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# MNI Russia Consumer Report February 2014

Insight and data for better decisions

## About MNI Indicators

### Insight and data for better decisions

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

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

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

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

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

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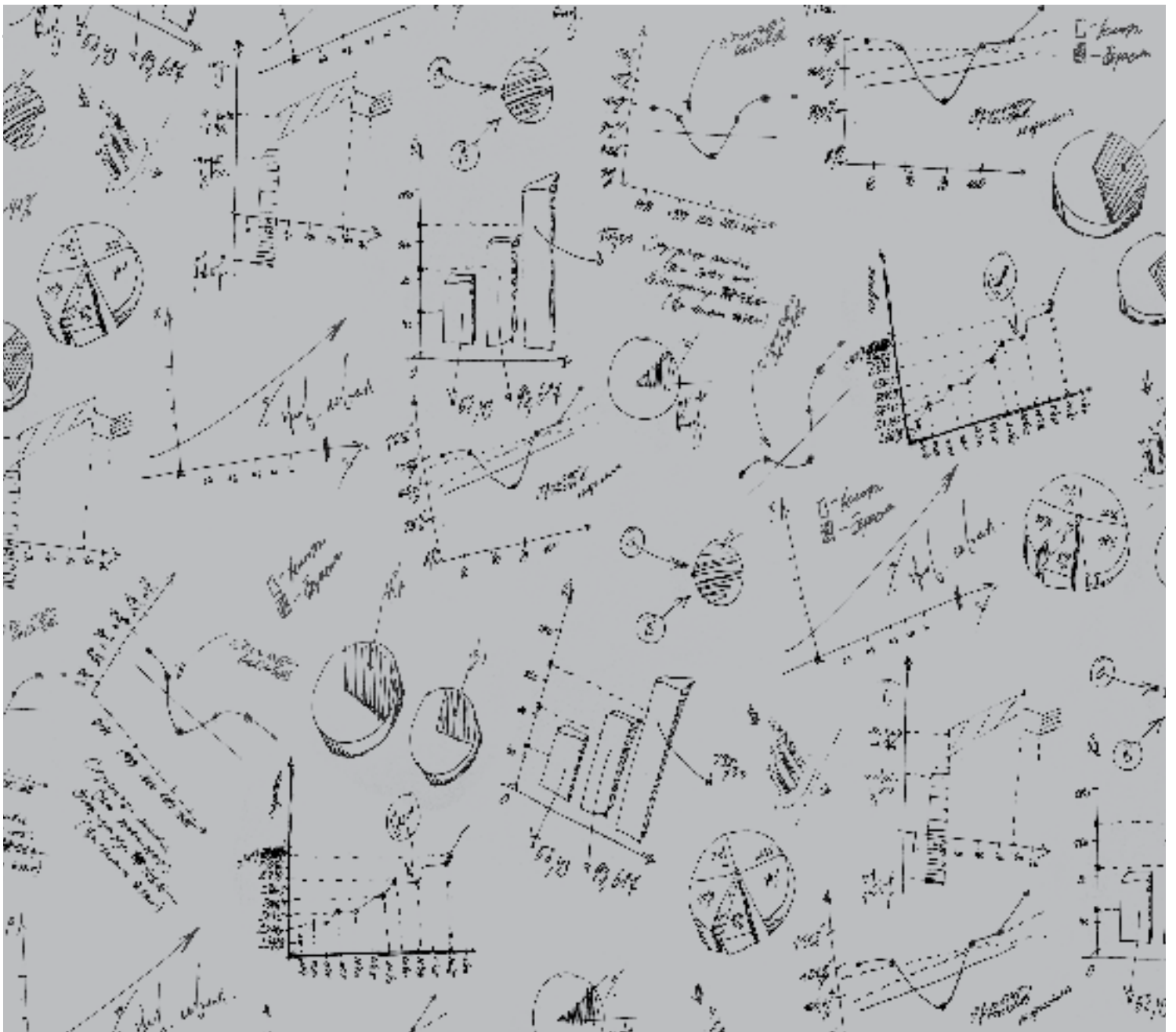
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# MNI Russia Consumer Report - February 2014

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# Was it worth it?

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Now that the Sochi Winter Olympics have come to an end, questions remain over the eye watering cost of the event which spiralled from an initial estimate of \$12 billion to the final cost of \$51 billion.

Now that the Sochi Winter Olympics have come to an end, questions remain over the eye watering cost of the event which spiralled from an initial estimate of \$12 billion to the final cost of \$51 billion. That's over \$2 million per minute...

Hosting an Olympics is never profitable – well with maybe the exception of Atlanta in 1996 where no public funds were used to finance the games. Countries that choose to host the Olympics don't do so to make money but out of a sense of national pride and, in the case of Russia, a show of power.

The winter games have been President Putin's pet project and he's taken an active role in ensuring that Russia won the right to host the games and made sure that that no expense was spared in putting on a great show. It was a bid to show both the Russian people and the global community that Russia was a modern country and very much open for business.

The games themselves have gone well and Russia winning with a total of 33 medals won't do Putin's domestic ratings any harm. But as a showcase to the global community, accusations of corruption which opposition opponents estimated at \$30 billion will only reinforce the view that corruption in Russia is widespread. This is a significant turn off for foreign companies looking to invest overseas. Transparency International placed Russia 133 out of 176 countries in its rankings of the most corrupt countries and it is still ranked 92 on the World Bank's Ease of Doing Business survey in 2013 – although that's an improvement from 112th position in 2012.

Evidence from our business survey suggests that the Olympics have boosted business sentiment. And asked whether they'd benefited or will benefit from the games, over 70% of our panel of companies said they would.

Our latest consumer survey showed less optimism with over 70% of respondents suggesting that the games would do little to boost economic growth.

Whatever the impact, it is unlikely to provide a significant long lasting stimulus to growth and Russia faces another tough year.

**Philip Uglow**  
Chief Economist  
MNI Indicators





# Executive Summary

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Consumer sentiment declined to 94.1 in February from 99.3 in January. The Consumer Indicator declined in all of the 10 major cities surveyed and hit a series low in eight of them.

Consumer sentiment declined to the lowest level since the survey started in March 2013, led by a sharp fall in consumers' views about the current state of their personal finances, with not even the winter games able to boost sentiment.

The Consumer Indicator declined 5.2% on the month to 94.1 in February from 99.3 in January. Around half of survey respondents were interviewed just before the games began with the rest responding after they had just started and over 70% respondents said that the games will not be successful in boosting Russia's economic growth.

The Current Indicator fell by 3.3% on the month to 98.6 from 102.0 in January when it peaked at the highest level since the series began in March 2013. The deterioration in the Current Indicator was led by Current Personal Finances which declined 12.1% on the month to a series low of 87.3. The other component, the Durable Buying Conditions Indicator, rose for the third month in a row to 109.9 from 104.7 in January.

The Expectations Indicator decreased to 91.2 in February from 97.5 in January. The Business Conditions in One Year component declined by 7.7% on the month to 87.8 while Business Conditions in Five Years was down by 7.2% to 89.4 following gains in the previous two months. The third component of the Expectations Indicator, Expected Personal Finances, fell by a smaller degree to 96.3, although this was the first time it has fallen below the 100 breakeven level.

The Consumer Indicator declined in all of the 10 major cities surveyed in February and hit a series low in eight of them.

In Moscow, consumer sentiment declined 7.5% on the month, the fastest pace on record, with the Consumer Indicator falling to a record low of 96.2 in February from 104.0 previously.

Perceptions about both the current state of business and future expectations for business conditions declined considerably in February.

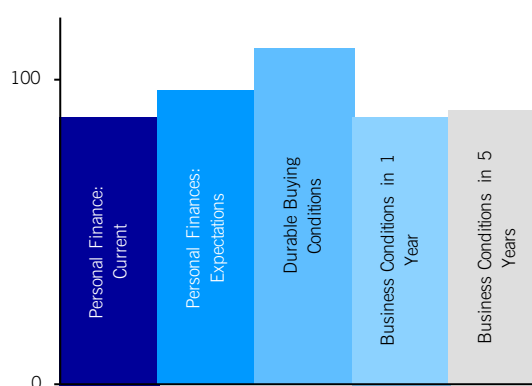
The Durable Buying Conditions Indicator, which measures whether respondents think it is a good or bad time to buy a large household good, rose for the third consecutive month to hit a series high in February.

The Employment Outlook Indicator, which measures opinion on the outlook of the employment market over the next 12 months, declined slightly in February after worsening considerably in the previous month.

Concerns over inflation worsened in February as the number of respondents who expected prices to rise in a year's time increased.

The Car Purchase Indicator increased for the second consecutive month led by a rise in car purchase expectations and a decline in expectations for gasoline prices.

#### MNI Russia Consumer Indicator - Components



## All Russia - Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI Russia Consumer Indicator</b>	95.7	99.3	94.1	-	series low	96.4	-5.2	-5.2%
Current Indicator	95.7	102.0	98.6	-	Dec-13	98.8	-3.4	-3.3%
Expectations Indicator	95.7	97.5	91.2	-	series low	94.8	-6.3	-6.5%
Personal Finance: Current	92.5	99.3	87.3	-	series low	93.0	-12.0	-12.1%
Personal Finance: Expected	101.9	101.2	96.3	-	series low	99.8	-4.9	-4.8%
Business Condition: 1 Year	94.4	95.1	87.8	-	series low	92.4	-7.3	-7.7%
Business Condition: 5 Year	90.8	96.4	89.4	-	Nov-13	92.2	-7.0	-7.2%
Durable Buying Conditions	98.9	104.7	109.9	series high	-	104.5	5.2	5.0%
Current Business Conditions Indicator	94.9	100.3	97.5	-	Dec-13	97.6	-2.8	-2.8%
Real Estate Investment Indicator	106.9	112.1	111.4	-	Dec-13	110.1	-0.7	-0.6%
Car Purchase Indicator	81.0	83.3	88.3	Aug-13	-	84.2	5.0	6.0%
Employment Outlook Indicator	98.2	87.2	86.5	-	series low	90.6	-0.7	-0.8%
Inflation Expectations Indicator	138.2	136.9	140.9	series high	-	138.7	4.0	2.9%
Current Prices Satisfaction Indicator	71.8	69.4	74.4	Oct-13	-	71.9	5.0	7.2%
Interest Rates Expectations Indicator	114.9	115.9	122.6	May-13	-	117.8	6.7	5.8%



## All Russia - Summary

	2013										2014	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>MNI Russia Consumer Indicator</b>	97.2	99.1	97.5	98.5	99.5	99.9	97.4	99.4	94.8	95.7	99.3	94.1
Current Indicator	93.8	98.2	96.2	98.4	100.5	99.2	95.8	99.2	94.3	95.7	102.0	98.6
Expectations Indicator	99.4	99.7	98.3	98.6	98.8	100.3	98.4	99.5	95.1	95.7	97.5	91.2
Personal Finance: Current	94.7	97.5	96.3	99.5	103.2	102.1	95.3	91.0	92.0	92.5	99.3	87.3
Personal Finance: Expected	109.2	105.4	105.5	102.4	103.4	104.9	105.4	101.2	101.7	101.9	101.2	96.3
Business Condition: 1 Year	92.3	95.7	96.6	97.8	95.9	98.7	96.1	101.5	94.9	94.4	95.1	87.8
Business Condition: 5 Year	96.8	98.0	93.0	95.7	97.2	97.5	93.7	95.8	88.7	90.8	96.4	89.4
Durable Buying Conditions	92.9	98.8	96.2	97.2	97.8	96.2	96.3	107.4	96.6	98.9	104.7	109.9
<b>Current Business Conditions Indicator</b>	89.6	95.9	95.8	97.7	95.4	95.6	97.6	94.5	97.4	94.9	100.3	97.5
<b>Real Estate Investment Indicator</b>	108.0	107.5	106.0	107.9	105.3	108.5	108.0	113.0	108.4	106.9	112.1	111.4
House Price Expectations	124.9	123.5	117.9	122.9	120.7	128.4	121.6	127.7	121.6	130.9	135.7	139.0
House Buying Sentiment	97.7	98.1	100.2	100.5	96.6	96.7	101.8	109.8	105.0	92.1	99.7	96.8
House Selling Sentiment	98.6	99.1	100.0	99.8	101.4	99.5	99.3	98.4	101.5	102.3	99.0	101.6
<b>Car Purchase Indicator</b>	86.1	86.2	87.2	87.5	86.2	88.4	85.7	85.1	81.9	81.0	83.3	88.3
Car Purchase Expectations	107.6	104.1	105.5	107.5	101.0	109.4	107.1	101.4	98.9	98.2	104.4	110.5
Price of Gasoline Expectations	135.4	131.8	131.0	132.4	128.6	132.7	135.6	131.3	135.2	136.2	137.7	133.8
<b>Employment Outlook Indicator</b>	100.5	98.6	100.3	99.1	97.1	97.5	99.9	100.4	98.1	98.2	87.2	86.5
Inflation Expectations Indicator	130.7	138.3	136.6	133.2	136.1	139.4	135.7	139.7	136.8	138.2	136.9	140.9
Current Prices Satisfaction Indicator	80.6	76.2	84.2	86.0	73.9	85.9	85.6	80.5	73.5	71.8	69.4	74.4
Interest Rates Expectations Indicator	120.6	122.1	123.3	112.3	114.1	113.2	111.1	115.6	115.5	114.9	115.9	122.6

## All Russia - Records

	2013 - current			
	Minimum	Maximum	Mean	Median
<b>MNI Russia Consumer Indicator</b>	94.1	99.9	97.7	98.0
Current Indicator	93.8	102.0	97.7	98.3
Expectations Indicator	91.2	100.3	97.7	98.5
Personal Finance: Current	87.3	103.2	95.9	95.8
Personal Finance: Expected	96.3	109.2	103.2	102.9
Business Condition: 1 Year	87.8	101.5	95.6	95.8
Business Condition: 5 Year	88.7	98.0	94.4	95.7
Durable Buying Conditions	92.9	109.9	99.4	97.5
<b>Current Business Conditions Indicator</b>	89.6	100.3	96.0	95.9
<b>Real Estate Investment Indicator</b>	105.3	113.0	108.6	108.0
House Price Expectations	117.9	139.0	126.2	124.2
House Buying Sentiment	92.1	109.8	99.6	98.9
House Selling Sentiment	98.4	102.3	100.0	99.6
<b>Car Purchase Indicator</b>	81.0	88.4	85.6	86.1
Car Purchase Expectations	98.2	110.5	104.6	104.9
Price of Gasoline Expectations	128.6	137.7	133.5	133.2
<b>Employment Outlook Indicator</b>	86.5	100.5	97.0	98.4
Inflation Expectations Indicator	130.7	140.9	136.9	136.9
Current Prices Satisfaction Indicator	69.4	86.0	78.5	78.3
Interest Rates Expectations Indicator	111.1	123.3	116.8	115.6

The central bank  
raised the key  
interest rate to 7%  
from 5.5%...

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...in a bid to stem the decline in the rouble.



# Economic Landscape

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The Russian economy is mired in weak growth and high inflation. The stock market has plunged and the rouble has come under increased pressure forcing the central bank to raise its key policy rate from 5.5% to 7%.

Latest economic data has done little to lift the economic gloom from Russia after posting the lowest economic growth for four years in 2013. Industrial output contracted in January, investment fell sharply and retail sales growth decelerated to a four year low of 2.4% on the year in January. Consumer price inflation, which had been stubbornly high in 2013, rose to 6.2% in February, up from 6.1% in January, and there is a clear risk that it will overshoot the 5% target set for this year.

Russia's intervention in Ukraine has thrown the country into economic turmoil. The stock market has plunged and the rouble has come under increased pressure forcing the central bank of Russia to raise its key policy rate from 5.5% to 7%. Forecasters are now rapidly revising down forecasts of growth for 2014 with some highlighting the possibility that Russia could slip into recession.

#### Lowest economic growth since 2009

According to the first estimate from the Federal Service of State Statistics, Russian economic growth slowed to just 1.3% in 2013 from 3.4% in 2012, the lowest since 2009. Growth remained reliant on consumer spending although this failed to make up for sagging investment and a drop in global demand for oil and natural gas.

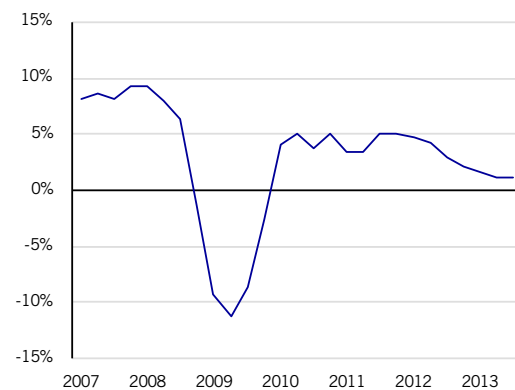
Private consumption expenditure remained relatively firm at 4.7% in 2013, but considerably down from the 7.9% rate seen in 2012. Government consumption declined 0.1%, following growth of 4.2% in 2012, while investment growth shrank to 0.3% from 6.4%.

On the positive side, exports rose 3.8% in 2013, recovering from growth of just 1.4% in 2012. Imports of goods and services were less of a drag on the economy as they increased 5.9%, lower than the 8.8% reported in 2012.

Deputy Economic Development Minister Andrei Klepach expects economic growth of 2.5% in 2014 with the Winter Olympics having a small positive effect on economic growth. He expects the Russian

economy to pull out of its current stagnation in the second and third quarter due to a revival in external markets and because the sharp drop in investment at Gazprom and other state owned companies seen in 2013 will not be repeated in 2014. Klepach's forecast came before the recent intervention in Ukraine.

#### Economic Growth



— GDP Growth y/y%

Source: Federal State Statistics Service of Russia

#### Industrial production contracts in January

Industrial production contracted by 0.2% on the year in January, down from a rise of 0.4% in December (revised from a previously reported 0.8%). The revisions meant production in 2012 and 2013 was a little stronger than previously thought, especially in the second half of 2013. Manufacturing output was revised up the most.

Manufacturing production was flat in January compared with the same month a year earlier. Despite the cold weather, utilities output declined 3.9%, and mining and quarrying output slowed to 0.9% in January from 2% in December.

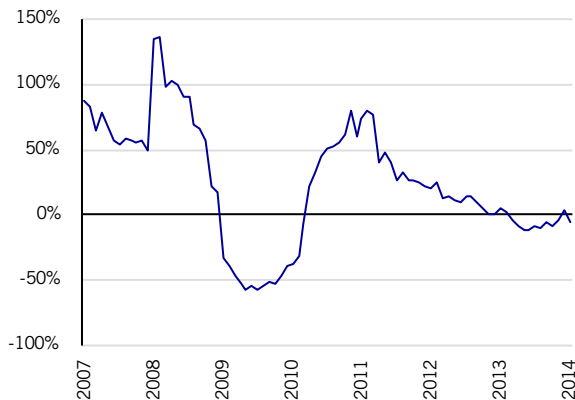
#### Car Sales decline in January

Following a surprise increase in December, sales of new cars fell 5.8% in January compared with a year ago. 152,662 vehicles were sold in January, down more than 40% from December's 264,257, according

to the Association of European Businesses (AEB). Russia is the second largest market for cars in Europe and last year saw the first annual fall in sales in four years. A total of 2.78 million new cars were sold in Russia last year, below the record level of 2.94 million set in 2012, according to the AEB.

The AEB remains cautious about the outlook and have forecasted sales of 2.73 million in 2014. The government offered cheap credit on cars to propel the car industry in the second half of 2013, barring which car sales would have been even worse. It is possible the scheme could be launched again should sales disappoint in 2014.

### Car Sales



— Car and Light Commercial Vehicles Sales y/y%

Source: Federal State Statistics Service of Russia

### Higher Inflation in February

Consumer price inflation rose slightly to 6.2% in February from 6.1% in January. Food price inflation accelerated to 6.9% from 6.5% in the previous month, with annual growth in fresh fruit and vegetable prices rising to 10.1% from 7.7%.

The central bank is targeting an inflation rate of 5% this year, after overshooting its 5-6% range in 2013.

A freeze on fees charged by state monopolies such as natural gas producer Gazprom and Russian Railways

### Inflation



— CPI Growth y/y %

Source: Federal State Statistics Service of Russia

in 2014 should help to ease inflation this year.

### Monetary policy: key rate increased

The central bank raised its key rate – the one-week repo rate at which it lends money to financial institutions – to 7% from 5.5% at a surprise meeting on March 3 in an effort to stabilise its currency, as concerns about the economic impact of a potential war with Ukraine increased.

Deputy Economy Minister Andrey Klepach said a temporary increase in the key rate would not hurt the economy, but that rouble depreciation would increase inflation.

The bank has made it clear that its top priority is to reduce annual consumer price inflation to record low levels. Low inflation would make borrowing more affordable and lead to a road of longer-term investment, which in turn would support economic growth. The central bank warned, however, that there were significant risks to the outlook for inflation due to the recent depreciation of the rouble.



### Depreciation in the rouble

So far this year, the rouble has been one of the worst performing emerging market currencies. It fell to an all time low of 36.5 versus the US Dollar on March 3 following Russia's actions in Ukraine and fears of an escalation in the situation.

The central bank spent US\$10 billion of its reserves on March 3 to prop up the rouble and has indicated that it would make major interventions due to the increased volatility.

Even before tensions intensified in Ukraine, the rouble had been weakening. The Russian authorities denied engaging in a deliberate policy to devalue the currency in order to raise export revenue or to provide a windfall gain for the state budget. Currency turmoil has been seen throughout most emerging market economies, although the move in Russia to a fully free floating currency has meant reduced currency intervention from the central bank which has put pressure on the rouble.

### Trade surplus fell in December

The trade surplus fell to \$15.8 billion in December, down from \$16.6 billion in November and 3.7% below the level seen a year earlier.

Exports rose for the second consecutive month to \$49.2 billion in December, up 5.2% from November. Compared with the same month last year, exports were up by almost 2%. Shipments to countries outside the Commonwealth of Independent States (CIS) rose 2.7%, while those to the CIS countries fell for the second month in a row to 2.1%.

Imports surged by 10.5% to \$33.4 billion in December compared with the previous month and were up by 4.7% compared with the same period a year ago .

The current account surplus has been steadily falling each year and in January, the central bank forecast that the current account surplus, which was over 10% of GDP a decade ago, will disappear by 2016.

### Labour market

The unemployment rate remained steady in January at 5.6%, unchanged from December, but down from the 6% rate seen in January 2013. For 2013 as a whole, the unemployment rate remained unchanged at 5.5%, nearly half the rate it was back in 2000.

Real wage growth picked up to 2.5% in January compared with a year earlier, and up from 1.9% in December 2013 which was the lowest since February 2011.

The Russian government has set a goal to create tens of millions of new jobs in high-tech sectors, while gradually cutting low-efficient obsolete jobs. According to Deputy Prime Minister Olga Golodets, about 150,000 such jobs will be cut in Russia in 2014.



# Indicators

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The MNI Russia Consumer Indicator declined to the lowest level since the survey started in March 2013, led by a sharp fall in consumers' views about the current state of their personal finances, with not even the winter games able to boost sentiment.

# MNI Russia Consumer Indicator Hits Record Low



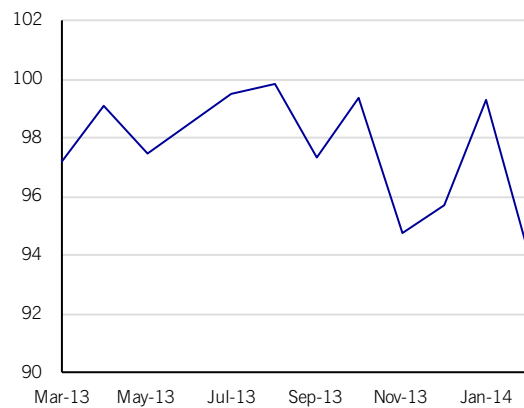
The MNI Russia Consumer Indicator declined to the lowest level since the survey started in March 2013, led by a sharp fall in consumers' views about the current state of their personal finances, with not even the winter games able to boost sentiment.

We had speculated that the rise in sentiment in January might have been due to the upcoming Sochi Winter Olympics, although if it was then the excitement evaporated very quickly. Around half of survey respondents were interviewed just before the games began with the rest responding after they had just started and over 70% respondents said that the games will not be successful in boosting Russia's economic growth.

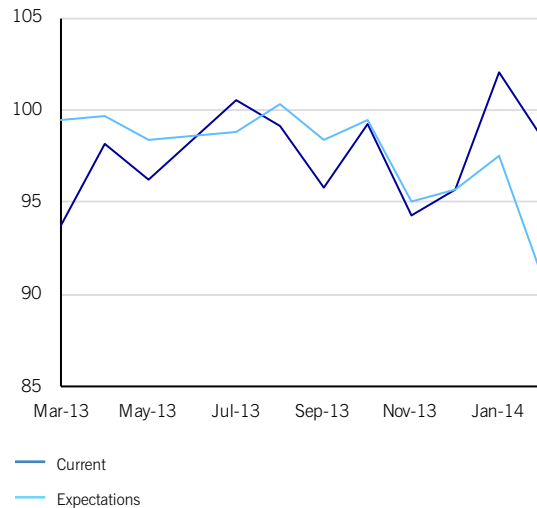
The Consumer Indicator declined 5.2% on the month to 94.1 in February from 99.3 in January. A reading below 100 indicates increasing negativity among consumers, while values above show increasing positivity. Consumer sentiment has remained below the 100 breakeven level and has trended downwards since the survey started in March.

The Current Indicator fell by 3.3% on the month to 98.6 from 102.0 in January when it peaked at the highest level since the series began in March 2013. The deterioration in the Current Indicator was led by Current Personal Finances which declined 12.1% on the month to a series low of 87.3. The other component, the Durable Buying Conditions Indicator, rose for the third month in a row to 109.9 from 104.7 in January.

MNI Russia Consumer Indicator



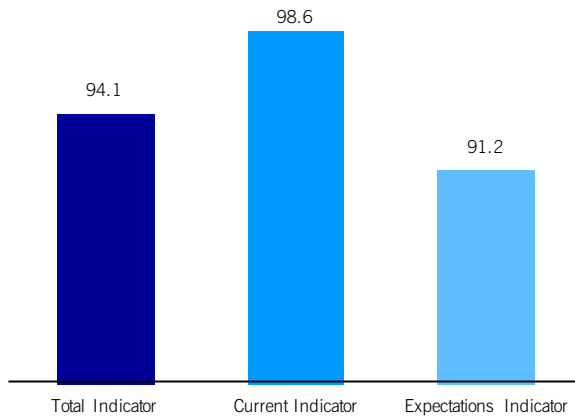
Current and Expectations Indicators



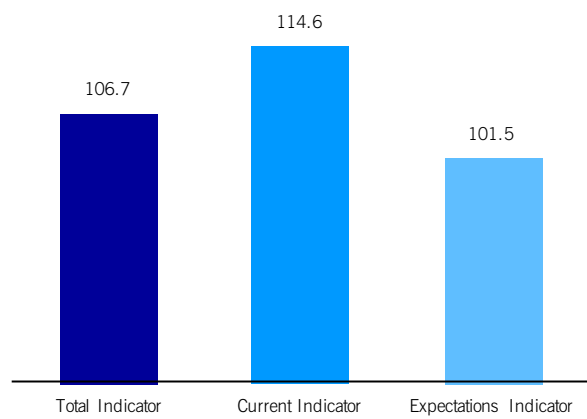
## MNI Russia Consumer Indicator

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
MNI Russia Consumer Indicator	99.9	97.4	99.4	94.8	95.7	99.3	94.1
Current	99.2	95.8	99.2	94.3	95.7	102.0	98.6
Expectations	100.3	98.4	99.5	95.1	95.7	97.5	91.2

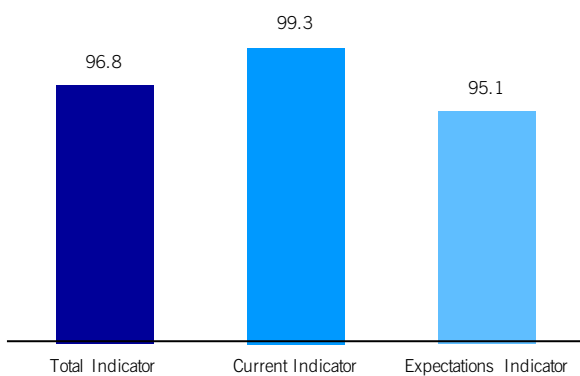
## All Russia



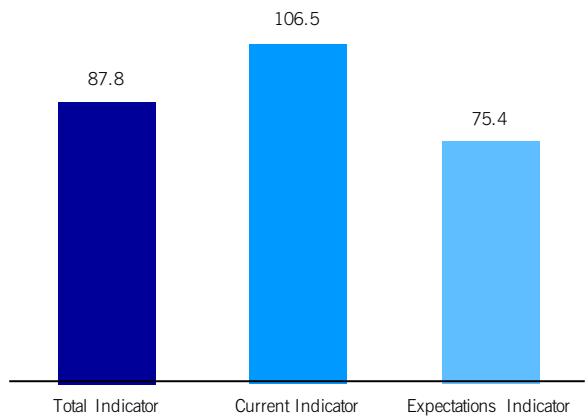
## West Siberian



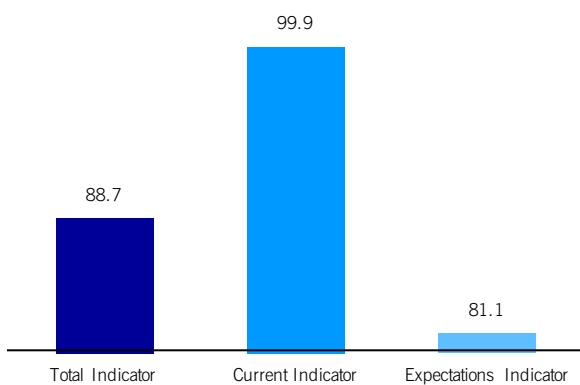
## Central



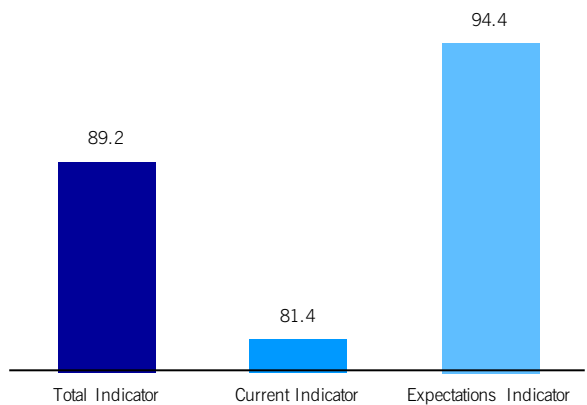
## Volga



## Urals



## North Caucasus





The Expectations Indicator decreased to 91.2 in February from 97.5 in January. The Business Conditions in One Year component declined by 7.7% on the month to 87.8 while Business Conditions in Five Years was down by 7.2% to 89.4 following gains in the previous two months. The third component of the Expectations Indicator, Expected Personal Finances, fell by a smaller degree to 96.3, although this was the first time it has fallen below the 100 breakeven level.

**Regions**

Consumer sentiment declined in 10 out of the 12 regions surveyed, with sentiment rising only in the Central Black Earth and West Siberian regions. Respondents from the West Siberian region were the most optimistic and consumer confidence here increased by 6% to 106.7 from 100.7 in the previous month.

Consumer confidence declined the most in the Volga region with the Consumer Indicator falling to 87.8 from 109.5 in January.

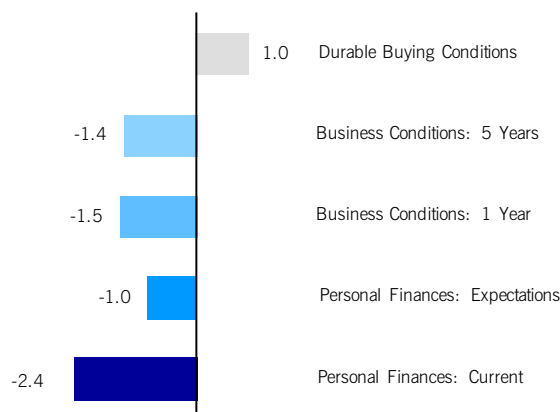
The Consumer Indicator was above the 100 breakeven level only in the West Siberian region while it was the lowest in Kaliningrad.

**Age**

Optimism remained highest among the young in February, although was below the breakeven level. Among the 18-34 age range, the Consumer Indicator declined 5.8% from 102.2 in January to 96.2 in February. Much of the fall was driven by the Expectations Indicator which declined 8.2% to 91.0 while the Current Indicator had a smaller fall of 2.6% to 104.1.

Consumer confidence for the 35-54 year age range, decreased almost 5% to 92.0 from 96.8 in January. Personal Finances, both current and expected, led the decline while there were smaller declines in

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





### Business Conditions in One and Five Years.

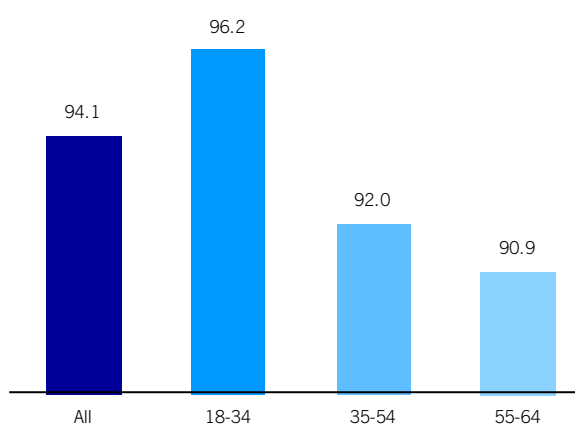
Consumer sentiment was the lowest among the oldest age range of 55-65 year olds. Consumer confidence decreased to a record low of 90.9 from 96.8 in January. The fall in the Consumer Indicator was led by the Current Indicator which declined 8.1% from 96.4 to 88.6. Both components of the Current Indicator, Current Personal Finances and Durable Buying Conditions declined, with the former falling more sharply on the month.

### Income

Consumer confidence declined in lower income households (average income under RUB 480,000 per annum) by almost 10% from a record high of 99.7 in January to a series low of 89.8 in February. For households with an average income over RUB 480,000 per annum, consumer sentiment increased above the breakeven level for the first time in six months to 100.4 compared with 98.8 in January.

Consumer confidence has on average been lower among low income households, with the indicator remaining in contraction since the series started in March 2013.

Consumer Indicator: Age Groups

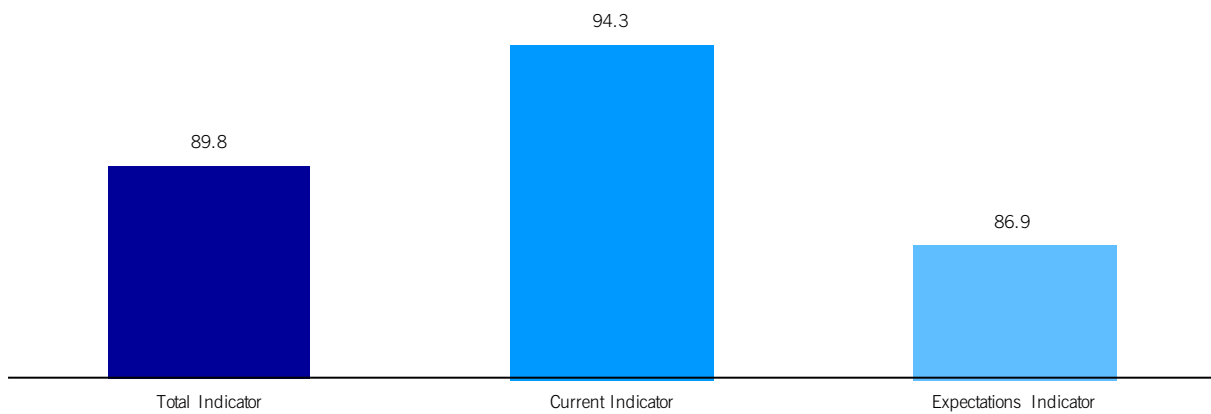




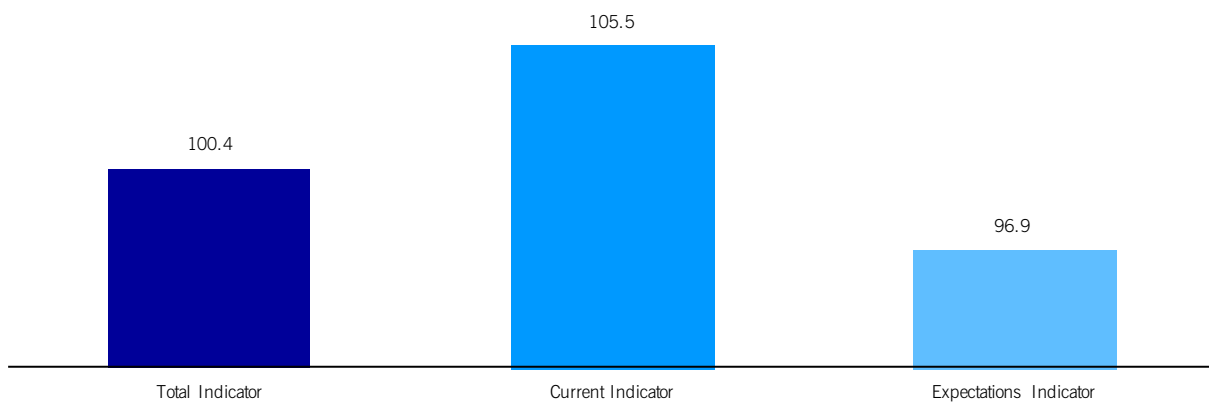
## MNI Russia Consumer Indicator Income Groups



< RUB 480,000 Per Annum



> RUB 480,000 Per Annum



# MNI Russia Consumer Indicator

## Main Cities



The Consumer Indicator declined in all of the 10 major cities surveyed in February and hit a series low in eight of them.

In Moscow, consumer sentiment declined 7.5% on the month, the fastest pace on record, with the Consumer Indicator falling to a record low of 96.2 in February from 104.0. The decline was led by both the Current Indicator and Expectations Indicator which fell by 6.5% and 8.2% respectively.

The decline in the Current Indicator was mainly due to a significant fall in Current Personal Finances which suffered a drop of 21.8% on the month. In sharp contrast, the Durable Buying Conditions Indicator increased by 10.2% on the month.

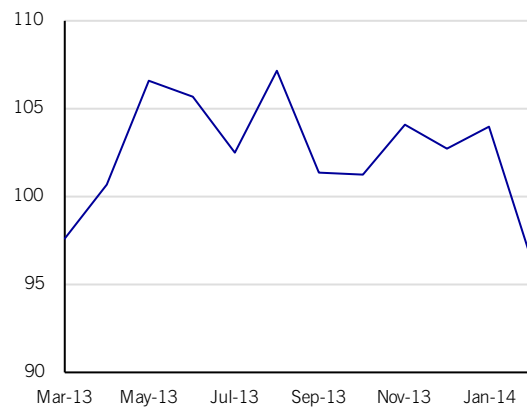
The Expectations Indicator for Moscow fell to 93.4 from 101.7 in January as respondents were less optimistic about Expected Personal Finances and Business Conditions in One and Five Years.

Sentiment fell in Saint Petersburg, the second largest city of Russia, following two consecutive rises. The Consumer Indicator declined to 94.6 from 99.4 in January. Much of the decline was led by the Current Indicator, although the Expectations Indicator also declined below the 100 mark, led by a considerable fall in Business Conditions in One Year.

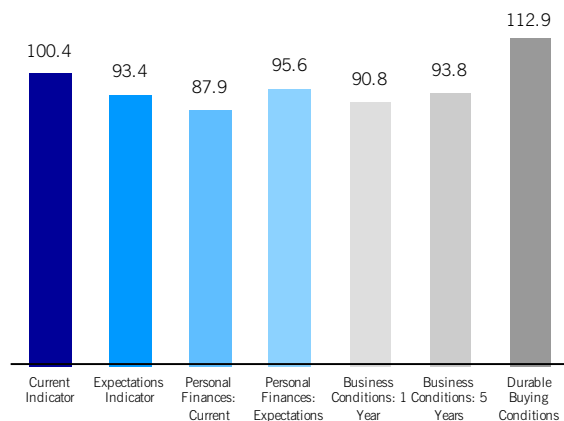
In Novosibirsk, the third most populous city in Russia, consumer sentiment fell for the third consecutive month to 84.2 from 88.9 in January. Respondents were less optimistic about both their Current and Future Expectations which fell by 6.5% and 4.4% respectively. The largest decline was in Current Personal Finances which fell from 84.5 to 77.8 in February. Expected Personal Finances and future business conditions also deteriorated to series' lows on the month.

Rostov-on-Don was the least optimistic city in February. The Consumer Indicator fell sharply to 83.0

### Consumer Indicator - Moscow



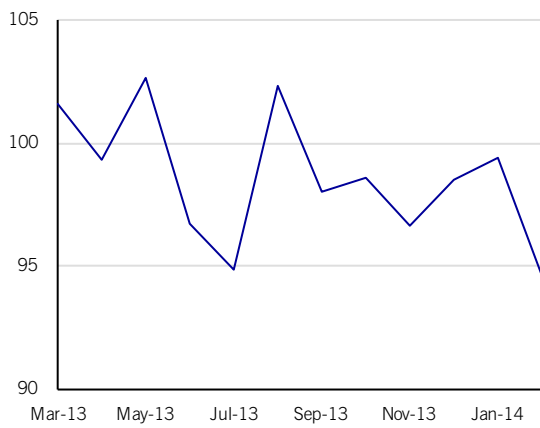
### Consumer Indicator Components - Moscow



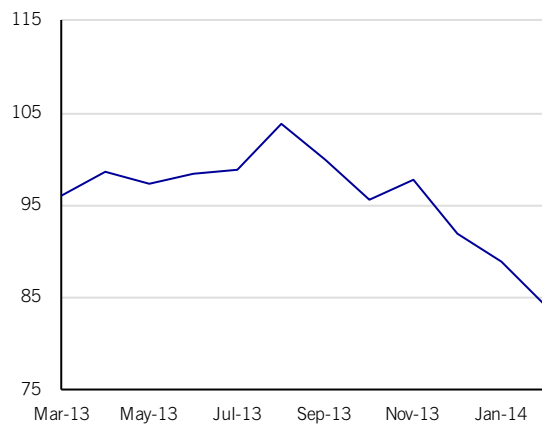
from 96.8 previously, the lowest in the series. Respondents' optimism regarding Current Personal Finances, Durable Buying Conditions and Business Conditions in One Year suffered large declines.



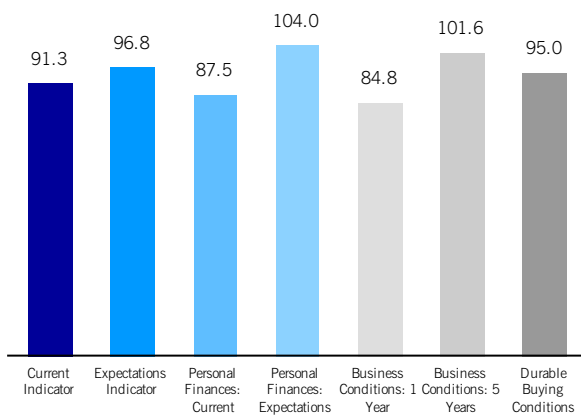
Consumer Indicator - Saint Petersburg



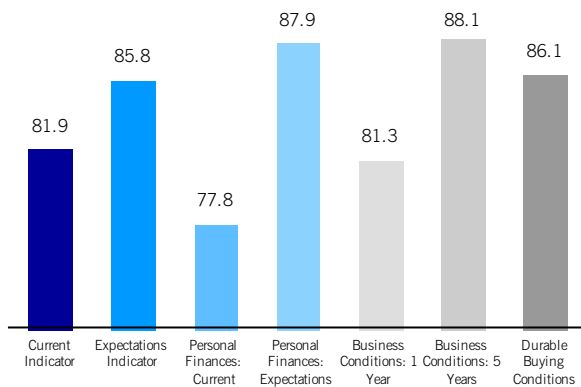
Consumer Indicator - Novosibirsk



Consumer Indicator Components - Saint Petersburg



Consumer Indicator Components - Novosibirsk



# Current Personal Finances decelerated sharply in February...

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...as the indicator declined by 12.1% to 87.3 compared with 99.3 in January.

# Personal Finances Deteriorate Sharply



Current Personal Finances decelerated sharply in February, offsetting the increase seen in the previous month while consumers' expectations about the future also worsened considerably.

The Current Personal Finances Indicator, which measures whether the financial situation of a household is better, the same, or worse than a year ago, declined by 12.1% to 87.3 compared with 99.3 in January.

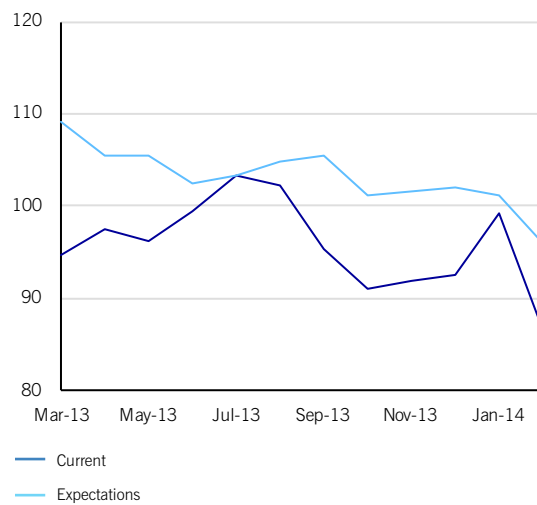
The percentage of respondents who reported that their current financial situation improved compared with a year ago decreased to 30.7% from almost 34% in January. Those reporting financial conditions were the same as last year more than halved to 13.4% from 30.7% while those reporting a worsening increased significantly from 35.3% to almost 56%.

A growing proportion of respondents cited worse business conditions and investment levels, mainly business failure as the primary reasons for the deterioration in their Current Personal Finances.

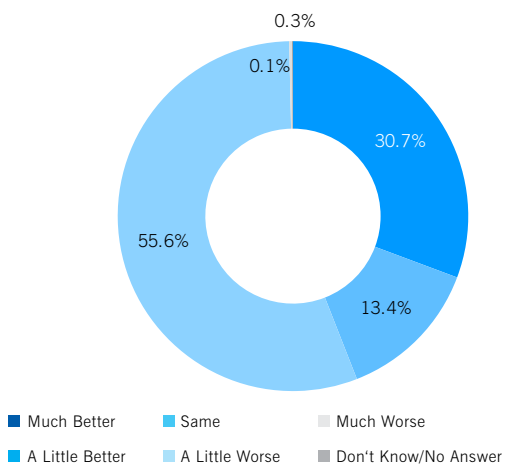
Expected Personal Finances, which measures whether households think their finances will be better in a year's time, declined to a series low of 96.3 compared with 101.2 in the previous month, the first time below the 100 breakeven mark since the start of the series in March 2013.

The percentage of respondents reporting that they expected their financial situation will worsen in a years' time increased from 11.6% to 17.1%.

## Personal Finances



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



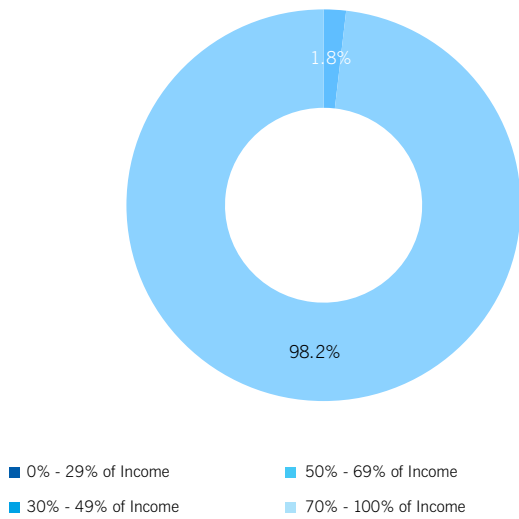
## Personal Finances

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Current	102.1	95.3	91.0	92.0	92.5	99.3	87.3
Expectations	104.9	105.4	101.2	101.7	101.9	101.2	96.3

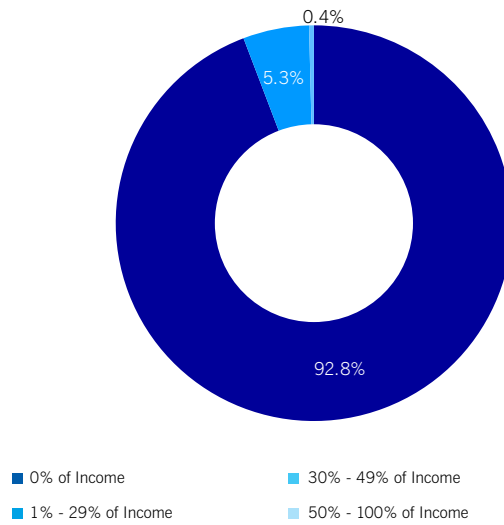
# How Households Spend their Money



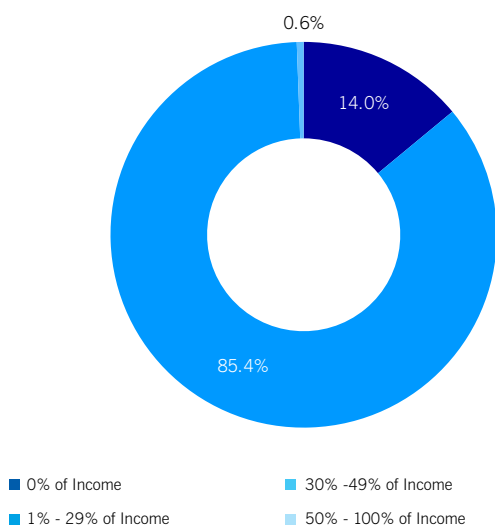
Monthly Household Income Used for Daily Expenses (% of Households)



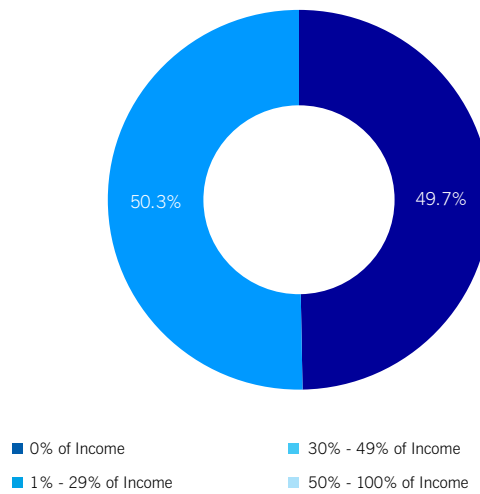
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings (% of Households)



Monthly Household Income Used for Investments (% of Households)





# Business Conditions

## Current and Future Outlook

### Worsen



Perceptions about both the current state of business and future expectations for business conditions declined considerably in February.

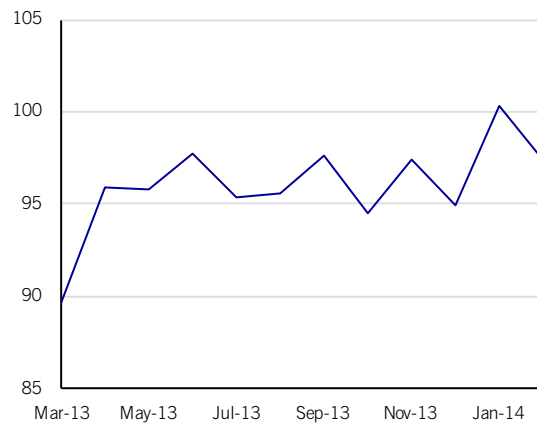
The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year ago, declined to 97.5 compared with January's 100.3, the only time it has been above the breakeven level, a possible short-term boost in the run-up to the Sochi Olympics.

The proportion of respondents who believed that business conditions were "excellent" or "good" fell from 10.1% to 9.1%. The majority continued to say that business conditions were "only fair", though the proportion fell from 74.8% to 72.2%, while the percentage of respondents reporting conditions were "poor" or "very poor" increased from 9.5% to 14.1%.

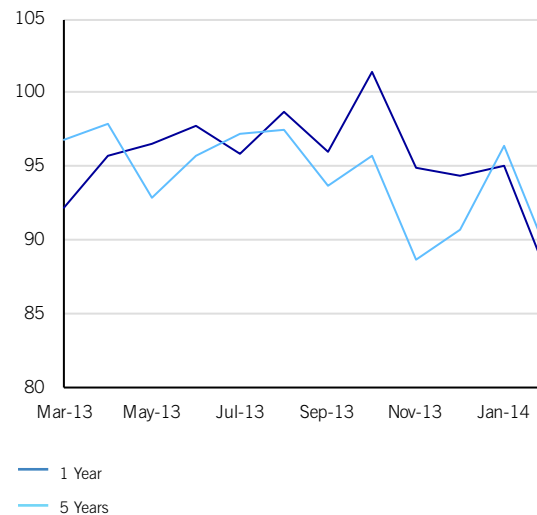
Expectations for Business Conditions in a Year declined sharply after remaining broadly stable in the previous two months. The indicator fell to a series low of 87.8 from 95.1 in January.

There was a considerable increase in the proportion of respondents who expected business conditions to worsen in a year to 54.6% from 36.7% in January, while the proportion of those who felt it would be better increased from 27% to 30.3%. There was a significant decline in the proportion of respondents who felt business conditions would remain the same from 34% to 12.6%.

Current Business Conditions Indicator



Expected Business Conditions



### Business Conditions

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Current	95.6	97.6	94.5	97.4	94.9	100.3	97.5
In 1 Year	98.7	96.1	101.5	94.9	94.4	95.1	87.8
In 5 Years	97.5	93.7	95.8	88.7	90.8	96.4	89.4

# Business Conditions in 1 Year

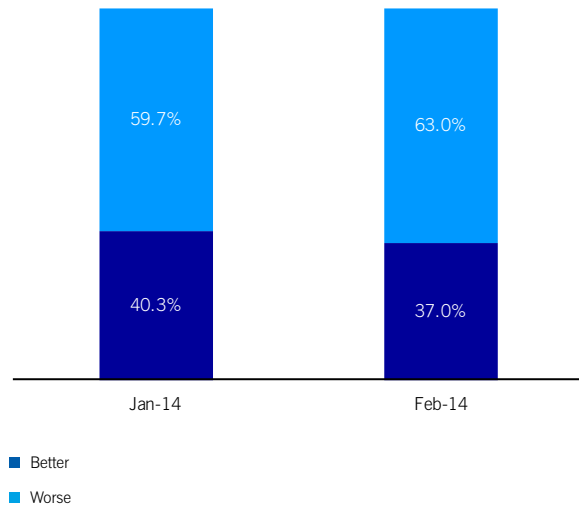
## Selected Reasons



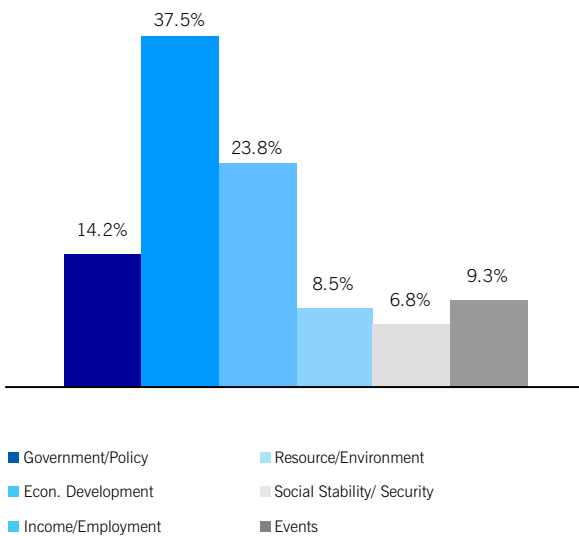
A rising proportion of respondents cited worse economic development and social stability as the main reasons behind the deterioration in their outlook for business conditions in a year's time.

Longer term, Expectations for Business Conditions in Five Years declined sharply for the first time in three months in February. It fell to 89.4 from 96.4, the lowest since the series started in March 2013.

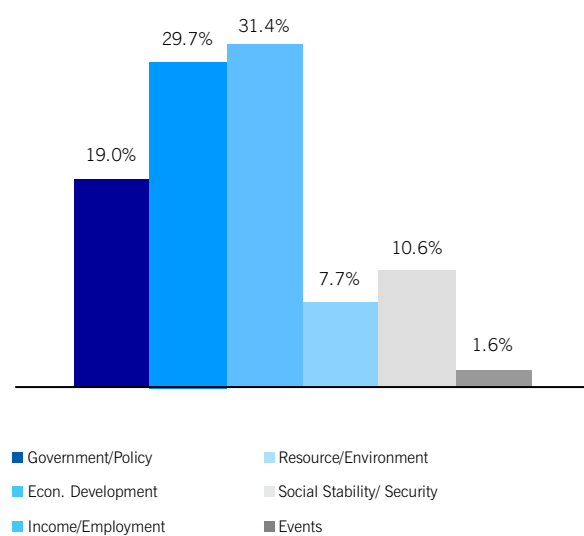
All Russia



All Russia, Reasons for Better



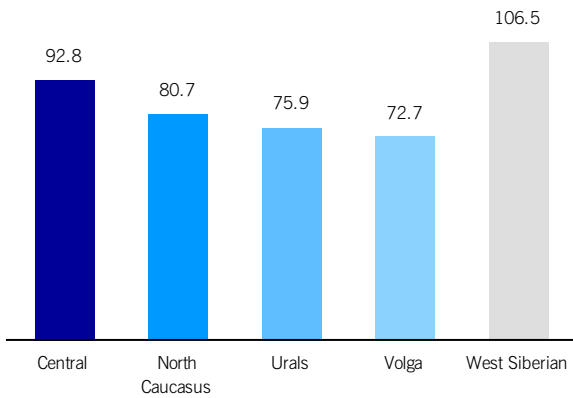
All Russia, Reasons for Worse



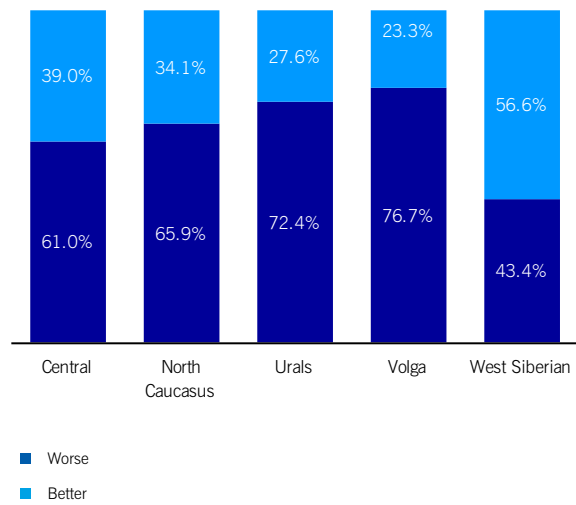
# Business Conditions in 1 Year Regions



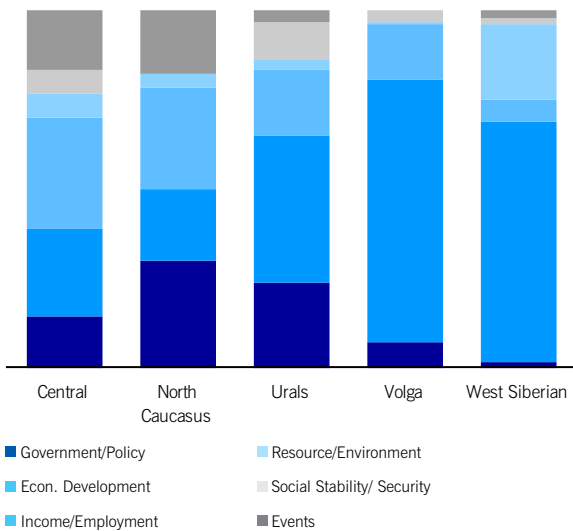
Business Expectations: Regions



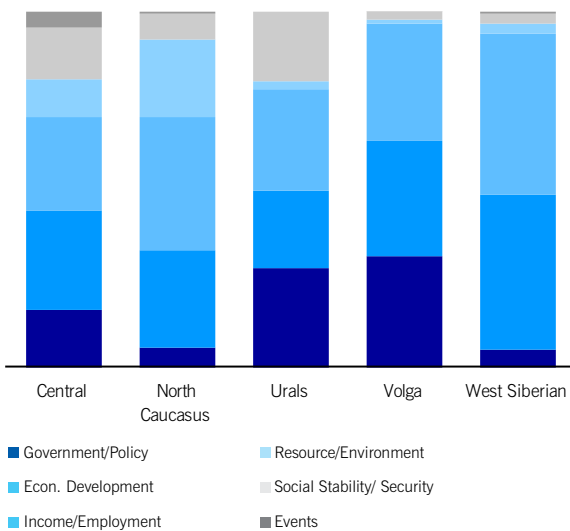
Business Expectations: Worse or Better?  
(% of Respondents)



Reasons for Better  
(% of Respondents)



Reasons for Worse  
(% of Respondents)



# The Durable Buying Conditions Indicator rose for the third consecutive month.

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Of the 10 major cities surveyed, respondents from Moscow were the most optimistic about buying a large household good.

# Durable Buying Conditions Series High



The Durable Buying Conditions Indicator, which measures whether respondents think it is a good or bad time to buy a large household good, rose for the third consecutive month to hit a series high in February.

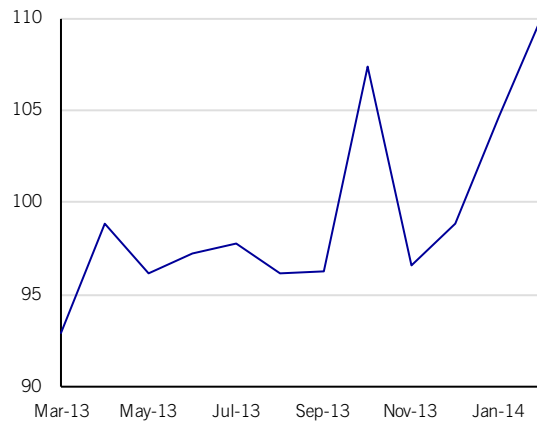
The indicator increased to 109.9 from 104.7 in January, an increase of 5% on the month and above the three month average of 104.5.

The rise in February was in contrast to other indicators in the report such as Current Personal Finances which hit a record low. One possible reason for the strength in the Durable Buying Conditions Indicator was out of sense of panic with some evidence that consumers thought it was a good time to buy a large durable now for fear that prices would rise in the future.

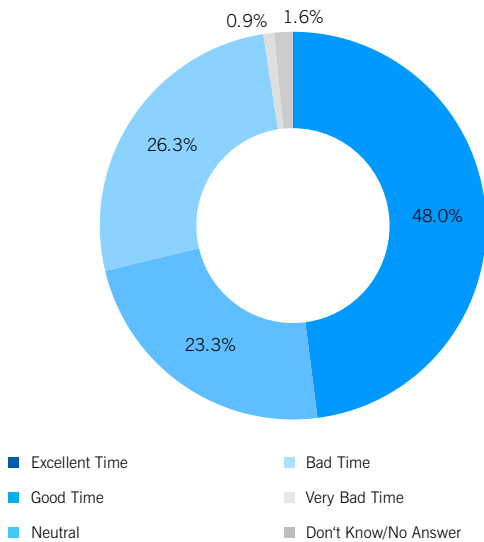
Of the 10 major cities surveyed, respondents from Moscow were the most optimistic about buying a large household item, with the indicator increasing by 10.2% to 112.9, the highest in six months.

The proportion of survey participants saying it was a “good time” to buy a large household durable increased to 48% from 37.9% in January, while the proportion of those saying it was a “bad time” or “very bad time” also increased from 26.9% to 27.2%. There was a decline in the percentage of respondents who felt there had been “no change” to 23.3% from 33.6% in January.

Durable Buying Conditions



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



Durable Buying Conditions

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Durable Buying Conditions	96.2	96.3	107.4	96.6	98.9	104.7	109.9

# Employment Outlook Hits Record Low



The Employment Outlook Indicator, which measures opinion on the outlook of the employment market over the next 12 months, declined slightly in February after worsening considerably in the previous month.

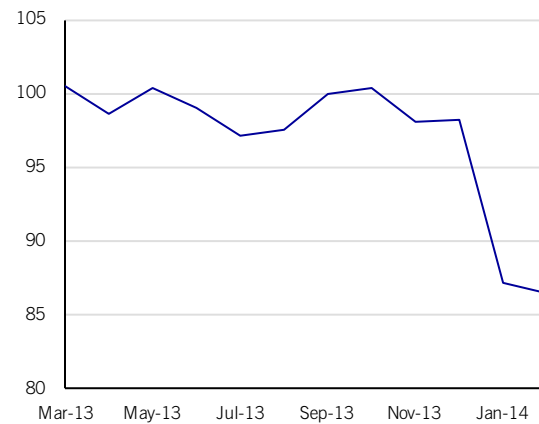
The indicator stood at 86.5 in February compared with 87.2 in January. It has remained in contraction every month since the survey started, with the exception of March and October 2013.

Of the 12 regions surveyed, respondents from Volga remained the most perturbed about the future employment situation, although there was an improvement from January. Respondents from the Urals region were also highly concerned about their employment situation with the Employment Outlook Indicator hitting a record low on the month.

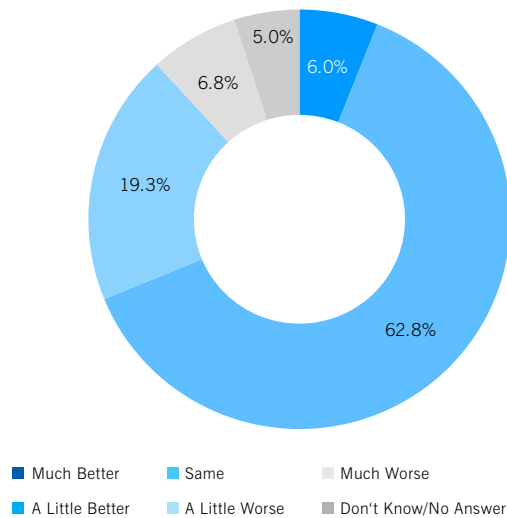
Official statistics showed that the unemployment rate remained steady in January at 5.6%, down from the 6% rate seen in January 2013. Results from the February edition of our sister survey on Russian Businesses showed that the companies were a little less optimistic about future employment conditions.

Survey participants forecasting an improvement in the employment market totalled 6% in February, down from 6.8% in January; while the proportion of those forecasting a worsening also slightly declined from 27.1% to 26.2%. The majority of respondents forecast no change in the employment situation at 62.8%.

Employment Outlook Indicator



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



## Employment Outlook

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Employment Outlook	97.5	99.9	100.4	98.1	98.2	87.2	86.5

# Prices Sentiment

## Inflation Expectations Hit Series High



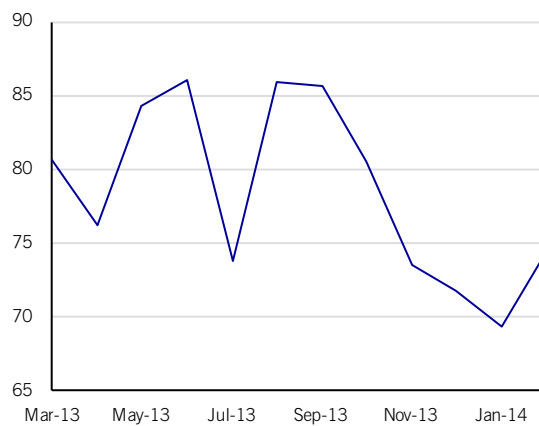
Concerns over inflation continued to worsen in February as the number of respondents who expected prices to rise in a year's time increased and consumers continued to remain highly dissatisfied with the current level of prices.

The Current Prices Satisfaction Indicator increased for the first time in six months after hitting a record low in January. The indicator rose by 7.2% to 74.4 in February from 69.4 in the previous month. A figure below 100 indicates wider dissatisfaction with current prices, and the further below 100 the greater the dissatisfaction. The indicator has remained below the breakeven level since the survey started.

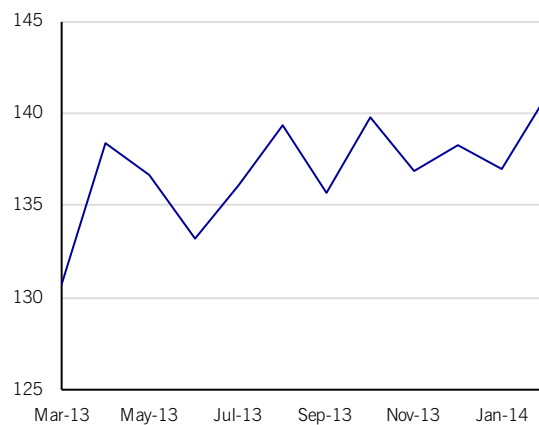
Consumer price inflation rose to 6.2% in February, up from 6.1% in January. Food price inflation accelerated to 6.9% from 6.5% in the previous month due to a rise in the cost of fresh fruits and vegetables. The central bank is targeting inflation of 5% in 2014 and it expects the recent weakening of the rouble to fuel inflation further.

The Inflation Expectations Indicator, which measures whether respondents think prices will be higher or lower in 12 months' time, has trended upwards since the survey started in March 2013 and it rose to a series high of 140.9 in February from 136.9 in January.

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



### Prices Sentiment

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Satisfaction with Current Prices	85.9	85.6	80.5	73.5	71.8	69.4	74.4
Inflation Expectations	139.4	135.7	139.7	136.8	138.2	136.9	140.9

# Prices Sentiment Regions



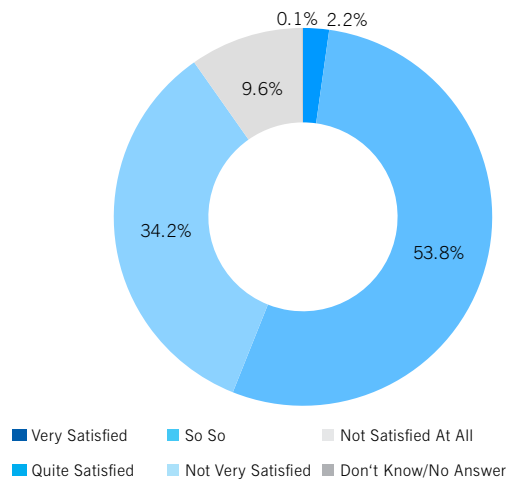
The majority of respondents (72.6%) believed prices would be higher in a year's time, while those saying prices would be unchanged stood at 26.4%, down from 28.8%. Only 0.3% of respondents thought prices would be lower in a year's time.

Asked about how much prices would rise over the next year, the proportion of respondents who thought they would rise by 5% more than doubled, while most respondents continued to expect a rise of between 11%-24%.

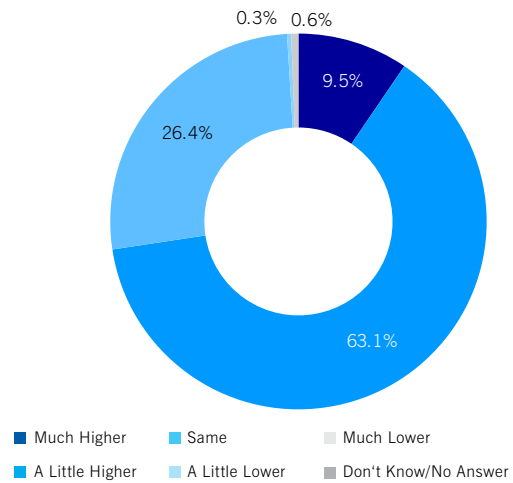
### Regions

All regions showed wide dissatisfaction with the current level of prices. The Central region showed the greatest dissatisfaction with the indicator declining for the sixth time to 68.5 in February.

Satisfaction with Current Prices  
(% of Households)



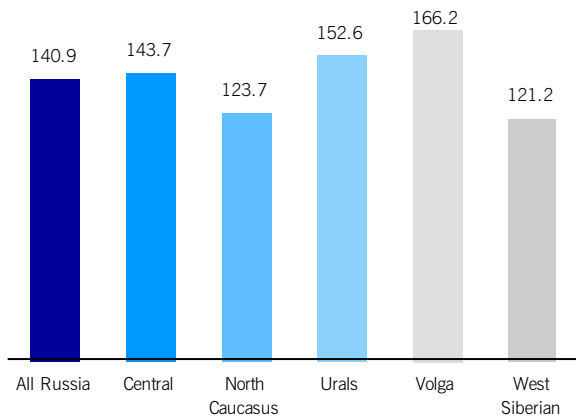
Inflation Expectations in 12 Months  
(% of Households)



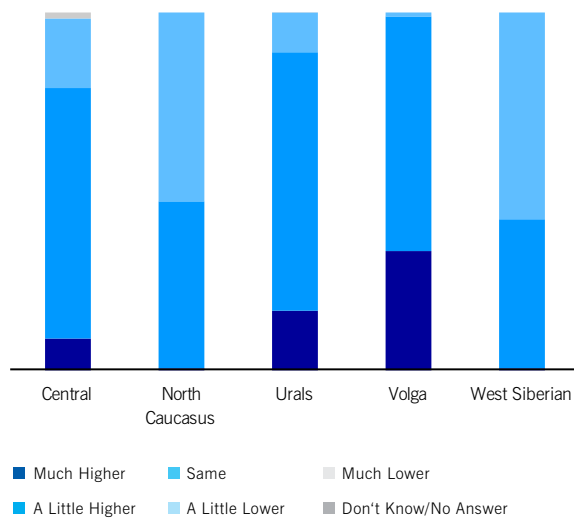




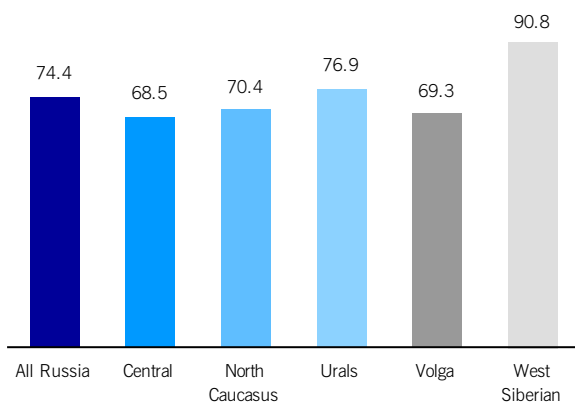
Inflation Expectations Indicator



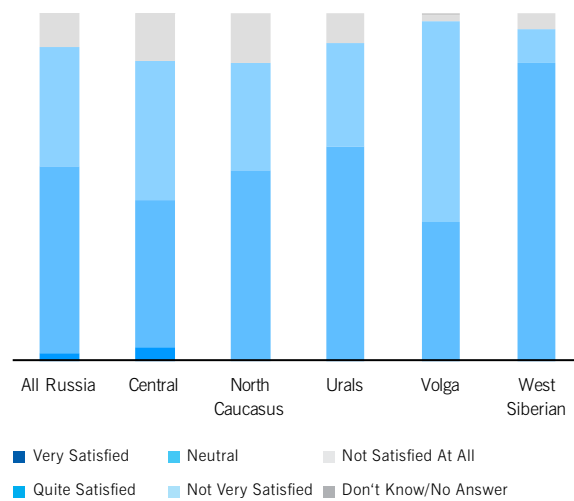
Expected Change in Prices in 1 Year (% of Households)



Satisfaction with Current Prices Indicator



Satisfaction with Current Prices (% of Households)



# Interest Rate Expectations Rise Markedly



Expectations for interest rates on car and home loans increased sharply in February after remaining stable for the previous three months, just before the central bank's sudden hike in the key policy rate to stabilize the fall of rouble.

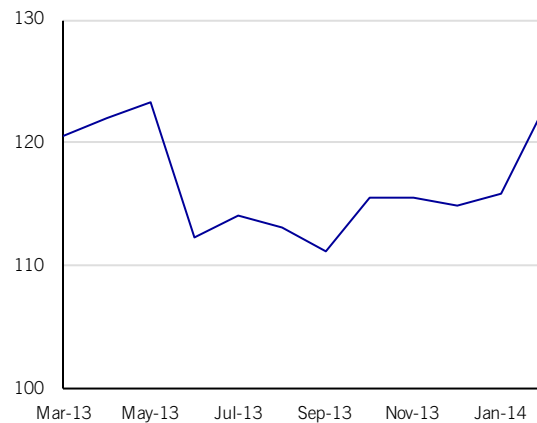
The Interest Rate Expectations Indicator increased 5.8% to 122.6 from 115.9 in January, the highest since May last year.

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

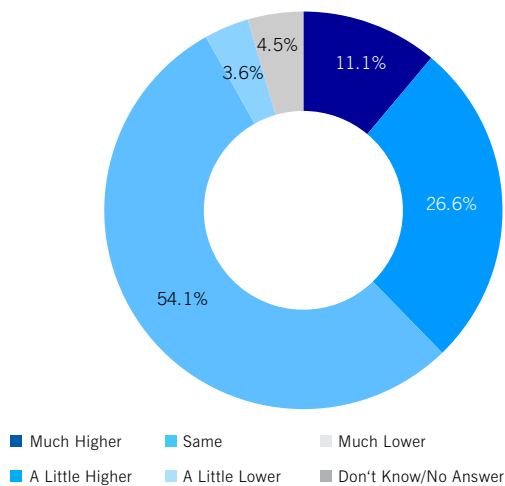
In an emergency meeting on March 3, the Central Bank raised its key rate to 7% from 5.5% previously. The decision was a response to heightened volatility in financial markets and aimed to contain inflation and financial stability risks and suggests further upward pressure on our indicator next month.

Survey participants forecasting that interest rates on home and car loans would be higher in a year's time increased from 32% to 37.7%. Those forecasting lower rates fell from 5.7% to 3.6%. The percentage of respondents expecting interest rates would be about the same remained in the majority but fell from 58.5% to 54.1%.

Interest Rate Expectations Indicator



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



## Interest Rate Expectations

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Interest Rate Expectations	113.2	111.1	115.6	115.5	114.9	115.9	122.6

# Consumers' expectations for interest rates on car and home loans increased sharply.

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Survey participants who expected interest rates to be higher in a year's time increased from 32% to 37.7%.

# Real Estate Investment House Buying Sentiment Declines



The Real Estate Investment Indicator remained broadly stable at 111.4 in February after rising sharply in the previous month to 112.1.

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

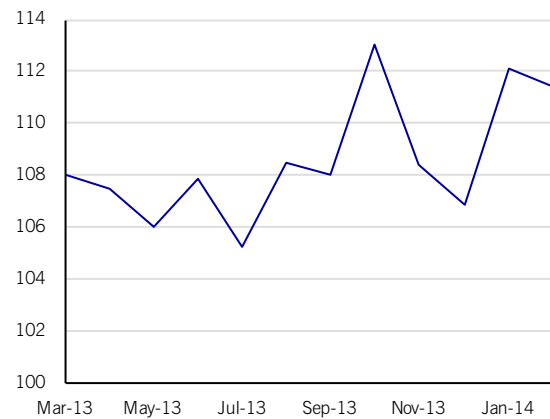
House Price Expectations increased to a new high of 139.0 compared with 135.7 in January. Price expectations troughed last summer, partly reflecting a seasonal downturn, and have subsequently risen, with the February rise putting it well above the series average of 126.2. A value above 100 indicates more people expect prices to increase in the next six months.

The percentage of respondents who said prices will go up in the next six months increased from 64.6% in January to 68.4%, while those saying prices would go down increased slightly to 0.5% from 0.4%. Those who said prices would “stay the same” fell from 29.2% to 25.8%.

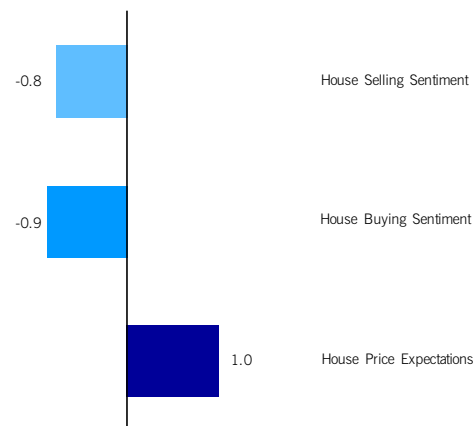
House Buying Sentiment, a measure of whether it is a good time in the next six months to buy a house, declined by almost 3% on the month. Sentiment fell further below the breakeven mark to 96.8 compared with 99.7 in January.

The third component, House Selling Sentiment, is a measure of whether it is a good time in the next six

Real Estate Investment Indicator



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



## Real Estate Investment Sentiment

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Real Estate Investment Sentiment	108.5	108.0	113.0	108.4	106.9	112.1	111.4
Price Expectations	128.4	121.6	127.7	121.6	130.9	135.7	139.0
House Buying	96.7	101.8	109.8	105.0	92.1	99.7	96.8
House Selling	99.5	99.3	98.4	101.5	102.3	99.0	101.6

# Real Estate Investment Components and Balances

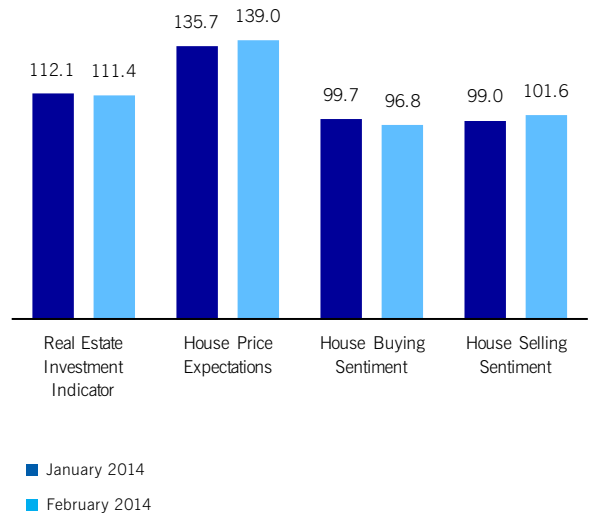


months to sell a house and has a negative impact on the overall Real Estate Investment Indicator. The Indicator increased above the breakeven level to 101.6 from 99.0 in January.

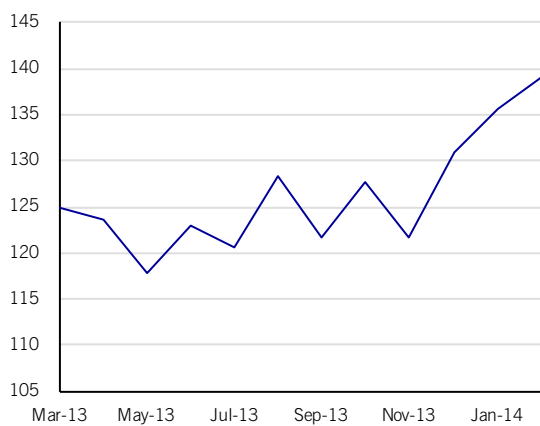
### Regions

The Real Estate Investment Indicator increased significantly in the North Caucasus region above the breakeven level after remaining below 100 for three months. There were gains in the Urals, West Siberian and Central regions as well, while optimism fell drastically in the Volga region due to a dip in House Price Expectations and House Buying Sentiment and a pick up in House Selling Sentiment.

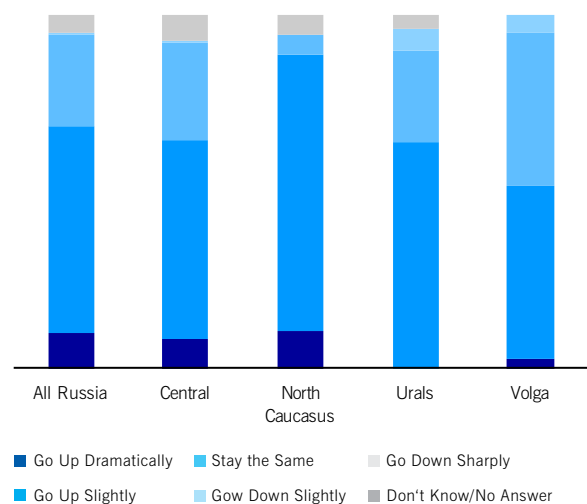
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes

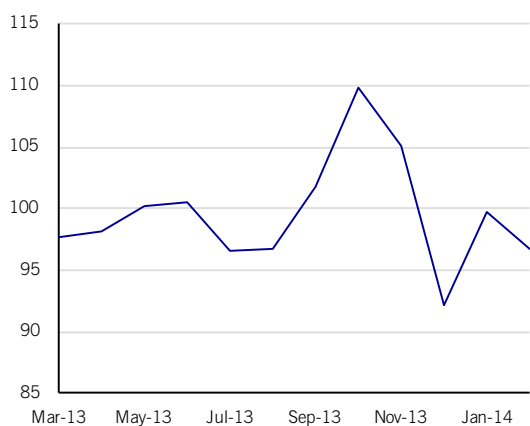


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

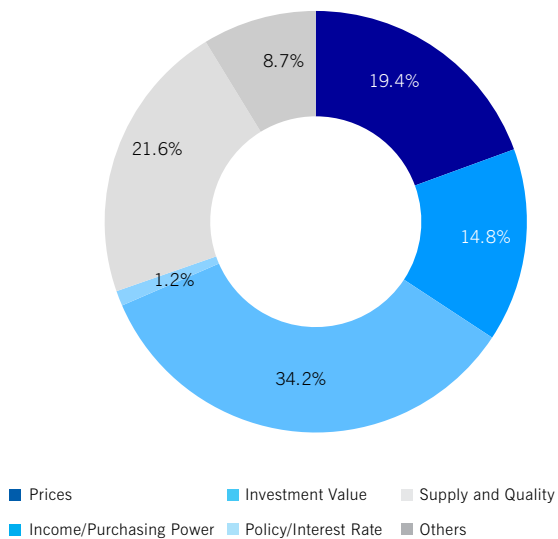




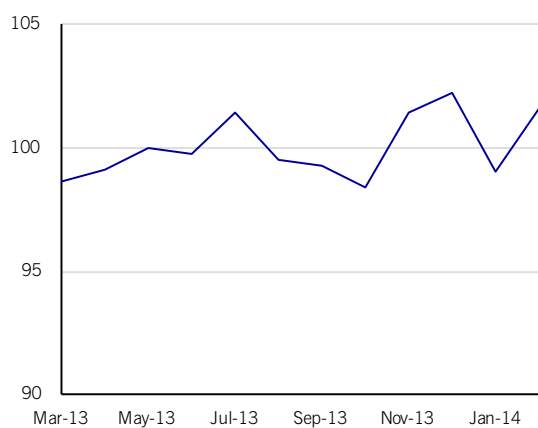
House Buying Sentiment



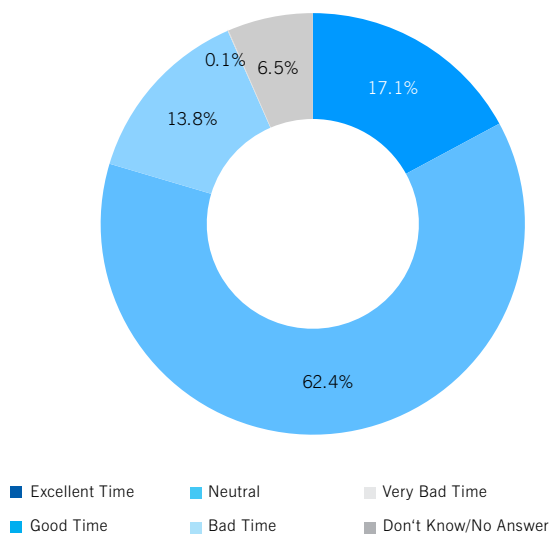
Reasons for Buying Houses (% of Households)



House Selling Sentiment

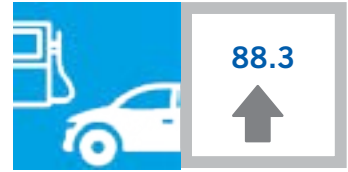


Timing for Selling Houses (% of Households)



# Car Purchase

## Highest Since August



The Car Purchase Indicator increased for the second consecutive month led by a rise in car purchase expectations and a decline in expectations for gasoline prices.

The indicator rose by 6% to 88.3 in February from 83.3 in January. The Car Purchase Indicator has remained broadly stable averaging 85.6 since the series began in March 2013, although there have been sharper movements over the past four months.

The indicator assesses whether consumers believe it is a good or bad time to purchase a car and is composed of two components.

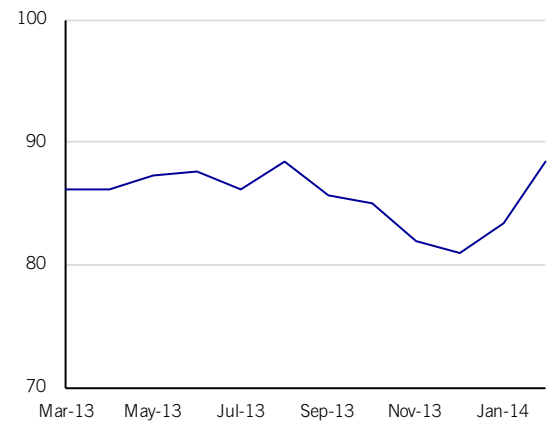
The Car Purchase Expectations component, which measures the willingness to buy a car, increased to a record high of 110.5, almost 6% up from January's 104.4. A growing proportion of respondents cited higher income and competitive interest rates as the reasons that it was a good time to purchase a car.

Following a surprise increase in December, sales of new cars fell 5.8% in January compared with a year ago, according to the Association of European Businesses.

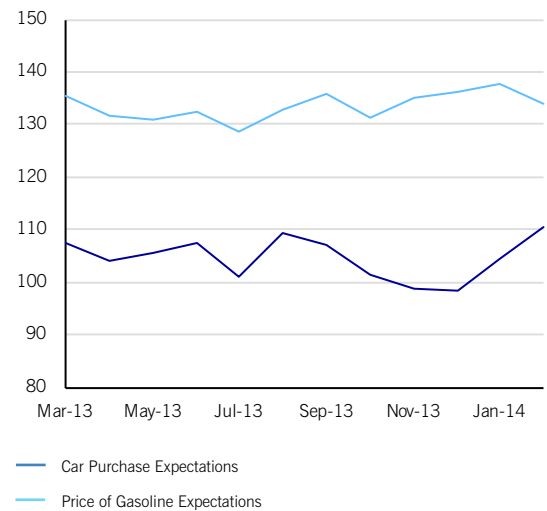
The Indicator on Gasoline Prices, which measures expectations for the price of gasoline in a year, declined for the first time in four months to 133.8 from a series high of 137.7 in January.

Survey participants forecasting gasoline prices would "go up" totalled 61.8%, down from almost 72% in January, while none expected it to "go down"

Car Purchase Indicator



Car Purchase Indicator - Components

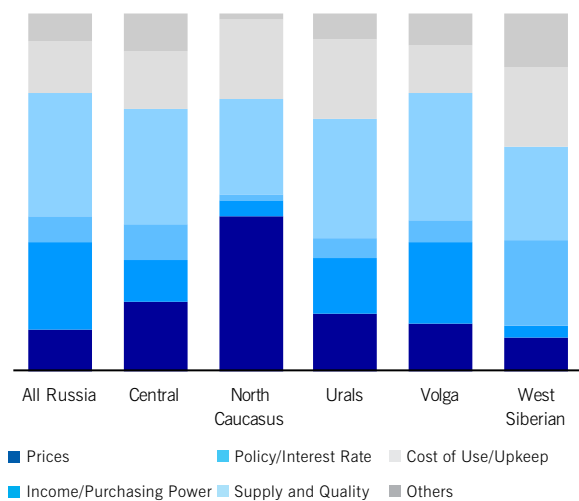


### Car Purchase Sentiment

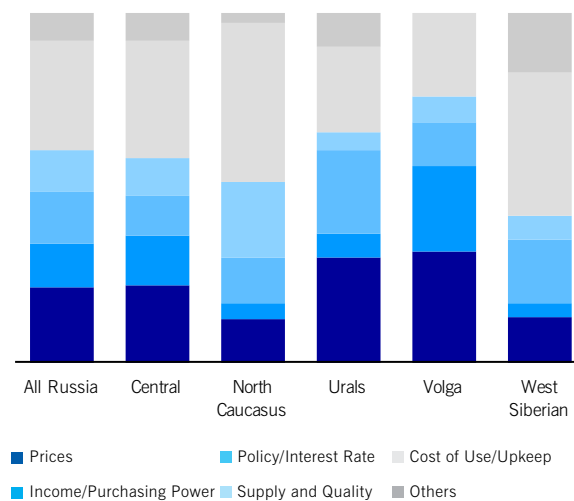
	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Car Purchase Sentiment	88.4	85.7	85.1	81.9	81.0	83.3	88.3
Car Purchase Expectations	109.4	107.1	101.4	98.9	98.2	104.4	110.5
Price of Gasoline	132.7	135.6	131.3	135.2	136.2	137.7	133.8



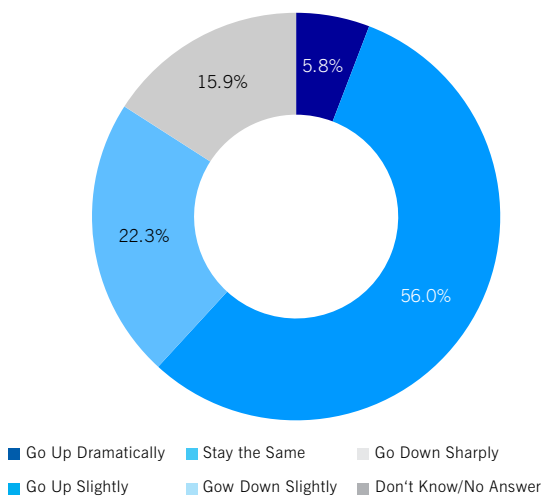
Reasons for a Good Time to Buy a Car  
(% of Households)



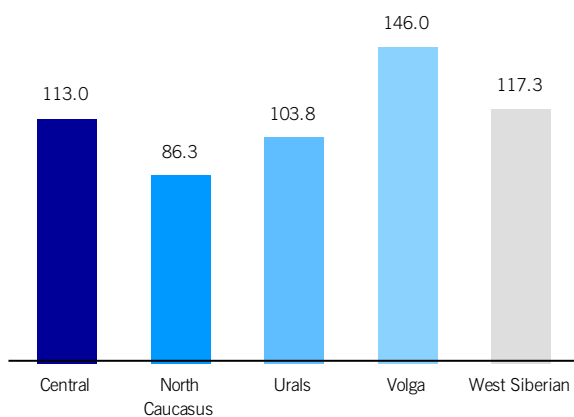
Reasons for a Bad Time to Buy a Car  
(% of Households)



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



Car Purchase Expectations Indicator - Regions





## Special Question

### Impact of Sochi Olympics on the Economy



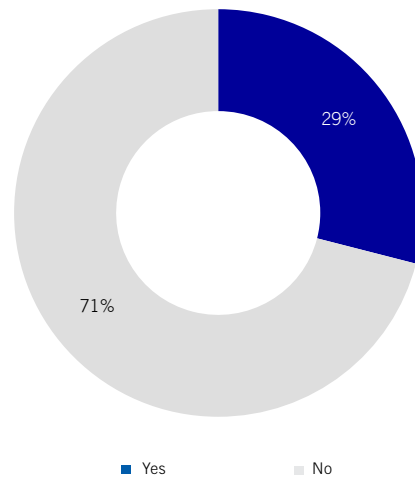
For the February survey, which was taken at the start of the month, we asked 1000 consumers in Russia whether the Sochi Olympics will boost economic growth in Russia.

The vast majority of respondents, 71%, said that the games will not be successful in boosting Russia's economic growth. The remainder said that the games would have a positive impact.

Around \$51 billion were spent on the Games, surpassing the next most expensive Olympics (2008 Beijing Summer Games) by about \$8 billion. The central bank expects the winter Olympic Games to add 0.3 percentage point to GDP growth in 2014.

Do you think the Sochi Olympics will boost economic growth in Russia?

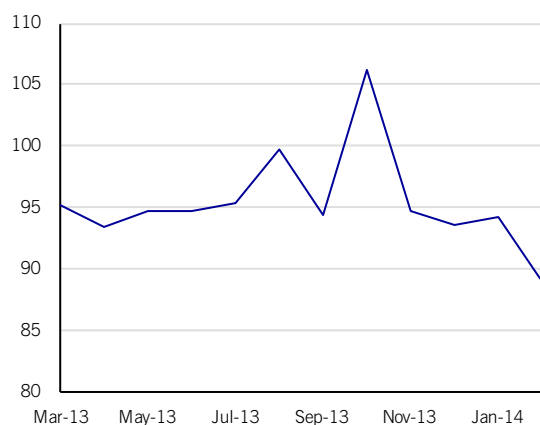
(% of respondents)



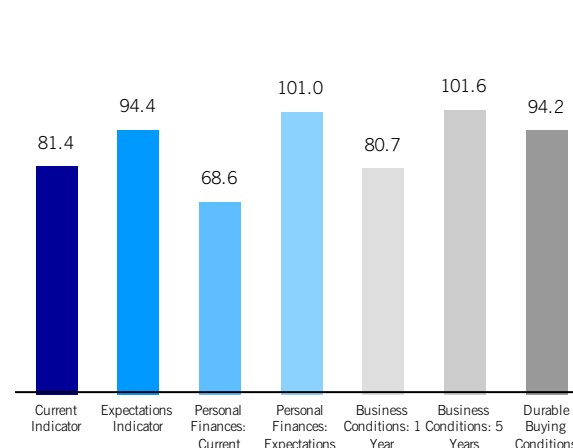
# MNI Russia Consumer Indicator Regions



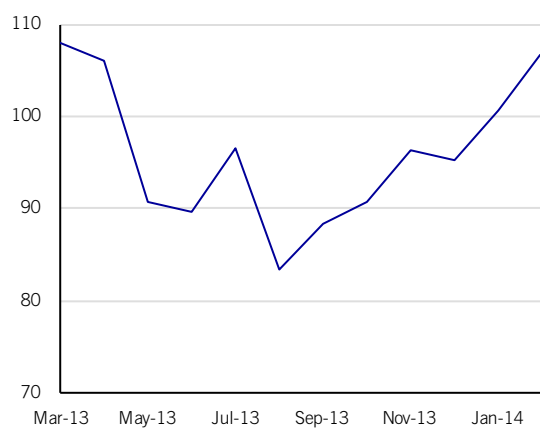
Consumer Indicator: North Caucasus



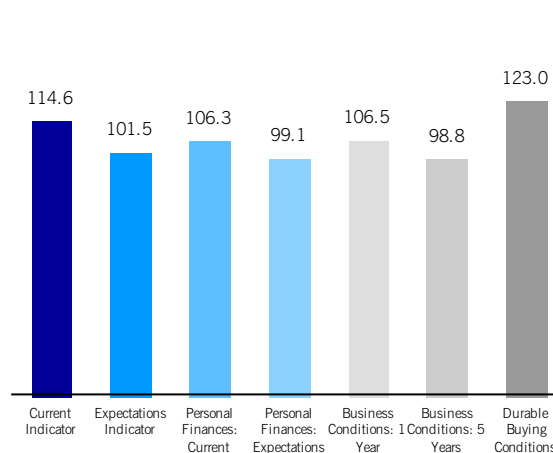
Consumer Indicator Components: North Caucasus



Consumer Indicator: West Siberian

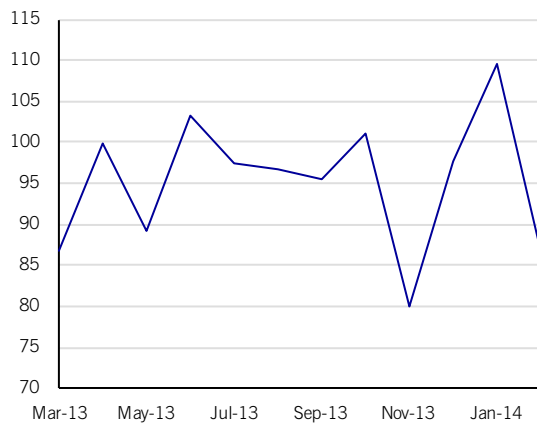


Consumer Indicator Components: West Siberian

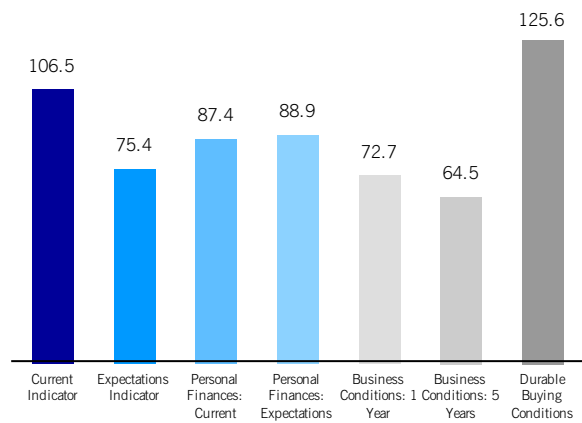




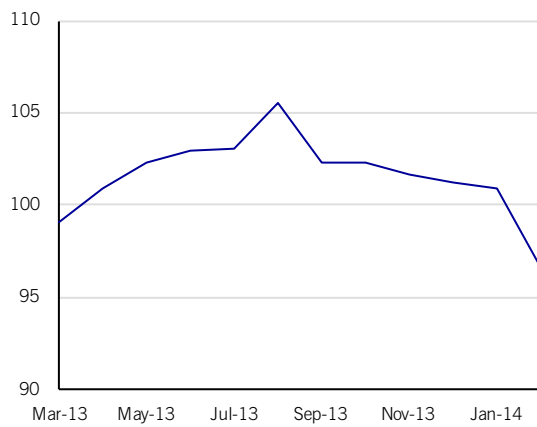
Consumer Indicator: Volga



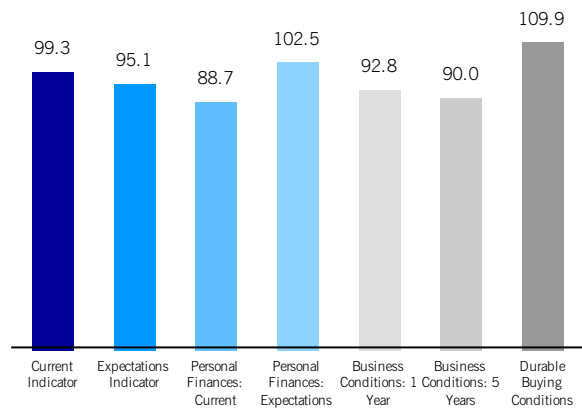
Consumer Indicator Components: Volga



Consumer Indicator: Central

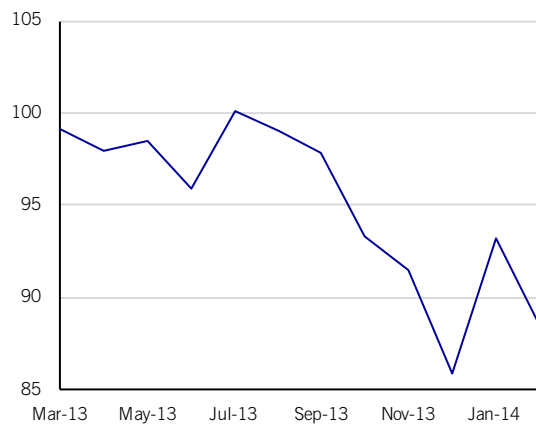


Consumer Indicator Components: Central

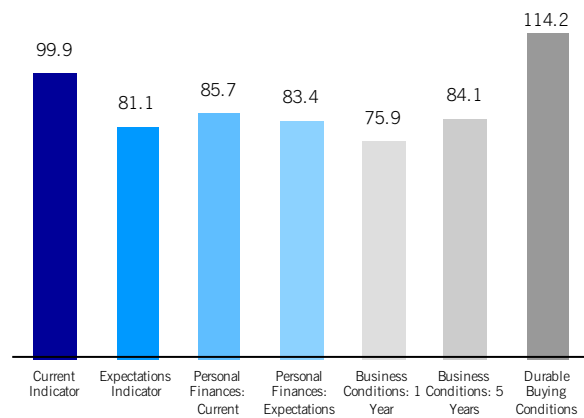




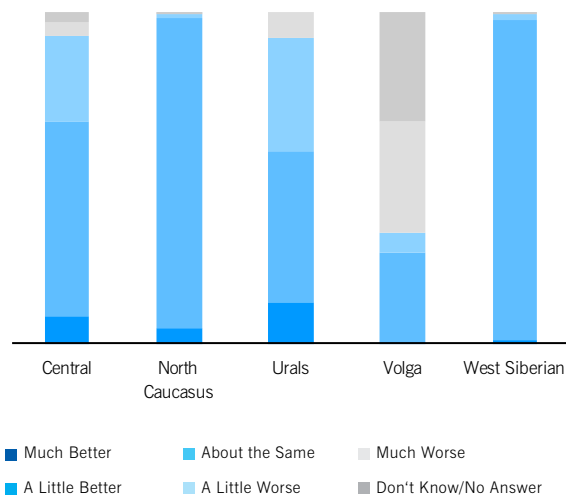
Consumer Indicator: Urals



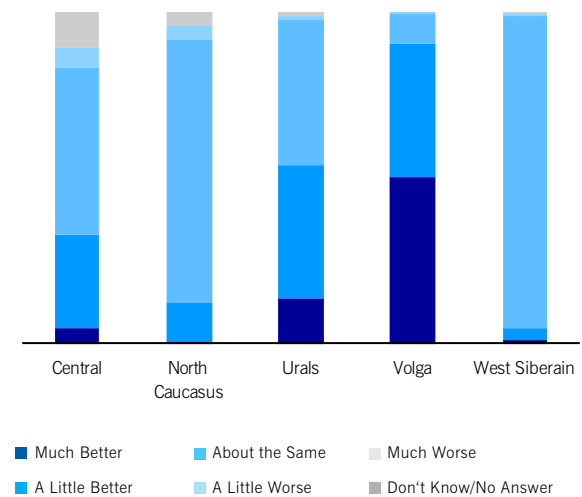
Consumer Indicator Components: Urals



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



Interest Rates Expectations Indicator (% of Households)

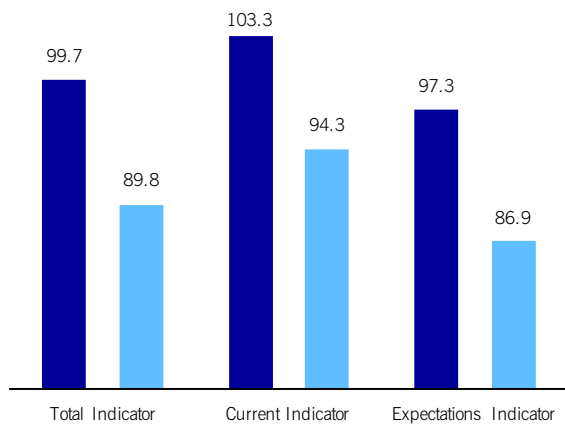


# MNI Russia Consumer Indicator

## Income Groups

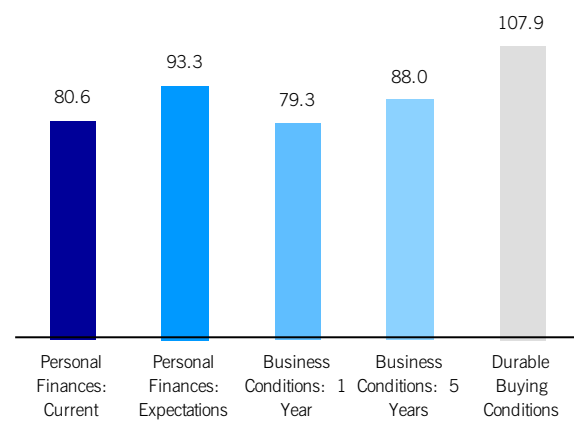


< RUB 480,000 Per Annum

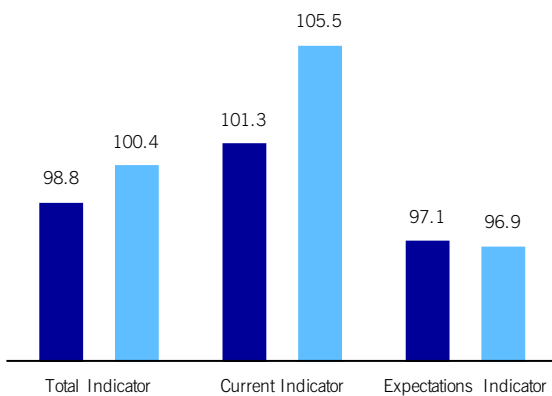


■ January 2014  
 ■ February 2014

< RUB 480,000 - Components

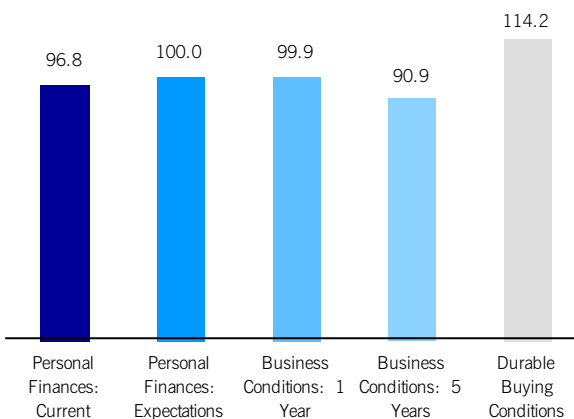


> RUB 480,000 Per Annum



■ January 2014  
 ■ February 2014

> RUB 480,000 - Components





## What the Panel Said

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A selection of comments from the panel of consumers surveyed in February.

"The rouble is going down."

"The government has decided to freeze salaries of public employees."

"I have got a new, more highly paid job position."

"Many businesses are closing down."

"It is better to invest roubles in the real estate sector."

"The difference between poor and rich people is growing wider."

"My employment situation has worsened."

"The price for houses are extremely high."

"The price for imported goods has increased sharply because of decreasing Rouble rate."

"Due to uncontrollable flow of immigrants, local people's condition of life has worsened."

"The Olympic Games are an important event for our country."

"We cannot afford spending money on significant purchases for the household."

"The maintenance of a car costs more."

"Real estate will always be liquid and its price will grow and it is more reliable than currency deposit in a bank."

"Our salary is not enough for large durable purchases, if there is a need, we would take on credit."

"The real estates are overpriced and should go down."

"After the New Year Holidays, car dealers increased their prices in all car segments at the same time."



# Data Tables

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



## Russia - Central Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Central Consumer Indicator</b>	101.2	100.9	96.8	-	series low	99.6	-4.1	-4.1%
Current Indicator	100.7	103.3	99.3	-	series low	101.1	-4.0	-3.8%
Expectations Indicator	101.5	99.3	95.1	-	series low	98.6	-4.2	-4.2%
Personal Finance: Current	96.9	102.1	88.7	-	series low	95.9	-13.4	-13.2%
Personal Finance: Expected	108.3	104.7	102.5	-	series low	105.2	-2.2	-2.1%
Business Condition: 1 Year	101.3	98.0	92.8	-	Mar-13	97.4	-5.2	-5.4%
Business Condition: 5 Year	94.8	95.2	90.0	-	series low	93.3	-5.2	-5.4%
Durable Buying Conditions	104.5	104.4	109.9	series high	-	106.3	5.5	5.3%
Current Business Conditions Indicator	95.3	98.0	98.3	series high	-	97.2	0.3	0.3%
Real Estate Investment Indicator	110.4	113.2	115.3	series high	-	113.0	2.1	1.9%
Car Purchase Indicator	83.0	85.9	87.6	Aug-13	-	85.5	1.7	2.0%
Employment Outlook Indicator	101.8	93.9	87.4	-	series low	94.4	-6.5	-6.9%
Inflation Expectations Indicator	137.4	139.8	143.7	series high	-	140.3	3.9	2.8%
Current Prices Satisfaction Indicator	72.1	69.0	68.5	-	series low	69.9	-0.5	-0.6%
Interest Rates Expectations Indicator	113.0	114.6	116.0	Oct-13	-	114.5	1.4	1.2%

## Russia - Urals Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Urals Consumer Indicator</b>	85.9	93.2	88.7	-	Dec-13	89.3	-4.5	-4.9%
Current Indicator	86.0	90.7	99.9	Jul-13	-	92.2	9.2	10.2%
Expectations Indicator	85.9	94.9	81.1	-	series low	87.3	-13.8	-14.5%
Personal Finance: Current	82.3	100.2	85.7	-	Dec-13	89.4	-14.5	-14.5%
Personal Finance: Expected	93.0	88.2	83.4	-	series low	88.2	-4.8	-5.4%
Business Condition: 1 Year	82.9	101.9	75.9	-	series low	86.9	-26.0	-25.5%
Business Condition: 5 Year	81.7	94.7	84.1	-	Dec-13	86.8	-10.6	-11.2%
Durable Buying Conditions	89.6	81.1	114.2	series high	-	95.0	33.1	40.8%
Current Business Conditions Indicator	87.5	93.9	98.5	Jul-13	-	93.3	4.6	5.0%
Real Estate Investment Indicator	114.2	107.7	115.3	Aug-13	-	112.4	7.6	7.0%
Car Purchase Indicator	76.2	81.9	85.8	Nov-13	-	81.3	3.9	4.7%
Employment Outlook Indicator	101.4	90.5	81.4	-	series low	91.1	-9.1	-10.1%
Inflation Expectations Indicator	141.2	146.9	152.6	Aug-13	-	146.9	5.7	3.9%
Current Prices Satisfaction Indicator	80.2	75.6	76.9	Dec-13	-	77.6	1.3	1.6%
Interest Rates Expectations Indicator	127.4	135.6	132.8	-	Dec-13	131.9	-2.8	-2.0%

## Russia - Volga Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - Volga Consumer Indicator</b>	97.8	109.5	87.8	-	Nov-13	98.4	-21.7	-19.8%
Current Indicator	101.6	130.0	106.5	-	Dec-13	112.7	-23.5	-18.1%
Expectations Indicator	95.2	95.8	75.4	-	series low	88.8	-20.4	-21.4%
Personal Finance: Current	96.6	116.7	87.4	-	Nov-13	100.3	-29.3	-25.1%
Personal Finance: Expected	100.1	113.3	88.9	-	series low	100.8	-24.4	-21.6%
Business Condition: 1 Year	117.1	76.3	72.7	-	series low	88.7	-3.6	-4.8%
Business Condition: 5 Year	68.5	97.9	64.5	-	Nov-13	77.0	-33.4	-34.1%
Durable Buying Conditions	106.6	143.4	125.6	-	Dec-13	125.2	-17.8	-12.4%
Current Business Conditions Indicator	79.3	109.6	82.9	-	Dec-13	90.6	-26.7	-24.3%
Real Estate Investment Indicator	100.8	126.7	97.1	-	series low	108.2	-29.6	-23.4%
Car Purchase Indicator	82.5	79.3	111.4	series high	-	91.0	32.1	40.5%
Employment Outlook Indicator	78.9	41.4	63.5	Dec-13	-	61.3	22.1	53.3%
Inflation Expectations Indicator	168.2	134.7	166.2	Dec-13	-	156.4	31.5	23.4%
Current Prices Satisfaction Indicator	76.9	70.7	69.3	-	Apr-13	72.3	-1.4	-2.0%
Interest Rates Expectations Indicator	143.9	116.7	170.2	series high	-	143.6	53.5	45.9%

## Russia - North Caucasus Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - North Caucasus Consumer Indicator</b>	93.6	94.3	89.2	-	series low	92.3	-5.1	-5.4%
Current Indicator	83.0	88.6	81.4	-	series low	84.3	-7.2	-8.2%
Expectations Indicator	100.6	98.0	94.4	-	series low	97.7	-3.6	-3.7%
Personal Finance: Current	89.3	92.2	68.6	-	series low	83.3	-23.6	-25.6%
Personal Finance: Expected	102.2	101.8	101.0	-	Oct-13	101.7	-0.8	-0.7%
Business Condition: 1 Year	101.1	93.8	80.7	-	series low	91.8	-13.1	-14.0%
Business Condition: 5 Year	98.5	98.5	101.6	Oct-13	-	99.5	3.1	3.2%
Durable Buying Conditions	76.7	85.1	94.2	Oct-13	-	85.3	9.1	10.8%
Current Business Conditions Indicator	101.3	102.0	103.6	series high	-	102.3	1.6	1.5%
Real Estate Investment Indicator	94.0	98.7	107.7	series high	-	100.1	9.0	9.1%
Car Purchase Indicator	78.8	75.9	72.0	-	series low	75.6	-3.9	-5.2%
Employment Outlook Indicator	100.1	99.0	101.3	Oct-13	-	100.1	2.3	2.4%
Inflation Expectations Indicator	127.5	127.6	123.7	-	Mar-13	126.3	-3.9	-3.1%
Current Prices Satisfaction Indicator	66.6	66.0	70.4	Nov-13	-	67.7	4.4	6.8%
Interest Rates Expectations Indicator	109.9	108.9	104.1	-	Sep-13	107.6	-4.8	-4.3%

## Russia - West Siberian Overview

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Russia - West Siberian Consumer Indicator</b>	95.3	100.7	106.7	Mar-13	-	100.9	6.0	6.0%
Current Indicator	101.0	99.1	114.6	series high	-	104.9	15.5	15.6%
Expectations Indicator	91.4	101.7	101.5	-	Dec-13	98.2	-0.2	-0.3%
Personal Finance: Current	95.1	92.7	106.3	Nov-13	-	98.0	13.6	14.7%
Personal Finance: Expected	100.2	99.2	99.1	-	series low	99.5	-0.1	-0.1%
Business Condition: 1 Year	74.6	106.6	106.5	-	Dec-13	95.9	-0.1	0.0%
Business Condition: 5 Year	99.4	99.5	98.8	-	Oct-13	99.2	-0.7	-0.7%
Durable Buying Conditions	107.0	105.6	123.0	series high	-	111.9	17.4	16.5%
Current Business Conditions Indicator	99.5	100.3	99.9	-	Dec-13	99.9	-0.4	-0.4%
Real Estate Investment Indicator	108.3	113.8	119.3	series high	-	113.8	5.5	4.8%
Car Purchase Indicator	72.8	81.2	97.8	series high	-	83.9	16.6	20.3%
Employment Outlook Indicator	100.4	98.6	99.4	Dec-13	-	99.5	0.8	0.8%
Inflation Expectations Indicator	121.2	122.3	121.2	-	Nov-13	121.6	-1.1	-0.9%
Current Prices Satisfaction Indicator	45.5	45.6	90.8	Jun-13	-	60.6	45.2	99.0%
Interest Rates Expectations Indicator	95.8	95.5	102.8	Nov-13	-	98.0	7.3	7.7%

## All Russia Overview by Age

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Age 18-34</b>								
<b>MNI Russia Consumer Indicator</b>	99.1	102.2	96.2	-	Nov-13	99.2	-6.0	-5.8%
Current Indicator	100.4	106.8	104.1	-	Dec-13	103.8	-2.7	-2.6%
Expectations Indicator	98.3	99.1	91.0	-	series low	96.1	-8.1	-8.2%
Personal Finance: Current	101.3	108.4	93.4	-	Nov-13	101.0	-15.0	-13.8%
Personal Finance: Expected	104.6	102.8	98.7	-	series low	102.0	-4.1	-4.0%
Business Condition: 1 Year	95.1	96.4	88.7	-	series low	93.4	-7.7	-8.0%
Business Condition: 5 Year	95.1	97.9	85.5	-	series low	92.8	-12.4	-12.7%
Durable Buying Conditions	99.5	105.2	114.7	series high	-	106.5	9.5	9.0%
<b>Age 35-54</b>								
<b>MNI Russia Consumer Indicator</b>	92.7	96.8	92.0	-	series low	93.8	-4.8	-4.9%
Current Indicator	93.8	98.2	93.5	-	Mar-13	95.2	-4.7	-4.8%
Expectations Indicator	92.0	95.9	91.1	-	series low	93.0	-4.8	-5.0%
Personal Finance: Current	85.4	93.6	82.1	-	series low	87.0	-11.5	-12.3%
Personal Finance: Expected	100.3	101.8	93.7	-	series low	98.6	-8.1	-7.9%
Business Condition: 1 Year	91.5	90.7	87.0	-	series low	89.7	-3.7	-4.1%
Business Condition: 5 Year	84.2	95.2	92.6	-	Dec-13	90.7	-2.6	-2.7%
Durable Buying Conditions	102.3	102.8	104.9	series high	-	103.3	2.1	2.0%
<b>Age 55-64</b>								
<b>MNI Russia Consumer Indicator</b>	92.3	96.8	90.9	-	series low	93.3	-5.9	-6.1%
Current Indicator	83.6	96.4	88.6	-	Dec-13	89.5	-7.8	-8.1%
Expectations Indicator	98.2	97.0	92.4	-	series low	95.9	-4.6	-4.8%
Personal Finance: Current	82.1	84.4	73.9	-	series low	80.1	-10.5	-12.5%
Personal Finance: Expected	97.1	93.9	92.9	-	series low	94.6	-1.0	-1.1%
Business Condition: 1 Year	101.5	102.9	86.3	-	series low	96.9	-16.6	-16.1%
Business Condition: 5 Year	95.9	94.3	98.0	Sep-13	-	96.1	3.7	3.9%
Durable Buying Conditions	85.1	108.4	103.4	-	Dec-13	99.0	-5.0	-4.6%

## All Russia - Overview by Income

	Dec-13	Jan-14	Feb-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>&lt; RUB 480,000 Per Annum</b>								
<b>MNI Russia Consumer Indicator</b>	93.7	99.7	89.8	-	series low	94.4	-9.9	-9.9%
Current Indicator	94.6	103.3	94.3	-	Nov-13	97.4	-9.0	-8.8%
Expectations Indicator	93.0	97.3	86.9	-	series low	92.4	-10.4	-10.8%
Personal Finance: Current	89.8	102.2	80.6	-	Oct-13	90.8	-21.6	-21.1%
Personal Finance: Expected	99.0	101.4	93.3	-	series low	97.9	-8.1	-8.0%
Business Condition: 1 Year	90.7	91.4	79.3	-	series low	87.1	-12.1	-13.3%
Business Condition: 5 Year	89.4	99.2	88.0	-	Nov-13	92.2	-11.2	-11.3%
Durable Buying Conditions	99.4	104.5	107.9	series high	-	103.9	3.4	3.3%
<b>&gt; RUB 480,000 Per Annum</b>								
<b>MNI Russia Consumer Indicator</b>	99.2	98.8	100.4	Apr-13	-	99.4	1.6	1.6%
Current Indicator	98.0	101.3	105.5	series high	-	101.6	4.2	4.2%
Expectations Indicator	99.9	97.1	96.9	-	series low	98.0	-0.2	-0.2%
Personal Finance: Current	98.5	100.1	96.8	-	Oct-13	98.5	-3.3	-3.3%
Personal Finance: Expected	106.4	101.3	100.0	-	series low	102.5	-1.3	-1.3%
Business Condition: 1 Year	100.3	96.9	99.9	Dec-13	-	99.0	3.0	3.1%
Business Condition: 5 Year	93.1	93.2	90.9	-	series low	92.4	-2.3	-2.5%
Durable Buying Conditions	97.6	102.4	114.2	series high	-	104.7	11.8	11.4%

## Methodology

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

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

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

The MNI Russia Consumer Indicator is derived from five questions, two on current conditions and three on future expectations:

- 1) Current personal financial situation compared to a year ago
- 2) Current willingness to buy major household items
- 3) Personal financial situation one year from now
- 4) Overall business conditions one year from now
- 5) Overall business conditions for the next 5 years

Indicators relating to specific questions in the report are diffusion indices with 100 representing a neutral level, meaning positive and negative answers are equal. Values above 100 indicate increasing positivity while values below show increasing negativity.



## Discovering trends in emerging markets

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

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

[www.mni-indicators.com](http://www.mni-indicators.com)

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