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MNI India Consumer Report November 2014

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Insight and data for better decisions

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

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Release Time

Embargoed until 9:45 a.m. Mumbai time
December 4, 2014

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MNI India Consumer Report - November 2014

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Modi-nising India

While Modi has introduced a string of reforms, he has shied away from the hard hitting reforms that many had anticipated. Is that about to change?

While Modi has introduced a string of reforms, he has shied away from the hard hitting reforms that many had anticipated. Since being elected six months ago, the pro-business BJP government has lifted state controls on the price of diesel, announced plans to put state-owned coal mines up for sale, eased archaic labour laws and launched a worldwide 'Make in India' campaign aimed at transforming India into a manufacturing powerhouse.

Nevertheless, India's low economic growth in recent years has made businesses hungry for swift and significant reforms, with a growing proportion becoming impatient at what they perceive as slow progress by a government which had promised much in its election campaign. There is, however, increasing speculation that Prime Minister Narendra Modi will answer his critics during Parliament's winter session, which starts on November 24, by introducing bold measures at the top of many business' wish lists.

On the table are moves to introduce a nation-wide goods and services tax (GST), ease land acquisition rules, raise foreign investment limits in the insurance and pension sector, measures aimed at removing red tape and a separate labour law for small factories.

Out of these proposals, the implementation of a GST is probably the most crucial as it would dramatically alter India's cumbersome tax system by streamlining a multitude of central and local levies including excise and VAT into a single unified tax. In the past, the implementation of a GST has faced fierce political opposition from many of India's 29 state governments who fear that it could deprive them of their fiscal freedom.

Under the present taxation framework, the central government taxes the production of goods while states levy taxes on the consumption of goods. There is a separate levy for industries and rates vary from state-to-state, adding to the complexity, leaving businesses that operate across the whole of India with a large burden. The Modi government recommendation is that a uniform rate of GST ought to be applied nationwide on all goods and services

with the exception of unprocessed food, education, health care and some public services.

Another significant bill is the raising of the cap on FDI for the investment starved insurance sector to 49% from the present level of 26% and to allow entry of foreign reinsurers. If implemented, it would bring credibility to the sector, make paying premiums through installments more flexible and speed up the time taken for claims to be settled.

The task of passing these proposals will not be easy, requiring cooperation from other political parties and states, but if successful in passing these bills, it will be a big step in modernising the India economy.

Shaily Mittal

Economist

MNI Indicators



Executive Summary

The MNI India Consumer Indicator fell by 2.8 points to 120.9 in November from 123.7 in October, the lowest in 13 months.

The MNI India Consumer Indicator fell by 2.8 points to 120.9 in November from 123.7 in October, the lowest in 13 months. Consumer sentiment picked up in the run up to the general election earlier in the year, but has failed to maintain the momentum. The recent weakness in the survey shows that the Modi government's policies have yet to have any concrete impact on Indian households' overall confidence.

The Current Indicator, which measures consumers' assessment of current conditions, declined to 110.7 in November from 111.0 in October, the lowest since September 2013. The forward looking Expectations Indicator, which is made up of three components, eased to the lowest since May to 127.7 from 132.3 in the previous month.

Asked specifically about the impact of the Modi government's policies on consumers' standard of living, about 38% of respondents thought that their living standard had been unaffected as the government had not yet implemented any major policies. About 30% of respondents reported that they had benefited from the new government's policies. Many respondents praised Modi's vision for India and were supportive of welfare schemes like Jan Dhan Yojna. Additionally, a significant portion of respondents were pleased that food and fuel inflation was falling.

The decline in consumer sentiment was led by a sharp fall in expectations of Business Conditions in a Year's time, to 116.3, the lowest since September 2013. Consumers were also less confident about spending on big ticket items following the conclusion of the festival season, as reflected by Durable Buying Conditions falling to 105.8 in November. This was in spite of consumers being more satisfied with the current level of prices, with a greater proportion expecting prices to fall in the next 12 months.

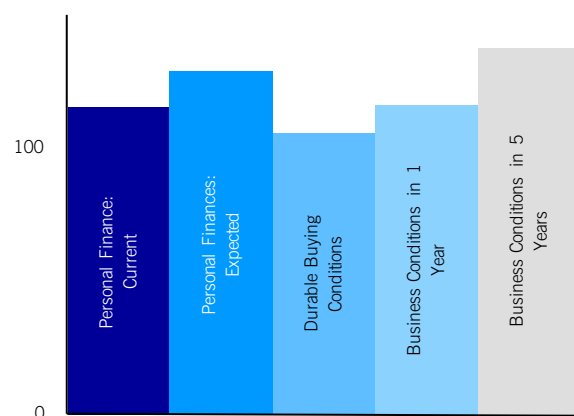
However, a growing proportion of our panel felt it was not a wise time to purchase a house as optimism surrounding the outlook for their household finances fell to 128.7, the lowest since July. The Real Estate Investment Indicator fell to 111.0 in November from 112.6 in October, 2.5% below the series' average.

The Car Purchase Expectations component fell to a record low of 89.8 in November, as a growing proportion of respondents attributed their disinclination to buy a car to high interest rates in spite of lower expectations for gas prices. Expectations for the Price of Gasoline fell to 106.3 in November, the lowest in the survey's history.

Optimism surrounding the job market improved to 111.4 in November after hitting a record low in October, although it remained significantly below the level recorded a year earlier.

The Stock Market Expectations component, which shows whether consumers think stock prices will rise or fall in the next three months, rose to 131.8 in November.

MNI India Consumer Indicator - Components



All India - Overview

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|---------------------------------------|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| MNI India Consumer Indicator | 124.1 | 123.7 | 120.9 | - | Oct-13 | 122.9 | -2.8 | -2.3% |
| Current Indicator | 117.5 | 111.0 | 110.7 | - | Sep-13 | 113.1 | -0.3 | -0.2% |
| Expectations Indicator | 128.4 | 132.3 | 127.7 | - | May-14 | 129.5 | -4.6 | -3.4% |
| Personal Finance: Current | 117.1 | 115.4 | 115.6 | Sep-14 | - | 116.0 | 0.2 | 0.2% |
| Personal Finance: Expected | 132.2 | 129.2 | 128.7 | - | Jul-14 | 130.0 | -0.5 | -0.3% |
| Business Condition: 1 Year | 120.7 | 128.8 | 116.3 | - | Sep-13 | 121.9 | -12.5 | -9.7% |
| Business Condition: 5 Years | 132.5 | 138.8 | 138.1 | - | Sep-14 | 136.5 | -0.7 | -0.5% |
| Durable Buying Conditions | 118.0 | 106.5 | 105.8 | - | Sep-13 | 110.1 | -0.7 | -0.7% |
| Current Business Conditions Indicator | 113.9 | 113.5 | 108.6 | - | Jul-14 | 112.0 | -4.9 | -4.2% |
| Stock Investment Indicator | 130.8 | 108.9 | 114.8 | Sep-14 | - | 118.2 | 5.9 | 5.4% |
| Real Estate Investment Indicator | 112.5 | 112.6 | 111.0 | - | Jul-14 | 112.0 | -1.6 | -1.5% |
| Car Purchase Indicator | 86.6 | 86.1 | 91.7 | series high | - | 88.1 | 5.6 | 6.5% |
| Employment Outlook Indicator | 109.1 | 106.9 | 111.4 | Jul-14 | - | 109.1 | 4.5 | 4.3% |
| Inflation Expectations Indicator | 131.1 | 127.9 | 119.0 | - | series low | 126.0 | -8.9 | -7.0% |
| Current Prices Satisfaction Indicator | 78.8 | 81.6 | 89.7 | Oct-13 | - | 83.4 | 8.1 | 9.9% |
| Interest Rates Expectations Indicator | 121.0 | 124.6 | 122.0 | - | Sep-14 | 122.5 | -2.6 | -2.1% |

All India - Summary

| | 2013 | | 2014 | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov |
| MNI India Consumer Indicator | 122.5 | 123.9 | 121.2 | 127.8 | 125.8 | 125.2 | 122.1 | 126.2 | 124.1 | 125.2 | 124.1 | 123.7 | 120.9 |
| Current Indicator | 117.0 | 119.0 | 113.2 | 118.4 | 115.5 | 114.1 | 114.6 | 115.7 | 114.2 | 116.2 | 117.5 | 111.0 | 110.7 |
| Expectations Indicator | 126.2 | 127.2 | 126.6 | 134.2 | 132.8 | 132.6 | 127.2 | 133.2 | 130.8 | 131.2 | 128.4 | 132.3 | 127.7 |
| Personal Finance: Current | 123.3 | 122.5 | 120.5 | 125.3 | 119.4 | 121.8 | 120.6 | 122.9 | 119.1 | 115.4 | 117.1 | 115.4 | 115.6 |
| Personal Finance: Expected | 125.3 | 131.0 | 127.8 | 137.4 | 133.1 | 130.2 | 122.5 | 128.1 | 125.2 | 132.1 | 132.2 | 129.2 | 128.7 |
| Business Condition: 1 Year | 118.2 | 117.4 | 119.3 | 128.2 | 124.5 | 126.3 | 122.3 | 127.2 | 125.9 | 126.4 | 120.7 | 128.8 | 116.3 |
| Business Condition: 5 Years | 135.2 | 133.1 | 132.7 | 136.9 | 140.8 | 141.3 | 136.8 | 144.5 | 141.3 | 135.1 | 132.5 | 138.8 | 138.1 |
| Durable Buying Conditions | 110.7 | 115.5 | 106.0 | 111.4 | 111.6 | 106.4 | 108.6 | 108.5 | 109.3 | 116.9 | 118.0 | 106.5 | 105.8 |
| Current Business Conditions Indicator | 109.1 | 114.5 | 108.9 | 116.0 | 102.9 | 106.3 | 104.7 | 111.4 | 107.7 | 109.0 | 113.9 | 113.5 | 108.6 |
| Stock Investment Indicator | 96.8 | 102.3 | 102.3 | 105.1 | 89.7 | 110.9 | 120.6 | 118.4 | 112.9 | 113.5 | 130.8 | 108.9 | 114.8 |
| Investment Return | 93.5 | 100.5 | 103.0 | 104.5 | 82.7 | 114.6 | 139.1 | 132.8 | 131.1 | 126.5 | 162.4 | 109.1 | 144.3 |
| Stock Price Sentiment | 115.8 | 105.8 | 107.4 | 103.7 | 128.6 | 119.3 | 112.8 | 117.8 | 125.6 | 106.0 | 122.2 | 111.8 | 131.8 |
| Stock Market Expectations | 112.6 | 112.1 | 111.1 | 114.3 | 114.9 | 137.4 | 135.5 | 140.1 | 133.2 | 120.1 | 152.2 | 129.2 | 131.8 |
| Real Estate Investment Indicator | 113.2 | 114.4 | 114.2 | 119.1 | 117.8 | 114.4 | 111.9 | 110.6 | 110.3 | 111.3 | 112.5 | 112.6 | 111.0 |
| House Price Expectations | 147.9 | 143.8 | 143.1 | 152.6 | 148.6 | 145.9 | 139.8 | 142.6 | 144.9 | 148.7 | 146.4 | 149.6 | 144.0 |
| House Buying Sentiment | 92.8 | 104.8 | 94.9 | 107.7 | 102.8 | 102.1 | 103.2 | 99.1 | 99.7 | 97.4 | 96.2 | 98.4 | 92.1 |
| House Selling Sentiment | 101.2 | 105.4 | 95.5 | 102.9 | 98.2 | 104.9 | 107.3 | 110.0 | 113.7 | 112.2 | 105.2 | 110.0 | 103.2 |
| Car Purchase Indicator | 65.7 | 73.8 | 69.2 | 73.0 | 75.3 | 71.7 | 75.2 | 78.6 | 75.6 | 78.5 | 86.6 | 86.1 | 91.7 |
| Car Purchase Expectations | 97.7 | 103.0 | 99.0 | 103.2 | 108.9 | 102.3 | 101.8 | 101.7 | 105.4 | 108.5 | 107.6 | 100.8 | 89.8 |
| Price of Gasoline Expectations | 166.3 | 155.4 | 160.6 | 157.2 | 158.3 | 158.8 | 151.4 | 144.6 | 154.2 | 151.4 | 134.4 | 128.5 | 106.3 |
| Employment Outlook Indicator | 121.0 | 117.6 | 112.0 | 121.8 | 115.7 | 115.7 | 116.5 | 122.5 | 119.9 | 109.8 | 109.1 | 106.9 | 111.4 |
| Inflation Expectations Indicator | 159.2 | 152.6 | 153.6 | 154.8 | 154.2 | 152.2 | 146.4 | 131.5 | 137.0 | 133.7 | 131.1 | 127.9 | 119.0 |
| Current Prices Satisfaction Indicator | 70.2 | 86.2 | 75.7 | 75.4 | 67.2 | 66.3 | 63.0 | 69.8 | 72.5 | 68.3 | 78.8 | 81.6 | 89.7 |
| Interest Rates Expectations Indicator | 138.8 | 140.4 | 136.3 | 134.6 | 133.0 | 133.6 | 130.1 | 135.3 | 130.2 | 119.4 | 121.0 | 124.6 | 122.0 |

All India - Records

| | 2012-Current | | | |
|--|--------------|---------|-------|--------|
| | Minimum | Maximum | Mean | Median |
| MNI India Consumer Indicator | 115.9 | 133.7 | 123.7 | 123.9 |
| Current Indicator | 109.3 | 128.3 | 116.4 | 115.5 |
| Expectations Indicator | 120.3 | 137.3 | 128.5 | 128.1 |
| Personal Finance: Current | 114.2 | 135.4 | 120.9 | 120.5 |
| Personal Finance: Expected | 118.4 | 141.5 | 129.1 | 129.2 |
| Business Condition: 1 Year | 114.1 | 131.8 | 122.4 | 121.2 |
| Business Condition: 5 Years | 123.9 | 144.5 | 134.1 | 133.1 |
| Durable Buying Conditions | 100.7 | 121.1 | 111.9 | 111.5 |
| Current Business Conditions Indicator | 102.9 | 124.9 | 113.4 | 113.1 |
| Stock Investment Indicator | 89.7 | 130.8 | 107.3 | 105.1 |
| Investment Return | 82.7 | 162.4 | 115.7 | 110.9 |
| Stock Price Sentiment | 100.4 | 131.8 | 112.9 | 111.8 |
| Stock Market Expectations | 103.8 | 152.2 | 120.5 | 118.5 |
| Real Estate Investment Indicator | 109.7 | 119.9 | 113.8 | 113.1 |
| House Price Expectations | 133.3 | 152.6 | 143.5 | 143.9 |
| House Buying Sentiment | 92.1 | 121.5 | 104.5 | 102.8 |
| House Selling Sentiment | 95.5 | 113.7 | 106.9 | 107.3 |
| Car Purchase Indicator | 60.1 | 91.7 | 75.0 | 75.3 |
| Car Purchase Expectations | 89.8 | 114.8 | 103.2 | 103.2 |
| Price of Gasoline Expectations | 106.3 | 171.0 | 153.1 | 155.4 |
| Employment Outlook Indicator | 106.9 | 128.3 | 117.7 | 117.6 |
| Inflation Expectations Indicator | 119.0 | 159.2 | 143.3 | 145.6 |
| Current Prices Satisfaction Indicator | 63.0 | 115.9 | 83.3 | 81.6 |
| Interest Rates Expectations Indicator | 116.6 | 140.4 | 129.4 | 130.2 |

Consumer sentiment eased for the third consecutive month in November...

...as respondents sharply revised down their short-term outlook for business conditions.



Economic Landscape

India's central bank has unexpectedly lifted gold controls during the wedding season, which should help to reduce smuggling but may cause the current account deficit to widen.

India's central bank unexpectedly lifted gold controls during the wedding season, which should help to reduce smuggling but may cause the current account deficit to widen. The Reserve Bank of India has reversed restrictions that force gold importers to set aside a fifth of all their shipments for re-export. The move was surprising, given that there has been a surge in gold imports in recent months, particularly during the festival season, prompting speculation that curbs on gold imports would be re-imposed after being lifted partially in May.

Latest GDP figures showed the economy slowed slightly in the September quarter after expanding at the quickest rate for two years in the previous quarter. The slowdown was mainly due to a contraction in net exports, which acted as a drag on economic growth. The Reserve Bank of India left the key policy rate at 8% at its monetary policy meeting on December 2, although suggested that policy could be eased early next year if the current disinflation momentum continues and encouraging fiscal developments materialise.

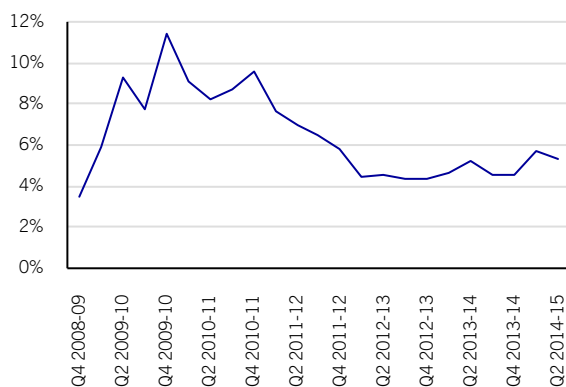
Economy grows at 5.3% in the July-Sep quarter

Latest GDP figures showed that the economy slowed slightly in the second quarter of the 2013-14 fiscal year after expanding at the quickest rate for two years in the previous quarter. In the three months to September, the economy grew by 5.3% on the year, down from 5.7% in the previous quarter, although slightly above the 5.2% recorded a year earlier.

Data on an output basis showed that growth in the three months to September was boosted by services, particularly community, social and private services which grew by 9.6% on the year. The slowdown in growth was primarily due to meagre growth in the manufacturing sector, which expanded only 0.1% compared with 3.5% in the previous quarter. Mining grew by 1.9% on the year compared with a growth of 2.1% previously. In contrast, growth in agriculture slowed to 3.2% on the year, compared with 3.8% in the previous quarter and 5% in the same quarter a year earlier.

On an expenditure basis, personal consumption added 3.5 percentage points, the same percentage as the previous quarter, while net exports pulled GDP

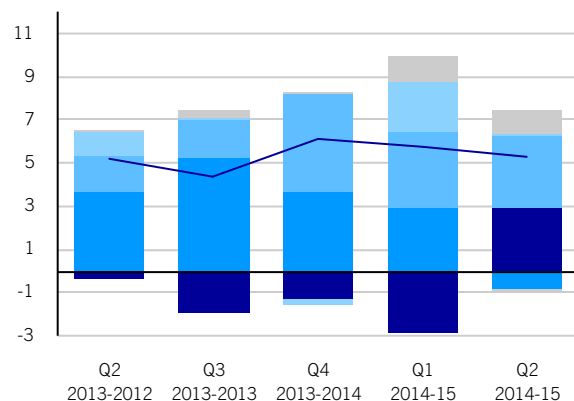
Economic Growth



— GDP y/y %, fiscal year

Source: Central Statistical Organisation, India

Contribution to Economic Growth



■ Discrepancies ■ GFCF
■ Net Exports ■ GFCE
■ PFCE ■ Inventory

Source: Central Statistical Organisation, India

growth 0.8 percentage points lower having contributed 3.0 percentage points previously. Investment spending contributed 0.01 percentage points to GDP growth in the latest quarter compared with 2.3 percentage points in the previous quarter.

The Ministry of Statistics has announced that it will recalibrate the way it measures India's GDP to reflect informal and under-represented economic sectors. GDP data is presently based at 2003-04 prices and is due to be rebased to 2011-12 prices on January 31 next year. This will likely raise the level of GDP from 2011-12 onwards.

RBI Industrial Outlook improves

The RBI's Industrial Outlook Survey showed that the Business Expectation Index (BEI), a gauge of manufacturing business sentiment, improved in the quarter ending December to 117.7 from 114.7 in the quarter ending September and 109.9 a year earlier. It is now at the highest for three years.

The improvement in the BEI was due to improved optimism in capacity utilisation, imports and production coupled with reduced pessimism about the cost of raw materials.

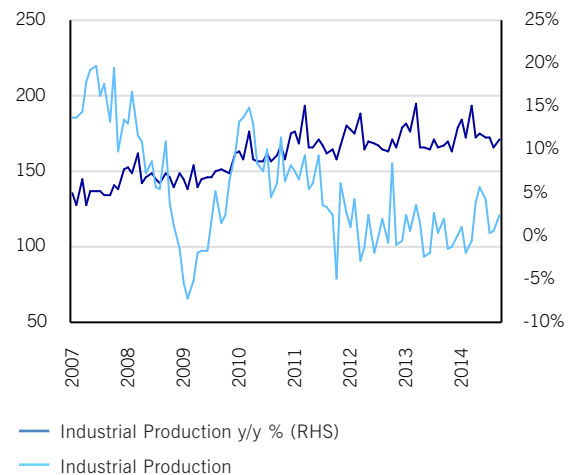
The business outlook of the Indian manufacturing sector also showed an improvement for the current assessment period for July-September to 106.4, compared with the previous quarter's 105.2, the highest since June 2012. The increase in the composite index was also due to higher optimism about capacity utilisation, imports, production and the cost of raw materials.

RBI Consumer Confidence improves

The RBI's Consumer Confidence survey showed that the Current Situation Index (CSI), an assessment of consumer sentiment, improved in the quarter ending September to 105.0 from 100.4 in the quarter ending June and was markedly above the 88.0 recorded in the quarter ending September a year earlier.

Consumers were increasingly optimistic about the future with the Future Expectations Index rising to a

Industrial Production



Source: Central Statistical Organisation, India

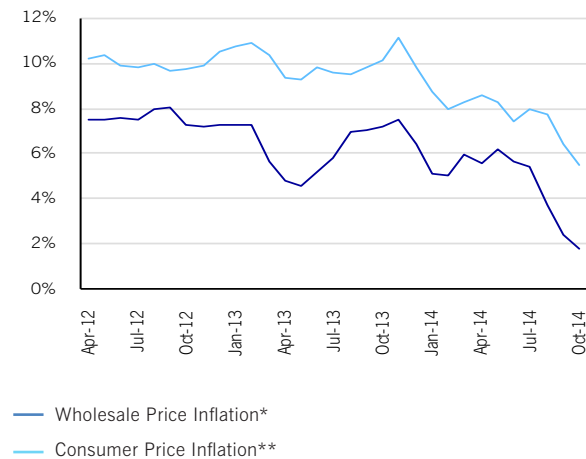
series' high of 123.2 from 122.9 in the previous quarter. An increasing proportion of respondents expected their spending to increase in the 12 months ahead, as the net response for perceptions on income in a year's time rose to 61.9%, signifying that the majority of respondents expected their income to rise.

Industrial output rises in September

Industrial production grew by 2.5% on the year in September, following a fall to a revised 0.5% in August. Cumulative growth for the period April-September 2014-15 stood at 2.8% compared with the same period in 2013.

The pickup in industrial production was led by manufacturing, which contributes about 75% to industrial output. Manufacturing output rose 2.5% on the year following a revised contraction of 1.3% in the previous month. 15 out of the 22 industry groups within the manufacturing sector expanded in September, led by a 29.9% rise in 'Electrical machinery & apparatus'. In contrast, the industry group 'Radio, TV and communication equipment & apparatus' had the highest negative growth for the fifth consecutive month of 43.8%, followed by a 34.2% decline in 'Office, accounting & computing

Inflation



Source: *Office of the Economic Advisor, India, **MOSPI

machinery' and a 4.4% decline in 'Chemicals & chemical products'.

Mining output grew for the 11th month in a row by 0.7% in September compared with 2% growth in August. Output of consumer durables, a measure of consumer demand, contracted for the fourth consecutive month by 11.3% on the year. Capital goods output, a proxy for investment, rose by 11.6% on the year.

Consumer price inflation hits record low

Consumer price inflation, which the Reserve Bank of India targets, fell to a historic low of 5.5% in October from 6.5% in September, marking the fifth consecutive month it has been below the RBI's inflation target of 8% by January 2015 and the first time it has been below the January 2016 target of 6%.

Food price inflation, which makes up almost half of the basket, eased to 5.6% from 7.7% in the previous month led by vegetable prices which contracted for the first time since February 2012. Core CPI inflation, which excludes food and energy, slowed slightly to 5.8% on the year from 5.9% in August. Favourable base effects and falling global oil prices should help to ease pressure on food prices until the year end. The

government plans to help bring down inflation by tackling supply constraints and creating cold storages and warehouses to prevent food spoilage, although this will do little to tackle price pressures in the short-term.

The previously targeted measure of inflation, based on the wholesale price index, eased to a five year low of 1.8% in October from 2.4% in September due to a sharp fall in fuel prices.

Repo rate at 8%

The Reserve Bank of India left the key policy rate at 8% at its monetary policy meeting on December 2, where it has been since January. The central bank also refrained from adjusting both the statutory liquidity ratio (SLR) and the cash reserve ratio (CRR), the main liquidity levers at its disposal.

Governor Rajan stated that a cut to the current rate would be premature given that inflation could rise from its current record low level as the base effect from the previous year dissipates. Nevertheless, he suggested that policy could be eased early next year if the current disinflation momentum continues and encouraging fiscal developments materialise.

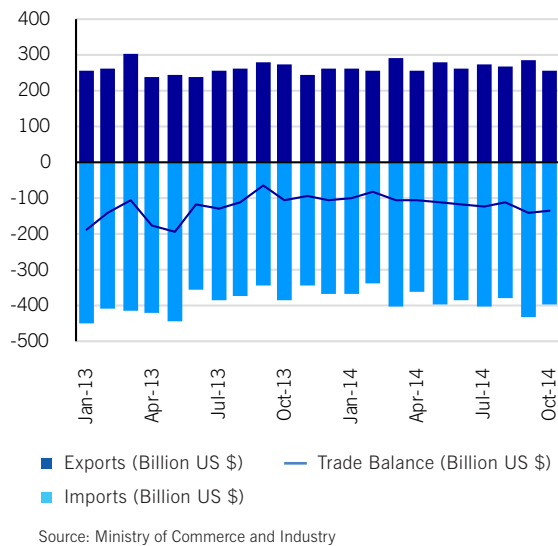
Given that the RBI looks likely to meet its short-term target for inflation, the focus of the monetary policy committee seems now to be maintaining the disinflationary glide path in order to reach its target of 6% by January 2016. Meeting the 2016 target, though will require the swift implementation of significant supply side reforms by the government.

Lower fiscal budget deficit

In the April-October period, the government budget deficit stood at Rs 4.76 trillion, compared with Rs. 4.58 trillion last year.

Government receipts totalled Rs. 4.86 trillion, higher than Rs. 4.64 trillion a year earlier. Out of this, net tax receipts were Rs. 3.69 trillion, higher than Rs. 3.56 trillion last year. Total expenditure was Rs. 9.62 trillion compared with Rs. 9.22 trillion a year earlier.

Trade Balance



In his maiden budget, Finance Minister Arun Jaitley stuck to the fiscal deficit target of 4.1% of GDP for 2014-15 set by his predecessor Palaniappan Chidambaram in the interim budget. He plans to shrink the budget shortfall subsequently to 3.6% and 3% of GDP in the following years.

The recent removal of the diesel fuel subsidy should help to alleviate pressures on government finances. In addition, the government has raised excise duty on petrol and diesel to generate higher revenues amid the sharp fall in global crude prices. Consumers will not face higher prices as state-owned fuel retailers will absorb the hike.

Also, the government has announced a slew of austerity measures, such as curbs on foreign travel, conferences, purchase of vehicles and the creation of new posts to contain the budget deficit.

In spite of such fiscal prudence, there are doubts as to whether the government can attain its 2014-15 target given that the fiscal deficit for the April-October period stands at a remarkable 89.6% of the budget estimate of Rs 5.31 trillion.

Trade deficit narrows in October

India's trade deficit narrowed to \$13.4 billion in October from a 16-month high of \$14.2 billion in September, but was significantly higher than the \$10.6 billion shortfall recorded in October a year earlier, when stringent curbs on gold imports were first imposed.

Exports fell to \$26.1 billion in October after rising to \$28.9 billion in September, due to weak demand from European countries. Imports fell to \$39.5 billion in October after surging by 26% on the year to \$43.2 billion in September because of higher demand for gold and consumer goods during the festival season.

Gold imports almost quadrupled to \$4.2 billion in October from \$1.1 billion a year ago and \$3.8 billion a month ago, due to festivals and the approaching marriage season. This had prompted the government to consider re-imposing the curbs on gold imports which it had previously lifted partially in May. Instead, the Reserve Bank of India has reversed restrictions that force gold importers to set aside a fifth of all their shipments for re-export, which may cause the current account deficit to widen further over the coming months.

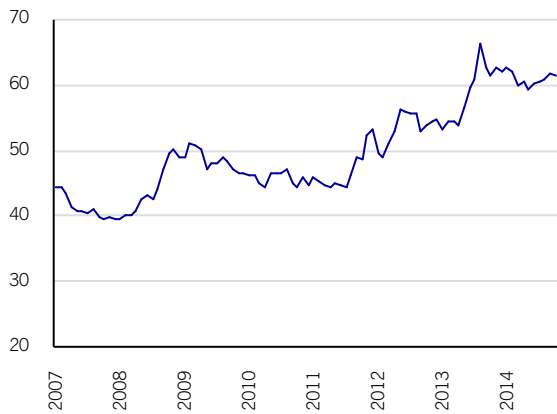
Oil imports fell by 19.1% to \$12.4 billion in October from \$14.5 billion in September due to the fall in global oil prices. The sharp correction in commodity prices is positive for India, which imports three-quarters of its oil requirements.

Foreign exchange reserves decline

India's foreign exchange reserves fell by \$672.4 million to \$314.87 billion in the week to November 21. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of foreign exchange reserves, declined by \$664.3 million to \$289.39 billion. The value of India's gold reserves remained unchanged at \$19.73 billion in the week ending November 21.

There has been some pressure on the Indian rupee due to dollar strength following the US formally ending QE. However, the RBI has been building a sufficient

Rupee Exchange Rate



— Indian Rupee versus US Dollar

Source: Reuters

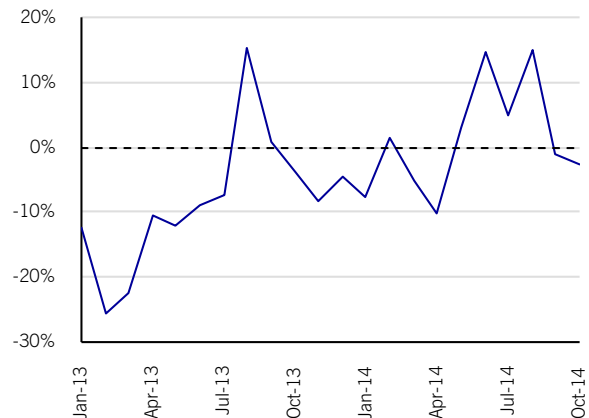
level of reserves to help curb volatility in the foreign exchange market and the RBI governor is confident that the country is less vulnerable to another run on the currency. Since the beginning of this year, the rupee has gained 0.04%, while foreign institutional investors have bought \$15.88 billion during the period from local equity markets.

Car sales fall in October

Car sales in India contracted for the second consecutive month in October, declining by 2.6% on the year following a fall of 1% in September. While the automobile industry was expecting a surge in sales during the festive season, they failed to pick up in spite of new launches, discounts and a fall in fuel prices. In the April-October period, car sales grew by 3% to 1.05 million units compared with 1.02 million units in the same period a year ago.

The Society of Indian Automobile Manufacturers (SIAM) forecast in August that car sales would rise by 5-10% in the 2014-15 fiscal year, although recently cautioned that growth was likely to be lower than their forecast unless the economy begins to grow faster than it currently is.

Car Sales



— Domestic Car Sales Growth Y/Y %

Source: Society of Indian Automobile Manufacturers

Sales of commercial vehicles fell by 3% on the year in October after rising in September for the first time since April 2013. In two-wheelers, sales of scooters were up by 10.9% on the year to 383,885 units in October, although this was markedly below growth of 38% in September, while sales for motorcycles were down by 8.7% to 1,008,761 following nine consecutive months of growth.



Indicators

Consumer sentiment eased for the third consecutive month in November as respondents sharply revised down their short-term outlook for business conditions.

MNI India Consumer Indicator

Lowest Since October 2013



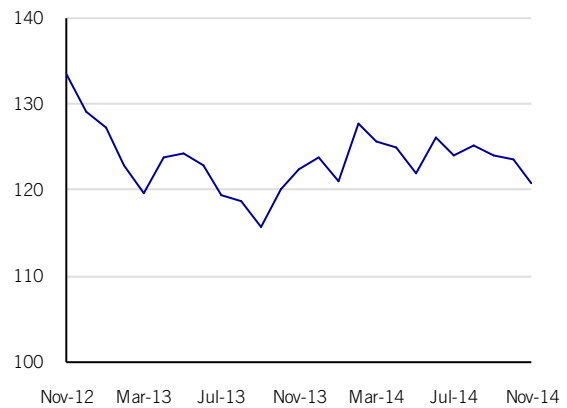
Consumer sentiment eased for the third consecutive month in November as respondents sharply revised down their short-term outlook for business conditions.

The MNI India Consumer Indicator fell by 2.8 points to 120.9 in November from 123.7 in October, the lowest in 13 months. Consumer sentiment, which had picked up in the run up to the general election earlier in the year, has failed to maintain the momentum. The recent weakness in the survey shows that the Modi government’s policies have yet to have any concrete impact on Indian households’ overall confidence.

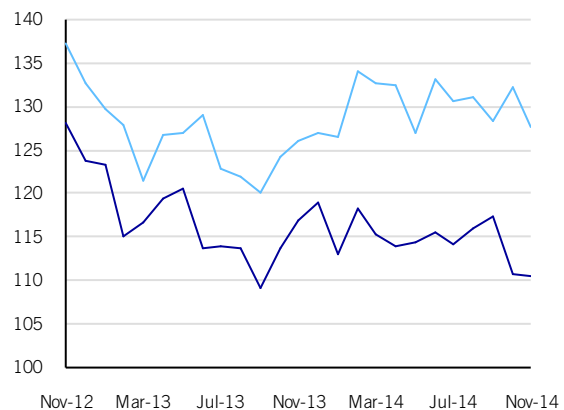
Asked specifically about the impact of the Modi government’s policies on consumers’ standard of living, about 38% of respondents thought that their living standard had been unaffected as the government had not yet implemented any major policies. Nevertheless, almost 30% of respondents thought that they had benefited from the new government’s policies. Of these respondents, a significant proportion praised Modi’s vision for India and were supportive of welfare schemes like Jan Dhan Yojna, considering them to be supportive to the common man. Additionally, a significant portion of respondents were pleased that food and fuel inflation was falling. Only 2.2% of our panel reported that they were worse off while 30.2% of respondents were uncertain about the impact of the government’s policies on their standard of living.

While the headline MNI India Consumer Indicator broadly supports the view that growth can be

MNI India Consumer Indicator



Consumer Indicators

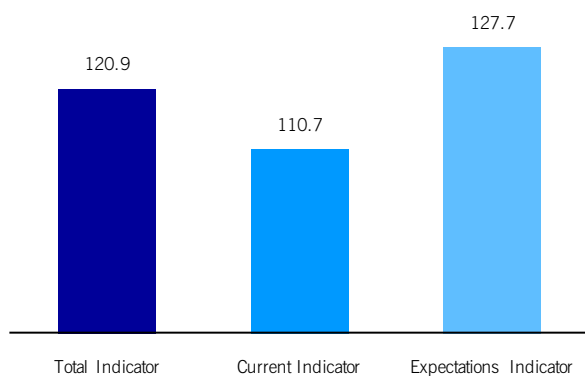


— Current
— Expectations

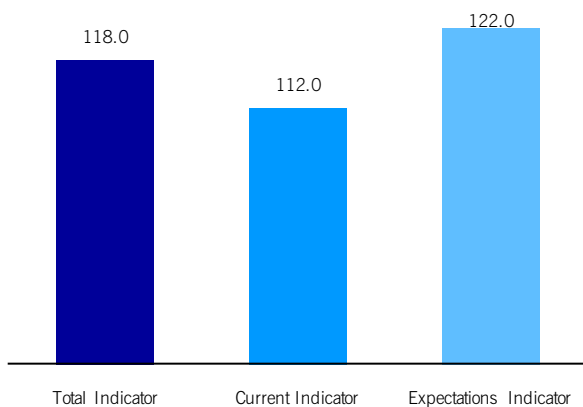
MNI India Consumer Indicator

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|
| MNI India Consumer Indicator | 122.5 | 126.2 | 124.1 | 125.2 | 124.1 | 123.7 | 120.9 |
| Current | 117.0 | 115.7 | 114.2 | 116.2 | 117.5 | 111.0 | 110.7 |
| Expectations | 126.2 | 133.2 | 130.8 | 131.2 | 128.4 | 132.3 | 127.7 |

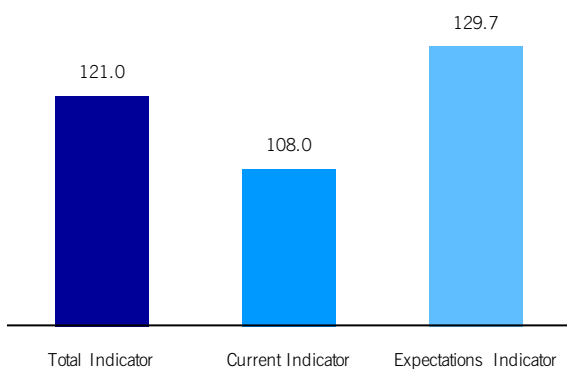
All India



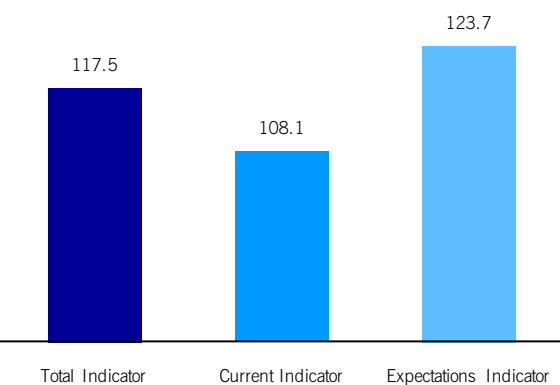
North India



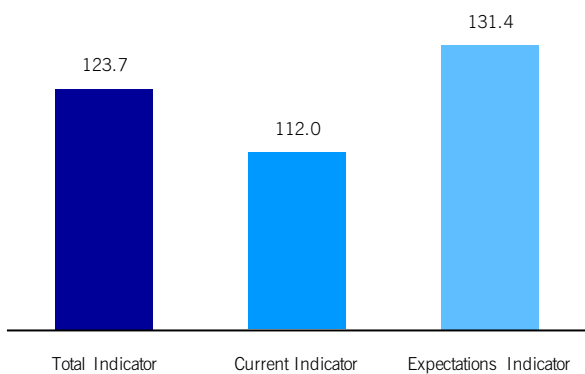
South India



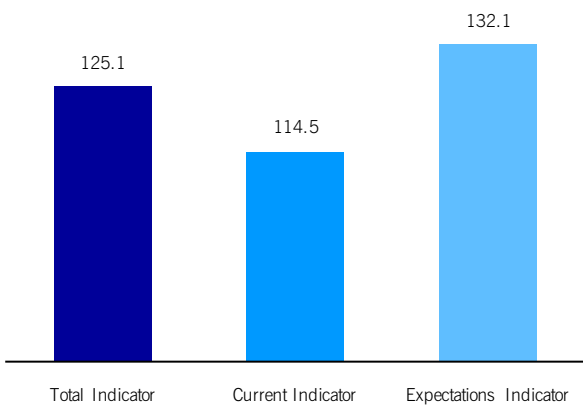
East India



West India



Central India





maintained, its relative stability suggests that it is going to be slower than expected. The Indian economy grew by 5.3% on the year in the three months to September, down from 5.7% in the previous quarter but slightly above the 5.2% recorded in the same period a year earlier.

The Current Indicator, which measures consumers' assessment of current conditions, declined to 110.7 in November from 111.0 in October, the lowest since September 2013. The forward looking Expectations Indicator, which is made up of three components, fell to the lowest since May to 127.7 from 132.3 in the previous month.

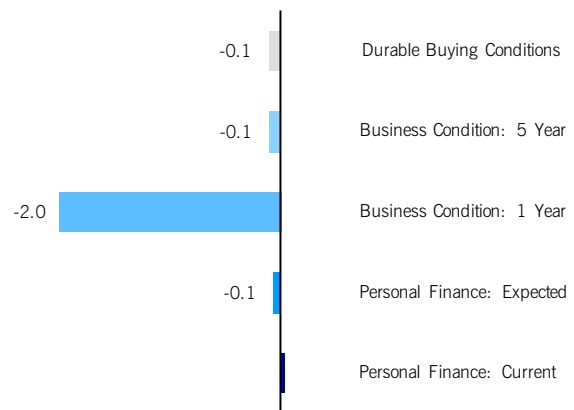
The decline in consumer sentiment was led by a sharp fall in expectations for Business Conditions in a Year's time, while consumers were less confident about spending on big ticket items following the conclusion of the festival season. This was in spite of consumers being more satisfied with the current level of prices, with a greater proportion expecting prices to fall in the next 12 months. However, a growing proportion of our panel felt it was not a wise time to purchase a house as optimism surrounding the outlook for their household finances fell to the lowest since July.

Regions

Consumer sentiment fell across all regions except West India where it remained broadly stable.

In Central India, the Consumer Indicator fell to the lowest since July to 125.1 in November from 126.9 in October, although consumer sentiment remained the highest of all the five regions surveyed. Respondents were only more optimistic about Future Personal Finances while the remaining four components of the headline indicator fell on the month.

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





In West India, the Consumer Indicator stood at 123.7 compared with 123.4 in the previous month. A growing proportion of respondents were less optimistic about Business Conditions in a Year's time, with the indicator falling to the lowest since December 2013. More consumers felt it was a better time to spend on big tickets items following a fall in the Durable Buying Conditions Indicator in the previous month.

Age

Consumer sentiment declined across all age groups in November.

The Consumer Indicator for the 18-34 year age range, the youngest group, fell by 1.5 points on the month to 123.0 in November from 124.5 in October. The decline in sentiment was led by the Business Conditions in a Year Indicator which declined to the lowest level in a year. Nevertheless, more consumers were confident about longer term business conditions.

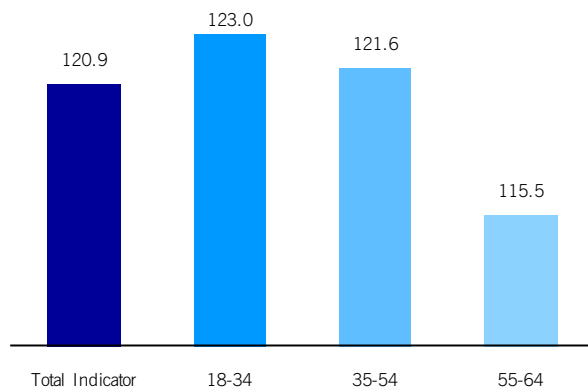
Consumer sentiment among 35-54 year olds fell by 1.4% to 121.6 from 123.3 in October, with the decline in sentiment led by the Business Conditions in a Year Indicator. While consumers were more confident about their Current Personal Finances, their future expectations remained stable.

For the oldest age range, 55-64 year olds, sentiment fell sharply to 115.5 in November from 123.5 in October, the lowest level since October 2013. All five components of the Consumer Indicator declined on the month with Expectations about Business Conditions in Year's time leading the fall. Consumers considered it to be a poor time to purchase big ticket items with the Durable Buying Conditions Indicator falling below the 100 threshold for the first time in seven months.

Income

Confidence rose slightly in both high and low income households in November.

Consumer Indicator: Age Groups



Compared with the previous year, confidence was down by 5.1% among lower income households, while for higher income households it was up by 6.2%.

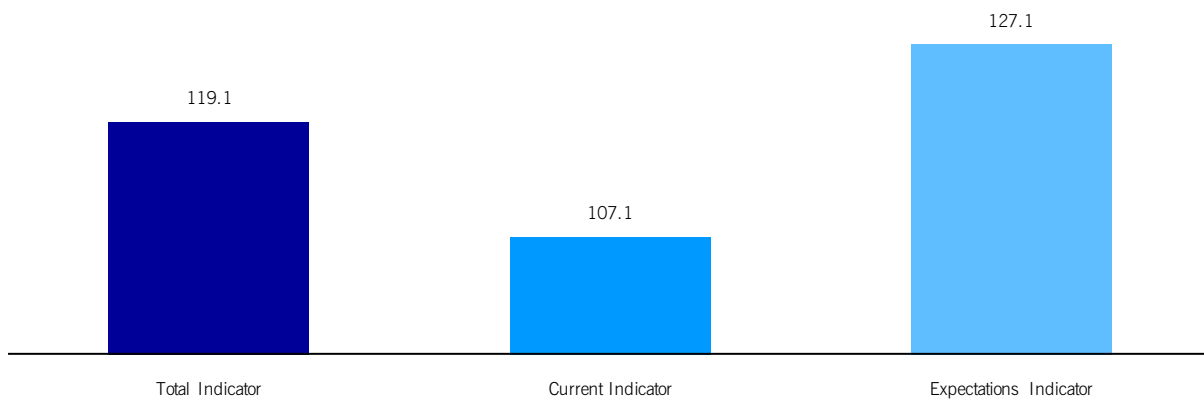
The Consumer Indicator for households with an average annual income under INR 432,000 rose to 119.1 in November from 117.9 in the previous month. Respondents were less optimistic about Business Conditions in a Year's time while their expectations about long-term business conditions rose to the highest since July.

For households with an average annual income over INR 432,000, the indicator rose slightly to 132.9 from 131.5 in October. Fewer consumers reported that their Personal Finances had improved, although they were more optimistic about their future household finances. They were more optimistic about Business Conditions in Five Years in contrast to expectations about Business Conditions in a Year's time which fell in November.

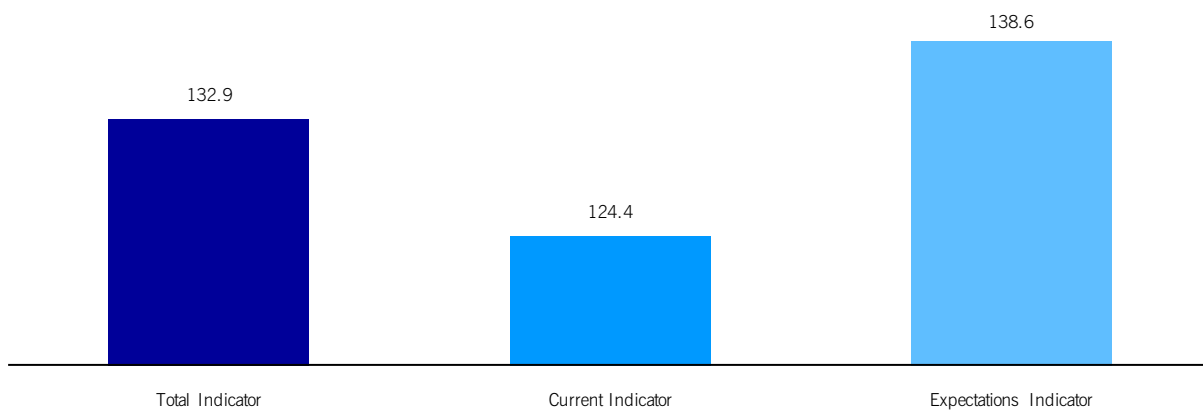
MNI India Consumer Indicator Income Groups



< INR 432,000 per annum



> INR 432,000 per annum



MNI India Consumer Indicator

Main Cities



The Consumer Indicator fell in seven out of the ten major Indian cities surveyed in November, with the largest drop in sentiment observed in Chennai where consumer confidence declined to the lowest level since February 2013.

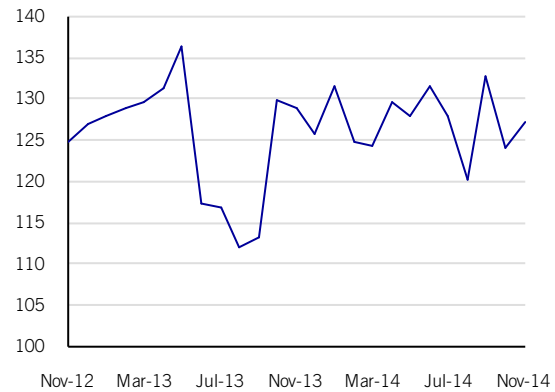
In the capital, Delhi, consumer sentiment fell sharply to 115.8 from 124.6 in October, led by double digit falls in expectations for both Business Conditions in a Year's time and Future Personal Finances. In spite of robust Current Personal Finances, consumers were less optimistic about purchasing big ticket items compared with a month earlier.

In Mumbai, India's most populous city, consumer sentiment increased to 127.4 from 124.2 in October. All five components that make up the Consumer Indicator rose apart from Business Conditions in One Year. The Durable Buying Conditions Indicator rose to a record high and a higher proportion of respondents were bullish about long term business conditions.

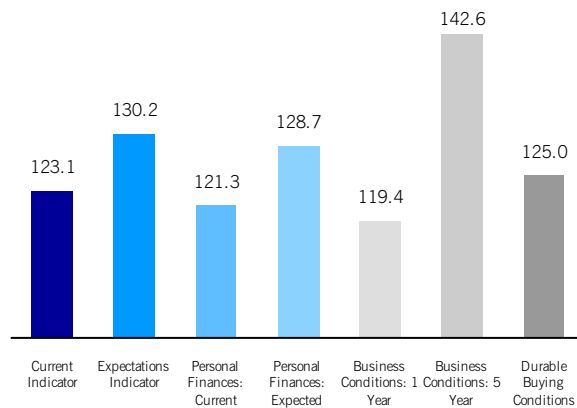
Consumer confidence in Bengaluru, the third largest city by population in India, fell to 124.9 in November from 131.3 in October, the lowest level since March. In line with lower confidence in both current and expected Personal Finances, respondents became pessimistic about purchasing big ticket items for the first time in 10 months. Respondents were, however, more bullish about future business.

The greatest decline in consumer sentiment among the ten major Indian cities was observed in Chennai, where the Consumer Indicator declined by 9.5 points to 107.4 in November from 116.9 in October. Both the Durable Buying Conditions Indicator and the Indicator for Business Conditions in One Year hit series' lows and fell below the 100 level. Respondents were also less optimistic about their future Personal Finances, with the indicator falling to a three month low.

Consumer Indicator - Mumbai

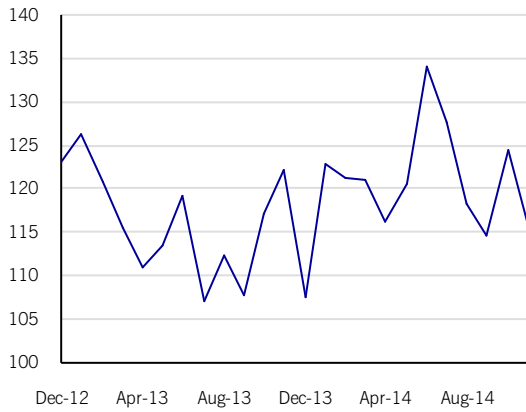


Consumer Indicator Components - Mumbai

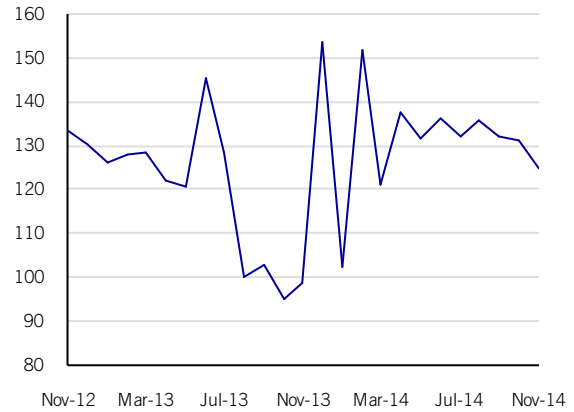




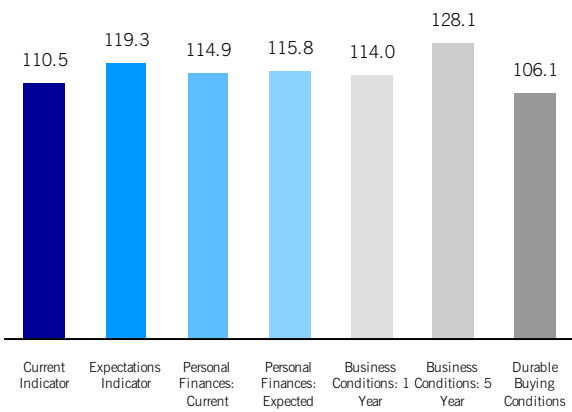
Consumer Indicator - Delhi



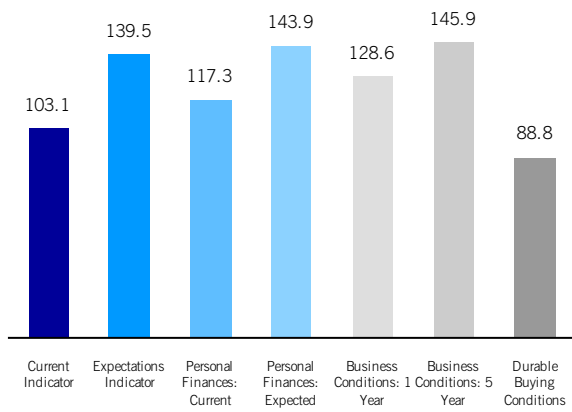
Consumer Indicator - Bengaluru



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bengaluru



Personal Finances Remain Broadly Stable



In spite of decelerating inflation, respondents felt no material impact on their personal finances.

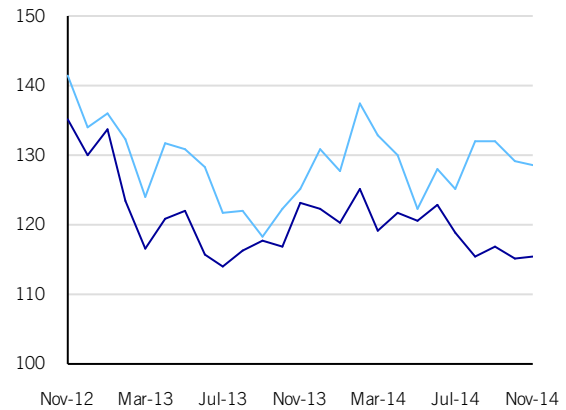
The Current Personal Finances Indicator, which measures whether a household is better or worse off than a year ago, remained broadly stable at 115.6 in November compared with 115.4 in the previous month.

Of those who reported that their financial conditions had worsened, 75% of respondents cited higher family expenses as the main reason. While out of those who thought that finances had improved, a growing proportion gave credit to profit on investments.

Having been severely impacted by the high rate of inflation over the past two years, the pressure on consumers' personal savings and their ability to purchase goods has eased slightly. In November, around 82% of consumers spent 70-100% of their monthly household income on daily expenses, the lowest proportion in four months, while 46.1% of respondents said they were saving between 1-29% of their monthly household income.

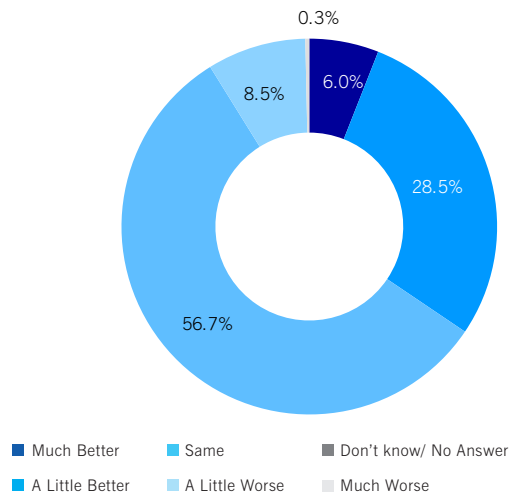
Furthermore, consumers' expectations for their future Personal Finances did not change considerably with the Expectations Indicator at 128.7 compared with 129.2 in October, although it was above the outturn of 125.3 recorded in the same month a year ago.

Personal Finances



— Current
— Expectations

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



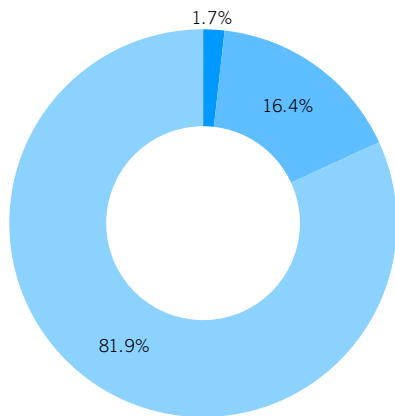
Personal Finances

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| Current | 123.3 | 122.9 | 119.1 | 115.4 | 117.1 | 115.4 | 115.6 |
| Expectations | 125.3 | 128.1 | 125.2 | 132.1 | 132.2 | 129.2 | 128.7 |

How Households Spend their Money

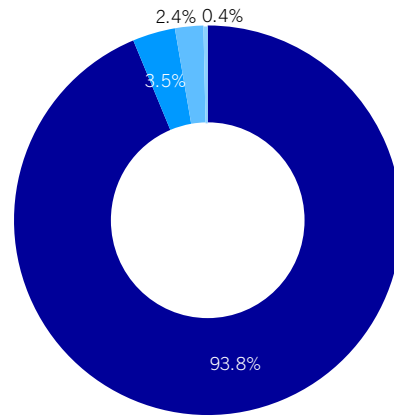


Monthly Household Income Used for Daily Expenses (% of Households)



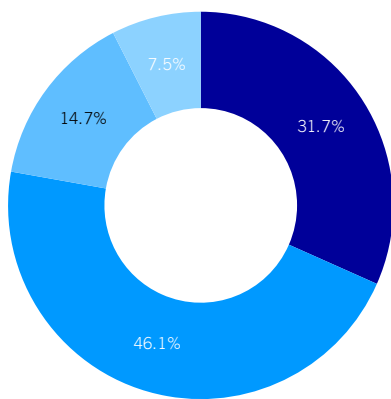
- 0% - 29% of Income
- 30% - 49% of Income
- 50% - 69% of Income
- 70% - 100% of Income

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



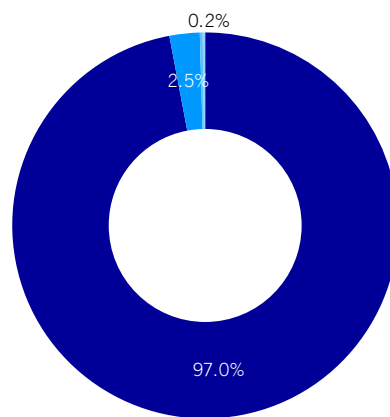
- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Monthly Household Income Used for Savings (% of Households)



- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Monthly Household Income Used for Investments (% of Households)



- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Current and expected business conditions declined...

...as consumers likely became disillusioned by the slow pace of reforms by the government.

Business Conditions

Short-Term Business Expectations Fall



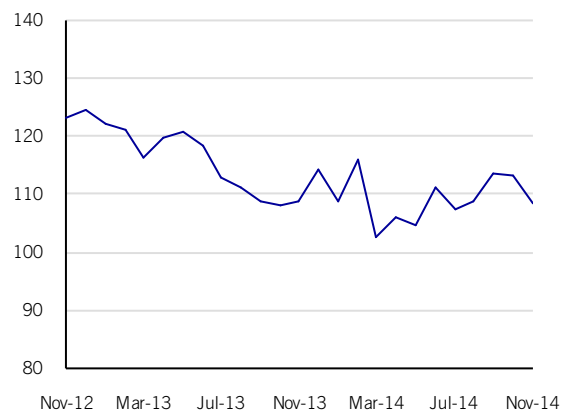
Current and expected business conditions declined as consumers likely became disillusioned by the slow pace of reforms by the government.

The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, fell to 108.6 from 113.5 in October, the lowest since July. There is, however, increasing speculation that Prime Minister Narendra Modi will introduce some bold reforms during Parliament's winter session, which started on November 24. This would help to underpin sentiment.

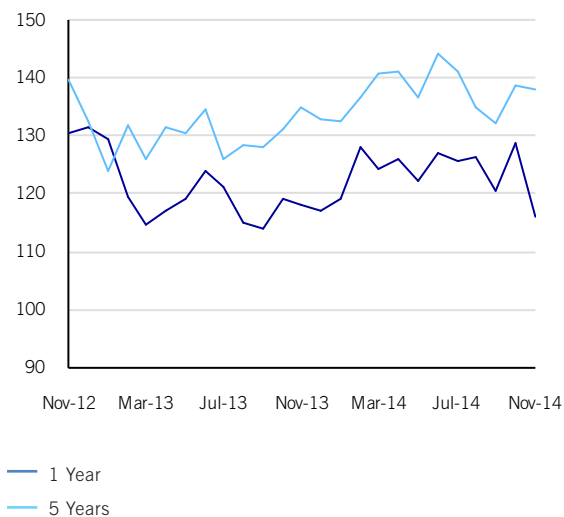
The Business Conditions in One Year component fell significantly to 116.3 in November from 128.8 in October, the lowest since September 2013. 52.4% of respondents thought Business Conditions in a Year's time would be better but, rather surprisingly, a growing proportion of respondents also expected business conditions to worsen. Of those who expected business conditions to improve, the majority cited the government and its policies as the main reason, while a growing proportion thought that the environment and resources would improve the business environment.

Long term business expectations have gradually trended upwards since the start of the survey, with the indicator for Business Conditions in Five Years standing at 138.1 compared with 138.8 in the previous month.

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years



Business Conditions

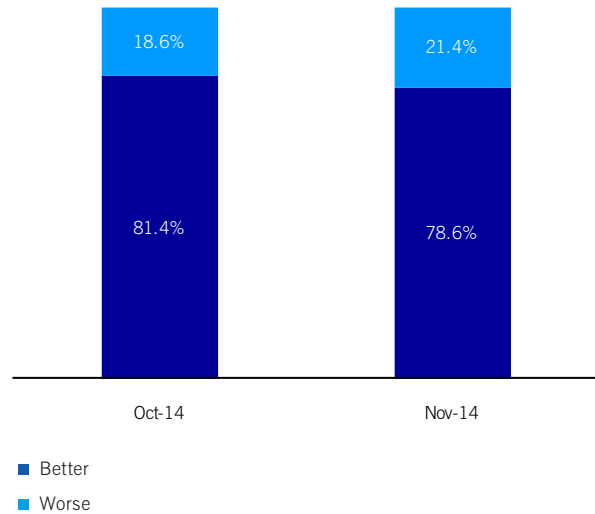
| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|------------|--------|--------|--------|--------|--------|--------|--------|
| Current | 109.1 | 111.4 | 107.7 | 109.0 | 113.9 | 113.5 | 108.6 |
| In 1 Year | 118.2 | 127.2 | 125.9 | 126.4 | 120.7 | 128.8 | 116.3 |
| In 5 Years | 135.2 | 144.5 | 141.3 | 135.1 | 132.5 | 138.8 | 138.1 |

Business Conditions in 1 Year Selected Reasons

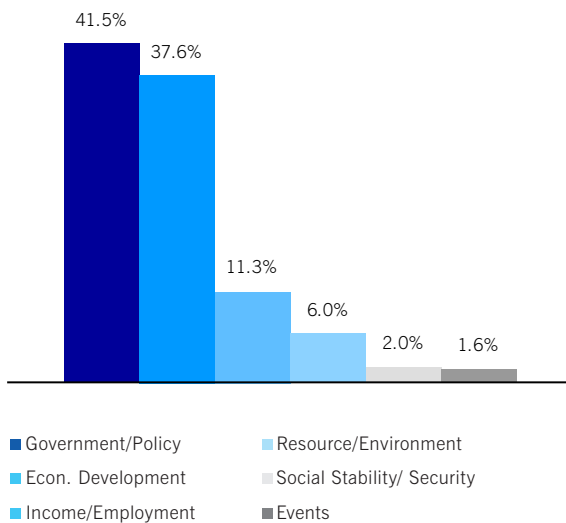


Among the major cities surveyed, Surat, an important commercial centre in the state of Gujarat, remained the most optimistic about Business Conditions in Five Years, while a growing proportion of residents from Mumbai thought that Business Conditions would improve in the long-term.

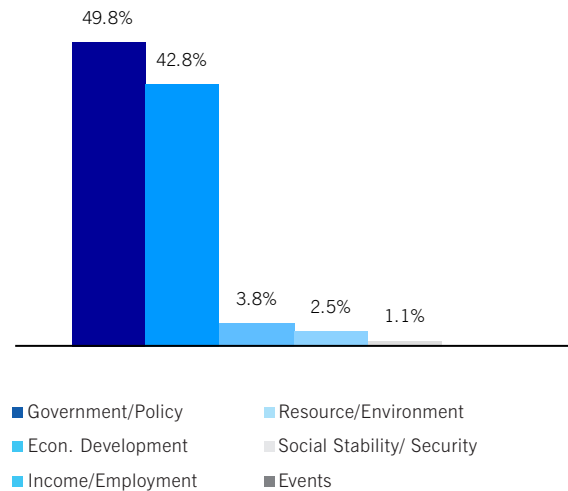
All India



All India, Reasons for Better



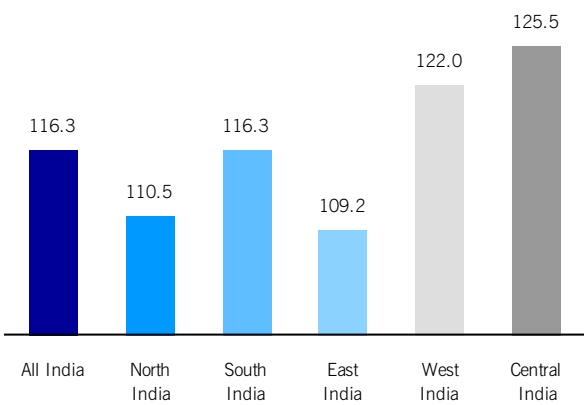
All India, Reasons for Worse



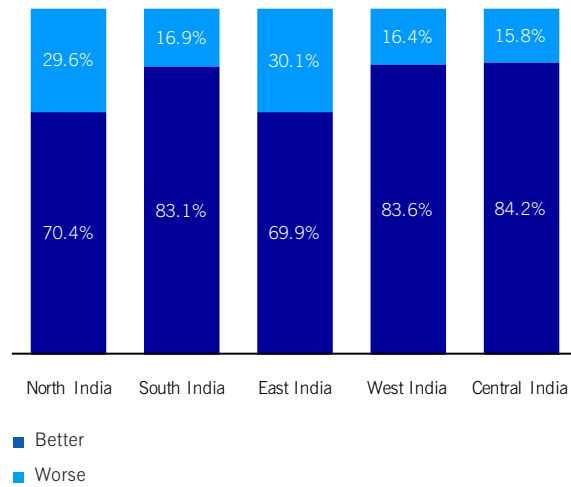
Business Conditions in 1 Year Regions



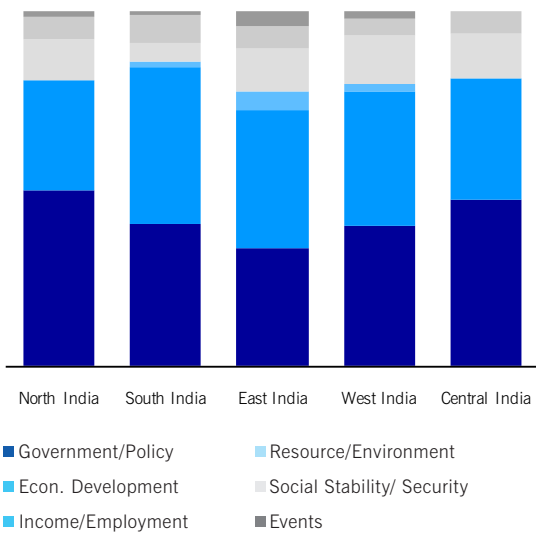
Business Expectations



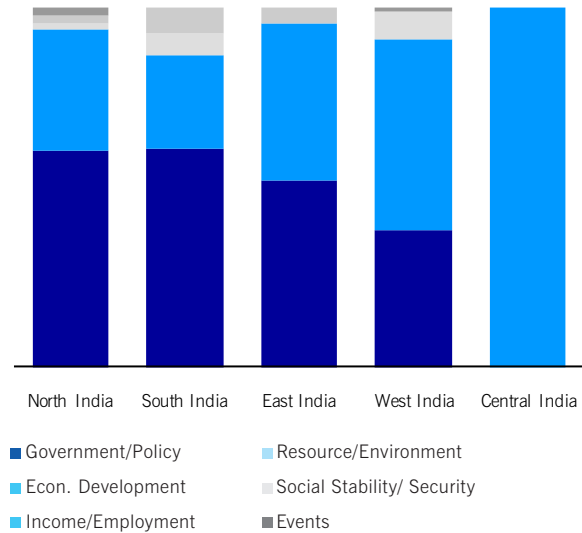
Business Expectations: Better or Worse? (% of Respondents)



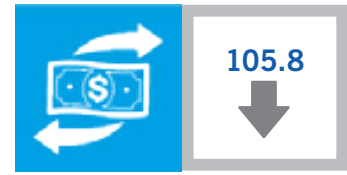
Reasons for Better (% of Respondents)



Reasons for Worse (% of Respondents)



Durable Buying Conditions Lowest Since September 2013

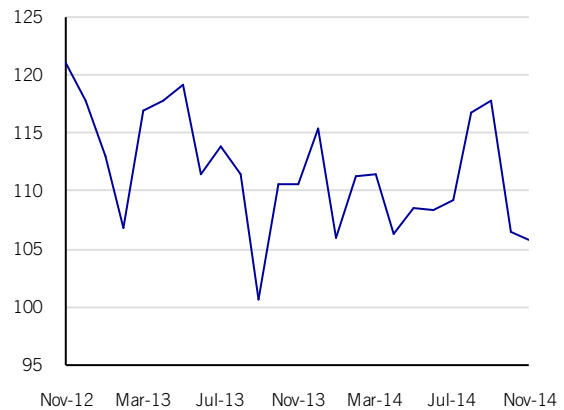


Fewer consumers expressed willingness to purchase large household goods in November, with the Durable Buying Conditions Indicator falling to the lowest level since September 2013.

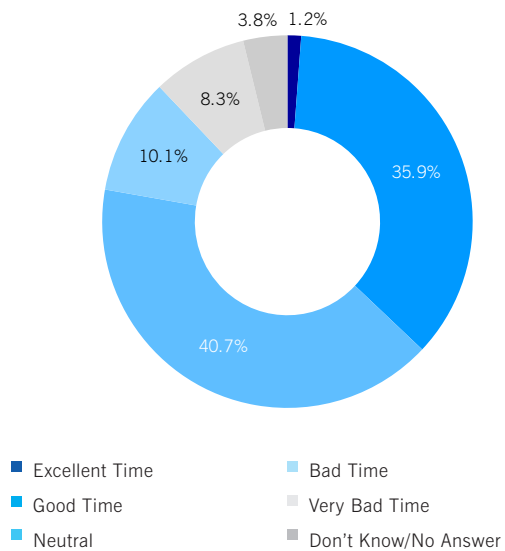
The Durable Buying Conditions Indicator declined slightly to 105.8 in November from 106.5 in October, 4.4% below the outturn recorded a year ago. For the time being, weaker expectations for household finances have put a cap on willingness to spend. This followed a festival season when consumers were less confident about spending on large household items in comparison to the previous year when the economic climate was much worse.

With the indicator below the 100 mark, consumers from Bengaluru, Chennai and Surat thought that it was a bad time to buy a large household item. In contrast, respondents from Mumbai were the most optimistic about buying a large household item, with the indicator rising by almost 7% on the month to a record high of 125.0 in November.

Durable Buying Conditions



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



Durable Buying Conditions

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| Durable Buying Conditions | 110.7 | 108.5 | 109.3 | 116.9 | 118.0 | 106.5 | 105.8 |

Employment Outlook Highest Since July



Optimism surrounding the job market improved in November after hitting a record low in October, although it remained significantly below the level recorded a year earlier.

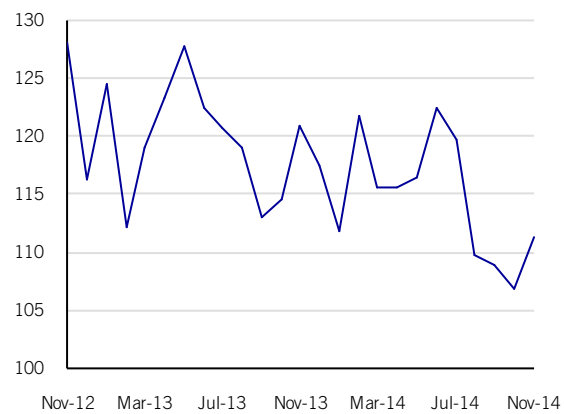
The Employment Outlook Indicator rose to 111.4 in November from 106.9 in October as a higher proportion of respondents thought that the employment market would improve over the next 12 months.

The sharp fall in the indicator since June cautions against the acute level of optimism and belief that recently elected Prime Minister Narendra Modi will be able to boost economic growth and create jobs quickly. It is likely that the damage to India's growth over the past few years will continue to hurt employment prospects as measures by the government take time to materialise.

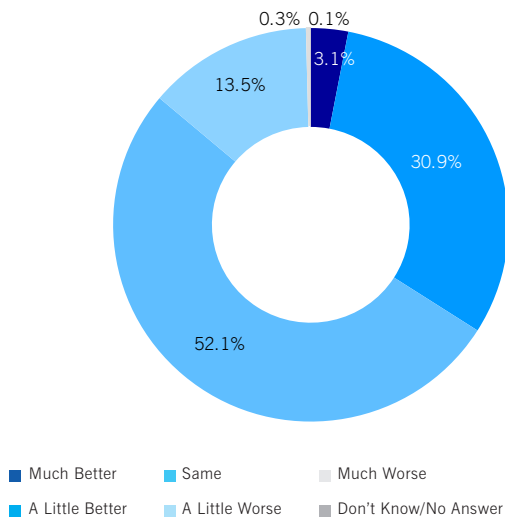
The trend of a weakening in the labour market was also seen in our sister business survey that was released earlier this month which showed that the Employment Indicator, a measure of whether companies have an adequate number of employees, was exactly at the 50 breakeven level after having trended downwards since April.

The improvement in the employment outlook in the month was seen across all regions apart from South India. In the North, East and Central regions, the Employment Outlook Indicator rose above the 100 level which separates optimists from pessimists. In South India, even though the indicator was above the 100 level, a decreasing proportion of respondents were optimistic about the employment outlook.

Employment Outlook Indicator



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



Employment Outlook

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|
| Employment Outlook | 121.0 | 122.5 | 119.9 | 109.8 | 109.1 | 106.9 | 111.4 |

Consumers' expectations for inflation fell to the lowest in the series' history...

...while their dissatisfaction with the current level of prices also declined, suggesting that the central bank is winning its battle with inflation.

Prices Sentiment

Inflation Expectations At Record Low



Both consumers' dissatisfaction with the current level of prices and their inflation expectations declined in November, suggesting that the central bank is winning its battle with inflation.

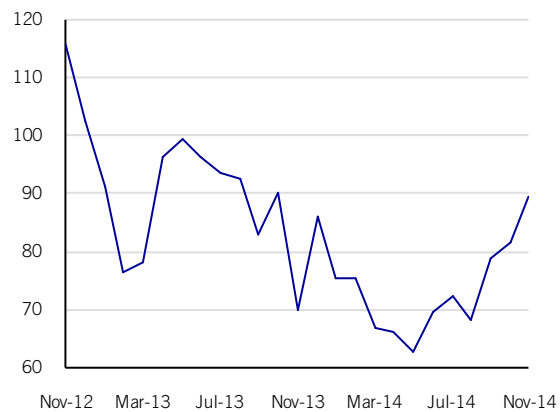
The Current Prices Satisfaction Indicator rose to 89.7 in November from 81.6 in October, the highest since October 2013. It was the third consecutive monthly increase and the indicator was above the average of 73.2 for the past 12 months.

A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction. The indicator had trended down since the start of the survey in November 2012 and has been above 100 in only the first two months of the survey. Since May, however, sentiment has picked up in line with the fall in inflationary pressures. Price satisfaction averaged 83.4 in the three months to November, the highest this year.

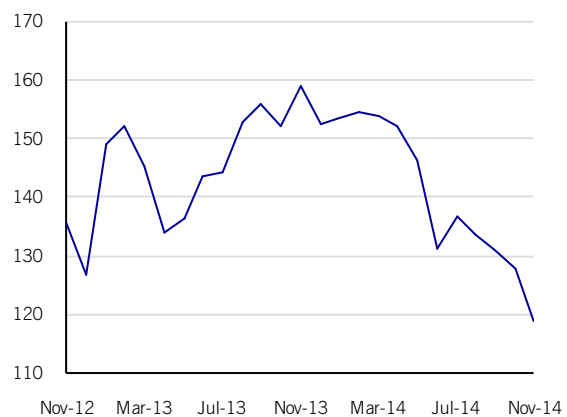
Official data showed that consumer price inflation fell to a record low of 5.5% in October compared with 6.5% in September, marking the fifth month it has been below the RBI's inflation target of 8% by January 2015 and the first time it has been below the January 2016 target of 6%. Food price inflation, which makes up almost half of the basket, eased to 5.6% from 7.7% in the previous month. Favourable base effects and falling global oil prices should help to ease pressure on prices until the end of the year.

Expectations for inflation in 12 months' time fell to 119.0 in November from 127.9 in October, the lowest in the series' history. The Inflation Expectations

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



Prices Sentiment

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Satisfaction with Current Prices | 70.2 | 69.8 | 72.5 | 68.3 | 78.8 | 81.6 | 89.7 |
| Inflation Expectations | 159.2 | 131.5 | 137.0 | 133.7 | 131.1 | 127.9 | 119.0 |

Prices Sentiment Regions



Indicator closely matches the trend in consumer price inflation and suggests that inflation, which has shown signs of easing, will continue to decline gradually over the coming months.

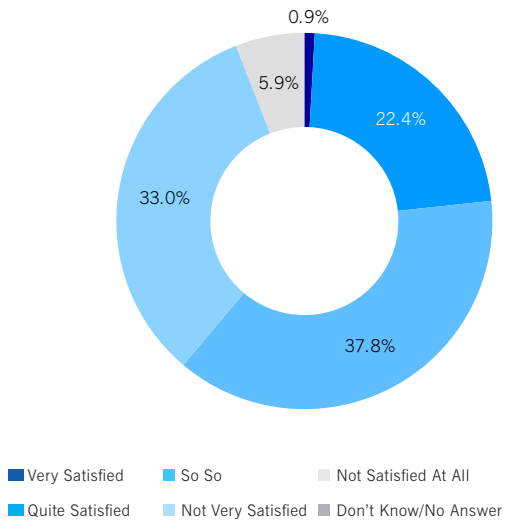
Even though a smaller proportion of respondents expected prices to rise, a growing proportion thought that they would go up by 10%, in contrast to the less than 5% price rise expected a month ago.

Regions

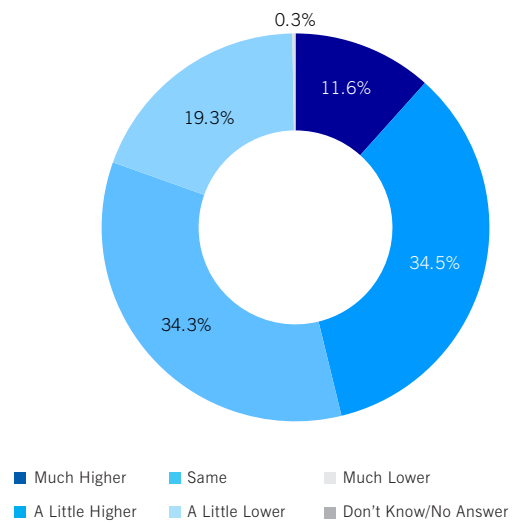
Satisfaction with Current Prices improved across all regions of India except South and Central India. The largest increase in the indicator was observed in North India, where the sentiment value jumped to the highest since August 2013. In contrast, only 29% of respondents were satisfied with the current level of prices in South India, the lowest in three months.

Expectations for future prices fell in all regions. The indicator for West and North India fell to record lows while a large proportion in Central India expected prices to remain the same rather than increase as recorded in the previous month.

Satisfaction with Current Prices (% of Households)

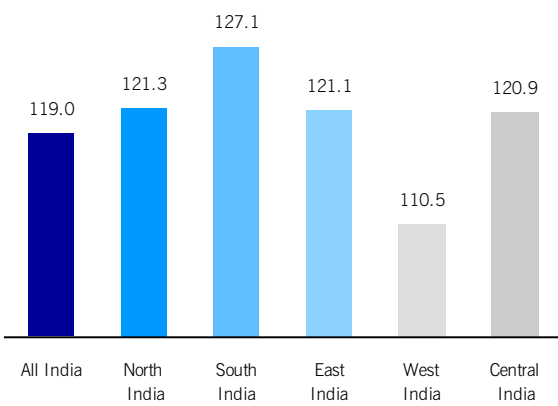


Inflation Expectations in 12 Months (% of Households)

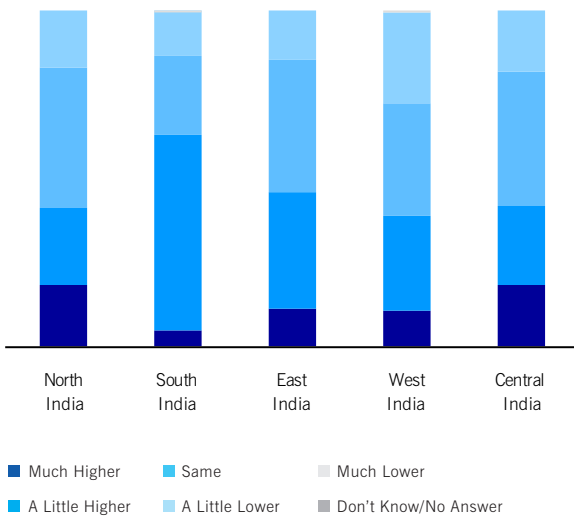




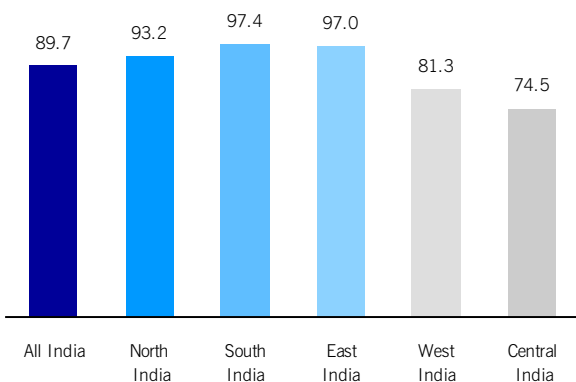
Inflation Expectations Indicator



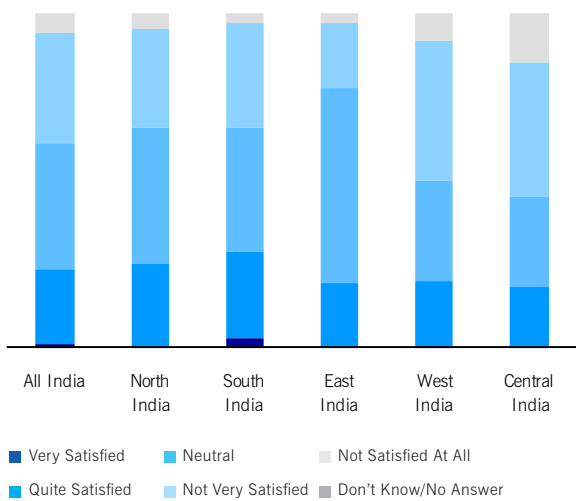
Inflation Expectations in 12 Months (% of Households)



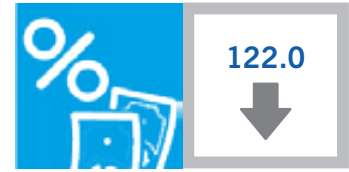
Satisfaction with Current Prices Indicator



Satisfaction with Current Prices (% of Households)



Interest Rate Expectations First Fall in Three Months



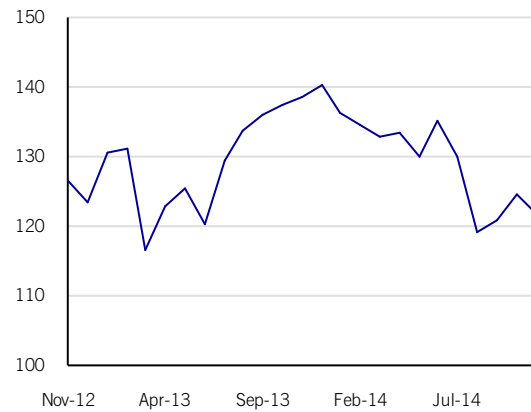
The Interest Rates Expectations Indicator fell for the first time in three months to 122.0 in November from 124.6 in October, substantially below the outturn of 138.8 recorded a year ago.

At its monetary policy meeting on December 2, the RBI left the key interest rate unchanged at 8% although suggested that policy could be eased early next year if the current disinflation momentum continues and encouraging fiscal developments materialise.

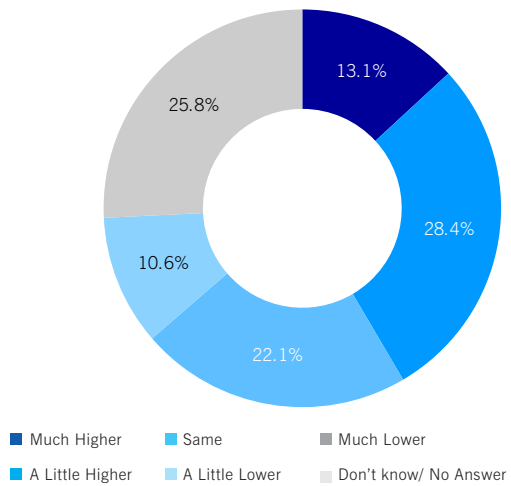
The indicator for November was below the average of 130.0 for the past 12 months and the series average of 129.4.

Since September 2013, when Raghuram Rajan took over as the Governor of the RBI, interest rates have been hiked three times in order to stabilise the sharp fall of the rupee and control inflation.

Interest Rate Expectations Indicator



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



Interest Rate Expectations

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|
| Interest Rate Expectations | 138.8 | 135.3 | 130.2 | 119.4 | 121.0 | 124.6 | 122.0 |

The Interest Rates Expectations Indicator fell for the first time in three months...

...and was substantially below the outturn recorded
a year ago.

Stock Investment Indicator

High Return on Investment



Following a sharp fall in October, the Stock Investment Indicator recovered partially as respondents' profits on investments rose following a sustained rally on the Sensex.

The Stock Investment Indicator rose to 114.8 in November from 108.9 in October and was considerably above the series' average of 107.3.

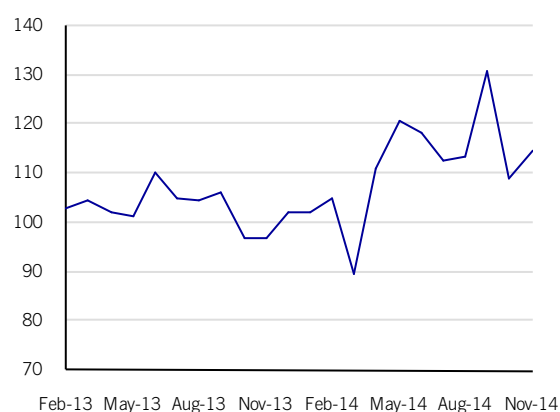
The Stock Investment Indicator gauges whether it is a good or bad time to invest in the stock market and is made up of three components.

Stock Price Sentiment, which measures whether equity prices are high or low, rose to the highest in the series' history to 131.8 from 111.8 in October. With Indian stock markets rallying, around 64% of respondents thought that stock prices were expensive.

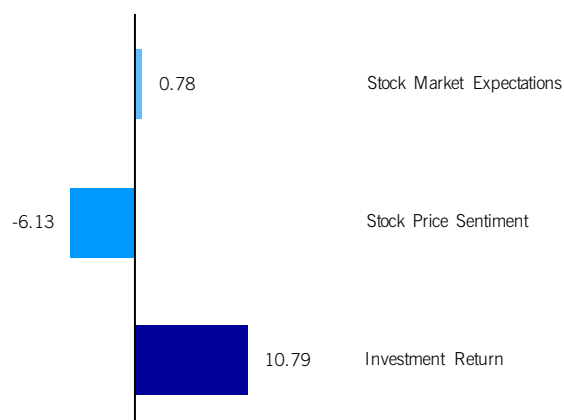
The Stock Market Expectations component, which shows whether consumers think stock prices will rise or fall in the next three months, rose to 131.8 from 129.2 in October. 73% of respondents were bullish about the stock market over the next three months, substantially higher than the proportion of 46% last month.

The Stock Investment Return component, a measure of the amount of profit or loss in investments in the last year, rose sharply to 144.3 after falling to 109.1 in the previous month, due to the rally in stock markets.

Stock Investment Indicator



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



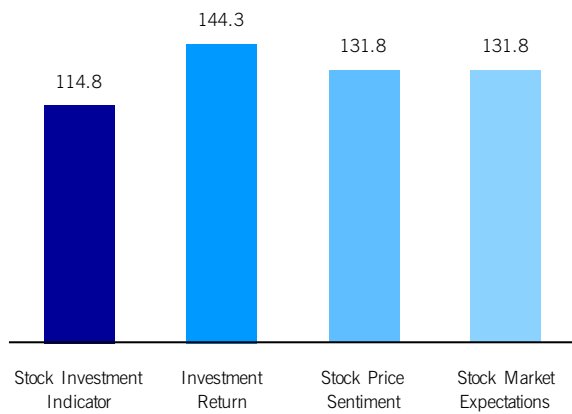
Investment Sentiment

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Investment Sentiment Indicator | 96.8 | 118.4 | 112.9 | 113.5 | 130.8 | 108.9 | 114.8 |
| Investment Return | 93.5 | 132.8 | 131.1 | 126.5 | 162.4 | 109.1 | 144.3 |
| Stock Price Sentiment | 115.8 | 117.8 | 125.6 | 106.0 | 122.2 | 111.8 | 131.8 |
| Stock Market Expectations | 112.6 | 140.1 | 133.2 | 120.1 | 152.2 | 129.2 | 131.8 |

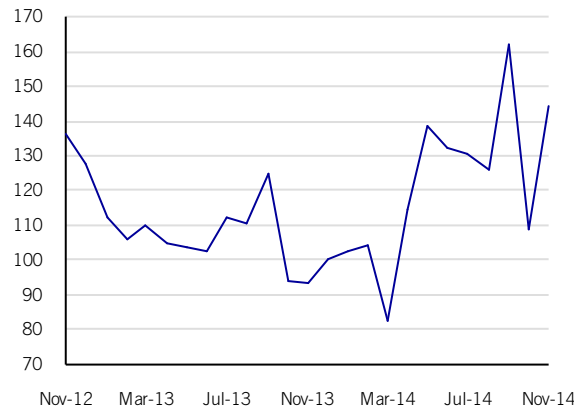
Stock Investment Indicator Components



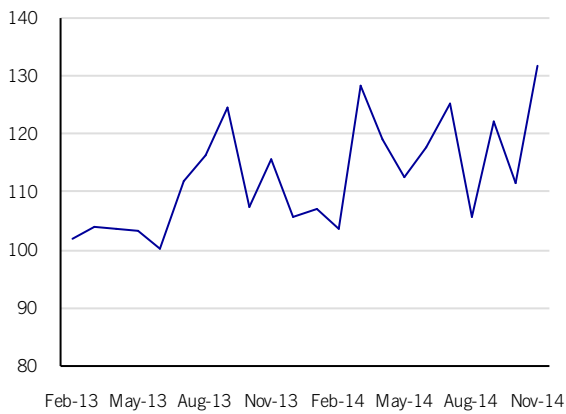
Stock Investment Indicator - Components



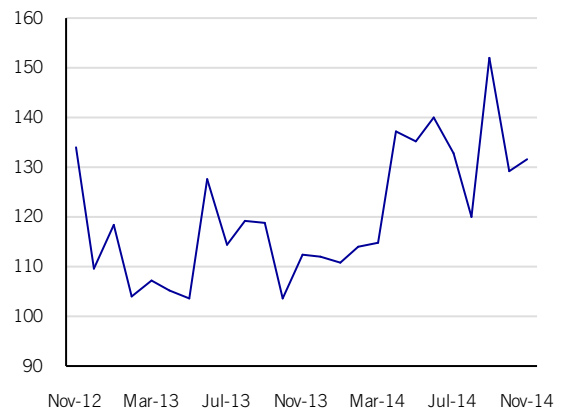
Investment Return



Stock Price Sentiment



Stock Market Expectations



68.1% of respondents expected prices to rise in the next six months...

...while a growing proportion expected them to remain the same.

Real Estate Investment Indicator Lowest Since July



The Real Estate Investment Indicator has roughly followed the pattern of the Consumer Indicator, falling to the lowest since July this month.

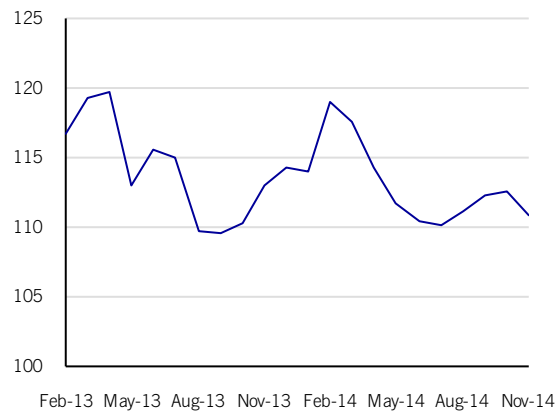
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment), fell to 111.0 in November from 112.6 in October, 2.5% below the series' average.

The House Price Expectations component fell to 144.0 in November from 149.6 in October, the lowest in five months. In November, 68.1% of respondents expected prices to rise in the next six months while a growing proportion expected them to remain the same.

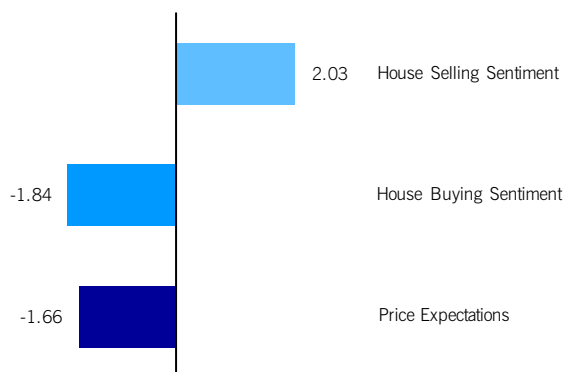
Consumers' sentiment about purchasing a house has fallen significantly since the start of the survey, mainly due to high interest rates which have increased mortgage costs. House Buying Sentiment, a measure of whether it is a good or bad time to buy a home in the next six months, fell to a record low of 92.1 in November from 98.4 in the previous month.

In contrast, House Selling Sentiment, a measure of whether it is a good or bad time to sell a house in the next six months, fell to 103.2 in November from 110.0 in October, the lowest since March.

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Real Estate Investment Sentiment | 113.2 | 110.6 | 110.3 | 111.3 | 112.5 | 112.6 | 111.0 |
| Price Expectations | 147.9 | 142.6 | 144.9 | 148.7 | 146.4 | 149.6 | 144.0 |
| House Buying | 92.8 | 99.1 | 99.7 | 97.4 | 96.2 | 98.4 | 92.1 |
| House Selling | 101.2 | 110.0 | 113.7 | 112.2 | 105.2 | 110.0 | 103.2 |

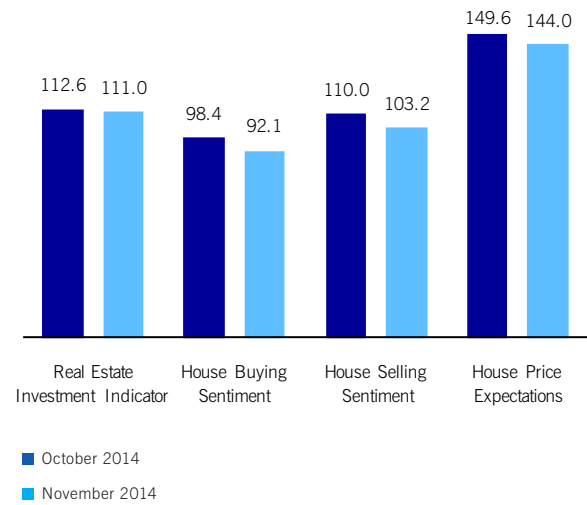
Real Estate Investment Indicator Components and Balances



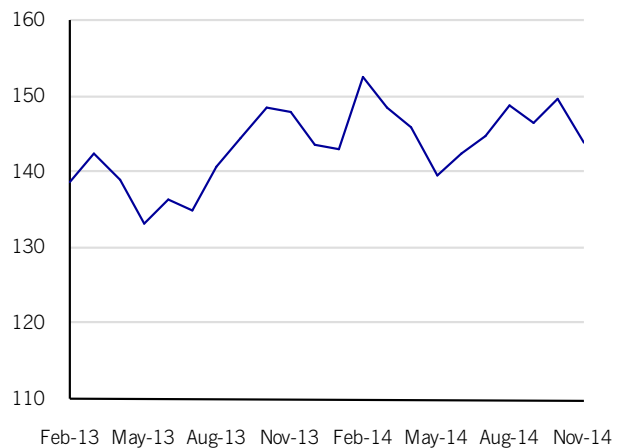
Regions

The Real Estate Investment Indicator fell in all regions apart from South India, where House Selling Sentiment fell significantly and the House Buying Sentiment rose closer to the 100 mark, suggesting that house buying optimists outnumber pessimists. The indicator fell to a record low in Central India as respondents were less optimistic about purchasing a house in spite of higher house price expectations.

Real Estate Investment Indicator - Components

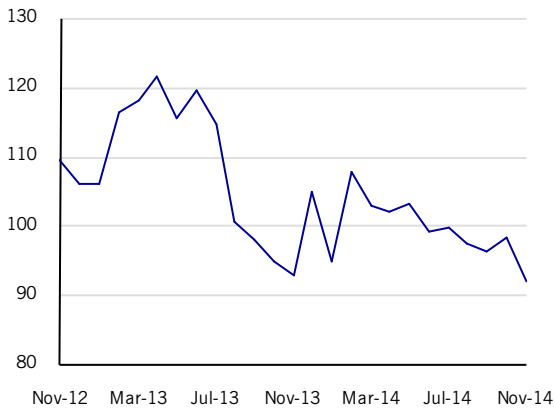


Real Estate Prices: Expected Changes in Next 6 Months

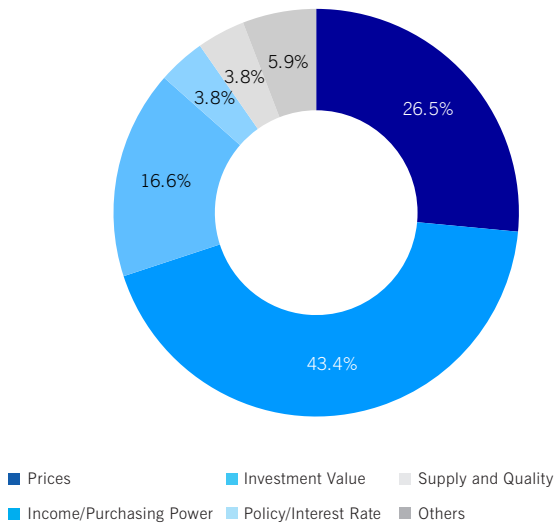




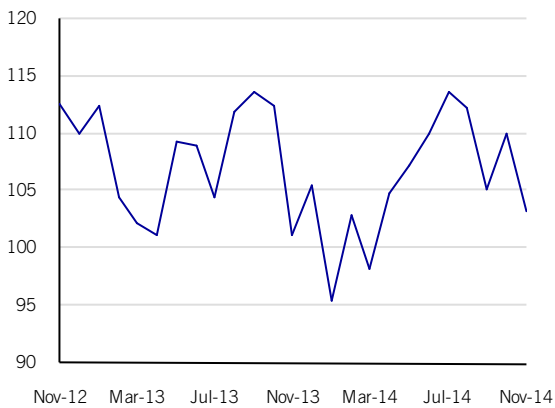
House Buying Sentiment



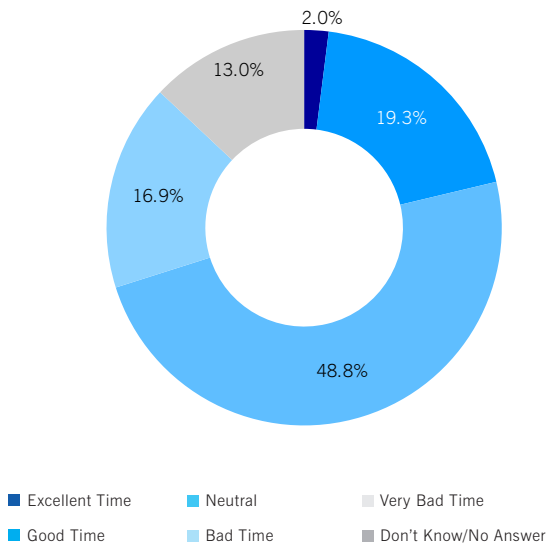
Reasons for Buying Houses (% of Households)



House Selling Sentiment

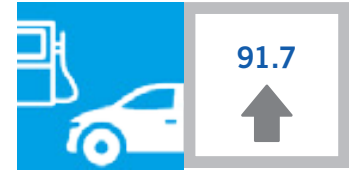


Timing for Selling Houses (% of Households)



Car Purchase Indicator

Gasoline Price Expectations at a Record Low



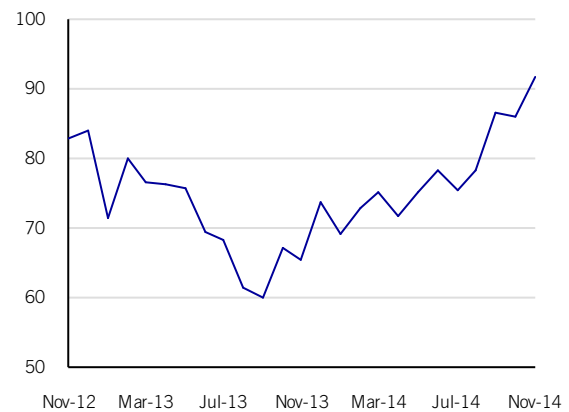
The Car Purchase Indicator rose to a series' high of 91.7 in November from 86.1 in October spurred by lower gas price expectations.

The Car Purchase Indicator is made up of two components, Car Purchase Expectations and Price of Gasoline Expectations, with the latter having a negative impact on the indicator. The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, fell to a record low of 89.8 from 100.8 in October.

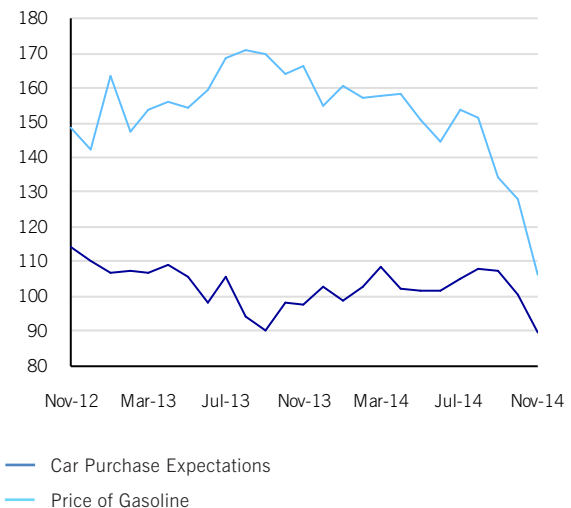
Since February, when tax cuts on vehicles were first announced, our survey has shown that car buying optimists have outnumbered pessimists. This trend, though, reversed in November with the indicator falling to below the 100 mark. Among consumers who felt it was a bad time to purchase a car, the majority cited prices as the main reason while a growing proportion attributed their disinclination to buy a car to high interest rates.

Official car sales in India contracted for the second consecutive month in October, declining by 2.6% on the year following a fall of 1% in September. In the April-October period, car sales grew by 3% to 1.05 million units compared with 1.02 million units in the same period a year ago. Since car sales are still weak, there is a chance that the government will extend tax benefits which are due to expire on December 31.

Car Purchase Indicator



Car Purchase Indicator - Components



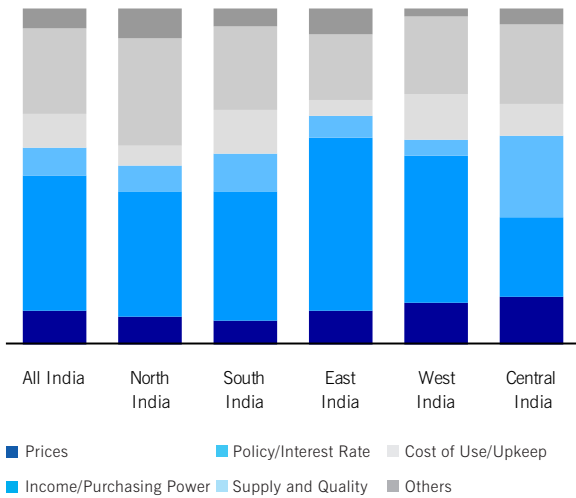
Car Purchase Sentiment

| | Nov-13 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| Car Purchase Sentiment | 65.7 | 78.6 | 75.6 | 78.5 | 86.6 | 86.1 | 91.7 |
| Car Purchase Expectations | 97.7 | 101.7 | 105.4 | 108.5 | 107.6 | 100.8 | 89.8 |
| Price of Gasoline | 166.3 | 144.6 | 154.2 | 151.4 | 134.4 | 128.5 | 106.3 |

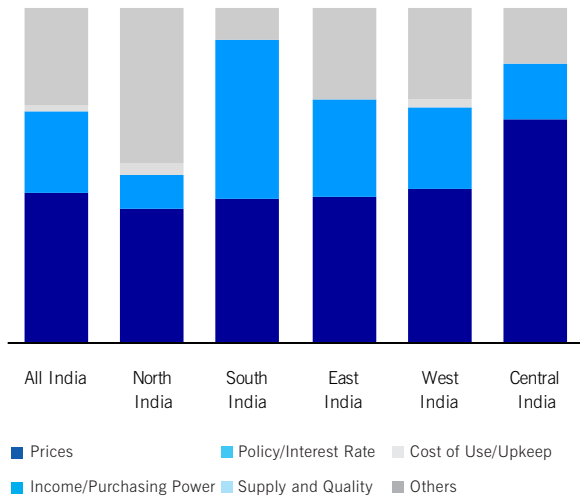
Car Purchase Indicator Regions



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



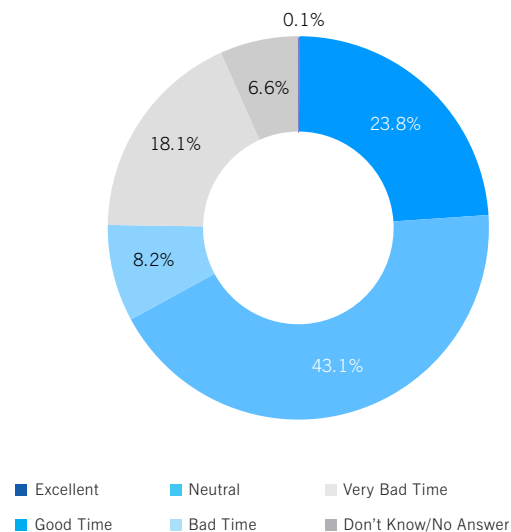
Reasons for a Bad Time to Buy a Car (% of Households)



With the global fall in oil prices and a subsequent deregulation of fuel prices, Expectations for the Price of Gasoline fell to a new record low of 106.3 in November from 128.5 in October. Consumers' expectations of gasoline prices have trended downwards since August 2013 but they fell by the most in the history of the survey this month.

Only around 33% of consumers thought that the price of gasoline would rise, the lowest proportion since the series began while those who thought prices would go down has increased exponentially in the last three months.

Is it a Good Time to Buy a Car? (% of Households)



Special Question

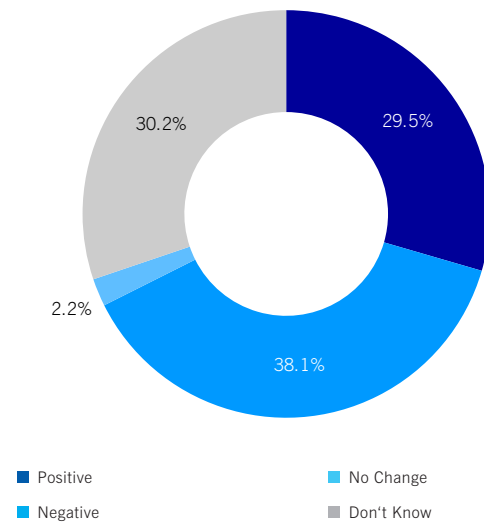
What effect has the new government had on your standard of living?



For the November survey, we asked consumers what impact the policies of the Modi government have had on their standard of living. Narendra Modi, leader of the pro-business BJP party, was sworn in as India's Prime Minister towards the end of May and since then the MNI Business Sentiment Indicator has risen sharply, although the MNI Consumer Sentiment Indicator has been relatively stable.

Around 30% of respondents thought that they had benefited from the new government's policies. Many respondents praised Modi's vision for India and were supportive of welfare schemes like Jan Dhan Yojna, considering them to be supportive to the common man. Additionally, a significant portion of respondents were pleased that food and fuel inflation was falling. The majority of respondents, however, reported that their living standards had been unaffected, as the government has yet to implement any major policies, while noting that any change will take time before it has any effect. Only 2.2% of our panel reported that they were worse off while 30.2% of respondents were uncertain about the impact of the government's policies on their standard of living.

What has been the impact of the new government's policies on your standard of living?



"Modi's vision is good."

"New policy regarding removal of garbage is good."

"Good decisions are made by the Modi government regarding bank savings, education etc."

"Corruption is under control."

"There is no change in our lifestyle."

"The rate of petrol and gas cylinder is going down slowly."

"The new government has good plans for industrial development."

"Government policies are good, we feel secure now."

"The cost for daily expenses is going down gradually."

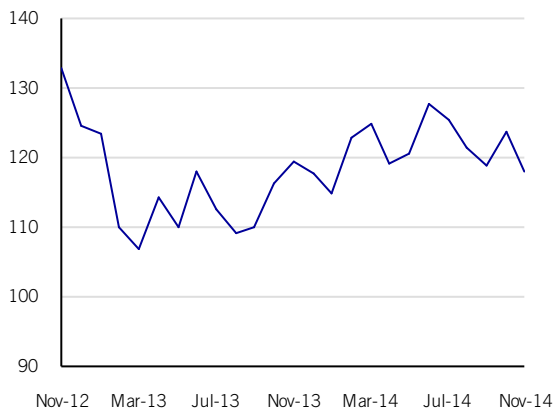
"The government requires time to implement policies."

"There is a positive impact of policies of Modi Government on business and income."

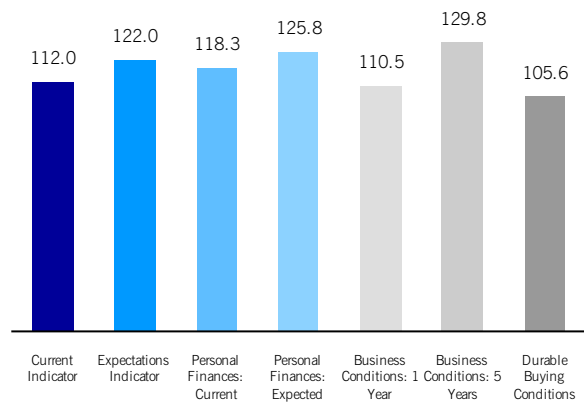
MNI India Consumer Indicator Regions



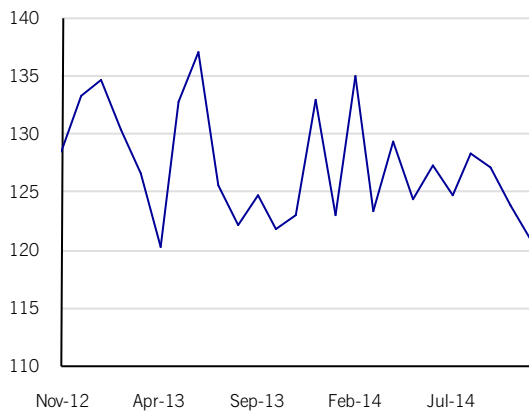
Consumer Indicator: North India



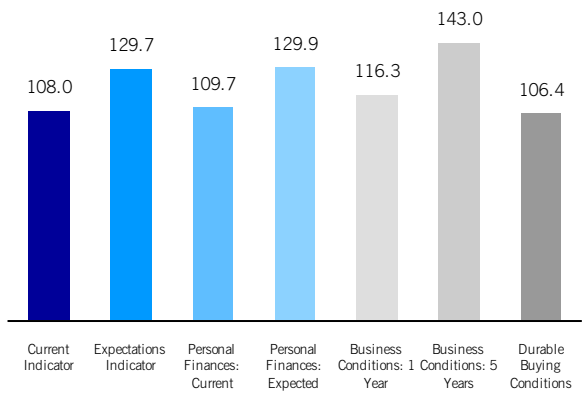
Consumer Indicator Components: North India



Consumer Indicator: South India

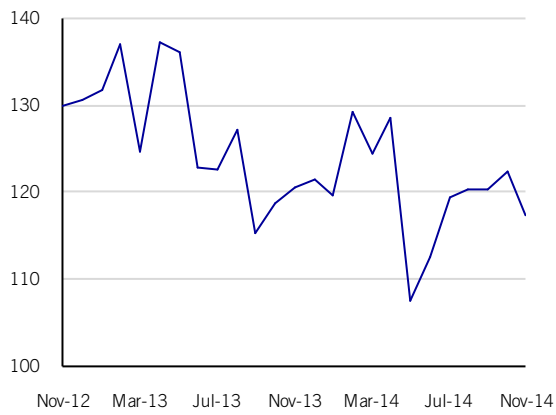


Consumer Indicator Components: South India

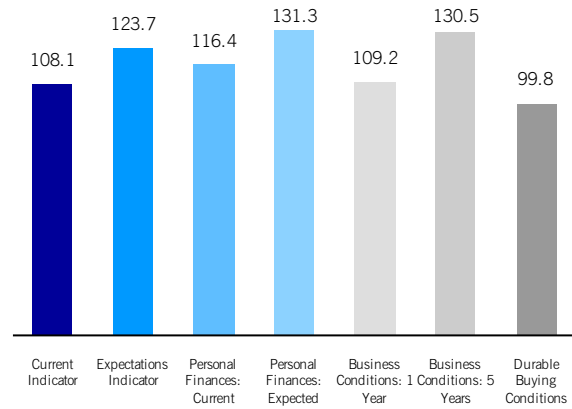




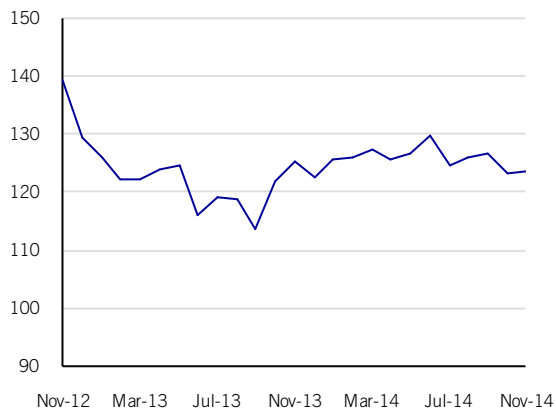
Consumer Indicator: East India



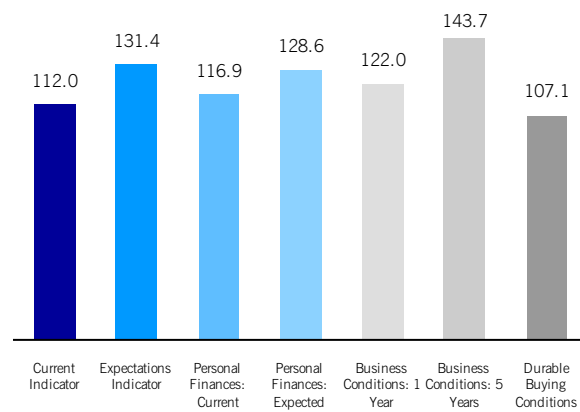
Consumer Indicator Components: East India



Consumer Indicator: West India

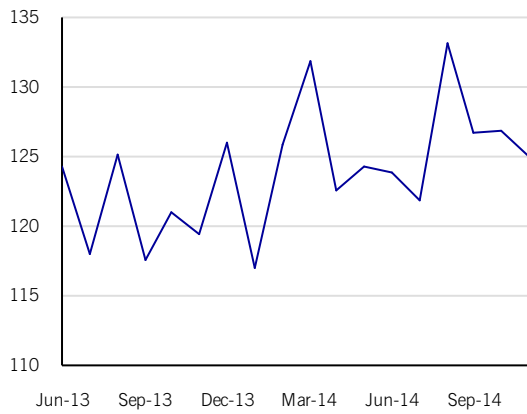


Consumer Indicator Components: West India

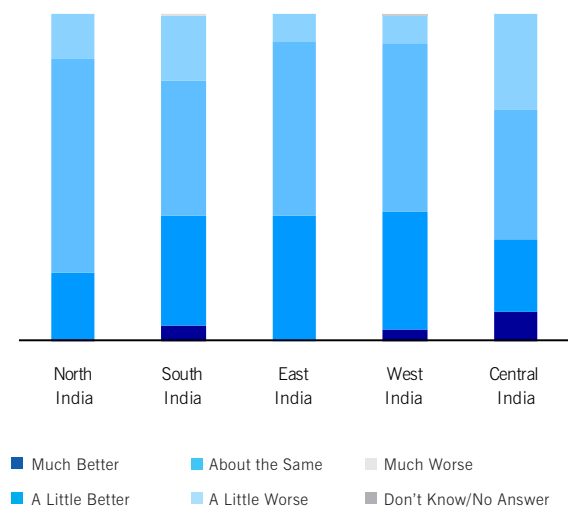




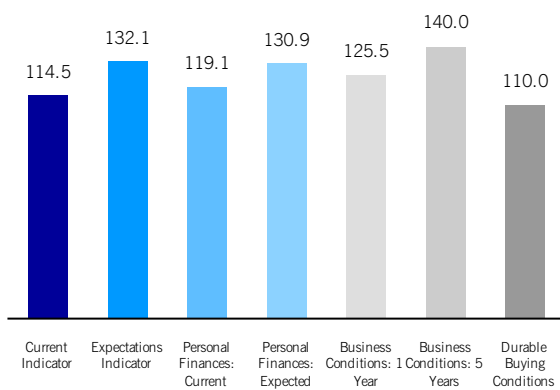
Consumer Indicator: Central India



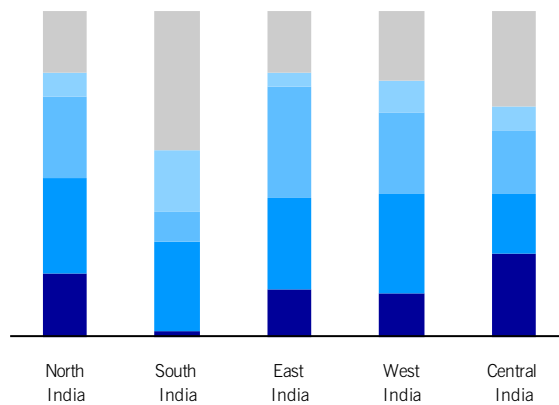
Employment Outlook for the Next 12 Months (% of Households)



Consumer Indicator Components: Central India

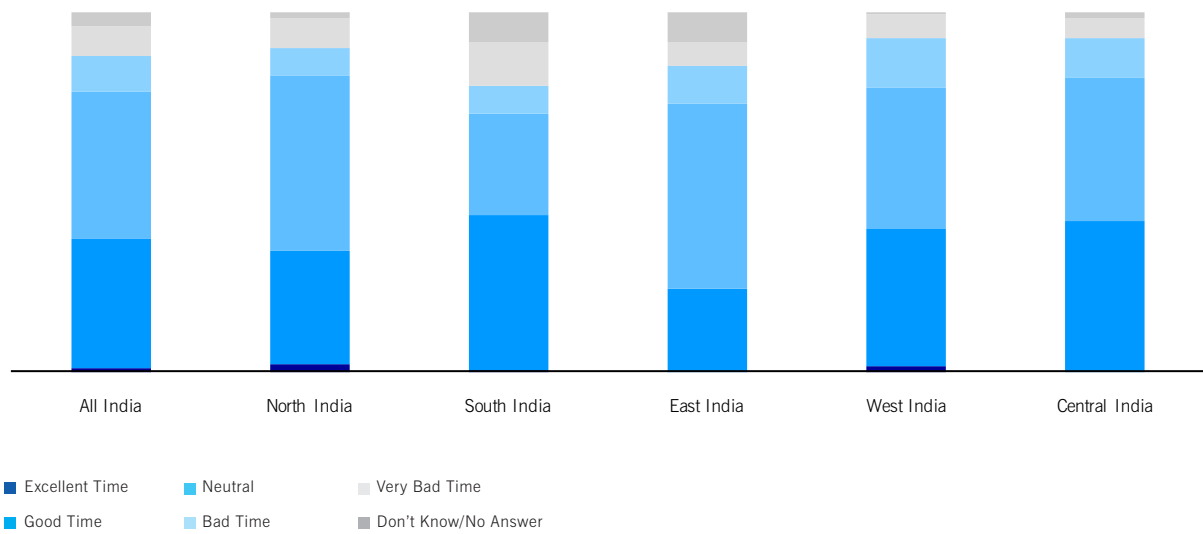


Interest Rate Expectations on House and Car Loans Indicator (% of Households)

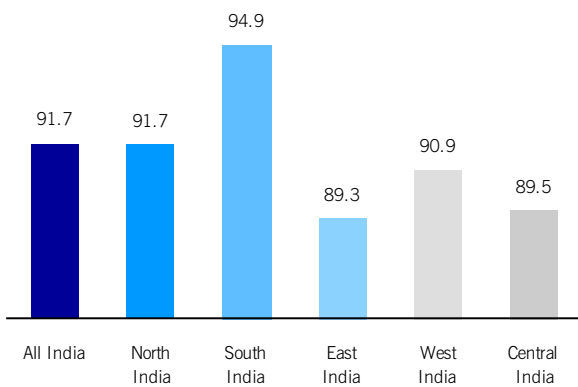




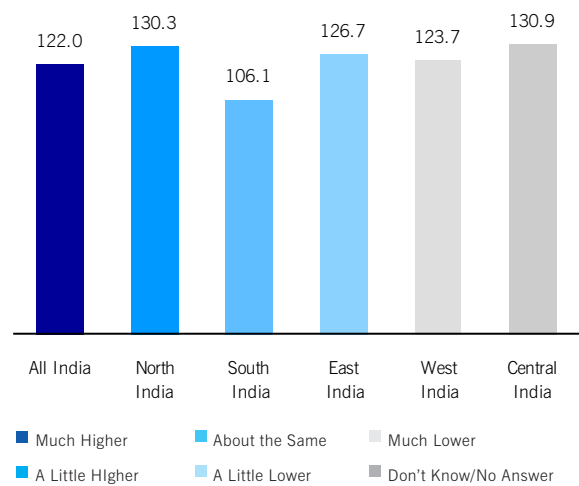
Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



Car Purchase Indicator - Regions



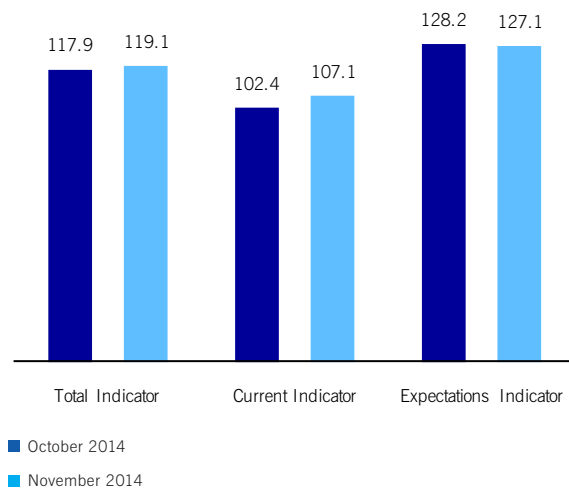
Interest Rates Expectations (% of Households)



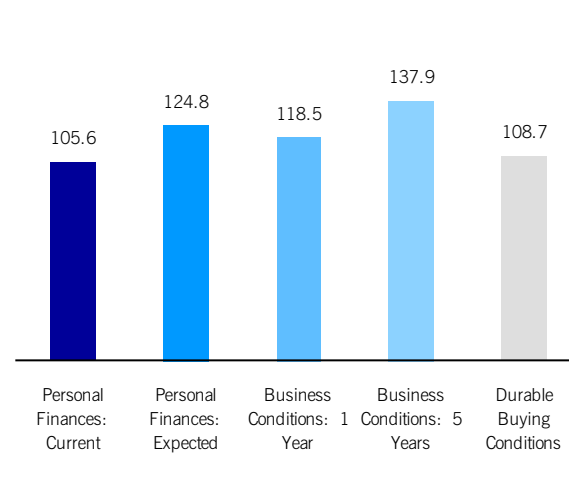
MNI India Consumer Indicator Income Groups



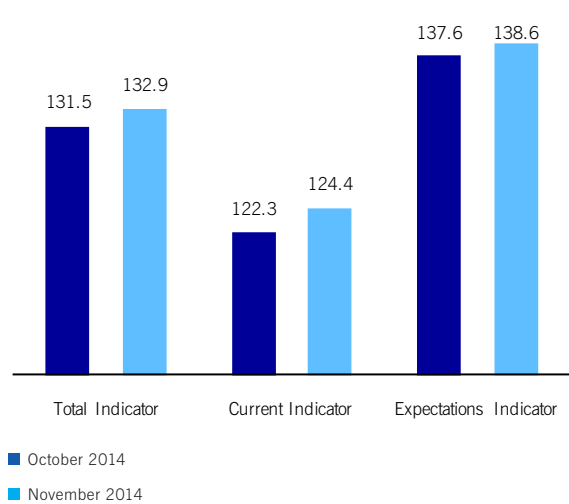
< INR 432,000 per annum



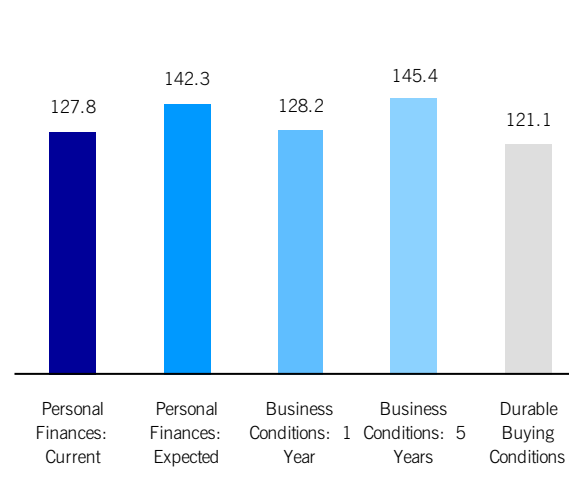
< INR 432,000 - Components



> INR 432,000 per annum



> INR 432,000 - Components





What the Panel Said



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

"It's a good time to purchase household items because of festivals offers and schemes."

"Overall market sentiment is positive."

"Easy loans are available to purchase car."

"Good discounts are available."

"Political violence is damaging business."

"Car loans are easily available."

"Discounts are available for consumer durables."

"In our area metro rail is coming so house prices will increase considerably."

"Medical expenses are high."

"Savings are more due to reduction in petrol and diesel prices."

"Petrol and vegetable prices have come down so savings have increased."

"Festival offers are still going on."

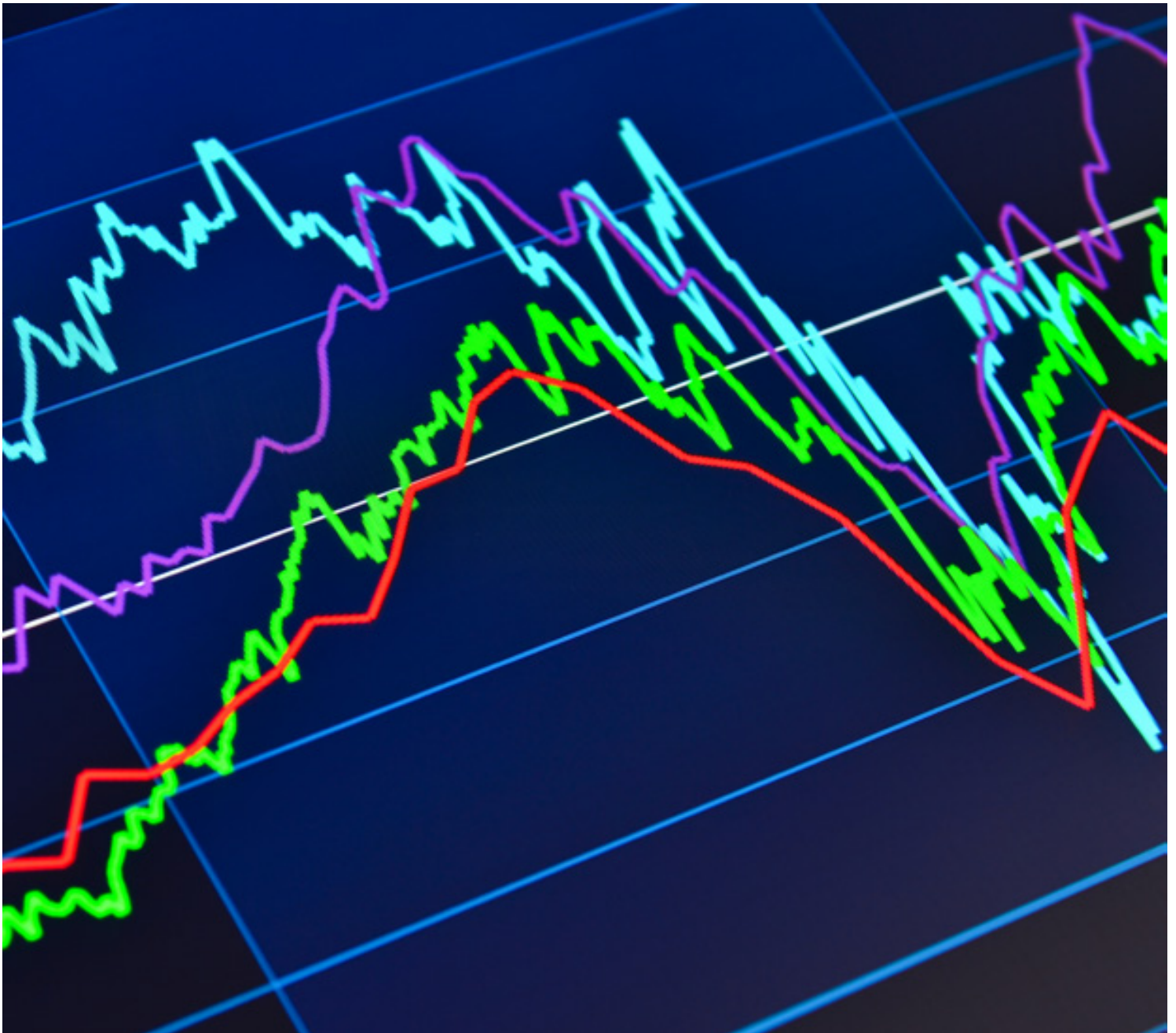
"We are retired and cost of living is quite high."

"The real estate sector is performing well in this area."

"Loans are easily available in market, so it'll be good time for people to buy a car."

"Financial condition is stable due to decrease in petrol prices."

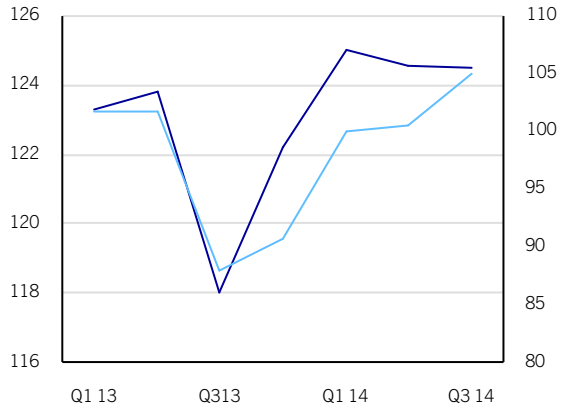
"Local business will increase if manufacturing industry improves."



Correlation Charts

Our indicators closely track official Indian economic data.

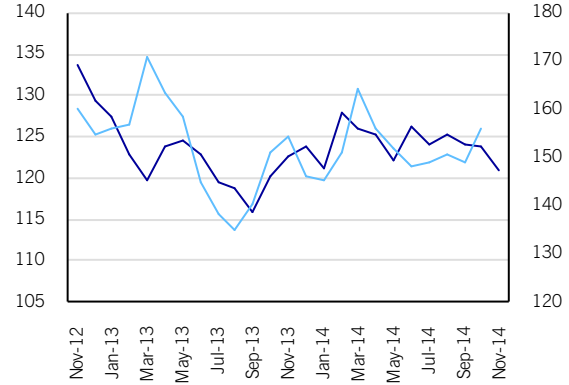
Consumer Sentiment



— MNI Consumer Sentiment
— Consumer Confidence: Current Situation Index (RHS)*

Source: *Reserve Bank of India

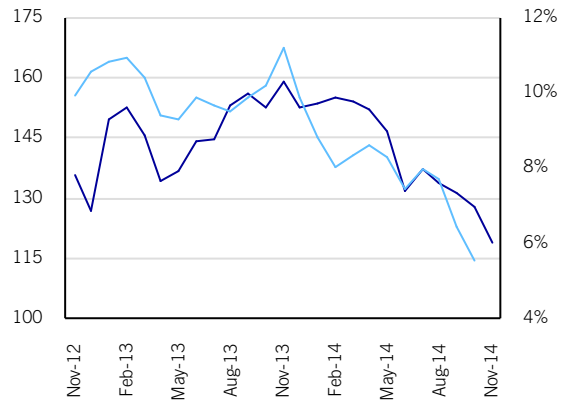
Car Sales



— MNI Consumer Sentiment
— Domestic Passenger Car Sales - 3MA ('000s) (RHS)*

Source: *Society of Indian Automobile Manufacturers

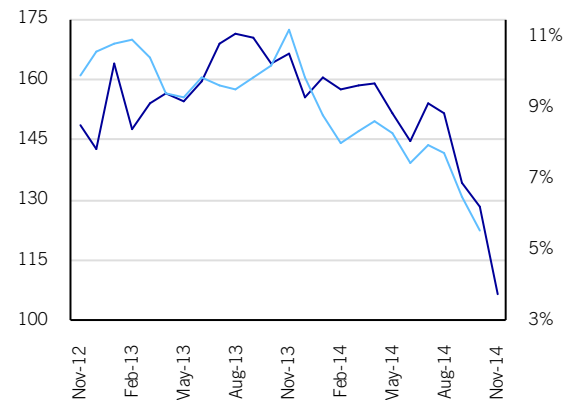
Inflation



— MNI Inflation Expectations
— CPI y/y % (RHS)*

Source: *Central Statistical Organisation, India

Gasoline Price Expectations



— MNI Gasoline Price Expectations
— CPI y/y % (RHS)*

Source: *Central Statistical Organisation, India



Data Tables

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

North India Overview

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|---------------------------------------|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| North India Consumer Indicator | 118.9 | 123.8 | 118.0 | - | Jan-14 | 120.2 | -5.8 | -4.7% |
| Current Indicator | 113.5 | 110.4 | 112.0 | Sep-14 | - | 112.0 | 1.6 | 1.5% |
| Expectations Indicator | 122.4 | 132.8 | 122.0 | - | Jan-14 | 125.7 | -10.8 | -8.1% |
| Personal Finance: Current | 113.8 | 112.0 | 118.3 | Jun-14 | - | 114.7 | 6.3 | 5.6% |
| Personal Finance: Expected | 130.2 | 127.5 | 125.8 | - | Nov-13 | 127.8 | -1.7 | -1.3% |
| Business Condition: 1 Year | 112.1 | 133.8 | 110.5 | - | Sep-13 | 118.8 | -23.3 | -17.4% |
| Business Condition: 5 Years | 124.9 | 137.1 | 129.8 | - | Sep-14 | 130.6 | -7.3 | -5.3% |
| Durable Buying Conditions | 113.3 | 108.7 | 105.6 | - | Jun-14 | 109.2 | -3.1 | -2.8% |
| Current Business Conditions Indicator | 104.1 | 107.4 | 101.1 | - | Jul-14 | 104.2 | -6.3 | -5.9% |
| Stock Investment Indicator | 133.3 | 100.0 | 116.7 | Sep-14 | - | 116.7 | 16.7 | 16.7% |
| Real Estate Investment Indicator | 112.1 | 113.4 | 111.2 | - | Aug-14 | 112.2 | -2.2 | -1.9% |
| Car Purchase Indicator | 82.1 | 86.9 | 91.7 | series high | - | 86.9 | 4.8 | 5.6% |
| Employment Outlook Indicator | 98.5 | 94.7 | 104.0 | Aug-14 | - | 99.1 | 9.3 | 9.8% |
| Inflation Expectations Indicator | 135.8 | 129.8 | 121.3 | - | series low | 129.0 | -8.5 | -6.6% |
| Current Prices Satisfaction Indicator | 63.4 | 71.1 | 93.2 | Aug-13 | - | 75.9 | 22.1 | 31.1% |
| Interest Rates Expectations Indicator | 118.3 | 120.9 | 130.3 | Jul-14 | - | 123.2 | 9.4 | 7.7% |

South India Overview

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|---------------------------------------|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| South India Consumer Indicator | 127.1 | 124.0 | 121.0 | - | Apr-13 | 124.0 | -3.0 | -2.4% |
| Current Indicator | 119.1 | 111.1 | 108.0 | - | series low | 112.7 | -3.1 | -2.8% |
| Expectations Indicator | 132.5 | 132.6 | 129.7 | - | May-14 | 131.6 | -2.9 | -2.2% |
| Personal Finance: Current | 118.2 | 113.4 | 109.7 | - | series low | 113.8 | -3.7 | -3.3% |
| Personal Finance: Expected | 135.7 | 133.3 | 129.9 | - | Jul-14 | 133.0 | -3.4 | -2.5% |
| Business Condition: 1 Year | 123.9 | 126.2 | 116.3 | - | Mar-14 | 122.1 | -9.9 | -7.9% |
| Business Condition: 5 Years | 138.0 | 138.4 | 143.0 | Aug-14 | - | 139.8 | 4.6 | 3.3% |
| Durable Buying Conditions | 119.9 | 108.9 | 106.4 | - | Nov-12 | 111.7 | -2.5 | -2.3% |
| Current Business Conditions Indicator | 121.8 | 120.2 | 110.2 | - | Apr-14 | 117.4 | -10.0 | -8.3% |
| Stock Investment Indicator | 116.7 | - | 120.2 | Aug-14 | - | 79.0 | 120.2 | 0.0% |
| Real Estate Investment Indicator | 111.1 | 107.0 | 111.0 | Sep-14 | - | 109.7 | 4.0 | 3.7% |
| Car Purchase Indicator | 97.1 | 86.7 | 94.9 | Sep-14 | - | 92.9 | 8.2 | 9.4% |
| Employment Outlook Indicator | 113.1 | 124.7 | 111.3 | - | Apr-13 | 116.4 | -13.4 | -10.8% |
| Inflation Expectations Indicator | 138.2 | 130.2 | 127.1 | - | Aug-14 | 131.8 | -3.1 | -2.4% |
| Current Prices Satisfaction Indicator | 91.2 | 98.9 | 97.4 | - | Sep-14 | 95.8 | -1.5 | -1.5% |
| Interest Rates Expectations Indicator | 114.1 | 121.2 | 106.1 | - | series low | 113.8 | -15.1 | -12.5% |

East India Overview

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|---------------------------------------|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| East India Consumer Indicator | 120.4 | 122.5 | 117.5 | - | Jun-14 | 120.1 | -5.0 | -4.1% |
| Current Indicator | 114.8 | 111.3 | 108.1 | - | Aug-14 | 111.4 | -3.2 | -2.8% |
| Expectations Indicator | 124.2 | 129.9 | 123.7 | - | Jun-14 | 125.9 | -6.2 | -4.8% |
| Personal Finance: Current | 108.6 | 118.6 | 116.4 | - | Sep-14 | 114.5 | -2.2 | -1.9% |
| Personal Finance: Expected | 125.3 | 132.3 | 131.3 | - | Sep-14 | 129.6 | -1.0 | -0.8% |
| Business Condition: 1 Year | 122.3 | 121.7 | 109.2 | - | May-14 | 117.7 | -12.5 | -10.3% |
| Business Condition: 5 Years | 124.9 | 135.8 | 130.5 | - | Sep-14 | 130.4 | -5.3 | -3.9% |
| Durable Buying Conditions | 121.0 | 104.0 | 99.8 | - | Sep-13 | 108.3 | -4.2 | -4.0% |
| Current Business Conditions Indicator | 119.1 | 113.6 | 105.7 | - | Aug-14 | 112.8 | -7.9 | -6.9% |
| Stock Investment Indicator | 138.9 | - | 116.7 | Sep-14 | - | 85.2 | 116.7 | 0.0% |
| Real Estate Investment Indicator | 107.7 | 114.6 | 109.5 | - | Sep-14 | 110.6 | -5.1 | -4.5% |
| Car Purchase Indicator | 82.1 | 84.6 | 89.3 | Mar-13 | - | 85.3 | 4.7 | 5.5% |
| Employment Outlook Indicator | 103.1 | 99.8 | 114.8 | Jul-14 | - | 105.9 | 15.0 | 15.1% |
| Inflation Expectations Indicator | 126.5 | 121.8 | 121.1 | - | Jun-14 | 123.1 | -0.7 | -0.6% |
| Current Prices Satisfaction Indicator | 62.9 | 95.0 | 97.0 | May-13 | - | 85.0 | 2.0 | 2.0% |
| Interest Rates Expectations Indicator | 116.4 | 128.7 | 126.7 | - | Sep-14 | 123.9 | -2.0 | -1.5% |

West India Overview

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|---------------------------------------|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| West India Consumer Indicator | 126.8 | 123.4 | 123.7 | Sep-14 | - | 124.6 | 0.3 | 0.2% |
| Current Indicator | 119.9 | 110.0 | 112.0 | Sep-14 | - | 114.0 | 2.0 | 1.8% |
| Expectations Indicator | 131.4 | 132.3 | 131.4 | - | Sep-14 | 131.7 | -0.9 | -0.7% |
| Personal Finance: Current | 121.5 | 117.2 | 116.9 | - | Sep-13 | 118.5 | -0.3 | -0.3% |
| Personal Finance: Expected | 133.7 | 127.3 | 128.6 | Sep-14 | - | 129.9 | 1.3 | 1.0% |
| Business Condition: 1 Year | 124.2 | 129.0 | 122.0 | - | Dec-13 | 125.1 | -7.0 | -5.4% |
| Business Condition: 5 Years | 136.3 | 140.7 | 143.7 | Jun-14 | - | 140.2 | 3.0 | 2.1% |
| Durable Buying Conditions | 118.3 | 102.8 | 107.1 | Sep-14 | - | 109.4 | 4.3 | 4.2% |
| Current Business Conditions Indicator | 115.3 | 113.8 | 114.3 | Sep-14 | - | 114.5 | 0.5 | 0.5% |
| Stock Investment Indicator | 128.3 | 109.0 | 115.6 | Sep-14 | - | 117.6 | 6.6 | 6.1% |
| Real Estate Investment Indicator | 114.4 | 113.9 | 111.7 | - | Aug-14 | 113.3 | -2.2 | -1.9% |
| Car Purchase Indicator | 83.4 | 85.3 | 90.9 | series high | - | 86.5 | 5.6 | 6.5% |
| Employment Outlook Indicator | 118.4 | 108.3 | 116.9 | Sep-14 | - | 114.5 | 8.6 | 7.9% |
| Inflation Expectations Indicator | 127.4 | 126.3 | 110.5 | - | series low | 121.4 | -15.8 | -12.6% |
| Current Prices Satisfaction Indicator | 89.3 | 72.7 | 81.3 | Sep-14 | - | 81.1 | 8.6 | 11.9% |
| Interest Rates Expectations Indicator | 129.6 | 126.7 | 123.7 | - | Aug-14 | 126.7 | -3.0 | -2.3% |

Central India Overview

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|---|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| Central India Consumer Indicator | 126.8 | 126.9 | 125.1 | - | Jul-14 | 126.3 | -1.8 | -1.5% |
| Current Indicator | 121.2 | 117.4 | 114.5 | - | Feb-14 | 117.7 | -2.9 | -2.4% |
| Expectations Indicator | 130.5 | 133.3 | 132.1 | - | Sep-14 | 132.0 | -1.2 | -0.9% |
| Personal Finance: Current | 121.2 | 120.3 | 119.1 | - | Aug-14 | 120.2 | -1.2 | -1.0% |
| Personal Finance: Expected | 133.1 | 122.9 | 130.9 | Sep-14 | - | 129.0 | 8.0 | 6.5% |
| Business Condition: 1 Year | 120.3 | 133.1 | 125.5 | - | Sep-14 | 126.3 | -7.6 | -5.7% |
| Business Condition: 5 Years | 138.1 | 144.1 | 140.0 | - | Sep-14 | 140.7 | -4.1 | -2.8% |
| Durable Buying Conditions | 121.2 | 114.4 | 110.0 | - | Jun-14 | 115.2 | -4.4 | -3.9% |
| Current Business Conditions Indicator | 103.4 | 110.2 | 109.1 | - | Sep-14 | 107.6 | -1.1 | -1.0% |
| Stock Investment Indicator | 133.3 | 133.3 | 83.3 | - | series low | 116.6 | -50.0 | -37.5% |
| Real Estate Investment Indicator | 119.2 | 120.6 | 109.4 | - | series low | 116.4 | -11.2 | -9.3% |
| Car Purchase Indicator | 91.9 | 89.0 | 89.5 | Sep-14 | - | 90.1 | 0.5 | 0.6% |
| Employment Outlook Indicator | 97.5 | 94.9 | 105.5 | Jul-14 | - | 99.3 | 10.6 | 11.1% |
| Inflation Expectations Indicator | 113.6 | 133.9 | 120.9 | - | Sep-14 | 122.8 | -13.0 | -9.7% |
| Current Prices Satisfaction Indicator | 71.2 | 77.1 | 74.5 | - | Sep-14 | 74.3 | -2.6 | -3.3% |
| Interest Rates Expectations Indicator | 121.2 | 133.9 | 130.9 | - | Sep-14 | 128.7 | -3.0 | -2.2% |

All India - Overview by Age

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|-------------------------------------|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| Age 18-34 | | | | | | | | |
| MNI India Consumer Indicator | 129.4 | 124.5 | 123.0 | - | Nov-13 | 125.6 | -1.5 | -1.3% |
| Current Indicator | 122.1 | 112.8 | 113.1 | Sep-14 | - | 116.0 | 0.3 | 0.3% |
| Expectations Indicator | 134.3 | 132.4 | 129.5 | - | Jan-14 | 132.1 | -2.9 | -2.2% |
| Personal Finance: Current | 119.5 | 119.8 | 116.8 | - | Jul-13 | 118.7 | -3.0 | -2.4% |
| Personal Finance: Expected | 137.0 | 132.1 | 133.3 | Sep-14 | - | 134.1 | 1.2 | 0.9% |
| Business Condition: 1 Year | 129.5 | 128.5 | 116.8 | - | Nov-13 | 124.9 | -11.7 | -9.1% |
| Business Condition: 5 Years | 136.5 | 136.5 | 138.4 | Jul-14 | - | 137.1 | 1.9 | 1.4% |
| Durable Buying Conditions | 124.7 | 105.8 | 109.4 | Sep-14 | - | 113.3 | 3.6 | 3.4% |
| Age 35-54 | | | | | | | | |
| MNI India Consumer Indicator | 122.6 | 123.3 | 121.6 | - | May-14 | 122.5 | -1.7 | -1.4% |
| Current Indicator | 115.6 | 109.7 | 111.7 | Sep-14 | - | 112.3 | 2.0 | 1.8% |
| Expectations Indicator | 127.3 | 132.3 | 128.2 | - | Sep-14 | 129.3 | -4.1 | -3.1% |
| Personal Finance: Current | 116.4 | 113.5 | 117.2 | Jul-14 | - | 115.7 | 3.7 | 3.3% |
| Personal Finance: Expected | 132.0 | 129.6 | 129.2 | - | Aug-14 | 130.3 | -0.4 | -0.3% |
| Business Condition: 1 Year | 117.8 | 128.1 | 117.1 | - | Sep-13 | 121.0 | -11.0 | -8.6% |
| Business Condition: 5 Years | 132.1 | 139.2 | 138.3 | - | Sep-14 | 136.5 | -0.9 | -0.6% |
| Durable Buying Conditions | 114.9 | 105.9 | 106.1 | Sep-14 | - | 109.0 | 0.2 | 0.2% |
| Age 55-64 | | | | | | | | |
| MNI India Consumer Indicator | 117.2 | 123.5 | 115.5 | - | Oct-13 | 118.7 | -8.0 | -6.5% |
| Current Indicator | 112.6 | 110.7 | 103.1 | - | series low | 108.8 | -7.6 | -6.9% |
| Expectations Indicator | 120.3 | 132.0 | 123.7 | - | Sep-14 | 125.3 | -8.3 | -6.2% |
| Personal Finance: Current | 115.9 | 112.3 | 108.4 | - | Oct-13 | 112.2 | -3.9 | -3.4% |
| Personal Finance: Expected | 121.6 | 123.0 | 120.0 | - | May-14 | 121.5 | -3.0 | -2.5% |
| Business Condition: 1 Year | 112.5 | 130.9 | 112.9 | - | Sep-14 | 118.8 | -18.0 | -13.7% |
| Business Condition: 5 Years | 126.7 | 142.0 | 138.2 | - | Sep-14 | 135.6 | -3.8 | -2.6% |
| Durable Buying Conditions | 109.2 | 109.1 | 97.7 | - | Dec-12 | 105.3 | -11.4 | -10.5% |

All India - Overview by Income

| | Sep-14 | Oct-14 | Nov-14 | Highest Since | Lowest Since | 3-Month Average | Monthly Change | Monthly % Change |
|-------------------------------------|--------|--------|--------|---------------|--------------|-----------------|----------------|------------------|
| < INR 432,000 per annum | | | | | | | | |
| MNI India Consumer Indicator | 121.2 | 117.9 | 119.1 | Sep-14 | - | 119.4 | 1.2 | 1.0% |
| Current Indicator | 116.1 | 102.4 | 107.1 | Sep-14 | - | 108.5 | 4.7 | 4.6% |
| Expectations Indicator | 124.5 | 128.2 | 127.1 | - | Sep-14 | 126.6 | -1.1 | -0.9% |
| Personal Finance: Current | 108.6 | 101.3 | 105.6 | Sep-14 | - | 105.2 | 4.3 | 4.2% |
| Personal Finance: Expected | 126.0 | 123.6 | 124.8 | Sep-14 | - | 124.8 | 1.2 | 1.0% |
| Business Condition: 1 Year | 119.3 | 128.6 | 118.5 | - | Jul-14 | 122.1 | -10.1 | -7.8% |
| Business Condition: 5 Year | 128.3 | 132.5 | 137.9 | Jul-14 | - | 132.9 | 5.4 | 4.0% |
| Durable Buying Conditions | 123.7 | 103.5 | 108.7 | Sep-14 | - | 112.0 | 5.2 | 5.0% |
| > INR 432,000 per annum | | | | | | | | |
| MNI India Consumer Indicator | 131.5 | 131.5 | 132.9 | Aug-14 | - | 132.0 | 1.4 | 1.1% |
| Current Indicator | 121.3 | 122.3 | 124.4 | Aug-14 | - | 122.7 | 2.1 | 1.8% |
| Expectations Indicator | 138.3 | 137.6 | 138.6 | Jun-14 | - | 138.2 | 1.0 | 0.7% |
| Personal Finance: Current | 126.9 | 128.9 | 127.8 | - | Sep-14 | 127.9 | -1.1 | -0.8% |
| Personal Finance: Expected | 143.5 | 136.8 | 142.3 | Sep-14 | - | 140.9 | 5.5 | 4.0% |
| Business Condition: 1 Year | 133.3 | 135.3 | 128.2 | - | Jul-14 | 132.3 | -7.1 | -5.2% |
| Business Condition: 5 Year | 138.0 | 140.8 | 145.4 | Jun-14 | - | 141.4 | 4.6 | 3.3% |
| Durable Buying Conditions | 115.7 | 115.7 | 121.1 | Aug-14 | - | 117.5 | 5.4 | 4.6% |

Methodology

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

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

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

The main MNI India 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.



mni | DEUTSCHE BÖRSE
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Insight and data for better decisions

Published by

MNI Indicators | Deutsche Börse Group

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