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# MNI Russia Consumer Report

## June 2015

Insight and data for better decisions

## About MNI Indicators

### Insight and data for better decisions

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

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

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

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

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

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# MNI Russia Consumer Report - June 2015

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# Executive Summary

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The MNI Russia Consumer Sentiment Indicator rose 4.9% on the month to 76.4 in June from 72.8 in May, the highest since December.

Russia consumer sentiment increased sharply in June, moving further above the March low and providing more evidence that confidence may have troughed.

The MNI Russia Consumer Sentiment Indicator rose 4.9% on the month to 76.4 in June from 72.8 in May, the highest since December. The improved picture was also underlined by quarterly data which showed sentiment averaged 74.1 in Q2, up 4.3% from the Q1 outturn of 71.0, which was the weakest quarter since the survey began in March 2013.

In spite of the more upbeat results this month, consumer sentiment is 14% down on the year as consumers are still suffering amid the economic downturn. All five components of the MNI Russia Consumer Sentiment Indicator improved on the month but not a single one succeeded in breaking through the 100 mark, meaning pessimists continued to outnumber optimists.

Increased willingness to purchase big-ticket items provided the largest measure of support to the Consumer Indicator as consumers had a better perception of their personal finances. There was also an improvement in Car Purchase Expectations which have increased noticeably since the start of 2015.

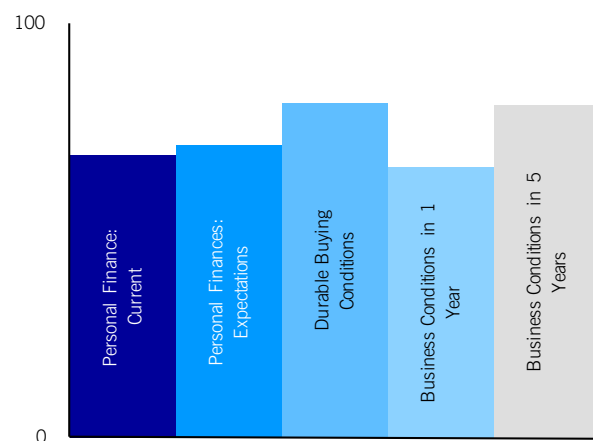
Respondents were also less pessimistic about future business conditions with both the One Year and Five Years components hitting six-month highs.

With inflation having begun to taper off, consumers were slightly less dissatisfied with the current cost of living, although only marginally so, while inflation expectations increased further. In spite of this, the trend in inflation over the short-term is likely to be downward, but entrenched inflation expectations will make the central bank's job of controlling inflation in the long run all the more difficult.

Respondents' expectations for the job market improved in June and are now comfortably above the March low, although their outlook for employment remained pessimistic.

Confidence in the Russian real estate market improved further in June as mortgages became more accessible given recent government initiatives.

MNI Russia Consumer Indicator - Components



## All Russia - Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI Russia Consumer Indicator</b>	73.0	72.8	76.4	Dec-14	-	74.1	3.6	4.9%
Current Indicator	74.4	72.5	77.7	Dec-14	-	74.9	5.2	7.1%
Expectations Indicator	72.0	73.0	75.6	Dec-14	-	73.5	2.6	3.5%
Personal Finance: Current	68.4	67.8	71.4	Dec-14	-	69.2	3.6	5.3%
Personal Finance: Expected	70.9	73.2	75.1	Mar-15	-	73.1	1.9	2.6%
Business Condition: 1 Year	65.2	64.4	69.8	Dec-14	-	66.5	5.4	8.3%
Business Condition: 5 Years	80.0	81.3	81.7	Dec-14	-	81.0	0.4	0.6%
Durable Buying Conditions	80.5	77.3	83.9	Dec-14	-	80.6	6.6	8.7%
Current Business Conditions Indicator	67.9	67.9	70.1	Jan-15	-	68.6	2.2	3.4%
Real Estate Investment Indicator	106.5	106.8	108.7	Oct-14	-	107.3	1.9	1.8%
Car Purchase Indicator	70.5	69.8	73.0	Dec-14	-	71.1	3.2	4.6%
Employment Outlook Indicator	68.8	70.1	71.4	Dec-14	-	70.1	1.3	1.8%
Inflation Expectations Indicator	153.1	152.6	154.7	Mar-15	-	153.5	2.1	1.4%
Current Prices Satisfaction Indicator	47.3	48.0	49.0	Dec-14	-	48.1	1.0	2.0%
Interest Rates Expectations Indicator	151.8	150.9	149.1	-	Dec-14	150.6	-1.8	-1.2%

## All Russia - Summary

	2014							2015					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>MNI Russia Consumer Indicator</b>	88.9	89.8	84.9	87.0	84.3	76.3	80.3	70.6	73.1	69.2	73.0	72.8	76.4
Current Indicator	90.6	92.8	85.2	89.9	85.7	73.3	80.4	71.9	75.2	69.1	74.4	72.5	77.7
Expectations Indicator	87.7	87.8	84.7	85.0	83.3	78.3	80.2	69.8	71.8	69.2	72.0	73.0	75.6
Personal Finance: Current	81.6	85.5	80.0	82.3	80.0	67.5	73.3	65.2	67.9	62.1	68.4	67.8	71.4
Personal Finance: Expected	91.6	92.4	90.2	90.0	88.0	87.0	85.0	77.2	77.0	75.9	70.9	73.2	75.1
Business Condition: 1 Year	79.8	81.4	74.3	78.3	75.6	63.7	69.8	60.8	68.4	59.7	65.2	64.4	69.8
Business Condition: 5 Years	91.6	89.5	89.6	86.7	86.3	84.1	85.7	71.3	69.9	72.0	80.0	81.3	81.7
Durable Buying Conditions	99.7	100.2	90.5	97.5	91.4	79.1	87.6	78.6	82.5	76.2	80.5	77.3	83.9
<b>Current Business Conditions Indicator</b>	90.8	90.4	89.8	90.0	86.8	86.5	84.0	70.7	69.6	67.4	67.9	67.9	70.1
<b>Real Estate Investment Indicator</b>	108.0	109.9	109.7	109.0	109.3	105.2	108.7	105.3	106.4	105.8	106.5	106.8	108.7
House Price Expectations	137.7	141.0	143.4	142.7	142.9	142.8	144.1	142.8	142.9	143.5	142.5	142.9	142.9
House Buying Sentiment	84.1	85.8	84.1	84.2	84.7	73.5	81.2	73.2	76.3	72.7	76.1	76.4	80.6
House Selling Sentiment	97.7	97.1	98.5	99.9	99.7	100.7	99.3	99.9	100.0	98.8	99.2	99.0	97.4
<b>Car Purchase Indicator</b>	80.1	78.9	78.5	76.5	78.1	74.5	73.6	68.7	69.4	69.2	70.5	69.8	73.0
Car Purchase Expectations	103.0	103.0	103.8	101.7	104.4	97.6	96.5	86.0	87.2	86.0	88.9	87.0	93.1
Price of Gasoline Expectations	142.8	145.2	146.9	148.6	148.2	148.6	149.2	148.7	148.3	147.5	147.8	147.5	147.0
<b>Employment Outlook Indicator</b>	90.6	88.8	89.6	87.8	87.1	87.3	86.7	66.9	68.2	66.5	68.8	70.1	71.4
Inflation Expectations Indicator	142.2	142.1	142.4	141.7	144.7	144.5	144.3	161.1	169.2	160.9	153.1	152.6	154.7
Current Prices Satisfaction Indicator	66.6	66.2	65.7	64.0	62.6	62.0	60.2	44.9	47.6	47.0	47.3	48.0	49.0
Interest Rates Expectations Indicator	118.8	118.7	119.4	120.5	122.6	122.2	127.6	165.1	168.4	167.4	151.8	150.9	149.1

## All Russia - Records

	2013 - Current			
	Minimum	Maximum	Mean	Median
<b>MNI Russia Consumer Indicator</b>	69.2	101.2	88.1	89.6
Current Indicator	69.1	102.8	88.3	90.5
Expectations Indicator	69.2	100.2	87.9	89.4
Personal Finance: Current	62.1	103.5	83.3	82.1
Personal Finance: Expected	70.9	107.4	92.9	95.2
Business Condition: 1 Year	59.7	99.4	81.8	81.1
Business Condition: 5 Years	69.9	97.3	89.0	91.6
Durable Buying Conditions	76.2	107.4	93.2	97.1
<b>Current Business Conditions Indicator</b>	67.4	99.8	88.4	90.8
<b>Real Estate Investment Indicator</b>	105.2	110.7	107.8	107.5
House Price Expectations	121.4	144.1	135.2	137.9
House Buying Sentiment	72.7	101.1	87.3	85.2
House Selling Sentiment	96.3	101.4	99.2	99.2
<b>Car Purchase Indicator</b>	68.7	87.4	79.3	80.8
Car Purchase expectations	86.0	109.1	99.5	101.8
Price of Gasoline expectations	132.2	149.2	141.0	139.7
<b>Employment Outlook Indicator</b>	66.5	100.6	88.3	90.4
Inflation Expectations Indicator	129.9	169.2	143.2	141.6
Current Prices Satisfaction Indicator	44.9	86.1	67.3	67.0
Interest Rates Expectations Indicator	113.1	168.4	126.6	119.1



# Consumer price inflation eased to 15.3% on the year in June...

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...from 15.8% in May, providing further evidence that inflation may have passed its peak.



# Economic Landscape

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At its latest meeting on June 15, the Central Bank of Russia cut the key rate by 100 basis points to 11.5% in a widely anticipated move.

At its latest meeting on June 15, the Central Bank of Russia cut the key rate by 100 basis points to 11.5% in a widely anticipated move. With pressure on the rouble having subsided considerably over recent months and inflation having started to ease, the central bank was able to further normalise policy. The central bank signalled that any subsequent cuts may be smaller than previous ones seen this year so as to not risk destabilising the delicate economic situation.

While there has been some pick-up in various aspects of the latest official data, the economic situation as a whole remains poor and Russia is still far from being back on its feet. Unemployment ticked down in May and real wages declined by a lesser extent. Inflationary pressures continued to subside, with wholesale prices easing in May and consumer inflation similarly subsiding in June. Meanwhile, the easing of monetary policy by the Central Bank of Russia is bringing down the cost of credit. The combination of these factors likely accounted for the improvement in both retail and car sales in May. In contrast, industrial production fell further into contraction as the strengthening in the rouble continued to hurt the attractiveness of Russian-manufactured goods. This dragged down the monthly GDP estimate for May, marking a stark change from previous months when production offered some degree of support for the economy.

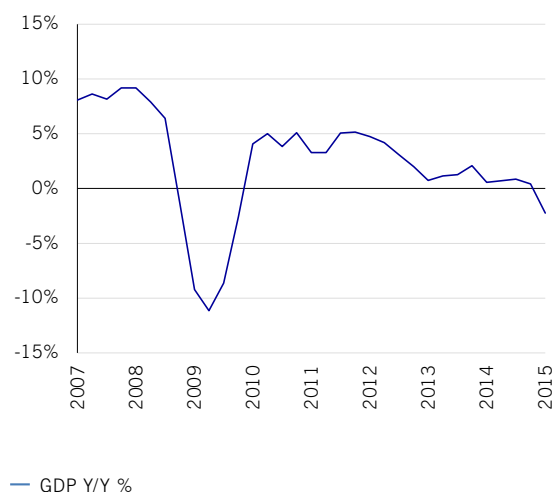
While the EU's economic sanctions were due to expire at the end of July, the bloc extended them for a further six months due to its perception that the conditions of the Minsk agreement have yet to be fully implemented. In retaliation, Russia prolonged its "counter-sanctions" by one year. While these developments are disappointing news for the Russian economy, they were already widely anticipated with many government departments having assumed that they would remain in place until 2017 at the earliest in their forecasts.

### Economy shrunk more than initially estimated

Data released by the Federal Statistics Service (Rosstat) showed that the economy shrunk by a revised 2.2% on the year in the first quarter of 2015, revised from a fall of 1.9% previously, following growth of 0.4% in Q4 2014.

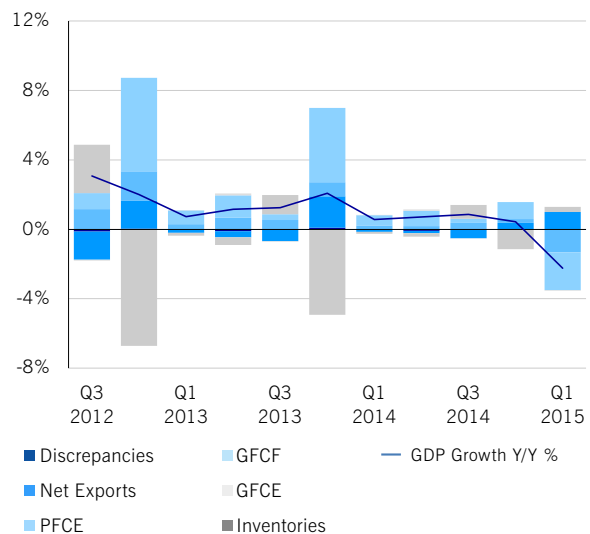
The slowdown was driven by a sharp slowdown in the wholesale and retail sector with output down 7.6% on the year in Q1 following an expansion of 1.7% in Q4. Similarly, declining appetite for property meant that the real estate sector suffered a 3.3% annual contraction in Q1 after a 1% expansion in Q4. Meanwhile, the manufacturing sector shrunk by 0.6% on the year in Q1 following a 0.6% increase in Q4 as the strengthening in the rouble eroded the competitive advantage to exporters. Furthermore, rapid policy tightening by the central bank in December combined with Western capital restrictions

### Economic Growth



Source: Rosstat

### Contribution to Economic Growth



Source: Rosstat

caused the financial sector to contract by an annual 3.9% in Q1 compared with a rise of 6.5% in Q4.

On an expenditure basis, the contraction in GDP in Q1 was led by a 2.2% year-on-year drop in gross fixed capital formation as investment outflows from Russia totalled \$33 billion in the quarter. Private consumption was also hit in Q1, suffering a 1.3% year-on-year decline as high interest rates, falling wages and prohibitively high inflation all weighed down on demand. Net exports provided some measure of support, growing by 1% year-on-year in Q1 as the weakness in the rouble provided a boost to Russian manufactured goods overseas in spite of the drop in oil prices, the economy's main export.

Over the course of 2014 as a whole, the Russian economy expanded by 0.6% compared with growth of 1.3% in the previous year. Nevertheless, the economy is expected to contract this year given the difficult headwinds that it faces.

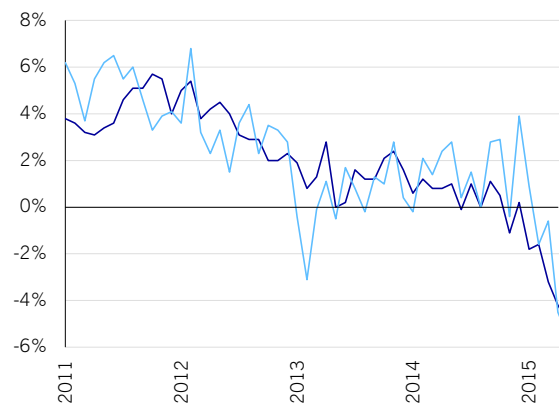
Latest monthly GDP figures from the Economic Development Ministry revealed that the economy contracted by 4.9% on the year in May after shrinking by 4.2% in April. The economy ministry estimates that the economy will shrink by 2.5-2.8% in 2015 and that the downturn will be sharpest in the third quarter.

#### Output worse than expected

Industrial production declined by a seasonally adjusted 0.6% on the month in May after contracting by 1.6% in the previous month, causing year-on-year growth to fall by 5.5% in May following a decline of 4.5% previously. The recent downturn in output is disappointing, having previously remained relatively resilient due to the weakness in the rouble which provided some measure of support for the economy. The sharp reversal strikes a sour note in an otherwise moderating economy.

A collapse in manufacturing output was the main driver, shrinking 8.3% on the year in May following a decline of 7.2% in the month before. The greatest fall came from the machinery and equipment production industry, which contracted by 24.9% on the year from 14.9% in the previous month, while a 23.8% fall in the textile industry also brought down output.

#### Industrial Production and GDP



— GDP: Estimate Y/Y %\*

— Industrial Production Y/Y %\*\*

Source: \*Ministry of Economic Development, \*\*Rosstat

Mining and quarrying output, meanwhile, contracted by 0.9% on the year in May after a 0.8% contraction in the previous month. While mining of coal expanded by 2.9% in May, there were contractions in the remaining industries included in the sector.

Conversely, growth in utilities output shrunk by 1.4% on the year in May following growth of 1.8% in April. Thermal energy production and distribution shrunk by 3.3% in May after managing to eke out growth of 0.7% in April. Meanwhile, electricity production contracted by 0.7% on the year in May following a 3.2% expansion in the previous month.

In the first five months of 2015, industrial production contracted by 2.2% compared with growth of 1.7% in the same period a year ago.

#### Fourth rate cut in 2015

At its meeting on June 15, the Central Bank of Russia cut the key interest rate by 100 basis points to 11.5% as it sought to further normalise monetary policy. This marks the fourth time the CBR has cut the key interest rate this year, having previously raised it by 650 basis points in December in a desperate effort to support the rouble which was rapidly depreciating. Pressure on the currency has subsided considerably since the December maelstrom and inflation now appears to be easing with CPI having slowed now for two months in a row,



vindicating the CBR's quick policy reversal and paving the way for further policy normalisation.

In a press release explaining the rationale behind the rate cut, the CBR cited both lower inflation risks and the contracting Russian economy. Once again, the CBR reiterated that it is open to additional monetary easing in line with its forecast for inflation. The central bank is due to meet next on July 31 when it is likely to further normalise policy in an effort to alleviate the downturn in the Russian economy, although recent comments by the central bank suggest that it may be smaller in size than the previous cuts we have seen this year.

#### Trade surplus deteriorates

Russia's trade surplus has narrowed considerably over the past year as the low price of oil and economic sanctions have caused a continuous decline in exports that has outstripped the simultaneous fall in imports. In April, Russia's trade surplus declined by 24.1% to \$15 billion from \$19.8 billion in April 2014.

Exports declined by almost 34% to \$31.5 billion in April from \$47.6 billion a year earlier, the sharpest annual fall since August 2009. Much of the decline is the result of the slide in the price of oil, Russia's key export commodity, which started falling in July last year. It is likely that exports will continue to post annual declines until base effects begin to kick-in.

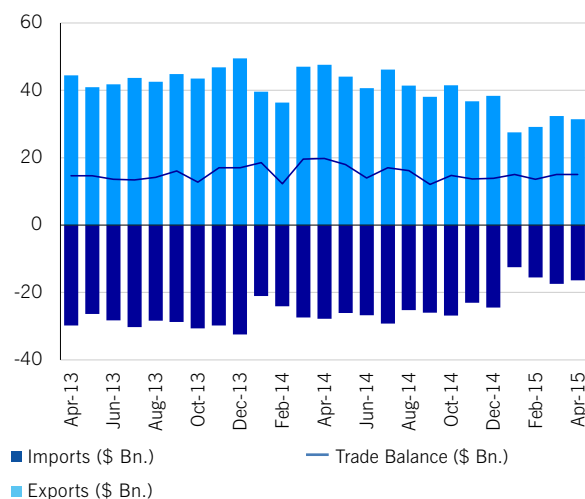
Imports, meanwhile, fell by a more pronounced 40.8% to \$16.4 billion in April from \$27.8 billion a year earlier, the sharpest annual decline since August 2009. Since the rouble has weakened considerably over the past year, the cost of imports has risen sharply. Consequently, imports have reduced as companies have looked increasingly to domestic suppliers.

Historically, a strong trade surplus has been a supporting factor for the rouble and the recent deterioration in Russia's terms of trade has only added to the headwinds faced by the currency. While the rouble lost almost half of its value in 2014, it has recovered considerably against the dollar in the first quarter of 2015 which could ease the pressure on imports over the coming months and thus cause Russia's trade surplus to narrow even further.

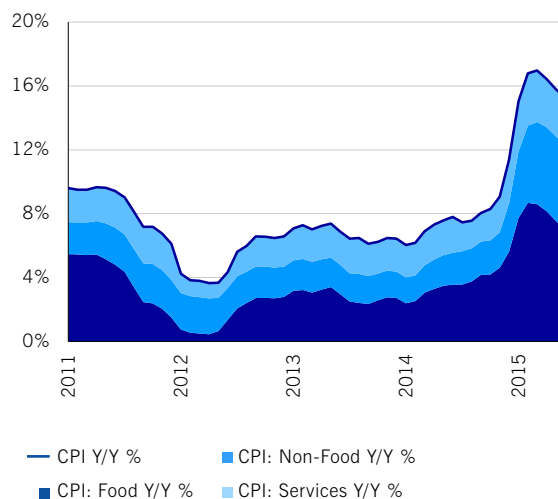
#### Inflationary pressures subside further

Consumer price inflation slowed for the third consecutive month in June, easing to 15.3% on the year from 15.8% in May, providing further evidence that inflation may have passed its peak. A deceleration in food price inflation, which makes up more than a third of the basket, eased to 18.8% on the year in June following a rise of 20.2% in May. Food inflation continued to be the main driver of the fall in consumer price inflation while a more favourable base effect also helped. Stripping out the prices of food and fuel, which tend to be volatile,

Trade Balance



Consumer Price Inflation



core inflation also slowed as the strengthening of the rouble since the start of the year began to filter through into lower prices of imported goods. In June, it eased for the second month in a row to 16.7% on the year from 17.1% in May.

Under the Central Bank of Russia's most recent baseline scenario, weak economic growth is forecast to slow annual inflation to 8% by 2016 before finally falling to its medium-term target of 4% in 2017.

While the June data for producer price inflation has yet to be published, in May it eased to 13.4% on the year after accelerating to 15% in April. While prices have previously been kept in check by weak demand and lower energy prices, the weakness of the rouble has filtered through in recent months. Iron ore led the slowdown, falling to 12% on the year from 20.2% in April.

#### Household finances moderate

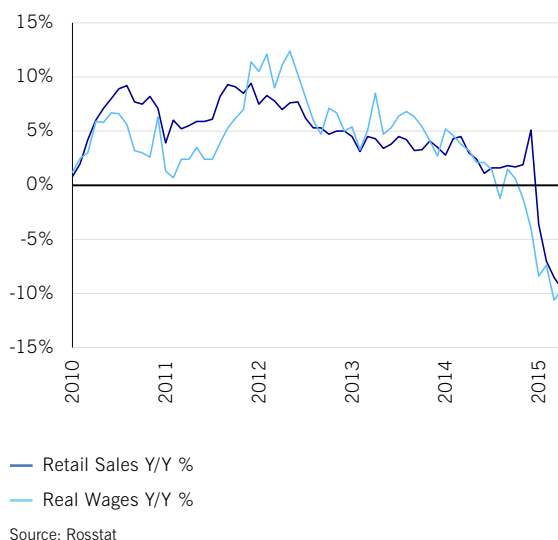
The unemployment rate eased to 5.6% in May from 5.8% in April in contrast to much of the weaker economic data seen in recent quarters. The employment situation in Russia has on the whole remained resilient in the face of the slowdown, a reflection of the country's overstaffing and low levels of productivity, although a rising unemployment trend is expected to continue throughout 2015 in line with the downturn in the economy.

Rising unemployment has reduced the bargaining power of the Russian workforce and many have accepted wage cuts as companies seek to scale back their operations. Real wages fell by 7.3% on the year in May after declining by a revised 9.6% in April. Evidence from our consumer survey shows that Russian households spend a significant proportion of their income on daily expenses; leaving them with very little, if any, to save or invest. With wages likely to continue declining, households could be ill-equipped to deal with the challenging conditions they are likely to have to endure in 2015.

#### Consumer spending continues to decline

Retail sales fell by 9.2% in May from a year earlier, following a revised decline of 9.6% in April. Sales of non-food items declined by 9.6% on the year in May having contracted by a revised 10.4% in April, whereas

#### Retail Sales and Real Wages



food sales declined by 8.8% on the year in May after shrinking by a revised 8.7% in the previous month.

Automobile sales declined by 37.7% on the year in May following a fall of 41.5% in April. This came in spite of a government car scrappage and trade-in scheme which provides a discount of at least 40,000 roubles off a new vehicle to consumers who trade in a car that is at least six years old. The sharp decline in car sales may be due to dealerships having raised prices after having previously kept them in check. In May, the price of a domestically manufactured car was 21.3% above one produced a year previously and the price of those that are imported was 18.6% higher on the year.

## Key Monthly Economic Data

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
GDP Y/Y %*	0.2	-1.8	-1.6	-3.2	-4.2	-4.9	-
Industrial Production Y/Y %**	3.9	0.9	-1.6	-0.6	-4.5	-5.5	-
Consumer Price Index Y/Y %**	11.4	15.0	16.7	16.9	16.4	15.8	15.3
Producer Price Index Y/Y %**	5.8	7.1	9.3	13.0	15.0	13.4	-
Unemployment Y/Y %**	5.3	5.5	5.8	5.9	5.8	5.6	-
Real Wages Y/Y %**	-4.0	-8.4	-7.4	-10.6	-9.6	-7.3	-
Retail Sales Y/Y %**	5.1	-3.6	-7.0	-8.5	-9.6	-9.2	-
Car Sales Y/Y %***	2.4	-24.4	-37.9	-42.5	-41.5	-37.7	-
Trade Balance \$ Bn.****	13.9	15.0	13.6	15.0	15.0	-	-
Exports \$ Bn.****	38.4	27.5	29.2	32.4	31.5	-	-
Imports \$ Bn.****	24.5	12.5	15.6	17.4	16.4	-	-
MNI Russia Business Sentiment Indicator	47.3	49.2	42.0	48.8	46.0	51.3	51.8
MNI Russia Consumer Sentiment Indicator	80.3	70.6	73.1	69.2	73.0	72.8	76.4

Source: \*Ministry of Economic Development, \*\*Rosstat, \*\*\*Association of European Businesses, \*\*\*\*Federal Customs Service



# Indicators

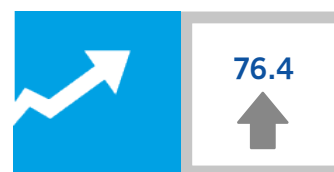
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Improvements in all aspects of the survey lifted overall confidence further above the March low, providing more evidence that consumer sentiment may have troughed.



## MNI Russia Consumer Indicator

### Highest Outturn in 2015



Improvements in all aspects of the survey lifted overall confidence further above the March low, providing more evidence that consumer sentiment may have troughed.

The MNI Russia Consumer Sentiment Indicator rose by 4.9% on the month to 76.4 in June from 72.8 in May, the highest since December 2014. The improved picture was also underlined by quarterly data which showed sentiment averaged 74.1 in Q2, up 4.3% from the Q1 outturn of 71.0, which was the weakest quarter since the survey began in March 2013. And also by our sister survey measuring Russian business sentiment which looks to have troughed in Q1, with the Russian Business Sentiment Indicator increasing to 49.7 in Q2 from 46.7 in Q1.

In spite of the more upbeat results this month, consumer sentiment is 14% down on the year as consumers are still suffering amid the economic downturn.

All five components of the MNI Russia Consumer Sentiment Indicator improved on the month but not a single one succeeded in breaking through the 100 mark, meaning pessimists continued to outnumber optimists. Increased willingness to purchase big-ticket items contributed the most to the rise in overall sentiment amid an improvement in consumers' perception of their current financial situation. Meanwhile, consumers were less pessimistic in their short and long-term expectations for business conditions which left both components at a six-month high, a sign that the worst may now be behind us.

MNI Russia Consumer Indicator



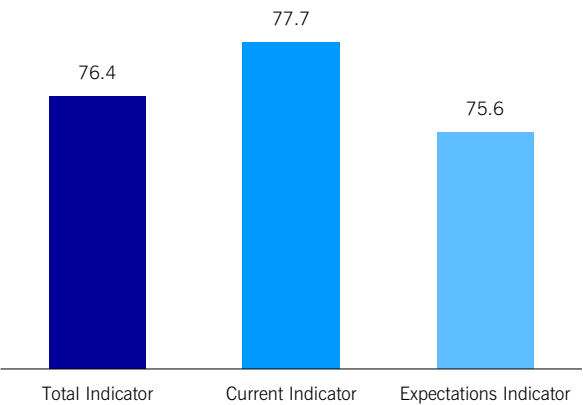
Current and Expectations Indicators



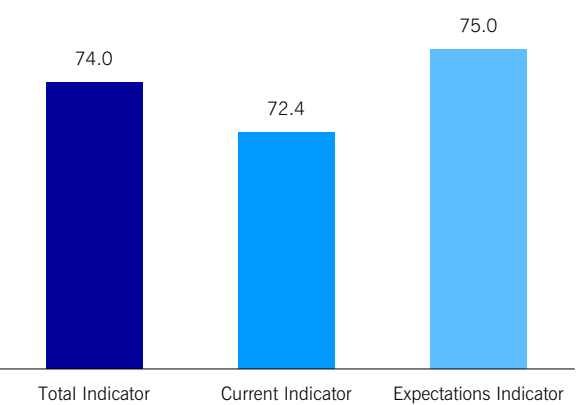
MNI Russia Consumer Indicator

	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
MNI Russia Consumer Indicator	88.9	70.6	73.1	69.2	73.0	72.8	76.4
Current	90.6	71.9	75.2	69.1	74.4	72.5	77.7
Expectations	87.7	69.8	71.8	69.2	72.0	73.0	75.6

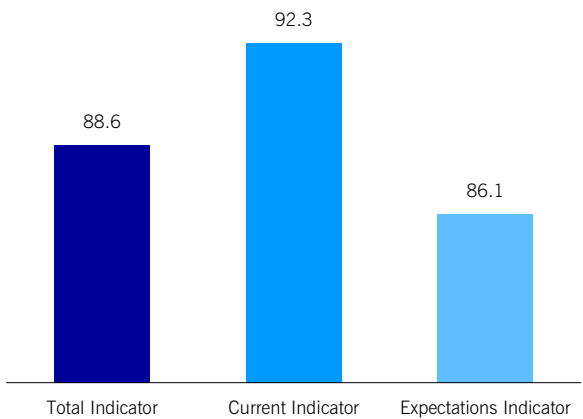
All Russia



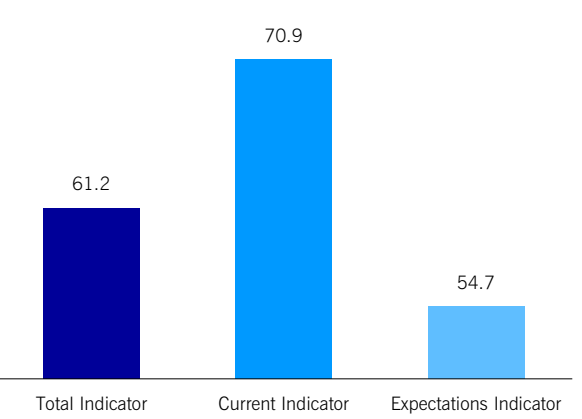
West Siberian



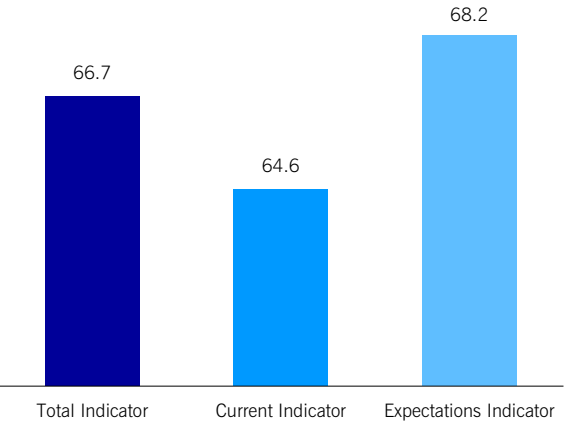
Central Russia



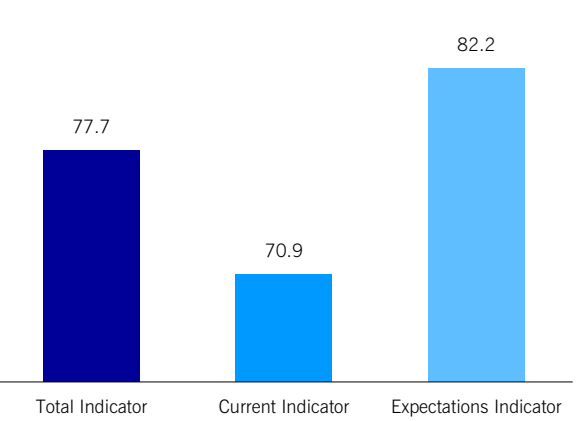
Volga



Urals



North Caucasus





It was respondents' views about current conditions which boosted confidence in June, with the Current Indicator increasing to 77.7 in June from 72.5 in May. The Expectations Indicator, which is comprised of the three forward-looking components, increased more moderately to 75.6 from 73.0 in May.

Two notable events occurred following the conclusion of the June survey. First, the Central Bank of Russia cut the key interest rate by a further 100 basis points at its June meeting. Second, the EU decided to extend its current sanctions by an additional six months from their original July expiration date with Russia following suit in prolonging their own so-called counter-sanctions by an additional year.

While it is difficult to reconcile what the resulting impact on sentiment will be, on balance it is more likely to result in an overall upside impact on sentiment given that previous policy easing by the central bank has similarly boosted confidence, whilst sanctions were widely expected to remain in place. As yet the fallout from Greece has had no discernible impact and while the situation has worsened in recent weeks Russia remains relatively isolated compared with its EU neighbours.

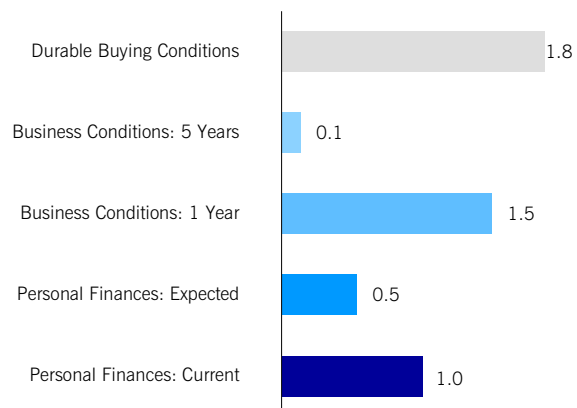
### Regions

Consumer sentiment rose in three of the five major regions in Russia.

Residents in the West Siberian region reported the greatest improvement in sentiment, with the Consumer Sentiment Indicator rising 8.4% to 74.0 in June from 68.2 in May. Fewer consumers living in the region were dissatisfied with the current state of their finance, while Durable Buying Conditions picked up.

In contrast, consumer confidence was lowest in the Volga region, where the Consumer Sentiment Indicator fell to 61.2 in June from 62.3 in May. Inhabitants were more pessimistic than ever before in their perception of their current financial situation and a

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



record number of them had a bleak outlook for the business environment over the coming year. Even so, there was some pick-up in their outlook for their finances in the future and in their appetite for durable goods.

### Age

All three age groups reported that they were less pessimistic in June.

The Consumer Indicator for 18 to 34 year olds rose by 3.5% to 77.9 in June from 75.3 in May, making them the least pessimistic of all three age groups. Apart from expectations for their personal finances, all other components of the Consumer Indicator rose to the highest this year.

Sentiment among the 35 to 54 year old age group rose by 6% to 76.3 in June from 71.9 in May. Respondents were only more pessimistic in their long-term expectations for business conditions with the four remaining components rising on the month, led by greater willingness to purchase a big-ticket item.



The Consumer Indicator for 55 to 65 year olds led the rise in sentiment this month, increasing 7.8% to 70.8 in June from 65.7 in May, although they continued to remain the most pessimistic of all age groups. With fewer reporting that their finances had worsened, consumers were less downbeat in their perception of the conditions for buying large household goods.

#### Income

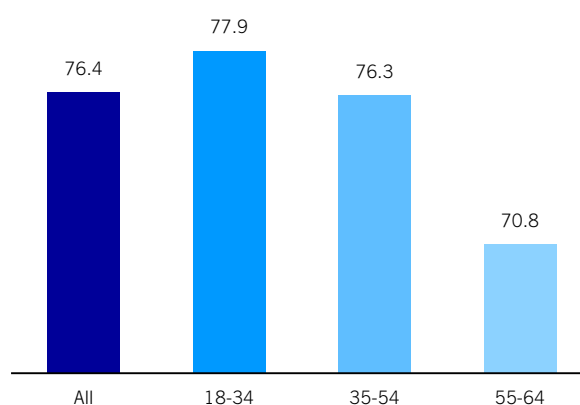
Sentiment improved among both high and low-income households in June.

Consumer confidence for households with an average annual income under RUB 480,000 rose to 71.0 in June from 69.3 in May. Low-income households were less downbeat in their short-term outlook for the business environment, leading the rise in overall sentiment, although grew slightly more pessimistic in their outlook for the coming five years.

For households with an average annual income above RUB 480,000, consumer confidence rose by 6% to 83.2 in June from 78.5 in May. An improvement in high-income households' perception of their current financial situation helped to lift their willingness to buy durable goods from a record low.

Compared with the previous year, confidence was 16.5% down among lower income households, while for higher income households it was 11.8% lower. Our survey has shown that lower income households have been hit harder by the current economic downturn as, on average, confidence remains greater for higher income households.

Consumer Indicator: Age Groups



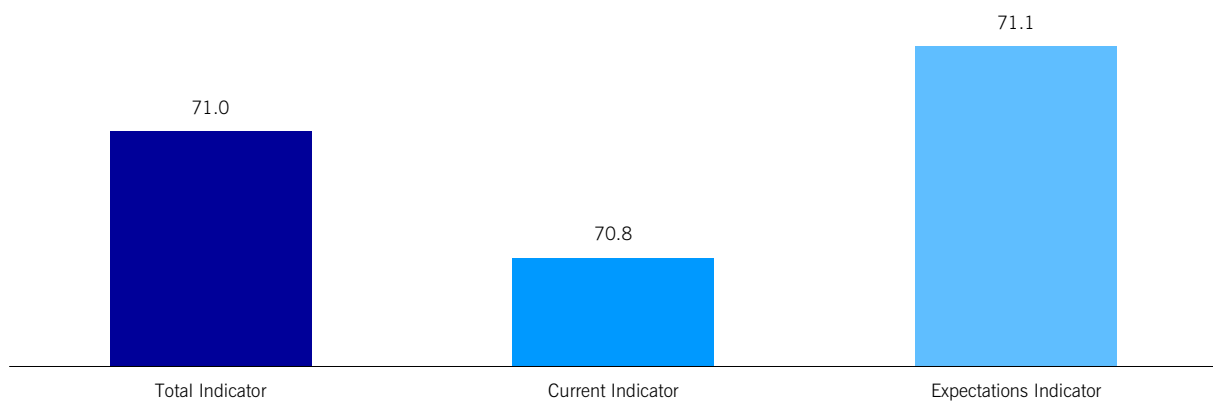


## MNI Russia Consumer Indicator Income Groups



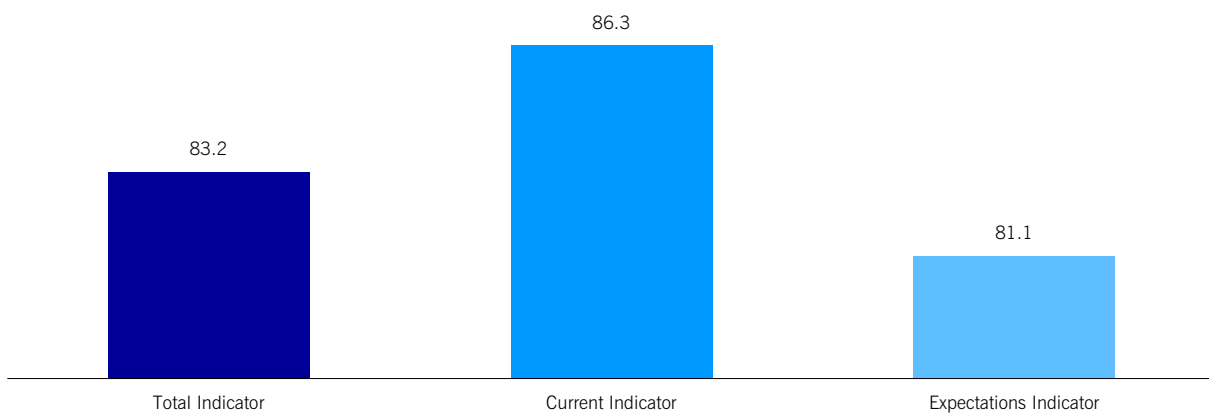
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< RUB 480,000 Per Annum



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> RUB 480,000 Per Annum



## MNI Russia Consumer Indicator

### Main Cities



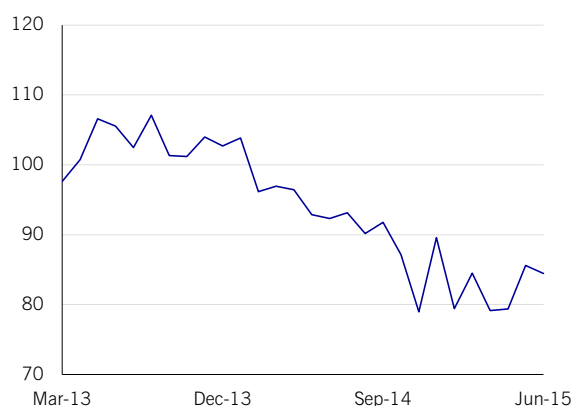
Residents in six of the 10 major cities surveyed in Russia were less pessimistic this month.

In the capital, Moscow, consumer sentiment fell by 1.3% to 84.5 in June from 85.6 in May. Three of the five components of the headline indicator decline on the month, led by greater dissatisfaction among consumers with the current state of finances. Even so, more consumers were increasingly willing to purchase a big-ticket item in June.

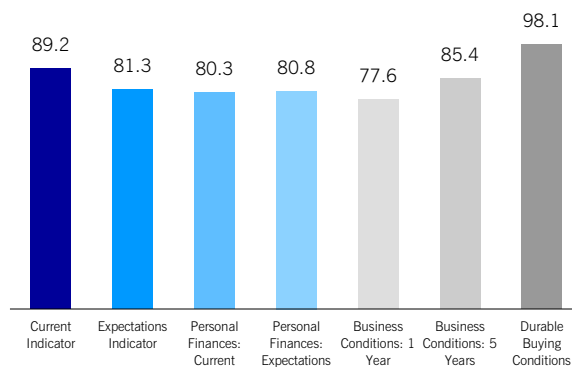
In Saint Petersburg, the second largest city in Russia, consumer sentiment rose by 8.7% to 94.2 in June from 86.6 in May and remained the least pessimistic of all. There were double-digit improvements in consumers' present financial situation, short-term outlook for business conditions and perception of the buying conditions for household durables. Inhabitants of the city were, however, more downbeat in their outlook for their finances in the future and their expectations for the business environment in the coming five years.

In Novosibirsk, the third-largest city by population in Russia, consumer sentiment increased the most compared with other cities, rising 15.6% to 72.0 in June having remained broadly stable at 62.3 in May. Far fewer inhabitants reported that their finances had worsened from the previous month, prompting more of them to consider it a good time to purchase a big-ticket item. Respondents were also less pessimistic in both their short and long-term expectations for business conditions, albeit much more so for the former.

Consumer Indicator - Moscow



Consumer Indicator Components - Moscow





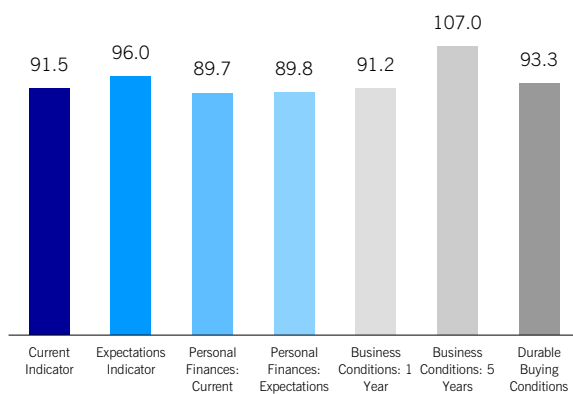
Consumer Indicator - Saint Petersburg



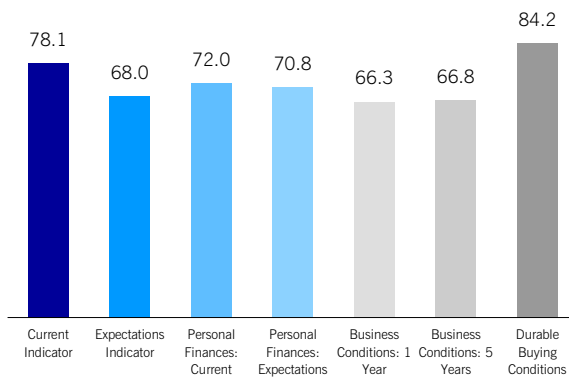
Consumer Indicator - Novosibirsk



Consumer Indicator Components - Saint Petersburg



Consumer Indicator Components - Novosibirsk



## Personal Finances

### Current Finances Highest Since December 2014



Consumers were less dissatisfied with the current state of their finances in June and had heightened expectations for them over the coming year.

Households have seen their financial situation deteriorate considerably over the past year as high unemployment has reduced the bargaining power of the Russian workforce, with many accepting wage cuts as companies seek to scale back their operations. There has, however, been some stabilisation in 2015 with sentiment for household finances up 9.5% since January.

While the Current Personal Finances Indicator extended this trend to June, rising to 71.4 from 67.8 in May, it was more than 10 points below the outturn of 81.6 in the same period a year earlier. Three quarters of respondents reported that their Current Personal Finances had worsened over the past year in June, the lowest proportion in six months. Amongst whom, nearly 30% cited higher household expenses as the main reason for the deterioration.

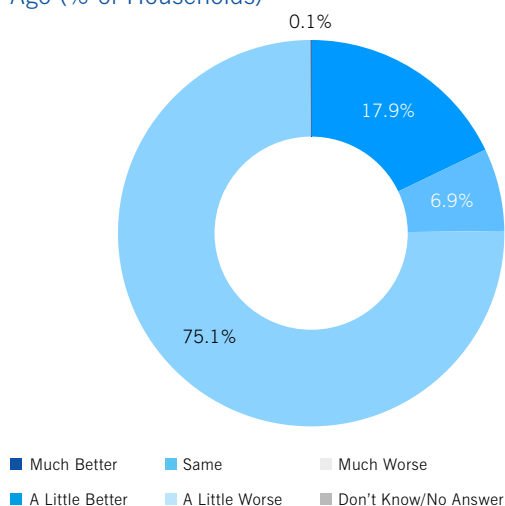
Disposable income has been eroded over the past year by high inflation, falling wages and the increased cost of credit, a trend which appears likely to continue in 2015. All respondents spent more than 50% of their monthly household income on daily expenses and more than 40% of our panel reported that they were not saving any of their monthly income.

Even so, consumers were slightly less pessimistic in their outlook for their financial situation, with Expectations for Personal Finances improving to 75.1 in June from 73.2 in May.

#### Personal Finances



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



#### Personal Finances

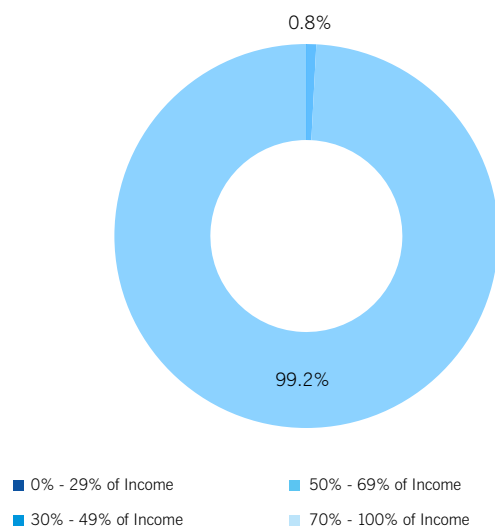
	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Current	81.6	65.2	67.9	62.1	68.4	67.8	71.4
Expectations	91.6	77.2	77.0	75.9	70.9	73.2	75.1



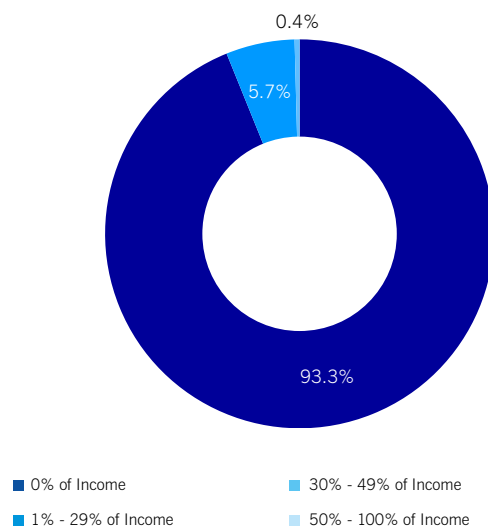
## How Households Spend their Money



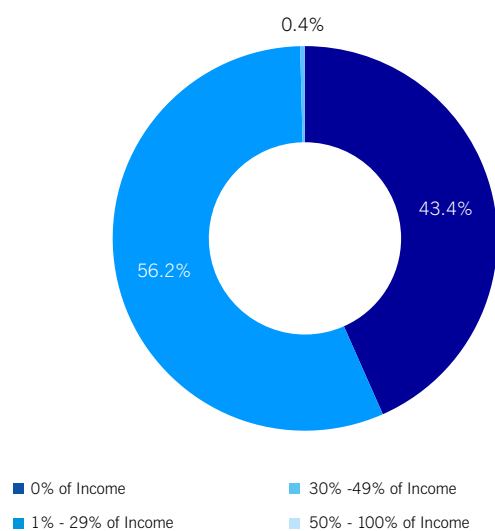
Daily Expenses  
(% of Households)



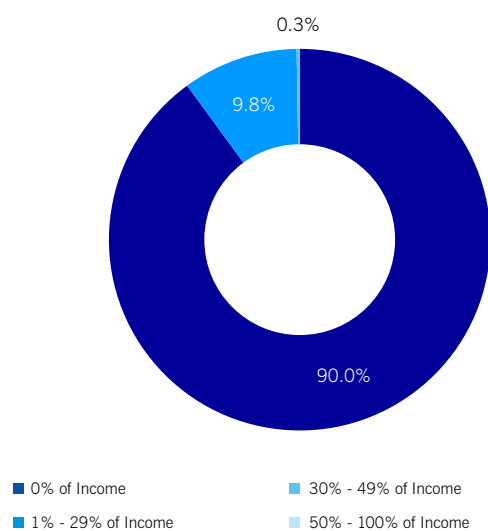
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings (% of Households)



Monthly Household Income Used for Investments (% of Households)



## Business Conditions

### Short-Term Expectations Climb



Both short and long-term expectations for the business environment improved in June, while consumers' perception of the current climate for doing business was also more upbeat.

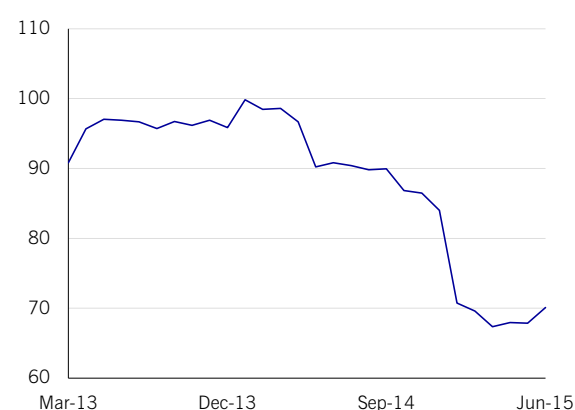
The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, rose to 70.1 in June from 67.9 in May. Still, more than half of respondents thought that business conditions were poor and only 8.3% of our panel thought that conditions were good.

Following the annexation of Crimea and the conflict in eastern Ukraine, Western nations implemented economic sanctions against Russia's finance, energy and weapons industries. In retaliation, Russia introduced a ban on certain food imports from the West.

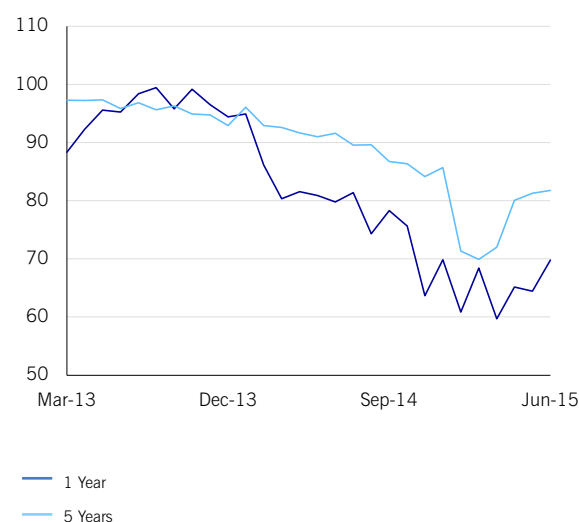
The recent ratification of the "Minsk 2.0" ceasefire in Ukraine, however, has brought about some thawing in tensions between Russia and the West which probably accounts for why respondents were less downbeat in both their short and long-term expectations for the business environment.

Consumers' expectations for Business Conditions in One Year improved to 69.8 in June from 64.4 in May. After having bottomed out in March, consumers' short-term outlook for the business environment has risen by an impressive 16.9% but remains subdued by historical standards.

Current Business Conditions Indicator



Expected Business Conditions



#### Business Conditions

	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Current	90.8	70.7	69.6	67.4	67.9	67.9	70.1
In 1 Year	79.8	60.8	68.4	59.7	65.2	64.4	69.8
In 5 Years	91.6	71.3	69.9	72.0	80.0	81.3	81.7

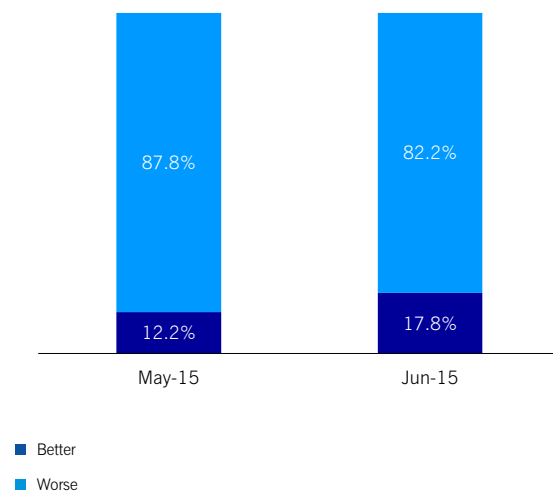


## Business Conditions in 1 Year

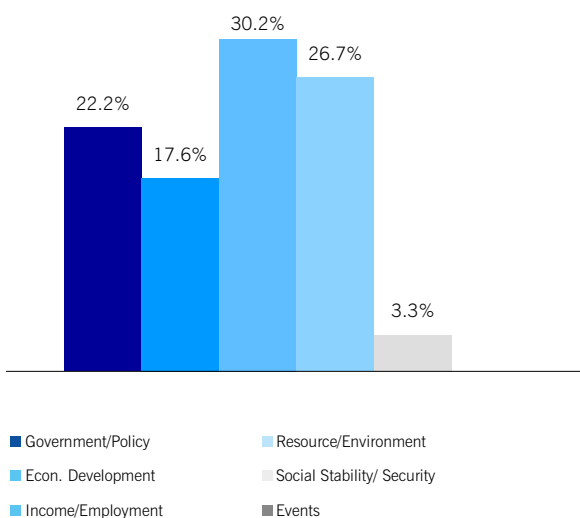
Consumers were also less pessimistic about their outlook for long-term business conditions with the Expectations for Business Conditions in Five Years Indicator rising slightly to 81.7 in June from 81.3 in May. Still, 40% of respondents expected conditions to worsen over the next five years and 12% remained uncertain, suggesting that consumers remain doubtful on Russia's prospects in the long-term.

As expected, the EU decided to extend the current sanctions by an additional six months from their original July expiration date, with Russia following suit in prolonging their own so-called counter-sanctions by an additional year. Both of these decisions were announced following the conclusion of our survey period. While there could be some downside impact on expectations, it should be limited given that they were widely expected to remain in place.

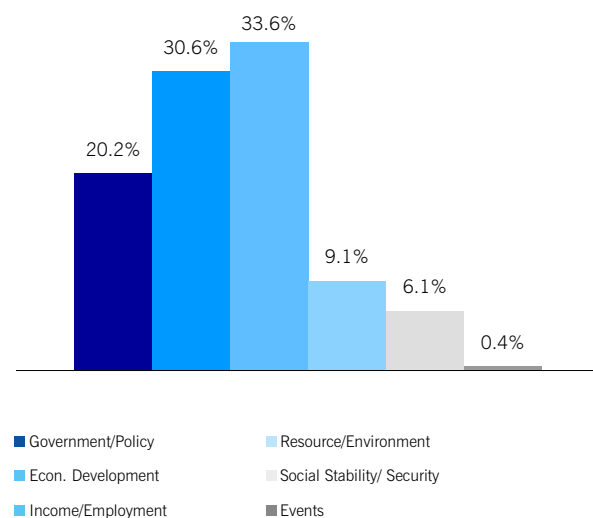
### All Russia



### All Russia, Reasons for Better



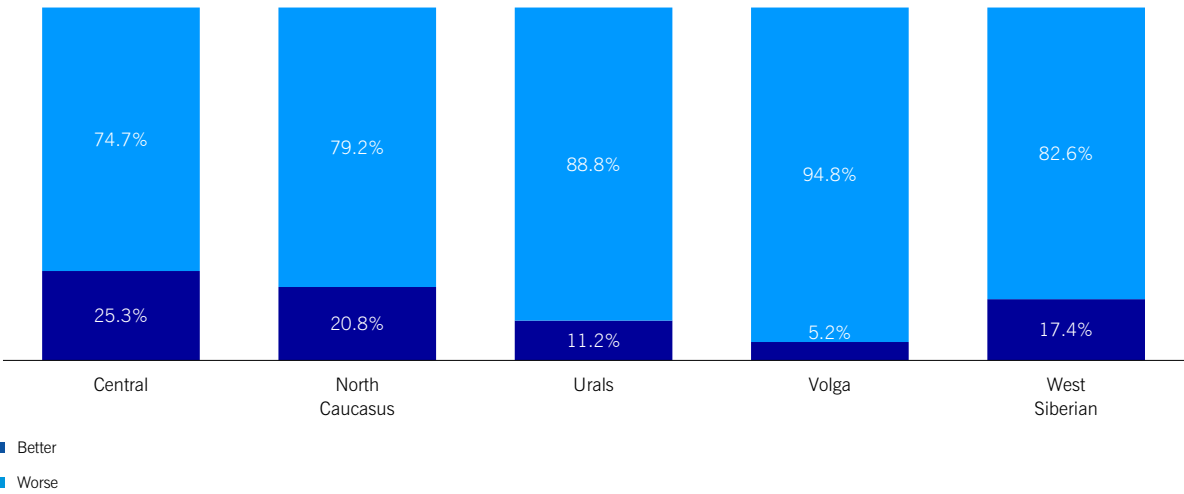
### All Russia, Reasons for Worse



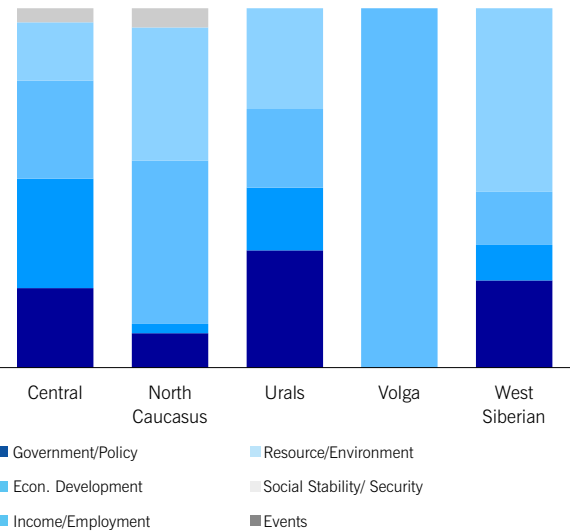
# Business Conditions in 1 Year Regions



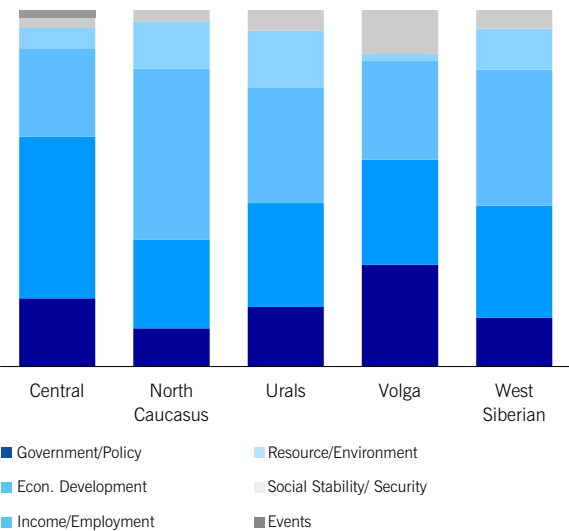
Business Expectations: Worse or Better?  
(% of Respondents)



Reasons for Better  
(% of Respondents)



Reasons for Worse  
(% of Respondents)



## Durable Buying Conditions Six-Month High



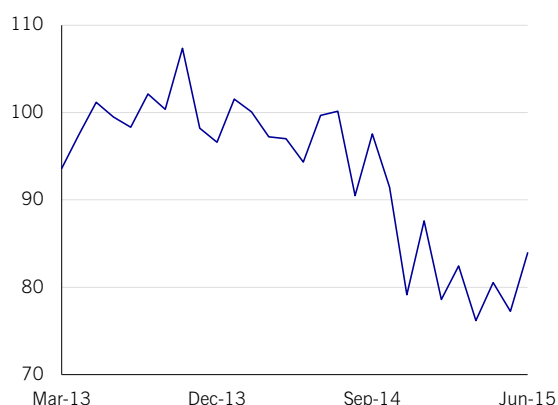
Russian consumers were more willing to purchase a big-ticket item in June, although weak household finances and the prohibitive cost of credit continued to restrain the majority from doing so.

The Durable Buying Conditions Indicator rose to 83.9 in June from 77.3 in May. Still, many consumers preferred to postpone their purchase of big-ticket items as they expected the rouble's strength to make goods slightly cheaper and as they waited for the cost of credit to fall further.

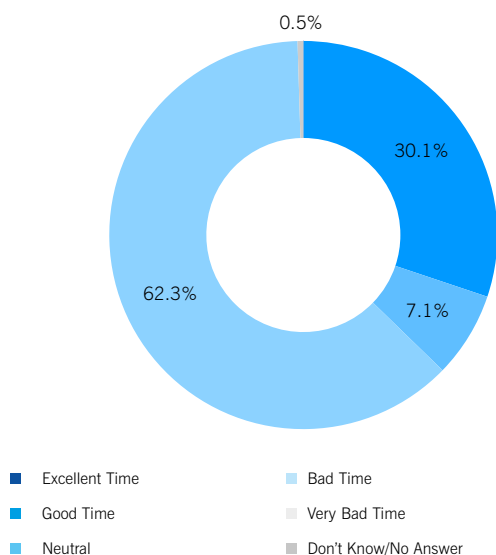
Respondents are asked whether they believe it is a good or bad time to purchase a large consumer durable, and a result below 100 means that a higher percentage of respondents view it as a bad time. Just over 60% of our panel thought that it was a poor time to purchase a household good in June, while 30% of those polled considered the conditions to be good.

The indicator has been quite volatile in recent months alongside mixed official economic data for retail sales. Nevertheless, it has followed a sharp downward trend over the past year with June's reading marking the 11th consecutive month that the indicator has been below the 100 level.

Durable Buying Conditions



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



Durable Buying Conditions

	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Durable Buying Conditions	99.7	78.6	82.5	76.2	80.5	77.3	83.9

## Employment Outlook

### Pessimism Falls Further



Respondents' expectations for the job market improved in June and are now comfortably above the March low, although their outlook for employment remained pessimistic.

The Employment Outlook Indicator, which gauges opinion on the outlook for the employment market over the next 12 months, rose for the third consecutive month in June to 71.4 from 70.1 in May. More than half of respondents thought that the employment market would worsen over the next 12 months, while a third of them thought that it would remain stable.

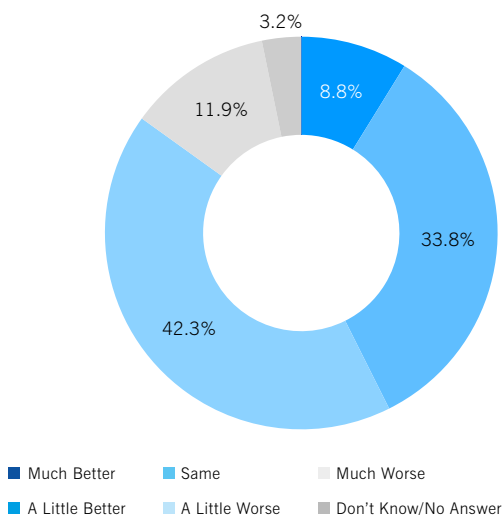
Views on the labour market have deteriorated significantly since the onset of the Ukraine crisis, with expectations for the job market in June 19.1% below the series average. While the indicator has stabilised since sliding by almost 23% in January, it still has a long way to go to recoup the loss sustained at the start of the year.

Official statistics showed that the unemployment rate eased to 5.6% in May from 5.8% in April. While the employment situation in Russia has on the whole remained resilient in the face of the slowdown, a reflection of the country's overstaffing and low levels of productivity, there are widespread expectations that unemployment will rise in 2015. Nevertheless, the June edition of our sister survey of large Russian businesses revealed that employers are similarly more upbeat about the job market, suggesting that employment conditions will remain more robust than most anticipate.

Employment Outlook Indicator



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



Employment Outlook

	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Employment Outlook	90.6	66.9	68.2	66.5	68.8	70.1	71.4



## Prices Sentiment

### Expectations for Inflation Rise



With inflation having begun to taper off, consumers were slightly less dissatisfied with the current cost of living but had higher inflationary expectations for the next 12 months.

The Current Prices Satisfaction Indicator remained weak in June, albeit rose slightly to 49.0 in June from 48.0 in May, demonstrating just how much pain the current level of inflation is causing Russian consumers. A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction. The indicator has remained below 100 since the survey started, and in June it was almost 30% below the series average, with more than three-quarters of respondents dissatisfied with the current level of prices.

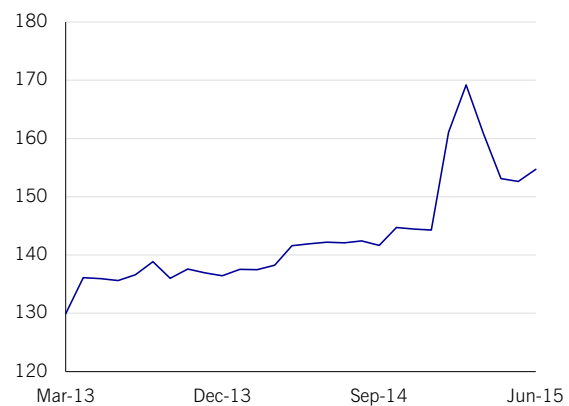
Meanwhile, a greater proportion of consumers expected prices to be higher in a year's time, resulting in the Inflation Expectations Indicator rising to 154.7 in June from 152.6 in May. Historically, our panel's inflationary expectations have closely matched the trend in consumer price inflation. Official data showed that consumer price inflation eased to 15.3% on the year in June from 15.8% in May, preceded by a similar easing in our survey's Inflation Expectations Indicator. In spite of this month's rise in expectations, we maintain that the trend continues to be downward although entrenched inflation expectations will make the central bank's job of controlling inflation in the long run all the more difficult.

Throughout 2014, the Central Bank of Russia raised the benchmark interest rate by a total of 1150 basis

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



#### Prices Sentiment

	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Satisfaction with Current Prices	66.6	44.9	47.6	47.0	47.3	48.0	49.0
Inflation Expectations	142.2	161.1	169.2	160.9	153.1	152.6	154.7

# Prices Sentiment Regions



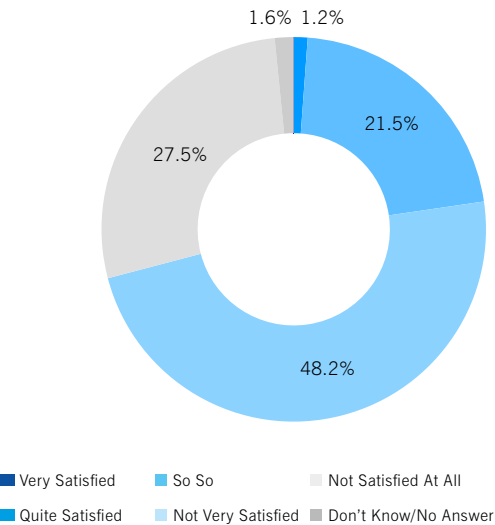
points in a bid to control inflation and stabilise the rouble. More recently, an easing in inflationary pressures and the appreciation in the rouble has enabled the central bank to cut the key rate at each of the past four meetings, although it still has some way to go before monetary policy is normalised. Under the CBR's most recent baseline scenario, weak economic growth is forecast to slow annual inflation to 8% in 2016 before finally falling to its medium-term target of 4% until 2017.

### Regions

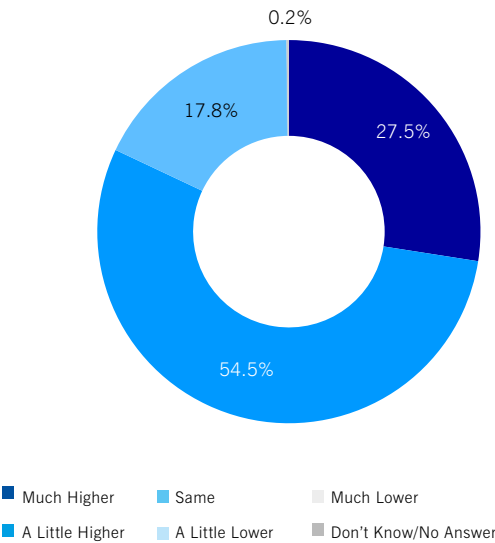
Dissatisfaction with current cost of living fell in three of the five regions surveyed in June. Residents of the Central region led the rise in the Current Prices Satisfaction Indicator, while consumers living in the Volga region continued to remain the most discontent.

Inflationary expectations rose in just two regions this month. Inhabitants of the Central and Urals regions had higher expectations for prices over the coming 12 months, outstripping the easing in the outlooks for the remaining three regions.

Satisfaction with Current Prices  
(% of Households)

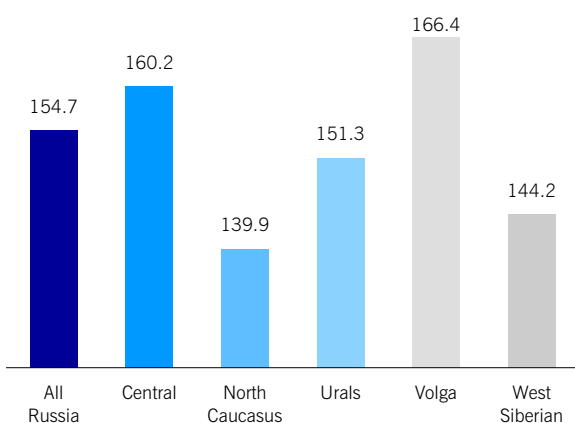


Inflation Expectations in 12 Months  
(% of Households)

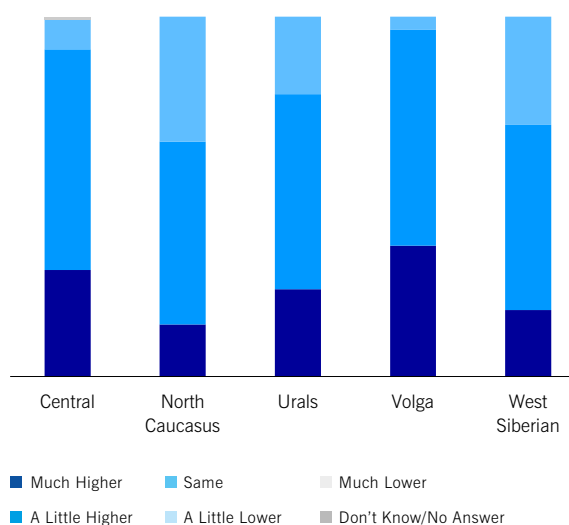




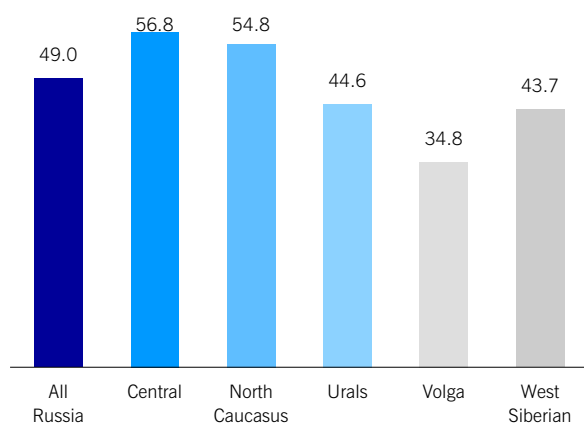
### Inflation Expectations Indicator



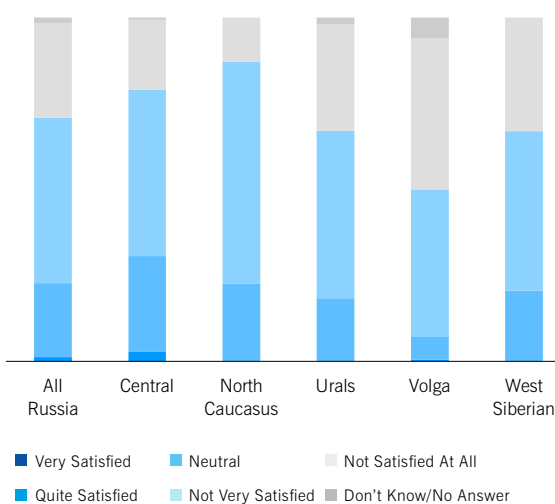
### Expected Change in Prices in 1 Year (% of Households)



### Current Prices Satisfaction Indicator



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



## Interest Rate Expectations

### Fewer Expect Rates to Rise



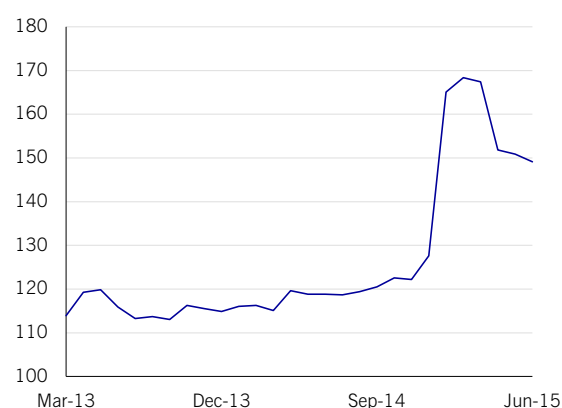
Fewer consumers expected that interest rates would rise over the coming 12 months as the gradual normalisation of monetary policy by the Central Bank of Russia continued to bring down the cost of credit. The Interest Rate Expectations Indicator eased to 149.1 in June from 150.9 in May, although it was still 25.5% higher than the level recorded a year earlier.

Throughout 2014, the CBR raised the benchmark interest rate by a total of 1150 basis points in an effort to stem a significant depreciation in the rouble. With the financial situation in Russia having stabilised somewhat recently, the CBR has chosen to cut the key interest rate by a total of 550 basis points to 11.5% at its first four meetings of 2015.

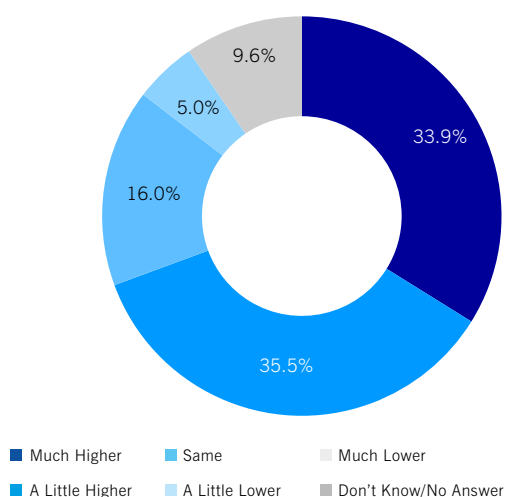
The latest rate cut announced at the central bank's meeting on June 15 came after our survey period had closed, and the decision is likely to have some further downside impact on our indicator over the coming months. Even so, expectations are unlikely to subside quickly in the short-term as retail banks often take time to pass on any cuts to lower lending rates.

Of those polled, almost 70% expected interest rates in a year's time to be higher, while only 16% of respondents expected interest rates to remain the same.

Interest Rate Expectations Indicator



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



### Interest Rate Expectations

	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Interest Rate Expectations	118.8	165.1	168.4	167.4	151.8	150.9	149.1

## Real Estate Investment Improvement in House Buying Sentiment



Confidence in the Russian real estate market improved further in June as mortgages became more accessible given recent government initiatives.

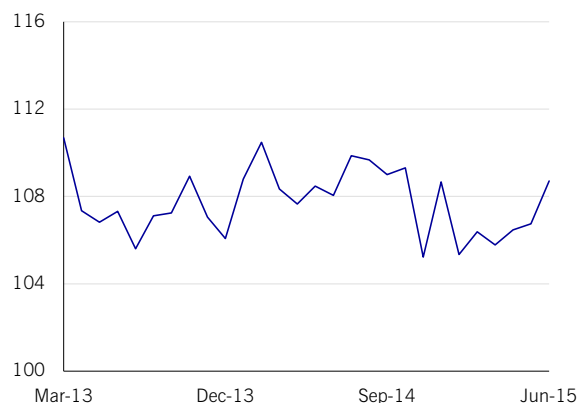
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment) rose to 108.7 in June from 106.8 in May.

In spite of the Central Bank of Russia easing policy considerably this year, the key rate remains prohibitively high which has left mortgage rates similarly elevated. As might be expected, the real estate market has been hit hard which prompted the government to introduce a subsidy programme that has proved to be very popular with Sberbank, Russia's largest bank, requesting that its allocation be extended due to oversubscription to the programme. While this, along with the rouble's appreciation could make house buying an attractive proposition for those who have been looking for a property, in general consumers were very concerned about their finances amid the challenging job market.

House Buying Sentiment increased to 80.6 in June from 76.4 in May accounting for much of this month's improvement in sentiment towards the real estate market. Even so, those hoping for a turnaround in the property market are likely to be disappointed as high interest rates and a poor outlook for household finances continue to deter most Russian consumers from making a house purchase.

The majority of our panel expected house prices to rise over the coming six months, with the House Price

Real Estate Investment Indicator



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



### Real Estate Investment Sentiment

	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Real Estate Investment Sentiment	108.0	105.3	106.4	105.8	106.5	106.8	108.7
Price Expectations	137.7	142.8	142.9	143.5	142.5	142.9	142.9
House Buying	84.1	73.2	76.3	72.7	76.1	76.4	80.6
House Selling	97.7	99.9	100.0	98.8	99.2	99.0	97.4

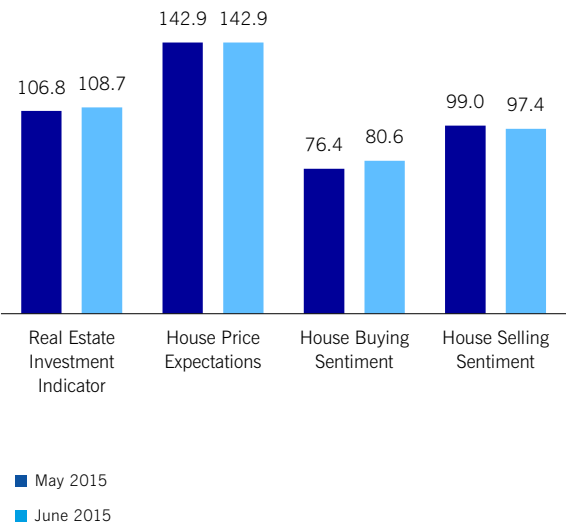
# Real Estate Investment Components and Balances



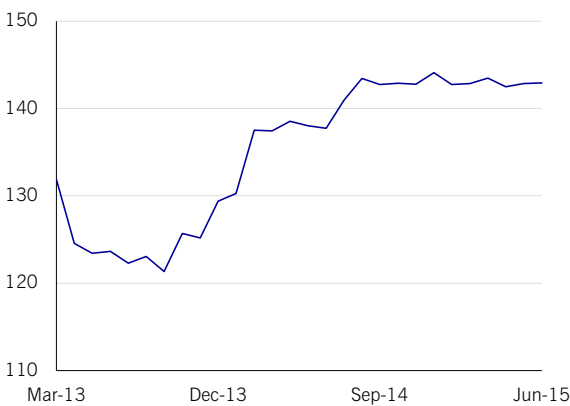
Expectations component remaining unchanged at 142.9 in June as almost 70% of those polled thought that house prices would rise in the next six months.

House Selling Sentiment, which has a negative impact on the overall House Price Indicator, fell to 97.4 in June from 99.0 in May, the fourth month sentiment is below the 100 threshold level.

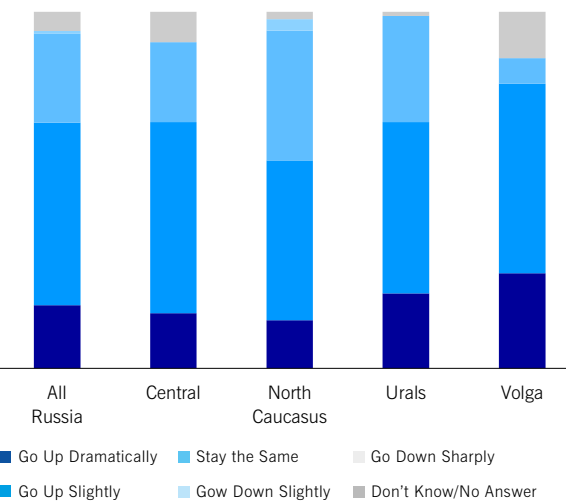
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes in the Next 6 Months



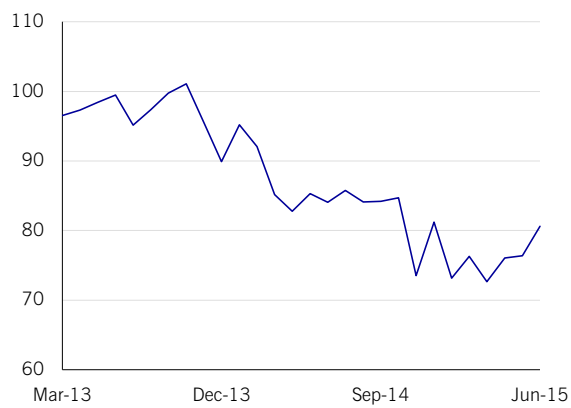
Expected Changes in Real Estate Prices in the Next 6 months (% of Households)



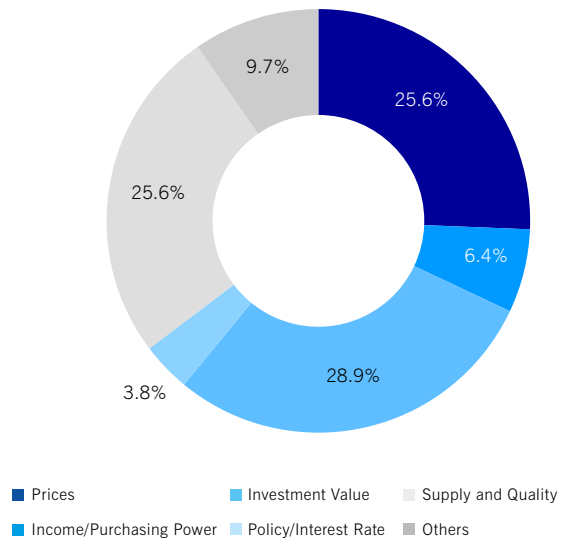




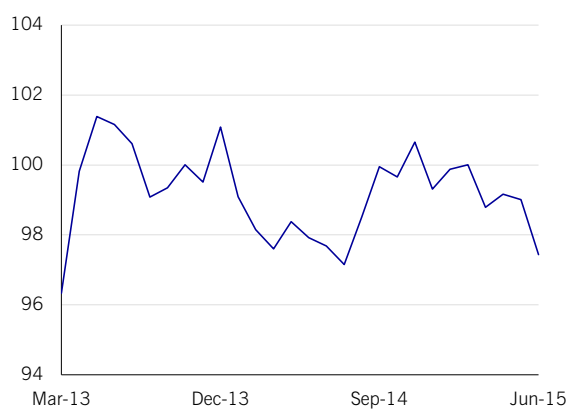
### House Buying Sentiment



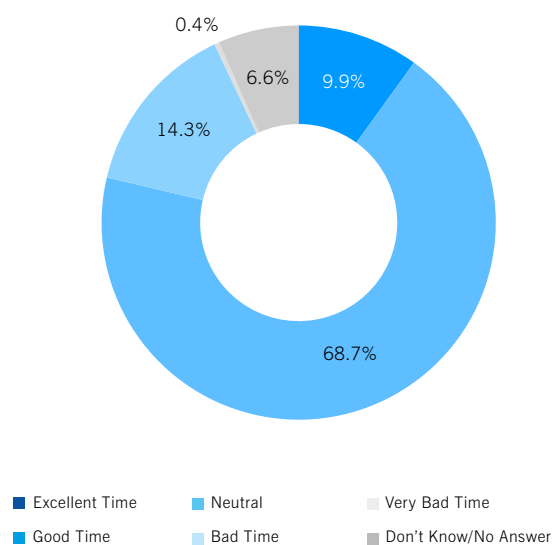
### Reasons for Buying Houses (% of Households)



### House Selling Sentiment

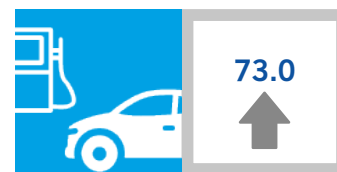


### Timing for Selling Houses (% of Households)



## Car Purchase

### Potential Car Purchasers at Eight-Month High



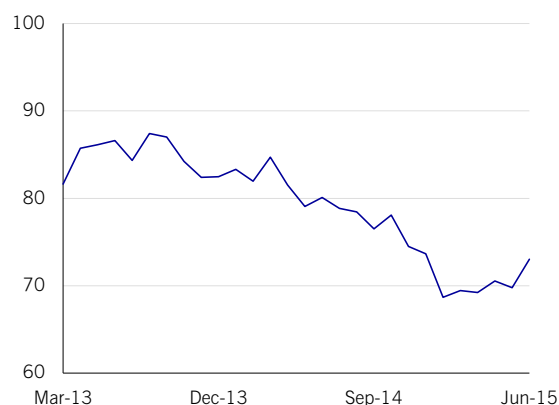
Following a slight dip last month, sentiment towards car purchases rose again in June as more consumers considered it to be a good time to purchase a car in spite of more-or-less unchanged expectations for gasoline prices over the coming year.

The Car Purchase Indicator, which is made up of two components (Car Purchase Expectations and Expectations for the Price of Gasoline), rose to 73.0 in June from 69.8 in May. This was predominantly due to a rise in consumers' willingness to buy a car in June, although the number of pessimists continued to outweigh the number of optimists.

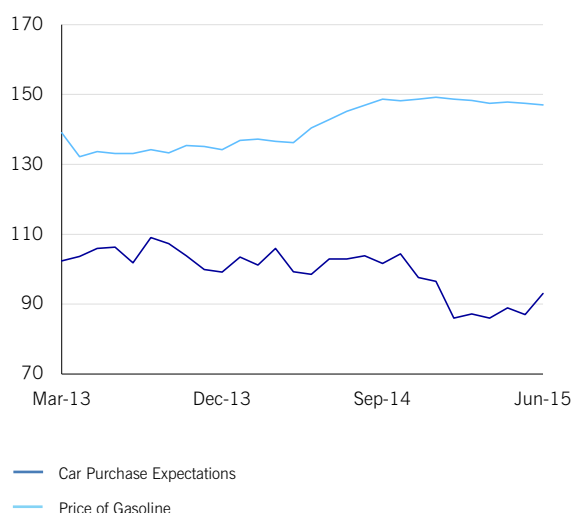
The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, rose sharply to 93.1 in June from 87.0 in May. 54% of respondents thought it would be a bad time to purchase a car in the next 12 months compared with almost 60% in May, the majority of whom were deterred from making a purchase by the high cost of use and upkeep of a car.

Official data showed car sales declined by 37.7% on the year in May following a fall of 41.5% in April. The sharp decline in car sales may be due to dealerships having raised prices after having previously kept them in check. While data on car prices has yet to be released for June, the price of a domestically manufactured car in May was 21.3% above one produced a year previously and the price of those that are imported was 18.6% higher on the year.

Car Purchase Indicator



Car Purchase Indicator - Components

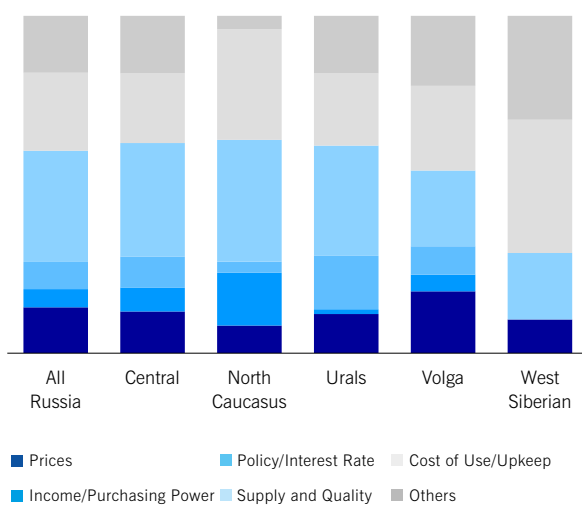


Car Purchase Sentiment

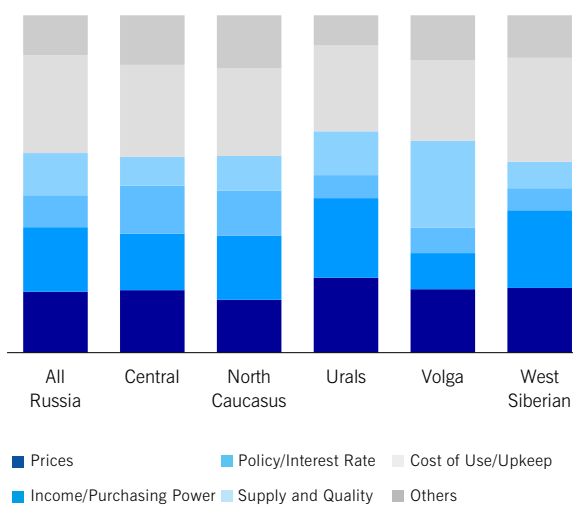
	Jun-15	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Car Purchase Sentiment	80.1	68.7	69.4	69.2	70.5	69.8	73.0
Car Purchase Expectations	103.0	86.0	87.2	86.0	88.9	87.0	93.1
Price of Gasoline	142.8	148.7	148.3	147.5	147.8	147.5	147.0



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

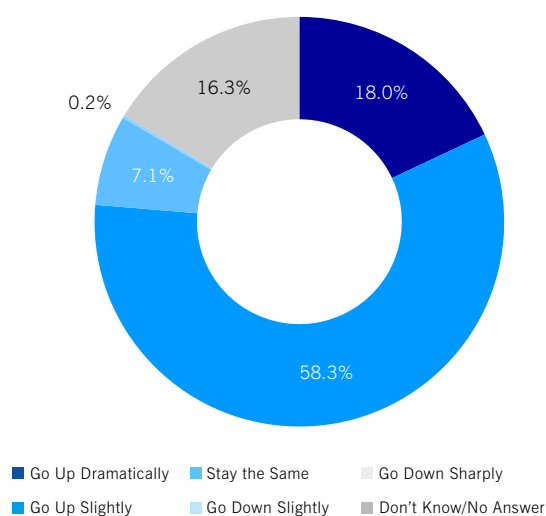


Reasons for a Bad Time to Buy a Car  
(% of Households)



While the slide in global oil prices has reduced gasoline prices in many countries, the extension of excise taxes on Russian gasoline production has pushed up fuel costs for consumers in 2015. In June, the majority of Russian consumers continued to anticipate that fuel prices would rise over the next 12 months, with Expectations for the Price of Gasoline easing only slightly to 147.0 from 147.5 in May.

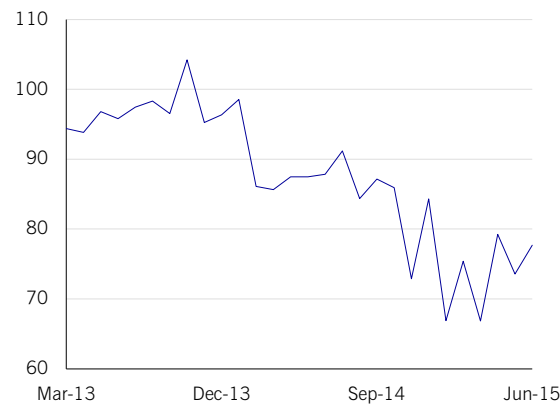
Expected Change in the Price of Gasoline  
(% of Households)



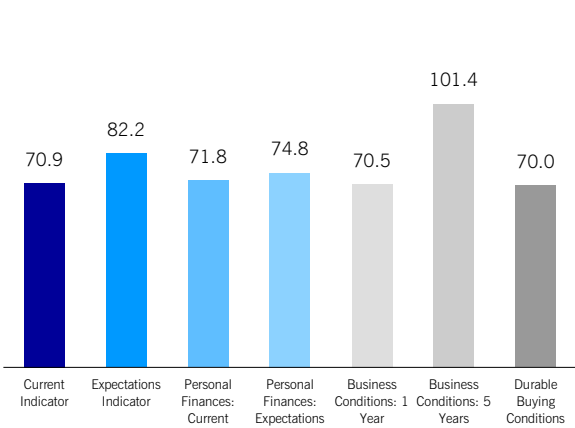
# MNI Russia Consumer Indicator Regions



Consumer Indicator: North Caucasus



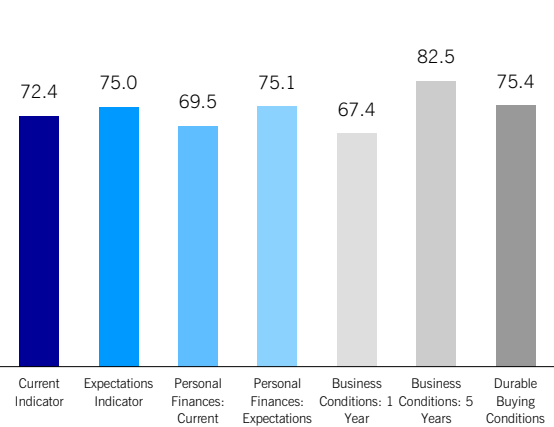
Consumer Indicator Components: North Caucasus



Consumer Indicator: West Siberian

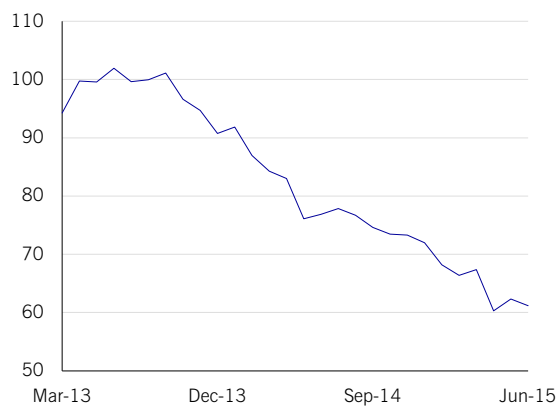


Consumer Indicator Components: West Siberian

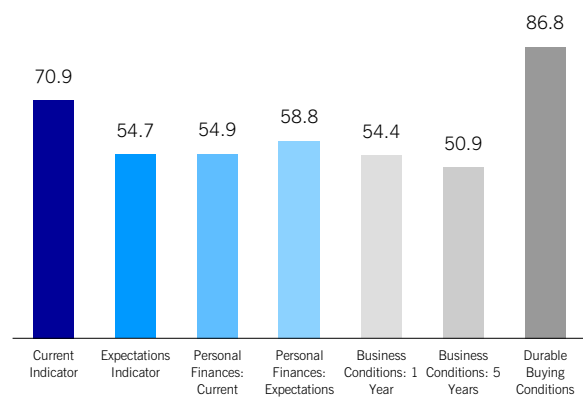




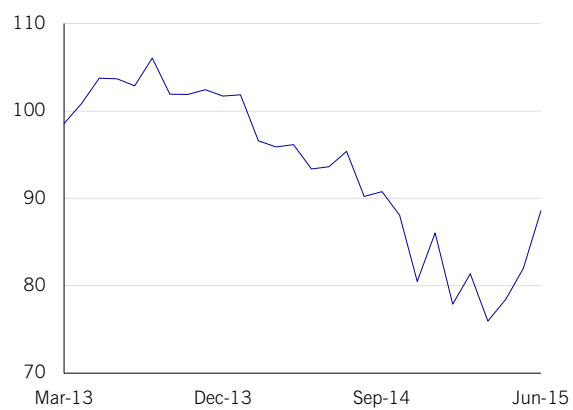
Consumer Indicator: Volga



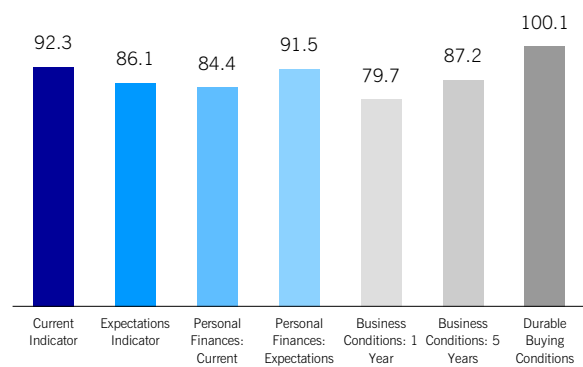
Consumer Indicator Components: Volga



Consumer Indicator: Central



Consumer Indicator Components: Central

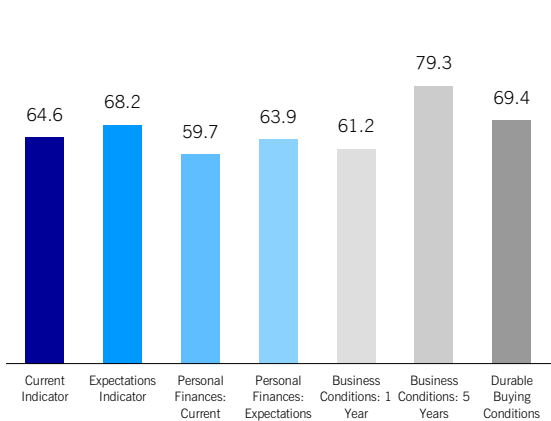




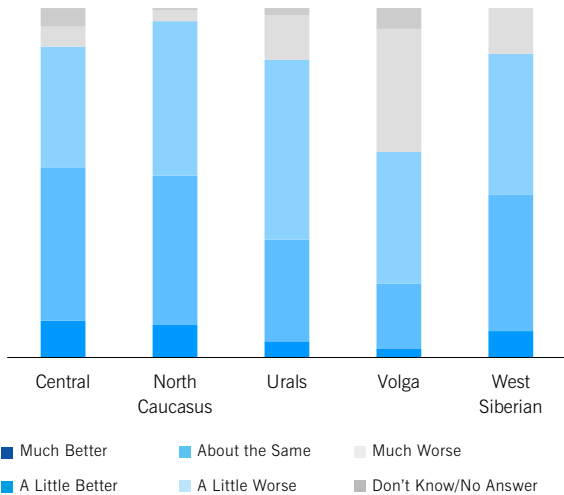
Consumer Indicator: Urals



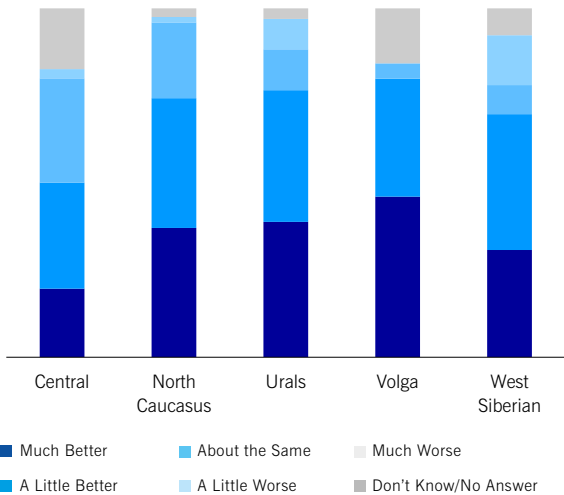
Consumer Indicator Components: Urals



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



Interest Rates Expectations Indicator (% of Households)



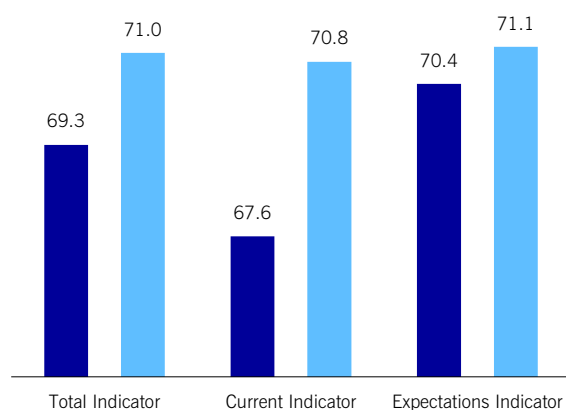


## MNI Russia Consumer Indicator

### Income Groups



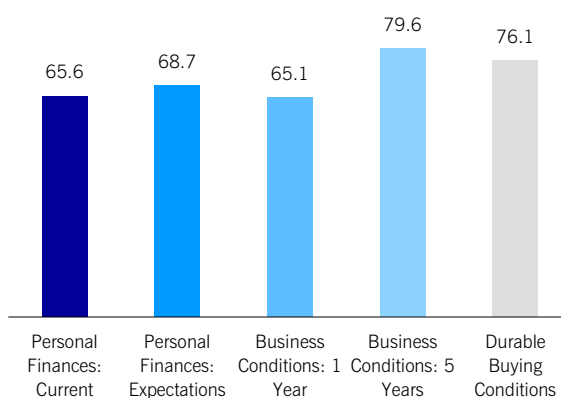
#### < RUB 480,000 Per Annum



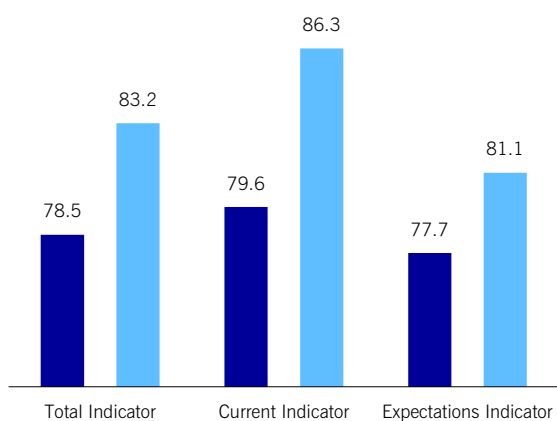
■ May 2015

■ June 2015

#### < RUB 480,000 - Components



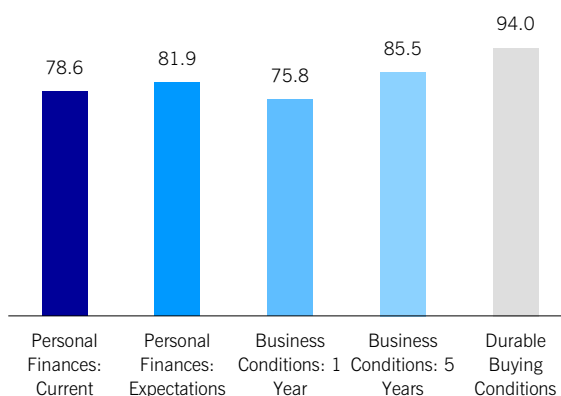
#### > RUB 480,000 Per Annum



■ May 2015

■ June 2015

#### > RUB 480,000 - Components





# What the Panel Said

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

"Number of houses for sale is greater than the number of those looking to buy one." **23-year-old male in Moscow**

"Banks have decreased their mortgage rates." **43-year-old female in Moscow**

"Now Crimea is better for a leisure than Turkey or Egypt." **41-year-old female in Moscow**

"Economic situation remains unclear." **47-year-old male in Moscow**

"Prices rise every day." **59-year-old male in Saint Petersburg**

"Foreign investment has decreased because of political instability." **52-year-old female in Saint Petersburg**

"International relations are improving." **23-year-old male in Saint Petersburg**

"Retailers decreased the prices of home appliances and electronics." **34-year-old female in Novosibirsk**

"Rouble is weakening again, I am worried." **33-year-old male in Novosibirsk**

"My bank's license was revoked, I've lost a significant amount of my savings." **62-year-old male in Novosibirsk**

"Real estate is the best place for investments at the moment." **24-year-old female in Bratsk**

"Because of stagnation at work, people are afraid to spend money." **42-year-old female Rostov-on-Don**

"The situation at my work has improved, our salaries are now being paid on time." **37-year-old male in Blashikha**

"New roads are being built and existing ones are being modernised." **45-year-old male in Samara**

"My salary has increased, but the number of employees at my company has decreased." **48-year-old female in Nizhny Novgorod**

"Prices are changing, so it's hard to decide whether to buy or not." **61-year-old female in Zlatoust**

"Everything has become more expensive whilst earnings and pensions have decreased." **38-year-old female in Tula**

"Relationship with China, India, Vietnam and other Asian countries is developing." **29-year-old male in Kursk**

"Many people are without jobs right now." **27-year-old male in Kazan**

"Conditions had started to improved, but now everything has come to a halt." **43-year-old female in Saratov**

"Real estate developers are allowig purchasers to pay in installments." **34-year-old female in Zlatoust**

"Preference for domestically manufactured goods is evident." **43-year-old female in Chelyabinsk**



# Data Tables

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

## Russia - Central Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Central Consumer Indicator</b>	78.4	82.0	88.6	Sep-14	-	83.0	6.6	8.1%
Current Indicator	85.7	86.1	92.3	Sep-14	-	88.0	6.2	7.1%
Expectations Indicator	73.6	79.2	86.1	Sep-14	-	79.6	6.9	8.7%
Personal Finance: Current	74.4	84.1	84.4	Oct-14	-	81.0	0.3	0.4%
Personal Finance: Expected	78.7	81.2	91.5	Sep-14	-	83.8	10.3	12.6%
Business Condition: 1 Year	66.5	73.6	79.7	Sep-14	-	73.3	6.1	8.2%
Business Condition: 5 Years	75.5	82.7	87.2	Oct-14	-	81.8	4.5	5.4%
Durable Buying Conditions	97.1	88.2	100.1	Sep-14	-	95.1	11.9	13.5%
Current Business Conditions Indicator	72.3	74.4	82.6	Oct-14	-	76.4	8.2	11.1%
Real Estate Investment Indicator	108.9	110.4	115.9	Feb-14	-	111.7	5.5	5.0%
Car Purchase Indicator	74.2	73.9	82.2	Jun-14	-	76.8	8.3	11.2%
Employment Outlook Indicator	72.2	76.1	82.3	Dec-14	-	76.9	6.2	8.1%
Inflation Expectations Indicator	154.4	155.3	160.2	Mar-15	-	156.6	4.9	3.2%
Current Prices Satisfaction Indicator	46.3	51.1	56.8	Dec-14	-	51.4	5.7	11.2%
Interest Rates Expectations Indicator	141.1	135.5	133.5	-	Dec-14	136.7	-2.0	-1.5%

## Russia - Urals Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Urals Consumer Indicator</b>	70.0	68.7	66.7	-	Mar-15	68.5	-2.0	-2.8%
Current Indicator	62.5	62.9	64.6	Dec-14	-	63.3	1.7	2.7%
Expectations Indicator	75.0	72.5	68.2	-	Mar-15	71.9	-4.3	-6.0%
Personal Finance: Current	61.9	60.3	59.7	-	Mar-15	60.6	-0.6	-0.9%
Personal Finance: Expected	71.7	69.2	63.9	-	series low	68.3	-5.3	-7.7%
Business Condition: 1 Year	62.5	60.1	61.2	Apr-15	-	61.3	1.1	1.9%
Business Condition: 5 Years	90.8	88.3	79.3	-	Mar-15	86.1	-9.0	-10.2%
Durable Buying Conditions	63.1	65.5	69.4	Oct-14	-	66.0	3.9	6.0%
Current Business Conditions Indicator	61.2	64.9	60.3	-	Mar-15	62.1	-4.6	-7.0%
Real Estate Investment Indicator	99.5	97.8	105.2	Feb-14	-	100.8	7.4	7.6%
Car Purchase Indicator	64.4	61.2	64.3	Apr-15	-	63.3	3.1	4.9%
Employment Outlook Indicator	66.8	66.4	63.9	-	Mar-15	65.7	-2.5	-3.7%
Inflation Expectations Indicator	147.5	146.2	151.3	Feb-15	-	148.3	5.1	3.5%
Current Prices Satisfaction Indicator	45.9	48.2	44.6	-	Feb-15	46.2	-3.6	-7.4%
Interest Rates Expectations Indicator	150.2	150.5	153.3	Mar-15	-	151.3	2.8	1.9%



## Russia - Volga Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Volga Consumer Indicator</b>	60.3	62.3	61.2	-	Apr-15	61.3	-1.1	-1.8%
Current Indicator	71.5	71.2	70.9	-	series low	71.2	-0.3	-0.5%
Expectations Indicator	52.8	56.4	54.7	-	Apr-15	54.6	-1.7	-2.9%
Personal Finance: Current	58.2	59.4	54.9	-	series low	57.5	-4.5	-7.4%
Personal Finance: Expected	46.3	57.3	58.8	Mar-15	-	54.1	1.5	2.6%
Business Condition: 1 Year	55.8	56.3	54.4	-	series low	55.5	-1.9	-3.3%
Business Condition: 5 Years	56.2	55.5	50.9	-	Mar-15	54.2	-4.6	-8.2%
Durable Buying Conditions	84.9	83.1	86.8	Mar-15	-	84.9	3.7	4.4%
Current Business Conditions Indicator	57.7	50.9	51.1	Apr-15	-	53.2	0.2	0.4%
Real Estate Investment Indicator	113.3	114.4	110.8	-	Jul-14	112.8	-3.6	-3.1%
Car Purchase Indicator	69.3	70.6	69.8	-	Apr-15	69.9	-0.8	-1.1%
Employment Outlook Indicator	49.5	52.5	47.2	-	series low	49.7	-5.3	-10.1%
Inflation Expectations Indicator	170.1	167.5	166.4	-	Oct-14	168.0	-1.1	-0.7%
Current Prices Satisfaction Indicator	36.2	34.6	34.8	Apr-15	-	35.2	0.2	0.6%
Interest Rates Expectations Indicator	163.8	170.8	162.9	-	Jan-15	165.8	-7.9	-4.6%

## Russia - North Caucasus Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - North Caucasus Consumer Indicator</b>	79.2	73.6	77.7	Apr-15	-	76.8	4.1	5.6%
Current Indicator	74.1	64.4	70.9	Apr-15	-	69.8	6.5	10.1%
Expectations Indicator	82.6	79.7	82.2	Apr-15	-	81.5	2.5	3.2%
Personal Finance: Current	74.8	62.4	71.8	Apr-15	-	69.7	9.4	15.0%
Personal Finance: Expected	74.8	79.4	74.8	-	series low	76.3	-4.6	-5.9%
Business Condition: 1 Year	73.0	61.2	70.5	Apr-15	-	68.2	9.3	15.1%
Business Condition: 5 Years	100.1	98.4	101.4	series high	-	100.0	3.0	3.0%
Durable Buying Conditions	73.5	66.3	70.0	Apr-15	-	69.9	3.7	5.6%
Current Business Conditions Indicator	72.7	71.9	71.9	Apr-15	-	72.2	0.0	0.0%
Real Estate Investment Indicator	102.0	99.4	102.1	Dec-14	-	101.2	2.7	2.7%
Car Purchase Indicator	68.1	66.7	68.6	Dec-14	-	67.8	1.9	2.8%
Employment Outlook Indicator	78.0	75.9	79.4	Dec-14	-	77.8	3.5	4.6%
Inflation Expectations Indicator	144.4	140.7	139.9	-	Dec-14	141.7	-0.8	-0.6%
Current Prices Satisfaction Indicator	55.0	53.1	54.8	Apr-15	-	54.3	1.7	3.2%
Interest Rates Expectations Indicator	161.6	158.5	154.9	-	Dec-14	158.3	-3.6	-2.3%

## Russia - West Siberian Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - West Siberian Consumer Indicator</b>	68.8	68.2	74.0	Dec-14	-	70.3	5.8	8.4%
Current Indicator	66.8	63.8	72.4	Oct-14	-	67.7	8.6	13.5%
Expectations Indicator	70.2	71.2	75.0	Dec-14	-	72.1	3.8	5.4%
Personal Finance: Current	63.7	62.8	69.5	Oct-14	-	65.3	6.7	10.5%
Personal Finance: Expected	71.9	72.7	75.1	Feb-15	-	73.2	2.4	3.2%
Business Condition: 1 Year	62.7	60.9	67.4	Jan-15	-	63.7	6.5	10.6%
Business Condition: 5 Years	75.9	79.8	82.5	Dec-14	-	79.4	2.7	3.3%
Durable Buying Conditions	69.8	64.7	75.4	Jan-15	-	70.0	10.7	16.4%
Current Business Conditions Indicator	69.7	66.2	72.1	Feb-15	-	69.3	5.9	9.0%
Real Estate Investment Indicator	104.2	107.3	105.0	-	Apr-15	105.5	-2.3	-2.1%
Car Purchase Indicator	68.3	68.8	68.3	-	Apr-15	68.5	-0.5	-0.8%
Employment Outlook Indicator	71.1	71.9	70.5	-	Jan-15	71.2	-1.4	-1.9%
Inflation Expectations Indicator	147.4	148.4	144.2	-	Dec-14	146.7	-4.2	-2.8%
Current Prices Satisfaction Indicator	45.3	45.3	43.7	-	Mar-15	44.8	-1.6	-3.4%
Interest Rates Expectations Indicator	142.1	141.7	143.1	Mar-15	-	142.3	1.4	1.0%

## All Russia - Overview by Age

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Age 18-34</b>								
<b>MNI Russia Consumer Indicator</b>	73.4	75.3	77.9	Dec-14	-	75.5	2.6	3.5%
Current Indicator	74.5	75.0	77.6	Dec-14	-	75.7	2.6	3.5%
Expectations Indicator	72.7	75.4	78.1	Dec-14	-	75.4	2.7	3.6%
Personal Finance: Current	69.3	71.0	72.2	Dec-14	-	70.8	1.2	1.7%
Personal Finance: Expected	73.0	76.7	79.6	Feb-15	-	76.4	2.9	3.9%
Business Condition: 1 Year	64.8	66.1	70.3	Dec-14	-	67.1	4.2	6.3%
Business Condition: 5 Years	80.3	83.5	84.5	Dec-14	-	82.8	1.0	1.2%
Durable Buying Conditions	79.7	79.0	83.0	Dec-14	-	80.6	4.0	5.1%
<b>Age 35-54</b>								
<b>MNI Russia Consumer Indicator</b>	74.8	71.9	76.3	Dec-14	-	74.3	4.4	6.0%
Current Indicator	77.4	71.8	79.8	Dec-14	-	76.3	8.0	11.1%
Expectations Indicator	73.1	72.0	73.9	Dec-14	-	73.0	1.9	2.7%
Personal Finance: Current	70.7	65.7	72.0	Dec-14	-	69.5	6.3	9.7%
Personal Finance: Expected	71.0	71.6	72.7	Mar-15	-	71.8	1.1	1.5%
Business Condition: 1 Year	67.4	63.1	70.1	Oct-14	-	66.9	7.0	11.0%
Business Condition: 5 Years	80.9	81.3	79.1	-	Mar-15	80.4	-2.2	-2.8%
Durable Buying Conditions	84.1	77.9	87.5	Dec-14	-	83.2	9.6	12.3%
<b>Age 55-64</b>								
<b>MNI Russia Consumer Indicator</b>	65.5	65.7	70.8	Dec-14	-	67.3	5.1	7.8%
Current Indicator	64.8	64.9	71.5	Dec-14	-	67.1	6.6	10.2%
Expectations Indicator	66.1	66.1	70.3	Dec-14	-	67.5	4.2	6.2%
Personal Finance: Current	57.1	61.7	66.3	Dec-14	-	61.7	4.6	7.5%
Personal Finance: Expected	62.4	64.5	64.9	Mar-15	-	63.9	0.4	0.7%
Business Condition: 1 Year	59.5	61.6	66.7	Oct-14	-	62.6	5.1	8.2%
Business Condition: 5 Years	76.4	72.3	79.1	Dec-14	-	75.9	6.8	9.4%
Durable Buying Conditions	72.5	68.2	76.8	Dec-14	-	72.5	8.6	12.6%

## All Russia - Overview by Income

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< RUB 480,000 Per Annum								
<b>MNI Russia Consumer Indicator</b>	69.5	69.3	71.0	Dec-14	-	69.9	1.7	2.5%
Current Indicator	69.5	67.6	70.8	Dec-14	-	69.3	3.2	4.8%
Expectations Indicator	69.4	70.4	71.1	Dec-14	-	70.3	0.7	1.0%
Personal Finance: Current	65.5	63.8	65.6	Dec-14	-	65.0	1.8	2.7%
Personal Finance: Expected	66.8	70.4	68.7	-	Apr-15	68.6	-1.7	-2.4%
Business Condition: 1 Year	62.6	60.1	65.1	Dec-14	-	62.6	5.0	8.3%
Business Condition: 5 Years	78.9	80.8	79.6	-	Apr-15	79.8	-1.2	-1.5%
Durable Buying Conditions	73.6	71.4	76.1	Dec-14	-	73.7	4.7	6.6%
> RUB 480,000 Per Annum								
<b>MNI Russia Consumer Indicator</b>	79.1	78.5	83.2	Dec-14	-	80.3	4.7	6.0%
Current Indicator	82.4	79.6	86.3	Dec-14	-	82.8	6.7	8.4%
Expectations Indicator	76.9	77.7	81.1	Dec-14	-	78.6	3.4	4.4%
Personal Finance: Current	73.6	74.0	78.6	Dec-14	-	75.4	4.6	6.2%
Personal Finance: Expected	78.3	78.2	81.9	Mar-15	-	79.5	3.7	4.7%
Business Condition: 1 Year	69.6	70.9	75.8	Feb-15	-	72.1	4.9	6.9%
Business Condition: 5 Years	82.9	83.9	85.5	Aug-14	-	84.1	1.6	1.9%
Durable Buying Conditions	91.2	85.2	94.0	Feb-15	-	90.1	8.8	10.4%

## 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 has been in place since March 2013.

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.





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## Discovering trends in Emerging Markets

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

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

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