

# Russian Consumer Sentiment Lowest Since March 2015

MNI Russia Consumer Sentiment Indicator 69.2 in Jan vs 70.1 in Dec

## Key Findings

- Consumer sentiment in Russia slipped slightly in January. While the move was small, it left confidence at the lowest for nearly a year and other key metrics in the survey at record lows.

- The MNI Russia Consumer Sentiment Indicator fell to 69.2 in January from 70.1 in December. While consumers were somewhat less pessimistic about their current situation, expectations for the future turned increasingly negative.

- Sentiment is running a little below the 2015 average of 71.6 and is 2% down from a year ago. It is, though, significantly below the series average of 84.5, although has at least stabilised with a reading around the 70 mark proving to be a floor.

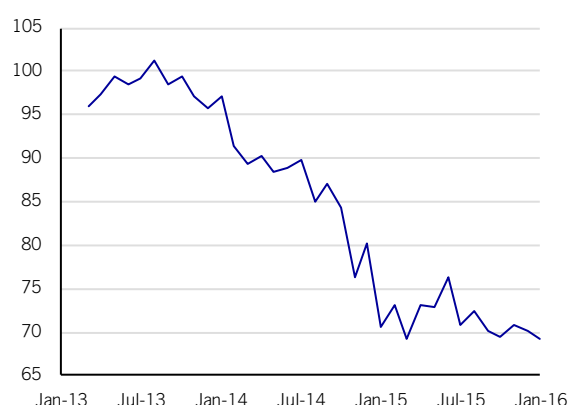
- Three of the five components what make up the MNI Russia Consumer Sentiment Indicator increased in January, led by a 3.6% increase in Current Personal Finances. The other measure of current conditions, Durable Buying Conditions, also rose 0.3% on the month. Expectations for Business Conditions in One Year also increased 2.8%.

- It was an outsized move in Expected Personal Finances, which fell 12.1% between December and January that weighed on sentiment. Respondents were also more negative about the outlook for long-term business conditions.

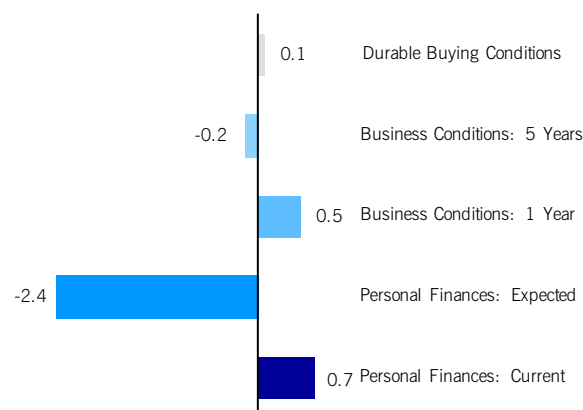
- Other parts of the survey weakened further. Respondents dialled down their appetite for car buying to a record low and attitudes on the current business climate also hit a series low.

- The only bright spot was a fall in inflation expectations, although it remains high and respondents were even more dissatisfied with the current price level.

MNI Russia Consumer Indicator



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



## Written and researched by

Philip Uglow, Chief Economist  
Shaily Mittal, Economist  
Nelson Aston, Economist

## Release Time

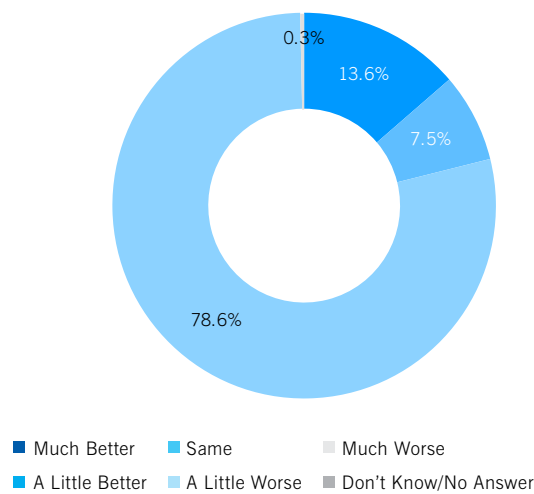
9:45 a.m. Moscow time  
February 10, 2016

[@MNIIndicators](https://twitter.com/MNIIndicators)

[in](https://www.linkedin.com/company/mni-indicators) MNI Indicators

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

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

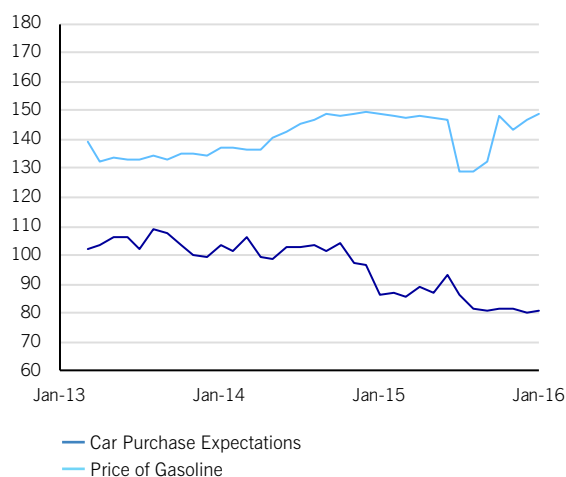


### Expectations worsen significantly

Had it not been for a sharp 12.1% decline in Expected Personal Finances, which hit a record low, overall sentiment might have managed a small rise this month. There's no specific reason given for the sharp deterioration, although it was seen across all regions, age groups and income levels, suggesting it is less likely to be a freak result. It is now the weakest of all the components of the headline indicator, although is now more in line with the corresponding business component that measures expectations for business conditions over the coming year.

The overall Expectations Indicator (a composite of Expected Personal Finances and the Business Conditions in One and Five Years measures) fell to 67.2 from 69.6, the lowest on record. In contrast the Current Indicator increased to 72.2 from 70.9, the highest since November 2015.

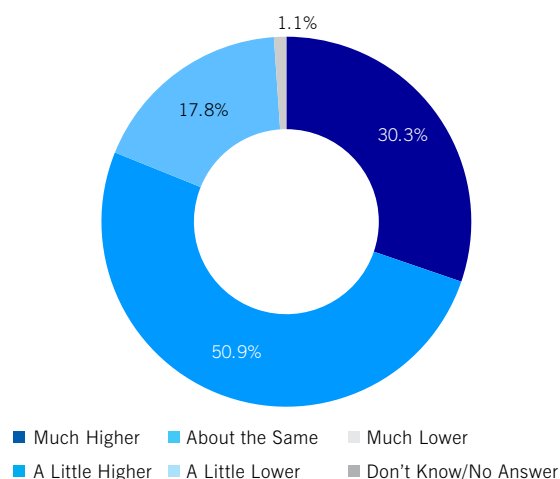
### Car Purchase Indicator - Components



### Continued misery for car manufacturers

There is little sign that the ongoing decline in car sales is likely to show any let up soon. While the Car Purchase Expectations component ticked up marginally to 81.0 in January from 80.2 in December, it remains at a very low level. A reading below 100 means that more respondents think it is a bad time to buy a car compared with those who believe it is a good time to buy. The overall Car Purchase Indicator, a composite of car buying expectations and expectations for the price of fuel, declined to a series low of 66.3 in January from 66.6 in December.

### Inflation Expectations in 12 Months (% of Households)



### Inflation expectations down but...

There weren't too many positives to take away from the January results, but there was a welcome decline in inflation expectations. The Inflation Expectations Indicator declined to 155.7 in January from 157.6 in December. This was a significant move following months of increases and left expectations at the lowest since August 2015. Similar declines have been seen previously, only to be followed by a continued upward trend but this comes against a backdrop of a weakening in official CPI inflation in January to 9.8% from 12.9% in December -- partly due to base effects.

Respondents, though, were increasingly worried about the current price level. The Satisfaction with Current Prices Indicator declined to 44.3 from 44.8 previously, underlining just how much the increase in prices over the past few years has hit consumers.

## Russia Consumer Sentiment - Overview

	Nov-15	Dec-15	Jan-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI Russia Consumer Indicator</b>	70.8	70.1	69.2	-	Mar-15	70.0	-0.9	-1.3%
Current Indicator	72.6	70.9	72.2	Nov-15	-	71.9	1.3	1.8%
Expectations Indicator	69.7	69.6	67.2	-	series low	68.8	-2.4	-3.5%
Personal Finance: Current	67.7	64.9	67.2	Nov-15	-	66.6	2.3	3.6%
Personal Finance: Expected	70.5	69.8	61.4	-	series low	67.2	-8.4	-12.1%
Business Condition: 1 Year	63.8	62.4	64.2	Aug-15	-	63.5	1.8	2.8%
Business Condition: 5 Years	74.7	76.6	76.0	-	Nov-15	75.8	-0.6	-0.7%
Durable Buying Conditions	77.5	77.0	77.2	Nov-15	-	77.2	0.2	0.3%
Current Business Conditions Indicator	66.1	66.1	64.6	-	series low	65.6	-1.5	-2.2%
Real Estate Investment Indicator	108.0	106.6	106.5	-	Oct-15	107.0	-0.1	-0.1%
Car Purchase Indicator	69.3	66.6	66.3	-	series low	67.4	-0.3	-0.5%
Employment Outlook Indicator	64.9	64.4	64.4	-	Oct-15	64.6	0.0	0.0%
Inflation Expectations Indicator	156.8	157.6	155.7	-	Aug-15	156.7	-1.9	-1.2%
Current Prices Satisfaction Indicator	43.5	44.8	44.3	-	Nov-15	44.2	-0.5	-1.1%
Interest Rates Expectations Indicator	151.4	152.6	152.0	-	Nov-15	152.0	-0.6	-0.3%

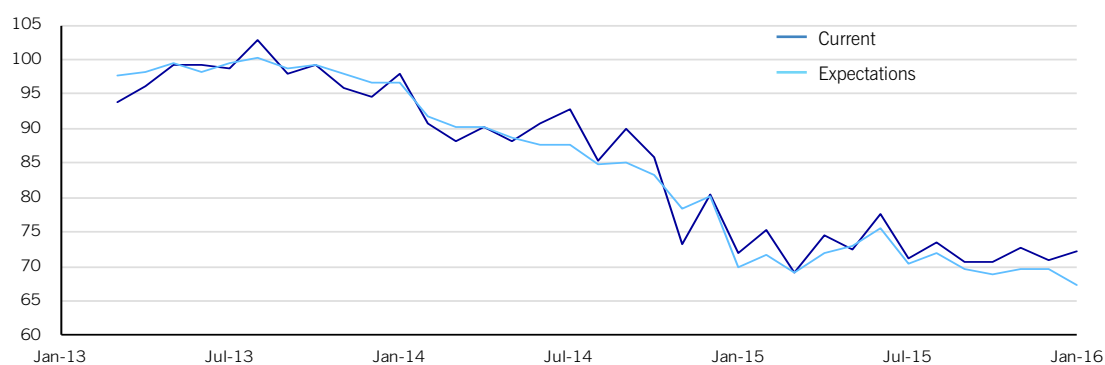
## Age

The decline in sentiment in January was driven by further weakness among the oldest cohort of 55 to 64 year olds, with the Consumer Indicator down 6.5% on the month. Significant declines were seen across most components. The 18-34 age grouping saw confidence decline 1.5% on the month while sentiment among 35-54 year olds managed a slight increase of 0.5% on the month.

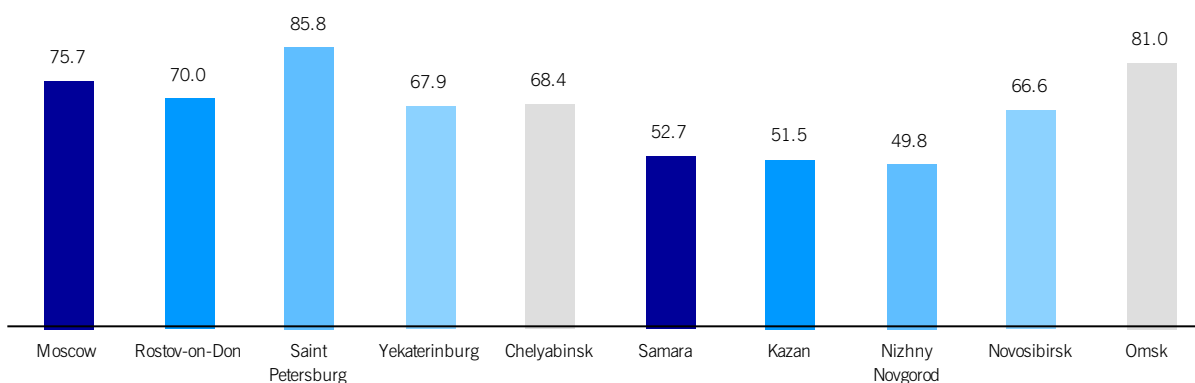
## Regions

Sharp falls in confidence in the Urals and Volga regions pulled sentiment lower in January, with significant falls among most of the components of the Consumer Indicator. There were smaller falls in Central and the North Caucasus. West Siberia showed a surprising jump in confidence of 7.8% on the month.

## Current and Expectations Indicators



## Consumer Sentiment by City



## Main Cities

Large falls in sentiment were recorded in Nizhny Novgorod, Kazan, Samara and Yekaterinburg. Smaller declines were seen in Rostov-on-Don and Chelyabinsk.

Large gains in confidence were seen in Novosibirsk, Omsk with smaller gains in Moscow and Saint Petersburg.

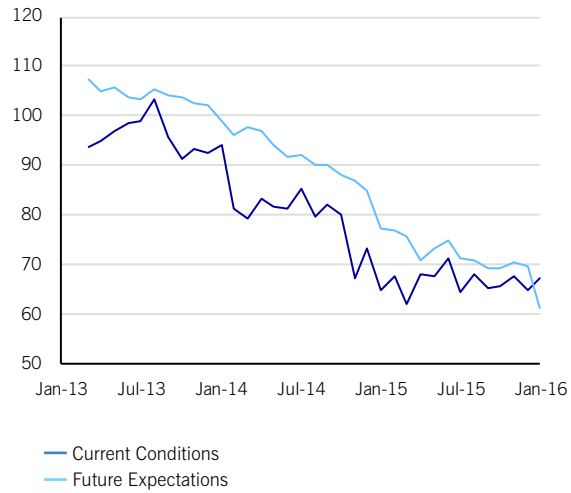
## Income

It was lower income respondents who continued to report lower levels of confidence in January. In absolute terms confidence among those earning less than RUB 480,000 per annum fell to 65.3 in January while sentiment among those earning more than RUB 480,000 increased slightly to 75.3. On average confidence is 8.9% lower among lower income households compared with higher income households since the start of the survey.

## Russia Consumer Sentiment - Demographical Overview

	Nov-15	Dec-15	Jan-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Central	75.6	75.9	75.6	-	Nov-15	75.7	-0.3	-0.5%
Russia - Urals	65.4	68.0	64.4	-	Mar-15	65.9	-3.6	-5.2%
Russia - Volga	58.2	56.1	50.6	-	series low	55.0	-5.5	-9.7%
Russia - North Caucasus	74.5	75.2	75.1	-	Nov-15	74.9	-0.1	-0.1%
Russia - West Siberian	73.8	67.6	72.9	Nov-15	-	71.4	5.3	7.8%
Moscow	81.6	72.8	75.7	Nov-15	-	76.7	2.9	4.0%
Saint Petersburg	85.9	82.3	85.8	Nov-15	-	84.7	3.5	4.3%
Novosibirsk	68.2	58.6	66.6	Nov-15	-	64.5	8.0	13.7%
Under RUB 480,000 Per Annum	67.4	66.9	65.3	-	Mar-15	66.5	-1.6	-2.3%
Over RUB 480,000 Per Annum	76.6	75.1	75.3	Nov-15	-	75.7	0.2	0.3%
Age 18-34	70.7	72.1	71.1	-	Nov-15	71.3	-1.0	-1.5%
Age 34-54	73.1	68.8	69.1	Nov-15	-	70.3	0.3	0.5%
Age 55-64	64.4	66.5	62.1	-	series low	64.3	-4.4	-6.5%

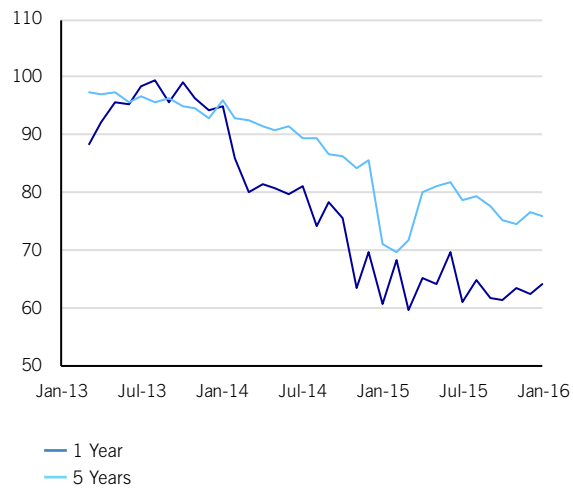
### Personal Finances



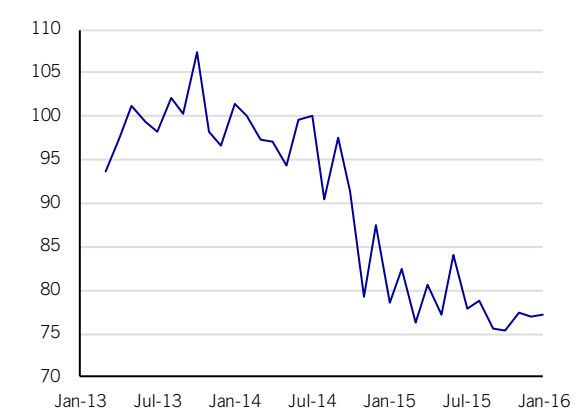
### Current Business Conditions Indicator



### Expected Business Conditions



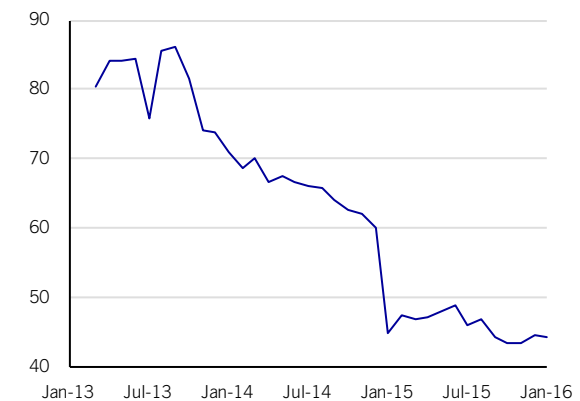
### Durable Buying Conditions



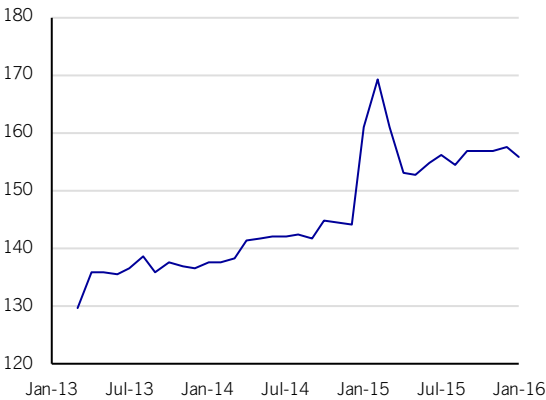
### Employment Outlook



### Satisfaction with Current Prices Indicator



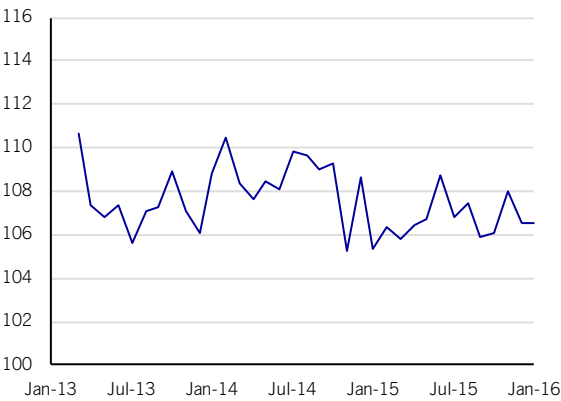
Inflation Expectations Indicator



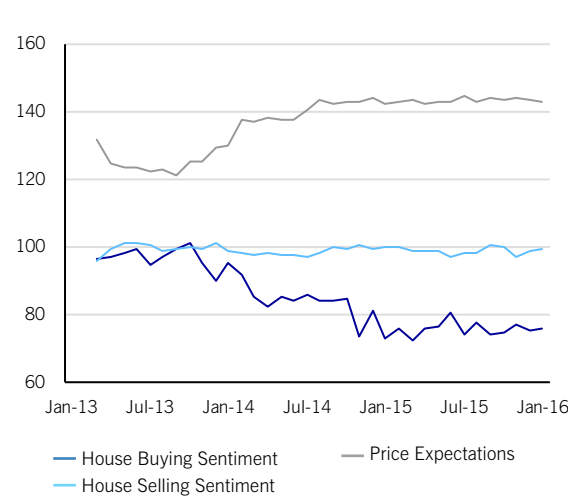
Interest Rate Expectations Indicator



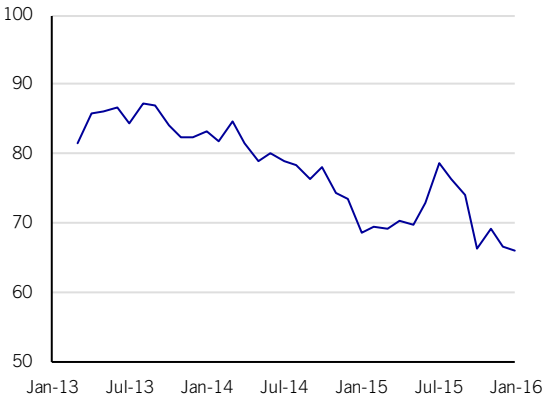
Real Estate Investment Indicator



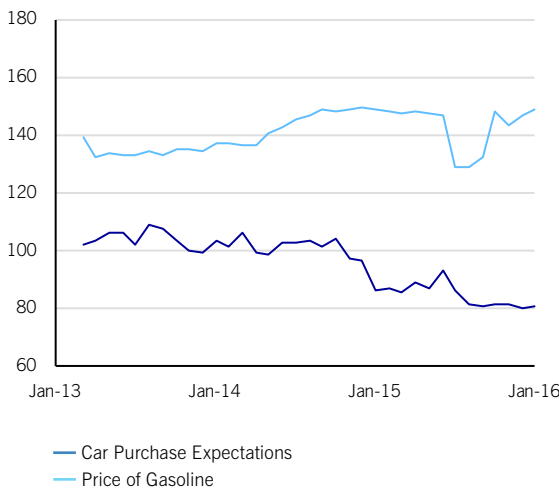
Real Estate Investment Indicator - Components



Car Purchase Indicator



Car Purchase Indicator - Components



## Russia Consumer Sentiment - Summary

	2015												2016
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>MNI Russia Consumer Indicator</b>	70.6	73.1	69.2	73.0	72.8	76.4	70.8	72.5	70.0	69.5	70.8	70.1	69.2
Current Indicator	71.9	75.2	69.1	74.4	72.5	77.7	71.2	73.5	70.5	70.6	72.6	70.9	72.2
Expectations Indicator	69.8	71.8	69.2	72.0	73.0	75.6	70.5	71.8	69.7	68.8	69.7	69.6	67.2
Personal Finance: Current	65.2	67.9	62.1	68.4	67.8	71.4	64.5	68.2	65.6	65.8	67.7	64.9	67.2
Personal Finance: Expected	77.2	77.0	75.9	70.9	73.2	75.1	71.5	71.0	69.5	69.2	70.5	69.8	61.4
Business Condition: 1 Year	60.8	68.4	59.7	65.2	64.4	69.8	61.3	64.9	62.0	61.7	63.8	62.4	64.2
Business Condition: 5 Years	71.3	69.9	72.0	80.0	81.3	81.7	78.7	79.6	77.6	75.5	74.7	76.6	76.0
Durable Buying Conditions	78.6	82.5	76.2	80.5	77.3	83.9	77.9	78.9	75.5	75.4	77.5	77.0	77.2
<b>Current Business Conditions Indicator</b>	70.7	69.6	67.4	67.9	67.9	70.1	67.8	67.3	65.8	64.8	66.1	66.1	64.6
<b>Real Estate Investment Indicator</b>	105.3	106.4	105.8	106.5	106.8	108.7	106.8	107.5	105.9	106.0	108.0	106.6	106.5
House Price Expectations	142.8	142.9	143.5	142.5	142.9	142.9	144.6	143.1	144.0	143.5	144.1	143.6	142.9
House Buying Sentiment	73.2	76.3	72.7	76.1	76.4	80.6	74.5	77.6	74.2	74.8	77.4	75.2	76.2
House Selling Sentiment	99.9	100.0	98.8	99.2	99.0	97.4	98.7	98.3	100.5	100.2	97.5	99.0	99.6
<b>Car Purchase Indicator</b>	68.7	69.4	69.2	70.5	69.8	73.0	78.8	76.3	74.1	66.5	69.3	66.6	66.3
Car Purchase Expectations	86.0	87.2	86.0	88.9	87.0	93.1	86.3	81.4	80.6	81.5	81.9	80.2	81.0
Price of Gasoline Expectations	148.7	148.3	147.5	147.8	147.5	147.0	128.7	128.9	132.3	148.4	143.3	147.0	148.5
<b>Employment Outlook Indicator</b>	66.9	68.2	66.5	68.8	70.1	71.4	68.5	69.0	66.4	63.0	64.9	64.4	64.4
Inflation Expectations Indicator	161.1	169.2	160.9	153.1	152.6	154.7	156.3	154.4	157.0	156.9	156.8	157.6	155.7
Current Prices Satisfaction Indicator	44.9	47.6	47.0	47.3	48.0	49.0	46.0	47.1	44.3	43.6	43.5	44.8	44.3
Interest Rates Expectations Indicator	165.1	168.4	167.4	151.8	150.9	149.1	151.5	151.2	152.3	151.5	151.4	152.6	152.0

#### About MNI Indicators

MNI Indicators specialises in producing business and consumer surveys designed to present an advance picture of the economic landscape and highlight changing trends in business and consumer activity. The timely reports explore attitudes, perspectives and sentiment across the globe, including China, India and Russia. Alongside MNI Indicators' core focus on consumer and business surveys in emerging markets, MNI Indicators produces the renowned Chicago Business Barometer (Chicago PMI), a key leading indicator of the US economy. MNI Indicators is part of MNI, a leading provider of news and intelligence and a wholly owned subsidiary of Deutsche Börse AG, one of the largest worldwide exchange organisations.

For more information, please visit [www.mni-indicators.com](http://www.mni-indicators.com) / Contact: [info@mni-indicators.com](mailto:info@mni-indicators.com)

#### About the MNI Russia Consumer Survey

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

Data is collected via telephone interviews. At least 1,000 interviews are conducted each month across the country.

The main 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

**Date range:** Monthly since March 2013

**Collection method:** Computer aided telephone interviews

**Collection period:** Ten working days from the first business day of the month in Russia.

**Sample size and geographic area:** Minimum of 1000 respondents aged between 18 and 64 across 10 major cities.

**Disaggregation:** By age, by gender, by income, by region and by city.

**Calculation method:** Each individual question is a diffusion index where 100 represents a neutral position, i.e. optimists and pessimists are equal in number. Values above 100 indicate increasing positivity while values below show increasing negativity. The headline and other composite indicators are weighted measures comprised of the individual diffusion indices.

**Sub-indicators:** These cover consumer perceptions and/or intentions regarding employment conditions, the real estate market, autos, inflation, gasoline prices and interest rates.

**Other available information:** Household expenditure breakdown, detailed reasoning behind responses and more.

**Bloomberg ticker:** <MNRINDX> <INDEX> <GO> or navigate from <MNIN> <GO>

**Reuters instrument code:** <aRUMNCSIR>

#### Published by

MNI Indicators | Deutsche Börse Group  
Westferry House  
11 Westferry Circus  
London  
E14 4HE

**mni** | DEUTSCHE BÖRSE  
GROUP

Copyright © 2016 MNI Indicators | Deutsche Börse Group.

Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.