

MNI Russia Business Report June 2015

Insight and data for better decisions

MNI Russia Business Report

Methodology

MNI Russia Business Sentiment is a monthly poll of Russian business executives at companies listed on the Moscow Exchange which has been available since March 2013. Companies are a mix of manufacturing, service, construction and agricultural firms.

The survey provides the first monthly snapshot of economic and business conditions, ahead of official data and other business confidence data in Russia.

Respondents are asked their opinion on whether a particular business activity has increased, decreased or remained the same compared with the previous month as well as their expectations for three months ahead, e.g. Is Production Higher/Same/Lower compared with a month ago?

A diffusion indicator is then calculated by adding the percentage share of positive responses to half the percentage of those respondents reporting no change. An indicator reading above 50 shows expansion, below 50 indicates contraction and a result of 50 means no change.

The survey looks at key business metrics including orders, production, pricing, inventories, credit availability and exchange rate impact. Sentiment on both current and future expectations allows users to comprehensively monitor business and economic trends.

Whether you are forecasting the Russian economy, analysing where to invest in Russia or want to know how other companies in your sector are performing, our monthly intelligence offers an unrivalled insight into exactly what Russia's largest companies are thinking.

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MNI Russia Business Report - June 2015

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Eye of the Storm

Recent improvements in economic data have prompted some to speculate that the economy is on the way up. Make no mistake though, there are still more hardships to face before the economy makes it into the clear.

Recent improvements in economic data have prompted some to speculate that the economy is on the way up. Make no mistake though, there are still more hardships to face before the economy makes it into the clear.

Since the start of the year, oil prices have risen gradually and the recovery in the rouble has outstripped even the most optimistic of forecasts. Meanwhile, inflation appears to be easing which is expected to provide a degree of support for consumer spending. The May edition of the MNI Russia Business Survey provided the first suggestion that a turning point might have been reached, with subsequent moderations in the official data providing support for this hypothesis. Most recently, the ensuing improvement in the June survey suggests that the worst may have passed.

Nevertheless, to paraphrase Central Bank of Russia Governor Elvira Nabiullina in a recent interview; it is too early to pop open the champagne. While the improving economic environment has enabled the central bank to bring down rates fairly quickly this year, the situation remains delicate with various factors threatening to upset the recent calm.

One is the recent decision by the EU to extend its economic sanctions against Russia for a further six months given its perceived belief that not all of the conditions of the Minsk agreement were adhered. While the decision was widely anticipated, it is nonetheless bad news for the Russian economy which has suffered from the restrictive measures. Both sanctions and oil prices have resulted in net exports falling by almost 20% on the year in the first quarter of 2015, further deepening the downturn in the economy.

A hike in US interest rates by the Federal Reserve later this year or a tapering of quantitative easing by either the ECB or the Bank of Japan poses a risk to emerging economies such as Russia. Investment has already been stymied by the uncertainty that has risen from the Ukraine conflict and the downgrades of sovereign debt to “junk” status by Moody’s and Standard and Poor’s, so any higher yield in more established territories is likely to exacerbate the already rapid

capital outflows which are expected to total \$80 billion for 2015 as a whole according to the Russian Finance Ministry.

Ultimately, while the recent positive data is welcomed, the continuation of the improving trend remains dependent on several external factors. The current situation of the economy could be compared with the eye of a storm; a relative calm in otherwise chaotic and destructive surroundings. The stage is now set for Russia to embark on the long, twisting road to recovery, although the surrounding vortex could very easily turn it back in the other direction.

George Brown
Economist
MNI Indicators



Executive Summary

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The MNI Russia Business Sentiment Indicator rose by 1% to 51.8 in June from 51.3 in May, the highest since July 2014. Construction companies were the sole driver of this month's improvement, while sentiment among those in the manufacturing and service sectors was unchanged on the month.

Companies were considerably more optimistic in their near-term outlook, with the Future Expectations Indicator rising to a 22-month high of 61.3 in June. Even so, the survey period ended before the announcement of a six-month extension to the current sanctions imposed by the EU, a major trading partner of Russia, which could act as a dampener on optimism over the coming months.

Export Orders expanded for the first time since July 2014, the month that EU sanctions were imposed on Russia, helping to lift the overall New Orders received by our panel to an eight-month high.

Companies met this increase in demand by running down their excess inventories which probably contributed to the disappointing contraction in production this month. Regardless, expectations for output rose to the highest since 2014 as companies anticipated that orders would continue to grow in the coming three months.

Input Prices continued to ease in June. Even so, a record number of companies anticipated that they would raise the prices of their own goods and services over the coming three months after having kept them in check for the past year.

While the latest rate cut by the Central Bank of Russia occurred after our survey period had closed, the previous three consecutive cuts continued to expand the Availability of Credit to our panel.

Companies chose to expand the size of their workforces in June after having kept them unchanged in the previous month. However, companies no longer anticipated that their workforce would be higher in three months' time, with the Expectations Indicator falling to the 50 level in June.

Eight out of the 15 current conditions indicators in the MNI Russia Business Survey rose in June, while five of the 15 Future Expectations indicators increased on the month.

Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI Russia Business Indicator								
Current Conditions	46.0	51.3	51.8	Jul-14	-	49.7	0.5	1.0%
Future Expectations	53.8	55.2	61.3	Aug-13	-	56.8	6.1	11.1%
Production								
Current Conditions	49.5	50.5	49.5	-	Mar-15	49.8	-1.0	-2.0%
Future Expectations	50.3	52.9	55.8	Aug-14	-	53.0	2.9	5.5%
New Orders								
Current Conditions	48.3	50.5	52.8	Oct-14	-	50.5	2.3	4.6%
Future Expectations	51.8	51.5	51.5	May-15	-	51.6	0.0	0.0%
Export Orders								
Current Conditions	50.0	50.0	50.6	Jul-14	-	50.2	0.6	1.2%
Future Expectations	51.1	52.7	51.7	-	Apr-15	51.8	-1.0	-1.9%
Productive Capacity								
Current Conditions	50.0	50.0	50.0	May-15	-	50.0	0.0	0.0%
Future Expectations	51.0	51.0	51.0	May-15	-	51.0	0.0	0.0%
Order Backlogs								
Current Conditions	50.0	49.8	49.8	May-15	-	49.9	0.0	0.0%
Future Expectations	48.3	48.3	48.3	May-15	-	48.3	0.0	0.0%
Employment								
Current Conditions	50.5	50.0	50.3	Apr-15	-	50.3	0.3	0.6%
Future Expectations	50.5	50.5	50.0	-	Mar-15	50.3	-0.5	-1.0%
Inventories								
Current Conditions	60.8	53.4	46.6	-	May-14	53.6	-6.8	-12.7%
Future Expectations	50.0	49.3	49.3	May-15	-	49.5	0.0	0.0%
Input Prices								
Current Conditions	55.3	52.5	50.8	-	Dec-14	52.9	-1.7	-3.2%
Future Expectations	52.9	52.1	51.8	-	Dec-14	52.3	-0.3	-0.6%
Prices Received								
Current Conditions	62.3	52.8	53.0	Apr-15	-	56.0	0.2	0.4%
Future Expectations	56.8	56.3	58.2	series high	-	57.1	1.9	3.4%
Financial Position								
Current Conditions	52.8	50.5	50.5	May-15	-	51.3	0.0	0.0%
Future Expectations	54.7	55.6	58.9	Oct-13	-	56.4	3.3	5.9%
Interest Rates Paid								
Current Conditions	50.0	50.0	50.0	May-15	-	50.0	0.0	0.0%
Future Expectations	49.5	49.7	49.7	May-15	-	49.6	0.0	0.0%
Effect of Rouble Exchange Rate								
Current Conditions	39.3	48.8	49.8	Feb-15	-	46.0	1.0	2.0%
Future Expectations	49.4	49.4	49.7	Mar-15	-	49.5	0.3	0.6%
Supplier Delivery Times								
Current Conditions	44.8	48.5	49.8	Jan-15	-	47.7	1.3	2.7%
Future Expectations	49.5	49.7	49.7	May-15	-	49.6	0.0	0.0%
Availability of Credit								
Current Conditions	49.5	50.8	51.5	Jul-14	-	50.6	0.7	1.4%
Future Expectations	53.8	55.5	55.1	-	Apr-15	54.8	-0.4	-0.7%

The MNI Russia Business Sentiment Indicator rose by 1% to 51.8 in June...

...from 51.3 in May, the highest since July 2014.



Economic Landscape

Bar a further deterioration in industrial production in May, moderations in several other instances of official data suggest that a change may be in the wind as previously alluded to by our indicators.

Bar a further deterioration in industrial production in May, moderations in several other instances of official data suggest that a change may be in the wind as previously alluded to by our indicators. Unemployment ticked down in May and real wages declined by a lesser extent. Inflationary pressures continued to subside, with both consumer and wholesale prices easing in May. 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 slight moderation consumer spending, with both in retail and car sales improving on the month. In contrast, industrial production fell further into contraction as the strengthening in the rouble continued to hurt the attractiveness of Russian-manufactured goods and services. This marks a stark change from previous months when output offered some degree of support for the economy and highlights that the economy is still far from being back on its feet.

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. Notably, the central bank signalled that any subsequent cuts may be smaller

than the previous ones seen this year so as to not risk destabilising the delicate economic situation.

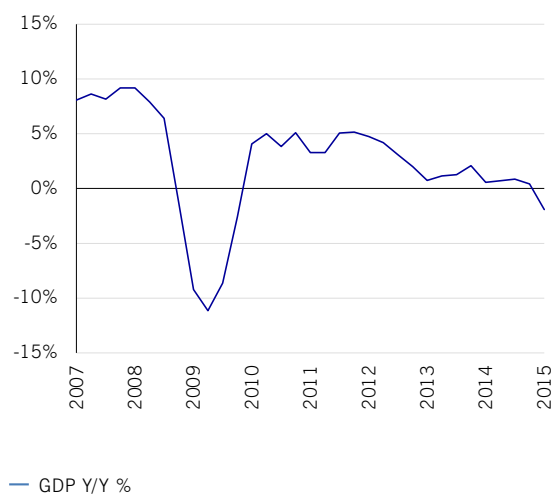
While the EU's economic sanctions were due to expire at the end of July, the bloc extended them for a further six months due to its perception that the conditions of the Minsk agreement have yet to be fully implemented. In retaliation, Russia prolonged its "counter-sanctions" by one year. While these 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% in the first quarter of 2015 after having previously estimated that it shrunk by 1.9%, following growth of 0.4% in Q4 2014. This marked the first contraction in more than six years and suggests that the economy has taken a turn for the worse after having fared remarkably well throughout 2014 considering the pressures it faced.

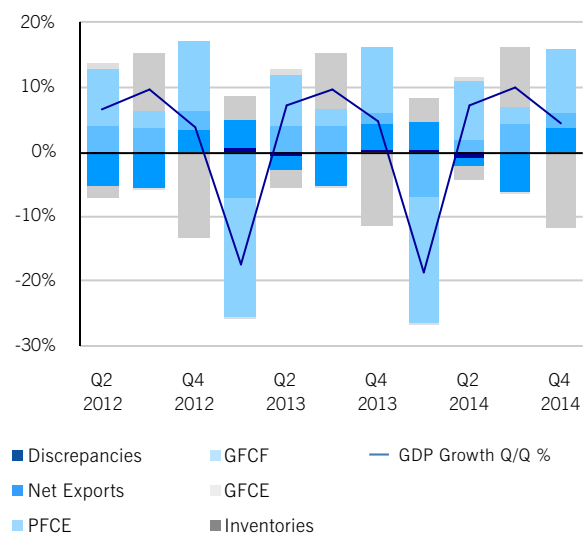
While data on an expenditure basis has yet to be released, it is likely that the contraction was led by a sharp drop in consumer spending brought about by high interest rates, falling wages and rising inflation.

Economic Growth



Source: Rosstat

Contribution to Economic Growth



Source: Rosstat

Meanwhile, a narrowing in Russia's trade surplus could have had some bearing on the contraction in the first quarter as low oil prices, Western sanctions and the recent recovery of the rouble are likely to have dented Russian exports.

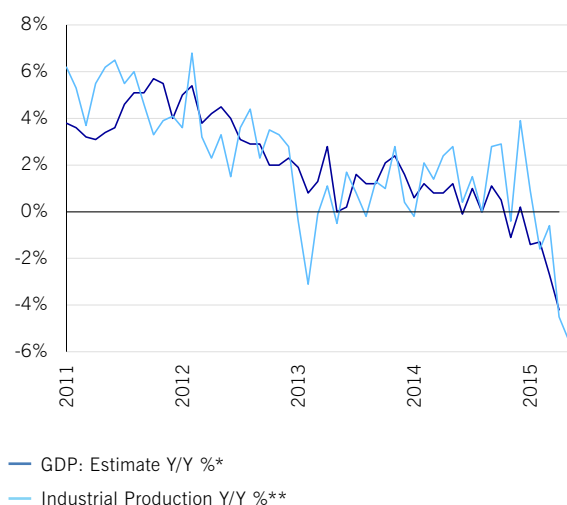
Over the course of 2014 as a whole, the Russian economy expanded by 0.6% compared with growth of 1.3% in the previous year. Nevertheless, the economy is expected to contract this year given the difficult headwinds that it faces.

The latest GDP figures from the Economic Development Ministry revealed that the economy contracted by 4.2% on the year in April after shrinking by 3.4% in March. 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 after having previously remained resilient due to the weakness in the rouble which provided some measure of support for the economy. Consequently, the sharp reversal strikes a sour note in an otherwise moderating economy.

Industrial Production and GDP



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 manufacturing output this month.

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 was 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.

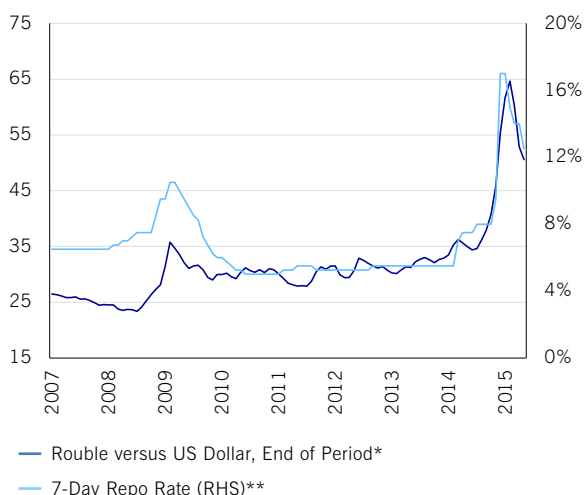
Fourth rate cut in 2015

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 after 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.

CBR Key Rate and Rouble



Source: *Reuters, **Central Bank of Russia

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.

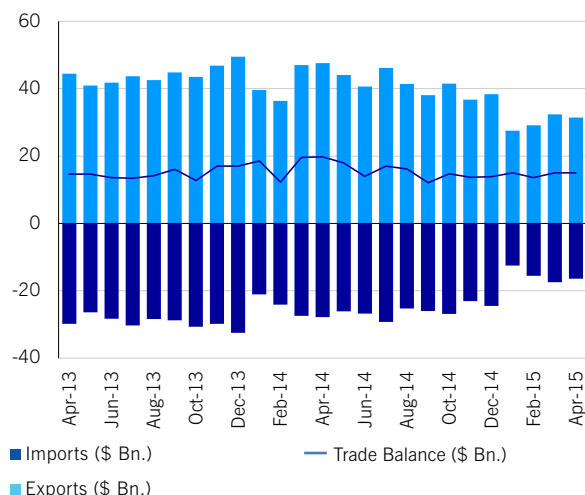
Trade surplus deteriorates

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 in 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. Therefore, it is likely that exports will continue to post annual declines until base effects begin to materialise.

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,

Trade Balance



Source: Federal Customs Service

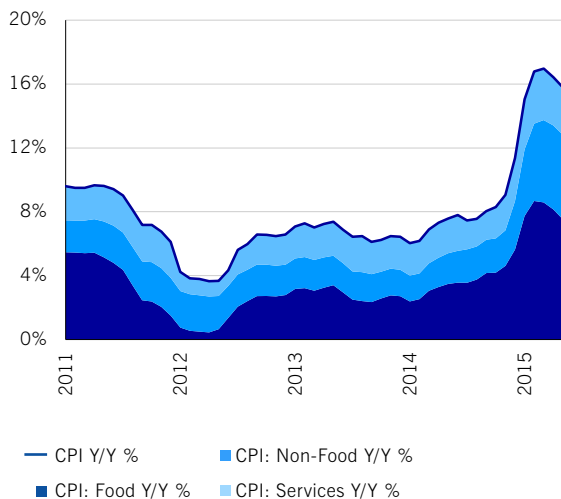
imports have reduced as companies have looked increasingly to domestic suppliers.

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 decline in imports over the coming months and thus cause Russia's trade surplus to narrow even further.

Inflationary pressures continue to subside

Consumer price inflation slowed for the second consecutive month in May, easing to 15.8% on the year from 16.4% in April, 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 20.2% on the year in May following a rise of 21.9% in April. 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, 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 May, it eased to 17.1% on the year from a record high of 17.5% in April.

Consumer Price Inflation



Source: Rosstat

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.

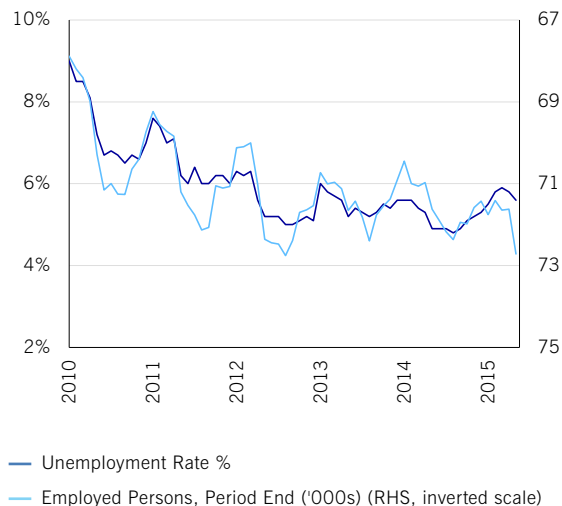
Producer price inflation, meanwhile, eased to 13.4% on the year in May after accelerating to 15% in April. While prices have previously been kept in check by weak demand and lower energy prices, the weakness of the rouble has filtered through in recent months. Iron ore slowed the most of the components of the wholesale basket in May, falling to 12% on the year from 20.2% in April.

Household finances moderate

Amid the tough economic background, unemployment has risen and wages have deteriorated which have had an adverse impact on the spending power of Russian households.

Western sanctions and the fall in the price of oil have hurt the finances of many Russian companies, causing some to collapse and others to start scaling back their workforce given the uncertain future. This has resulted in greater unemployment, which remains historically high in spite of a slight easing to 5.6% in May from 5.8% in April. 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

Labour Market



Source: Rosstat

low levels of productivity, although the recent trend in rising unemployment is expected to continue throughout 2015 in line with the downturn in the economy.

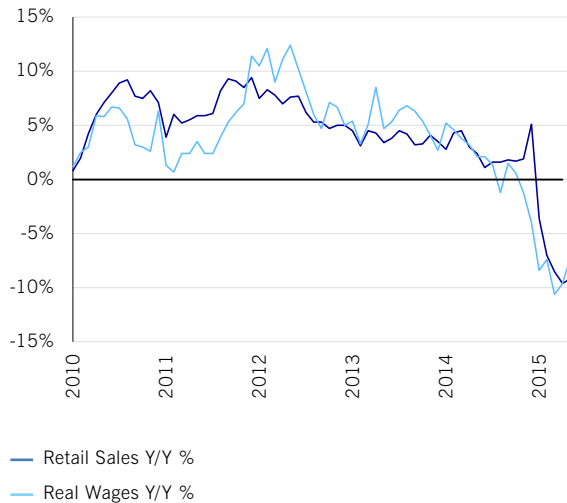
Rising unemployment has reduced the bargaining power of the Russian workforce and many have accepted wage cuts as companies seek to scale back their operations. Real wages fell by 7.3% on the year in May after declining by a revised 9.6% in April. Evidence from our consumer survey shows that Russian 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 after having contracted by a revised 10.4% in April, whereas 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

Retail Sales and Real Wages



Source: Rosstat

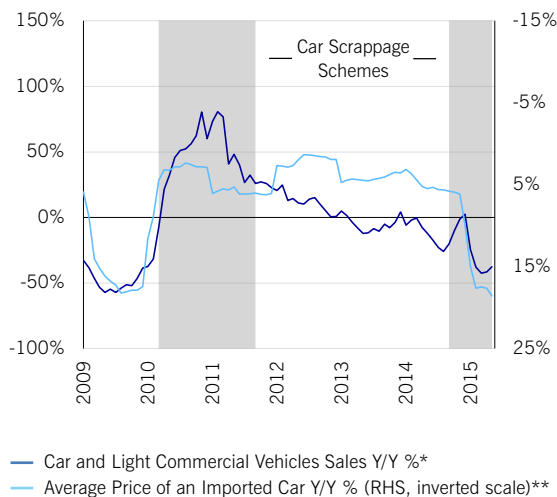
six years old. The sharp decline in car sales may be due to dealerships having raised prices after having previously kept them in check. In May, the price of a domestically manufactured car was 21.3% above one produced a year previously and the price of those that are imported was 18.6% higher on the year.

The government has recently pledged 1.5 billion roubles of subsidies in order to help bring down the cost of car loans which have risen considerably following the rapid

policy tightening of the Central Bank of Russia towards the end of 2014. The government hopes that the scheme will help Russian households buy up to 200,000 new cars, although these estimates seem optimistic given that expectations for personal finances remained extremely poor in the May MNI Russia Consumer Survey which will likely weigh down heavily on major purchases such as cars.

As we anticipated, consumer spending has failed to retain its momentum as consumer purchasing power has been eroded by the fall in household finances. Indeed, this trend looks likely to continue throughout 2015 as purchasing conditions in the Russian economy are set to deteriorate further. While inflation has shown some tentative signs of tapering off, it is likely to remain uncomfortably high which will continue to be a burden on consumers over the remainder of the year.

Car Sales

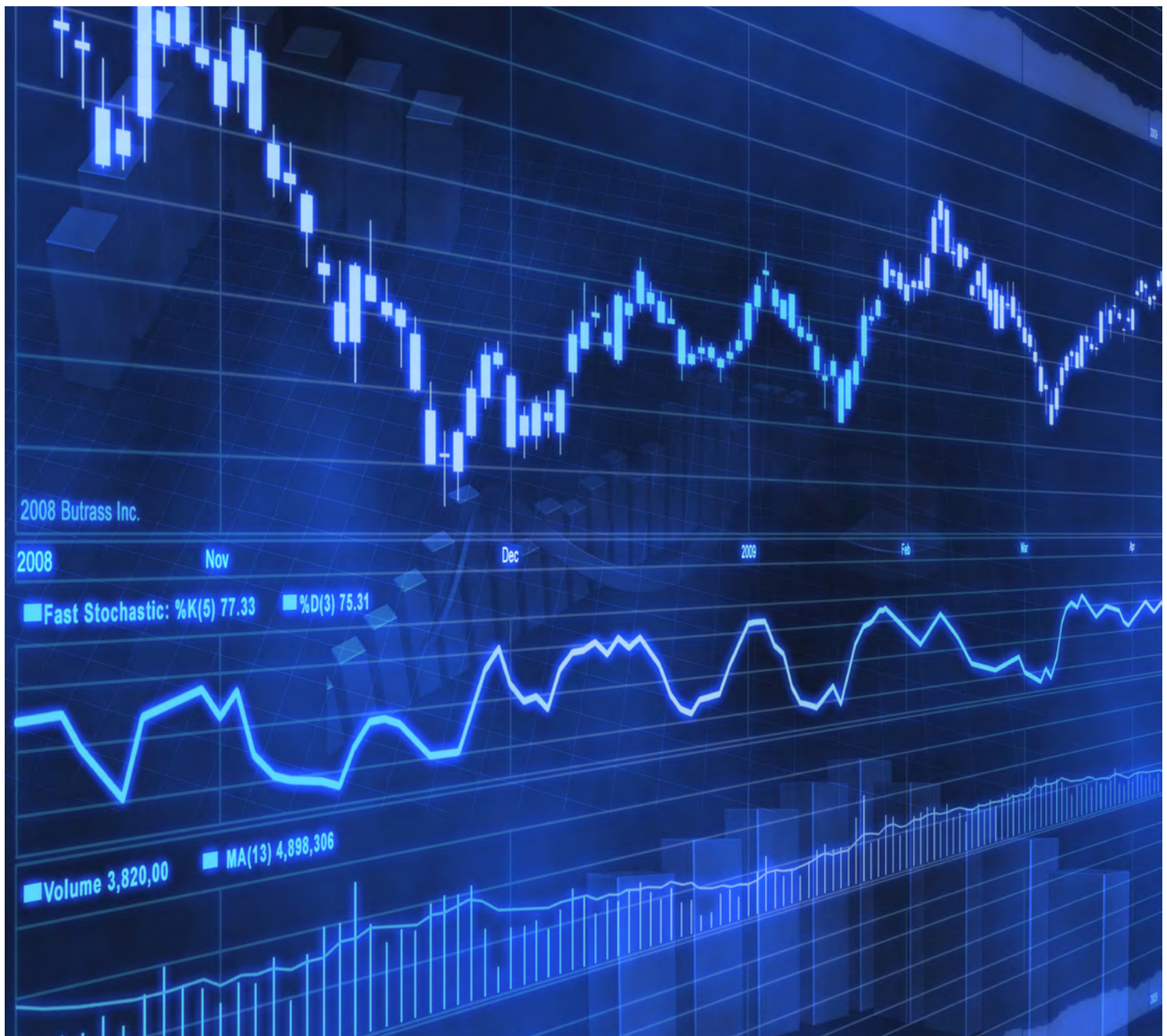


Source: *Association of European Businesses, **Rosstat

Key Monthly Economic Data

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
GDP Y/Y %*	0.2	-1.4	-1.3	-2.7	-4.2	-	-
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	-
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	-

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



Indicators

The widespread improvement in the satellite indicators of the survey suggests that the dire economic situation in Russia could be starting to abate.

MNI Russia Business Indicator

Expectations Highest Since August 2013



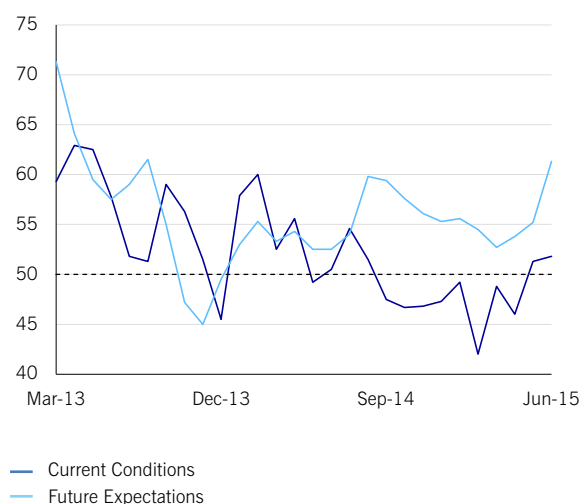
The widespread improvement in the satellite indicators of the survey suggests that the dire economic situation in Russia could be starting to abate. Easing inflationary pressures, growing order books and improved access to credit all contributed to the more upbeat attitude of large Russian companies this month.

The MNI Russia Business Sentiment Indicator rose by 1% to 51.8 in June from 51.3 in May, the highest since July 2014. Last month's rise in business confidence ended eight consecutive months of contraction which prompted us to speculate that the Russian economy may have reached a turning point and the latest increase provides further support to our previous assertion. Construction companies were the sole driver of this month's improvement, while sentiment among those in the manufacturing and service sectors was unchanged on the month.

This month's outturn brought the average for Q2 to 49.7, 6.4% above the 46.7 recorded in Q1 which was the weakest quarter since the survey began in March 2013. While the Federal State Statistics Service is yet to release official GDP data for the three months to June, it is widely anticipated that the economy contracted much more sharply than the downwardly revised 2.2% on the year in Q1. Evidence from our survey also points to a decline in Q2 but suggests that it will be more moderate than the consensus forecast.

Key business metrics in the survey built on last month's improvement, further suggests that the economy could be at a crossroads. Exports Orders expanded for the first time since the introduction of sanctions in July 2014, helping to lift overall New Orders to an eight-month high. Companies met this increase in demand by running down their excess inventories however, which probably contributed to the disappointing contraction in production this month. Inflationary pressures continued to cool in

MNI Russia Business Sentiment Indicator



MNI Russia Business Indicator

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Current Conditions	50.5	49.2	42.0	48.8	46.0	51.3	51.8

June, with Input Prices easing to the lowest level this year. Even so, a record number of companies anticipated that they would raise the prices of their own goods and services over the coming three months after having kept them in check for the past year. While the latest rate cut by the Central Bank of Russia on June 15 occurred after our survey period had closed, the previous three consecutive cuts continued to widen the availability of credit to our panel. Growing ties with Chinese lending institutions may also be having an impact.

Companies were considerably more optimistic in their near-term outlook, with the Future Expectations Indicator rising by 11.1% to a 22-month high of 61.3 from 55.2 in May. All three sectors had an improved outlook for the coming three months, led only slightly by companies in the service sector whose optimism hit an all-time high. Even so, the survey period ended before the announcement of a six-month extension to the current sanctions imposed by the EU, a major trading partner of Russia, which could act as a dampener on optimism over the coming months.

Sectors - Overall Business Conditions

	Manufacturing	Services	Construction
Current Conditions	↓ = 50	↓ = 50	↑ > 50
Future Expectations	↑ > 50	↑ > 50	↑ > 50

MNI Russia Business Indicator

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Future Expectations	52.5	55.6	54.5	52.7	53.8	55.2	61.3

Orders

First Rise in Exports Since the Introduction of Sanctions



Last month's rise in New Orders continued through to June, underpinned by a pick-up in overseas orders which rose to the highest level since July 2014, just prior to the imposition of sectoral sanctions by the EU.

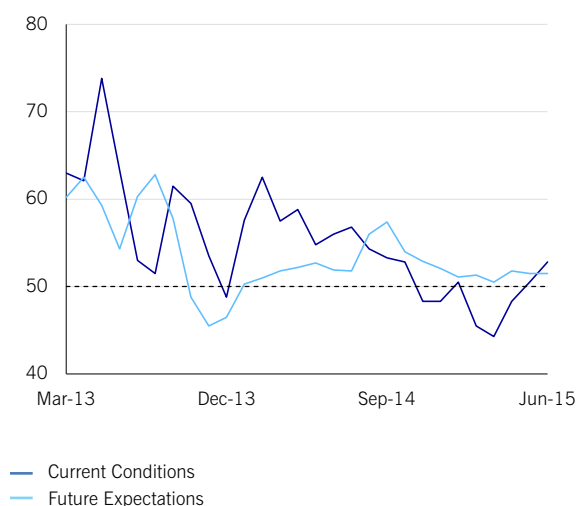
Over the past year, companies have seen their order books shrink as sectoral sanctions imposed by the West created a highly uncertain business environment. More recently, a growing number of firms have reported that their customers are placing additional orders.

The New Orders Indicator improved to an eight-month high of 52.8 in June following a rise to 50.5 in May which reversed three consecutive months of contraction, although it was still down by 5.7% on the year. Companies also remained cautiously optimistic about demand over the coming three months, with the Expectations Indicator for New Orders remaining unchanged at 51.5 in June.

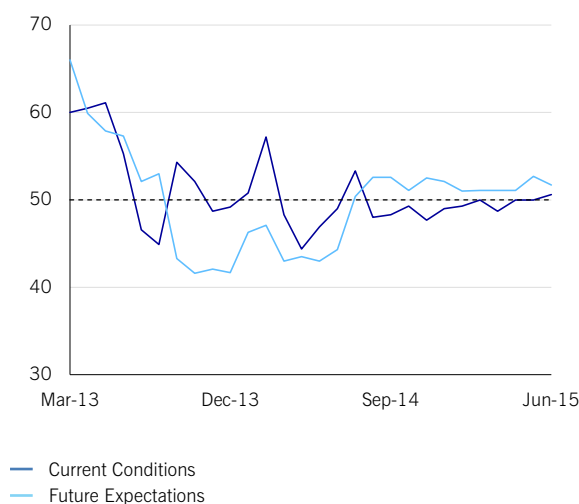
Some of the rise in demand came from abroad, as the sharp depreciation of the rouble in 2014 resulted in Russian goods and services becoming much cheaper to foreign companies. This has been countered somewhat by international sanctions which have prevented trade in certain goods from certain industries, while the currency has since staged a remarkable comeback which has eroded a considerable amount of the cost advantage to exporters.

Even so, Export Orders rose to 50.6 in June from 50.0 in May suggesting that appetite from overseas is growing. While the indicator remains weak by historical standards, this month's rise placed it into expansion for the first time since July 2014, just prior to the implementation of sanctions, therefore serving as a symbolic milestone.

New Orders



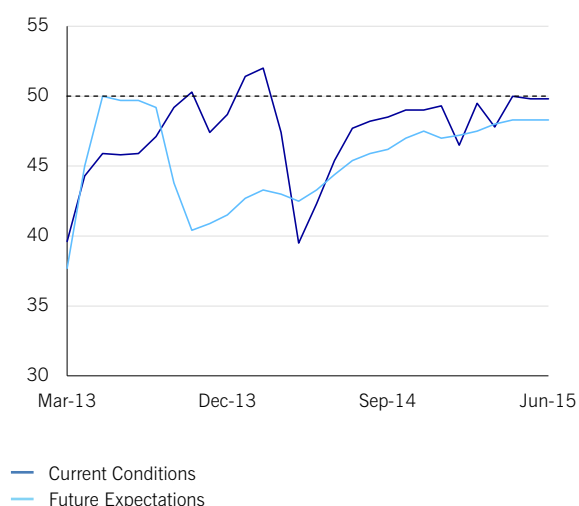
Export Orders



Orders - Current Conditions

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
New Orders	56.0	50.5	45.5	44.3	48.3	50.5	52.8
Export Orders	49.0	49.3	50.0	48.7	50.0	50.0	50.6
Order Backlogs	45.4	46.5	49.5	47.8	50.0	49.8	49.8

Order Backlogs



Sectors - Current Conditions

	New Orders	Export Orders	Order Backlogs
Manufacturing	↑ > 50	↑ > 50	↔ < 50
Services	↑ = 50	↔ = 50	↓ < 50
Construction	↑ > 50	↔ = 50	↔ = 50

Sectors - Future Expectations

	New Orders	Export Orders	Order Backlogs
Manufacturing	↑ > 50	↔ = 50	↔ < 50
Services	↓ < 50	↓ > 50	↔ < 50
Construction	↔ < 50	↔ = 50	↔ < 50

Our panel continued to anticipate that Export Orders would rise in the coming three months, although were slightly less optimistic with the Expectations Indicator falling to 51.7 in June from 52.7 in May.

Firms continued to report that their Order Backlogs were falling with the indicator remaining unchanged at 49.8 in June. While the continued contraction in the indicator suggests that companies possess some degree of spare capacity, growing order books are likely to place upward pressure on backlogs once this slack diminishes. Even so, our panel remained pessimistic in their outlook for their unfulfilled orders in the future, with the Expectations Indicator remaining unchanged at 48.3 in June for the third consecutive month.

Orders - Future Expectations

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
New Orders	51.9	51.1	51.3	50.5	51.8	51.5	51.5
Export Orders	44.3	51.0	51.1	51.1	51.1	52.7	51.7
Order Backlogs	44.4	47.2	47.5	48.0	48.3	48.3	48.3

Output and Employment

Higher Optimism for Future Production



Companies scaled back their output in June in spite of growing demand, although chose to expand their workforce very slightly in a promising sign that confidence is slowly returning to the business environment.

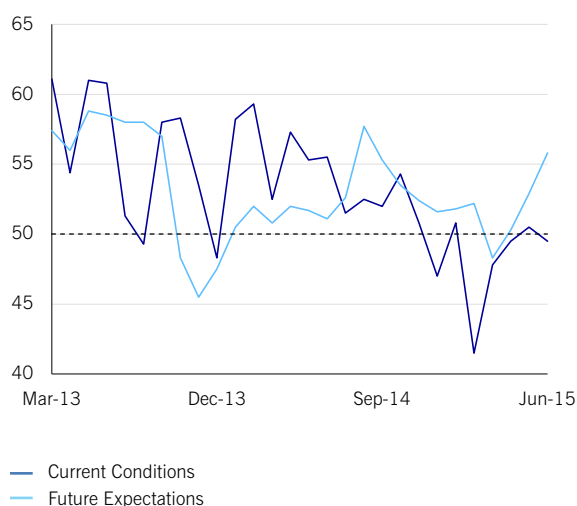
The Production Indicator fell by 2% to 49.5 in June, offsetting last month's rise to 50.5 in May. Much of the fall was driven by companies in the service sector who scaled back much more sharply this month, outweighing the strong expansion among construction firms.

Regardless, companies were more optimistic about their level of output as they anticipated that orders will continue to grow in the coming three months. Expectations for Production rose by 5.5% to 55.8 in June from 52.9 in May, the highest since August 2014. All three sectors had higher expectations for production in June, with those in the construction sector having the most optimistic plans for output.

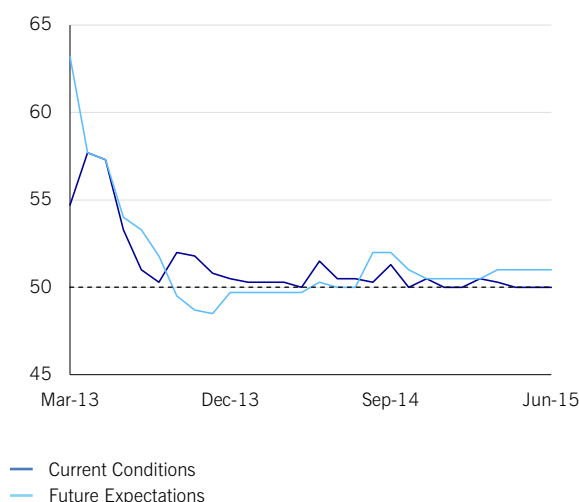
Our Production Indicator has a close correlation with official data on industrial production which declined by a seasonally adjusted 0.6% on the month in May after contracting by 1.6% in the previous month. The poor outturn of the June survey suggests that output is still subdued and probably will take some time to recover.

Companies chose to expand the size of their workforce in June, with the Employment Indicator rising only marginally to 50.3 from 50.0 in May. However, companies no longer anticipated that their workforce would be higher in three months' time, with the Expectations Indicator falling to 50.0 in June after having remained unchanged at 50.5 in May.

Production



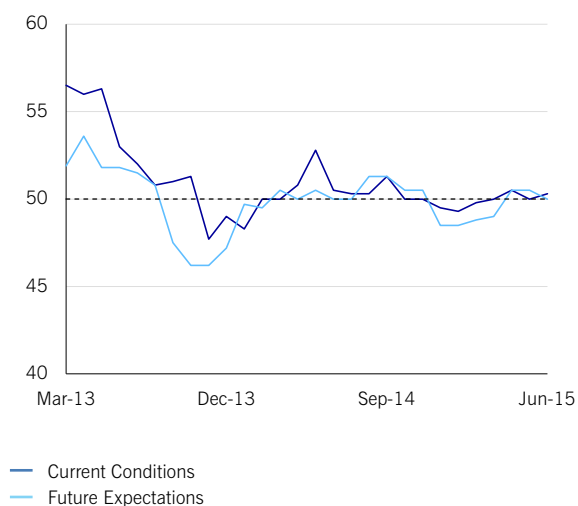
Productive Capacity



Output and Employment - Current Conditions

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Production	55.5	50.8	41.5	47.8	49.5	50.5	49.5
Productive Capacity	50.5	50.0	50.5	50.3	50.0	50.0	50.0
Employment	50.5	49.3	49.8	50.0	50.5	50.0	50.3

Employment



Firms chose to keep their Productive Capacity unchanged for the third month in a row, with the Indicator standing at 50.0 in June. Although companies continued to anticipate that they would expand their capacity slightly in the future, with the Expectations Indicator standing at 51.0 for the fourth consecutive month.

Sectors - Current Conditions

	Production	Productive Capacity	Employment
Manufacturing	↓ = 50	↔ = 50	↔ = 50
Services	↓ < 50	↔ = 50	↓ < 50
Construction	↑ > 50	↔ = 50	↔ = 50

Sectors - Future Expectations

	Production	Productive Capacity	Employment
Manufacturing	↑ > 50	↔ > 50	↔ < 50
Services	↑ > 50	↔ > 50	↓ = 50
Construction	↑ > 50	↔ = 50	↔ > 50

Output and Employment - Future Expectations

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Production	51.1	51.8	52.2	48.3	50.3	52.9	55.8
Productive Capacity	50.0	50.5	50.5	51.0	51.0	51.0	51.0
Employment	50.0	48.5	48.8	49.0	50.5	50.5	50.0

Prices

Inflationary Pressures Cool Further



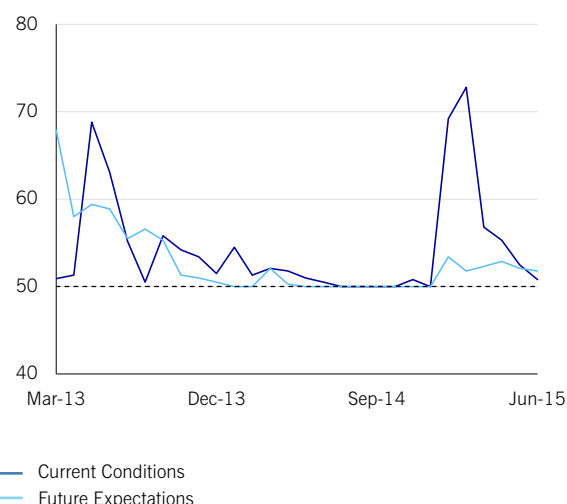
Fewer of our panel of large Russian companies reported that the price of their raw materials had risen, enabling the majority of them to keep the prices they charged for their goods and services in check.

Input Prices eased 3.2% to 50.8 in June from 52.5 in May, the lowest outturn this year. Companies also had lower expectations for prices over the next three months, with the Expectations Indicator declining slightly to 51.8 in June from 52.1 in the previous month.

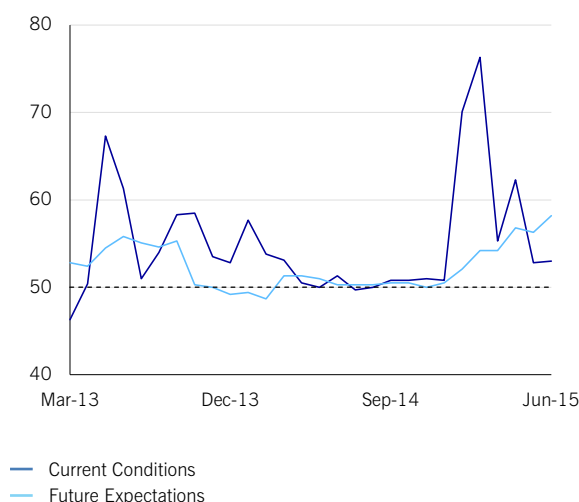
Official figures showed that consumer price inflation slowed for the second consecutive month to 15.8% on the year in May from 16.4% in April. Much of the easing was due to a deceleration in food price inflation, which makes up more than a third of the basket, to 20.2% on the year in May following a rise of 21.9% in April. Stripping out the prices of food and fuel, which tend to be volatile, 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 May, it eased to 17.1% on the year from a record high of 17.5% in April.

Lower input costs meant that more firms were able to keep their own prices in check, with the Prices Received Indicator remained more-or-less unchanged at 53.0 in June from 52.8 in May. A record number of companies, however, anticipated that they would raise the prices of their goods and services over the coming three months, causing the Expectations Indicator to rise to an all-time high of 58.2 in June after standing at 56.3 in May. Companies had largely kept their prices stable over the past year in spite of rapidly rising costs, therefore this month's rise could be due to companies planning on capitalising on the improvement in demand to bring their prices back into line.

Input Prices



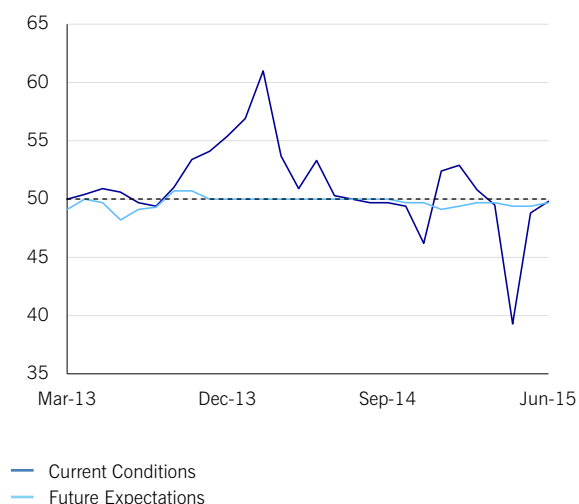
Prices Received



Prices - Current Conditions

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Input Prices	50.5	69.2	72.8	56.8	55.3	52.5	50.8
Prices Received	51.3	70.1	76.3	55.3	62.3	52.8	53.0
Exchange Rate	50.3	52.9	50.8	49.5	39.3	48.8	49.8

Effect of Rouble Exchange Rate



Once again, the rapid appreciation in the rouble over recent months was taken as a positive by our panel with fewer companies reporting that exchange rate was hurting their overall business operations. The Effect of the Rouble Exchange Rate Indicator rose by a full point to 49.8 in June from 48.8 in May and was only 1% below the same outturn a year earlier. A value above 50 shows that more firms reported that it was helping, while a reading below 50 shows the exchange rate was hurting.

Following a turbulent few months towards the end of 2014, the rouble has since recovered considerably, although downside risks remain given the volatility in the price of oil. Slightly fewer companies expected the rouble exchange rate to hurt in the coming three months, with the Expectations Indicator rising to 49.7 in June after remaining unchanged at 49.4 in May.

Sectors - Current Conditions

	Input Prices	Prices Received	Effect of Rouble Exchange Rate
Manufacturing	↓ = 50	↓ > 50	↑ = 50
Services	↓ > 50	↑ > 50	↑ = 50
Construction	↑ > 50	↑ > 50	↔ < 50

Sectors - Future Expectations

	Input Prices	Prices Received	Effect of Rouble Exchange Rate
Manufacturing	↓ > 50	↑ > 50	↔ < 50
Services	↔ = 50	↑ > 50	↑ = 50
Construction	↔ > 50	↔ > 50	↔ = 50

Prices - Future Expectations

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Input Prices	50.0	53.4	51.8	52.3	52.9	52.1	51.8
Prices Received	50.3	52.1	54.2	54.2	56.8	56.3	58.2
Exchange Rate	50.0	49.4	49.7	49.7	49.4	49.4	49.7

Money and Credit

More Firms Secure Access to Lending



While the balance sheets of our panel remained anaemic, the continued improvement in their availability of credit indicates that sanctions are no longer restricting Russian businesses from obtaining finance as much as they were previously.

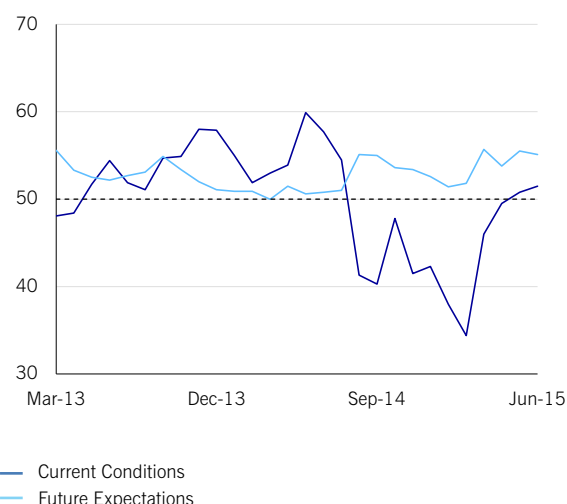
Firms in Russia have found it difficult to secure lending since the annexation of Crimea, particularly so following the subsequent imposition of capital restrictions by Western nations at the end of July 2014. As a consequence, credit availability to firms has been severely dented with two of the three major ratings agencies considering Russian government debt to be below investment-grade.

Nevertheless, more firms reported that they had access to lending in June which was reflected in the rise of the Availability of Credit Indicator to 51.5 from 50.8 in May. While the rate cuts by the Central Bank of Russia are one factor behind the improvement, reports have suggested that firms have been looking east toward China to fulfil their financing requirements following high-level meetings between Russian President Vladimir Putin and his Chinese counterpart Xi Jinping, which may also account in part for the improvements in credit availability in both May and June.

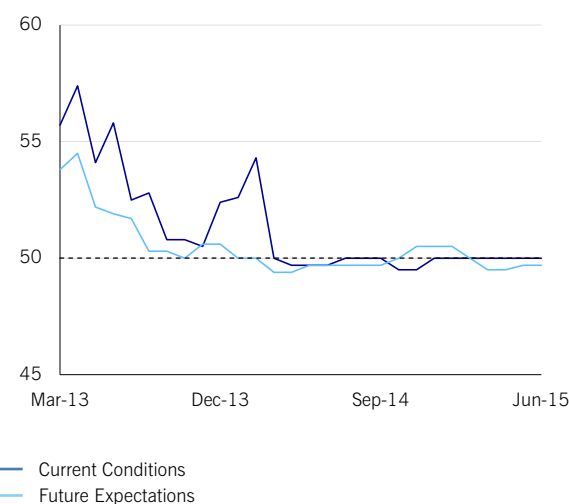
While both construction and manufacturing companies reported an improvement in their credit availability in June, those in the service sector experienced slightly worse lending conditions than they did in the previous month.

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 brought about by a slide in oil prices and the imposition of

Availability of Credit



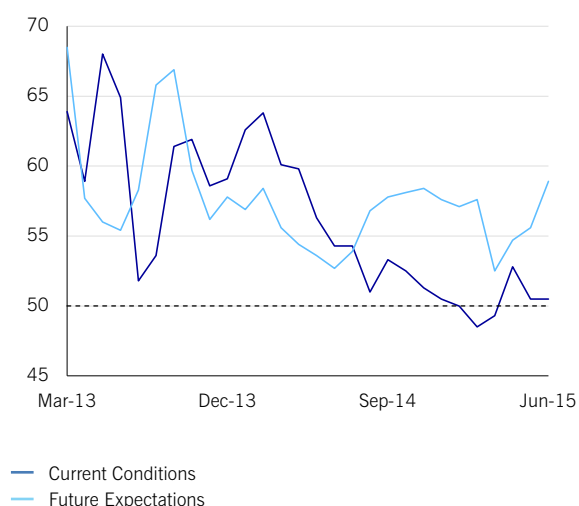
Interest Rates Paid



Money and Credit - Current Conditions

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Availability of Credit	57.7	38.0	34.4	46.0	49.5	50.8	51.5
Interest Rates Paid	49.7	50.0	50.0	50.0	50.0	50.0	50.0
Financial Position	54.3	50.0	48.5	49.3	52.8	50.5	50.5

Financial Position



Sectors - Current Conditions

	Availability of Credit	Interest Rates Paid	Financial Position
Manufacturing	↔ > 50	↔ = 50	↔ > 50
Services	↓ < 50	↔ = 50	↓ = 50
Construction	↑ > 50	↔ = 50	↑ > 50

Sectors - Future Expectations

	Availability of Credit	Interest Rates Paid	Financial Position
Manufacturing	↓ > 50	↔ < 50	↑ > 50
Services	↓ > 50	↔ = 50	↑ > 50
Construction	↔ = 50	↔ = 50	↑ > 50

economic sanctions. With the financial situation in Russia having stabilised somewhat, the CBR chose to reduce the key interest rate by 550 basis points to 11.5% at its first four meetings of 2015 but has suggested that it may slow down the pace of easing at its fifth meeting of the year on July 31 should any risks to the current deflationary trend arise.

Even so, the Interest Rates Paid Indicator remained at 50.0 in June for the seventh consecutive month as nearly our entire panel reported that they faced the same financing costs as they did in May. It is surprising that the indicator has not been more responsive to the frequent, sizeable movements in the benchmark interest rate but there is a possibility that it will fall over the coming months as the CBR is expected to normalise monetary policy by cutting the key interest rate.

There was no change in the proportion of companies who reported that their financial health had improved, with the Financial Position Indicator remaining unchanged at 50.5 in June. While this month's outturn was 4.1% above the series low of 48.5 recorded in February, companies' profitability remains severely dented which is apparent when this month is compared with the series high of 64.9 two years ago in June 2013.

Our panel remained optimistic that their financial position would improve over the following three months as reflected by the rise in the Expectations Indicator to 58.9 in June from 55.6 in May, the highest since October 2013. Even so, the Russian economy is set to fall into a deep recession this year which will likely to put great strain on companies and possibly tip their finances back into the red.

Money and Credit - Future Expectations

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Availability of Credit	50.8	51.4	51.8	55.7	53.8	55.5	55.1
Interest Rates Paid	49.7	50.5	50.0	49.5	49.5	49.7	49.7
Financial Position	52.7	57.1	57.6	52.5	54.7	55.6	58.9

Logistics

Firms Tackle Excess Inventories



Following seven consecutive months of stock building, firms chose to run down their inventories to meet the pick-up in orders whilst supplier delivery times were more-or-less unchanged from the previous month.

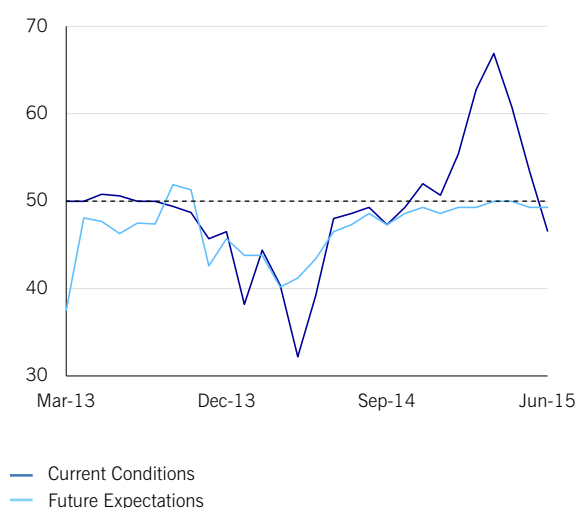
Having been reluctant to scale back output in spite of altering demand over the past two quarters, companies have become burdened with a glut of inventories. The pick-up in orders this month, however, presented an opportunity to firms to normalise stock levels by fulfilling new orders with current stock rather than by increasing production.

This caused the Inventories Indicators to fall into contraction for the first time in eight months, declining by 12.7% to 46.6 in June from 53.4 in May. While companies in the manufacturing sector reported that their inventories were unchanged on the month in June, construction companies reported that they were destocking at the quickest pace on record.

According to our panel, this trend is set to continue with the Expectations Indicator for future stock levels standing at 49.3 in June, indicating that companies anticipate their stock levels to fall over the coming three months. Firms in the construction sector expected to destock in contrast to those in the manufacturing sector who anticipated that their level of inventories would rise slightly.

The Supplier Delivery Times Indicator measures sentiment about the speed of supplier deliveries compared with the previous month. A reading above 50 indicates that a higher proportion of companies reported that supplier deliveries were longer compared with a month ago while a reading below 50 indicates a higher

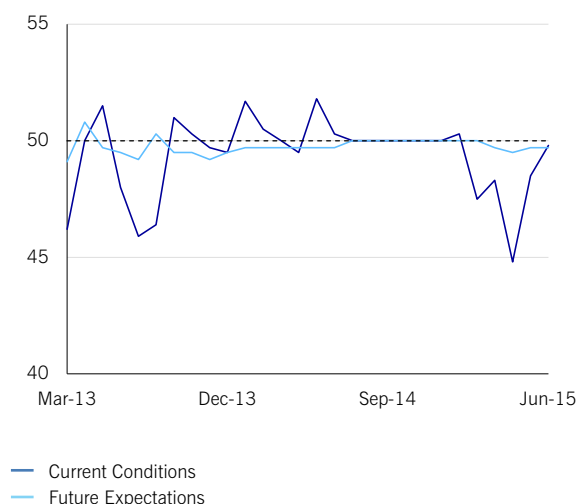
Inventories



Logistics - Current Conditions

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Inventories	48.0	55.4	62.8	66.9	60.8	53.4	46.6
Supplier Deliveries	50.3	50.3	47.5	48.3	44.8	48.5	49.8

Supplier Delivery Times



proportion of companies reporting that supplier delivery times were shorter compared with a month ago.

While the time taken to deliver supplies to companies shortened for the fifth consecutive month in June, the corresponding rise in orders helped the Supplier Delivery Times Indicator to rise to 49.8 from 48.5 in May.

Previously, we had speculated that the indicator might return to the 50 breakeven level since it has historically been inert in nature. While this month's rise points to a possible normalisation, the volatility in the indicator suggests there could be a possible departure from the trend but it will be necessary to observe the indicator over the coming months before determining whether this is indeed true.

Sectors - Current Conditions

	Inventories of Finished Goods	Supplier Delivery Times
Manufacturing	↓ = 50	↑ = 50
Construction	↓ < 50	↔ = 50

Sectors - Future Expectations

	Inventories of Finished Goods	Supplier Delivery Times
Manufacturing	↔ > 50	↔ < 50
Construction	↔ < 50	↔ = 50

Logistics - Future Expectations

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Inventories	46.5	49.3	49.3	50.0	50.0	49.3	49.3
Supplier Deliveries	49.7	50.0	50.0	49.7	49.5	49.7	49.7



Data tables

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Historical Summary

	2014							2015					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MNI Russia Business Indicator													
Current Conditions	50.5	54.6	51.5	47.5	46.7	46.8	47.3	49.2	42.0	48.8	46.0	51.3	51.8
Future Expectations	52.5	54.0	59.8	59.4	57.6	56.1	55.3	55.6	54.5	52.7	53.8	55.2	61.3
Production													
Current Conditions	55.5	51.5	52.5	52.0	54.3	50.8	47.0	50.8	41.5	47.8	49.5	50.5	49.5
Future Expectations	51.1	52.6	57.7	55.3	53.5	52.4	51.6	51.8	52.2	48.3	50.3	52.9	55.8
New Orders													
Current Conditions	56.0	56.8	54.3	53.3	52.8	48.3	48.3	50.5	45.5	44.3	48.3	50.5	52.8
Future Expectations	51.9	51.8	56.0	57.4	54.0	52.9	52.1	51.1	51.3	50.5	51.8	51.5	51.5
Export Orders													
Current Conditions	49.0	53.3	48.0	48.3	49.3	47.7	49.0	49.3	50.0	48.7	50.0	50.0	50.6
Future Expectations	44.3	50.4	52.6	52.6	51.1	52.5	52.1	51.0	51.1	51.1	51.1	52.7	51.7
Productive Capacity													
Current Conditions	50.5	50.5	50.3	51.3	50.0	50.5	50.0	50.0	50.5	50.3	50.0	50.0	50.0
Future Expectations	50.0	50.0	52.0	52.0	51.0	50.5	50.5	50.5	50.5	51.0	51.0	51.0	51.0
Order Backlogs													
Current Conditions	45.4	47.7	48.2	48.5	49.0	49.0	49.3	46.5	49.5	47.8	50.0	49.8	49.8
Future Expectations	44.4	45.4	45.9	46.2	47.0	47.5	47.0	47.2	47.5	48.0	48.3	48.3	48.3
Employment													
Current Conditions	50.5	50.3	50.3	51.3	50.0	50.0	49.5	49.3	49.8	50.0	50.5	50.0	50.3
Future Expectations	50.0	50.0	51.3	51.3	50.5	50.5	48.5	48.5	48.8	49.0	50.5	50.5	50.0
Inventories													
Current Conditions	48.0	48.6	49.3	47.3	49.3	52.0	50.7	55.4	62.8	66.9	60.8	53.4	46.6
Future Expectations	46.5	47.3	48.6	47.3	48.6	49.3	48.6	49.3	49.3	50.0	50.0	49.3	49.3
Input Prices													
Current Conditions	50.5	50.0	50.0	50.0	50.0	50.8	50.0	69.2	72.8	56.8	55.3	52.5	50.8
Future Expectations	50.0	50.0	50.0	50.0	50.0	50.0	50.0	53.4	51.8	52.3	52.9	52.1	51.8
Prices Received													
Current Conditions	51.3	49.7	50.0	50.8	50.8	51.0	50.8	70.1	76.3	55.3	62.3	52.8	53.0
Future Expectations	50.3	50.3	50.3	50.5	50.5	50.0	50.5	52.1	54.2	54.2	56.8	56.3	58.2
Financial Position													
Current Conditions	54.3	54.3	51.0	53.3	52.5	51.3	50.5	50.0	48.5	49.3	52.8	50.5	50.5
Future Expectations	52.7	53.9	56.8	57.8	58.1	58.4	57.6	57.1	57.6	52.5	54.7	55.6	58.9
Interest Rates Paid													
Current Conditions	49.7	50.0	50.0	50.0	49.5	49.5	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Future Expectations	49.7	49.7	49.7	49.7	50.0	50.5	50.5	50.5	50.0	49.5	49.5	49.7	49.7
Effect of Rouble Exchange Rate													
Current Conditions	50.3	50.0	49.7	49.7	49.4	46.2	52.4	52.9	50.8	49.5	39.3	48.8	49.8
Future Expectations	50.0	50.0	50.0	50.0	49.7	49.7	49.1	49.4	49.7	49.7	49.4	49.4	49.7
Supplier Delivery Times													
Current Conditions	50.3	50.0	50.0	50.0	50.0	50.0	50.0	50.3	47.5	48.3	44.8	48.5	49.8
Future Expectations	49.7	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	49.7	49.5	49.7	49.7
Availability of Credit													
Current Conditions	57.7	54.5	41.3	40.3	47.8	41.5	42.3	38.0	34.4	46.0	49.5	50.8	51.5
Future Expectations	50.8	51.0	55.1	55.0	53.6	53.4	52.6	51.4	51.8	55.7	53.8	55.5	55.1

Historical Records

	2013 - Current			
	Minimum	Maximum	Mean	Median
MNI Russia Business Indicator				
Current Conditions	42.0	62.9	52.4	51.5
Future Expectations	45.0	71.3	55.9	55.3
Production				
Current Conditions	41.5	61.1	53.3	52.5
Future Expectations	45.5	58.8	53.1	52.3
New Orders				
Current Conditions	44.3	73.8	55.1	53.9
Future Expectations	45.5	62.8	53.6	52.0
Export Orders				
Current Conditions	44.4	61.1	50.8	49.3
Future Expectations	41.6	66.0	50.1	51.1
Productive Capacity				
Current Conditions	50.0	57.7	51.3	50.5
Future Expectations	48.5	63.2	51.6	50.5
Order Backlogs				
Current Conditions	39.5	52.0	47.4	48.0
Future Expectations	37.7	50.0	45.5	46.1
Employment				
Current Conditions	47.7	56.5	51.0	50.3
Future Expectations	46.2	53.6	49.9	50.3
Inventories				
Current Conditions	32.2	66.9	49.2	49.4
Future Expectations	37.5	51.9	46.9	47.6
Input Prices				
Current Conditions	50.0	72.8	54.4	51.7
Future Expectations	50.0	67.9	52.9	51.6
Prices Received				
Current Conditions	46.3	76.3	55.1	52.9
Future Expectations	48.7	58.2	52.4	51.3
Financial Position				
Current Conditions	48.5	68.0	56.2	54.3
Future Expectations	52.5	68.5	57.6	57.4
Interest Rates Paid				
Current Conditions	49.5	57.4	51.4	50.0
Future Expectations	49.4	54.5	50.5	50.0
Effect of Rouble Exchange Rate				
Current Conditions	39.3	61.0	51.1	50.5
Future Expectations	48.2	50.7	49.7	49.9
Supplier Delivery Times				
Current Conditions	44.8	51.8	49.3	50.0
Future Expectations	49.1	50.8	49.8	49.7
Availability of Credit				
Current Conditions	34.4	59.9	50.0	51.6
Future Expectations	50.0	55.7	52.8	52.7

Historical Records - Quarterly

	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15	Quarterly Change	Quarterly % Change
MNI Russia Business Indicator							
Current Conditions	51.8	51.2	46.9	46.7	49.7	3.0	6.4%
Future Expectations	53.1	57.7	56.3	54.3	56.8	2.5	4.6%
Production							
Current Conditions	56.0	52.0	50.7	46.7	49.8	3.1	6.6%
Future Expectations	51.6	55.2	52.5	50.8	53.0	2.2	4.3%
New Orders							
Current Conditions	56.5	54.8	49.8	46.8	50.5	3.7	7.9%
Future Expectations	52.3	55.1	53.0	51.0	51.6	0.6	1.2%
Export Orders							
Current Conditions	46.8	49.9	48.7	49.3	50.2	0.9	1.8%
Future Expectations	43.6	51.9	51.9	51.1	51.8	0.7	1.4%
Productive Capacity							
Current Conditions	50.7	50.7	50.2	50.3	50.0	-0.3	-0.6%
Future Expectations	50.0	51.3	50.7	50.7	51.0	0.3	0.6%
Order Backlogs							
Current Conditions	42.4	48.1	49.1	47.9	49.9	2.0	4.2%
Future Expectations	43.4	45.8	47.2	47.6	48.3	0.7	1.5%
Employment							
Current Conditions	51.4	50.6	49.8	49.7	50.3	0.6	1.2%
Future Expectations	50.2	50.9	49.8	48.8	50.3	1.5	3.1%
Inventories							
Current Conditions	39.8	48.4	50.7	61.7	53.6	-8.1	-13.1%
Future Expectations	43.7	47.7	48.8	49.5	49.5	0.0	0.0%
Input Prices							
Current Conditions	51.1	50.0	50.3	66.3	52.9	-13.4	-20.2%
Future Expectations	50.1	50.0	50.0	52.5	52.3	-0.2	-0.4%
Prices Received							
Current Conditions	50.6	50.2	50.9	67.2	56.0	-11.2	-16.7%
Future Expectations	50.9	50.4	50.3	53.5	57.1	3.6	6.7%
Financial Position							
Current Conditions	56.8	52.9	51.4	49.3	51.3	2.0	4.1%
Future Expectations	53.6	56.2	58.0	55.7	56.4	0.7	1.3%
Interest Rates Paid							
Current Conditions	49.7	50.0	49.7	50.0	50.0	0.0	0.0%
Future Expectations	49.6	49.7	50.3	50.0	49.6	-0.4	-0.8%
Effect of Rouble Exchange Rate							
Current Conditions	51.5	49.8	49.3	51.1	46.0	-5.1	-10.0%
Future Expectations	50.0	50.0	49.5	49.6	49.5	-0.1	-0.2%
Supplier Delivery Times							
Current Conditions	50.5	50.0	50.0	48.7	47.7	-1.0	-2.1%
Future Expectations	49.7	50.0	50.0	49.9	49.6	-0.3	-0.6%
Availability of Credit							
Current Conditions	57.2	45.4	43.9	39.5	50.6	11.1	28.1%
Future Expectations	51.0	53.7	53.2	53.0	54.8	1.8	3.4%

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