

MNI Russia Consumer Report November 2015

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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Release Time


Embargoed until 9:45 a.m. Moscow time
December 8, 2015

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Executive Summary

Russian consumer sentiment increased in November, with households less pessimistic about business conditions over the coming year as well as their current financial situation.

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The MNI Russia Consumer Sentiment Indicator rose 1.9% on the month to 70.8 in November from 69.5 in October. Four of the five components of the indicator improved between October and November, led by heightened expectations for the business environment over the coming year.

Respondents were also less pessimistic in their assessment of their financial position both now and in the future. They were also somewhat more willing to purchase a large household good, although the Durable Buying Conditions Indicator, like all other components, remains well below the 100 neutral level.

Confidence was also supported by the real estate market as heightened expectations for house prices over the coming year prompted fewer consumers to consider it to be a good time to sell a property while also lifting the number of those who wanted to invest in one.

In spite of the slightly less pessimistic tone, a record number of respondents reported that they were struggling to keep up with the ever-growing cost of living and their inflationary expectations for the coming year remained elevated.

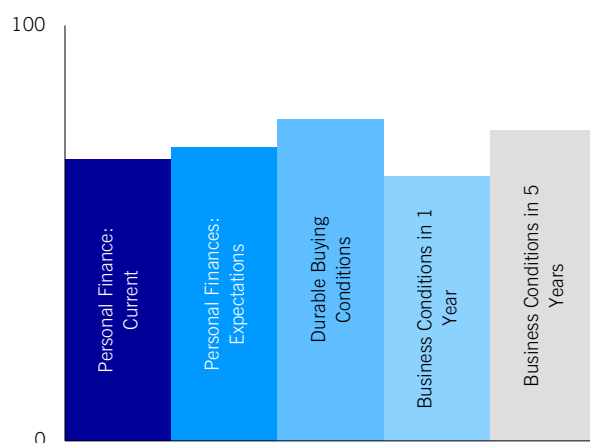
Consumers also continued to be pessimistic about the prospects for the job market, albeit less so than last month when their outlook was gloomier than ever before.

Whereas higher expectations for the Russian business environment over the coming year provided the greatest amount of support for headline sentiment this month, a more pessimistic longer-term outlook was the sole component to decline on the month.

While fewer consumers expected the price of gasoline to rise over the coming year, they continued to consider it to be a bad time to buy a car given exorbitant credit costs, high dealership prices and dire household finances.

The Current Indicator, which measures consumers' assessment of current conditions, rose to 72.6 in November after remaining broadly stable at 70.6 in October. The Expectations Indicator, which is comprised of the three forward-looking components, increased to 69.7 after declining to 68.8 in the previous month, placing it at precisely at the September outturn.

MNI Russia Consumer Indicator - Components



All Russia - Overview

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI Russia Consumer Indicator	70.0	69.5	70.8	Aug-15	-	70.1	1.3	1.9%
Current Indicator	70.5	70.6	72.6	Aug-15	-	71.2	2.0	2.9%
Expectations Indicator	69.7	68.8	69.7	Sep-15	-	69.4	0.9	1.3%
Personal Finance: Current	65.6	65.8	67.7	Aug-15	-	66.4	1.9	3.0%
Personal Finance: Expected	69.5	69.2	70.5	Aug-15	-	69.7	1.3	1.9%
Business Condition: 1 Year	62.0	61.7	63.8	Aug-15	-	62.5	2.1	3.4%
Business Condition: 5 Years	77.6	75.5	74.7	-	Mar-15	75.9	-0.8	-1.0%
Durable Buying Conditions	75.5	75.4	77.5	Aug-15	-	76.1	2.1	2.8%
Current Business Conditions Indicator	65.8	64.8	66.1	Aug-15	-	65.6	1.3	2.0%
Real Estate Investment Indicator	105.9	106.0	108.0	Jun-15	-	106.6	2.0	1.9%
Car Purchase Indicator	74.1	66.5	69.3	Sep-15	-	70.0	2.8	4.1%
Employment Outlook Indicator	66.4	63.0	64.9	Sep-15	-	64.8	1.9	2.9%
Inflation Expectations Indicator	157.0	156.9	156.8	-	Aug-15	156.9	-0.1	0.0%
Current Prices Satisfaction Indicator	44.3	43.6	43.5	-	series low	43.8	-0.1	-0.3%
Interest Rates Expectations Indicator	152.3	151.5	151.4	-	Aug-15	151.7	-0.1	-0.1%

All Russia - Summary

	2014		2015										
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
MNI Russia Consumer Indicator	76.3	80.3	70.6	73.1	69.2	73.0	72.8	76.4	70.8	72.5	70.0	69.5	70.8
Current Indicator	73.3	80.4	71.9	75.2	69.1	74.4	72.5	77.7	71.2	73.5	70.5	70.6	72.6
Expectations Indicator	78.3	80.2	69.8	71.8	69.2	72.0	73.0	75.6	70.5	71.8	69.7	68.8	69.7
Personal Finance: Current	67.5	73.3	65.2	67.9	62.1	68.4	67.8	71.4	64.5	68.2	65.6	65.8	67.7
Personal Finance: Expected	87.0	85.0	77.2	77.0	75.9	70.9	73.2	75.1	71.5	71.0	69.5	69.2	70.5
Business Condition: 1 Year	63.7	69.8	60.8	68.4	59.7	65.2	64.4	69.8	61.3	64.9	62.0	61.7	63.8
Business Condition: 5 Years	84.1	85.7	71.3	69.9	72.0	80.0	81.3	81.7	78.7	79.6	77.6	75.5	74.7
Durable Buying Conditions	79.1	87.6	78.6	82.5	76.2	80.5	77.3	83.9	77.9	78.9	75.5	75.4	77.5
Current Business Conditions Indicator	86.5	84.0	70.7	69.6	67.4	67.9	67.9	70.1	67.8	67.3	65.8	64.8	66.1
Real Estate Investment Indicator	105.2	108.7	105.3	106.4	105.8	106.5	106.8	108.7	106.8	107.5	105.9	106.0	108.0
House Price Expectations	142.8	144.1	142.8	142.9	143.5	142.5	142.9	142.9	144.6	143.1	144.0	143.5	144.1
House Buying Sentiment	73.5	81.2	73.2	76.3	72.7	76.1	76.4	80.6	74.5	77.6	74.2	74.8	77.4
House Selling Sentiment	100.7	99.3	99.9	100.0	98.8	99.2	99.0	97.4	98.7	98.3	100.5	100.2	97.5
Car Purchase Indicator	74.5	73.6	68.7	69.4	69.2	70.5	69.8	73.0	78.8	76.3	74.1	66.5	69.3
Car Purchase Expectations	97.6	96.5	86.0	87.2	86.0	88.9	87.0	93.1	86.3	81.4	80.6	81.5	81.9
Price of Gasoline Expectations	148.6	149.2	148.7	148.3	147.5	147.8	147.5	147.0	128.7	128.9	132.3	148.4	143.3
Employment Outlook Indicator	87.3	86.7	66.9	68.2	66.5	68.8	70.1	71.4	68.5	69.0	66.4	63.0	64.9
Inflation Expectations Indicator	144.5	144.3	161.1	169.2	160.9	153.1	152.6	154.7	156.3	154.4	157.0	156.9	156.8
Current Prices Satisfaction Indicator	62.0	60.2	44.9	47.6	47.0	47.3	48.0	49.0	46.0	47.1	44.3	43.6	43.5
Interest Rates Expectations Indicator	122.2	127.6	165.1	168.4	167.4	151.8	150.9	149.1	151.5	151.2	152.3	151.5	151.4

All Russia - Records

	2013 - Current			
	Minimum	Maximum	Mean	Median
MNI Russia Consumer Indicator	69.2	101.2	85.4	88.4
Current Indicator	69.1	102.8	85.8	88.2
Expectations Indicator	68.8	100.2	85.2	87.7
Personal Finance: Current	62.1	103.5	80.7	81.2
Personal Finance: Expected	69.2	107.4	89.5	91.6
Business Condition: 1 Year	59.7	99.4	78.9	79.8
Business Condition: 5 Years	69.9	97.3	87.2	89.6
Durable Buying Conditions	75.4	107.4	90.8	94.3
Current Business Conditions Indicator	64.8	99.8	85.0	90.2
Real Estate Investment Indicator	105.2	110.7	107.6	107.4
House Price Expectations	121.4	144.6	136.5	141.0
House Buying Sentiment	72.7	101.1	85.5	84.2
House Selling Sentiment	96.3	101.4	99.1	99.2
Car Purchase Indicator	66.5	87.4	78.3	78.9
Car Purchase expectations	80.6	109.1	96.9	99.9
Price of Gasoline expectations	128.7	149.2	140.3	139.1
Employment Outlook Indicator	63.0	100.6	85.0	89.6
Inflation Expectations Indicator	129.9	169.2	145.2	142.1
Current Prices Satisfaction Indicator	43.5	86.1	63.9	66.2
Interest Rates Expectations Indicator	113.1	168.4	130.4	119.6

The MNI Russia Consumer Sentiment Indicator rose 1.9% on the month to 70.8...

...from 69.5 in October.



Economic Landscape

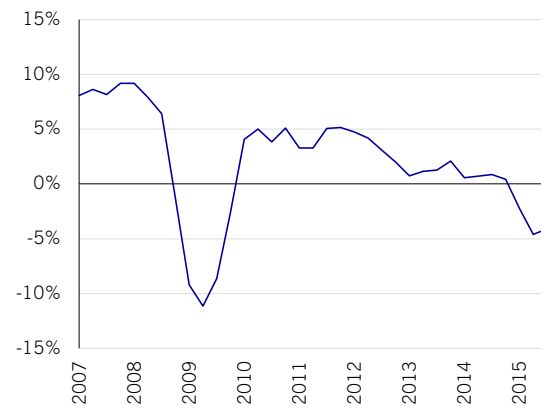
While GDP data revealed the Russian economy had moderated in the third quarter, official data for October suggests that the economy may have taken a turn for the worse.

While GDP data revealed the Russian economy had moderated in the third quarter, official data for October suggests that the economy may have taken a turn for the worse. Unemployment rose sharply after remaining resilient for several months previously, pushing down further on real wages. Inflation continued to prove sticky, with consumer prices easing in November and prices at the factory gate flaring up once again in October. Households suffered under the strain of lower incomes and the higher cost living, weighing on both retail sales and car purchases, with the former particularly suffering from the termination of the government scrappage scheme. Industrial production also suffered a setback in seasonally adjusted terms as only the mining and extraction sector saw a pick-up in activity.

On November 24, a Russian fighter jet was shot down by the Turkish military in response to a supposed violation of its airspace. Relations between the countries had been cordial prior to the incident, with the two in the midst of planning a major pipeline dubbed “Turkish Stream” that would supply Russian gas to Turkey. Talks on the project have now been suspended and the Russian government has imposed various sanctions against Turkey, including its tried-and-tested food ban which is typically introduced whenever its diplomatic ties break down with another country. Given that a similar ban on food imports from the EU pushed up prices, the pace of the recent deceleration in annual inflation could be slowed by the restrictions imposed against Turkey with vegetables from the country alone accounting for a fifth of Russian consumption.

Furthermore, the rouble has been under considerable pressure recently due to the high probability of a Fed hike as well as the failure of OPEC members to agree on an oil production ceiling. Officials from the Central Bank of Russia are due to meet next on December 11 where we judge their chances of cutting rates will be slim. While restrictive monetary policy is at odds with the dire domestic situation, more accommodative monetary policy is likely to further weaken the embattled currency which in-turn risks its inflation mandate. As such, we expect the CBR to find its hands tied at its December meeting, leaving it with little option but to hold rates steady.

Economic Growth



— GDP Y/Y %

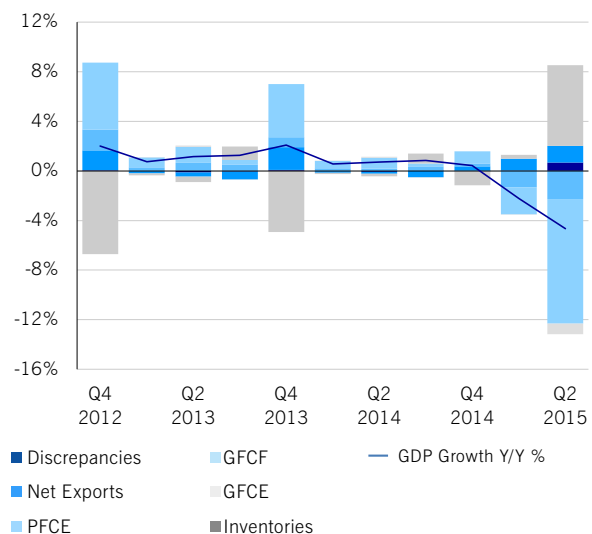
Source: Rosstat

Russian GDP improves in Q3

Preliminary data released by the Federal Statistics Service (Rosstat) showed that GDP declined 4.1% on the year in the third quarter of 2015 following a contraction of 4.6% in the second quarter.

While data has yet to be broken down on an expenditure basis, the improvement is likely to have been driven by the industrial sector which has moderated in recent

Contribution to Economic Growth



Source: Rosstat

months on the back of greater import substitution as well as growing exports, with both encouraged by the weakness of the rouble. Even so, consumer spending is likely to have remained subdued given the continued downward pressure on wages over the period, while a flare-up of inflationary pressures and the prohibitive cost of credit is likely to have further eroded purchasing power.

Latest monthly figures from the Economic Development Ministry suggest that GDP fell 3.6% on the year in October following a 3.8% decline in September. Given the slump in oil prices over the past few months, the economy ministry forecasts that GDP will shrink 3.3% in 2015 but believes that the downturn has bottomed out.

Output supported by the mining sector

Industrial production contracted by a seasonally adjusted 0.1% on the month in October after expanding 0.6% in September, while year-on-year growth increased slightly to -3.6% from -3.7% in the previous month.

Manufacturing output was down 5.9% on the year following a 5.4% fall in the previous month. While there was robust growth of 9.2% in chemicals production, this was countered by declines in 13 of the 14 remaining manufacturing industries.

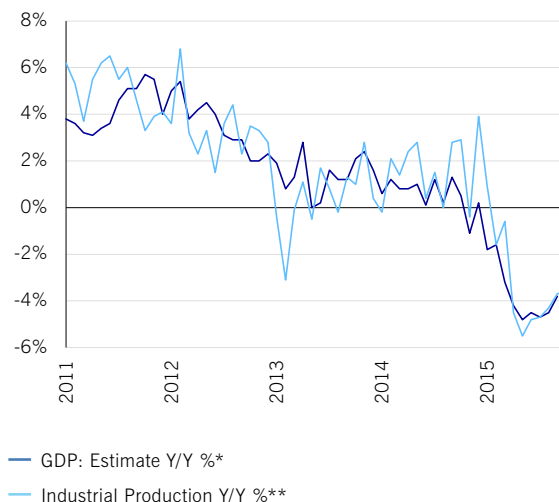
Mining and quarrying output was 1.4% above the same month a year earlier after growing 0.8% in the previous two months. Only extraction of crude oil and natural gas was down, shrinking by 0.3% in annual terms, while mining of unclassified materials exhibited the greatest improvement of 14.2% in October.

Year-on-year growth in utilities output fell 3.6% in October following a decline of 2.6% in the previous month. Thermal energy production and distribution was down 7.4% on the year in October after falling 7.3% in September, whereas electricity production suffered a 2.3% decline after contracting just 1.6% in the previous month.

CBR holds rates steady for second consecutive meeting

Recognising continued inflation risks, the Central Bank of Russia chose to maintain the key interest rate at 11% at its meeting on October 30. This marked the second

Industrial Production and GDP Estimate



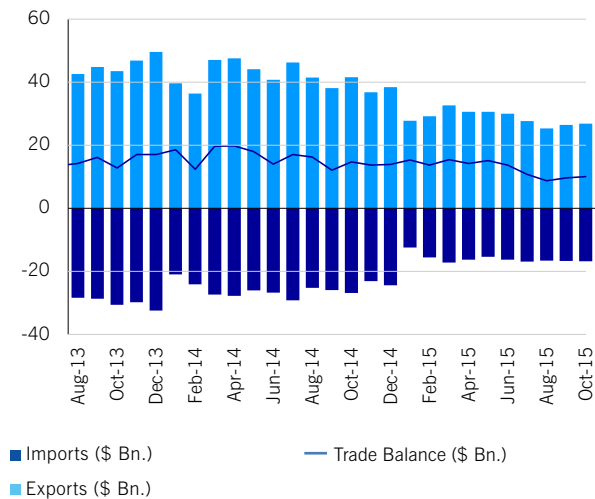
Source: *Ministry of Economic Development, **Rosstat

meeting in a row that the central bank has decided to hold the key rate after five consecutive cuts which have brought the key rate down by a total of 600 basis points. Even so, the benchmark rate is still above the 10.5% it was in December last year, before it was hiked to 17% in a desperate effort to support the rouble.

The CBR is caught between a rock and a hard place. On the one hand, the central bank knows that pressing on with its policy normalisation efforts will add to the downward pressure on the rouble which in-turn could jeopardise its inflation mandate. At the same time, the CBR recognises that it needs to cut rates to place the economy in a position from which it can emerge from recession should the external environment present an opportunity to do so.

The growing likelihood of the US Federal Reserve implementing "lift-off" in December complicates matters as it will likely trigger a volatile reaction in emerging markets. Inflation is also proving difficult to bring down, with the latest official CPI data continuing to suggest that it remains sticky, while the rouble remains on shaky ground following the failure of OPEC members to agree on an oil production ceiling. As such, our assessment at this stage is that the CBR will find its hands tied at its next meeting on December 11, leaving it with little option but to hold rates steady.

Trade Balance



Source: Federal Customs Service

Trade surplus widens for second month in a row

Russia's trade surplus has narrowed considerably over the past year as the low price of oil and economic sanctions have led to a continuous decline in exports that has outstripped the simultaneous fall in imports. In October, however, Russia's trade surplus widened for the second month in row to \$10 billion from \$9.6 billion (revised up from \$8.9 billion) in September.

Exports declined by 35.5% on the year to \$26.8 billion in October from \$26.4 billion (revised up from \$25.6 billion) in the previous month. Much of the decline in exports has been on the back of the slide in the price of oil, Russia's key commodity.

Imports fell by 37.4% on the year to \$16.8 billion in October from \$16.8 billion (revised up from \$16.7 billion) in September. 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.

Mixed messages for inflation

Annual growth in consumer price inflation fell to 15% in November from 15.6% in October, marking the third consecutive month that prices have eased. While welcomed, base effects have now turned more

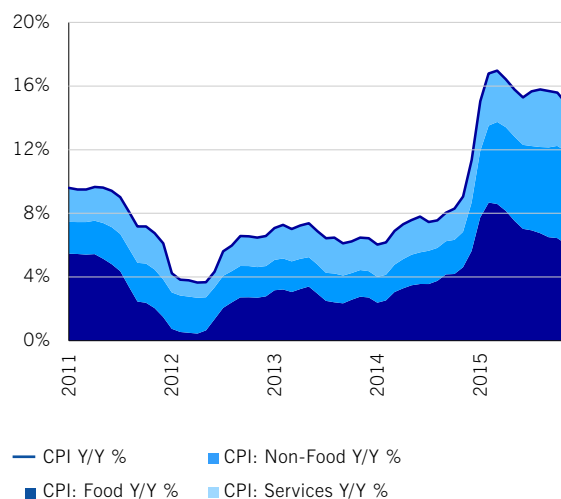
favourable and annual inflation is likely to traverse a downward path despite the increased pressure on the rouble, making it difficult to read too much into the year-on-year figures.

The slowdown was mainly on the back of lower service sector inflation which eased to 11.9% in November from 13.1% previously. Food price inflation, which is the largest contributor to the CPI basket, dropped more moderately to 16.3% from 17.3% previously. In contrast, non-food inflation was pushed higher to 15.7% in November from 15.6% in October as the rouble depreciation continued to filter through. Stripping out food and fuel, which tend to be volatile, core inflation fell to 15.9% on the year in November from 16.4% in October.

Recent volatility has prompted the Central Bank of Russia to push back their inflation forecast. At its last meeting, the central bank signalled that it now expects annual CPI growth to fall to 7% by October next year after previously estimating that it would do so one month prior, but maintained that inflation would still ease to its medium-term target of 4% in 2017.

Prices at the factory gate in Russia were up 14.2% on the year in October following a more moderate increase of 12.7% in September. Inflation in the manufacturing sector, which accounts for almost 70% of the index, rose

Consumer Price Inflation



Source: Rosstat

slightly to 14.4% on the year after remaining unchanged at 14.3% in the previous month. Prices in the mining and quarrying sector accelerated the sharpest to 17.1% year-on-year in October after easing to 10.7% in September, while inflation in the utilities sector climbed to 8.9% after easing to 7.3% previously.

Remuneration falls as unemployment climbs

Following several months of easing, unemployment succumbed to the pressures of the recession in October, rising to 5.5% after falling to 5.2% in September. Previously, joblessness in Russia had remained relatively resilient in the face of the slowdown, with the labour market adjustment instead being transmitted through a combination of wage cuts and increased part-time employment.

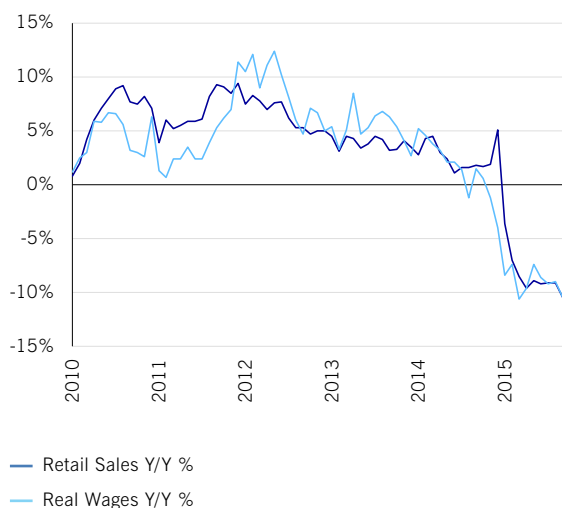
The poor job market has reduced the bargaining power of the Russian workforce and many have accepted wage cuts as companies seek to scale back their operations. Real wages fell by 10.9% on the year in October after declining by 10.4% in September (revised up from -9% previously). Evidence from our consumer 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.

Households rein in spending

Combined with the prohibitively high rate of inflation, falling wages have left Russian consumers with very little purchasing power. This is reflected in retail sales which were 11.7% below the level seen a year earlier in October compared with a 10.4% fall in September, the sharpest decline since January 1999. Sales of non-food items were down 12.5% on the year in October following a contraction of 10.9% in September, whereas food sales declined by 10.9% on the year after shrinking 9.7% in the previous month.

Automobile sales were down 38.5% on the year in October following a fall of 28.6% in September. This was driven in part by the termination of a government car scrappage scheme, which provided a discount of at least 40,000 roubles off new vehicles to consumers who trade in a car that is at least six years old, while the prohibitive cost of credit, poor household finances and high dealership prices continued to take their toll. In October, the price of a domestically manufactured car

Retail Sales and Real Wages



Source: Rosstat

was 26.2% above one produced a year previously and the price of an imported one was 19.6% higher on the year.

Key Monthly Economic Data

	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
GDP: Estimate Y/Y %*	-4.8	-4.5	-4.7	-4.5	-3.7	-3.7	-
Industrial Production Y/Y %**	-5.5	-4.8	-4.7	-4.3	-3.7	-3.6	-
Consumer Price Index Y/Y %**	15.8	15.3	15.6	15.8	15.7	15.6	15.0
Producer Price Index Y/Y %**	13.4	13.1	13.1	13.7	12.7	14.2	-
Unemployment Y/Y %**	5.6	5.4	5.3	5.3	5.2	5.5	-
Real Wages Y/Y %**	-7.4	-8.6	-9.2	-9.0	-10.4	-10.9	-
Retail Sales Y/Y %**	-8.9	-9.2	-9.1	-9.1	-10.4	-11.7	-
Car Sales Y/Y %***	-37.6	-29.7	-27.5	-19.4	-28.6	-38.5	-
Trade Balance \$ Bn.****	15.1	13.6	10.7	8.7	9.6	10.0	-
Exports \$ Bn.****	30.6	30.0	27.7	25.3	26.4	26.8	-
Imports \$ Bn.****	15.5	16.4	17.0	16.6	16.8	16.8	-
MNI Russia Business Sentiment Indicator	51.3	51.8	51.3	52.3	53.0	48.3	37.1
MNI Russia Consumer Sentiment Indicator	72.8	76.4	70.8	72.5	70.0	69.5	70.8

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



Indicators

Households in Russia were slightly less downbeat in November as fewer of them considered it to be a bad time to buy a big-ticket item on the back of improved perception of their financial situation.

MNI Russia Consumer Indicator

Three-Month High



Households in Russia were slightly less downbeat in November as fewer of them considered it to be a bad time to buy a big-ticket item on the back of improved perception of their financial situation. The MNI Russia Consumer Sentiment Indicator rose 1.9% on the month to 70.8 in November from 69.5 in October.

Four of the five components of the MNI Russia Consumer Sentiment Indicator improved on the month. Higher expectations for business conditions over the coming year accounted for most of this month's improvement, though respondents were more doubtful about its longer term prospects. Consumers were also less downbeat in their assessment of their finances which was probably the main reason behind them being more willing to purchase a household durable.

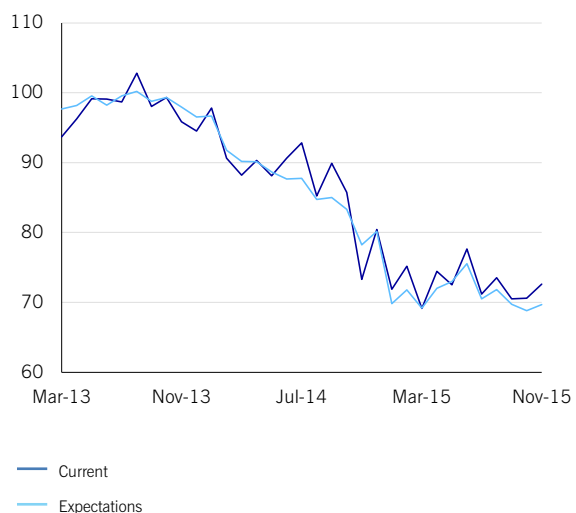
Confidence was also supported by the real estate market as heightened expectations for house prices over the coming year prompted fewer consumers to consider it to be a good time to sell a property while also lifting the number of those who wanted to invest in one. Still, households continued to be held back by the dire state of their finances which have been eaten away by inflation. More respondents than ever before reported that they were struggling to keep up with the ever-growing cost of living.

After our survey period had closed, a Russian fighter jet was shot down by the Turkish military in response to a supposed violation of its airspace. Relations between the countries had been cordial prior to the incident, with the two in the midst of planning a major

MNI Russia Consumer Indicator



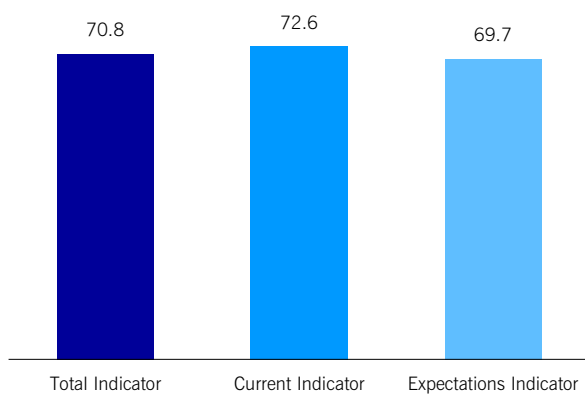
Current and Expectations Indicators



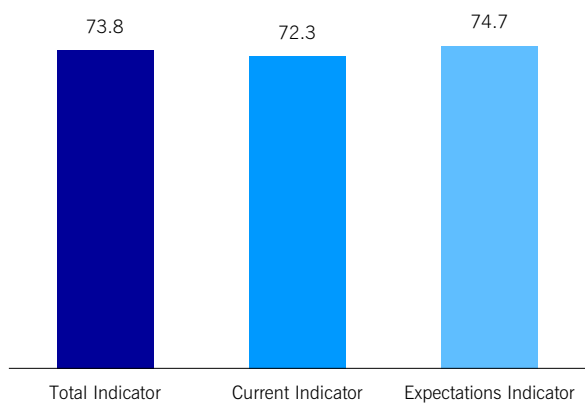
MNI Russia Consumer Indicator

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
MNI Russia Consumer Indicator	76.3	76.4	70.8	72.5	70.0	69.5	70.8
Current	73.3	77.7	71.2	73.5	70.5	70.6	72.6
Expectations	78.3	75.6	70.5	71.8	69.7	68.8	69.7

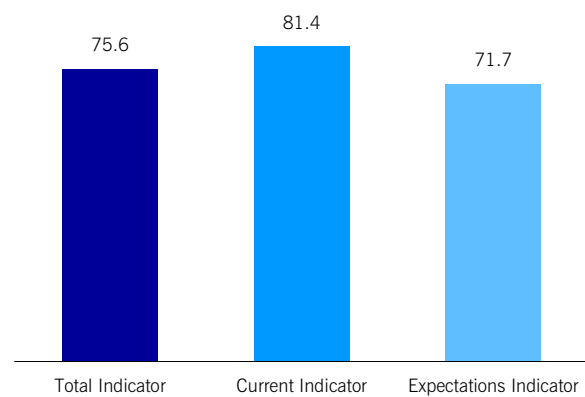
All Russia



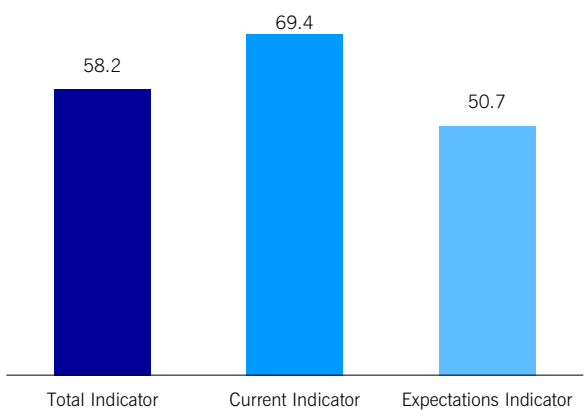
West Siberian



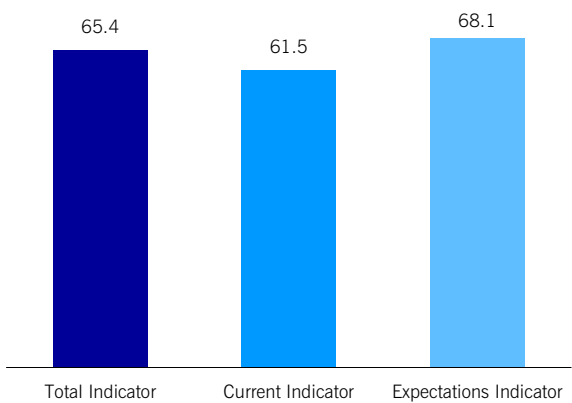
Central Russia



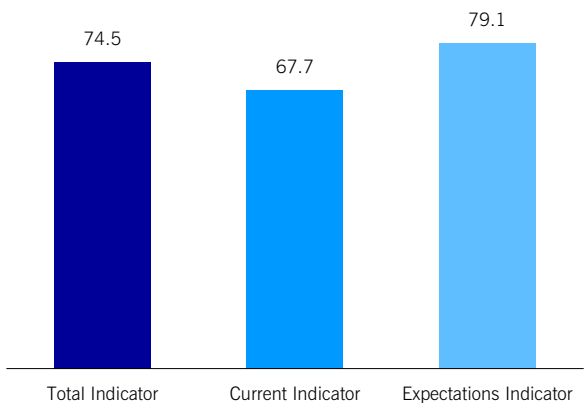
Volga



Urals



North Caucasus





pipeline dubbed “Turkish Stream” that would have supplied Russian gas to Turkey. Talks on the project have now been suspended and the Russian government has imposed various sanctions against Turkey, including its tried-and-tested food ban which is typically introduced whenever its diplomatic ties break down with another country.

Due to these developments, next months’ responses are likely to be skewed to the downside. First of all, it could weigh on consumers’ perception of the business environment as well as their short and long-term outlooks for it. Inflation expectations, meanwhile, could be pushed up by the advent of the food ban, given that a similar one imposed against the EU has accounted for a significant amount of the sharp rise in consumer prices over the past year.

The Current Indicator, which measures consumers’ assessment of current conditions, rose to 72.6 in November after remaining broadly stable at 70.6 in October. The Expectations Indicator, which is comprised of the three forward-looking components, increased to 69.7 after declining to 68.8 in the previous month, placing it at precisely at the September outturn.

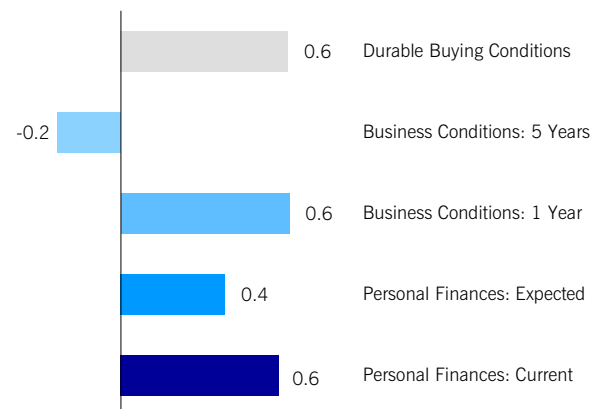
Regions

Consumer sentiment improved in just two of the five major regions in Russia, staying more-or-less unchanged in one and declining in the remaining two.

Residents of the West Siberian region led the November improvement, with the headline indicator rising 6.1% to 73.8 from 69.5 in October. This was despite consumers living in the region having a bleaker outlook for their finances, with double-digit improvements in three components helping to lift overall sentiment.

In contrast, consumer confidence in the Volga region slid to an all-time low of 58.2 in November after the October rise to 61.3 lifted it from a previous low.

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



Inhabitants were far less willing to purchase a large household good as their financial situation deteriorated on the month. Their assessment of current business conditions was the worst on record, weighing on their expectations for them over the next five years.

Age

Only middle-aged consumers were less downbeat this month, with both the youngest and oldest cohorts of our panel growing more pessimistic.

The Consumer Indicator for the 18 to 34-year-old age group eased a little to 70.7 in November from 71.1 in October. While only two of the five components of headline sentiment declined on the month, a sharp scaling back in consumers’ long-term outlook for business conditions largely outweighed the improvement in the three remaining metrics.

Sentiment among the 35 to 54-year-olds climbed 6.8% to 73.1 in November from a record low of 68.5 in October, overtaking the youngest cohort as the least pessimistic age group of all. Leading the broad-based improvement was higher expectations for



business conditions over the coming year. Also providing some support was greater willingness to purchase a household durable as respondents became slightly less pessimistic in their assessment of their financial situation.

The Consumer Indicator for the 55 to 65-year-old age group fell two points to an all-time low of 64.4 in November from 66.4 in October and they continued to be the most pessimistic of the three age groups. Respondents were much more dissatisfied with the current state of their finances, accounting for the lion's share of the drop in sentiment, whilst also reining in both their short and long-term outlooks for the business environment.

Income

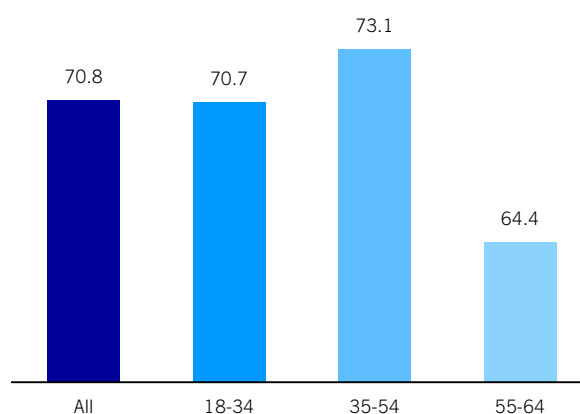
Both low-income households and high-earners were less downbeat in November.

Consumer confidence for households with an average annual income under RUB 480,000 rose 1.1% to 67.4 in November from 66.7 in October. Even though low-income households had higher expectations for business conditions over the coming year, their outlook for its long-term prospects were the bleakest since March.

For households with an average annual income above RUB 480,000, consumer confidence increased 4.4% to 76.6 in November from a record low of 73.4 in October. High-income households were only more downbeat in their five-year outlook for the business environment, whereas an improvement in their perception of their financial situation provided the greatest degree of support.

Consumer sentiment has averaged 68.7 among those in the low-income group over the past year, while for higher income households, it has averaged 78.4, suggesting that more affluent households are weathering the downturn better than poorer ones.

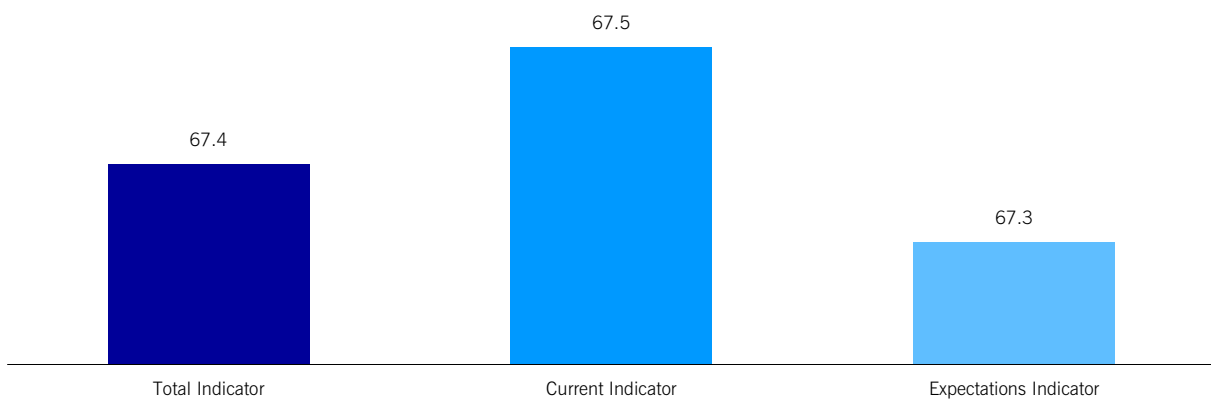
Consumer Indicator: Age Groups



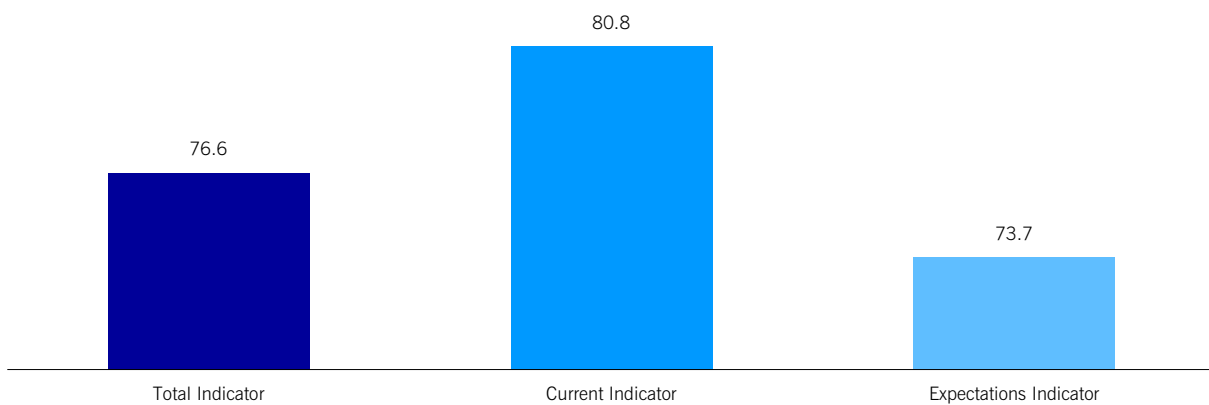
MNI Russia Consumer Indicator Income Groups



< RUB 480,000 Per Annum



> RUB 480,000 Per Annum



MNI Russia Consumer Indicator

Main Cities



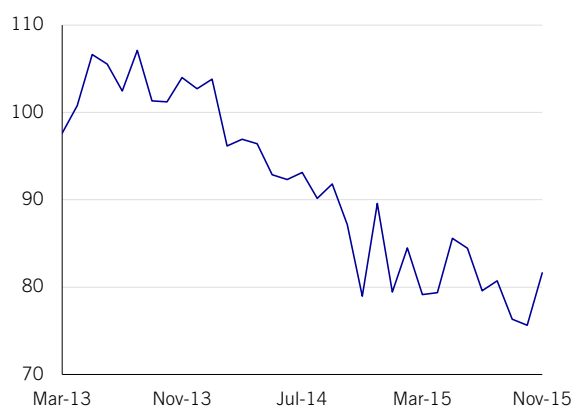
Residents in five of the 10 major cities surveyed in Russia were less downbeat this month.

In the capital, Moscow, consumer sentiment rose 7.9% to 81.6 in November from an all-time low of 75.6 in October. The improvement was broad-based, with Muscovites only trimming back their expectations for their finances. Providing the most support for sentiment, meanwhile, was greater willingness to make a big-ticket purchase as fewer residents reported that their current financial situation had deteriorated.

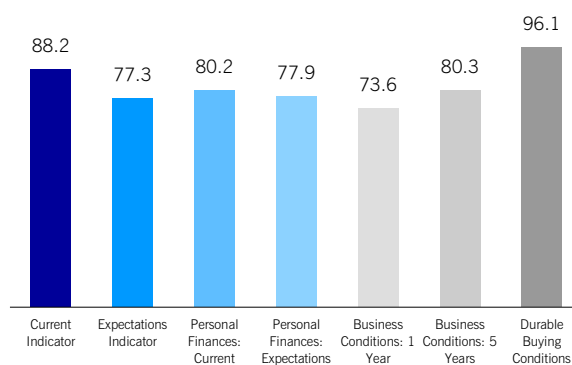
In Saint Petersburg, the second largest city in Russia, consumer sentiment climbed 10% to 85.9 in November from a nine-month low of 78.1 in October, remaining the least downbeat of all cities surveyed. Inhabitants of Saint Petersburg were far less pessimistic in their one-year outlook for the business environment, but grew increasingly concerned for its longer term prospects. An improvement in household finances helped to support consumers' perception of durable buying conditions.

In Novosibirsk, the third-largest city by population in Russia, consumer sentiment increased 9.3% to 68.2 in November from 62.4 in October. Residents reined in their expectations for business conditions over the coming five years and became more pessimistic than ever before in their outlook for their finances. Underpinning sentiment was an improvement in their short-term forecast for business, followed by stronger purchasing sentiment on the back of less shaky finances.

Consumer Indicator - Moscow

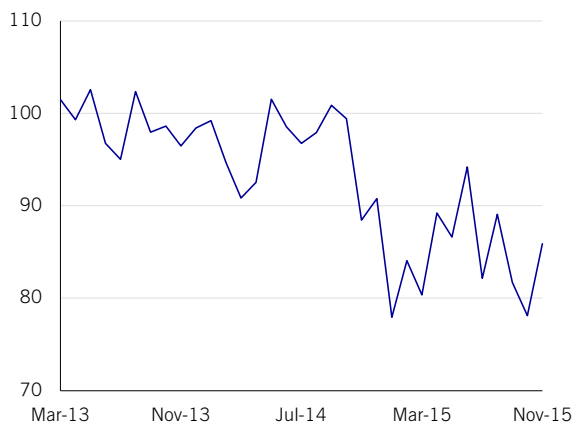


Consumer Indicator Components - Moscow

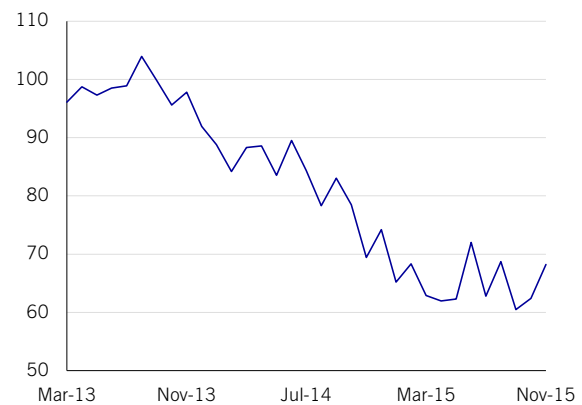




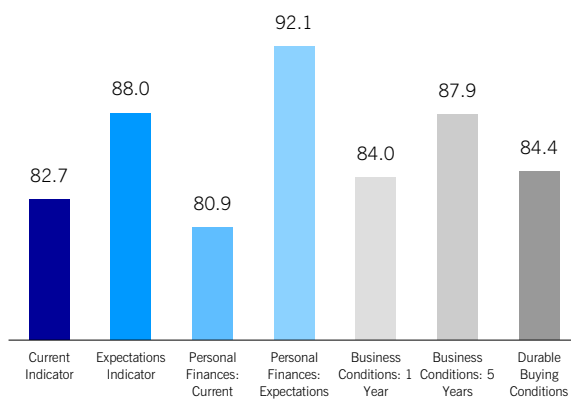
Consumer Indicator - Saint Petersburg



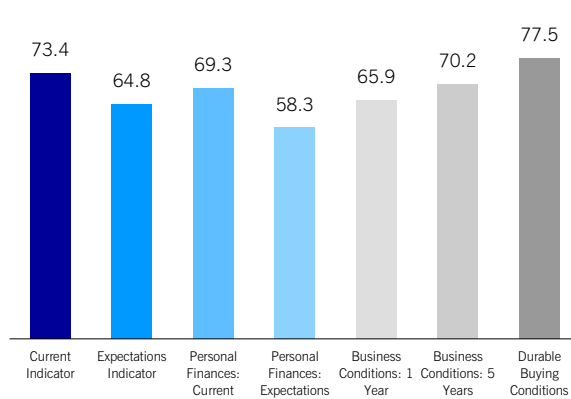
Consumer Indicator - Novosibirsk



Consumer Indicator Components - Saint Petersburg



Consumer Indicator Components - Novosibirsk



Personal Finances

Outlook Recovers from All-Time Low



Households were less downbeat in their assessment of their financial position in November and had higher expectations for the future.

Several companies have slashed wages in an effort to cut costs during the economic recession, having a detrimental impact on our panel’s assessment of the state of their finances. The Current Personal Finances Indicator increased to 67.7 in November after being little changed at 65.8 in October. Almost four-fifths of respondents reported that their financial situation had worsened over the past year in November, of whom 28.3% cited higher household expenses as the main reason for the deterioration while a further 25.1% put it down to a fall in their income.

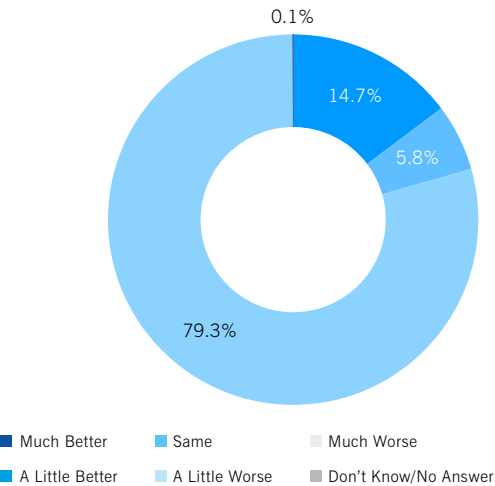
Disposable income has been eroded by a cocktail of high inflation, falling wages and the increased cost of credit, a trend which appears likely to continue in the short-term. In November, 99.6% of respondents spent at least 70% of their monthly household income on daily expenses and 48% of our panel reported that they were not saving any of their monthly income.

Households were slightly less downbeat in their outlook for their financial situation over the coming year, lifting the Expectations for Personal Finances to 70.5 in November from a record low of 69.2 in October. Still, a sizeable 40.1% anticipated that their finances would remain stable compared with the 50.9% who expected them to deteriorate.

Personal Finances



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



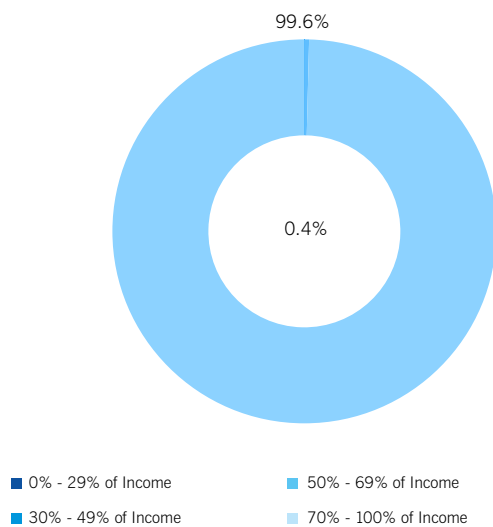
Personal Finances

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Current	67.5	71.4	64.5	68.2	65.6	65.8	67.7
Expectations	87.0	75.1	71.5	71.0	69.5	69.2	70.5

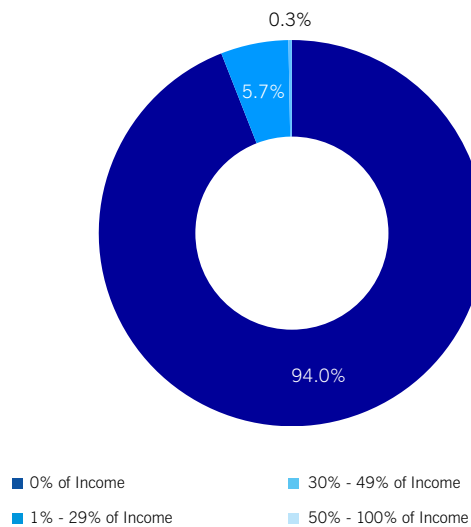
How Households Spend their Money



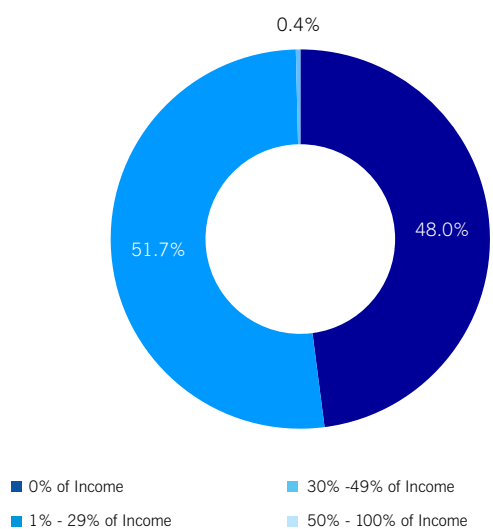
Daily Expenses
(% of Households)



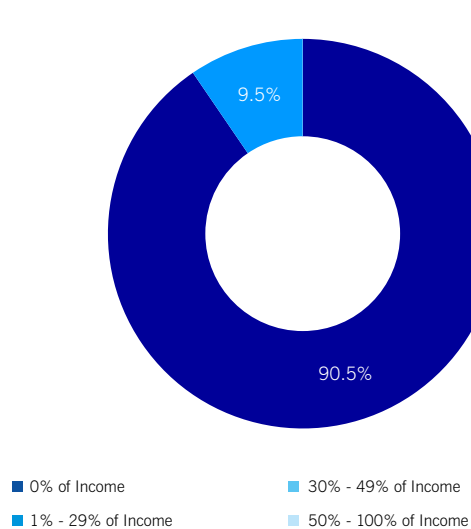
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings (% of Households)



Monthly Household Income Used for Investments (% of Households)



Business Conditions

Five-Year Outlook Trimmed Back



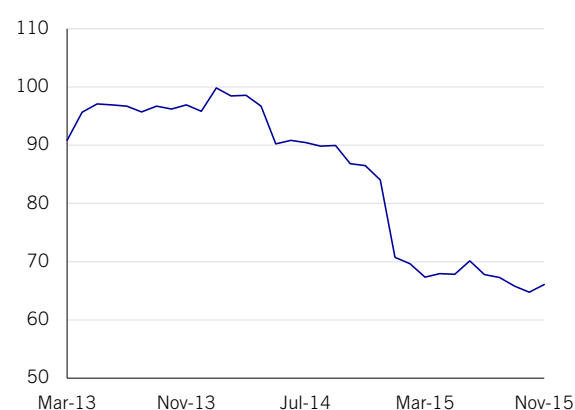
Whereas higher expectations for the Russian business environment over the coming year provided the greatest amount of support for headline sentiment this month, a more pessimistic longer-term outlook was the sole component to decline on the month.

Respondents' views on the state of business were slightly better in November, pushing up the Current Business Conditions Indicator to 66.1 from a record low of 64.8 in October. Given the Russian economy's reliance on oil exports, it is unsurprising that there is a high correlation of 0.95 between crude oil prices and our current business indicator, although this is pushed up significantly by the trend decline over the past two years. Just under 60% of respondents thought that business conditions were poor and only 6.8% of our panel thought that conditions were good.

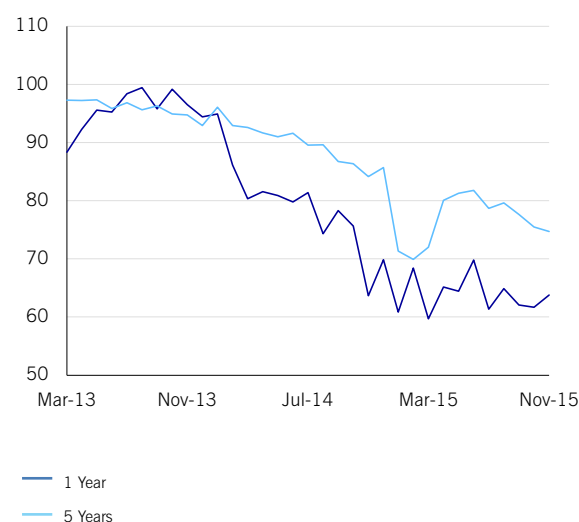
While the sanctions imposed by the EU are due to expire in January, media reports have suggested that the bloc is poised to extend them by an additional six months. If true, this would bring them into line with Russia's own so-called counter-sanctions which are set to be lifted in July 2016. After the EU comes to a decision, there is likely to be some impact on consumers' expectations for business conditions, the direction of which is dependent on whether they are lifted or instead prolonged. Additionally, the recent breakdown in Russian-Turkish relations could also have some downside impact following the imposition of economic sanctions by the former against the latter.

Expectations for Business Conditions in One Year were a little higher at 63.8 in November from 61.7 in October. Over 80% of respondents anticipated that

Current Business Conditions Indicator



Expected Business Conditions



Business Conditions

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Current	86.5	70.1	67.8	67.3	65.8	64.8	66.1
In 1 Year	63.7	69.8	61.3	64.9	62.0	61.7	63.8
In 5 Years	84.1	81.7	78.7	79.6	77.6	75.5	74.7

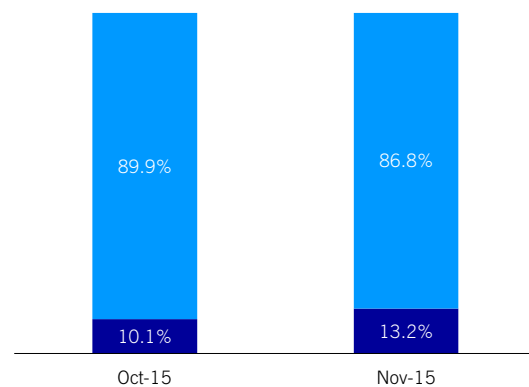
Business Conditions in 1 Year



the conditions for doing business would deteriorate over the coming year, of whom 31.6% cited a lack of economic development as the main reason for their pessimistic outlook and 30.6% reported it was due to low expectations for the job market.

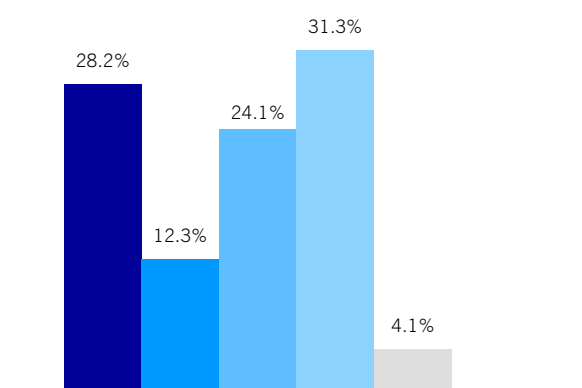
Respondents were, however, more pessimistic in their long-term outlook for business conditions, scaling back their Expectations for Business Conditions in Five Years Indicator to 74.7 in November from 75.5 in October. Of those polled, 47% of respondents expected conditions to worsen over the next five years and only 11.7% expected conditions to improve.

All Russia



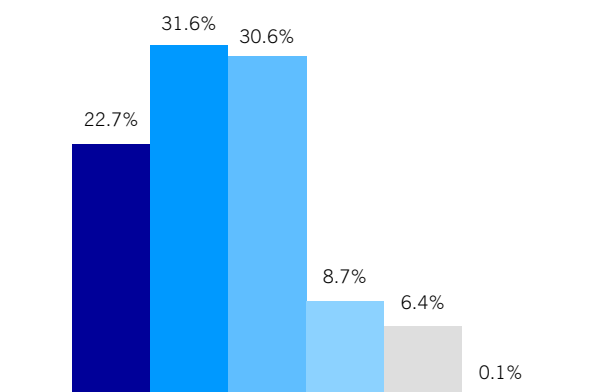
■ Better
■ Worse

All Russia, Reasons for Better



■ Government/Policy
■ Econ. Development
■ Income/Employment
■ Resource/Environment
■ Social Stability/ Security
■ Events

All Russia, Reasons for Worse

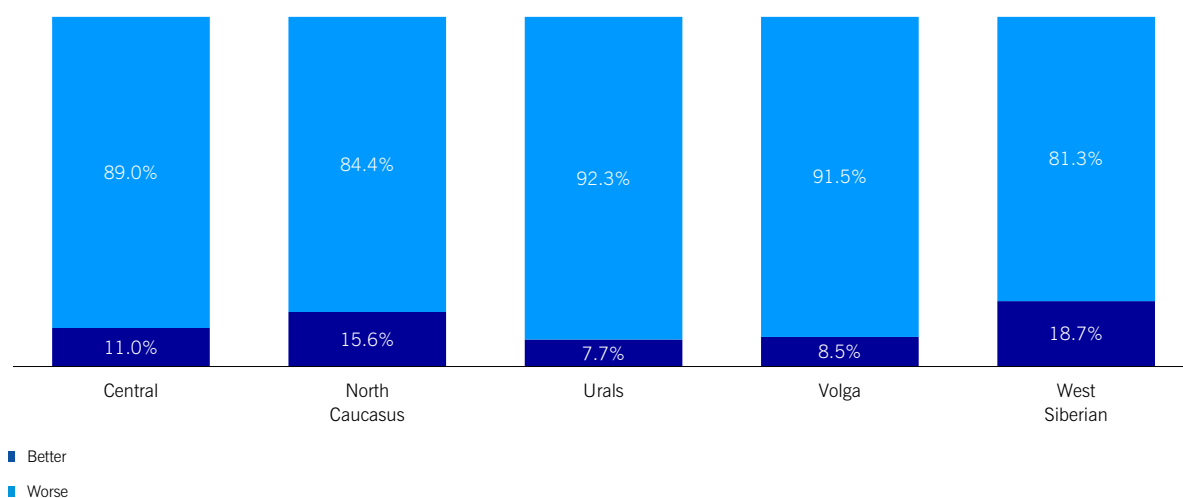


■ Government/Policy
■ Econ. Development
■ Income/Employment
■ Resource/Environment
■ Social Stability/ Security
■ Events

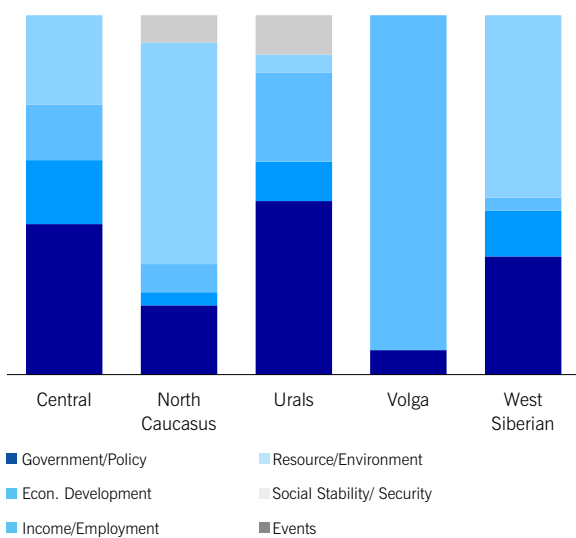
Business Conditions in 1 Year Regions



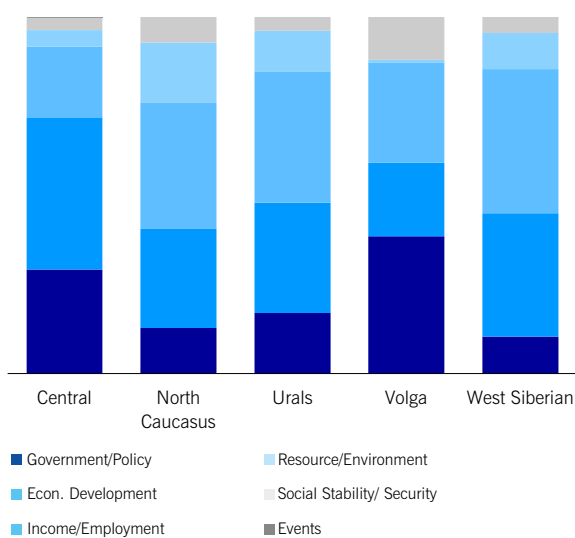
Business Expectations: Worse or Better?
(% of Respondents)



Reasons for Better
(% of Respondents)



Reasons for Worse
(% of Respondents)



Durable Buying Conditions

Appetite for Big-Ticket Items Grows

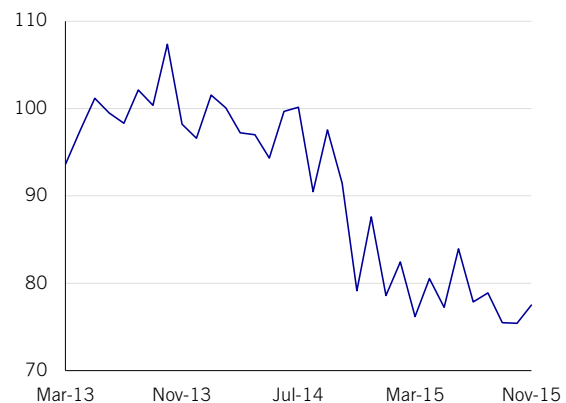


Slightly more of our panel considered it to be a good time to purchase a big-ticket item in November, though the majority continued to be dissuaded from doing so by the combination of high inflation, low disposable income and the prohibitive cost of credit.

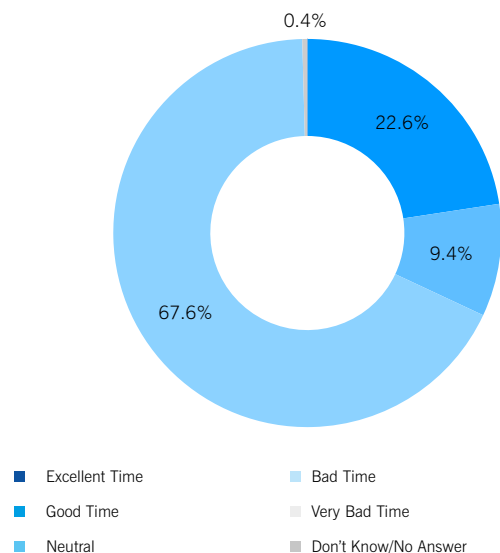
The Durable Buying Conditions Indicator rose to 77.5 in November from a series low of 75.4 in October. Dire purchasing power has caused buying sentiment to traverse a sharp downward trend over the past year with November's reading marking the 16th consecutive month that the indicator has been below the 100 level. 67.6% of our panel thought that it was a poor time to purchase a household good in November, while 22.6% of those polled considered the conditions to be good.

While spending on durable goods has been dented over the past year primarily by a lack of purchasing power, sales have also been affected by the decision by several international companies to pull their products from Russian stores in light of the economic downturn. This has discouraged some consumers from updating their outdated household appliances as they perceive the remaining offering on the market to be of inferior quality to what they already own.

Durable Buying Conditions



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



Durable Buying Conditions

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Durable Buying Conditions	79.1	83.9	77.9	78.9	75.5	75.4	77.5

Employment Outlook Remains Bleak



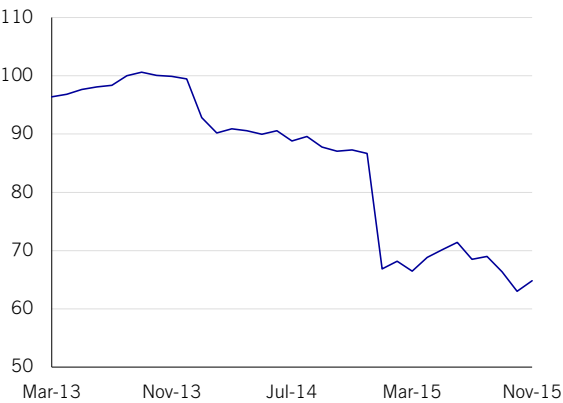
Consumers' remained pessimistic about the prospects for the job market, albeit less so than last month when their outlook was gloomier than ever before.

The Employment Outlook Indicator recovered to 64.9 in November from an all-time low of 63.0 in October. Consumers are asked what they think about the outlook for the job market over the coming 12 months, with a reading below 100 signalling that respondents are on balance pessimistic while a reading above 100 signals optimism. Of those polled, 61.2% thought that the job market would worsen over the next 12 months, while only 27.8% of them thought that it would remain stable.

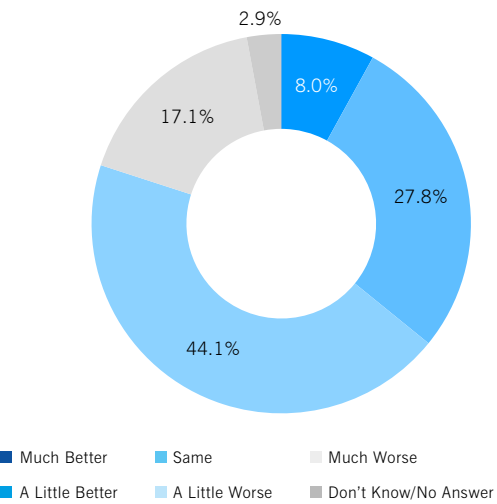
Official statistics showed unemployment finally succumbed to the pressures of the recession in October after several successive months of easing, with the headline rate rising to 5.5% from 5.2% in September. Previously, joblessness in Russia had remained relatively resilient in the face of the slowdown, with the labour market adjustment instead being transmitted through a combination of wage cuts and increased part-time employment.

Unemployment looks set to rise over the coming months according to the November edition of our sister survey of large Russian businesses who reported that the size of their workforce was surplus to their requirements, suggesting that further redundancies could be on the horizon.

Employment Outlook Indicator



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



Employment Outlook

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Employment Outlook	87.3	71.4	68.5	69.0	66.4	63.0	64.9

Prices Sentiment

Record High Discontent with Current Prices



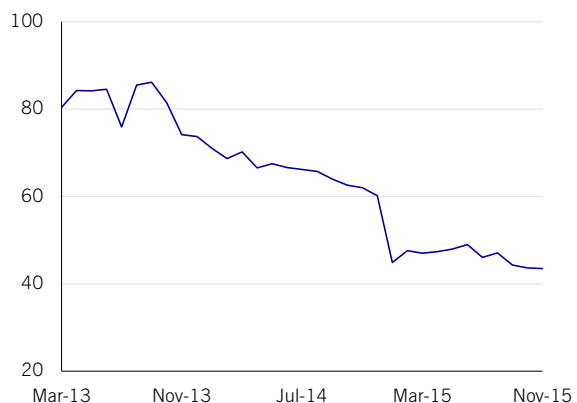
Our panel were more dissatisfied than ever before with the cost of living in November and their inflationary expectations for the coming year remained elevated.

The Current Prices Satisfaction Indicator fell just 0.1 point to 43.5 in November from 43.6 in October, enough to place it at the lowest level in our survey's history. 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 November it was 32% below the series average as four out of five panellists reported that they were dissatisfied with the current level of prices.

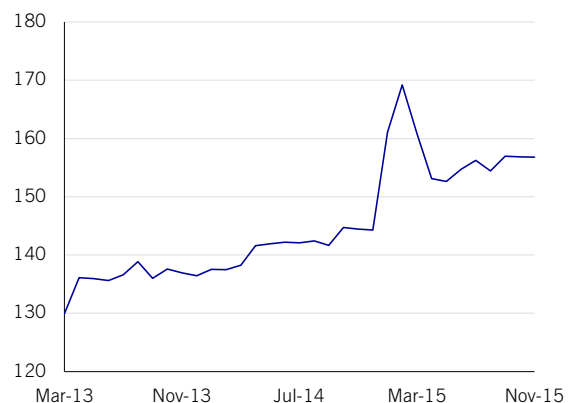
There was little change in the proportion of consumers who expected prices to be higher in a year's time, with the Inflation Expectations Indicator stable at 156.8 in November compared with 156.9 in October. Historically, our panel's inflationary expectations have closely matched the trend in consumer price inflation. Official data had suggested that the depreciation in the rouble was feeding through to consumer prices, but most recently it has provided some hope that inflation has now started to ease once again. CPI fell to 15% on the year in November from 15.6% in October, albeit primarily because base effects have turned considerably more favourable.

Our survey provides evidence that consumers' inflationary expectations remain entrenched, potentially making the central bank's job of controlling inflation in the long-run more challenging. Under the

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



Prices Sentiment

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Satisfaction with Current Prices	62.0	49.0	46.0	47.1	44.3	43.6	43.5
Inflation Expectations	144.5	154.7	156.3	154.4	157.0	156.9	156.8

Prices Sentiment Regions



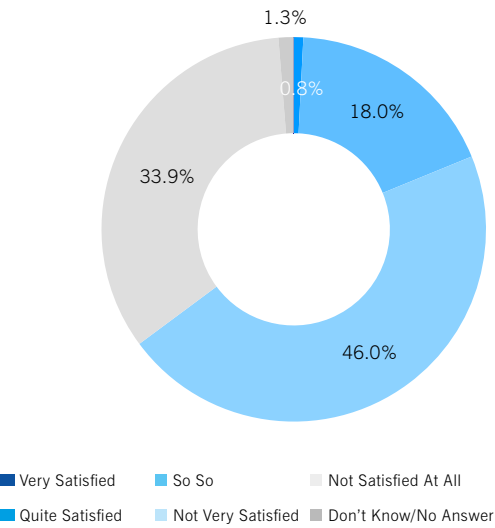
Central Bank of Russia’s most recent baseline scenario, weak economic growth is forecast to slow the annual pace of inflation to below 7% by October 2016 before finally falling to its medium-term target of 4% in 2017.

Regions

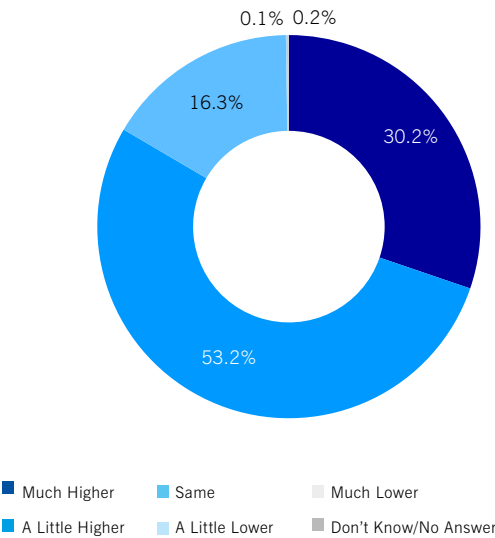
Dissatisfaction with the cost of living rose in four of the five regions surveyed in November. Residents of the Volga region continued to struggle the most with the current level of prices, while consumers living in the Central region alone in reporting that they were less dissatisfied than the previous month.

Inflationary expectations ticked up in three regions this month. Inhabitants of the Volga region had the highest expectations for inflation over the coming 12 months, while consumers in the North Caucasus region had the lowest.

Satisfaction with Current Prices
(% of Households)

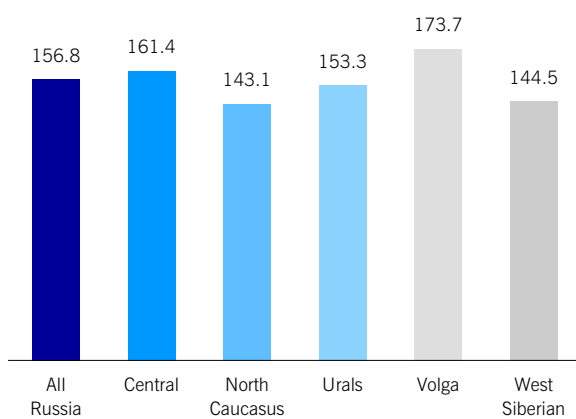


Inflation Expectations in 12 Months
(% of Households)

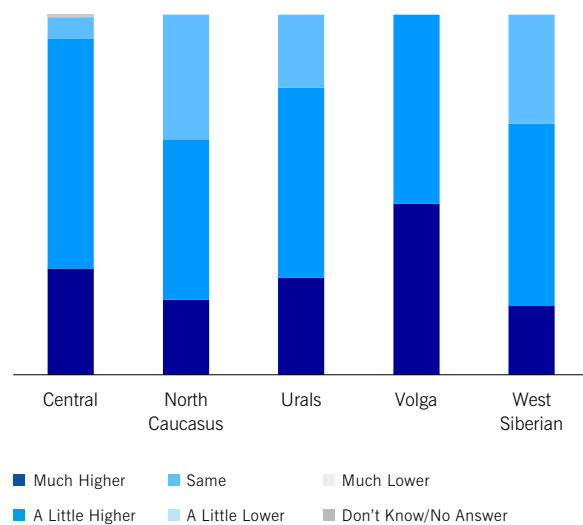




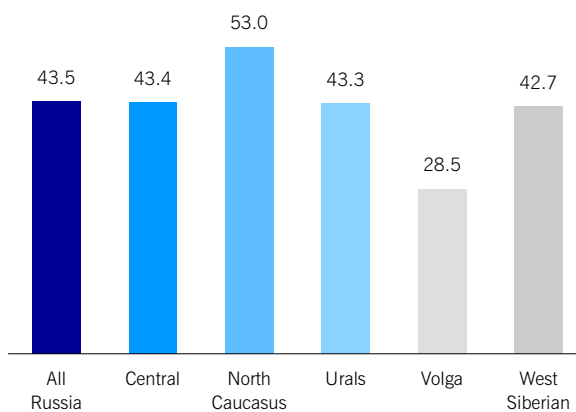
Inflation Expectations Indicator



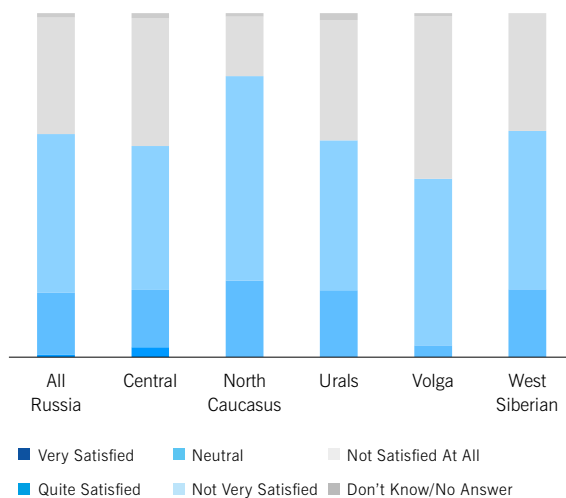
Expected Change in Prices in 1 Year (% of Households)



Current Prices Satisfaction Indicator



Satisfaction with Current Prices (% of Households)



Interest Rate Expectations Broadly Unchanged



There was little change in the proportion of our panel who anticipated that interest rates would be higher over the coming year, with the Interest Rate Expectations Indicator standing at 151.4 in November compared with 151.5 in October.

Throughout 2014, the Central Bank of Russia 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 in the first half of the year, the central bank was able to cut the benchmark rate by a total of 600 basis points at its first five meetings of 2015.

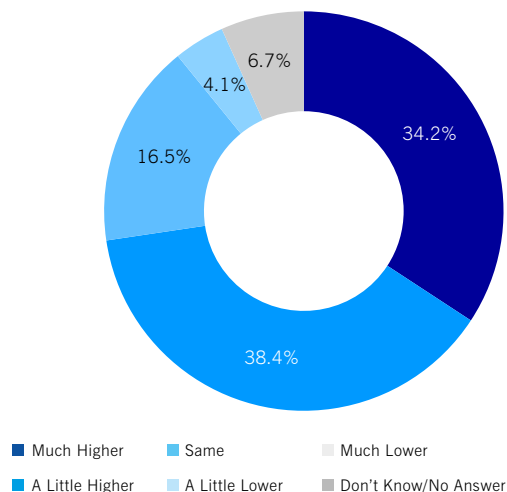
Citing increased inflation risks posed by the rouble depreciation, the CBR chose to maintain the key interest rate at 11% at its most recent meeting on October 30. Of those surveyed, 4.1% expected interest rates to be lower in 12 months' time compared with the 5.1% who did in October.

Officials from the central bank are due to meet next on December 11 where we judge their chances of cutting rates will be slim. While restrictive monetary policy is at odds with the dire domestic situation, the rouble remains under considerable pressure, particularly in the wake of OPEC's decision to retain its existing oil production ceiling. The likelihood of a Fed hike is also likely to stay their hand, so as not to exacerbate investment outflows which will further weaken the currency.

Interest Rate Expectations Indicator



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



Interest Rate Expectations

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Interest Rate Expectations	122.2	149.1	151.5	151.2	152.3	151.5	151.4

Real Estate Investment

Rise in House Price Expectations



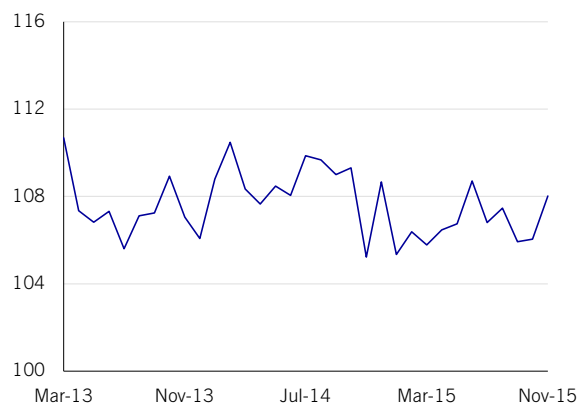
Higher expectations for property prices meant that consumers thought it would be a bad time to sell a house in November and led more of them to believe that it was a good time to invest in one. The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment) climbed to 108.0 in November after being broadly stable at 106.0 in October.

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. While the government has introduced a subsidy programme in an attempt to stimulate demand, the real estate market has still suffered considerably amid the downturn.

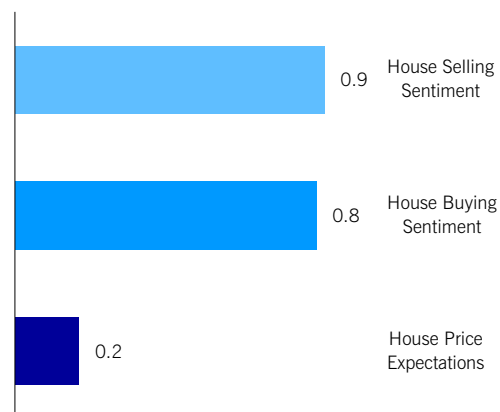
More of our panel anticipated that property prices would rise over the coming six months, lowering House Price Expectations to 144.1 in November from 143.5 in October. Of those surveyed, 69.6% of consumers expected prices to rise as opposed to just 1.3% who forecast that they would fall.

House Buying Sentiment, which gauges whether consumers think it is a good or bad time to buy a house in the next six months, increased to 77.4 in November from 74.8 in October. 68.5% of respondents considered it to be a poor time to purchase a property compared with the 23.8% who thought it was a good

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Real Estate Investment Sentiment	105.2	108.7	106.8	107.5	105.9	106.0	108.0
Price Expectations	142.8	142.9	144.6	143.1	144.0	143.5	144.1
House Buying	73.5	80.6	74.5	77.6	74.2	74.8	77.4
House Selling	100.7	97.4	98.7	98.3	100.5	100.2	97.5

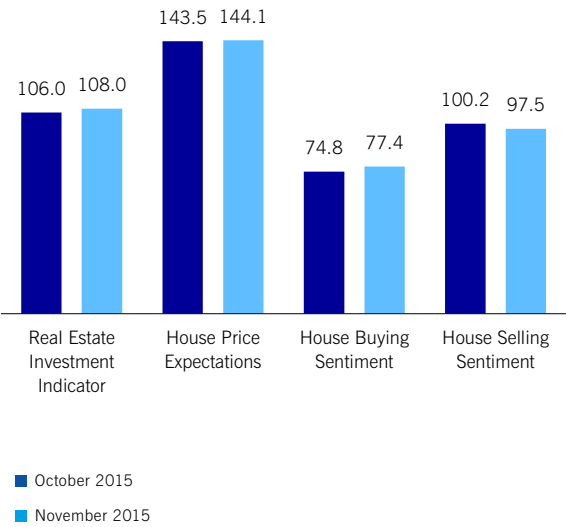
Real Estate Investment Components and Balances



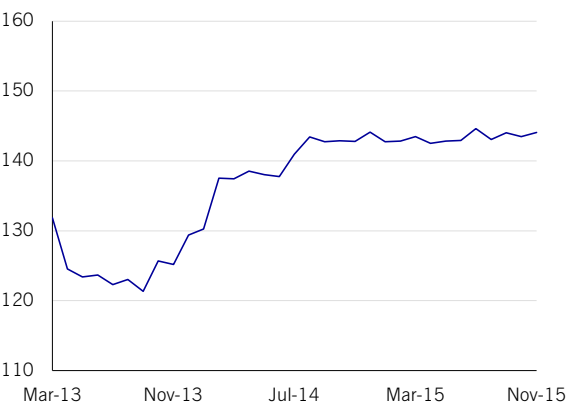
time, with 24.4% of those deterred by a lack of purchasing power.

House Selling Sentiment, which has a negative impact on the overall House Price Indicator, eased to 97.5 in November from 100.2 in October, signifying that more consumers think it is poor time to put a property on the market than those who believe it is a good time.

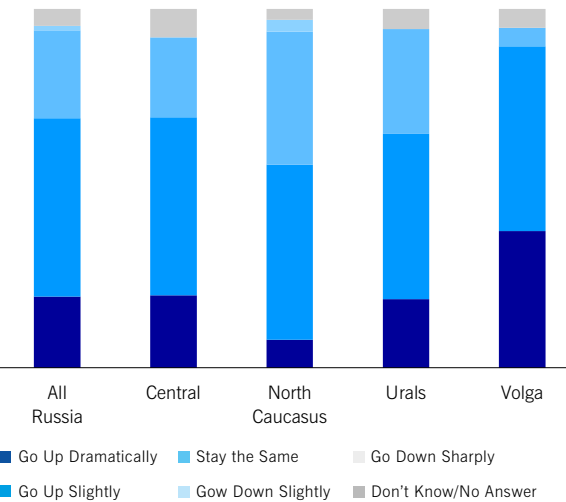
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes in the Next 6 Months

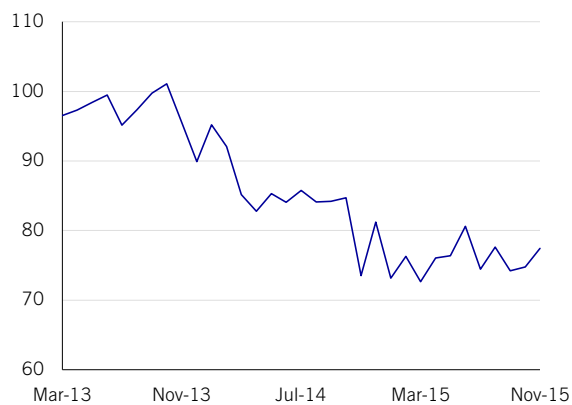


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

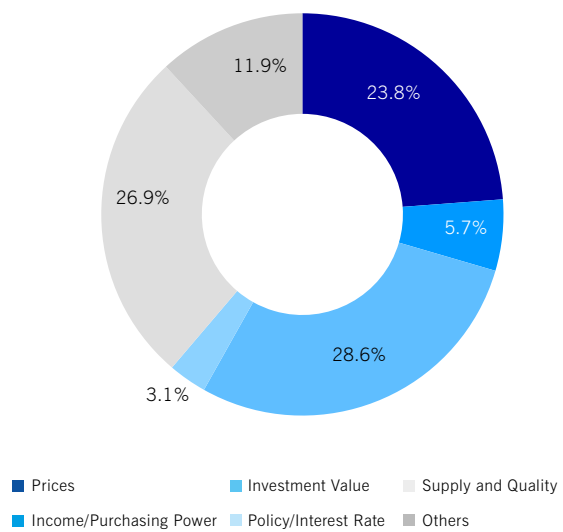




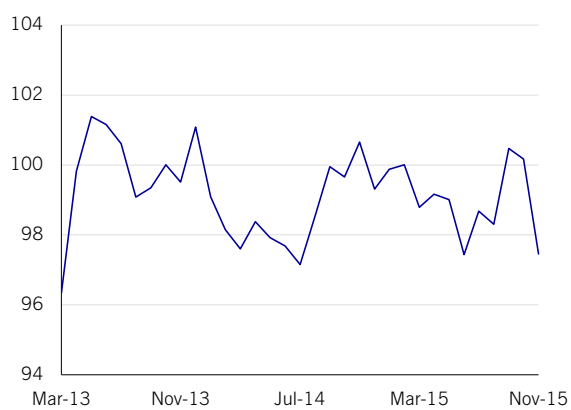
House Buying Sentiment



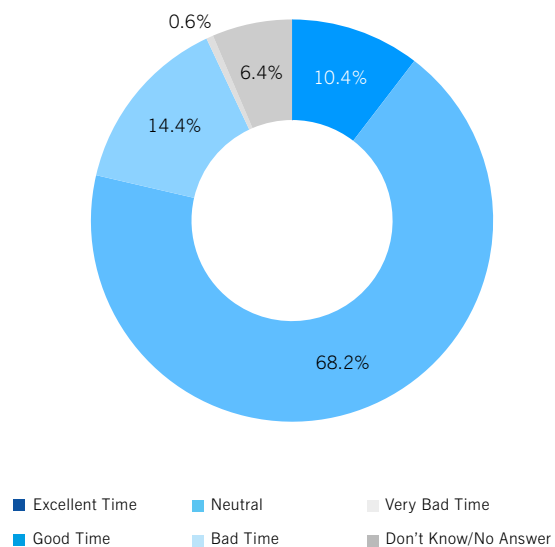
Reasons for Buying Houses (% of Households)



House Selling Sentiment

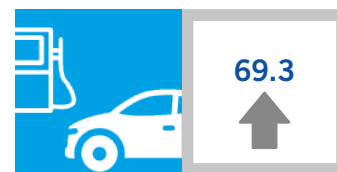


Timing for Selling Houses (% of Households)



Car Purchase

Lower Expectations for Fuel Costs Boosts Buying Sentiment



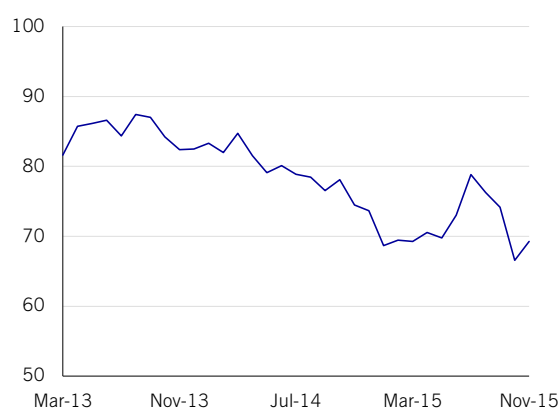
While fewer consumers expected the price of gasoline to rise over the coming year, they continued to consider it to be a bad time to buy a car given exorbitant credit costs, high dealership prices and dire household finances.

The Car Purchase Indicator, which is made up of two components (Car Purchase Expectations and Expectations for the Price of Gasoline), rose to 69.3 in November after sliding to a record low of 66.5 in October. Much of the rise was driven by lower expectations for gasoline prices, with consumers' willingness to buy a car remaining more-or-less the same as it was in the previous month.

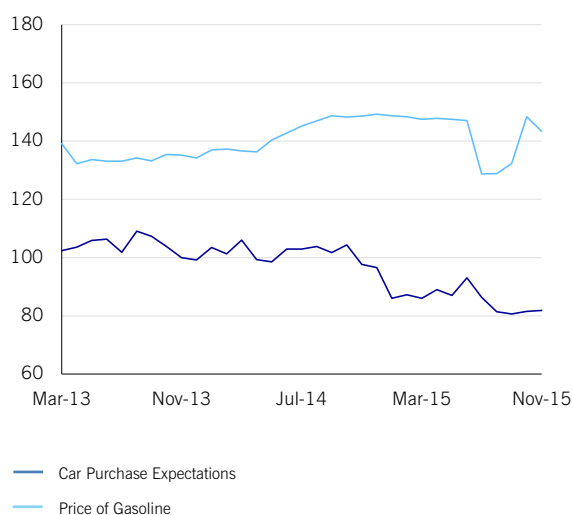
The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, rose to 81.9 in November from 81.5 in October. 63.7% of respondents thought it would be a bad time to purchase a car in the next 12 months, the majority of whom were deterred from making a purchase by the high cost of use and upkeep of a car.

Official data showed that car sales were down 38.5% on the year in October following a fall of 28.6% in September. This was driven in part by the termination of a government car scrappage scheme, which provided a discount of at least 40,000 roubles off new vehicles to consumers who trade in a car that is at least six years old, while the prohibitive cost of credit, poor household finances and high dealership prices continued to take their toll. In October, the

Car Purchase Indicator



Car Purchase Indicator - Components

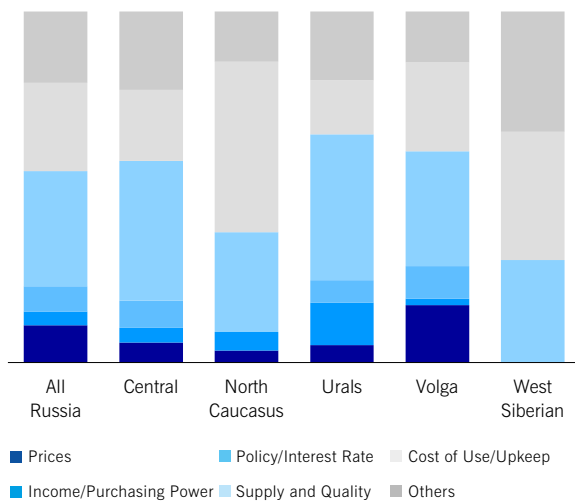


Car Purchase Sentiment

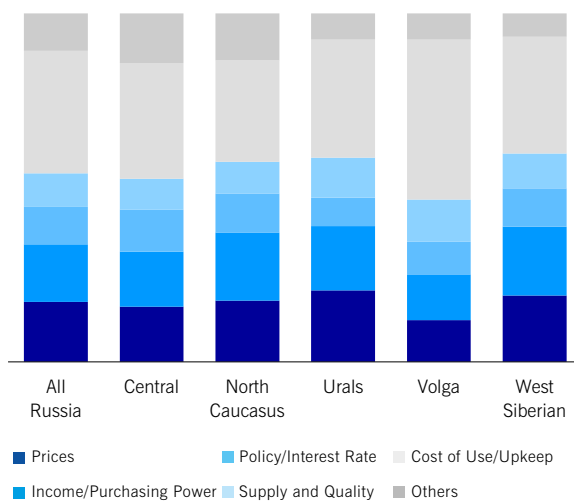
	Nov-14	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Car Purchase Sentiment	74.5	73.0	78.8	76.3	74.1	66.5	69.3
Car Purchase Expectations	97.6	93.1	86.3	81.4	80.6	81.5	81.9
Price of Gasoline	148.6	147.0	128.7	128.9	132.3	148.4	143.3



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



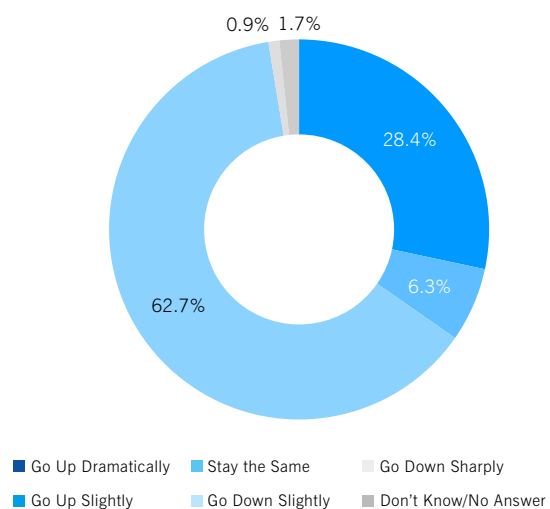
Reasons for a Bad Time to Buy a Car
(% of Households)



price of a domestically manufactured car was 26.2% above one produced a year previously and the price of an imported one was 19.6% higher on the year.

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. The majority of Russian consumers continued to anticipate that fuel prices would rise over the next 12 months, albeit fewer than last month, lowering the Expectations for the Price of Gasoline component to 143.3 in November from a nine-month high of 148.4 in October.

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



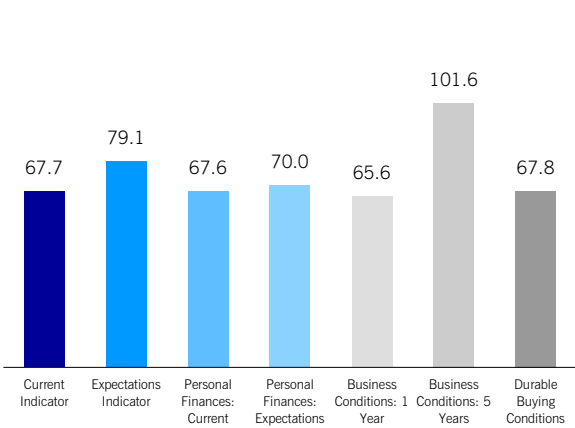
MNI Russia Consumer Indicator Regions



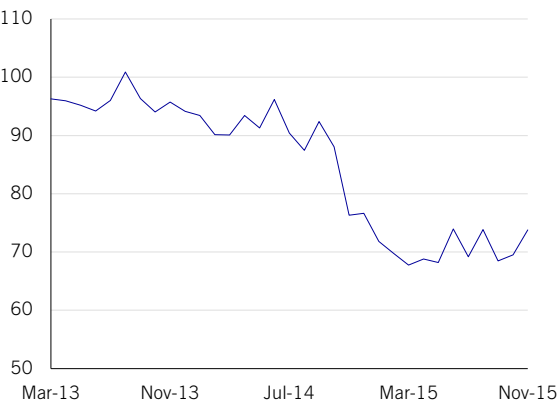
Consumer Indicator: North Caucasus



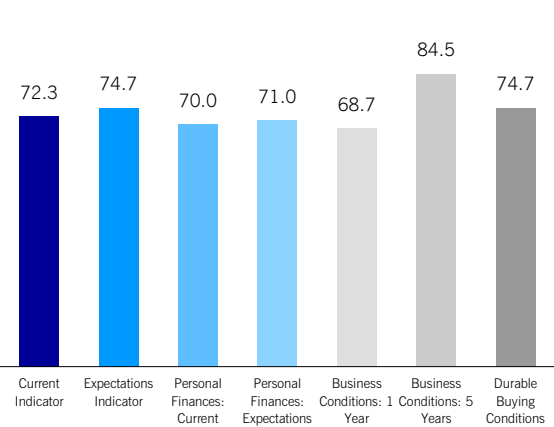
Consumer Indicator Components: North Caucasus



Consumer Indicator: West Siberian

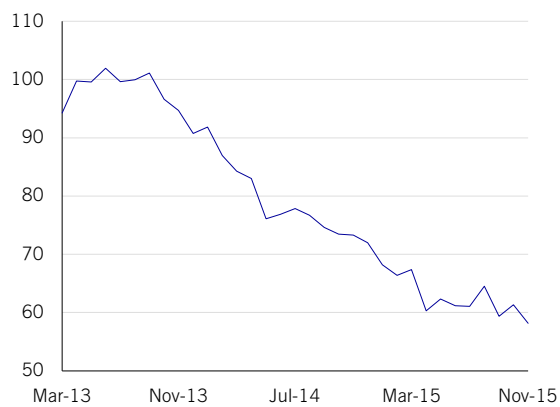


Consumer Indicator Components: West Siberian

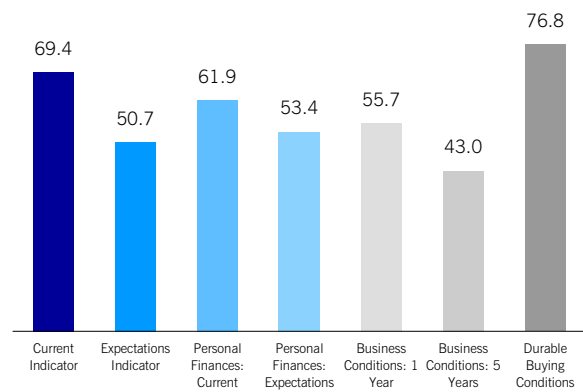




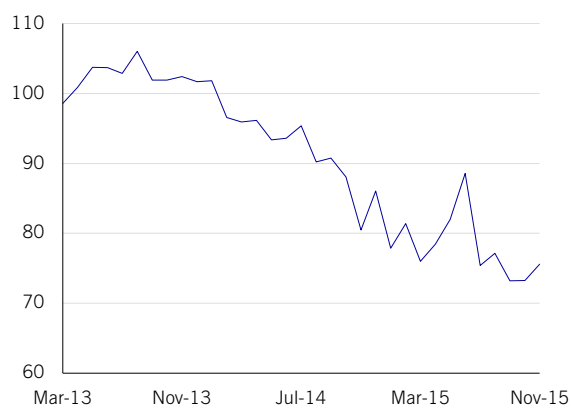
Consumer Indicator: Volga



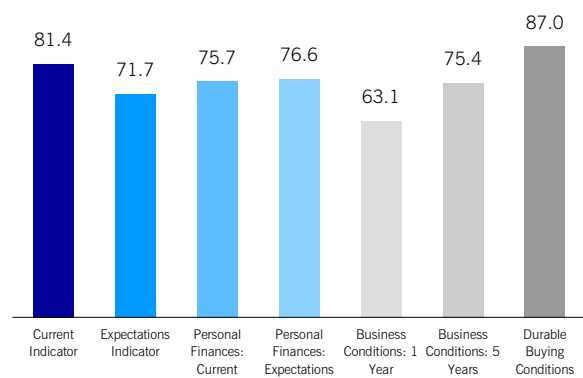
Consumer Indicator Components: Volga



Consumer Indicator: Central

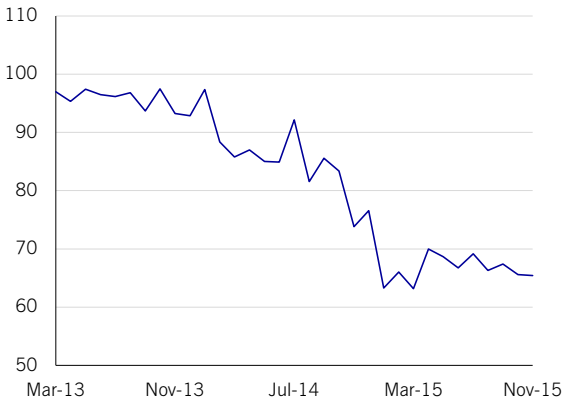


Consumer Indicator Components: Central

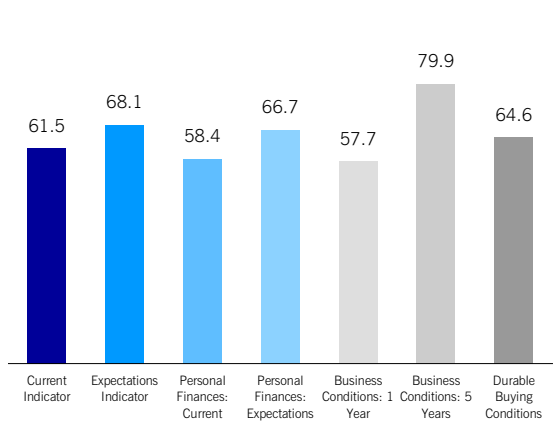




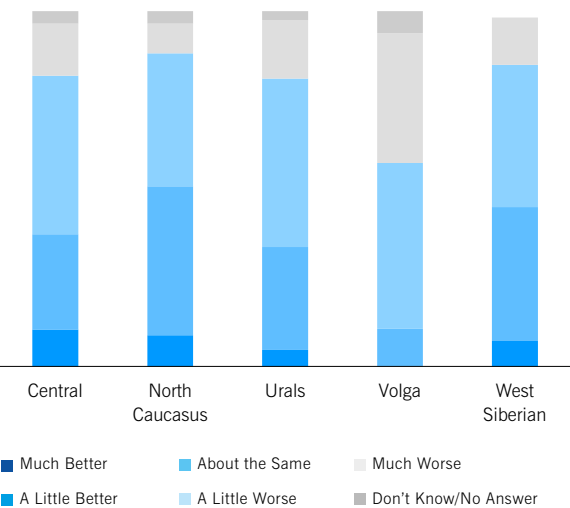
Consumer Indicator: Urals



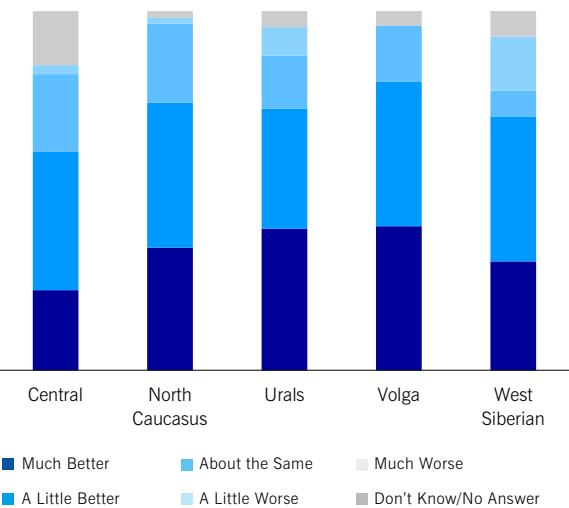
Consumer Indicator Components: Urals



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



Interest Rates Expectations Indicator (% of Households)

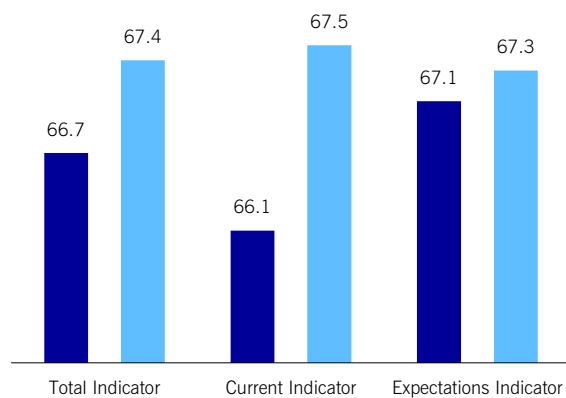


MNI Russia Consumer Indicator

Income Groups

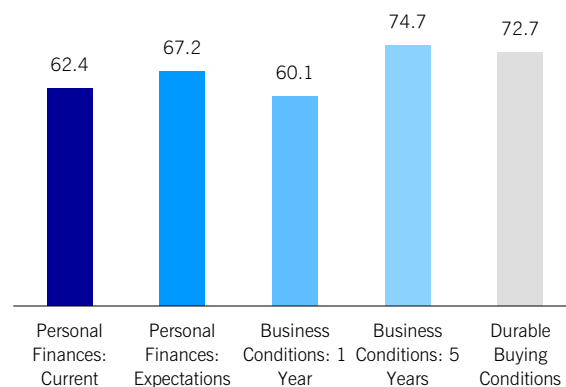


< RUB 480,000 Per Annum

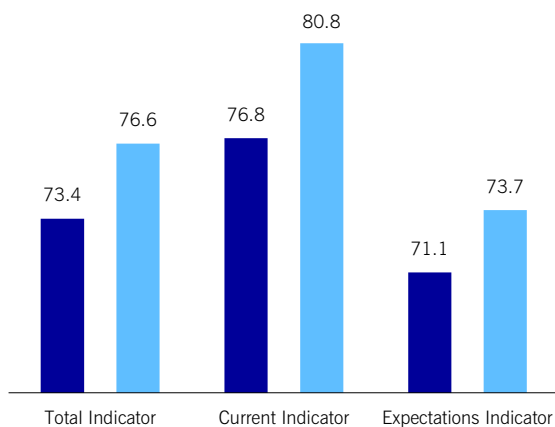


■ October 2015
■ November 2015

< RUB 480,000 - Components

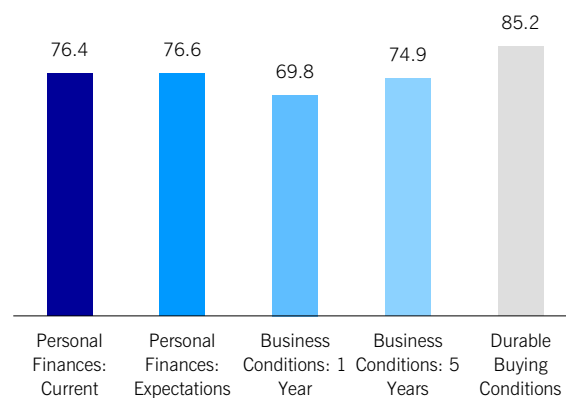


> RUB 480,000 Per Annum



■ October 2015
■ November 2015

> RUB 480,000 - Components





What the Panel Said

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

"If you have the money, it's a good time to invest in real estate." **47-year-old male in Moscow**

"Ordinarily, I buy a new car every two years but I will probably have to forgo one this year." **34-year-old female in Moscow**

"Economic sanctions have been beneficial to domestic companies." **26-year-old female in Moscow**

"Mortgage rates are gradually coming down." **41-year-old male in Saint Petersburg**

"Lack of foreign direct investment is holding back economic development." **58-year-old male in Saint Petersburg**

"Since the rouble is not stable, I prefer to keep my savings in US dollars." **60-year-old female in Saint Petersburg**

"Everyone that I speak to are worried about their jobs." **35-year-old female in Novosibirsk**

"The price of just about everything has risen over the past year." **53-year-old female in Novosibirsk**

"Low oil prices are wreaking havoc on Russia's economy." **29-year-old male in Novosibirsk**



Data Tables

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

Russia - Central Overview

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Central Consumer Indicator	73.2	73.2	75.6	Aug-15	-	74.0	2.4	3.2%
Current Indicator	78.5	78.6	81.4	Aug-15	-	79.5	2.8	3.5%
Expectations Indicator	69.6	69.6	71.7	Aug-15	-	70.3	2.1	2.9%
Personal Finance: Current	75.0	74.1	75.7	Aug-15	-	74.9	1.6	2.2%
Personal Finance: Expected	73.4	74.9	76.6	Aug-15	-	75.0	1.7	2.2%
Business Condition: 1 Year	62.9	63.5	63.1	-	Sep-15	63.2	-0.4	-0.6%
Business Condition: 5 Years	72.6	70.5	75.4	Aug-15	-	72.8	4.9	6.9%
Durable Buying Conditions	82.1	83.1	87.0	Jun-15	-	84.1	3.9	4.7%
Current Business Conditions Indicator	69.7	68.4	70.3	Jul-15	-	69.5	1.9	2.8%
Real Estate Investment Indicator	107.0	106.7	111.2	Aug-15	-	108.3	4.5	4.3%
Car Purchase Indicator	69.9	63.8	74.5	Aug-15	-	69.4	10.7	16.9%
Employment Outlook Indicator	66.5	64.5	68.2	Aug-15	-	66.4	3.7	5.8%
Inflation Expectations Indicator	165.6	165.4	161.4	-	Jun-15	164.1	-4.0	-2.4%
Current Prices Satisfaction Indicator	44.2	42.5	43.4	Sep-15	-	43.4	0.9	2.0%
Interest Rates Expectations Indicator	144.9	144.3	140.3	-	Jun-15	143.2	-4.0	-2.7%

Russia - Urals Overview

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Urals Consumer Indicator	67.4	65.6	65.4	-	Mar-15	66.1	-0.2	-0.2%
Current Indicator	65.8	62.0	61.5	-	Mar-15	63.1	-0.5	-0.9%
Expectations Indicator	68.5	68.0	68.1	Sep-15	-	68.2	0.1	0.2%
Personal Finance: Current	63.1	59.8	58.4	-	Aug-15	60.4	-1.4	-2.4%
Personal Finance: Expected	65.7	65.4	66.7	Jul-15	-	65.9	1.3	2.1%
Business Condition: 1 Year	59.2	60.0	57.7	-	Mar-15	59.0	-2.3	-3.8%
Business Condition: 5 Years	80.5	78.5	79.9	Sep-15	-	79.6	1.4	1.7%
Durable Buying Conditions	68.5	64.2	64.6	Sep-15	-	65.8	0.4	0.6%
Current Business Conditions Indicator	59.8	60.0	62.9	May-15	-	60.9	2.9	4.8%
Real Estate Investment Indicator	104.0	105.4	101.9	-	Jul-15	103.8	-3.5	-3.3%
Car Purchase Indicator	69.3	65.1	61.8	-	May-15	65.4	-3.3	-5.0%
Employment Outlook Indicator	62.6	59.6	62.2	Sep-15	-	61.5	2.6	4.4%
Inflation Expectations Indicator	152.4	153.5	153.3	-	Sep-15	153.1	-0.2	-0.2%
Current Prices Satisfaction Indicator	43.5	44.8	43.3	-	Jan-15	43.9	-1.5	-3.4%
Interest Rates Expectations Indicator	150.3	150.4	152.2	Jun-15	-	151.0	1.8	1.2%

Russia - Volga Overview

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Volga Consumer Indicator	59.3	61.3	58.2	-	series low	59.6	-3.1	-5.2%
Current Indicator	67.6	76.0	69.4	-	Sep-15	71.0	-6.6	-8.8%
Expectations Indicator	53.8	51.6	50.7	-	series low	52.0	-0.9	-1.6%
Personal Finance: Current	56.0	65.4	61.9	-	Sep-15	61.1	-3.5	-5.3%
Personal Finance: Expected	57.0	52.4	53.4	Sep-15	-	54.3	1.0	2.0%
Business Condition: 1 Year	52.6	54.9	55.7	May-15	-	54.4	0.8	1.6%
Business Condition: 5 Years	52.0	47.4	43.0	-	series low	47.5	-4.4	-9.3%
Durable Buying Conditions	79.3	86.7	76.8	-	Jul-15	80.9	-9.9	-11.3%
Current Business Conditions Indicator	48.2	50.4	46.6	-	series low	48.4	-3.8	-7.5%
Real Estate Investment Indicator	112.7	113.1	116.3	Feb-15	-	114.0	3.2	2.8%
Car Purchase Indicator	83.7	66.5	64.0	-	series low	71.4	-2.5	-3.7%
Employment Outlook Indicator	49.5	39.3	40.1	Sep-15	-	43.0	0.8	2.0%
Inflation Expectations Indicator	171.3	172.1	173.7	series high	-	172.4	1.6	1.0%
Current Prices Satisfaction Indicator	28.0	29.1	28.5	-	Sep-15	28.5	-0.6	-2.3%
Interest Rates Expectations Indicator	162.8	163.7	160.3	-	Dec-14	162.3	-3.4	-2.1%

Russia - North Caucasus Overview

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - North Caucasus Consumer Indicator	74.3	75.5	74.5	-	Sep-15	74.8	-1.0	-1.3%
Current Indicator	67.1	69.0	67.7	-	Sep-15	67.9	-1.3	-1.9%
Expectations Indicator	79.2	79.8	79.1	-	Mar-15	79.4	-0.7	-0.9%
Personal Finance: Current	65.2	65.7	67.6	Jun-15	-	66.2	1.9	2.9%
Personal Finance: Expected	72.1	72.3	70.0	-	series low	71.5	-2.3	-3.3%
Business Condition: 1 Year	67.0	65.0	65.6	Sep-15	-	65.9	0.6	1.0%
Business Condition: 5 Years	98.6	102.1	101.6	-	Sep-15	100.8	-0.5	-0.5%
Durable Buying Conditions	68.9	72.3	67.8	-	Aug-15	69.7	-4.5	-6.2%
Current Business Conditions Indicator	70.9	73.1	72.1	-	Sep-15	72.0	-1.0	-1.4%
Real Estate Investment Indicator	102.1	101.4	100.1	-	Aug-15	101.2	-1.3	-1.3%
Car Purchase Indicator	71.8	70.2	64.3	-	series low	68.8	-5.9	-8.4%
Employment Outlook Indicator	76.0	73.2	77.3	Jul-15	-	75.5	4.1	5.7%
Inflation Expectations Indicator	141.0	142.0	143.1	Apr-15	-	142.0	1.1	0.8%
Current Prices Satisfaction Indicator	53.1	53.5	53.0	-	Mar-15	53.2	-0.5	-1.0%
Interest Rates Expectations Indicator	155.2	153.6	153.6	Sep-15	-	154.1	0.0	0.0%

Russia - West Siberian Overview

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - West Siberian Consumer Indicator	68.5	69.5	73.8	Aug-15	-	70.6	4.3	6.1%
Current Indicator	62.7	63.6	72.3	Jun-15	-	66.2	8.7	13.8%
Expectations Indicator	72.4	73.5	74.7	Aug-15	-	73.5	1.2	1.7%
Personal Finance: Current	60.6	62.1	70.0	Oct-14	-	64.2	7.9	12.6%
Personal Finance: Expected	73.9	73.7	71.0	-	series low	72.9	-2.7	-3.6%
Business Condition: 1 Year	59.9	60.2	68.7	Oct-14	-	62.9	8.5	14.2%
Business Condition: 5 Years	83.3	86.6	84.5	-	Sep-15	84.8	-2.1	-2.5%
Durable Buying Conditions	64.8	65.0	74.7	Aug-15	-	68.2	9.7	14.8%
Current Business Conditions Indicator	67.9	69.8	69.9	Aug-15	-	69.2	0.1	0.1%
Real Estate Investment Indicator	103.5	101.9	104.7	Jul-15	-	103.4	2.8	2.7%
Car Purchase Indicator	68.9	64.9	70.1	Aug-15	-	68.0	5.2	7.9%
Employment Outlook Indicator	72.7	71.7	70.3	-	Jan-15	71.6	-1.4	-2.0%
Inflation Expectations Indicator	145.6	143.8	144.5	Sep-15	-	144.6	0.7	0.5%
Current Prices Satisfaction Indicator	45.0	43.4	42.7	-	Mar-15	43.7	-0.7	-1.5%
Interest Rates Expectations Indicator	143.4	141.6	142.9	Sep-15	-	142.6	1.3	0.9%

All Russia - Overview by Age

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI Russia Consumer Indicator	71.1	71.1	70.7	-	Mar-15	71.0	-0.4	-0.5%
Current Indicator	70.7	71.8	72.3	Jun-15	-	71.6	0.5	0.7%
Expectations Indicator	71.4	70.6	69.7	-	series low	70.6	-0.9	-1.3%
Personal Finance: Current	67.4	67.0	68.5	Jun-15	-	67.6	1.5	2.2%
Personal Finance: Expected	71.0	70.9	72.4	Jul-15	-	71.4	1.5	2.0%
Business Condition: 1 Year	63.5	63.0	63.3	Sep-15	-	63.3	0.3	0.5%
Business Condition: 5 Years	79.6	77.8	73.3	-	Feb-15	76.9	-4.5	-5.7%
Durable Buying Conditions	74.0	76.6	76.1	-	Sep-15	75.6	-0.5	-0.7%
Age 35-54								
MNI Russia Consumer Indicator	69.9	68.5	73.1	Aug-15	-	70.5	4.6	6.8%
Current Indicator	70.9	69.6	75.4	Aug-15	-	72.0	5.8	8.3%
Expectations Indicator	69.2	67.8	71.7	Aug-15	-	69.6	3.9	5.8%
Personal Finance: Current	64.0	64.2	69.5	Aug-15	-	65.9	5.3	8.3%
Personal Finance: Expected	70.0	68.8	70.2	Aug-15	-	69.7	1.4	2.0%
Business Condition: 1 Year	61.4	60.3	66.8	Aug-15	-	62.8	6.5	10.7%
Business Condition: 5 Years	76.3	74.1	78.0	Aug-15	-	76.1	3.9	5.3%
Durable Buying Conditions	77.8	75.0	81.2	Aug-15	-	78.0	6.2	8.2%
Age 55-64								
MNI Russia Consumer Indicator	66.3	66.4	64.4	-	series low	65.7	-2.0	-3.1%
Current Indicator	68.5	68.6	65.4	-	May-15	67.5	-3.2	-4.6%
Expectations Indicator	64.8	64.9	63.6	-	series low	64.4	-1.3	-2.0%
Personal Finance: Current	62.9	65.3	59.1	-	Apr-15	62.4	-6.2	-9.6%
Personal Finance: Expected	62.4	63.8	64.4	Aug-15	-	63.5	0.6	1.1%
Business Condition: 1 Year	58.1	60.5	56.6	-	series low	58.4	-3.9	-6.6%
Business Condition: 5 Years	73.9	70.5	69.9	-	Mar-15	71.4	-0.6	-0.8%
Durable Buying Conditions	74.1	71.8	71.8	Sep-15	-	72.6	0.0	0.0%

All Russia - Overview by Income

	Sep-15	Oct-15	Nov-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	66.7	66.7	67.4	Aug-15	-	66.9	0.7	1.1%
Current Indicator	65.8	66.1	67.5	Jun-15	-	66.5	1.4	2.2%
Expectations Indicator	67.3	67.1	67.3	Aug-15	-	67.2	0.2	0.4%
Personal Finance: Current	61.4	62.2	62.4	Aug-15	-	62.0	0.2	0.2%
Personal Finance: Expected	66.5	66.0	67.2	Aug-15	-	66.6	1.2	1.8%
Business Condition: 1 Year	58.7	59.3	60.1	Aug-15	-	59.4	0.8	1.4%
Business Condition: 5 Years	76.6	75.9	74.7	-	Mar-15	75.7	-1.2	-1.7%
Durable Buying Conditions	70.2	69.9	72.7	Jul-15	-	70.9	2.8	4.0%
> RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	74.8	73.4	76.6	Jun-15	-	74.9	3.2	4.4%
Current Indicator	77.0	76.8	80.8	Aug-15	-	78.2	4.0	5.2%
Expectations Indicator	73.3	71.1	73.7	Jun-15	-	72.7	2.6	3.7%
Personal Finance: Current	71.4	70.1	76.4	Jun-15	-	72.6	6.3	9.1%
Personal Finance: Expected	73.9	73.2	76.6	Jun-15	-	74.6	3.4	4.6%
Business Condition: 1 Year	66.7	65.1	69.8	Jun-15	-	67.2	4.7	7.2%
Business Condition: 5 Years	79.3	75.0	74.9	-	Feb-15	76.4	-0.1	-0.2%
Durable Buying Conditions	82.7	83.5	85.2	Aug-15	-	83.8	1.7	2.0%

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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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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Published by

MNI Indicators | Deutsche Börse Group

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