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MNI India Consumer Report

June 2015

Insight and data for better decisions

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Insight and data for better decisions

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Up in the Air

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While the latest cut was in line with expectations, the central bank strongly hinted that there would be a pause in rate cuts, contingent on monsoon and its impact on inflation. The June-September monsoons, which are crucial for watering almost half of India's farmland, are forecast to be just 88% of the average. A shortfall in the monsoon could lead to lower crop yields and higher food prices. With food accounting for almost 50% of India's consumer price inflation basket, weather becomes an important factor in deciding the path of monetary policy as much as economic fundamentals. Subsequent to the policy announcement, India's benchmark bonds suffered their biggest weekly loss in more than a year on speculation the central bank won't cut interest rates further. Increasing stress on farmers–after last year's poor rainfall followed by damage to crops from an unseasonal downpour in March this year–could prompt the government to announce a large increase in the price at which it buys farmers' produce. Already the government has hiked support prices for rice and pulses, albeit only modestly versus fears of double digit increases.

The delay in the normalisation of US monetary policy also gave the RBI space to cut rates. As the US Federal Reserve moves closer to raising rates, the room for emerging markets such as India to bring theirs down will shrink. India will likely face market volatility, although the situation is unlikely to be as bad as the summer of 2013 when the rupee plunged 9% in just one month. India's external vulnerabilities have reduced as the current account deficit has been brought under control from a high of 4.8% of GDP in 2012-13 to 1.3% of GDP in 2014-15. During this period, foreign exchange reserves have also gone up considerably, giving the RBI more ammunition to deal with any exchange rate volatility. Higher US interest rates will burden loan repayment of companies. It could also lead to withdrawal by some investors from emerging markets to chase higher returns on investments which would pressurise the rupee.

No doubt neither government nor businesses will like the temporary halt to rate cuts, but it seems there is genuinely little room for manoeuvre given the vagaries of the monsoons. So far the monsoon has defied the Met's predictions and is tracking 12% above normal. But June constitutes only 20% of total rainfall in the season, and July will be a crucial month. With astute food management, inflation and its expectations can be tamed. Infrastructure investment and measures such as the use of buffer stocks, anti-hoarding practices, lowering transportation losses and resorting to imports, can help cap food prices.

If the government is able to promptly manage food shortage or if the weather God is generous, we may get another rate cut this year but since weather has such a pronounced effect on the monetary policy in India, the timing of the next rate cut is really up in the air.

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Executive Summary

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The MNI India Consumer Sentiment Indicator remained stable at 119.5 in June compared with 119.6 in May as a decline in satisfaction with current conditions was countered by more optimistic expectations for the future.

The Current Indicator, which measures consumers' assessment of their current conditions, fell to 111.2 in June from 113.5 in May, although up from the December low of 106.9. In contrast, the Expectations Indicator rose to 125.1 in June from 123.7 in the previous month, although is down from 128.0 in December last year.

The three interest rate cuts by the Reserve Bank of India in 2015 appear to have halted the trend decline in confidence, with the MNI India CSI remaining broadly stable after falling more than 5% between June and December last year. Each interest rate cut has provided a small monthly fillip to sentiment. The latest rate cut of 25 basis points on June 2, however, has not yet trickled down to consumers, though it could have some upside impact on consumer sentiment in the following months.

Consumers had a brighter outlook for employment conditions over the next 12 months. The Employment Outlook Indicator rose for the third consecutive month to 122.7 in June as more than 50% of respondents expected the job market to improve.

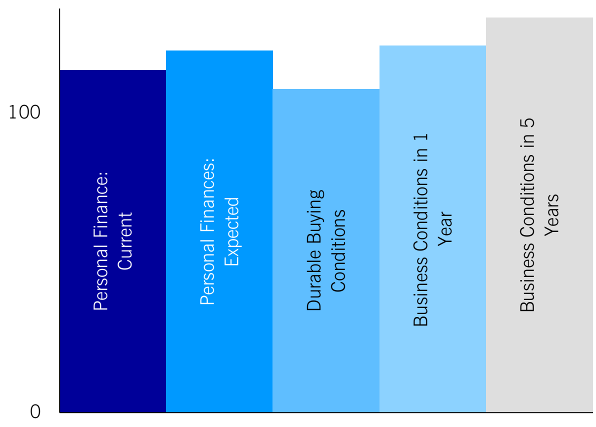
Sentiment towards prices improved in June as a growing proportion of consumers thought that current prices were reasonable and had lower expectations for inflation for the coming 12 months.

Even then, fewer consumers considered purchasing a big-ticket item in June. The Durable Buying Conditions Indicator fell to 108.0 in June from 109.2 in May. The indicator has risen twice this year following the cuts in the benchmark interest rate by the central bank and after the rate cut in early June, we expect a positive impact on buying sentiment in the following months.

The Real Estate Investment Indicator is one of the few indicators in the survey which has shown a slight uptick over the last year, led by rising house price expectations. In contrast, house buying sentiment has declined sharply with respondents seeing it as a bad time to purchase a house.

The Car Purchase Indicator fell for the fourth consecutive month to 84.6 in June from 87.7 in the previous month as more respondents anticipated that gasoline prices would pick-up while their willingness to purchase a car in the next 12 months also eased slightly.

MNI India Consumer Indicator - Components



All India - Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Consumer Indicator	122.1	119.6	119.5	-	Mar-15	120.4	-0.1	-0.1%
Current Indicator	115.7	113.5	111.2	-	Mar-15	113.5	-2.3	-2.0%
Expectations Indicator	126.4	123.7	125.1	Apr-15	-	125.1	1.4	1.1%
Personal Finance: Current	118.3	117.7	114.4	-	Jan-15	116.8	-3.3	-2.9%
Personal Finance: Expected	120.8	119.1	120.9	Mar-15	-	120.3	1.8	1.5%
Business Condition: 1 Year	123.8	121.1	122.5	Apr-15	-	122.5	1.4	1.2%
Business Condition: 5 Years	134.5	131.0	131.9	Apr-15	-	132.5	0.9	0.7%
Durable Buying Conditions	113.0	109.2	108.0	-	Mar-15	110.1	-1.2	-1.1%
Current Business Conditions Indicator	114.4	113.0	112.4	-	Mar-15	113.3	-0.6	-0.5%
Stock Investment Indicator	131.3	121.5	123.2	Apr-15	-	125.3	1.7	1.4%
Real Estate Investment Indicator	115.3	114.6	114.8	Apr-15	-	114.9	0.2	0.3%
Car Purchase Indicator	96.3	87.7	84.6	-	Aug-14	89.5	-3.1	-3.5%
Employment Outlook Indicator	120.1	121.1	122.7	May-13	-	121.3	1.6	1.3%
Inflation Expectations Indicator	134.2	138.7	136.3	-	Apr-15	136.4	-2.4	-1.7%
Current Prices Satisfaction Indicator	92.6	86.7	89.1	Apr-15	-	89.5	2.4	2.7%
Interest Rates Expectations Indicator	129.2	134.3	133.7	-	Apr-15	132.4	-0.6	-0.4%

All India - Summary

	2014							2015					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MNI India Consumer Indicator	126.2	124.1	125.2	124.1	123.7	120.9	119.6	120.4	121.2	118.5	122.1	119.6	119.5
Current Indicator	115.7	114.2	116.2	117.5	111.0	110.7	106.9	112.2	114.3	109.9	115.7	113.5	111.2
Expectations Indicator	133.2	130.8	131.2	128.4	132.3	127.7	128.0	125.8	125.7	124.2	126.4	123.7	125.1
Personal Finance: Current	122.9	119.1	115.4	117.1	115.4	115.6	114.4	113.3	116.1	114.5	118.3	117.7	114.4
Personal Finance: Expected	128.1	125.2	132.1	132.2	129.2	128.7	126.3	124.2	123.7	121.1	120.8	119.1	120.9
Business Condition: 1 Year	127.2	125.9	126.4	120.7	128.8	116.3	119.9	119.6	120.1	119.5	123.8	121.1	122.5
Business Condition: 5 Years	144.5	141.3	135.1	132.5	138.8	138.1	137.9	133.6	133.3	132.1	134.5	131.0	131.9
Durable Buying Conditions	108.5	109.3	116.9	118.0	106.5	105.8	99.4	111.2	112.6	105.4	113.0	109.2	108.0
Current Business Conditions Indicator	111.4	107.7	109.0	113.9	113.5	108.6	116.6	112.4	117.2	110.3	114.4	113.0	112.4
Stock Investment Indicator	118.4	112.9	113.5	130.8	108.9	114.8	118.5	114.5	114.7	126.0	131.3	121.5	123.2
Investment Return	132.8	131.1	126.5	162.4	109.1	144.3	158.2	140.4	128.9	152.5	151.0	154.2	137.3
Stock Price Sentiment	117.8	125.6	106.0	122.2	111.8	131.8	145.5	145.9	121.9	129.0	104.4	112.6	88.5
Stock Market Expectations	140.1	133.2	120.1	152.2	129.2	131.8	142.8	148.9	137.1	154.4	147.4	122.9	120.8
Real Estate Investment Indicator	110.6	110.3	111.3	112.5	112.6	111.0	111.0	114.2	114.5	112.1	115.3	114.6	114.8
House Price Expectations	142.6	144.9	148.7	146.4	149.6	144.0	154.2	153.6	151.8	149.9	152.9	156.6	153.7
House Buying Sentiment	99.1	99.7	97.4	96.2	98.4	92.1	89.3	94.6	96.6	91.5	88.9	88.4	89.3
House Selling Sentiment	110.0	113.7	112.2	105.2	110.0	103.2	110.7	105.5	104.9	105.0	96.0	101.4	98.5
Car Purchase Indicator	78.6	75.6	78.5	86.6	86.1	91.7	91.4	104.0	108.1	96.5	96.3	87.7	84.6
Car Purchase Expectations	101.7	105.4	108.5	107.6	100.8	89.8	79.7	105.1	105.8	100.7	103.8	102.1	101.0
Price of Gasoline Expectations	144.6	154.2	151.4	134.4	128.5	106.3	96.9	97.0	89.5	107.6	111.2	126.6	131.8
Employment Outlook Indicator	122.5	119.9	109.8	109.1	106.9	111.4	121.1	122.7	121.8	116.3	120.1	121.1	122.7
Inflation Expectations Indicator	131.5	137.0	133.7	131.1	127.9	119.0	123.2	126.8	119.6	132.8	134.2	138.7	136.3
Current Prices Satisfaction Indicator	69.8	72.5	68.3	78.8	81.6	89.7	97.1	96.4	100.4	95.4	92.6	86.7	89.1
Interest Rates Expectations Indicator	135.3	130.2	119.4	121.0	124.6	122.0	129.4	123.9	124.0	121.9	129.2	134.3	133.7

All India - Records

	2012-Current Minimum	Maximum	Mean	Median
MNI India Consumer Indicator	115.9	133.7	122.9	122.7
Current Indicator	106.9	128.3	115.4	114.5
Expectations Indicator	120.3	137.3	127.9	127.2
Personal Finance: Current	113.3	135.4	119.7	118.1
Personal Finance: Expected	118.4	141.5	127.6	127.9
Business Condition: 1 Year	114.1	131.8	122.0	120.9
Business Condition: 5 Years	123.9	144.5	134.0	133.2
Durable Buying Conditions	99.4	121.1	111.1	111.3
Current Business Conditions Indicator	102.9	124.9	113.5	113.1
Stock Investment Indicator	89.7	131.3	110.7	110.1
Investment Return	82.7	162.4	122.3	119.9
Stock Price Sentiment	88.5	145.9	114.9	112.6
Stock Market Expectations	103.8	154.4	124.6	120.5
Real Estate Investment Indicator	109.7	119.9	113.8	114.2
House Price Expectations	133.3	156.6	145.9	145.9
House Buying Sentiment	88.4	121.5	101.6	99.4
House Selling Sentiment	95.5	113.7	106.1	105.3
Car Purchase Indicator	60.1	108.1	79.5	76.5
Car Purchase Expectations	79.7	114.8	102.4	103.1
Price of Gasoline Expectations	89.5	171.0	143.4	152.7
Employment Outlook Indicator	106.9	128.3	118.4	119.5
Inflation Expectations Indicator	119.0	159.2	140.5	137.9
Current Prices Satisfaction Indicator	63.0	115.9	85.6	87.9
Interest Rates Expectations Indicator	116.6	140.4	129.1	129.8

Industrial production expanded by 4.1% on the year in April...

...following an increase of 2.5% (revised up from 2.1% previously) in March, partly owing to base effects.

Economic Landscape

In line with expectations, the RBI cut the repo rate by 25 basis points to 7% on June 2 given the continued mixed signals on the economy with investment and credit growth still subdued. However, this may be the last cut in interest rates for some time.

In line with expectations, the RBI cut the repo rate by 25 basis points to 7% on June 2 given the continued mixed signals on the economy with investment and credit growth still subdued. However, this may be the last cut in interest rates for some time. The timing of further interest rate cuts will be determined by the impact that global oil prices and a possible increase in food costs due to vagaries of monsoon rains has on inflation.

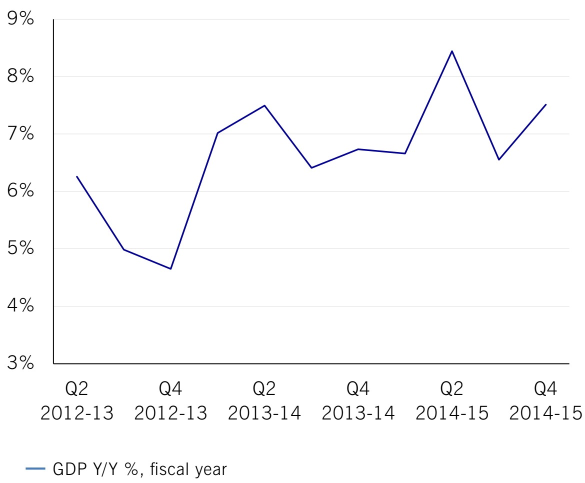
Latest data from India showed a rise in inflationary pressures and a gradual recovery in the industrial production. Consumer price inflation rose slightly to a two month high of 5% in May, mostly due to a rise in fuel prices but core inflation also increased to a seven-month high of 4.8%. Industrial output expanded at the fastest pace in two months in April led by both consumer and investment oriented sectors. An uptick in steel production in April for the first time in three months is encouraging for the construction sector, which was also the most confident economic sector in our June business survey. In contrast, exports continued to contract for the sixth consecutive month in May due to lower demand from key trade partners, declining crude oil prices and volatility in the rupee. Even domestic demand remained fragile as imports declined by 16.5% on the year.

Economic growth at a four-year high

Latest GDP data showed growth increased to 7.5% on the year in Jan-March, the fourth quarter of India's fiscal year, up 6.6% in the previous quarter – revised from 7.5% previously. Note, though, that GVA at basic prices showed a deceleration with the headline measure skewed by subsidy and tax payments – see the next page. Much of the growth came from the manufacturing and services sectors with agricultural output contracting by 1.4%, compared with growth of 5.3% in the same period a year earlier because of crop damage due to unseasonal rains. Manufacturing growth strengthened to 8.4% in the three months to March from 3.6% in the previous quarter and also above 4.4% growth in the Jan-Mar quarter for the previous year. Services continued to be the frontrunner with growth of 9.2%, although down from the previous quarter's growth of 12.5%.

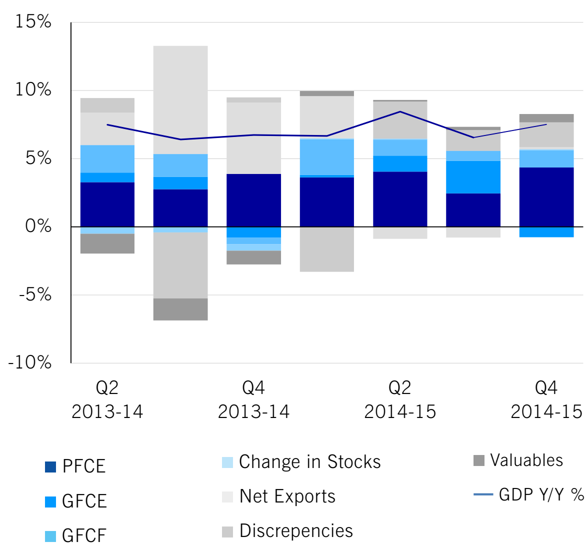
On an expenditure basis, growth in the March quarter was led by 7.9% year-on-year growth of private final consumption expenditure, despite the weakness in rural demand following the unfavourable trend in agricultural output. Gross fixed capital formation rose by a modest 4.1%, highlighting that the pace of implementation of projects remains moderate despite the clearances and reform measures initiated by the government. In contrast, government final consumption expenditure contracted

Economic Growth



Source: Central Statistics Office

Contribution to GDP Growth



Source: Central Statistics Office

Contribution to GDP Growth

	2014-15	2013-14
Private Final Consumption Expenditure	3.8%	2.8%
Government Final Consumption Expenditure	0.8%	0.7%
Gross Fixed Capital Formation	1.5%	0.7%
Net Exports	0.4%	3.5%
Discrepencies	0.8%	-0.8%

by 7.9%, reflecting lower subsidy pay-outs in an attempt to meet the fiscal deficit target.

While headline GDP showed an acceleration, albeit from a revised Oct-Dec quarter, Gross Value Added (at basic prices) growth slowed from 6.8% in the quarter ending Dec to 6.1% in the quarter ending Mar and was significantly lower than the 7.8% advance estimate put out by the government. Growth on this measure has now been slowing since Sep quarter when it stood at 8.4% from a revised 7.8%. Since GDP at market prices is computed by adding indirect taxes net of subsidies to Gross Value Add (at basic prices), this suggests that there was very strong growth in indirect taxes net of subsidies in the quarter ending March. Collapsing oil prices have significantly reduced the oil and fertiliser subsidy burden while the government has increased excise duties on gasoline and diesel prices. So the strong growth in the Jan-Mar quarter is at least partly due to these temporary factors.

For the full year, India's economy expanded by 7.3% in the year ending March, falling just short of the Advance Estimate of 7.4% released by the Central Statistics Office, but an improvement from the previous year's 6.9% growth.

Agriculture growth was paltry at just 0.2% in the year in 2014-15 slowing significantly from 3.7% growth in the previous year. Manufacturing grew by 7.1% from 5.3% in the previous year with the sector accounting for 18.1% of the economy. Mining, however, slowed to a growth of 2.4% from 5.4% in the previous year. Growth in 2014-15 was still primarily due to the service sector, which grew by 10.6% compared with 9% in the year 2013-14.

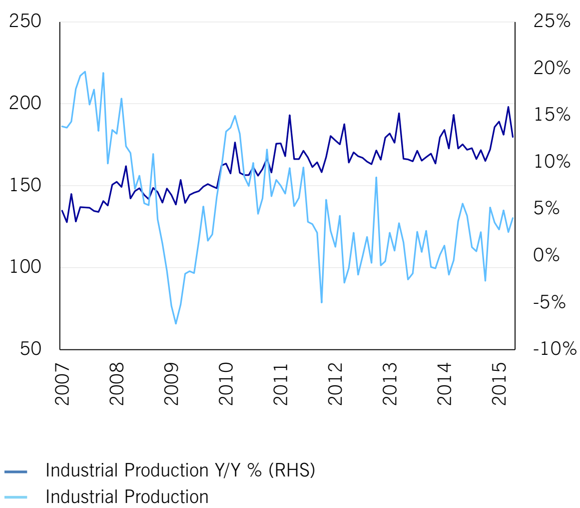
In 2014-15, on an expenditure basis, personal consumption added 3.8 percentage points to growth, having contributed 2.8 percentage points in the previous year, while net exports contributed just 0.4 percentage point to GDP growth, having added 3.5 percentage points previously. Investment, which was a drag on GDP growth last year, adding just 0.7 percentage point, having more than doubled its contribution to the 1.5 percentage point in 2014-15.

Higher government spending on infrastructure, easing of rules for foreign direct investment, continued reform momentum and monetary easing are expected to support an investment revival in 2015-16 while moderate inflation should boost urban consumer demand.

Output expands at the fastest pace in two months

Industrial production expanded by 4.1% on the year in April following an increase of 2.5% (revised up from 2.1% previously) in March, partly owing to base effects. It fell 9.3% month-on-month in April – not as bad as it seems as output typically shows a sizeable seasonal fall every April and this year the drop was the smallest in six years. Moreover, the trend in both consumer and investment oriented sectors is steadily climbing while the uptick in steel production in April for the first time in three months is encouraging for the construction sector.

Industrial Production



Source: Central Statistics Office

The pick-up in industrial production in April was led by manufacturing, which comprises around 75% of overall output. Manufacturing output grew by 5.1% on the year after increasing by 2.8% (revised up from 2.3% previously) in the previous month. In April, 16 of the 22 industry groups within the manufacturing sector expanded with 'Machinery and equipment n.e.c.' showing the highest positive growth of 20.6%, followed by 16.2% in 'Wood and products of wood & cork except furniture; articles of straw & plating materials' and 13.4% in 'Electrical machinery and apparatus n.e.c.'. Mining output growth eased to 0.6% on the year in April after growing by 1.1% (revised up from 0.9%) in March.

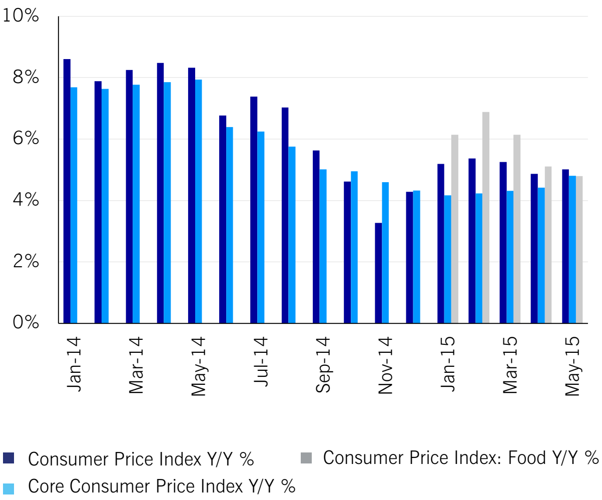
According to use based classification, basic goods saw growth of 2.8%, while consumer goods grew by 3.1%. Output of consumer durables, a measure of consumer demand, which had been a drag on industrial production for the last 10 months, grew by 1.3% on the year, indicating that the consumer sector is finally picking up. Capital goods output, a proxy for investment, rose by 11.6% on the year compared with 8.7% (revised up from 7.6% previously) in March. This was the sixth consecutive rise reflecting factors such as a revival in some stalled projects.

The more frequently updated data for the core sector, which is comprised of eight industries, grew for the first time in three months by 4.4% in May compared with 0.4% decline in April. Production of coal and refinery products were the front-runners, both growing by 7.8% while electricity production grew by 5.5%, the highest in three months. With the core sector comprising 38% of industrial production, we expect to see firmer growth in the coming months. A favourable base effect, weakness in the rupee and the recovery in the US and European nations should also support export oriented manufacturing sectors.

Inflation picks-up in May

Consumer price inflation picked-up slightly to a two-month high of 5% in May from 4.9% in April. This was despite food inflation easing to 4.8% in May from 5.1% in the previous month. A rise in fuel prices led by a pick-up in global crude prices and depreciation in the rupee was mainly responsible for the rise in overall inflation in May. Fuel inflation rose to 6% in May from 5.5% in April. Even after stripping out more volatile food and fuel, core inflation picked up to a seven-month high of 4.8% in May from 4.4% previously.

Consumer Inflation



Source: Central Statistics Office

Poor monsoon rains are expected which could potentially hit agricultural output and put upward pressure on food prices. Already unseasonal rains, strong winds and hailstorms in March have damaged the winter crop but its impact on inflation has yet to be seen. Given the uncertain outlook, the RBI revised up its forecast for consumer inflation to 6% in January 2016 from 5.8% previously.

With rural stress rising and the Met department forecasting a sub-normal monsoon, there were concerns that the government would come under pressure to announce larger increases in agricultural support prices as a means to support the rural economy but the government raised support prices for paddy only by 3.7%, in line with last year's increase and less than half the 10% average seen in the previous three years and that for pulses by 5.8%, thereby creating less inflationary pressures.

The previously targeted measure of inflation, based on the Wholesale Price Index, contracted for the seventh consecutive month to 2.4% in May from 2.7% in April. The slight increase came on the back of a rise in prices for fuel, primary articles and manufactured goods.

Repo rate cut to 7%

In line with expectations, the RBI cut the repo rate by 25 basis points to 7% on June 2 following an unchanged status in the previous bi-monthly meeting in April to spur investment and credit.

The RBI recognised that inflation has evolved as anticipated and that the consequences of unseasonal rains have been limited so far. In addition, the central bank noted that the timing of the normalisation of US monetary policy appeared to have been put back and that administered price increases have been subdued. Although banks have started passing some of the previous rate cuts, the RBI continued to urge faster transmission of monetary action into lending rate cuts. Yet, the RBI considers there are still risks to the inflation outlook, particularly related to an unseasonal monsoon, rise in oil prices and volatile external environment. Therefore a prudent food policy is important for keeping inflationary pressures contained in the near term.

The RBI also revised down its growth forecast to 7.6% this fiscal year, from the previous 7.8% projection following the downward revision to GVA estimates for 2014-15.

The likelihood of subsequent rate action is crucially dependant on the impact of food prices on CPI inflation. Given a forecast of a 12% deficit in monsoon rainfall, the risk of increases in minimum support prices for various crops and the pass through of the recent rise in crude oil prices, the RBI has less scope for further monetary easing. However, with proactive measures to supply side constraints to cap food prices, such as the use of buffer stocks, anti-hoarding measures, lowering transportation losses and resorting to imports, we do not rule out another rate cut before the end of 2015.

Exports contract for the sixth consecutive month

India's trade deficit eased to $10.4 billion in May from $11 billion in April, 7.4% below the $11.2 billion shortfall recorded in May a year earlier.

Overall, the trade data suggests weakness in both external and domestic demand. While export weakness has been ongoing for some time, weaker non-oil imports were disappointing. Exports contracted for the sixth consecutive month by 20.2% on the year to $22.3 billion in May, slightly above $22 billion in April, owing mostly to the global slowdown, crude oil price decline and volatility in the rupee.

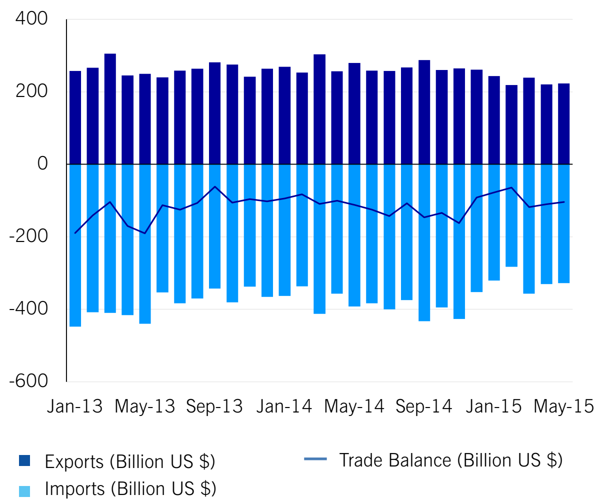
The 36-country real effective exchange rate (REER) index showed that the rupee is somewhat overvalued. Given that historically the REER has remained close to 104-105 levels, in May the REER index was at 109.6, compared with 112.1 in April suggesting a 5% overvaluation. The recent depreciation of the rupee against the dollar, however, is expected to reverse some of this decline by making Indian exports more competitive. Imports declined by 16.5% on the year to $32.8 billion in May as oil imports dropped 41% to $8.5 billion. More worrying was a decline in non-oil imports which fell by 2.2% to $24.2 billion. Gold imports narrowed as expected as festival related demand ebbed.

The current account deficit averaged to $1.3 billion in Q4FY15. For the year through March 31, the shortfall was $27.5 billion, or 1.3% of GDP, compared with 1.7% in the previous year.

Government keeps the fiscal deficit in check

The fiscal deficit in the first two months of 2015-16, was Rs. 2.08 trillion or 37.5% of estimated budget of Rs. 5.5 trillion for the whole financial year. This is lower than the deficit of 45.3% during the same period a year ago. The

Trade Balance

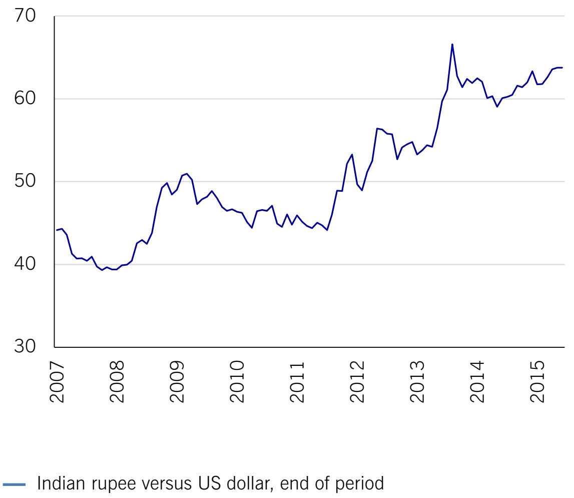


Source: Ministry of Commerce and Industry total expenditure of the government in the first two months was Rs. 2.63 trillion or 14.8% of the entire year estimate, lower than last year's expenditure of 15.6% while total receipts were Rs. 542.1 billion, 4.4% of the estimate, higher than last year's outturn of 3.1%. For 2015-16, the government aims to contain the fiscal deficit at 3.9% of GDP, above the 3.6% target inherited from the last government and target 3% a year later than planned earlier, unlocking funds for investment into infrastructure development and social welfare programmes. This followed a successful achievement of the government's budget deficit to 4% of GDP in 2014-15, even lower than the target of 4.1%.

Foreign exchange reserves rise to a record high

India's foreign exchange reserves rose by $1.7 billion to $355.5 billion in the week to June 19. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of foreign exchange reserves, rose by $1.1 billion to $330.7 billion while the value of India's gold reserves remained stable at $19.3 billion in the week ending June 19. The RBI has been building reserves and has bought roughly $100 billion in forex reserves in the last 18 months to absorb any future global financial shock when the US eventually raises interest rates.

Rupee Exchange Rate



Source: Reserve Bank of India

Foreign investors have invested nearly $782 billion in Indian capital markets so far in 2015 amid hopes of a turnaround in activity. However in June, investors pulled out nearly $33 billion due to better returns from Asian peers, concerns over a slow revival in corporate earnings, continued worries over taxation issues as well as the Greece crisis.

The Indian rupee has lost 3.2% against the dollar since the start of the year and about 6% since June 2014. The reasons for sell-off include rising crude oil prices and slow pace of economic reforms by Prime Minister Narendra Modi. Though a weak rupee may benefit India, making its exports competitive, a falling rupee is likely to erode the returns on investments made by overseas investors.

Car sales continue to grow in May

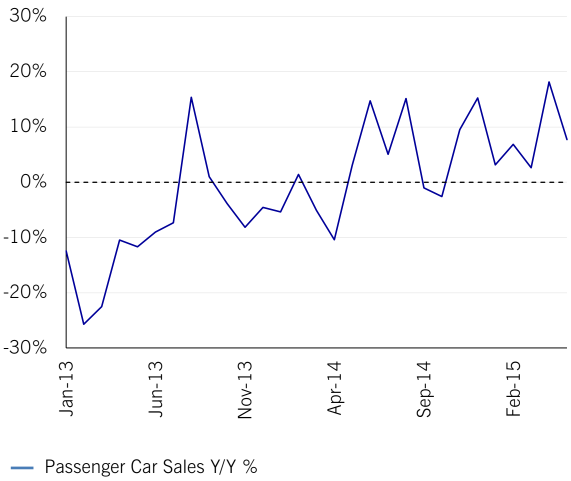
Car sales in India rose by 7.7% on the year in May following growth of 18.1% in April.

Sales of commercial vehicles grew by 3.9% on the year in May from 6.5% on the year in April. On a three month average, sales were down by 2.4% in May after contracting by 3.9% in April. The industry remained cautious due to a weakening in rural sales which saw a contraction of 1.2% in two wheeler sales on the year in May, the fourth consecutive month of contraction. Within two-wheelers, sales of scooters grew by 2.6% on the year, the slowest growth in more than two years, while sales of motorcycles contracted for the eighth consecutive month by 3%. India is the world's largest market for motorcycles and much of the slowdown comes from smaller cities. Unprecedented rains in India ahead of harvest season hit the rural economy hard and now, the forecast of a drought could make things worse.

The three cuts in interest rates by the RBI this year might help the automobile industry recover but since financing rates are still high, we expect automobile demand to remain sluggish.

The Budget announced the rationalisation of duties, which saw the basic excise rate on smaller vehicles go up from 12.36% to 12.5%. The additional burden brought on by this is likely to be marginal and many car manufacturers indicated that they may absorb this and

Car Sales



Source: Society of Indian Automobile Manufacturers

not pass it on to consumers immediately. In addition, there is an effective excise reduction on larger vehicles which will lead to a small price benefit which may be passed on to customers.

RBI Industrial Outlook remains broadly unchanged

The RBI's Industrial Outlook Survey showed that the Business Expectation Index (BEI), a gauge of manufacturing business sentiment, remained broadly stable at 115.2 in the quarter ending June 2015 compared with 115.6 in the quarter ending March and was above the outturn of 111.1 recorded a year earlier. Companies expected to receive fewer domestic and overseas orders and hence revised down their outlook for production and employment. This was largely offset by lower expectations about the cost of raw materials and finance.

Manufacturing companies witnessed an improvement in demand during the January-March quarter to 106.7 from 104.6 in the previous quarter, the highest since June 2012. The improvement for the assessment quarter was mainly due to improved optimism in production, order books, capacity utilisation, employment, financial situation, availability of finance coupled with reduced pessimism in cost of finance, cost of raw materials and profit margin.

More up-to-date monthly data from the MNI India Business Sentiment Survey has shown the pace of growth in business confidence has eased in recent months. In the quarter ending June, the MNI India Business Sentiment Indicator fell to the lowest in more than a year, averaging 64.4 while other key parameters like production, new orders and availability of credit also eased slightly. The monetary easing by the RBI eased interest rates paid by companies to the lowest in the survey's history. Inflationary pressures re-emerged and more companies paid higher input prices in June.

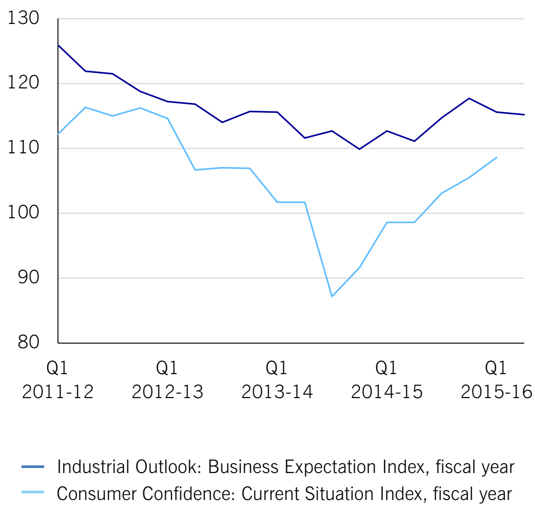
RBI Consumer Confidence improves in March

The RBI's Consumer Confidence survey showed that the Current Situation Index (CSI), an assessment of consumer sentiment, remained buoyant in the quarter ending March at 108.6, up from 105.5 in the quarter ending December. This was markedly above the 98.6 recorded in the quarter ending March a year earlier.

Respondents had positive expectations about future economic conditions and spending as the Future Expectations Index, which measures the year-ahead outlook, accelerated to 126.7 in March from 118.3 in the quarter ending December.

Current economic conditions compared to one year ago have shown an improvement in the last four rounds of

RBI Business and Consumer Sentiment



Source: Reserve Bank of India

the survey with the net response rising from 1.6 to 15.8 in the quarter ending March. Also, positive perceptions on future economic conditions, which were declining in the last three rounds, have shown a turnaround in this quarter with the net response rising to 40.4 from 34.1 in the previous quarter.

The employment outlook worsened in the March quarter compared with the previous quarter but still more than 50% of respondents expected an improvement in the employment situation one year ahead. Regarding price levels and inflation, current sentiment showed improvement while perceptions on future price levels and inflation deteriorated.

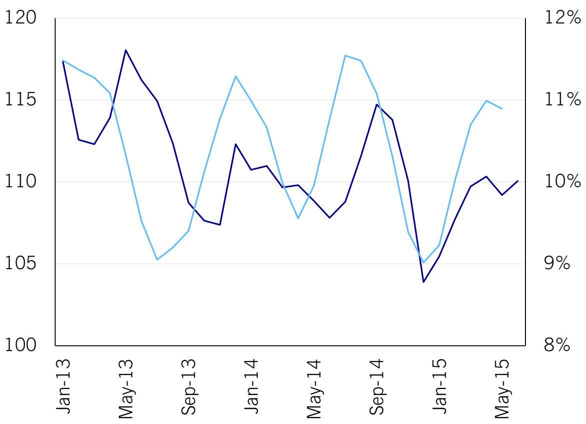
More up-to-date monthly data from the MNI India Consumer Sentiment Survey has shown confidence falling below that of the last year's in June. The MNI India Consumer Sentiment Indicator remained broadly stable in June at 119.5 and averaged slightly higher in the quarter ending June as compared with the previous quarter. Consumers showed weaker confidence with respect to current conditions but were slightly more optimistic in their expectations for the future.

Key Monthly Economic Data

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Consumer Price Index (Y/Y %)	4.3	5.2	5.4	5.3	4.9	5.0	-
Wholesale Price Index (Y/Y %)	-0.5	-0.9	-2.2	-2.3	-2.7	-2.4	-
Industrial Production (Y/Y %)	3.6	2.8	4.9	2.5	4.1	-	-
Car Sales (Y/Y %)	15.3	3.1	6.9	2.6	18.1	7.7	-
Trade Balance (Billion US $)	-9.1	-7.7	-6.4	-11.8	-11.0	-10.4	-
Exports (Billion US $)	26.1	24.4	21.9	23.9	22.0	22.3	-
Imports (Billion US $)	35.3	32.1	28.3	35.7	32.9	32.8	-
MNI India Business Sentiment Indicator	68.4	64.2	66.2	63.0	63.9	62.3	67.1
MNI India Consumer Sentiment Indicator	119.6	120.4	121.2	118.5	122.1	119.6	119.5

Correlation Charts
Our Indicators Closely Track Official Data

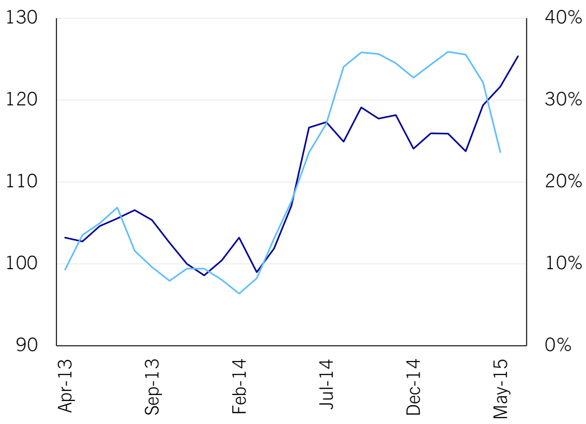
Durable Buying Conditions



MNI Durable Buying Conditons 3MA
Currency with Public Y/Y% 3MA (RHS)*

Source: *Reserve Bank of India

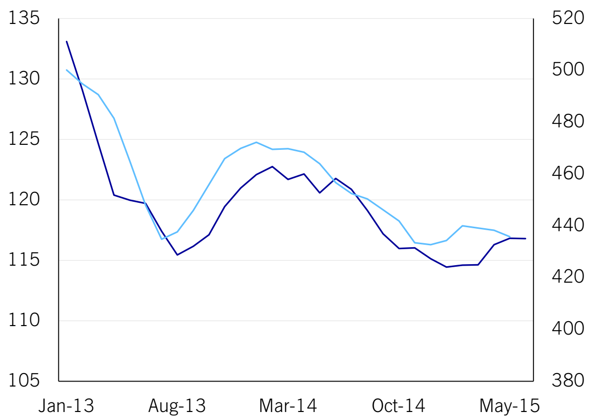
Stock Investment



Stock Investment Indicator 3MA
BSE SENSEX Y/Y% 3MA (RHS)*

Source: *Reserve Bank of India

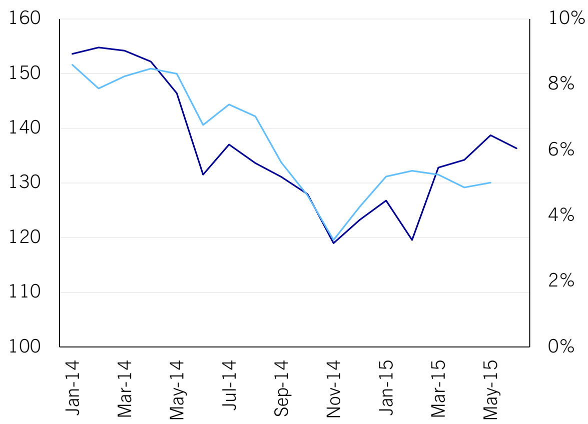
Personal Finances and Gold Prices



MNI Current Personal Finances 3MA
WPI Index: Gold and Gold Ornaments 3MA (RHS)*

Source: *Ministry of Commerce and Industry

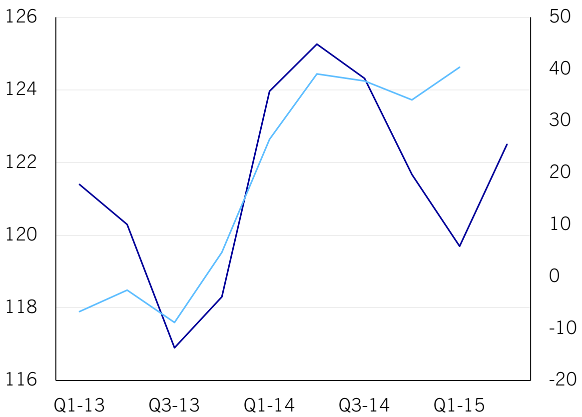
Inflation Expectations



MNI Inflation Expectations
Consumer Price Inflation Y/Y% (RHS)*

Source: *MOPSI

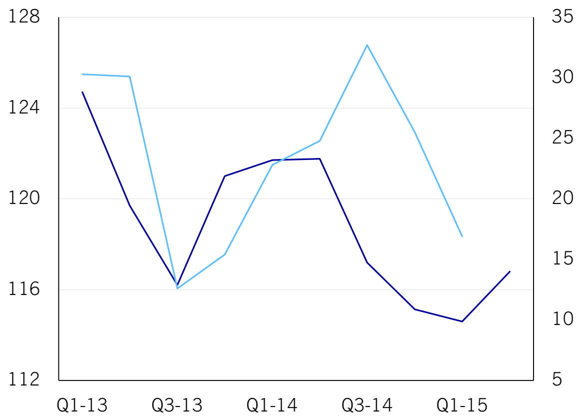
Expectations for Business Conditions



— MNI Expectations for Business Conditions in One Year
— Economic Conditions One Year Ahead: Net Response (RHS)*

Source: *Reserve Bank of India

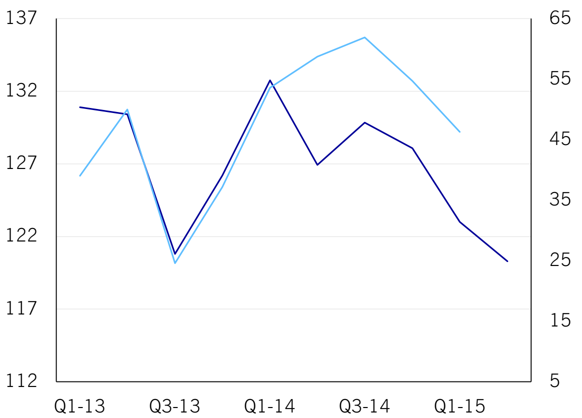
Personal Finances



— MNI Current Personal Finances
— Income Compared with Previous Year: Net Response (RHS)*

Source: *Reserve Bank of India

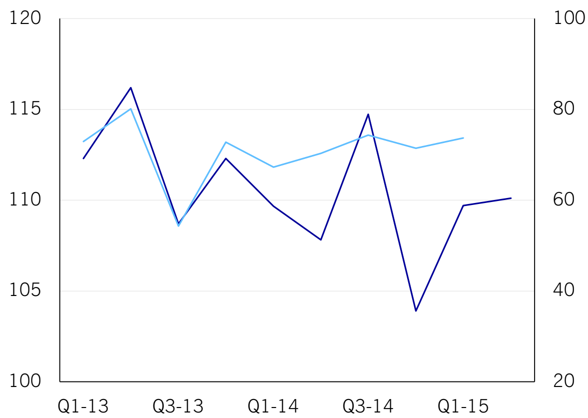
Expected Personal Finances



— MNI Expected Personal Finances
— Income One Year Ahead: Net Response (RHS)*

Source: *Reserve Bank of India

Consumer Spending



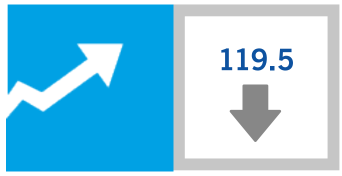
— MNI Durable Buying Conditions
— Consumer Spending Compared with Previous Year: Net Response (RHS)*

Source: *Reserve Bank of India

Indicators

The MNI India Consumer Sentiment Indicator remained stable at 119.5 in June compared with 119.6 in May as a decline in satisfaction with current conditions was countered by more optimistic expectations for the future.

MNI India Consumer Indicator
Broadly Stable



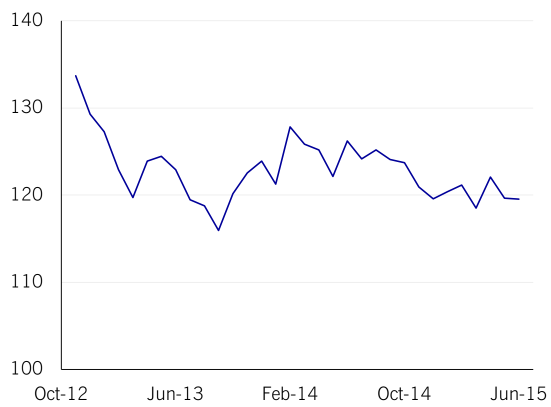
The MNI India Consumer Sentiment Indicator remained stable at 119.5 in June compared with 119.6 in May as a decline in satisfaction with current conditions was countered by more optimistic expectations for the future.

The Current Indicator, which measures consumers' assessment of their current conditions, fell to 111.2 in June from 113.5 in May, although up from the December low of 106.9. In contrast, the Expectations Indicator rose to 125.1 in June from 123.7 in the previous month, although down from 128.0 in December last year.

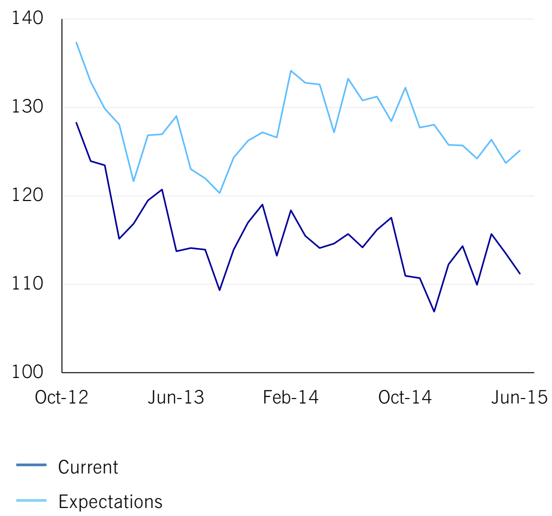
Consumer confidence was down by 5.3% on the year and all five components of the Consumer Indicator were below their outturns a year earlier. Over the past year, respondents' hopes for long-term economic conditions have been severely dented and their confidence about household finances has stalled. In contrast, the survey shows that optimism on current business conditions has increased slightly over the same period, something which hasn't been reflected in the headline confidence measure.

The three interest rate cuts by the Reserve Bank of India in 2015 appear to have halted the trend decline in confidence, with the MNI India CSI remaining broadly stable after falling more than 5% between June and December last year. Each interest rate cut has provided a small monthly fillip to sentiment. The latest rate cut of 25 basis points on June 2, however, has not yet trickled down to consumers, though it could have some upside impact on consumer sentiment in the following months.

MNI India Consumer Indicator



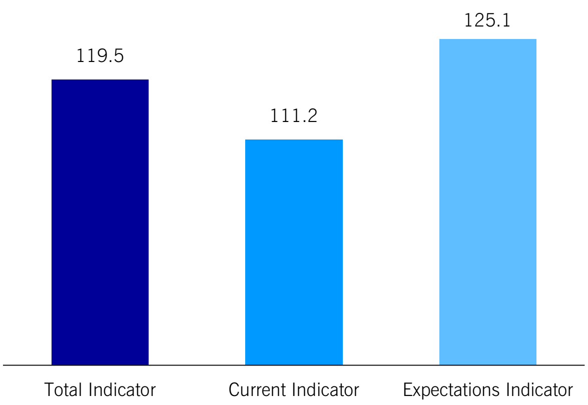
Consumer Indicators



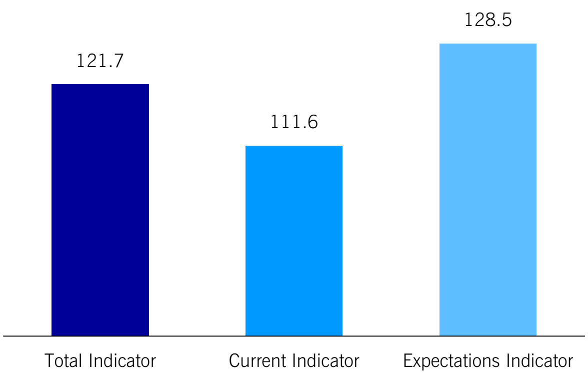
MNI India Consumer Indicator

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
MNI India Consumer Indicator	126.2	120.4	121.2	118.5	122.1	119.6	119.5
Current	115.7	112.2	114.3	109.9	115.7	113.5	111.2
Expectations	133.2	125.8	125.7	124.2	126.4	123.7	125.1

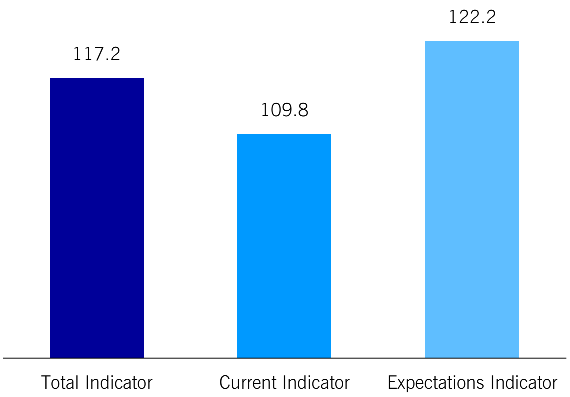
All India



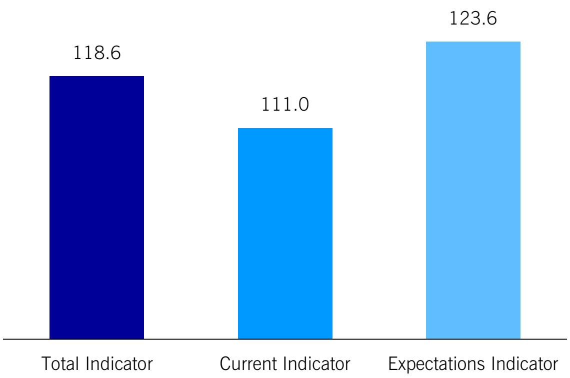
North India



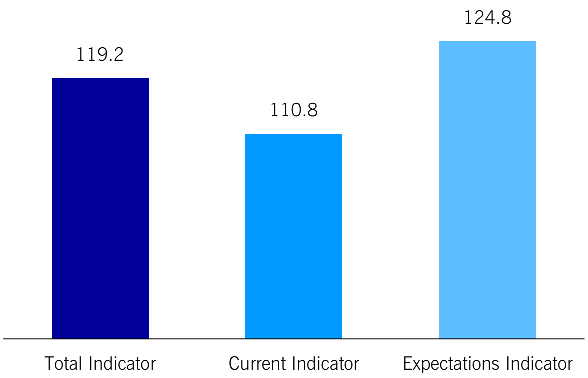
South India



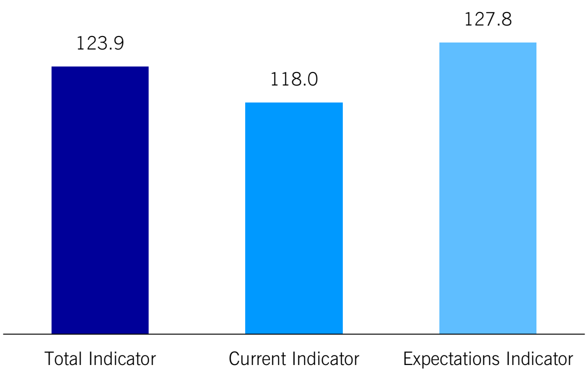
East India



West India



Central India



The June survey shows that consumer sentiment remains fragile with consumers increasingly wary about their finances and less inclined to make big-ticket purchases. The Current Personal Finances Indicator fell by 2.9% to 114.4, the lowest since January. This impacted Durable Buying Conditions, a measure of purchase sentiment, which eased to a three-month low. In contrast, the two business conditions components which measure expectations for one and five years rose slightly to hit two-month highs.

Consumers had a brighter outlook for employment conditions over the next 12 months. The Employment Outlook Indicator rose for the third consecutive month to 122.7 in June as more than 50% of respondents expected the job market to improve. This follows our June business sentiment survey which showed that more companies thought the size of their workforce was insufficient for their requirements and were looking to hire over the coming months.

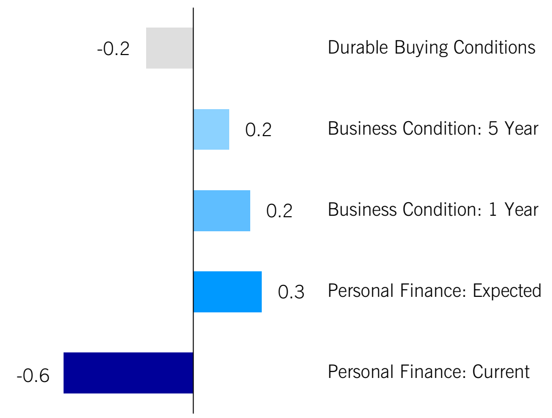
While our panel thought that it was a better time to make either a car or house purchase, digging deeper into the survey it is evident that this was mainly due to favourable price effects rather than being underpinned by a pick-up in sentiment. The Car Purchase Indicator, which is composed of two components, rose 7.7% on the year in June owing to lower gas price expectations rather than more optimistic car purchase expectations which have instead remained broadly stable. Meanwhile, the Real Estate Investment Indicator was up 3.9% on the year due to higher House Price Expectations but House Buying Sentiment lagged behind.

Regions

Consumer sentiment rose only in North and Central India in June.

In North India, consumer sentiment rose by 3.9% to 121.7 from 117.1 in May. Apart from the Durable Buying Conditions Indicator, all of the components of the Consumer Indicator rose. Respondents felt

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



significantly more confident in their expectations for the future than their assessment of current conditions. Consumers were more optimistic in their outlook for future business conditions and had higher expectations for their finances in the coming 12 months. They were also slightly more confident about their current financial situation but were less keen on buying big-ticket items.

In Central India, the Consumer Indicator rose by 2.7% to 123.9 in June from 120.6 in the previous month. Consumers were more confident about the current state of their finances, with the indicator rising to the highest level since May 2014. Respondents were, however, less keen on purchasing durable goods. They were more optimistic in their expectations about business conditions in five years' time which rose to the highest level since December 2014.

Age

Consumer sentiment rose only among the youngest age group in June.

The Consumer Indicator for the 18-34 year age range rose 2.1% to 122.5 from 120.1 in May. Consumers were less satisfied with their Current Personal Finances, with the indicator falling to a five-month low, but were more upbeat in their outlook for their future finances which recovered somewhat after hitting a series low in May. Respondents also revised up their short and long-term expectations for business conditions. Consumers were the least optimistic about purchasing big-ticket items, with the Durable Buying Conditions Indicator remaining more-or-less flat on the month.

Consumer sentiment among 35-54 year olds fell slightly to 118.7 from 119.8 in May. Respondents were less satisfied with their Current Personal Finances which made them less willing to buy durable goods. Their expectations for future finances rose to a three-month high and they were less confident about short-term business conditions.

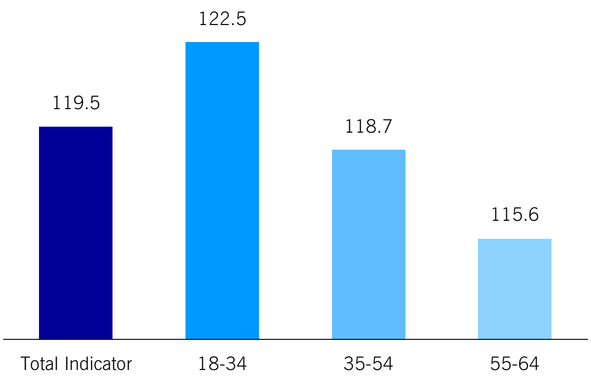
Consumer Sentiment among the oldest age range, 55-64 year olds, fell to 115.6 in June from 118.2 in May. The fall in the Consumer Indicator was led by Personal Finances, with both current and expected measures falling to a two-month low. Consumers were less confident about purchasing big-ticket items with the Durable Buying Conditions Indicator falling to the lowest level this year. Respondents were also less bullish in their expectations for future business conditions.

Income

Households in the lower income group were more confident in June, while high earners were slightly less satisfied than they were in the previous month.

The Consumer Indicator for households with an average annual income under Rs. 432,000 rose to 119.0 after hitting a record low of 114.5 in May. Respondents' sentiment towards current conditions was more-or-less unchanged but they were more confident in their future expectations. Respondents were wary of their Current Personal Finances which probably also impacted their willingness to purchase large household items, with the Durable Buying Conditions Indicator remaining broadly stable in June. Meanwhile, respondents were more optimistic in their expectations about future Business Conditions.

Consumer Indicator: Age Groups



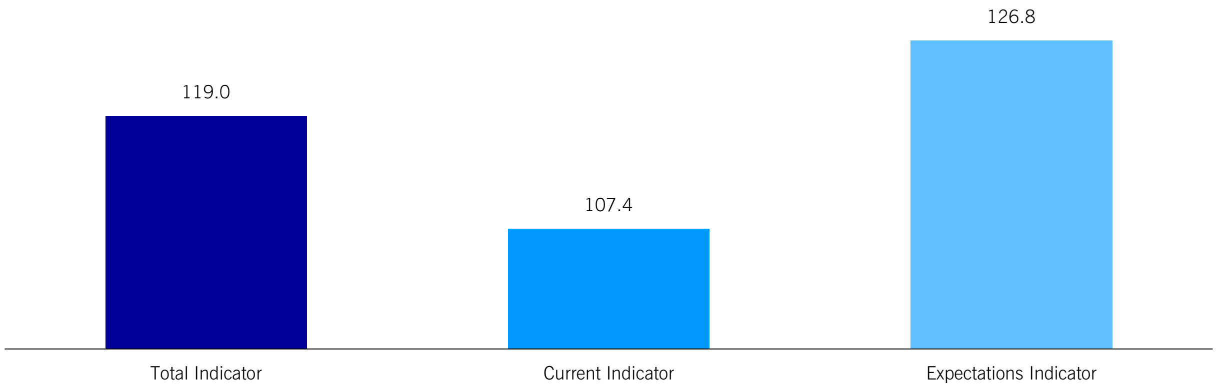
For households with an average annual income over Rs. 432,000, the Consumer Indicator fell to 128.6 in June from 129.7 in May. Apart from Expected Personal Finances, all other components of the Consumer Indicator fell in June. Consumers were least confident about making big-ticket purchases as their Current Personal Finances fell. Expectations for both short and long-term Business Conditions also weakened on the month.

The gap in confidence between high and low-income households has risen significantly over the past year, although it narrowed to a three-month low in June. Consumer sentiment has averaged 120.5 among those in the low-income group since the start of the survey, while for higher income households, it has averaged 128.5.

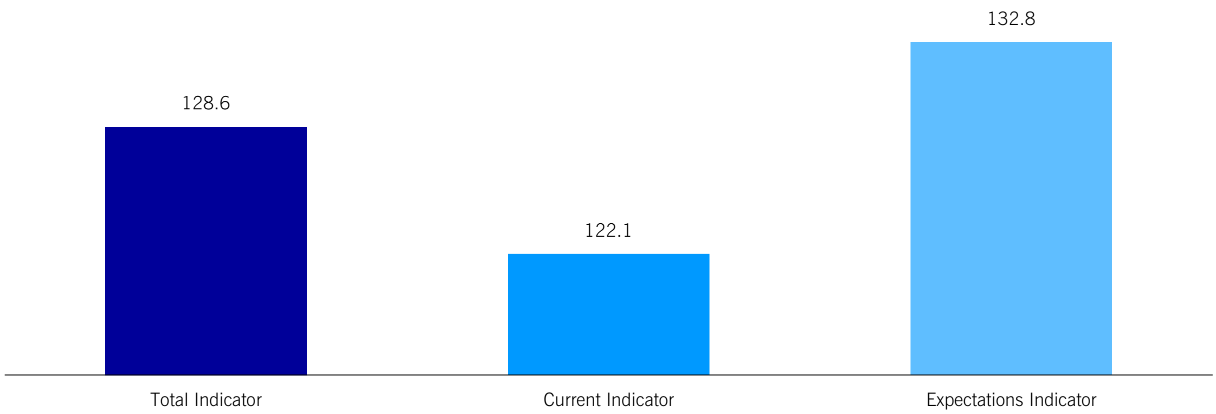
MNI India Consumer Indicator

Income Groups

< Rs. 432,000 per annum



> Rs. 432,000 per annum



MNI India Consumer Indicator
Main Cities

Sentiment rose in five of the 10 major Indian cities surveyed in June.

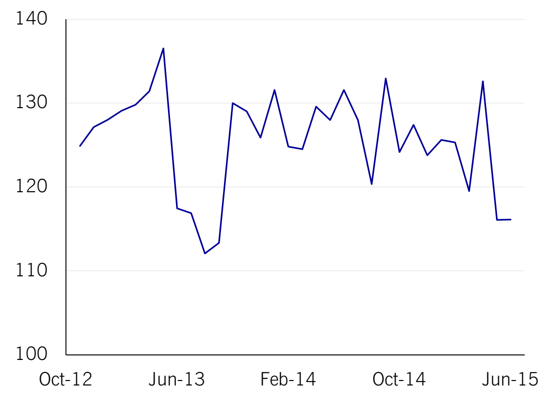
In Mumbai, India's most populous city, consumer sentiment was flat at 116.1 in June. Residents of the city were less optimistic about their Current Personal Finances, which fell by 8.4% to the lowest level since September 2013. Still, more respondents thought it was a good time to purchase large household items. Respondents also revised up their expectations about short-term business conditions which rose by 4% on the month, although this rise in confidence did not extend to the long-term outlook for business conditions which fell by 2.8% to a 10-month low.

In the capital, Delhi, consumer sentiment rose for the first time in four months to 119.4 from 114.3 in May. All five components of the Consumer Indicator increased. The greatest rise was in the Current Personal Finances Indicator, which rose by 7.8% to the highest since July 2014. Of all the indicators, consumers were least optimistic about purchasing large household items. They were more positive in their short and long-term expectations for business conditions.

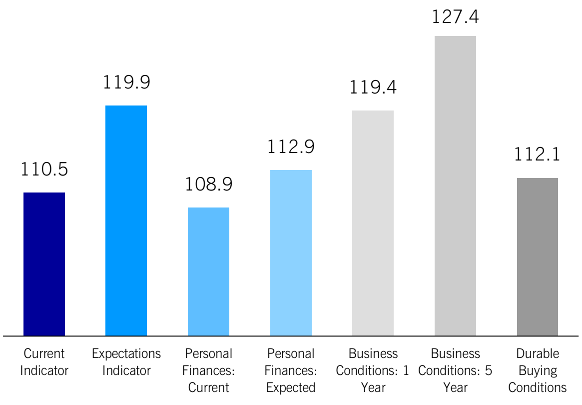
Consumer confidence in Bengaluru, the third largest city by population in India, rose to 122.4 in June from 119.8 in May. Consumer sentiment towards both current and future Personal Finances weakened to a three-month low. In spite of this, consumers were more enthusiastic about spending with the Durable Buying Conditions Indicator rising by 4.7% to the highest since October 2014. Short-term expectations for business conditions remained more-or-less the same but respondents were significantly more optimistic about business conditions in five years' time.

In contrast, residents of Hyderabad were less confident, with the Consumer Indicator falling by 6.8% to a six-month low of 118.1 in June. The sharpest fall was in consumers' expectations for future Personal Finances which suffered a double-digit decline. Consumers also revised down both their short and long-term expectations for business conditions to the lowest since December 2014. Consumers also became less willing to purchase big-ticket items, with the Durable Buying Conditions Indicator falling to a three-month low.

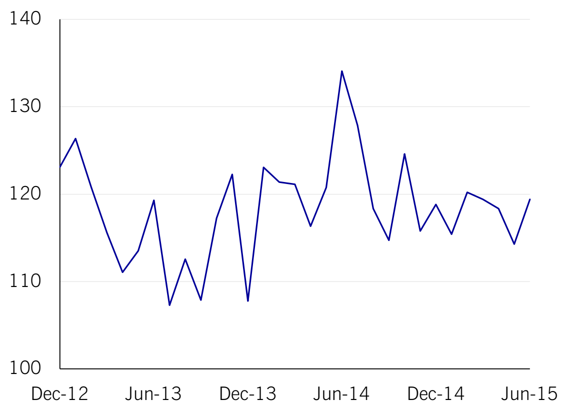
Consumer Indicator - Mumbai



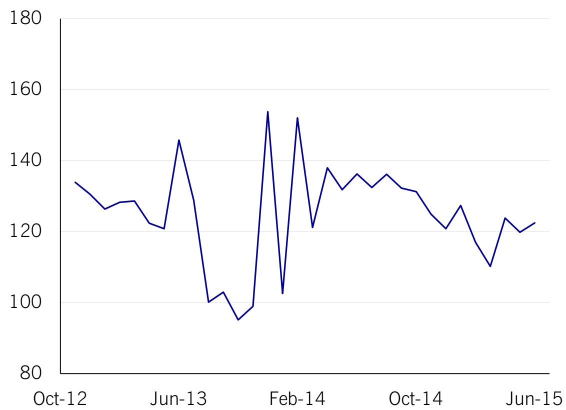
Consumer Indicator Components - Mumbai



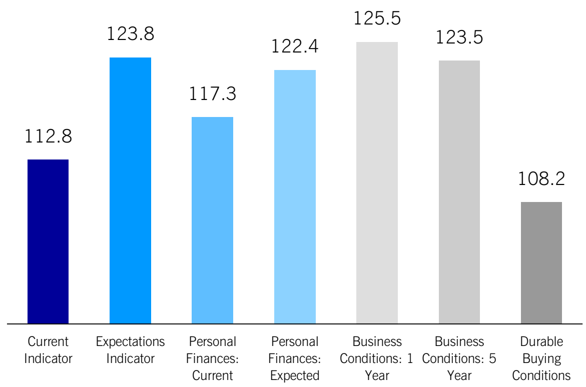
Consumer Indicator - Delhi



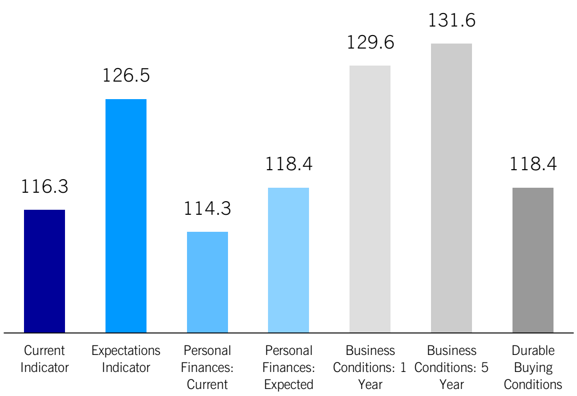
Consumer Indicator - Bengaluru



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bengaluru



Personal Finances

Current Finances Lowest Since January

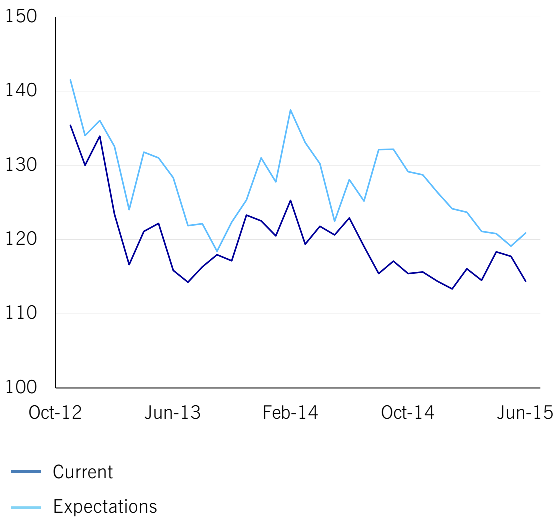
Consumers were less satisfied with their current household finances while their expectations for the future improved in June.

The Current Personal Finances Indicator, which measures whether a household is better or worse off financially than a year ago, fell to 114.4 in June from 117.7 in May. Sentiment towards personal finances eroded during the second half of 2014, with the indicator hitting a record low in January. Recent cuts in interest rates and historically low inflation had helped to bring about greater confidence with finances, although the impact of these factors has since started to wear-off which has brought the indicator down to just one point above January's record low.

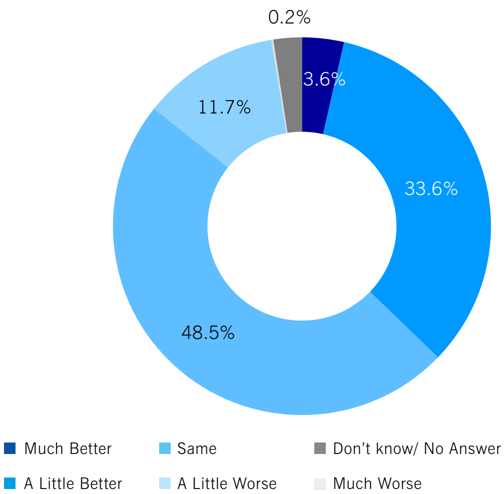
In the quarter ending June, the Current Personal Finances Indicator averaged 116.8 compared with the 114.6 outturn of the previous quarter. Of those who reported that their finances had improved, half of respondents cited higher income as the main reason whilst those who thought their finances had worsened mainly cited higher family expenses.

Consumers have been more optimistic in their expectations for their financial position in the next 12 months compared with their current situation ever since the start of the survey. The gap between the two series, however, had been constantly falling after hitting a series high in September 2014 but in June, the two series diverged once again. Expectations for Future Personal Finances rose slightly for the first time in nine months to 120.9 in June from 119.1 in May.

Personal Finances



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

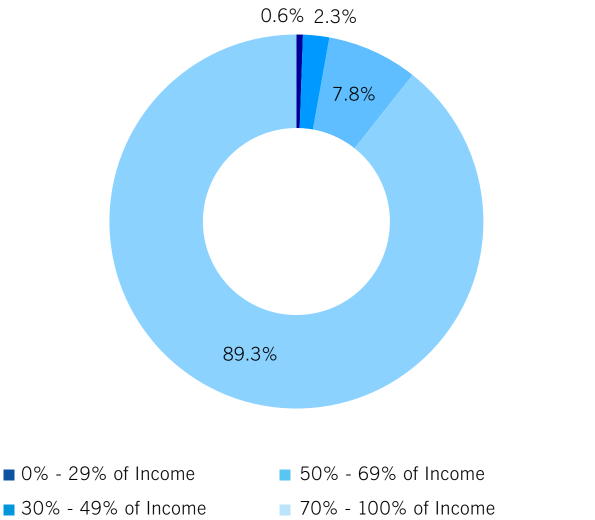


Personal Finances

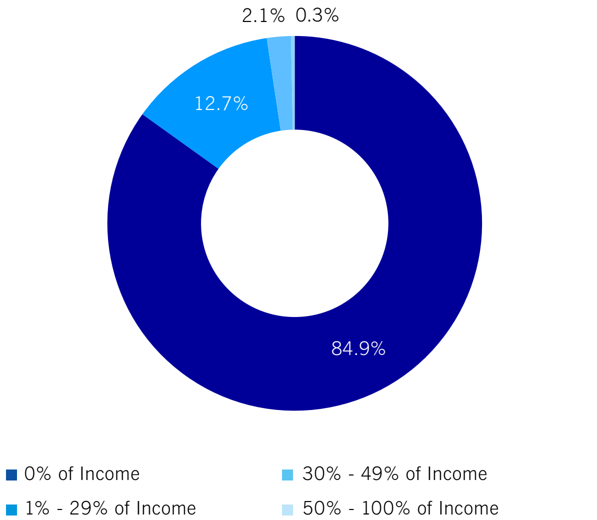
	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Current	122.9	113.3	116.1	114.5	118.3	117.7	114.4
Expectations	128.1	124.2	123.7	121.1	120.8	119.1	120.9

How Households Spend their Money

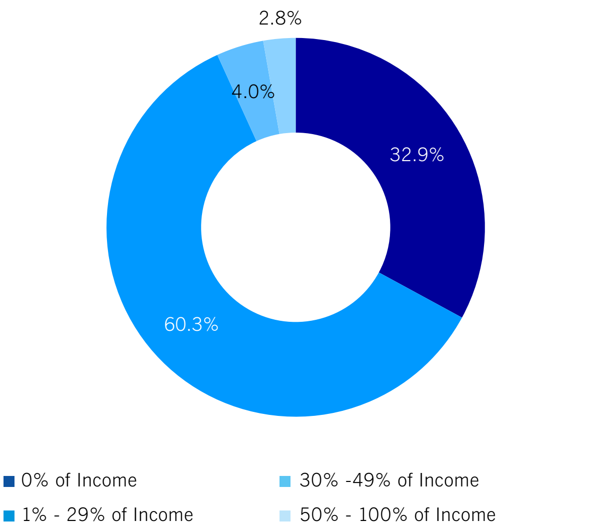
Monthly Household Income Used for Daily Expenses (% of Households)



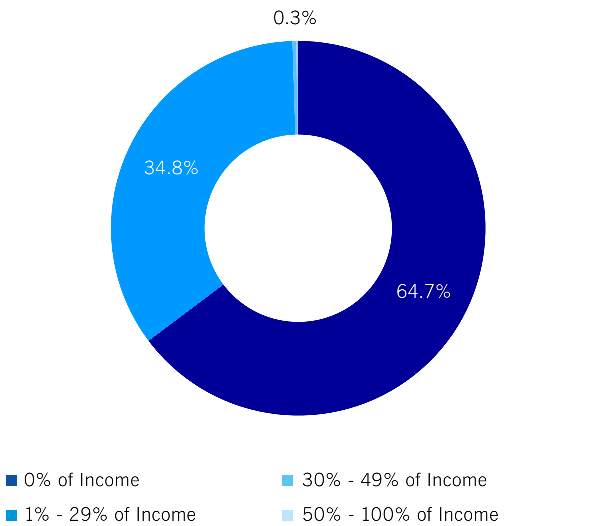
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings (% of Households)



Monthly Household Income Used for Investments (% of Households)



Expectations for Business Conditions in One Year rose by 1.2% to 122.5 from 121.1 in May.

Of those who were optimistic about business conditions in the coming year, almost 40% of respondents attributed it to economic development.

Business Conditions
More Optimistic about Future Business Conditions

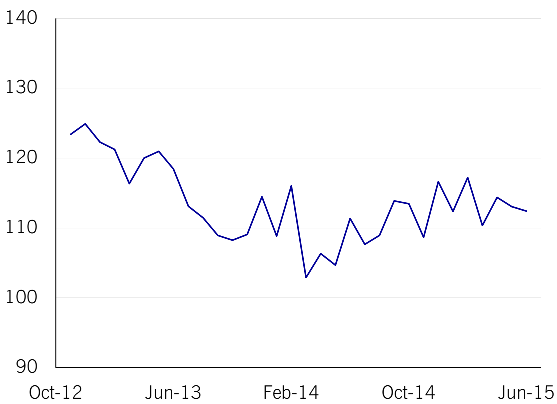
Consumers revised up their outlook for the business environment, even though their perception of the current business situation worsened.

The Current Business Conditions Indicator fell to 112.4 in June from 113.0 in May, the lowest in three months. Even so, consumers' assessment of current business conditions was one of the few parameters in the survey that was above its respective outturn in 2014. This was in contrast with both expectations metrics for future business conditions which were below the level seen a year earlier.

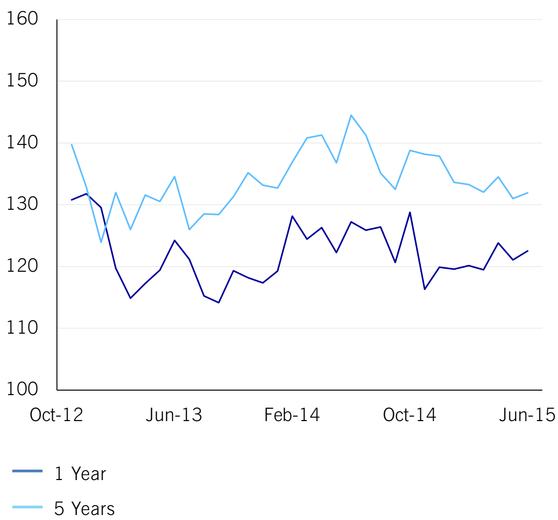
In June, expectations for Business Conditions in One Year rose by 1.2% to 122.5 from 121.1 in May. Of those who were optimistic about business conditions in the coming year, almost 40% of respondents attributed it to economic development.

Respondents' long-term expectations for the business environment have trended downwards since hitting a record high in June last year. The Business Conditions in Five Years Indicator rose to 131.9 in June from 131.0 in the previous month, although it was 8.7% below the level seen a year ago. Sentiment rose in five of the 10 major cities surveyed, with confidence in the long-term outlook for business conditions highest among residents of Pune.

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years

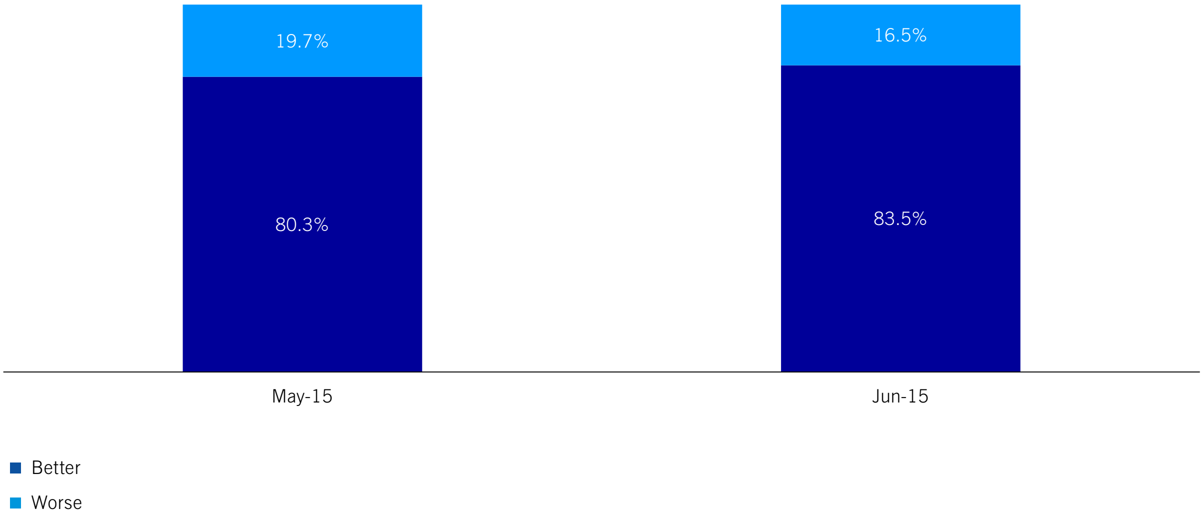


Business Conditions

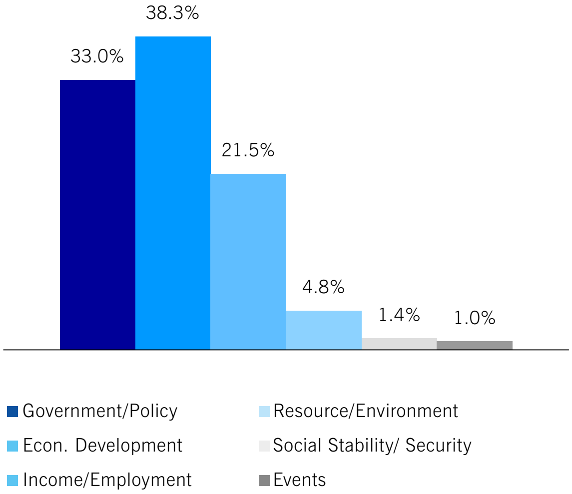
	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Current	111.4	112.4	117.2	110.3	114.4	113.0	112.4
In 1 Year	127.2	119.6	120.1	119.5	123.8	121.1	122.5
In 5 Years	144.5	133.6	133.3	132.1	134.5	131.0	131.9

Business Conditions in 1 Year
Selected Reasons

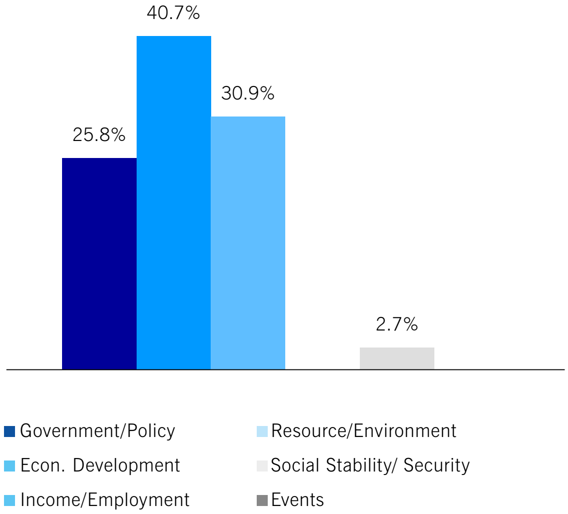
All India



All India, Reasons for Better



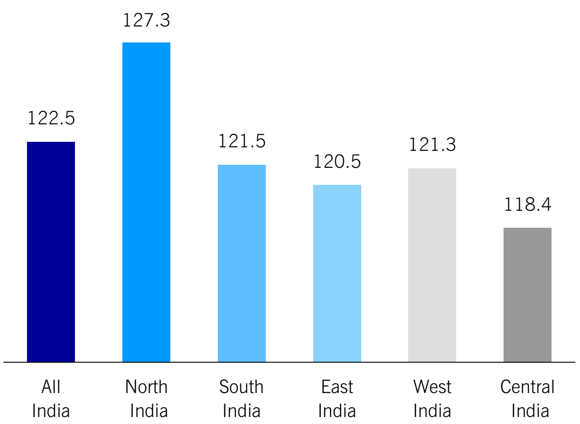
All India, Reasons for Worse



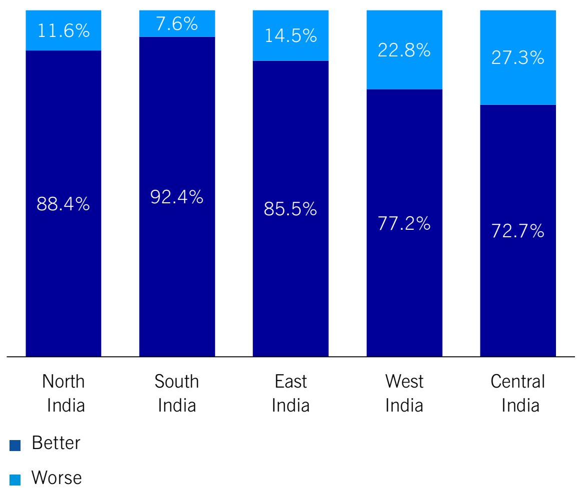
Business Conditions in 1 Year

Regions

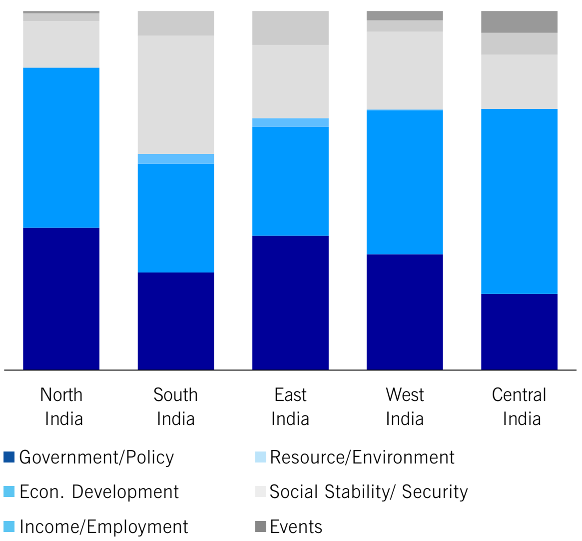
Business Expectations



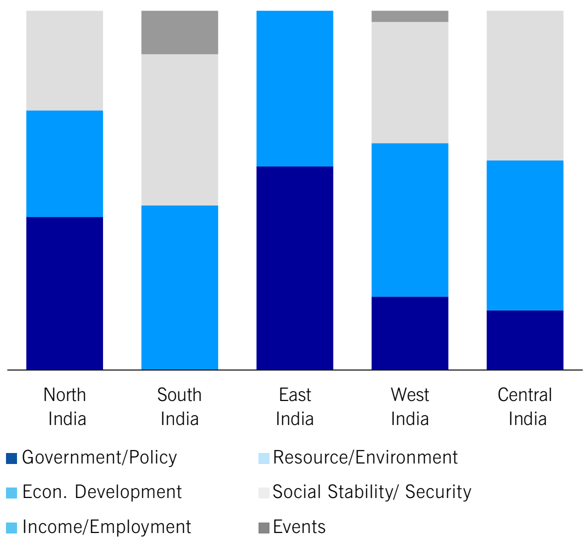
Business Expectations: Better or Worse? (% of Respondents)



Reasons for Better (% of Respondents)



Reasons for Worse (% of Respondents)



Durable Buying Conditions
Three-Month Low

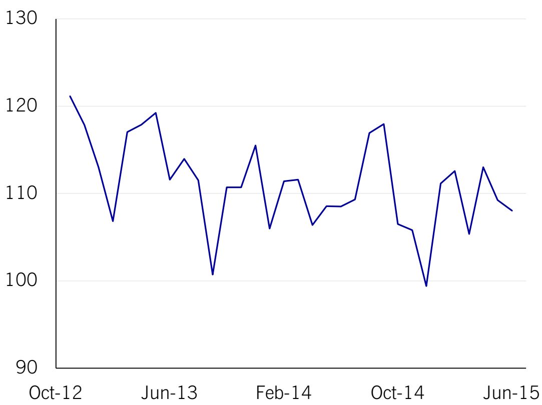
108.0

The proportion of consumers planning to purchase a big-ticket item fell in June as a growing number reported that they were indifferent and considered it neither a good nor a bad time to make such a purchase.

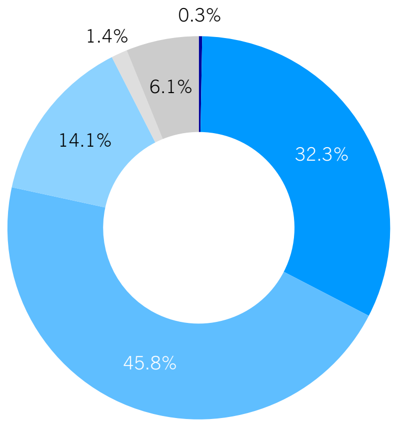
The Durable Buying Conditions Indicator fell to 108.0 in June from 109.2 in May. The indicator measures consumers' willingness to purchase a large household good and provides a guide to overall consumer spending. The indicator has risen twice this year following the cuts in the benchmark interest rate by the central bank and after the rate cut in early June, we expect a positive impact on buying sentiment in the following months. The quarter ending June saw sentiment average 110.1, the highest quarter since July-September 2014.

With overall consumer sentiment down on the year, all components have also fallen barring the Durable Buying Conditions Indicator which stands roughly at the same level as June 2014. Consumers' buying sentiment has exhibited resilience in spite of a sharp fall in consumers' current household finances.

Durable Buying Conditions



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



Durable Buying Conditions

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Durable Buying Conditions	108.5	111.2	112.6	105.4	113.0	109.2	108.0

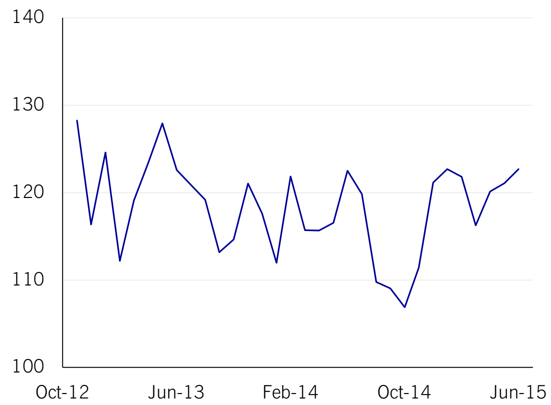
Employment Outlook
Highest Since May 2013

More than 50% of respondents expected the job market to improve over the next 12 months.
The Employment Outlook Indicator rose for the third consecutive month to 122.7 in June from 121.1 in May, making it one of the few indicators in the survey which surpassed both last year's average as well as its series average values.

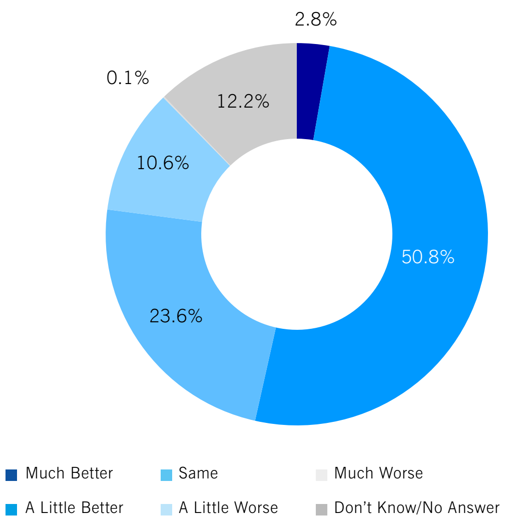
Consumer expectations for the job market have improved sharply since the downturn during the second half of last year. In the quarter ending June, sentiment averaged 121.3, the highest since the quarter ending June 2013. Our sister business survey of India's largest companies also painted a similar picture with the Employment Indicator remaining above the 50 breakeven mark in June as companies continued to consider the size of their workforce to be insufficient for their requirements and therefore planned to hire more staff in the next three months.

A rise in the employment outlook was led by North, West and Central India. The Employment Outlook Indicator was highest in West India, while in North India there was a sharp rise in those who had a more positive outlook for employment conditions in the next 12 months. In Central India, sentiment rose for the third consecutive month to the highest since December 2014.

Employment Outlook Indicator



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



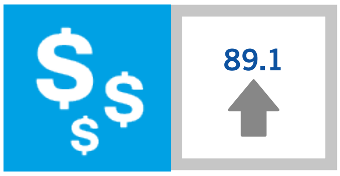
Employment Outlook

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Employment Outlook	122.5	122.7	121.8	116.3	120.1	121.1	122.7

Expectations for inflation in 12 months' time fell for the first time in four months.

Respondents were, however, split in their expectations for how much prices would rise over the next 12 months, with 16.4% consumers anticipating that they would rise by 11%-24% while a further 12% of respondents were unsure.

Prices Sentiment
Dissatisfaction Falls



Sentiment towards prices improved in June as a growing proportion of consumers thought that current prices were reasonable and had lower expectations for inflation for the coming 12 months.

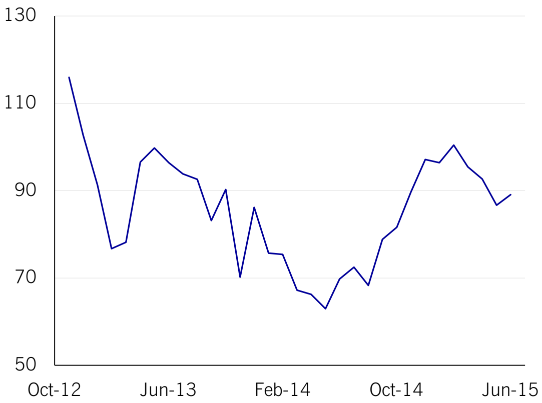
Low inflation helped the Current Prices Satisfaction Indicator to rise above the 100 mark in February but it has subsequently fallen. In June, the indicator measuring satisfaction with the current level of prices rose for the first time in four months to 89.1 from 86.7 in May. A figure below 100 indicates wider dissatisfaction, while an outturn above 100 shows increasing satisfaction. With India having been plagued by high inflation for years, the indicator has only been above 100 for three months since the survey started in November 2012.

Official data showed that consumer price inflation picked up to a two-month high of 5% in May from 4.9% in April. Food price inflation eased to 4.8% from 5.1% in the previous month, while core inflation rose to a seven-month high of 4.8% from 4.4% in April.

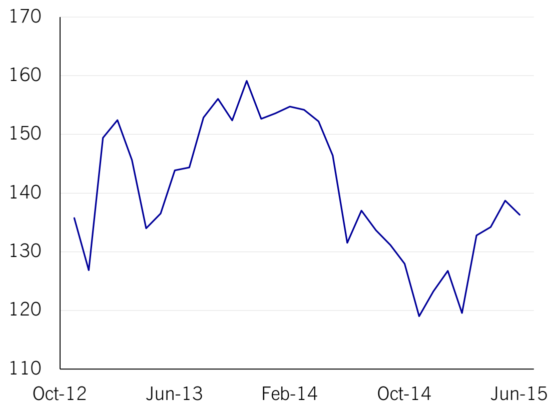
Expectations for inflation in 12 months' time fell for the first time in four months to 136.3 in June from 138.7 in the previous month. Respondents were, however, split in their expectations for how much prices would rise over the next 12 months, with 16.4% consumers anticipating that they would rise by 11%-24% while a further 12% of respondents were unsure.

The Inflation Expectations Indicator has closely matched the trend in consumer price inflation

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



Prices Sentiment

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Satisfaction with Current Prices	69.8	96.4	100.4	95.4	92.6	86.7	89.1
Inflation Expectations	131.5	126.8	119.6	132.8	134.2	138.7	136.3

Prices Sentiment

Regions

previously and points to a pick-up over the coming months. Even so, the low level of inflation expectations compared with a year earlier should help the Reserve Bank of India to hit its now formalised inflation target of 6% by January 2016.

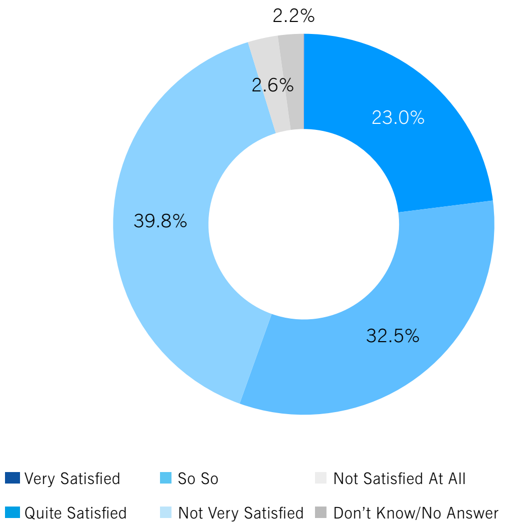
Regions

Satisfaction with Current Prices rose in North, East and West India.

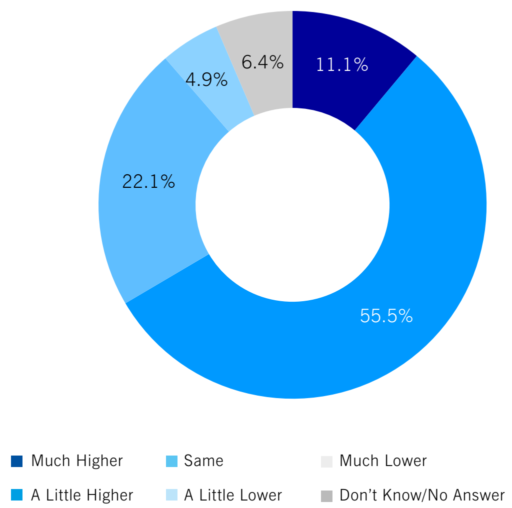
Consumers in East India became satisfied with prices, as evidenced by the 22% increase in the indicator to 100.9. Correspondingly, fewer respondents thought that prices would rise in the next 12 months with the Inflation Expectations Indicator falling 5.5% to a two-month low. Of those who thought that prices would rise, the majority of respondents expected them to increase by up to 5% in contrast with last month when they broadly anticipated a 10% rise.

In contrast, consumers in Central India revised down their perception of prices which caused the Current Prices Satisfaction Indicator to fall by 24.2%. More respondents had higher inflation expectations, pushing the Inflation Expectations Indicator to the highest since May 2014.

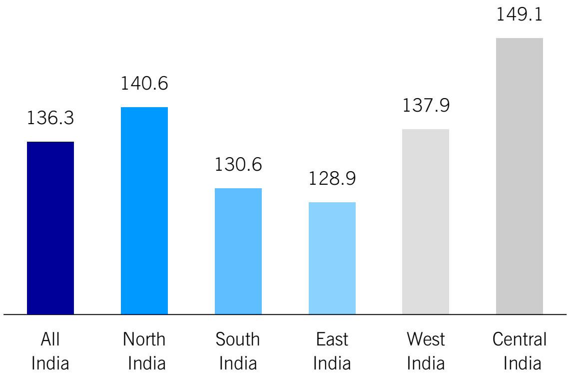
Satisfaction with Current Prices
(% of Households)



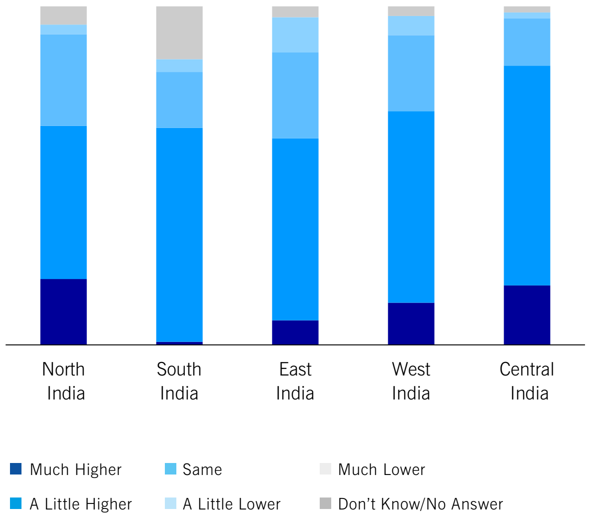
Inflation Expectations in 12 Months
(% of Households)



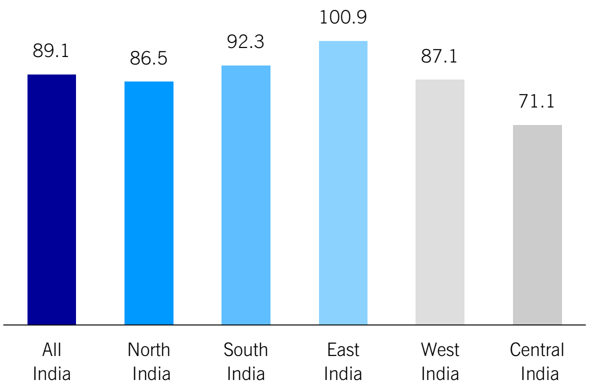
Inflation Expectations Indicator



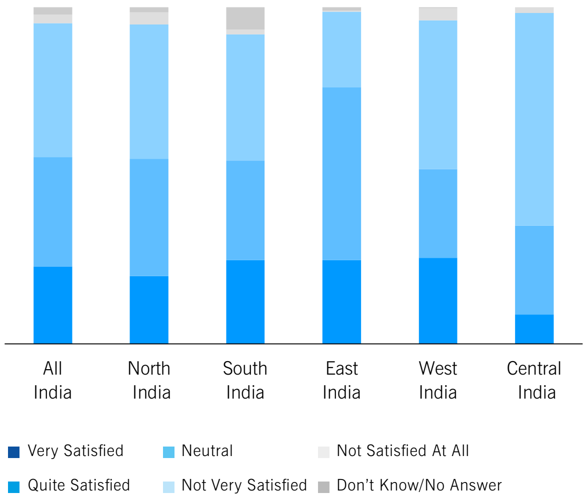
Inflation Expectations in 12 Months (% of Households)



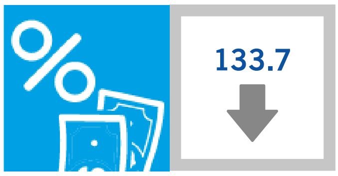
Satisfaction with Current Prices Indicator



Satisfaction with Current Prices (% of Households)



Interest Rate Expectations
Two-Month Low

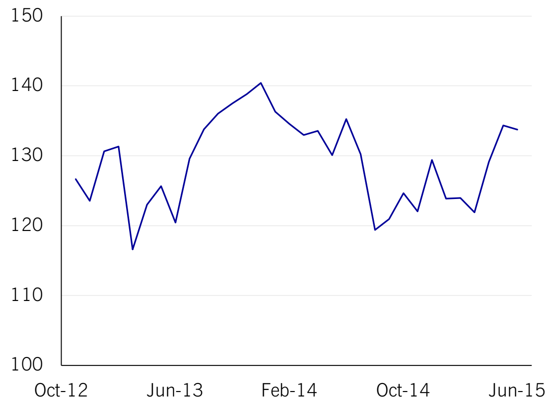


The Interest Rates Expectations Indicator fell to 133.7 from 134.3 in May, though it remained above the series average of 129.1.

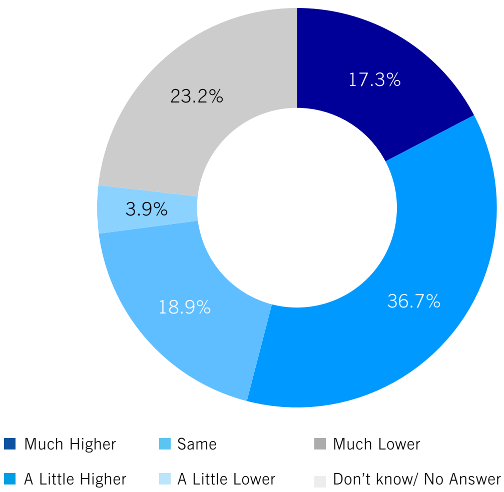
Raghuram Rajan has cut benchmark interest rates three times since he took over as the Governor of the RBI, having successfully overseen a significant fall in inflation following his appointment in September 2013. Evidence from both our business and consumer surveys indicate that inflation expectations have significantly declined since last year, but that the period of ultra-low inflation is behind us.

The likelihood of subsequent rate cuts is crucially dependant on the impact of food prices on CPI inflation. Given an uncertain monsoon outturn, there is a risk that greater subsidies will be required to offset a potential rise in prices for various crops which will be compounded by the pass through of the recent rise in crude oil prices. Consequently, the RBI would have less scope for further monetary easing. However, with proactive measures to address supply side constraints to cap food prices, such as the use of buffer stocks, anti-hoarding measures, lowering transportation losses and resorting to imports, we do not rule out another rate cut before the end of the year.

Interest Rate Expectations Indicator



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



Interest Rate Expectations

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Interest Rate Expectations	135.3	123.9	124.0	121.9	129.2	134.3	133.7

Indian stock markets have been volatile following a rally in the previous months...

...which probably accounted for why more than half of respondents were unsure whether stock prices were priced correctly.

Stock Investment Indicator
Two-Month High

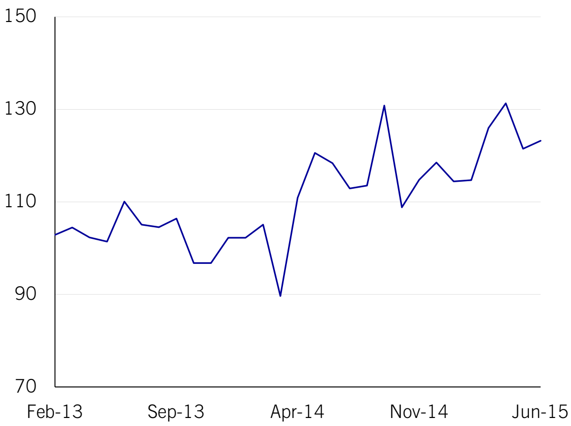
Sentiment surrounding the stock market rose slightly following a sharp fall in May. The Stock Investment Indicator, a gauge of whether it is a good or bad time to invest in the stock market, rose slightly to 123.2 in June from 121.5 in May.

Stock Price Sentiment, which measures whether equity prices are high or low, plummeted to 88.5 in June from 112.6 in May. Indian stock markets have been volatile following a rally in the previous months, which probably accounted for why more than half of respondents were unsure whether stock prices were priced correctly.

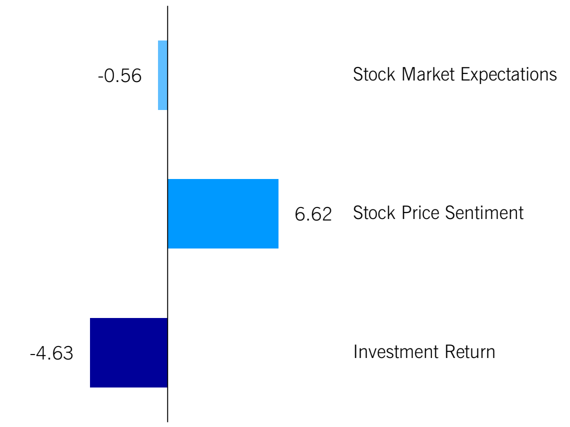
The Stock Investment Return component, a measure of the amount of profit or loss in investments over the past year, fell to 137.3 from 154.2 in the previous month. With the benchmark BSE Sensex up by 7.6% since a year ago, the Stock Investment Return component was also 3.4% above the outturn of June 2014.

The Stock Market Expectations component, which shows whether consumers think stock prices will rise or fall in the next three months, eased to 120.8 in June from 122.9 in May. After confidence surrounding the future of the stock market hit an all-time high in March, expectations have eased considerably with the proportion of those being bullish having more than halved by June although the majority expected it to remain stable in the next three months.

Stock Investment Indicator



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

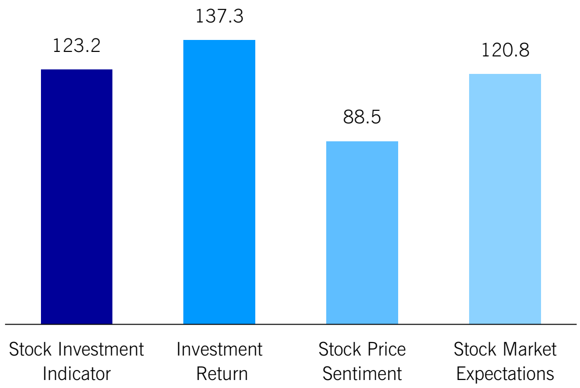


Investment Sentiment

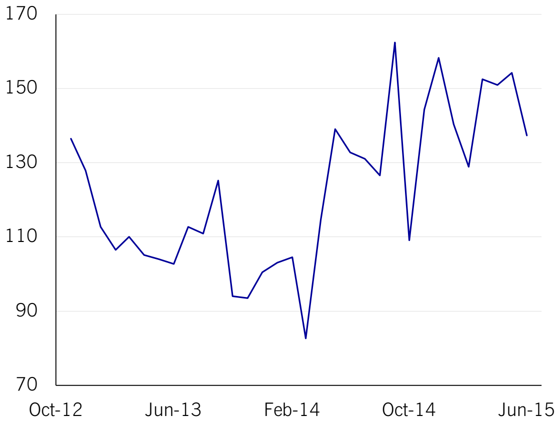
	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Investment Sentiment Indicator	118.4	114.5	114.7	126.0	131.3	121.5	123.2
Investment Return	132.8	140.4	128.9	152.5	151.0	154.2	137.3
Stock Price Sentiment	117.8	145.9	121.9	129.0	104.4	112.6	88.5
Stock Market Expectations	140.1	148.9	137.1	154.4	147.4	122.9	120.8

Stock Investment Indicator
Components

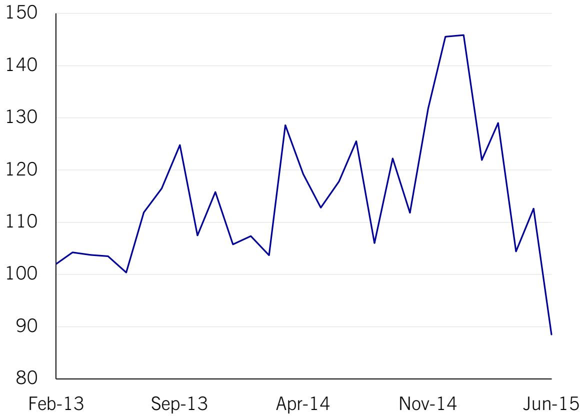
Stock Investment Indicator - Components



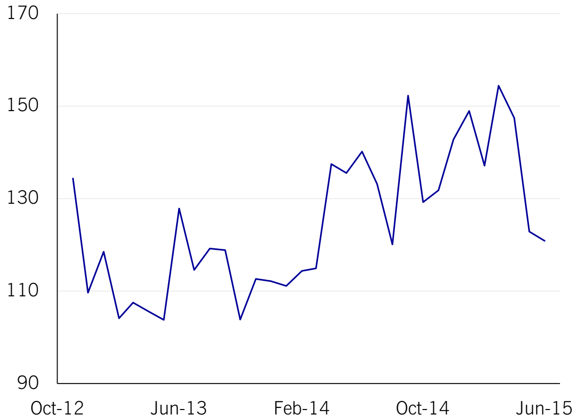
Investment Return



Stock Price Sentiment



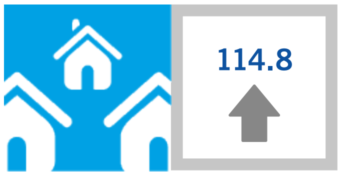
Stock Market Expectations



While the Reserve Bank of India has cut official interest rates three times this year...

...this has not yet managed to boost housing sentiment.

Real Estate Investment Indicator
Two-Month High



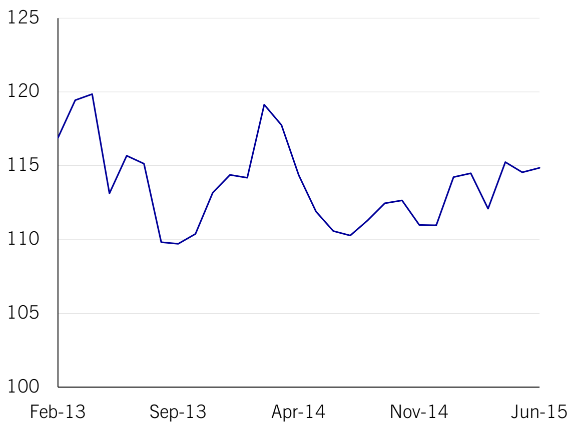
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment), stood at 114.8 in June compared with 114.6 in the previous month.

The Real Estate Investment Indicator is one of the few indicators in the survey which has shown a slight uptick over the last year, led by rising house price expectations. In contrast, house buying sentiment has declined sharply with respondents seeing it as a bad time to purchase a house.

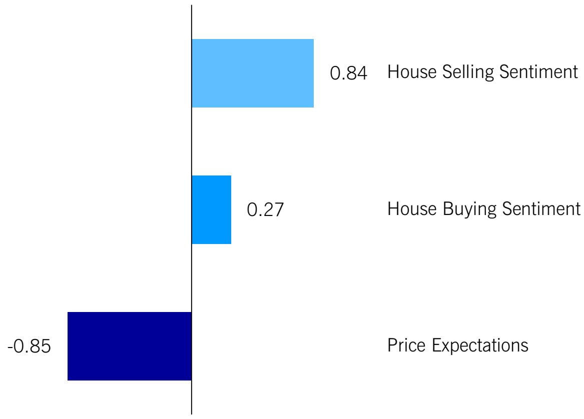
Heightened expectations for a revival in the economy after the Bharatiya Janta Party (BJP) led by Prime Minister Narendra Modi came to power have boosted consumers' expectations about house prices. Almost four out of five respondents expected house prices to rise in the next six months in June, placing the House Price Expectations component at 153.7 following a record high of 156.6 in the previous month.

House Buying Sentiment, a measure of whether it is a good or bad time to buy a home in the next six months, rose slightly to 89.3 after falling to a record low of 88.4 in the previous month with the majority attributing lower willingness to purchase a house to high property prices. Since the start of the survey, consumer confidence surrounding the real estate market has fallen significantly, mainly due to high interest rates which have made mortgages costly. While the Reserve Bank of India has cut official interest rates three times this year, this has not yet managed to boost housing sentiment. A growing proportion of respondents attributed unfavourable

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Real Estate Investment Sentiment	110.6	114.2	114.5	112.1	115.3	114.6	114.8
Price Expectations	142.6	153.6	151.8	149.9	152.9	156.6	153.7
House Buying	99.1	94.6	96.6	91.5	88.9	88.4	89.3
House Selling	110.0	105.5	104.9	105.0	96.0	101.4	98.5

Real Estate Investment Indicator
Components and Balances

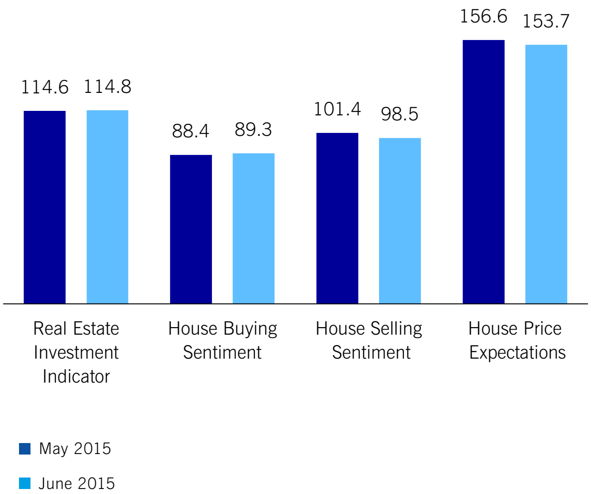
policy rates to their unwillingness to purchase a house. This is likely because commercial banks have been slow in passing the full benefits of lower interest rates by reducing their lending rates to boost their profitability.

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 98.5 in June after rising above the 100 breakeven level to 101.4 in May.

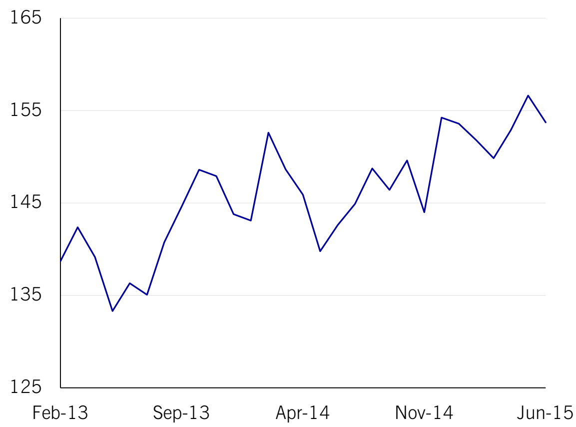
Regions

Sentiment surrounding the real estate market rose slightly in all regions apart from North and Central India. Respondents from the central region had the weakest House Buying Sentiment and the strongest House Price Expectations among all of the regions. This helped the three-month average of the Real Estate Investment Sentiment Indicator to rise to the highest since November 2014. In North India, however, the Real Estate Investment Indicator fell for the second consecutive month to the lowest since January as fewer considered it a good time to buy a house in spite of expectations of house prices to rise in the next six months.

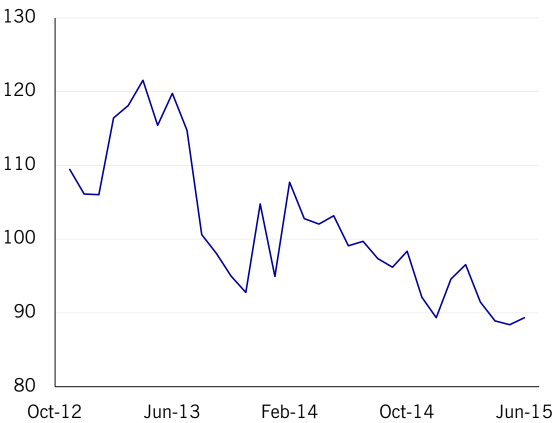
Real Estate Investment Indicator - Components



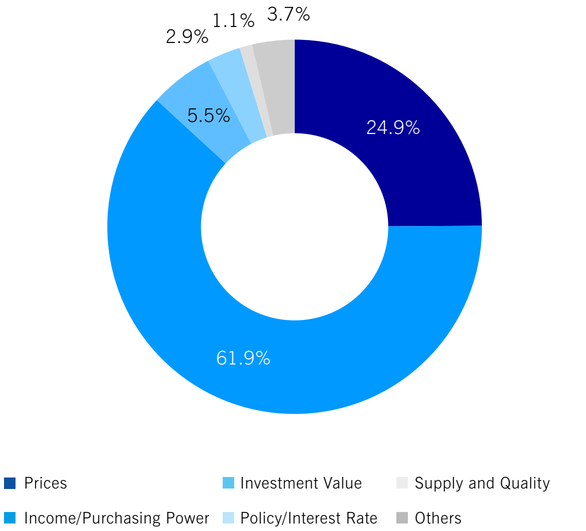
Real Estate Prices: Expected Changes in Next 6 Months



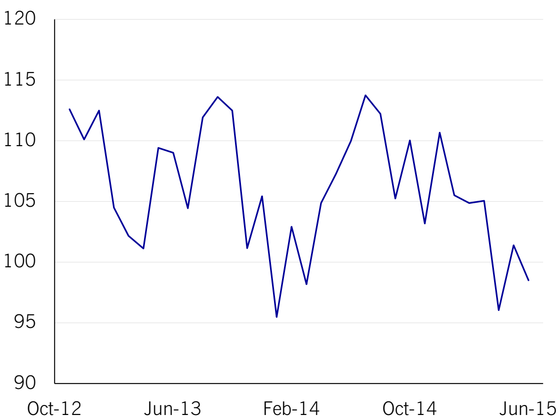
House Buying Sentiment



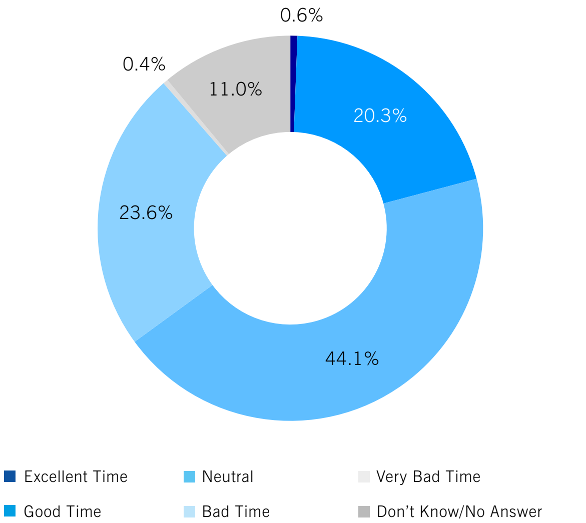
Reasons for Buying Houses (% of Households)



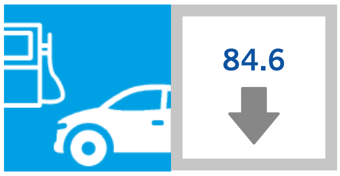
House Selling Sentiment



Timing for Selling Houses (% of Households)



Car Purchase Indicator
Lowest Since August 2014



The Car Purchase Indicator fell for the fourth consecutive month to 84.6 in June from 87.7 in the previous month as more respondents anticipated that gasoline prices would rise while their willingness to purchase a car in the next 12 months also eased slightly.

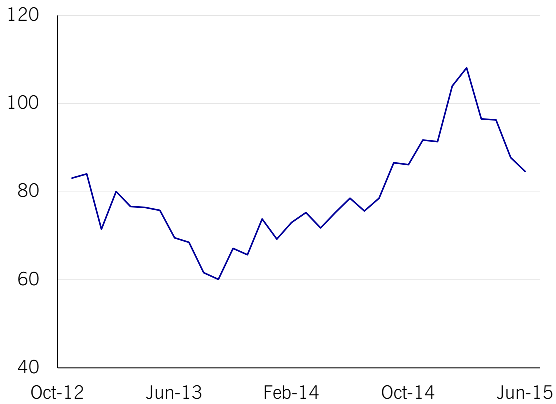
The Car Purchase Indicator is made up of two components, Car Purchase Expectations and Price of Gasoline Expectations, with the latter having a negative impact on the indicator.

After hitting a series low in September 2013, the Car Purchase Indicator rose sharply to a record high in February, though mostly due to lower expectations for gasoline prices. However, since then the indicator has trended down as gasoline price expectations have increased considerably whilst willingness to purchase a car has remained more-or-less stable.

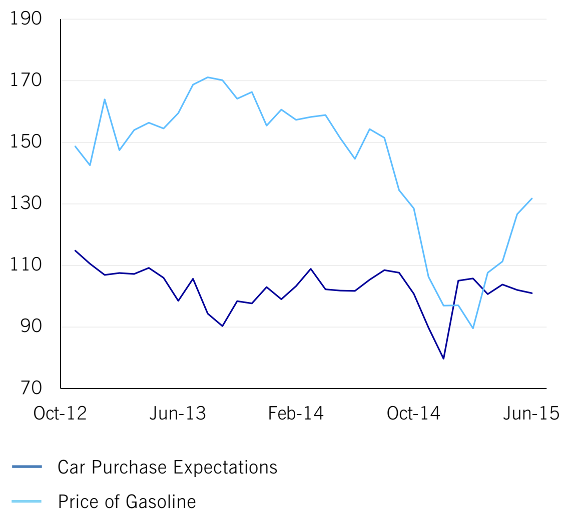
The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, eased to 101.0 from 102.1 in May.

Of those who felt it was a good time to purchase a car, the majority reported that it was because of higher purchasing power. There was also a sharp fall in those who cited favourable interest rates, although this proportion was a minority. Since commercial banks have been slow in passing the full benefits of lower interest rates, the RBI has urged commercial banks to pass on the sequence of lending rate cuts.

Car Purchase Indicator



Car Purchase Indicator - Components



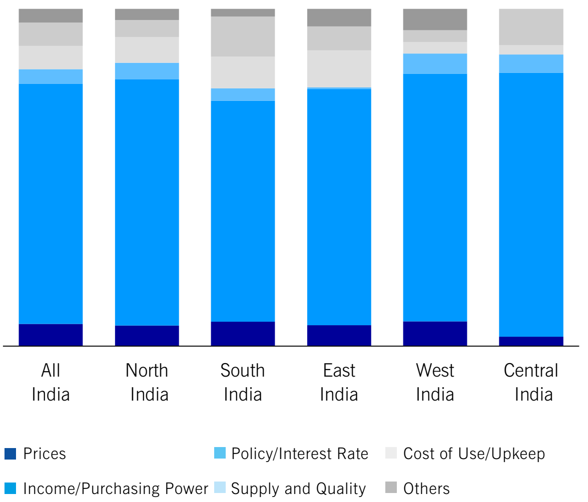
Car Purchase Sentiment

	Jun-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Car Purchase Sentiment	78.6	104.0	108.1	96.5	96.3	87.7	84.6
Car Purchase Expectations	101.7	105.1	105.8	100.7	103.8	102.1	101.0
Price of Gasoline	144.6	97.0	89.5	107.6	111.2	126.6	131.8

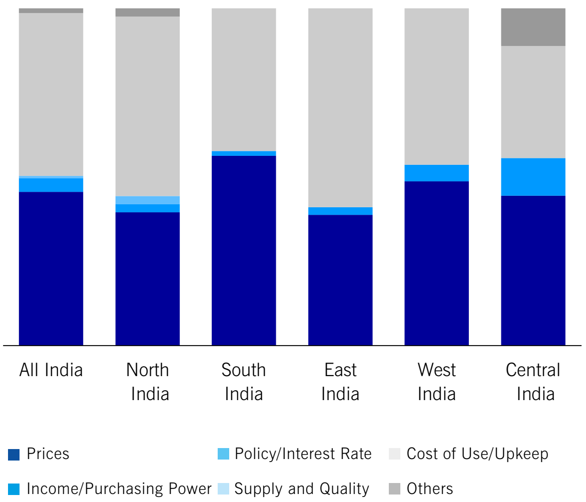
Car Purchase Indicator

Regions

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



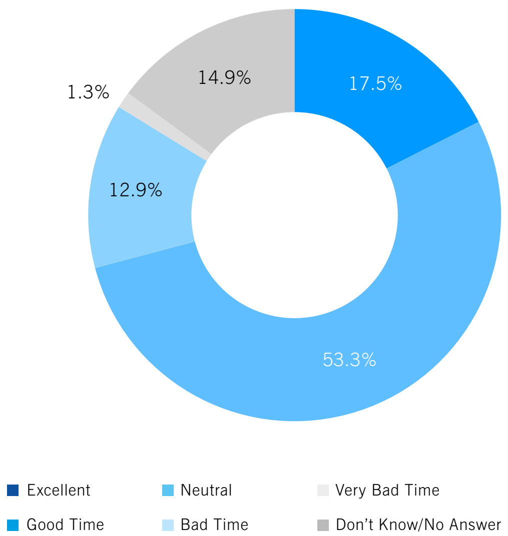
Reasons for a Bad Time to Buy a Car (% of Households)



Official car sales in India rose by 7.7% on the year in May following a rise of 18.1% on the year in April.

Amid the fall in global oil prices and subsequent deregulation of fuel prices, expectations for the Price of Gasoline had fallen considerably, especially during the second half of last year. However since March, expectations have started rising quickly with the indicator increasing to a 10-month high of 131.8 from 126.6 in May, as global crude oil prices rise. Fuel retailers increased petrol prices by Rs. 0.33 a litre and cut diesel prices by Rs. 2.06 a litre after aligning them with international prices and adjusting for foreign exchange rates.

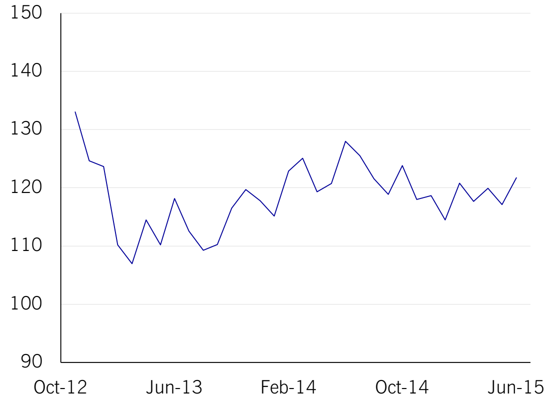
Is it a Good Time to Buy a Car? (% of Households)



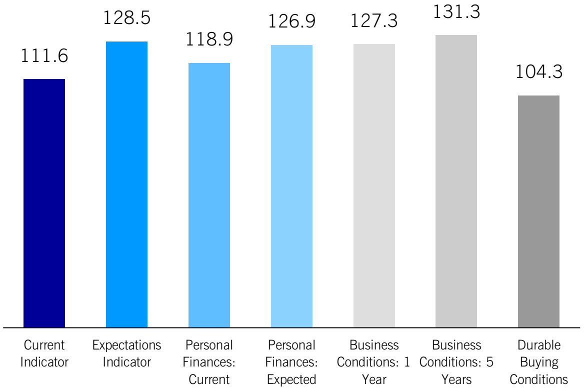
MNI India Consumer Indicator

Regions

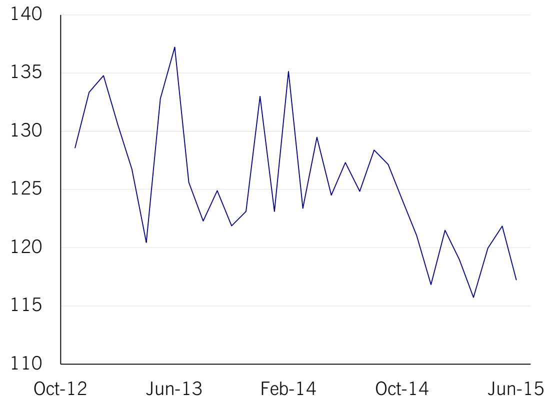
Consumer Indicator: North India



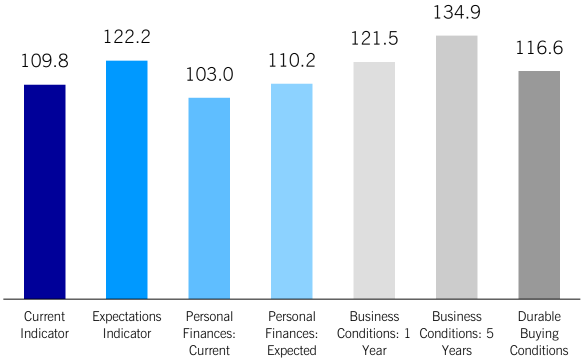
Consumer Indicator Components: North India



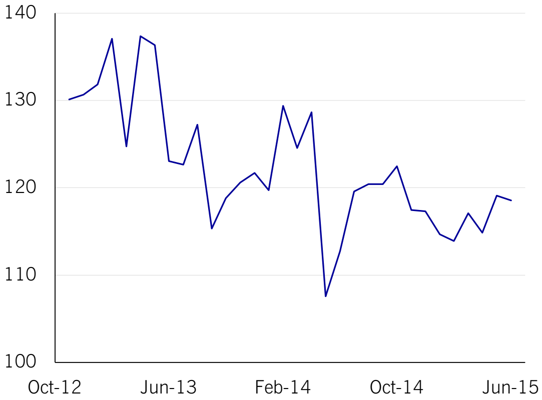
Consumer Indicator: South India



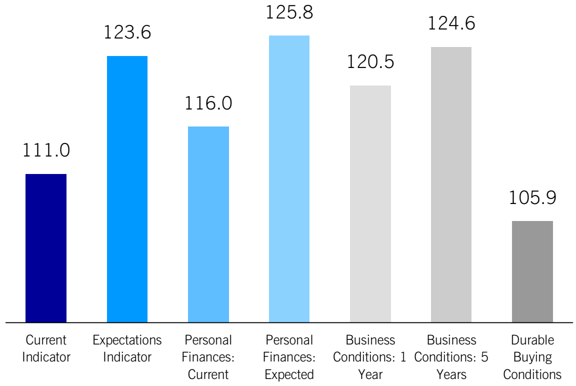
Consumer Indicator Components: South India



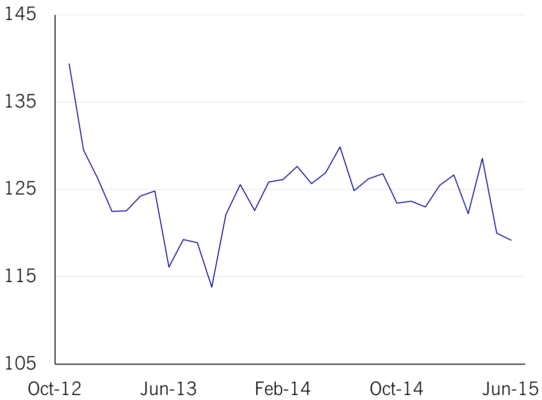
Consumer Indicator: East India



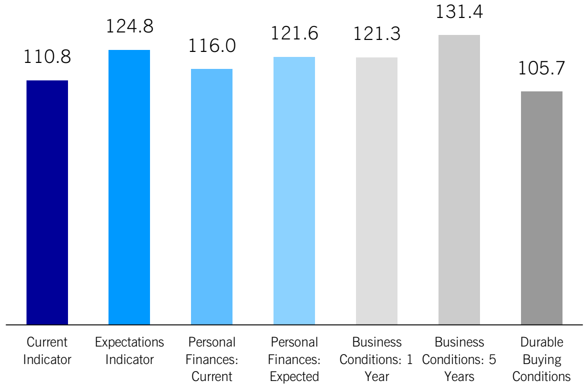
Consumer Indicator Components: East India



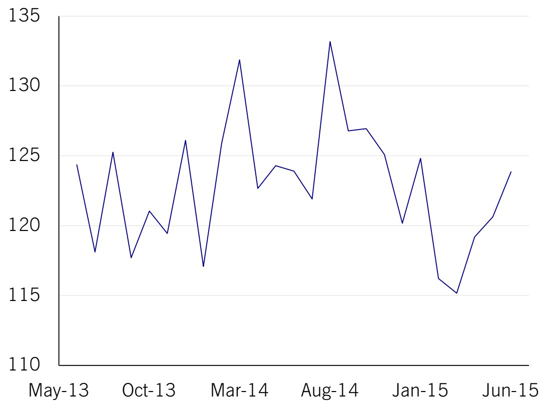
Consumer Indicator: West India



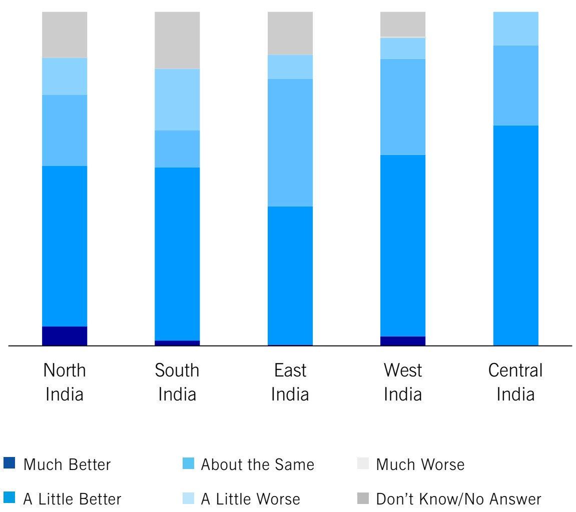
Consumer Indicator Components: West India



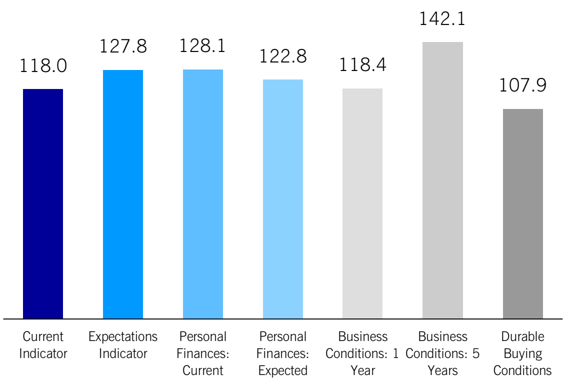
Consumer Indicator: Central India



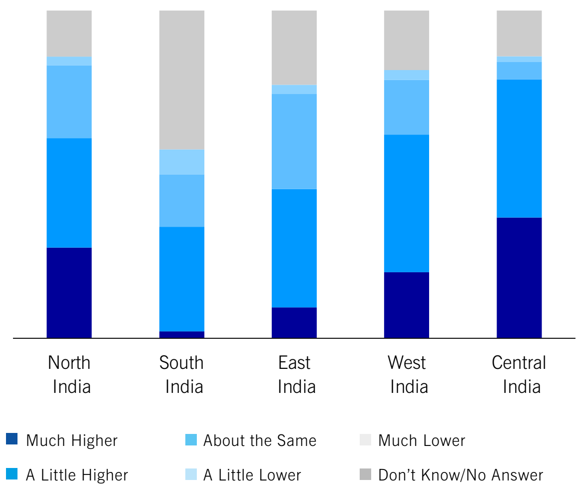
Employment Outlook for the Next 12 Months (% of Households)



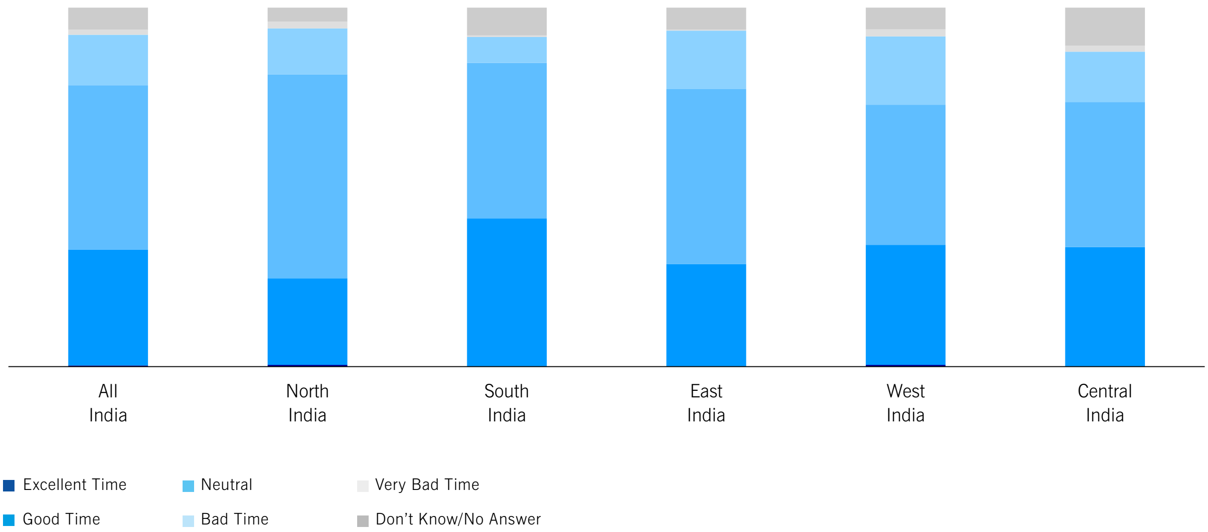
Consumer Indicator Components: Central India



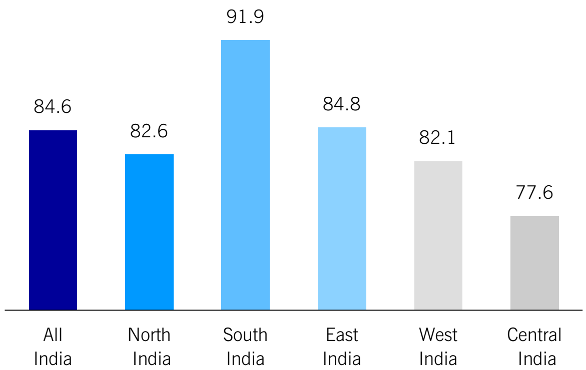
Interest Rate Expectations on House and Car Loans Indicator (% of Households)



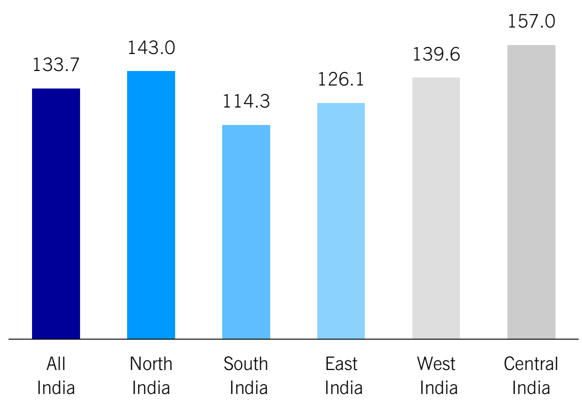
Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



Car Purchase Indicator - Regions

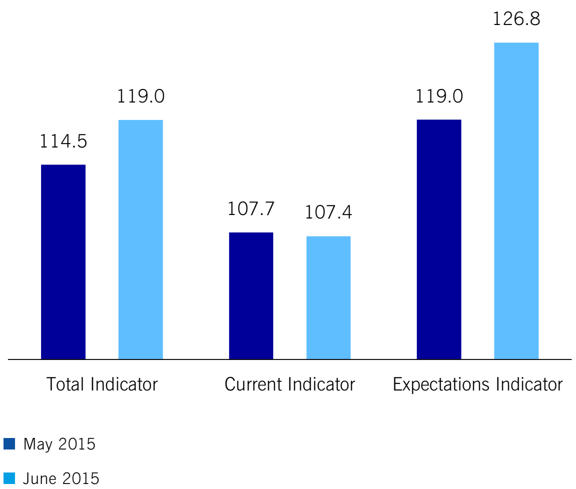


Interest Rates Expectations (% of Households)

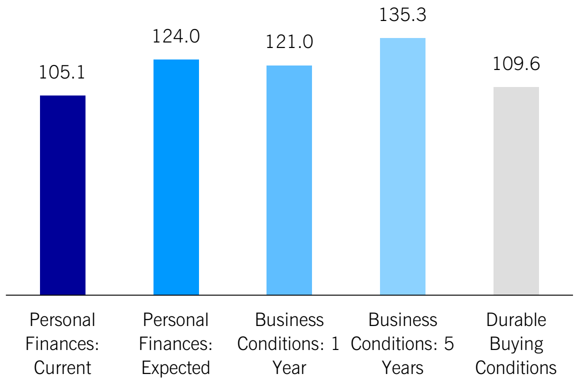


MNI India Consumer Indicator
Income Groups

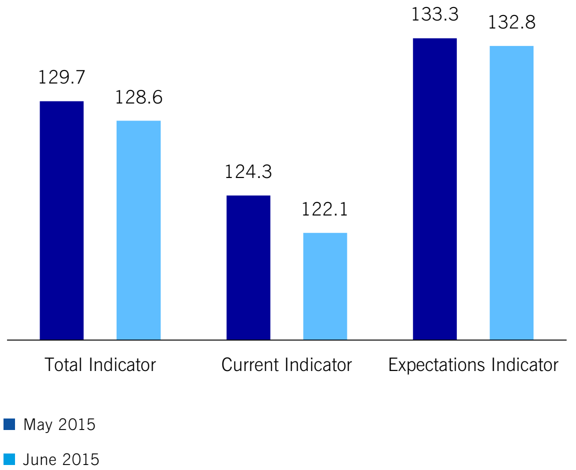
< Rs. 432,000 per annum



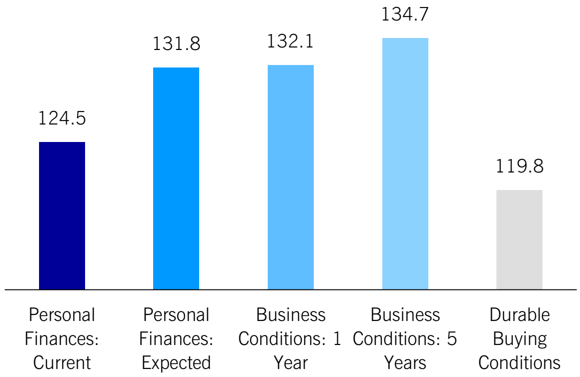
< Rs. 432,000 - Components



> Rs. 432,000 per annum



> Rs. 432,000 - Components



Households in the lower income group were more confident in June...

...while high earners were slightly less satisfied than they were in the previous month.

Data Tables

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

North India Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Northl India Consumer Indicator	119.9	117.1	121.7	Oct-14	-	119.6	4.6	3.9%
Current Indicator	114.9	112.1	111.6	-	Mar-15	112.9	-0.5	-0.5%
Expectations Indicator	123.3	120.5	128.5	Oct-14	-	124.1	8.0	6.7%
Personal Finance: Current	119.2	116.7	118.9	Apr-15	-	118.3	2.2	1.9%
Personal Finance: Expected	121.8	118.5	126.9	Oct-14	-	122.4	8.4	7.1%
Business Condition: 1 Year	118.8	120.4	127.3	Oct-14	-	122.2	6.9	5.7%
Business Condition: 5 Years	129.2	122.5	131.3	Dec-14	-	127.7	8.8	7.2%
Durable Buying Conditions	110.6	107.6	104.3	-	Jun-14	107.5	-3.3	-3.1%
Current Business Conditions Indicator	107.3	104.6	110.7	Feb-15	-	107.5	6.1	5.9%
Stock Investment Indicator	133.3	148.9	-	-	-	-	-	-
Real Estate Investment Indicator	121.4	117.5	116.6	-	Jan-15	118.5	-0.9	-0.8%
Car Purchase Indicator	92.8	84.5	82.6	-	Sep-14	86.6	-1.9	-2.2%
Employment Outlook Indicator	116.5	115.4	124.2	Jun-13	-	118.7	8.8	7.6%
Inflation Expectations Indicator	140.8	145.7	140.6	-	Mar-15	142.4	-5.1	-3.5%
Current Prices Satisfaction Indicator	90.2	82.6	86.5	Apr-15	-	86.4	3.9	4.7%
Interest Rates Expectations Indicator	142.2	142.7	143.0	Jun-14	-	142.6	0.3	0.2%

South India Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
South India Consumer Indicator	120.0	121.9	117.2	-	Mar-15	119.7	-4.7	-3.8%
Current Indicator	115.4	117.7	109.8	-	Mar-15	114.3	-7.9	-6.7%
Expectations Indicator	123.0	124.6	122.2	-	Mar-15	123.3	-2.4	-1.9%
Personal Finance: Current	108.1	119.8	103.0	-	series low	110.3	-16.8	-14.0%
Personal Finance: Expected	118.2	123.0	110.2	-	series low	117.1	-12.8	-10.5%
Business Condition: 1 Year	122.8	125.4	121.5	-	Mar-15	123.2	-3.9	-3.1%
Business Condition: 5 Years	128.0	125.4	134.9	Nov-14	-	129.4	9.5	7.6%
Durable Buying Conditions	122.6	115.6	116.6	Apr-15	-	118.3	1.0	0.8%
Current Business Conditions Indicator	116.2	122.8	117.1	-	Apr-15	118.7	-5.7	-4.7%
Stock Investment Indicator	129.3	118.5	124.5	Apr-15	-	124.1	6.0	5.1%
Real Estate Investment Indicator	109.9	110.0	110.9	Feb-15	-	110.3	0.9	0.8%
Car Purchase Indicator	104.1	97.7	91.9	-	Dec-14	97.9	-5.8	-5.9%
Employment Outlook Indicator	105.7	122.1	118.2	-	Apr-15	115.3	-3.9	-3.2%
Inflation Expectations Indicator	127.5	128.4	130.6	Mar-15	-	128.8	2.2	1.7%
Current Prices Satisfaction Indicator	101.1	96.0	92.3	-	Sep-14	96.5	-3.7	-3.8%
Interest Rates Expectations Indicator	107.0	113.1	114.3	Oct-14	-	111.5	1.2	1.0%

East India Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
East India Consumer Indicator	114.8	119.1	118.6	-	Apr-15	117.5	-0.5	-0.5%
Current Indicator	111.6	110.0	111.0	Apr-15	-	110.9	1.0	0.9%
Expectations Indicator	117.0	125.2	123.6	-	Apr-15	121.9	-1.6	-1.2%
Personal Finance: Current	113.2	109.3	116.0	Nov-14	-	112.8	6.7	6.2%
Personal Finance: Expected	113.2	120.2	125.8	Dec-14	-	119.7	5.6	4.7%
Business Condition: 1 Year	111.1	118.8	120.5	Oct-14	-	116.8	1.7	1.4%
Business Condition: 5 Years	126.8	136.6	124.6	-	May-14	129.3	-12.0	-8.8%
Durable Buying Conditions	109.9	110.7	105.9	-	Mar-15	108.8	-4.8	-4.3%
Current Business Conditions Indicator	106.7	113.6	113.0	-	Apr-15	111.1	-0.6	-0.5%
Stock Investment Indicator	141.7	-	-	-	-	-	-	-
Real Estate Investment Indicator	113.2	112.5	113.4	Oct-14	-	113.0	0.9	0.8%
Car Purchase Indicator	91.0	84.4	84.8	Apr-15	-	86.7	0.4	0.5%
Employment Outlook Indicator	117.2	117.5	117.4	-	Apr-15	117.4	-0.1	-0.1%
Inflation Expectations Indicator	125.1	136.4	128.9	-	Apr-15	130.1	-7.5	-5.5%
Current Prices Satisfaction Indicator	94.7	82.7	100.9	Mar-15	-	92.8	18.2	22.0%
Interest Rates Expectations Indicator	122.6	139.0	126.1	-	Apr-15	129.2	-12.9	-9.3%

West India Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
West India Consumer Indicator	128.6	120.0	119.2	-	Sep-13	122.6	-0.8	-0.7%
Current Indicator	118.5	112.8	110.8	-	Dec-14	114.0	-2.0	-1.8%
Expectations Indicator	135.3	124.8	124.8	-	Sep-13	128.3	0.0	0.0%
Personal Finance: Current	126.6	120.3	116.0	-	Jul-13	121.0	-4.3	-3.5%
Personal Finance: Expected	124.8	115.5	121.6	Apr-15	-	120.6	6.1	5.3%
Business Condition: 1 Year	134.3	119.9	121.3	Apr-15	-	125.2	1.4	1.2%
Business Condition: 5 Years	146.7	138.9	131.4	-	Dec-13	139.0	-7.5	-5.4%
Durable Buying Conditions	110.4	105.4	105.7	Apr-15	-	107.2	0.3	0.3%
Current Business Conditions Indicator	121.2	113.6	111.3	-	Jul-14	115.4	-2.3	-2.0%
Stock Investment Indicator	131.2	107.5	122.8	Apr-15	-	120.5	15.3	14.3%
Real Estate Investment Indicator	115.6	115.8	116.4	Mar-14	-	115.9	0.6	0.6%
Car Purchase Indicator	96.0	84.8	82.1	-	Aug-14	87.6	-2.7	-3.2%
Employment Outlook Indicator	133.9	125.7	126.5	Apr-15	-	128.7	0.8	0.6%
Inflation Expectations Indicator	138.4	142.4	137.9	-	Mar-15	139.6	-4.5	-3.2%
Current Prices Satisfaction Indicator	87.2	83.6	87.1	Apr-15	-	86.0	3.5	4.3%
Interest Rates Expectations Indicator	137.6	139.9	139.6	-	Apr-15	139.0	-0.3	-0.3%

Central India Overview

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Central India Consumer Indicator	119.2	120.6	123.9	Jan-15	-	121.2	3.3	2.7%
Current Indicator	113.3	114.1	118.0	Sep-14	-	115.1	3.9	3.4%
Expectations Indicator	123.1	125.0	127.8	Jan-15	-	125.3	2.8	2.2%
Personal Finance: Current	120.2	118.8	128.1	May-14	-	122.4	9.3	7.8%
Personal Finance: Expected	121.0	124.0	122.8	-	Apr-15	122.6	-1.2	-0.9%
Business Condition: 1 Year	117.7	118.8	118.4	-	Apr-15	118.3	-0.4	-0.3%
Business Condition: 5 Years	130.6	132.3	142.1	Dec-14	-	135.0	9.8	7.4%
Durable Buying Conditions	106.5	109.4	107.9	-	Apr-15	107.9	-1.5	-1.4%
Current Business Conditions Indicator	115.3	105.2	106.1	Apr-15	-	108.9	0.9	0.9%
Stock Investment Indicator	-	133.3	-	-	-	-	-	-
Real Estate Investment Indicator	113.4	117.7	117.5	-	Apr-15	116.2	-0.2	-0.1%
Car Purchase Indicator	93.1	85.4	77.6	-	Aug-14	85.4	-7.8	-9.1%
Employment Outlook Indicator	121.8	122.9	124.6	Dec-14	-	123.1	1.7	1.3%
Inflation Expectations Indicator	129.0	134.4	149.1	May-14	-	137.5	14.7	11.0%
Current Prices Satisfaction Indicator	95.2	93.8	71.1	-	Aug-14	86.7	-22.7	-24.2%
Interest Rates Expectations Indicator	129.0	141.7	157.0	series high	-	142.6	15.3	10.8%

All India - Overview by Age

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI India Consumer Indicator	126.8	120.1	122.5	Apr-15	-	123.1	2.4	2.1%
Current Indicator	120.2	114.3	112.9	-	Mar-15	115.8	-1.4	-1.2%
Expectations Indicator	131.2	123.9	129.0	Apr-15	-	128.0	5.1	4.1%
Personal Finance: Current	120.7	117.4	114.5	-	Jan-15	117.5	-2.9	-2.5%
Personal Finance: Expected	127.5	119.7	125.7	Apr-15	-	124.3	6.0	5.0%
Business Condition: 1 Year	127.9	120.9	126.9	Apr-15	-	125.2	6.0	5.0%
Business Condition: 5 Years	138.3	131.0	134.3	Apr-15	-	134.5	3.3	2.5%
Durable Buying Conditions	119.7	111.3	111.3	Apr-15	-	114.1	0.0	0.1%
Age 35-54								
MNI India Consumer Indicator	121.0	119.8	118.7	-	Mar-15	119.8	-1.1	-0.9%
Current Indicator	114.5	113.0	110.1	-	Mar-15	112.5	-2.9	-2.6%
Expectations Indicator	125.3	124.3	124.5	Apr-15	-	124.7	0.2	0.2%
Personal Finance: Current	119.5	117.0	113.4	-	Jul-13	116.6	-3.6	-3.1%
Personal Finance: Expected	119.7	118.4	119.8	Mar-15	-	119.3	1.4	1.2%
Business Condition: 1 Year	122.6	122.8	121.6	-	Mar-15	122.3	-1.2	-1.0%
Business Condition: 5 Years	133.4	131.7	132.1	Apr-15	-	132.4	0.4	0.3%
Durable Buying Conditions	109.6	109.0	106.7	-	Mar-15	108.4	-2.3	-2.1%
Age 55-64								
MNI India Consumer Indicator	117.3	118.2	115.6	-	Nov-14	117.0	-2.6	-2.2%
Current Indicator	111.4	113.0	110.7	-	Mar-15	111.7	-2.3	-2.0%
Expectations Indicator	121.3	121.6	118.9	-	Oct-13	120.6	-2.7	-2.3%
Personal Finance: Current	111.0	120.7	116.7	-	Apr-15	116.1	-4.0	-3.3%
Personal Finance: Expected	112.6	119.7	113.8	-	Apr-15	115.4	-5.9	-4.9%
Business Condition: 1 Year	120.3	116.2	116.2	-	Nov-14	117.6	0.0	0.0%
Business Condition: 5 Years	131.1	128.9	126.6	-	Dec-13	128.9	-2.3	-1.8%
Durable Buying Conditions	111.7	105.2	104.6	-	Dec-14	107.2	-0.6	-0.6%

All India - Overview by Income

	Apr-15	May-15	Jun-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< Rs. 432,000 per annum								
MNI India Consumer Indicator	118.4	114.5	119.0	Feb-15	-	117.3	4.5	3.9%
Current Indicator	114.4	107.7	107.4	-	Mar-15	109.8	-0.3	-0.4%
Expectations Indicator	121.1	119.0	126.8	Feb-15	-	122.3	7.8	6.5%
Personal Finance: Current	109.0	106.2	105.1	-	Oct-14	106.8	-1.1	-1.0%
Personal Finance: Expected	128.0	118.9	124.0	Apr-15	-	123.6	5.1	4.2%
Business Condition: 1 Year	112.4	114.6	121.0	Mar-15	-	116.0	6.4	5.6%
Business Condition: 5 Year	122.8	123.6	135.3	Feb-15	-	127.2	11.7	9.5%
Durable Buying Conditions	119.9	109.3	109.6	Apr-15	-	112.9	0.3	0.3%
> Rs. 432,000 per annum								
MNI India Consumer Indicator	133.9	129.7	128.6	-	Mar-15	130.7	-1.1	-0.9%
Current Indicator	127.9	124.3	122.1	-	Mar-15	124.8	-2.2	-1.7%
Expectations Indicator	138.0	133.3	132.8	-	Mar-15	134.7	-0.5	-0.3%
Personal Finance: Current	130.8	126.1	124.5	-	Mar-15	127.1	-1.6	-1.2%
Personal Finance: Expected	134.7	129.8	131.8	Apr-15	-	132.1	2.0	1.6%
Business Condition: 1 Year	134.9	134.0	132.1	-	Mar-15	133.7	-1.9	-1.4%
Business Condition: 5 Year	144.4	136.1	134.7	-	Oct-13	138.4	-1.4	-1.0%
Durable Buying Conditions	124.9	122.5	119.8	-	Mar-15	122.4	-2.7	-2.2%

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 has been in place since November 2012.

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.

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