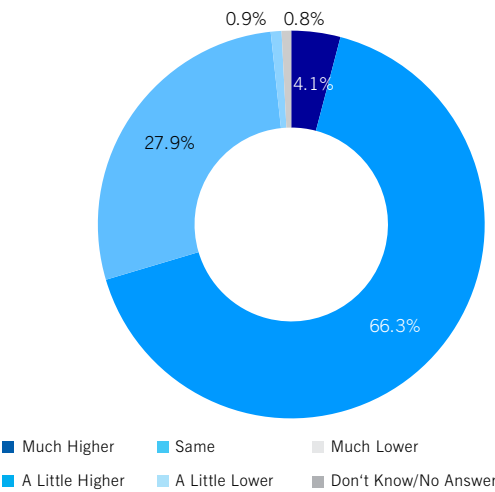
All top five regions surveyed showed wide dissatisfaction with the current level of prices. The West Siberian region showed the greatest dissatisfaction and also the largest fall in the Current Prices Satisfaction Indicator from last month's 81.0 to 47.8 in November.

Inflation expectations eased in the North Caucasus, Urals and West Siberian regions. The Central region showed an increase in inflation expectations over the next 12 months, while it remained broadly stable in Volga.

Satisfaction with Current Prices  
(% of Households)

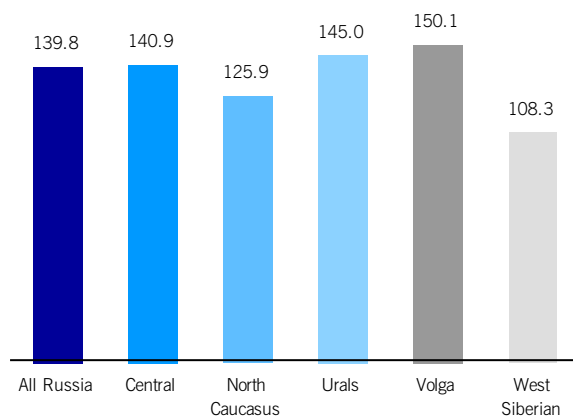


Inflation Expectations in 12 Months  
(% of Households)

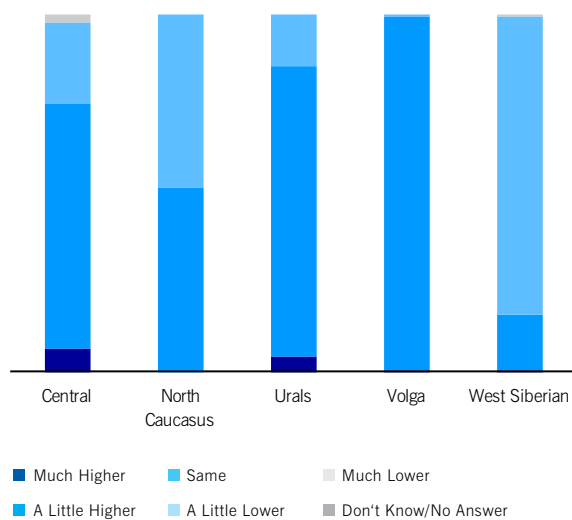




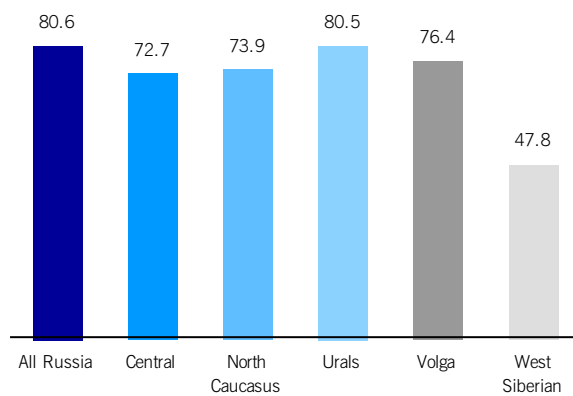
### Inflation Expectations Indicator



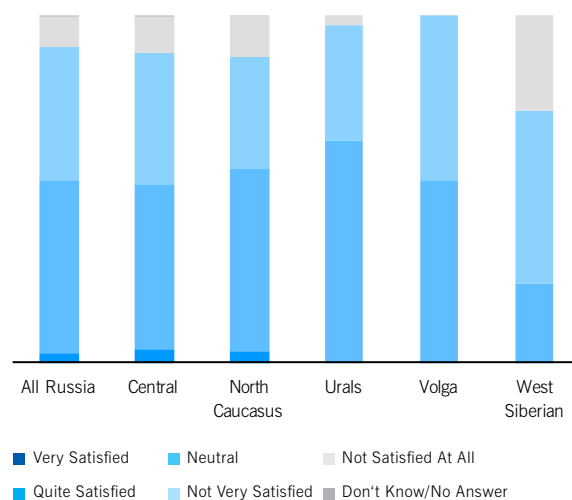
### Expected Change in Prices in 1 Year (% of Households)



### Current Prices Satisfaction Indicator



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



## Interest Rate Expectations Remain Broadly Stable



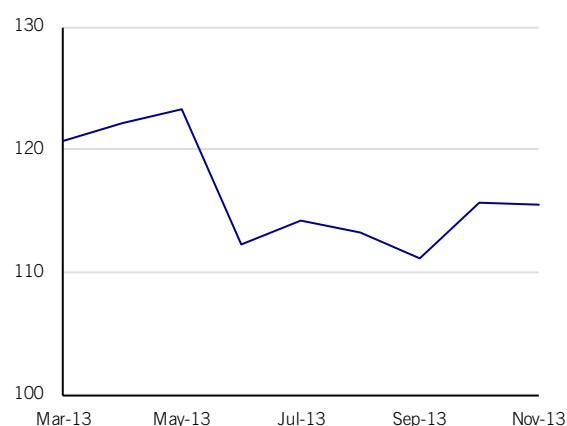
The Interest Rate Expectations Indicator remained stable in November at 115.5, after increasing by 4.0% to 115.6 in October.

The indicator has remained above 100 since the survey started in March. A reading above 100 indicates more households expected interest rates to rise over the coming year, while a figure below 100 means more households expected to see a fall.

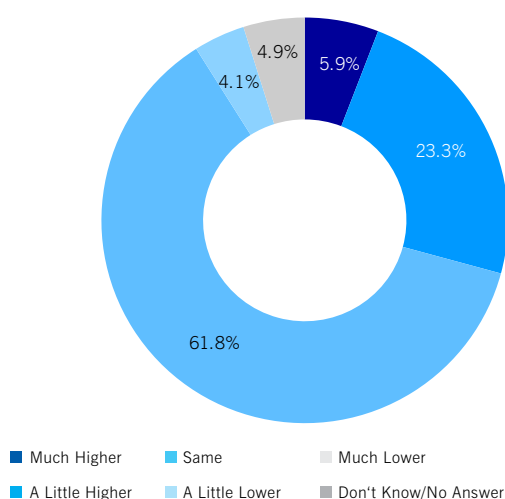
The central bank left its new key rate - the one week repo rate at which it lends money to financial institutions - on hold at 5.5% at its November meeting, and said that it would continue to monitor inflation and downside risks to economic growth.

Survey participants forecasting that interest rates on home and car loans would be higher in a year accounted for 29.2%, down from 31.4% in October. Those forecasting lower rates fell from 4.8% in October to 4.1%. The percentage of respondents reporting that interest rates would remain the same increased to 61.8%, up from 59.4% in the previous month.

Interest Rate Expectations Indicator



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



Interest Rates Expectations

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Interest Rate Expectations	123.3	112.3	114.1	113.2	111.1	115.6	115.5

## Real Estate Investment Falls from Record High In October



The Real Estate Investment Indicator fell in November after rising to a record high in the previous month, led by a decline in house buying sentiment.

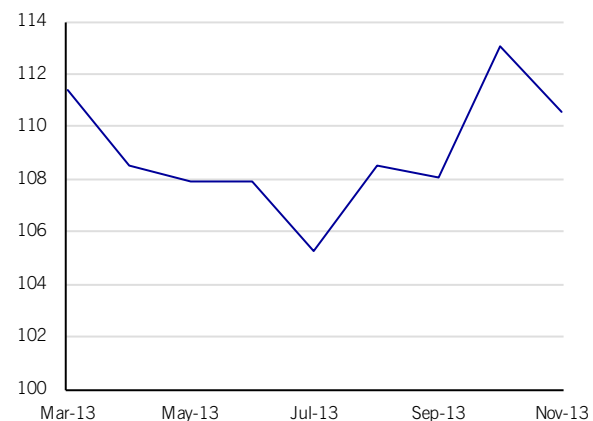
The Indicator fell to 110.5 in November from 113.0 in October, down 2.2% on the month and bang in-line with the three month average. The series fell sharply during the summer, possibly due to seasonal factors, bottoming at 105.3 in July and has been on an upward trend thereafter.

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

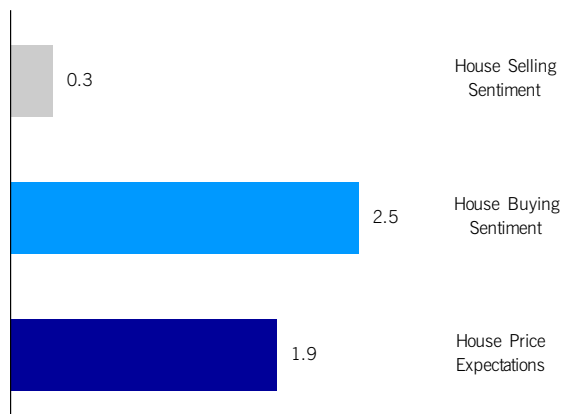
House Price Expectations remained broadly stable at 128.1 in November compared with 127.7 in October. A value above 100 indicates more people expect prices to increase in the next six months. The indicator has been significantly above 100 for the entire period since March but on a declining trend until July.

The percentage of respondents who said prices will go up in the next six months increased to 52.5% in November from 49.2% in October, while those saying prices would go down remained broadly stable at 0.8% compared with 0.7% in the previous month. Those who said prices would “stay the same” stood at 44.5%.

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Real Estate Investment Sentiment	107.9	107.9	105.3	108.5	108.0	113.0	110.5
Price Expectations	123.6	122.9	120.7	128.4	121.6	127.7	128.1
House Buying	100.2	100.5	96.6	96.7	101.8	109.8	105.0
House Selling	100.0	99.8	101.4	99.5	99.3	98.4	101.5

# Real Estate Investment Components and Balances



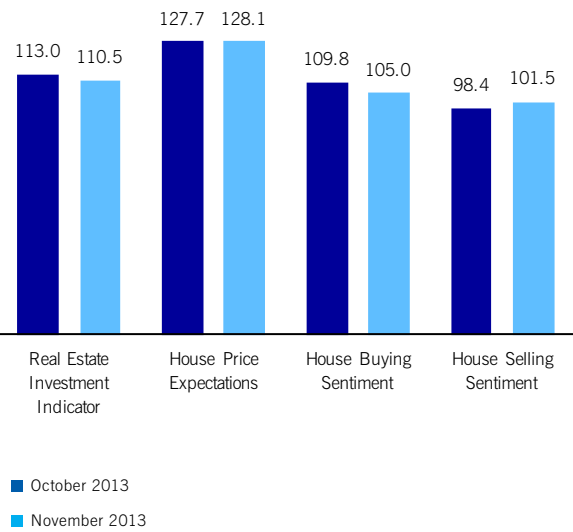
House Buying Sentiment, a measure of whether it is a good time in the next six months to buy a house, fell by 4.3% to 105.0 in November, down from 109.8 in October, the first decline in four months.

House Selling Sentiment is a measure of whether it is a good time in the next six months to sell a house and has a negative impact on the overall Real Estate Investment Indicator. The Indicator increased sharply after three consecutive declines, to 101.5 from 98.4 in October, above the series average of 99.7.

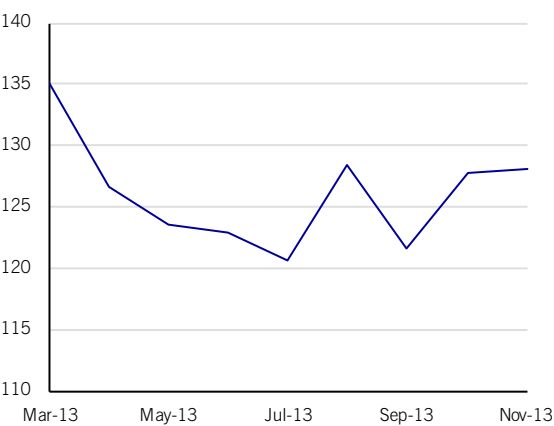
### Regions

The Real Estate Investment Indicator showed significant declines in the West Siberian, Volga and North Caucasus regions and smaller falls in the Urals and Central regions. The indicator moved below the breakeven 100 mark for North Caucasus.

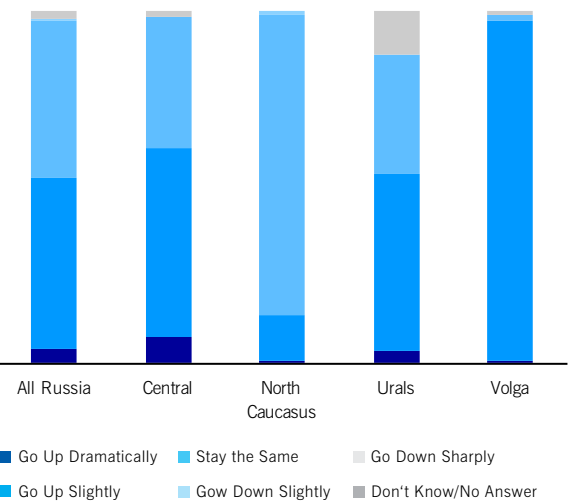
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes

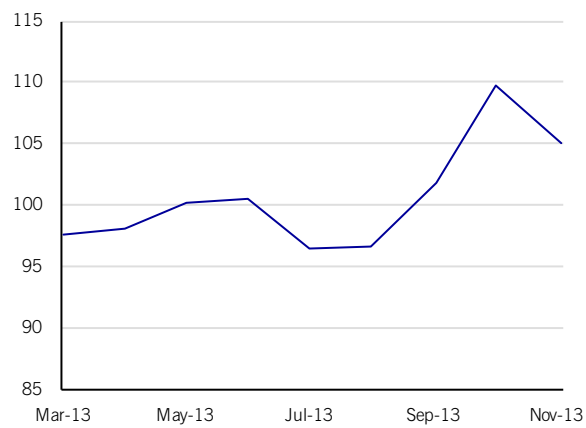


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

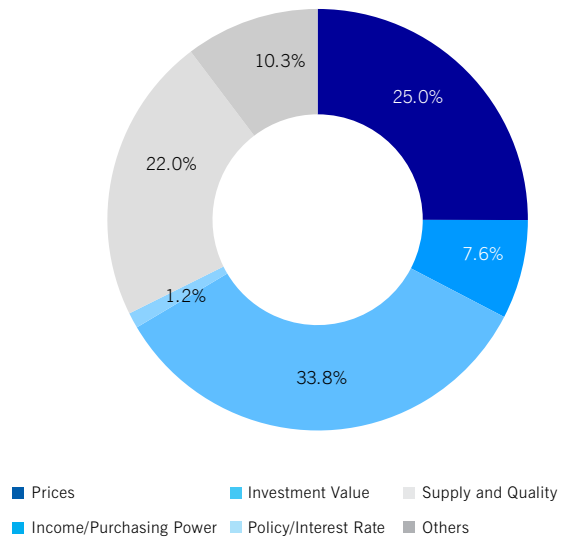




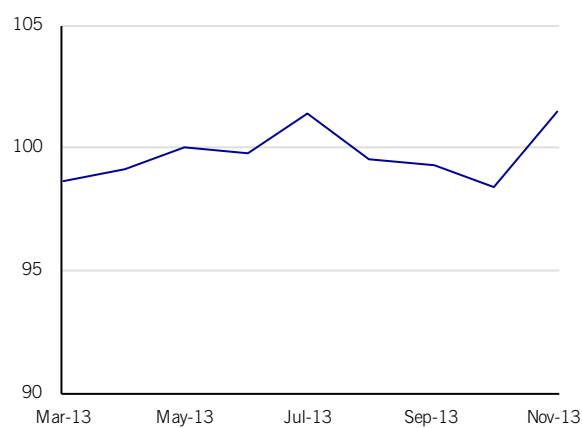
### House Buying Sentiment



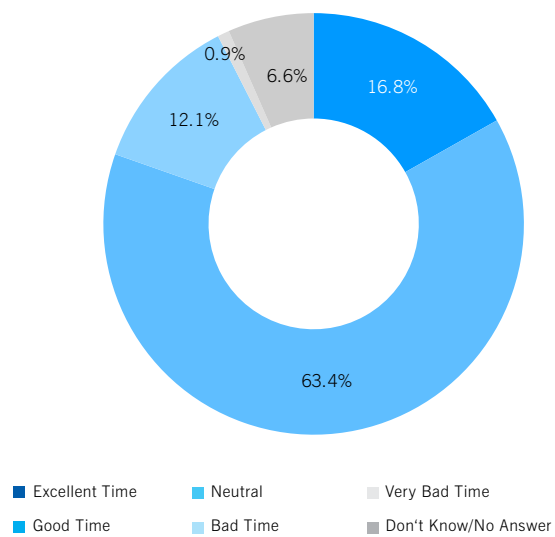
### Reasons for Buying Houses (% of Households)



### House Selling Sentiment



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



## Car Purchase Hits a Record Low



The Car Purchase Indicator fell to a record low in November as Car Purchase Expectations fell into contraction and Expectations for the Price of Gasoline increased.

The indicator fell by 3.8% to 81.9 in November from 85.1 in October and nearly 5% below the level in March when the series started.

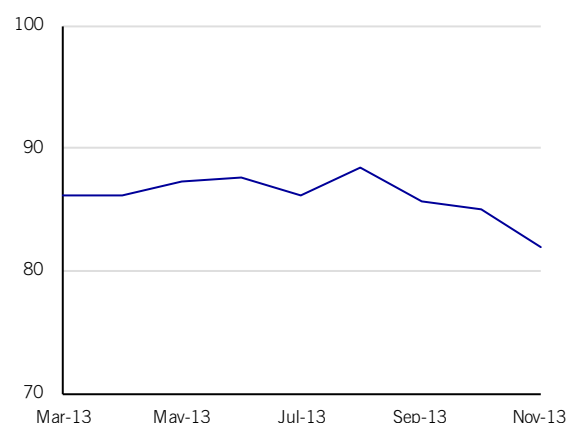
The indicator assesses whether consumers believe it is a good or bad time to purchase a car and consists of two components, Car Purchase Expectations and Price of Gasoline Expectations.

The Car Purchase Expectations component, which measures the willingness to buy a car, posted the third consecutive monthly decline to move below the breakeven level for the first time in its history. The indicator fell 2.5% on the month to 98.9 in November, down from 101.4 in October and was 8.1% below the level seen in March.

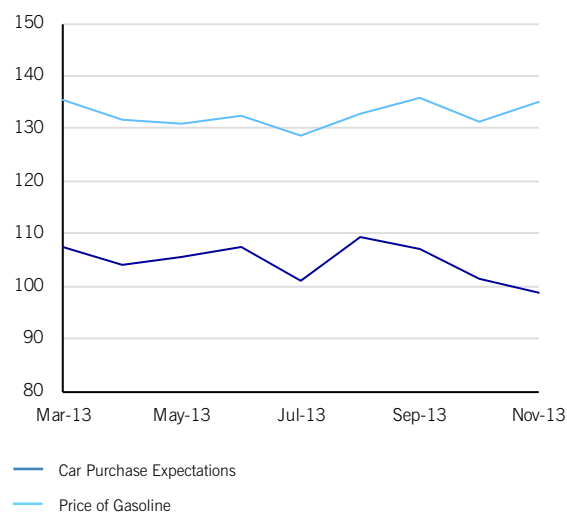
The Indicator on Gasoline Prices, which measures expectations for the price of gasoline in a year, increased to 135.2 in November from 131.3 in the previous month. Increasing gasoline prices have a negative impact on the overall Car Purchase Indicator. The rise of 3.0% on the month left it close to the record high reading of 135.6 in September.

Survey participants forecasting gasoline prices would “go up” totalled 68.8% in November, up from 60.7% October, while the proportion of those saying gasoline prices would “go down” remained broadly stable at 0.6%, compared with 0.7% in October.

Car Purchase Indicator



Car Purchase Indicator - Components



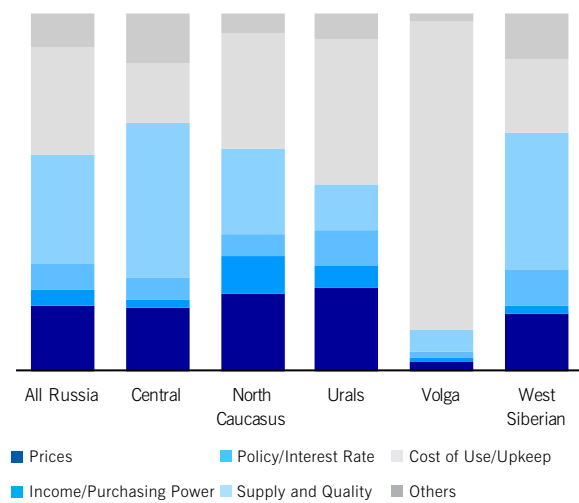
### Car Purchase Sentiment

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Car Purchase Sentiment	87.2	87.5	86.2	88.4	85.7	85.1	81.9
Car Purchase Expectations	105.5	107.5	101.0	109.4	107.1	101.4	98.9
Price of Gasoline	131.0	132.4	128.6	132.7	135.6	131.3	135.2

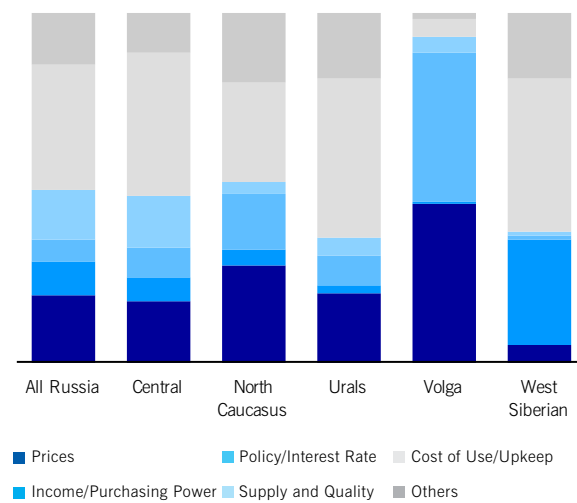




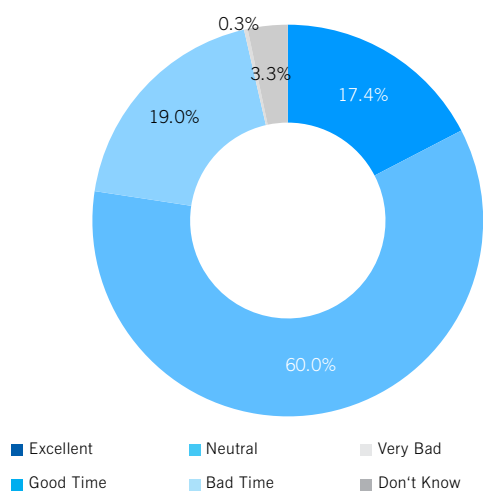
Reasons for a Good Time to Buy a Car  
(% of Households)



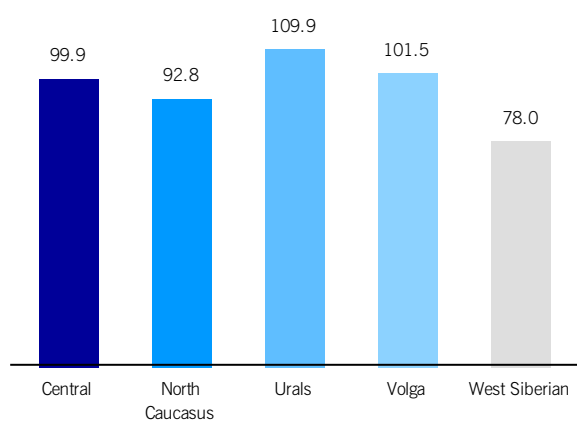
Reasons for a Bad Time to Buy a Car  
(% of Households)



Is it a Good Time to Buy a Car?



Car Purchase Expectations Indicator - Regions

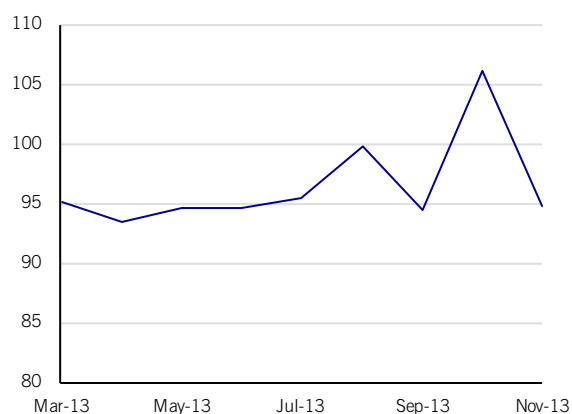


# MNI Russia Consumer Indicator

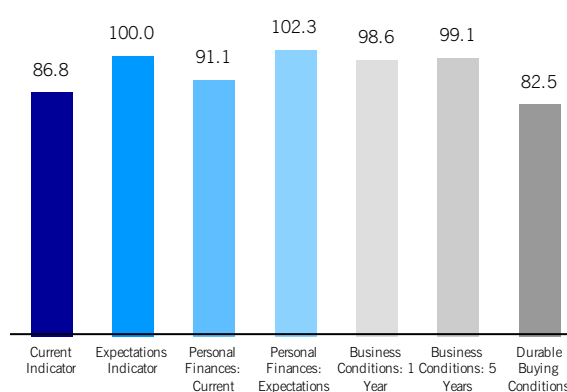
## Regions



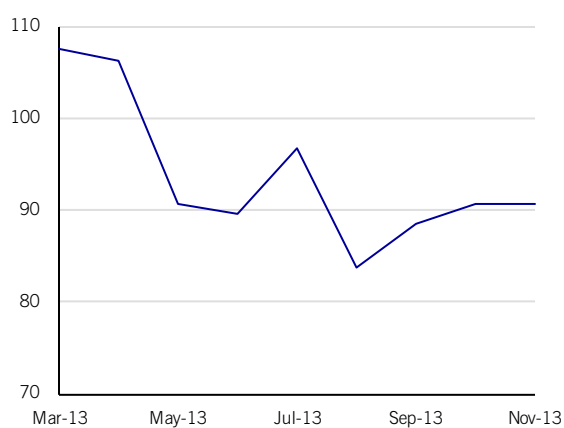
Consumer Indicator: North Caucasus



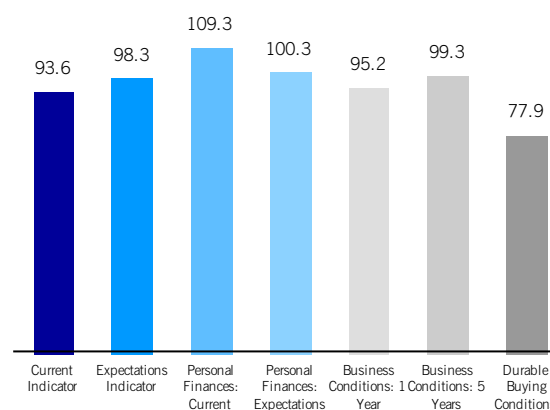
Consumer Indicator Components: North Caucasus



Consumer Indicator: West Siberian

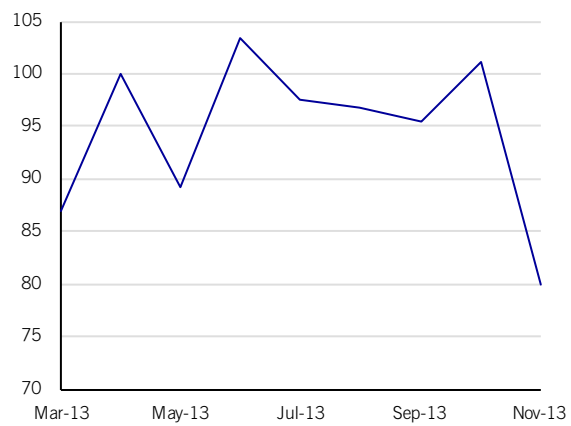


Consumer Indicator Components: West Siberian

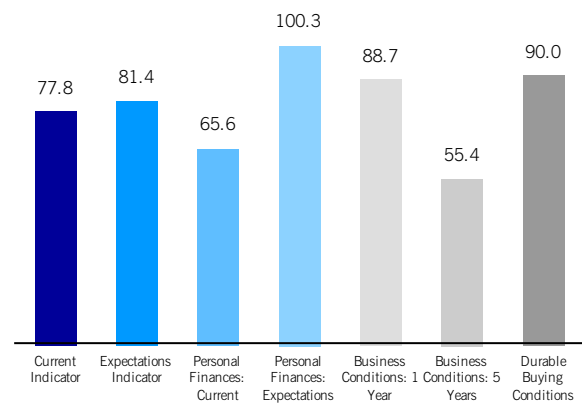




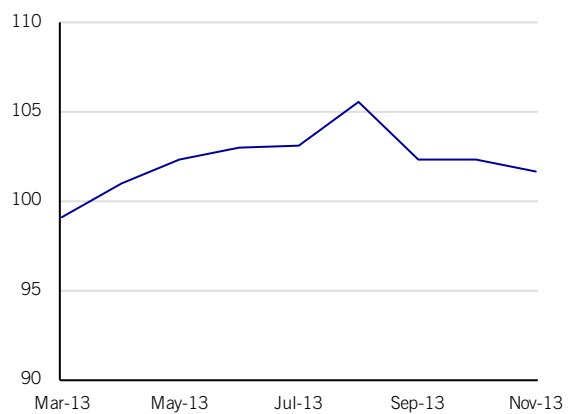
Consumer Indicator: Volga



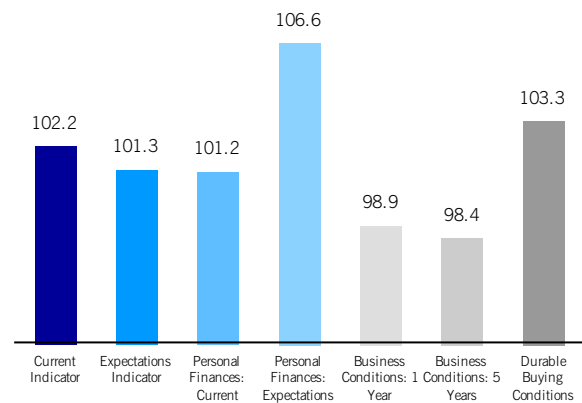
Consumer Indicator Components: Volga



Consumer Indicator: Central

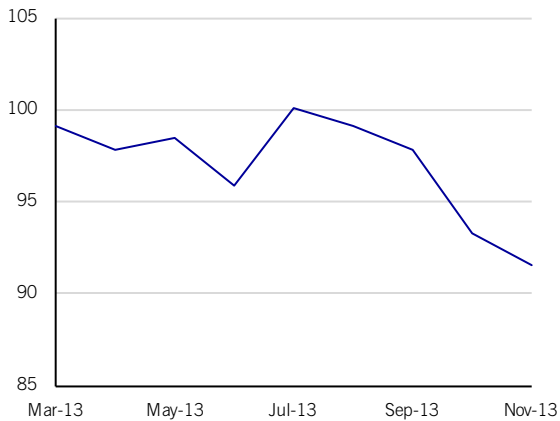


Consumer Indicator Components: Central

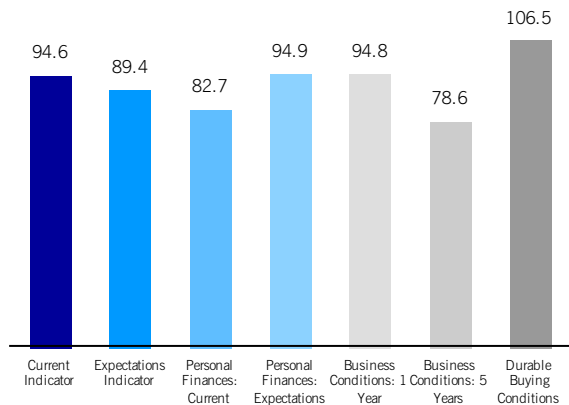




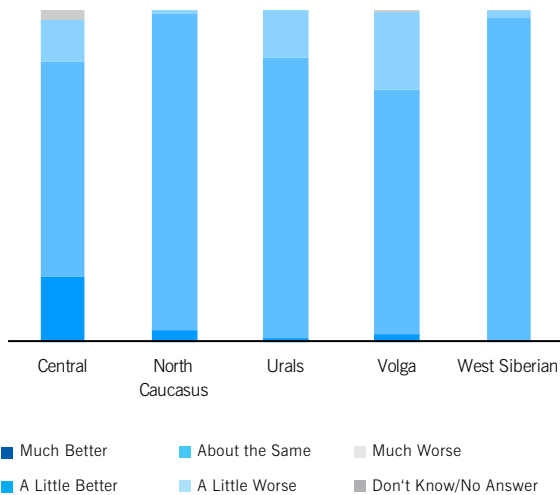
Consumer Indicator: Urals



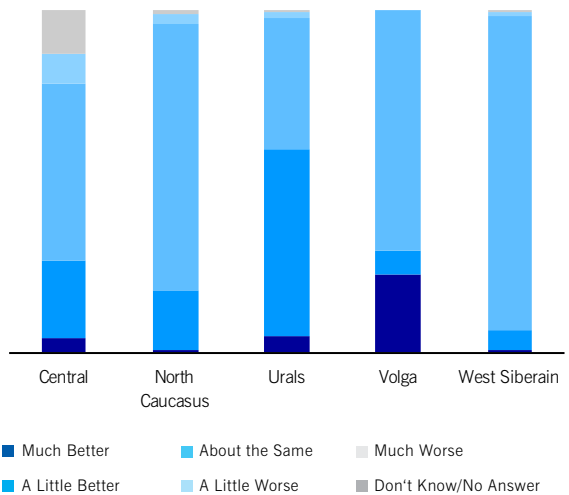
Consumer Indicator Components: Urals



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



Interest Rates Expectations Indicator (% of Households)

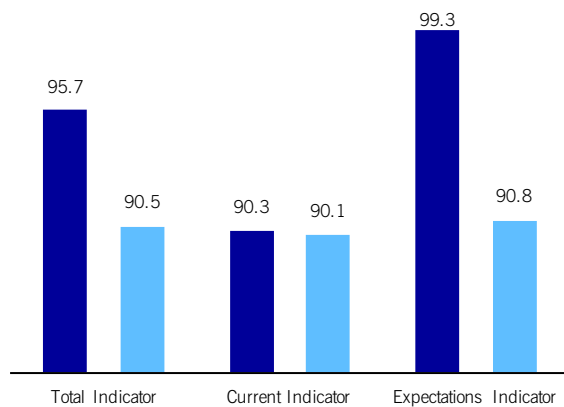


# MNI Russia Consumer Indicator

## Income Groups

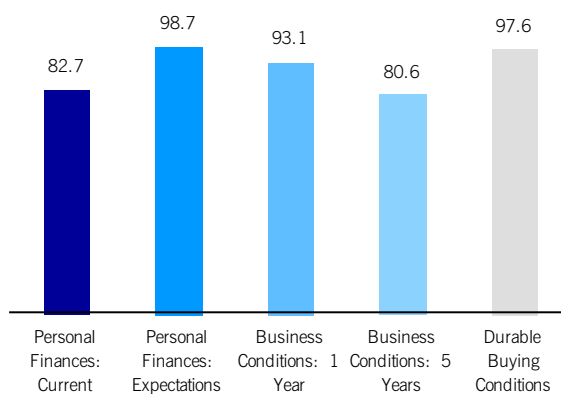


### < RUB 480,000 Per Annum

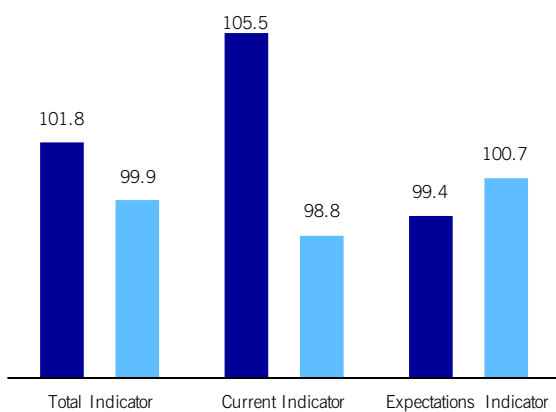


■ October 2013  
■ November 2013

### < RUB 480,000 - Components

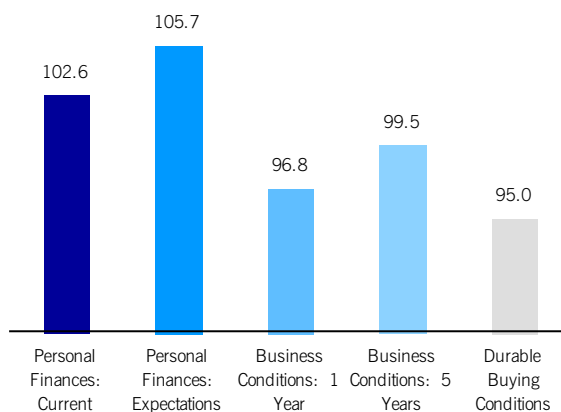


### > RUB 480,000 Per Annum



■ October 2013  
■ November 2013

### > RUB 480,000 - Components



## A closer look at the data behind the November MNI Russia Consumer Sentiment.

## Russia - Central Overview

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Central Consumer Indicator</b>	102.3	102.3	101.7	Apr-13	102.1	-0.7	-0.7%	-0.7%
Current Indicator	102.3	102.2	102.2	-	102.3	0.0	0.0%	0.0%
Expectations Indicator	102.3	102.4	101.3	Apr-13	102.0	-1.1	-1.1%	-1.1%
Personal Finance: Current	100.0	95.8	101.2	-	99.0	5.4	5.6%	5.6%
Personal Finance: Expected	108.5	108.0	106.6	series low	107.7	-1.4	-1.3%	-1.3%
Business Condition: 1 Year	98.0	100.7	98.9	Sep-13	99.2	-1.8	-1.8%	-2.0%
Business Condition: 5 Year	100.4	98.5	98.4	Jun-13	99.1	-0.1	-0.1%	0.0%
Durable Buying Conditions	104.7	108.7	103.3	Jul-13	105.5	-5.4	-4.9%	-5.0%
Current Business Conditions Indicator	97.0	96.1	97.2	-	96.8	1.2	1.2%	1.2%
Real Estate Investment Indicator	112.2	113.4	112.7	Sep-13	112.8	-0.7	-0.6%	-0.6%
Car Purchase Indicator	87.1	82.1	80.4	Mar-13	83.2	-1.7	-2.1%	-2.2%
Employment Outlook Indicator	99.9	100.3	103.2	series low	101.1	3.0	3.0%	-100.0%
Inflation Expectations Indicator	140.2	139.3	140.9	-	140.1	1.7	1.2%	1.1%
Current Prices Satisfaction Indicator	81.9	77.9	72.7	Jul-13	77.5	-5.2	-6.6%	-7.0%
Interest Rates Expectations Indicator	110.7	116.3	111.5	Sep-13	112.8	-4.8	-4.1%	-4.0%

## Russia - Urals Overview

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Urals Consumer Indicator</b>	97.8	93.3	91.5	-	series low	94.2	-1.8	-1.9%
Current Indicator	99.5	96.2	94.6	-	Jun-13	96.8	-1.6	-1.6%
Expectations Indicator	96.7	91.4	89.4	-	series low	92.5	-2.0	-2.2%
Personal Finance: Current	104.5	91.6	82.7	-	series low	92.9	-8.9	-9.7%
Personal Finance: Expected	97.7	89.0	94.9	Sep-13	-	93.9	5.8	6.6%
Business Condition: 1 Year	106.5	105.1	94.8	-	Aug-13	102.1	-10.2	-9.7%
Business Condition: 5 Year	85.9	80.2	78.6	-	series low	81.6	-1.6	-1.9%
Durable Buying Conditions	94.6	100.7	106.5	Jul-13	-	100.6	5.8	5.7%
Current Business Conditions Indicator	97.7	97.3	98.5	Jul-13	-	97.8	1.2	1.2%
Real Estate Investment Indicator	112.0	114.5	113.0	-	Sep-13	113.1	-1.5	-1.3%
Car Purchase Indicator	89.3	91.5	88.9	-	Aug-13	89.9	-2.6	-2.8%
Employment Outlook Indicator	100.7	98.8	93.2	-	series low	97.6	-5.6	-5.7%
Inflation Expectations Indicator	144.6	150.6	145.0	-	Sep-13	146.7	-5.6	-3.7%
Current Prices Satisfaction Indicator	88.4	83.7	80.5	-	series low	84.2	-3.2	-3.8%
Interest Rates Expectations Indicator	113.1	113.3	131.0	Aug-13	-	119.1	17.7	15.6%



## Russia - Volga Overview

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Volga Consumer Indicator</b>	95.4	101.1	80.0		series low	92.2	-21.1	-20.9%
Current Indicator	89.9	106.8	77.8		Mar-13	91.5	-28.9	-27.1%
Expectations Indicator	99.1	97.3	81.4		series low	92.6	-15.9	-16.3%
Personal Finance: Current	93.9	95.2	65.6		series low	84.9	-29.6	-31.1%
Personal Finance: Expected	116.1	91.5	100.3	Sep-13		102.6	8.8	9.6%
Business Condition: 1 Year	92.3	98.4	88.7		Jul-13	93.1	-9.6	-9.8%
Business Condition: 5 Year	88.9	102.2	55.4		May-13	82.1	-46.8	-45.8%
Durable Buying Conditions	85.8	118.3	90.0		Sep-13	98.1	-28.3	-23.9%
Current Business Conditions Indicator	97.5	77.7	98.3	series high		91.2	20.6	26.5%
Real Estate Investment Indicator	115.0	137.6	123.1		Sep-13	125.2	-14.4	-10.5%
Car Purchase Indicator	78.1	88.1	77.0		series low	81.0	-11.1	-12.6%
Employment Outlook Indicator	99.9	99.8	89.2		series low	96.3	-10.6	-10.6%
Inflation Expectations Indicator	165.9	150.4	150.1		Aug-13	155.5	-0.3	-0.2%
Current Prices Satisfaction Indicator	97.8	84.8	76.4		Jul-13	86.3	-8.5	-10.0%
Interest Rates Expectations Indicator	106.5	126.7	126.5		Sep-13	119.9	-0.3	-0.2%

## Russia - North Caucasus Overview

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - North Caucasus Consumer Indicator</b>	94.4	106.2	94.7	-	Sep-13	98.4	-11.4	-10.8%
Current Indicator	89.3	108.1	86.8	-	Jun-13	94.7	-21.3	-19.7%
Expectations Indicator	97.8	104.8	100.0	-	Sep-13	100.9	-4.9	-4.7%
Personal Finance: Current	90.3	99.3	91.1	-	Sep-13	93.6	-8.1	-8.2%
Personal Finance: Expected	105.4	98.7	102.3	Sep-13	-	102.1	3.6	3.6%
Business Condition: 1 Year	91.8	113.4	98.6	-	Sep-13	101.3	-14.9	-13.1%
Business Condition: 5 Year	96.2	102.4	99.1	-	Sep-13	99.2	-3.4	-3.3%
Durable Buying Conditions	88.3	116.9	82.5	-	series low	95.9	-34.4	-29.4%
Current Business Conditions Indicator	101.5	99.9	101.1	Sep-13	-	100.8	1.2	1.2%
Real Estate Investment Indicator	103.2	100.5	95.7	-	Aug-13	99.8	-4.8	-4.8%
Car Purchase Indicator	86.9	82.6	80.1	-	Jul-13	83.2	-2.5	-3.1%
Employment Outlook Indicator	100.4	106.5	101.2	-	series low	102.7	-5.3	-4.9%
Inflation Expectations Indicator	124.2	136.6	125.9	-	Sep-13	128.9	-10.7	-7.9%
Current Prices Satisfaction Indicator	82.6	74.6	73.9	-	series low	77.0	-0.7	-0.9%
Interest Rates Expectations Indicator	97.8	105.2	108.3	Jul-13	-	103.8	3.1	2.9%

## Russia - West Siberian Overview

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - West Siberian Consumer Indicator</b>	88.4	90.7	96.4	Jul-13	-	91.8	5.7	6.3%
Current Indicator	83.8	78.1	93.6	Jul-13	-	85.2	15.5	19.9%
Expectations Indicator	91.5	99.1	98.3	-	Sep-13	96.3	-0.8	-0.8%
Personal Finance: Current	83.0	65.5	109.3	Jul-13	-	85.9	43.9	67.0%
Personal Finance: Expected	100.1	99.7	100.3	Aug-13	-	100.1	0.6	0.6%
Business Condition: 1 Year	91.3	99.0	95.2	-	Sep-13	95.1	-3.8	-3.8%
Business Condition: 5 Year	83.2	98.5	99.3	Aug-13	-	93.6	0.8	0.8%
Durable Buying Conditions	84.6	90.7	77.9	-	Aug-13	84.4	-12.8	-14.1%
Current Business Conditions Indicator	99.8	99.5	100.0	Jun-13	-	99.8	0.6	0.6%
Real Estate Investment Indicator	93.2	136.5	100.3	-	Sep-13	110.0	-36.1	-26.5%
Car Purchase Indicator	77.7	82.3	79.6	-	Sep-13	79.9	-2.7	-3.3%
Employment Outlook Indicator	100.4	99.6	99.2	-	series low	99.7	-0.4	-0.4%
Inflation Expectations Indicator	105.4	131.5	108.3	-	Sep-13	115.1	-23.2	-17.6%
Current Prices Satisfaction Indicator	82.2	81.0	47.8	-	Jul-13	70.3	-33.2	-41.0%
Interest Rates Expectations Indicator	110.0	103.3	103.3	Sep-13	-	105.5	0.0	0.0%

## All Russia Overview by Age

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Age 18-34</b>								
<b>MNI Russia Consumer Indicator</b>	97.4	101.1	95.5	-	series low	98.0	-5.6	-5.5%
Current Indicator	94.3	102.0	92.4	-	series low	96.2	-9.6	-9.4%
Expectations Indicator	99.4	100.4	97.6	-	series low	99.1	-2.8	-2.8%
Personal Finance: Current	93.4	91.6	90.9	-	series low	92.0	-0.6	-0.7%
Personal Finance: Expected	105.9	98.9	103.3	Sep-13	-	102.7	4.5	4.5%
Business Condition: 1 Year	97.2	104.7	98.0	-	Sep-13	100.0	-6.6	-6.3%
Business Condition: 5 Year	95.1	97.8	91.4	-	series low	94.8	-6.4	-6.5%
Durable Buying Conditions	95.2	112.5	93.9	-	series low	100.5	-18.6	-16.6%
<b>Age 35-54</b>								
<b>MNI Russia Consumer Indicator</b>	97.6	97.6	93.9	-	series low	96.4	-3.7	-3.8%
Current Indicator	101.3	94.8	96.3	Sep-13	-	97.5	1.5	1.5%
Expectations Indicator	95.1	99.5	92.4	-	series low	95.7	-7.1	-7.1%
Personal Finance: Current	102.1	88.5	93.2	Sep-13	-	94.6	4.6	5.2%
Personal Finance: Expected	102.5	104.2	100.7	-	series low	102.5	-3.4	-3.3%
Business Condition: 1 Year	96.5	98.5	91.6	-	Aug-13	95.5	-6.9	-7.0%
Business Condition: 5 Year	86.5	95.7	84.8	-	series low	89.0	-10.9	-11.4%
Durable Buying Conditions	100.5	101.1	99.4	-	Aug-13	100.3	-1.7	-1.7%
<b>Age 55-64</b>								
<b>MNI Russia Consumer Indicator</b>	96.7	97.5	94.1	-	May-13	96.1	-3.3	-3.4%
Current Indicator	87.8	99.9	95.8	-	Sep-13	94.5	-4.1	-4.1%
Expectations Indicator	102.6	95.8	93.0	-	Jul-13	97.2	-2.8	-2.9%
Personal Finance: Current	85.6	95.5	92.5	-	Sep-13	91.2	-3.0	-3.1%
Personal Finance: Expected	110.4	102.0	96.8	-	Aug-13	103.1	-5.2	-5.1%
Business Condition: 1 Year	91.2	97.1	91.9	-	Sep-13	93.4	-5.3	-5.4%
Business Condition: 5 Year	106.3	88.3	90.4	Sep-13	-	95.0	2.0	2.3%
Durable Buying Conditions	90.0	104.3	99.1	-	Sep-13	97.8	-5.3	-5.1%

## All Russia - Overview by Income

	Sep-13	Oct-13	Nov-13	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< RUB 480,000 Per Annum								
<b>MNI Russia Consumer Indicator</b>	98.0	95.7	90.5	-	series low	94.8	-5.2	-5.4%
Current Indicator	99.2	90.3	90.1	-	Mar-13	93.2	-0.2	-0.2%
Expectations Indicator	97.3	99.3	90.8	-	series low	95.8	-8.5	-8.5%
Personal Finance: Current	99.9	84.6	82.7	-	series low	89.1	-1.9	-2.3%
Personal Finance: Expected	100.9	103.3	98.7	-	Jun-13	101.0	-4.6	-4.4%
Business Condition: 1 Year	100.9	99.9	93.1	-	series low	97.9	-6.8	-6.8%
Business Condition: 5 Year	90.0	94.7	80.6	-	series low	88.4	-14.1	-14.9%
Durable Buying Conditions	98.5	96.0	97.6	Sep-13	-	97.4	1.5	1.6%
> RUB 480,000 Per Annum								
<b>MNI Russia Consumer Indicator</b>	96.3	101.8	99.9	-	Sep-13	99.3	-1.9	-1.9%
Current Indicator	92.1	105.5	98.8	-	Sep-13	98.8	-6.7	-6.4%
Expectations Indicator	99.0	99.4	100.7	Aug-13	-	99.7	1.3	1.3%
Personal Finance: Current	90.2	95.6	102.6	Aug-13	-	96.1	7.0	7.3%
Personal Finance: Expected	109.5	99.3	105.7	Sep-13	-	104.8	6.4	6.5%
Business Condition: 1 Year	91.1	102.4	96.8	-	Sep-13	96.8	-5.5	-5.4%
Business Condition: 5 Year	96.6	96.5	99.5	Jul-13	-	97.5	3.0	3.1%
Durable Buying Conditions	94.0	115.3	95.0	-	Sep-13	101.4	-20.4	-17.7%

## Methodology

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

Data is collected through computer aided telephone interviews (CATI), with each interviewee selected randomly by computer. At least 1,000 interviews are conducted each month.

The survey adopts a similar methodology to the University of Michigan survey of U.S. consumer sentiment.

The MNI Russia 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.



## Discovering trends in BRIC countries: MNI BRIC indicators

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