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# MNI India Consumer Report July 2015

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

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# Rain Stops Play

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The uncertainties surrounding the outlook for inflation point to the Reserve Bank of India taking a cautious approach and holding rates steady at the upcoming August 4 monetary meeting – although it will likely be a close call.

While most of the activity data coming from India, including our own survey evidence, suggests that the real economy would benefit from a rate cut, the uncertainties surrounding the outlook for inflation point to the Reserve Bank of India taking a cautious approach and holding rates steady at the upcoming August 4 monetary meeting – although it will likely be a close call.

Over the past few months, most of India's economic data has been underwhelming. Industrial production and manufacturing output remain sluggish and capacity utilisation has been falling. The trade numbers continue to point to weak domestic demand and a negative picture on exports, while measures of services activity are at best mixed, much like our own survey evidence.

It's a similar picture to June when the RBI cut the repo rate to 7.25% from 7.5%. At that time the RBI pointed to weak investment and credit growth and noted that CPI inflation was evolving as expected. This was not a clear cut decision but the central bank took the plunge and agreed to 'front-load' a rate cut in spite of the uncertainties. Critically, though, it said that it would then wait for data to clarify that uncertainty.

Will it find clarity before it meets again on August 4? The central bank spelt out three areas of uncertainty in June. First, while noting that the impact of unseasonal rains on inflation had so far been moderate, it was concerned that the forecast of a below-normal southwest monsoon would threaten prices. The update here is not good. A lack of rainfall in early July has hardened forecasts of a poor monsoon and it's unlikely the RBI will have sufficient evidence pushing the other way by the August meet. Moreover the latest CPI data for June showed signs that food price inflation was hardening somewhat.



Second, the RBI was worried about the firming in crude oil prices. Since June this is a problem that has been swept away thanks to the lifting of the sanctions on Iran, with crude oil prices down below \$50 per barrel once again. Movements are volatile, but for now this uncertainty is dead and buried and is the one thing that could persuade the RBI to cut rates again.

Third, volatility in the external environment could impact inflation. While the situation in Greece has improved somewhat it has not gone away. And the biggest threat

here (due to its potential impact on the rupee), a US rate hike in the second half of 2015, is about as likely today as it was a month ago. This uncertainty remains broadly unchanged.

So the RBI will have to weigh carefully the potential impact on prices from the sub-par monsoon on inflation and the possible benefit from lower crude prices. The RBI's June inflation forecast saw CPI inflation increasing to just above the 6% target in January 2016 and then continuing to rise to around 6.4% in the Jan-Mar quarter. Moreover the risks were skewed to the upside due to the forecast of the poor monsoon and impact of the service tax hike to 14%. Thereafter the RBI is charged with hitting 4% in subsequent years – no easy task.

While the fall in crude oil prices will bring the short-term forecast down somewhat we don't think it will be enough to justify a further cut with Governor Rajan most likely to stick to his own script at the August meeting and wait for the uncertainty around inflation to abate before deciding when or if to adjust policy again. With positive base effects evaporating after July, the likelihood of a further cut in the repo rate again this year looks increasingly unlikely, although in an economy where the monsoon plays such a large role in the inflation outcome, it is maybe the weather gods that will have the last say.

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MNI Indicators



# Executive Summary

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The MNI India Consumer Sentiment Indicator fell for the third consecutive month to 118.6 in July from 119.5 in June led by a weakening in personal finances.

The MNI India Consumer Sentiment Indicator fell for the third consecutive month to 118.6 in July from 119.5 in June led by a weakening in personal finances.

Consumer confidence was down by 4.5% on the year and all five components of the headline indicator were below their outturns a year earlier. Consumer sentiment fell in five of the 10 major Indian cities surveyed. This month's fall placed overall sentiment at the lowest level since March and not that far from the record low set in 2013.

The July survey shows that sentiment among Indian households remains fragile with consumers increasingly wary about their finances. The Current Personal Finances Indicator fell for the third consecutive month to hit a record low of 110.3, leaving it 7.4% down on the year. This likely accounted for the less optimistic outlook for future household finances. Inflation is also eroding consumers' purchasing power and is expected to undermine confidence over the coming months. The Inflation Expectations Indicator is now up 10.8% since the start of the year and 2.5% above the outturn of July 2014.

Consumers revised up their outlook for the long-term business environment, even as their perception of the current business situation and their short-term expectations for it worsened as households probably expect the pace of reforms to be slower than they initially anticipated.

The Current Indicator, which measures consumers' assessment of their current conditions, fell to 109.6 in July from 111.2 in June, the lowest since the series low witnessed in December 2014. The Expectations Indicator also fell to 124.6 in July from 125.1 in the previous month, 4.7% down on the outturn in the same month of last year.

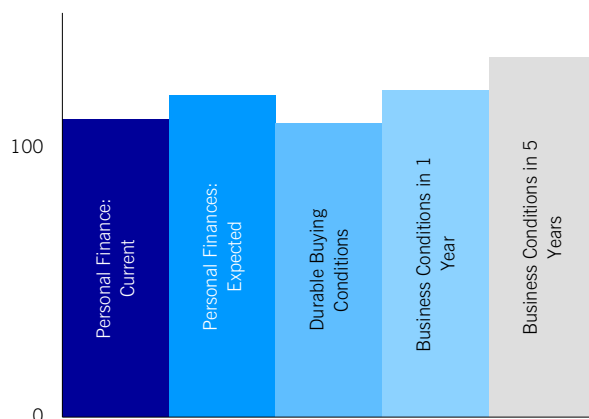
Consumers' views on jobs market also deteriorated this month as the Employment Outlook Indicator fell for the first time in four months to 119.3 in July from 122.7 in June.

The Stock Investment Indicator, a gauge of whether it is a good or bad time to invest in the stock market, fell to 114.5 in July from 123.2 in June. Sentiment surrounding the stock market has fallen significantly after hitting a record high in April.

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 as respondents see it as a bad time to purchase a house, albeit it has started to recover slightly.

The Car Purchase Indicator rose slightly for the first time in five months to 84.9 in July from 84.6 in the previous month as slightly fewer respondents anticipated that gasoline prices would rise while their willingness to purchase a car in the next 12 months remained broadly stable.

MNI India Consumer Indicator - Components



## All India - Overview

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI India Consumer Indicator</b>	119.6	119.5	118.6	-	Mar-15	119.2	-0.9	-0.8%
Current Indicator	113.5	111.2	109.6	-	Dec-14	111.4	-1.6	-1.4%
Expectations Indicator	123.7	125.1	124.6	-	May-15	124.5	-0.5	-0.4%
Personal Finance: Current	117.7	114.4	110.3	-	series low	114.1	-4.1	-3.6%
Personal Finance: Expected	119.1	120.9	119.3	-	May-15	119.8	-1.6	-1.3%
Business Condition: 1 Year	121.1	122.5	121.1	-	May-15	121.6	-1.4	-1.1%
Business Condition: 5 Years	131.0	131.9	133.4	Apr-15	-	132.1	1.5	1.1%
Durable Buying Conditions	109.2	108.0	109.0	May-15	-	108.7	1.0	0.9%
Current Business Conditions Indicator	113.0	112.4	107.9	-	Jul-14	111.1	-4.5	-4.0%
Stock Investment Indicator	121.5	123.2	114.5	-	Jan-15	119.7	-8.7	-7.1%
Real Estate Investment Indicator	114.6	114.8	115.0	Apr-15	-	114.8	0.2	0.1%
Car Purchase Indicator	87.7	84.6	84.9	May-15	-	85.7	0.3	0.4%
Employment Outlook Indicator	121.1	122.7	119.3	-	Mar-15	121.0	-3.4	-2.8%
Inflation Expectations Indicator	138.7	136.3	140.4	May-14	-	138.5	4.1	3.0%
Current Prices Satisfaction Indicator	86.7	89.1	87.7	-	May-15	87.8	-1.4	-1.5%
Interest Rates Expectations Indicator	134.3	133.7	130.1	-	Apr-15	132.7	-3.6	-2.8%



## All India - Summary

	2014						2015						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>MNI India Consumer Indicator</b>	124.1	125.2	124.1	123.7	120.9	119.6	120.4	121.2	118.5	122.1	119.6	119.5	118.6
Current Indicator	114.2	116.2	117.5	111.0	110.7	106.9	112.2	114.3	109.9	115.7	113.5	111.2	109.6
Expectations Indicator	130.8	131.2	128.4	132.3	127.7	128.0	125.8	125.7	124.2	126.4	123.7	125.1	124.6
Personal Finance: Current	119.1	115.4	117.1	115.4	115.6	114.4	113.3	116.1	114.5	118.3	117.7	114.4	110.3
Personal Finance: Expected	125.2	132.1	132.2	129.2	128.7	126.3	124.2	123.7	121.1	120.8	119.1	120.9	119.3
Business Condition: 1 Year	125.9	126.4	120.7	128.8	116.3	119.9	119.6	120.1	119.5	123.8	121.1	122.5	121.1
Business Condition: 5 Years	141.3	135.1	132.5	138.8	138.1	137.9	133.6	133.3	132.1	134.5	131.0	131.9	133.4
Durable Buying Conditions	109.3	116.9	118.0	106.5	105.8	99.4	111.2	112.6	105.4	113.0	109.2	108.0	109.0
<b>Current Business Conditions Indicator</b>	107.7	109.0	113.9	113.5	108.6	116.6	112.4	117.2	110.3	114.4	113.0	112.4	107.9
<b>Stock Investment Indicator</b>	112.9	113.5	130.8	108.9	114.8	118.5	114.5	114.7	126.0	131.3	121.5	123.2	114.5
Investment Return	131.1	126.5	162.4	109.1	144.3	158.2	140.4	128.9	152.5	151.0	154.2	137.3	109.3
Stock Price Sentiment	125.6	106.0	122.2	111.8	131.8	145.5	145.9	121.9	129.0	104.4	112.6	88.5	93.9
Stock Market Expectations	133.2	120.1	152.2	129.2	131.8	142.8	148.9	137.1	154.4	147.4	122.9	120.8	128.1
<b>Real Estate Investment Indicator</b>	110.3	111.3	112.5	112.6	111.0	111.0	114.2	114.5	112.1	115.3	114.6	114.8	115.0
House Price Expectations	144.9	148.7	146.4	149.6	144.0	154.2	153.6	151.8	149.9	152.9	156.6	153.7	152.4
House Buying Sentiment	99.7	97.4	96.2	98.4	92.1	89.3	94.6	96.6	91.5	88.9	88.4	89.3	93.3
House Selling Sentiment	113.7	112.2	105.2	110.0	103.2	110.7	105.5	104.9	105.0	96.0	101.4	98.5	100.8
<b>Car Purchase Indicator</b>	75.6	78.5	86.6	86.1	91.7	91.4	104.0	108.1	96.5	96.3	87.7	84.6	84.9
Car Purchase Expectations	105.4	108.5	107.6	100.8	89.8	79.7	105.1	105.8	100.7	103.8	102.1	101.0	101.1
Price of Gasoline Expectations	154.2	151.4	134.4	128.5	106.3	96.9	97.0	89.5	107.6	111.2	126.6	131.8	131.3
<b>Employment Outlook Indicator</b>	119.9	109.8	109.1	106.9	111.4	121.1	122.7	121.8	116.3	120.1	121.1	122.7	119.3
Inflation Expectations Indicator	137.0	133.7	131.1	127.9	119.0	123.2	126.8	119.6	132.8	134.2	138.7	136.3	140.4
Current Prices Satisfaction Indicator	72.5	68.3	78.8	81.6	89.7	97.1	96.4	100.4	95.4	92.6	86.7	89.1	87.7
Interest Rates Expectations Indicator	130.2	119.4	121.0	124.6	122.0	129.4	123.9	124.0	121.9	129.2	134.3	133.7	130.1

## All India - Records

	2012-Current			
	Minimum	Maximum	Mean	Median
<b>MNI India Consumer Indicator</b>	115.9	133.7	122.8	122.5
Current Indicator	106.9	128.3	115.2	114.3
Expectations Indicator	120.3	137.3	127.8	127.2
Personal Finance: Current	110.3	135.4	119.5	118.0
Personal Finance: Expected	118.4	141.5	127.3	127.8
Business Condition: 1 Year	114.1	131.8	122.0	121.1
Business Condition: 5 Years	123.9	144.5	133.9	133.3
Durable Buying Conditions	99.4	121.1	111.0	111.2
<b>Current Business Conditions Indicator</b>	102.9	124.9	113.3	113.0
<b>Stock Investment Indicator</b>	89.7	131.3	110.8	110.5
Investment Return	82.7	162.4	121.9	114.6
Stock Price Sentiment	88.5	145.9	114.2	112.3
Stock Market Expectations	103.8	154.4	124.7	120.8
<b>Real Estate Investment Indicator</b>	109.7	119.9	113.8	114.2
House Price Expectations	133.3	156.6	146.1	146.2
House Buying Sentiment	88.4	121.5	101.3	99.1
House Selling Sentiment	95.5	113.7	106.0	105.2
<b>Car Purchase Indicator</b>	60.1	108.1	79.7	76.6
Car Purchase Expectations	79.7	114.8	102.4	103.0
Price of Gasoline Expectations	89.5	171.0	143.0	151.4
<b>Employment Outlook Indicator</b>	106.9	128.3	118.4	119.3
Inflation Expectations Indicator	119.0	159.2	140.5	138.7
Current Prices Satisfaction Indicator	63.0	115.9	85.7	87.7
Interest Rates Expectations Indicator	116.6	140.4	129.1	130.1

# Consumer price inflation increased to a nine-month high of 5.4% on the year in June...

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...mostly on the back of rising food prices, but core inflation also increased to a seven-month high of 5%.



# Economic Landscape

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Latest data from India has proved disappointing. The recovery in industrial production has been slower than expected while inflation has risen.

Latest data from India has proved disappointing. The recovery in industrial production has been slower than expected while inflation has risen. Consumer price inflation increased to a nine-month high of 5.4% on the year in June, mostly on the back of rising food prices, but core inflation also increased to a seven-month high of 5%. Growth in industrial production slowed to 2.7% year-on-year in May following a 3.4% expansion in April. The latest trade data also exhibited continued weakness in both external and domestic demand, with exports contracting for the seventh consecutive month in June due to lower demand from key trade partners. A 13.6% decline in imports on the year highlighted the weakness in domestic demand.

Given the continued mixed signals on the economy, the RBI cut the repo rate by 25 basis points to 7.25% on June 2, noting that both investment and credit growth in particular were still subdued. The decision to cut rates was balanced against the uncertain outlook for inflation with the central bank deciding to “front-load” a cut and then to wait for data to clarify that uncertainty. While oil prices have fallen sharply the risks to inflation from the monsoon remain. The seasonal rains have a large bearing on food prices and while they have been satisfactory so far, there is a risk they could worsen, pushing up prices which have already started rising more than expected. We therefore believe that the RBI

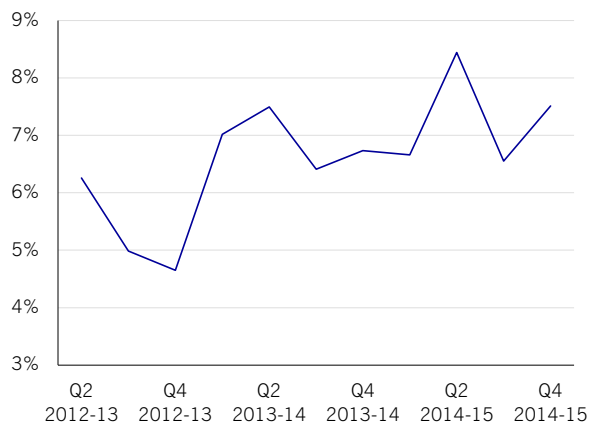
will keep the repo rate unchanged at the August 4 meeting.

**Economic growth at a four-year high**

Latest GDP data showed growth increased to 7.5% on the year in Jan-Mar, the fourth quarter of India’s fiscal year, up from 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. 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%.

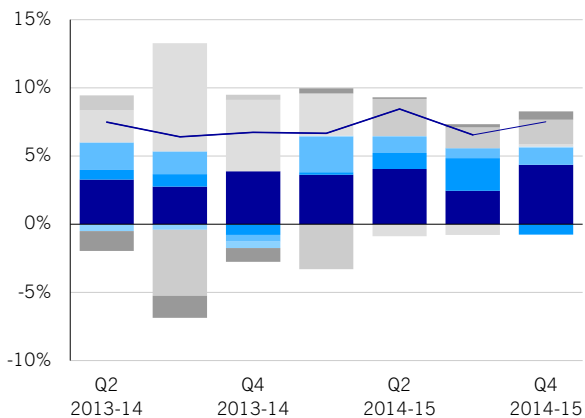
On an expenditure basis, growth in the March quarter was led by 7.9% year-on-year growth of private final consumption expenditure, despite the weakness in rural demand following the unfavourable trend in agricultural output. Gross fixed capital formation rose by a modest 4.1%, highlighting that the pace of implementation of

**Economic Growth**



— GDP Y/Y %, fiscal year  
Source: Central Statistics Office

**Contribution to GDP Growth**



■ PFCE    ■ Change in Stocks    ■ Valuables  
■ GFCE    ■ Net Exports    — GDP Y/Y %  
■ GFCF    ■ Discrepancies  
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%
Discrepancies	0.8%	-0.8%

projects remains moderate despite the clearances and reform measures initiated by the government. In contrast, government final consumption expenditure contracted 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% on the year 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 the 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 headline 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 growth, however, slowed to 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.

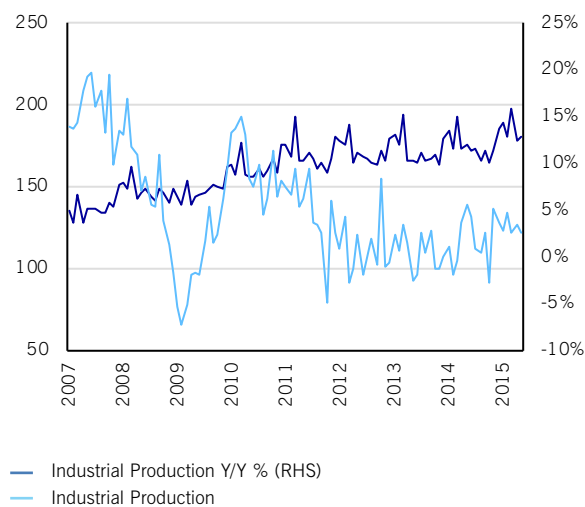
In 2014-15, on an expenditure basis, personal consumption added 3.8 percentage points to growth, having contributed 2.8 percentage points in the previous year, while net exports contributed just 0.4 percentage point to GDP growth, having added 3.5 percentage points previously. Investment, which was a 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.

### Growth in industrial output moderates in May

Latest data showed a mixed picture for the industrial sector and while a weakening in some of the short term trend measures of manufacturing is disappointing, the longer span trend recovery remains intact. Industrial production expanded at 2.7% on the year in May following an increase of 3.4% on the year in April (revised down from 4.1% previously). Even though growth in output has been volatile, the first five months

### Industrial Production



Source: Central Statistics Office

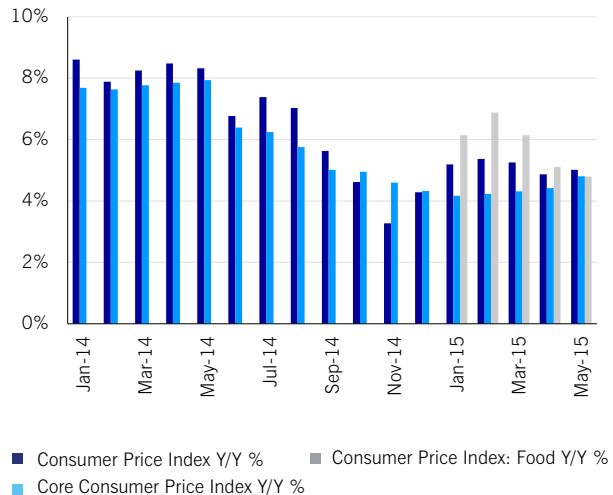
of the year has seen industrial production expand by 3.2% over the previous year, more than double the growth seen in 2014.

Growth in May was mainly led by mining and electricity production which grew by 2.8% and 6% on the year respectively. Manufacturing, which forms three-quarters of industrial production, grew at the slowest pace in seven months by 2.2% on the year. On a monthly basis, manufacturing output is lumpy and volatile but has started to show some green shoots. It has grown by 3.5% in the five months to May over the past year, the highest growth rate in four years. Comparing the last six months to the previous six months reveals that growth is up by a healthy 10.3%. This will provide impetus to Modi's "Make in India" program which aims to turn the country into a global manufacturing hub. A favourable base effect, weakness in the rupee and the recovery in the US and European nations should also support growth in export oriented manufacturing sectors.

According to use-based classification, basic goods production grew by 6.4%, the highest in six months while production of consumer goods slipped back into contraction. Output of consumer durables contracted by 3.9% on the year after rising for the first time in 11 months in April. While the consumer goods sector has shown prolonged weakness, capital goods output, a proxy for investment rose by 1.8% on the year. Even though this was the lowest pace of growth in seven months, we welcome the turnaround in capital goods production which has grown by an impressive 7.7% in the first five months of the year compared with the same period last year, the highest since 2009.

The more frequently updated data for the core sector, which is comprised of eight industries and forms 38% of industrial production, grew by 3% in June compared with 4.4% growth in May and less than half the growth of 8.7% in June 2014. In June, production of refinery products and coal were the front-runners, growing by 7.5% and 6.2% respectively, albeit slower than last month while electricity production growth was at just 0.2% after growing by 5.5% in May. During April-June period of the current fiscal, the infrastructure output expansion has been slow at just 2.4%, lower than 6% growth in the corresponding period last year.

## Consumer Inflation



Source: Central Statistics Office

## Inflation accelerates in June

Consumer price inflation picked up to a nine-month high of 5.4% in June from 5% in May driven by food price inflation (46% of the CPI basket) which accelerated to 5.5% in June from 4.8% in May. Fuel inflation, however, eased to 5.9% from 6% in May. After stripping out the more volatile food and fuel, core inflation picked up to a seven-month high of 5% in June from 4.8% previously. Base effects might help for a month or two but will then turn unfavourable and controlling inflation will become a challenging task for the RBI which recently revised up its forecast for consumer inflation to 6% in January 2016 from 5.8% previously. We had pencilled in one further cut in official rates by year-end, although the inflation profile is increasingly appearing less likely to accommodate this and we now expect rates to remain on hold throughout 2015, although continued softness in oil prices may provide a window.

Rural inflation accelerated for the third consecutive month to a nine-month high of 6.1% in June from 5.5% in May. The Indian Met department forecast that the monsoon will be sub-normal during August to September which could potentially hit agricultural output and put further upward pressure on food prices. Urban inflation also rose, albeit at a slower pace of 4.6% in June from 4.4% in May. The RBI, which has already cut the repo rate three times this year, is closely monitoring the effect

of monsoons on inflation to determine whether there is scope to ease policy further. Infrastructure investment and implementation of measures such as the use of buffer stocks, anti-hoarding practices, lowering transportation losses and resorting to imports by the government, can help cap food prices – although it is too early to assess whether the government's policies will help. The jump this month in food prices suggests there is a lot further to go.

The previously targeted measure of inflation, based on the Wholesale Price Index, contracted for the eighth consecutive month to -2.4% on the year in June from -2.36% in May. The decline came on the back of a continued fall in prices for fuel, primary articles and manufactured goods.

#### Repo rate cut to 7.25%

In line with expectations, the RBI cut the repo rate by 25 basis points to 7.25% on June 2.

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 on some of the previous rate cuts, the RBI continued to urge faster transmission of monetary action into lending rate cuts. Yet, the RBI continued to stress that risks remain to the inflation outlook, particularly related to deficient monsoon rains, rise in oil prices and the 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, there is a risk that minimum support prices for various crops will increase. The recent fall in crude oil prices has reduced its threat to inflation, but the uncertainty around

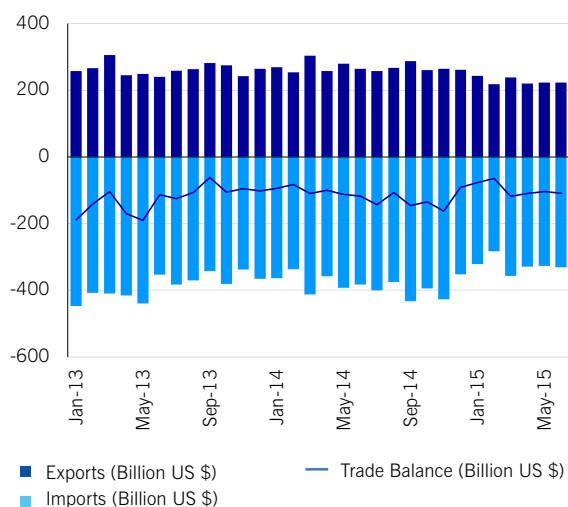
food inflation and the likelihood of a US rate hike in the second half of 2015 leaves little room for further monetary easing so we now expect rates to remain on hold throughout 2015.

#### Exports contract for the seventh consecutive month

India's trade deficit rose slightly to \$10.8 billion in June from \$10.4 billion in May, but was 13.4% below the \$12.5 billion shortfall recorded in June a year earlier.

Overall, the trade data suggests weakness in both external and domestic demand. While export weakness has been ongoing for some time, softness in non-oil imports is disappointing. Exports contracted 13.7% on the year for the seventh consecutive month to \$22.3 billion in June, roughly the same level as seen in the previous month, owing mostly to the global slowdown and crude oil price decline. Demand for Indian exports in general is expected to remain sluggish in the near term, not least after the International Monetary Fund downgraded its estimate for annual global growth to 3.3% from 3.5% for 2015. On a positive note, the decline in the three-month year-on-year measure for Indian exports eased somewhat this month and could mark a turning point, after falling for seven consecutive months. Nevertheless, the level of exports remains very weak.

#### Trade Balance



Source: Ministry of Commerce and Industry



Imports declined by 13.6% on the year to \$33.1 billion in June as oil imports dropped 43.6% to \$7.4 billion. Non-oil imports rose by 1.8% on the year to \$25.6 billion in June after declining by 2.2% in May. While this was the first monthly rise since March, the pace of growth is slow which suggests domestic demand remains fragile. It was encouraging to see gold imports fall for the third consecutive month to \$1.97 billion in June, particularly without any policy measures being the driver behind it, as India's excessive demand for gold has mainly been responsible for the rising import bill.

#### Government raises planned expenditure

The fiscal deficit in the first three months of 2015-16, was Rs. 2.87 trillion or 51.6% of the estimated budget of Rs. 5.5 trillion for the whole financial year. This is lower than the deficit of 56.1% during the same period a year ago. The total expenditure of the government in the first three months was Rs. 4.31 trillion or 24.2% of the entire year estimate, higher than last year's expenditure of 23%. Of the total outflows in the first three months, planned expenditure was 24.7% of the budget estimate given the government's emphasis on infrastructure development. Planned spending was around 19% of the budget estimate during the last fiscal. Total receipts were Rs. 1.44 trillion, 11.8% of the estimate. For 2015-16, the government aims to contain the fiscal deficit at 3.9% of GDP and is targeting 3% a

year later, unlocking funds for investment into infrastructure development and social welfare programmes. This followed the successful reduction of the government's budget deficit to 4% of GDP in 2014-15, lower than the target of 4.1%.

#### Foreign exchange reserves rise slightly

India's foreign exchange reserves rose by \$321.7 million to \$353.7 billion in the week to July 24. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of foreign exchange reserves, rose by \$314.2 million to \$329.3 billion while the value of India's gold reserves remained stable at \$19.1 billion in the week ending July 24.

Foreign investors have invested nearly \$1 billion in the Indian capital markets so far in 2015, helped by an easing of foreign investment norms and with Greece reaching an agreement with its creditors. The Indian government has approved a composite foreign direct investment structure, for composite foreign investment limits by including foreign direct investment, foreign institutional investors and other routes like NRI investments which will likely result in further capital flows and has lifted the investor confidence.

#### Car sales growth lowest since October 2014

Car sales in India rose by 1.5% on the year in June, down from 7.7% in May, the slowest pace in eight months. The reason for the low growth of passenger car sales is said to be due to the annual maintenance closures at several companies including both Maruti and Toyota. In the first six months of the year, car sales grew by 6.3% on the year, an improvement from the contraction of 0.7% and 16.2% in 2014 and 2013 respectively.

Sales of commercial vehicles grew by 0.7% on the year in June from 3.9% on the year in May. Looking at the three-month average, sales were down by 8.8% in June after contracting by 2.4% in May.

Growth in sales of two-wheelers was in a positive territory for the first time following four months of contraction. Most of this growth came from sales of scooters which grew by 14.2% on the year, the fastest growth in four months, while sales of motorcycles, which

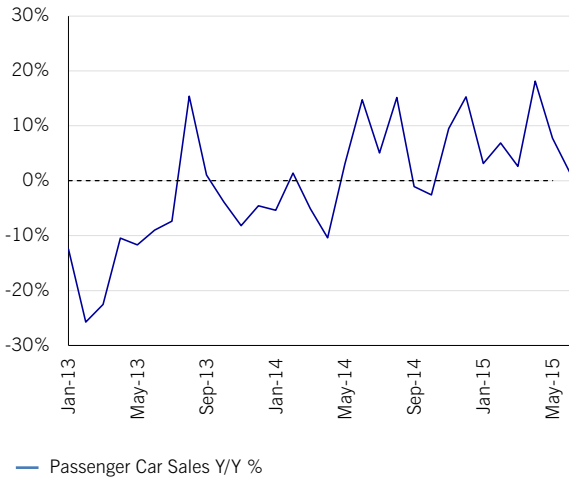
#### Rupee Exchange Rate



— Indian rupee versus US dollar, end of period

Source: Reserve Bank of India

**Car Sales**



Source: Society of Indian Automobile Manufacturers

form the majority of two-wheelers sales did not grow at all compared with last year and were 7.9% down from last month. 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.

**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

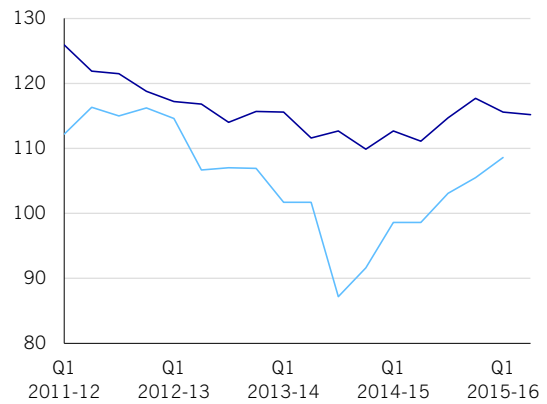
from 104.6 in the previous quarter, the highest since June 2012. The improvement for the assessment quarter was mainly due to improved optimism in production, order books, capacity utilisation, employment, financial situation, availability of finance coupled with reduced pessimism in cost of finance, 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. In July, business sentiment and other key parameters like production, new orders and export orders all declined slightly. Companies remained optimistic about the future business environment but were less confident about underlying demand for their goods and services.

**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.

**RBI Business and Consumer Sentiment**



Source: Reserve Bank of India

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 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 among households close to the record low of

2013. The MNI India Consumer Sentiment Indicator fell to 118.6 in July led by weakening in personal finances, which hit a record low. Consumers reported that they were less confident about current business conditions but were slightly more optimistic in their long-term expectations for the future.

### Key Monthly Economic Data

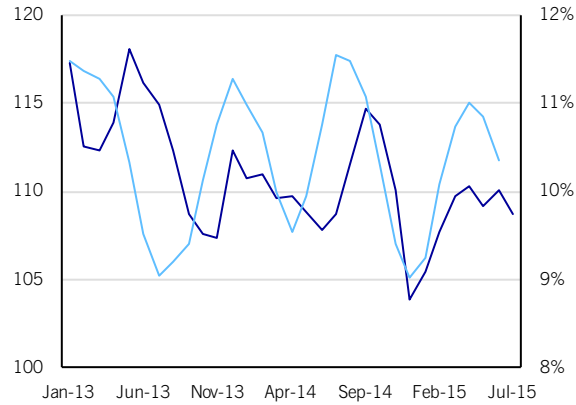
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Consumer Price Index (Y/Y %)	5.2	5.4	5.3	4.9	5.0	5.4	-
Wholesale Price Index (Y/Y %)	-0.9	-2.2	-2.3	-2.4	-2.4	-2.4	-
Industrial Production (Y/Y %)	2.8	4.8	2.5	3.4	2.7	-	-
Car Sales (Y/Y %)	3.1	6.9	2.6	18.1	7.7	1.5	-
Trade Balance (Billion US \$)	-7.7	-6.4	-11.8	-11.0	-10.4	-10.8	-
Exports (Billion US \$)	24.4	21.9	23.9	22.0	22.3	22.3	-
Imports (Billion US \$)	32.1	28.3	35.7	32.9	32.8	33.1	-
MNI India Business Sentiment Indicator	64.2	66.2	63.0	63.9	62.3	67.1	65.3
MNI India Consumer Sentiment Indicator	120.4	121.2	118.5	122.1	119.6	119.5	118.6

# Correlation Charts

Our Indicators Closely Track Official Data



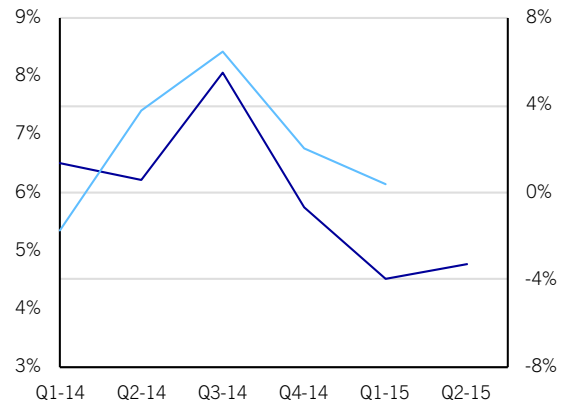
## Durable Buying Conditions



— MNI Durable Buying Conditions 3MA  
 — Currency with Public Y/Y% 3MA (RHS)\*

Source: \*Reserve Bank of India

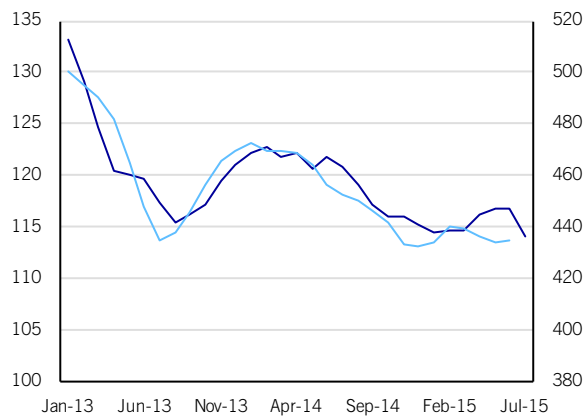
## Consumer Sentiment



— MNI India Consumer Sentiment Y/Y% (RHS)  
 — GVA Y/Y%\*

Source: \*Central Statistics Office

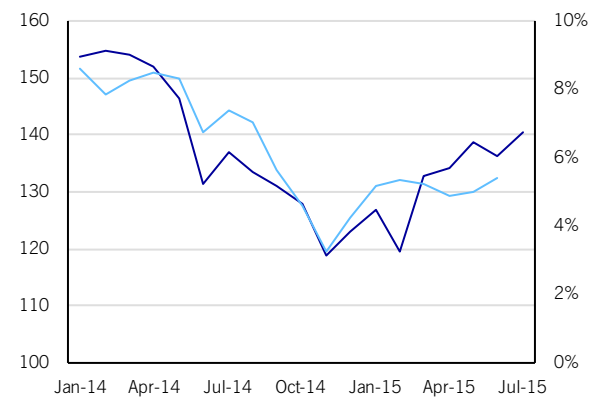
## Personal Finances and Gold Prices



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

Source: \*Ministry of Commerce and Industry

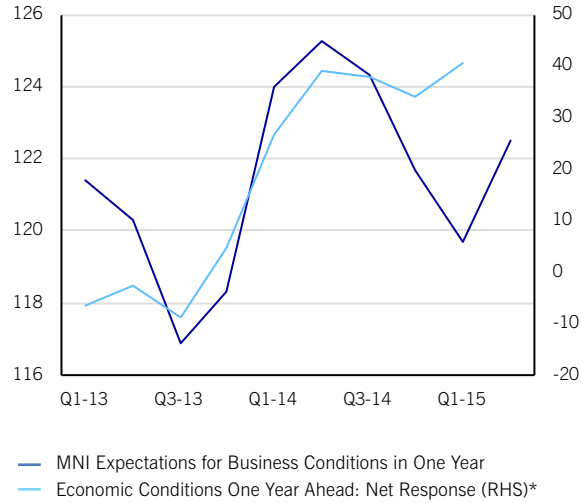
## Inflation Expectations



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

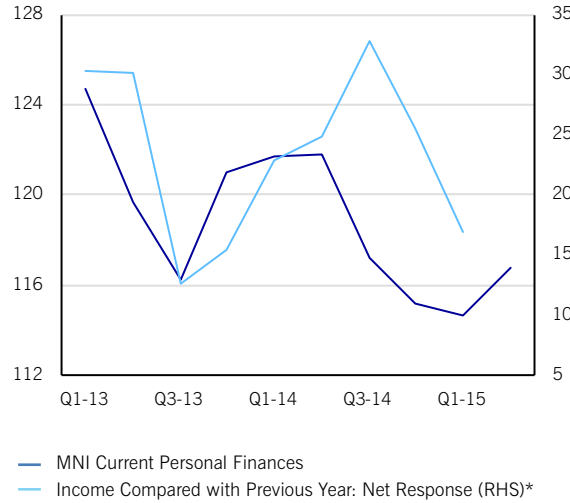
Source: \*MOPSI

Expectations for Business Conditions



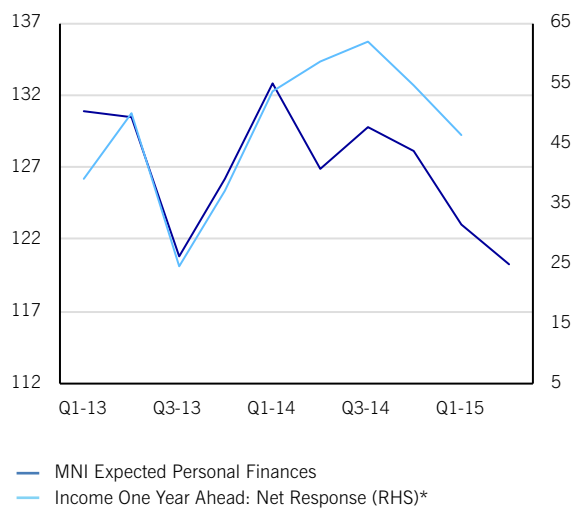
Source: \*Reserve Bank of India

Personal Finances



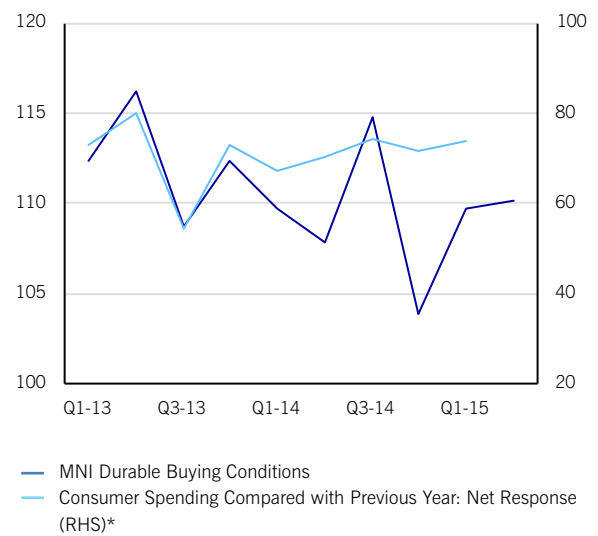
Source: \*Reserve Bank of India

Expected Personal Finances



Source: \*Reserve Bank of India

Consumer Spending



Source: \*Reserve Bank of India



# Indicators

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Consumer confidence was down by 4.5% on the year and all five components of the headline indicator were below their outturns a year earlier.

# MNI India Consumer Indicator

## Four-Month Low



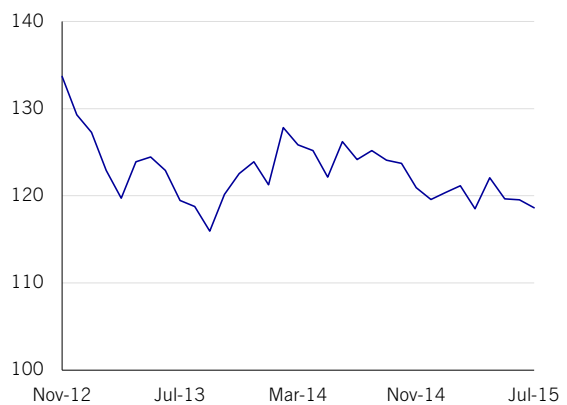
The MNI India Consumer Sentiment Indicator fell for the third consecutive month to 118.6 in July from 119.5 in June led by a weakening in personal finances.

Consumer confidence was down by 4.5% on the year and all five components of the headline indicator were below their outturns a year earlier. This month's fall placed sentiment at the lowest level since March and not that far from the record low set in 2013.

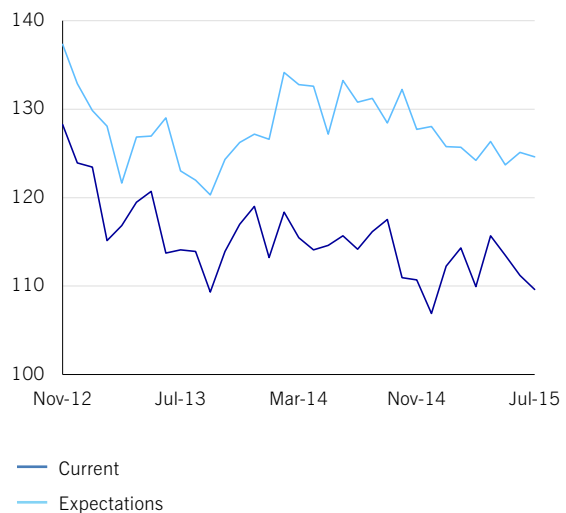
The July survey shows that sentiment among Indian households remains fragile with consumers increasingly wary about their finances. The Current Personal Finances Indicator fell for the third consecutive month to hit a record low of 110.3, leaving it 7.4% down on the year. This likely accounted for the less optimistic outlook for future household finances. Inflation is also eroding consumers' purchasing power and is expected to undermine confidence over the coming months. The Inflation Expectations Indicator is now up 10.8% since the start of the year and 2.5% above the outturn of July 2014.

The Current Indicator, which measures consumers' assessment of their current conditions, fell to 109.6 in July from 111.2 in June, the lowest since the series low witnessed in December 2014. The Expectations Indicator also fell to 124.6 in July from 125.1 in the previous month, 4.7% down on the outturn in the same month last year.

MNI India Consumer Indicator



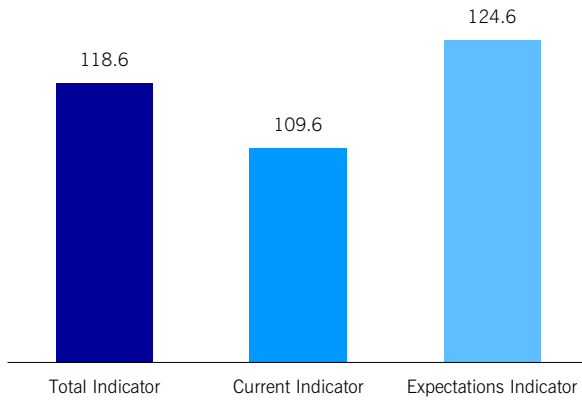
Consumer Indicators



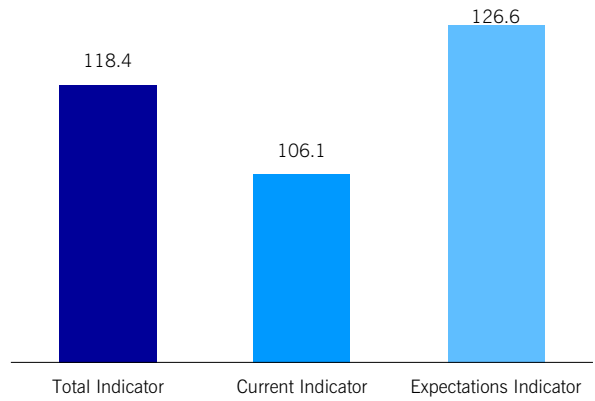
MNI India Consumer Indicator

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
MNI India Consumer Indicator	124.1	121.2	118.5	122.1	119.6	119.5	118.6
Current	114.2	114.3	109.9	115.7	113.5	111.2	109.6
Expectations	130.8	125.7	124.2	126.4	123.7	125.1	124.6

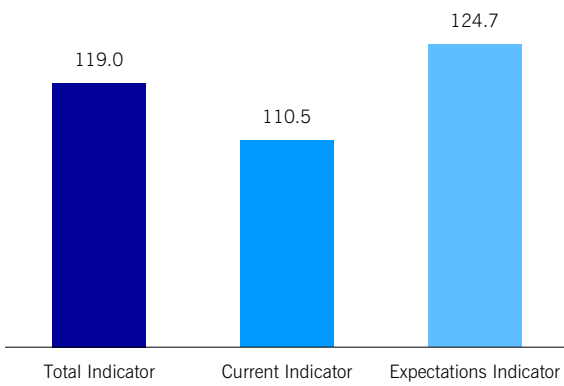
## All India



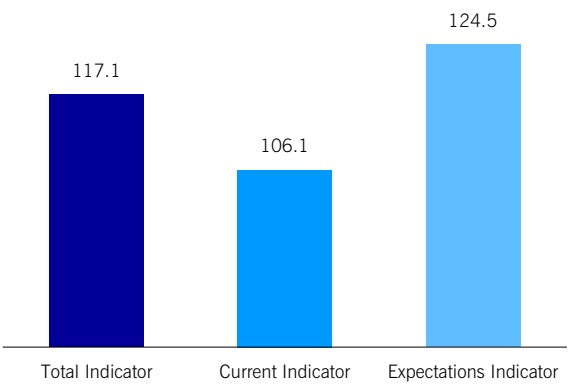
## North India



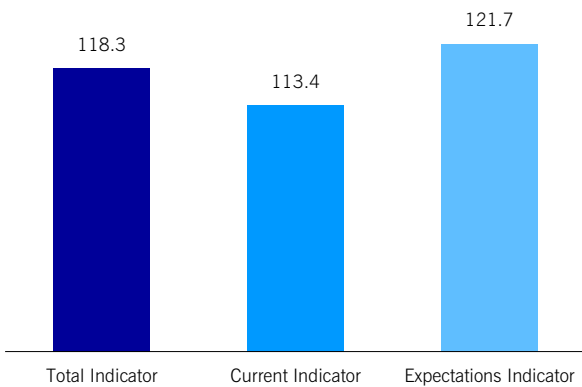
## South India



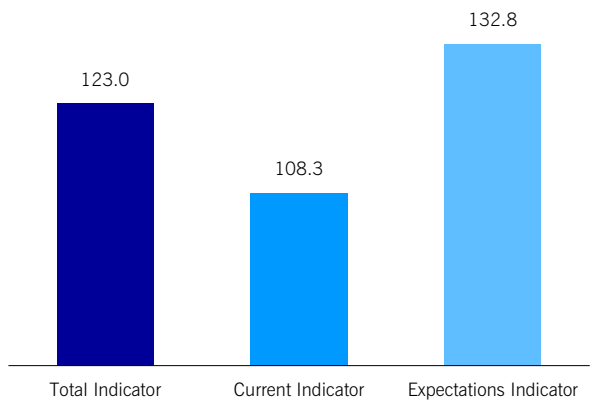
## East India



## West India



## Central India







Since the start of the year, consumers' confidence with the current business environment has fallen, echoing our sister MNI Business Sentiment Survey which also indicates that business sentiment remains lacklustre. Expectations for future Business Conditions have, however, been more resilient as respondents continue to anticipate that the government's promise of bold reforms will eventually materialise, with the short-term measure up by 1.3% since the start of the year and the long-term measure remaining roughly around the same level as in January.

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 driven by favourable price effects rather than being underpinned by a pick-up in sentiment. The Car Purchase Indicator, which is composed of two components, rose 12.3% on the year in July owing to lower gas price expectations rather than greater car purchase expectations which have instead remained broadly stable. Meanwhile, the Real Estate Investment Indicator was up 4.3% on the year amid heightened House Price Expectations while House Buying Sentiment trended down.

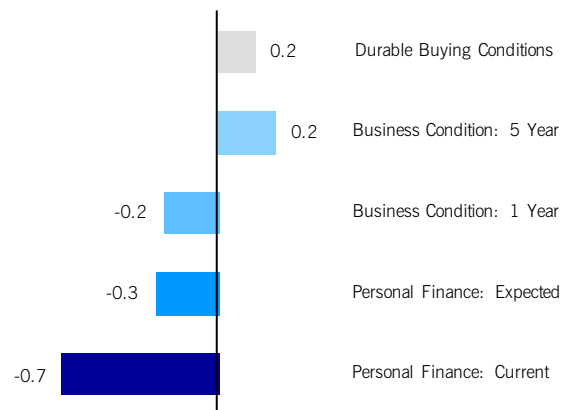
**Regions**

Consumer sentiment fell in all regions apart from South India in July.

In South India, the Consumer Indicator rose by 1.5% to 119.0 in July from 117.2 in June. Consumers were significantly more confident in their expectations for their future state of finances, with the indicator rising 8% on the month, although this still failed to recoup last month's decline. They were less optimistic in their expectations for Business Conditions in Five Years, which fell to the lowest level since May, while their short-term business expectations remained unchanged.

In North India, consumer sentiment fell by 2.7% to 118.4 from 121.7 in June. Respondents were

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



increasingly wary about their Current Personal Finances, as evidenced by the 9.8% decline in the indicator to the lowest since August 2013, while they also had lower expectations for their Future Personal Finances. Consumers were more optimistic in their outlook for long-term business conditions in contrast to their short-term expectations which fell to a two-month low.

**Age**

Consumer sentiment rose solely among the youngest age group in July, albeit only marginally.

The Consumer Indicator for the 18-34 year age range rose to 122.9 in July from 122.5 in June. The improvement was driven by the Business Conditions in Five Years Indicator, with the remaining four components of the Consumer Indicator decreasing on the month. Consumers were less satisfied with their Current Personal Finances, with the indicator falling for the third consecutive month to a six-month low. This in turn impacted their willingness to buy big-ticket items, with the Durable Buying Conditions Indicator falling to the lowest since March. Respondents were more upbeat in their outlook for



Business Conditions in the long-term but their short-term expectations remained more-or-less unchanged.

Consumer sentiment among 35-54 year olds eased slightly to 118.3 from 118.7 in June. Respondents were less satisfied with their Current Personal Finances, with the indicator falling to a record low. Their expectations for long-term business conditions rose to the highest level this year, although they did not share the same view about short-term business conditions which eased to a four-month low.

Consumer Sentiment among the oldest age range, 55-64 year olds, fell to a series low of 109.8 in July from 115.6 in June. All five components of the headline indicator decreased apart from the Durable Buying Conditions Indicator which rose to a three-month high. There were sharp falls in consumers' attitudes towards their Personal Finances, with both current and expected measures falling to record low levels. Respondents were also less bullish in their short and long-term expectations for future business conditions.

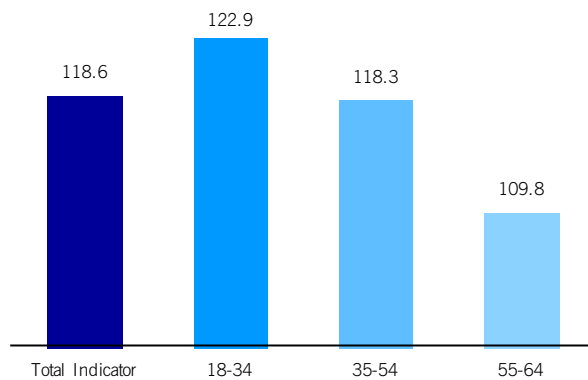
#### Income

Households in the lower income group were slightly more confident in July, while high earners were 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 119.3 from 119.0 in June. Respondents were less optimistic in their long-term outlook for business conditions but they were more confident about their Personal Finances over the next year. While consumers were more satisfied with their Current Personal Finances, it didn't translate into greater willingness to purchase large household items.

For households with an average annual income over Rs. 432,000, the Consumer Indicator fell to 127.1 in July from 128.6 in June. Apart from Business Conditions in Five Years, all other components of the

Consumer Indicator: Age Groups



Consumer Indicator fell in July. Consumers were less confident about making a big-ticket purchase in July as their Current Personal Finances fell to the lowest since January 2014. Expectations for both short-term business conditions and Personal Finances in a year's time also weakened on the month. In contrast, expectations for Business Conditions in Five Years rose by 7.3% on the month to the highest level this year.

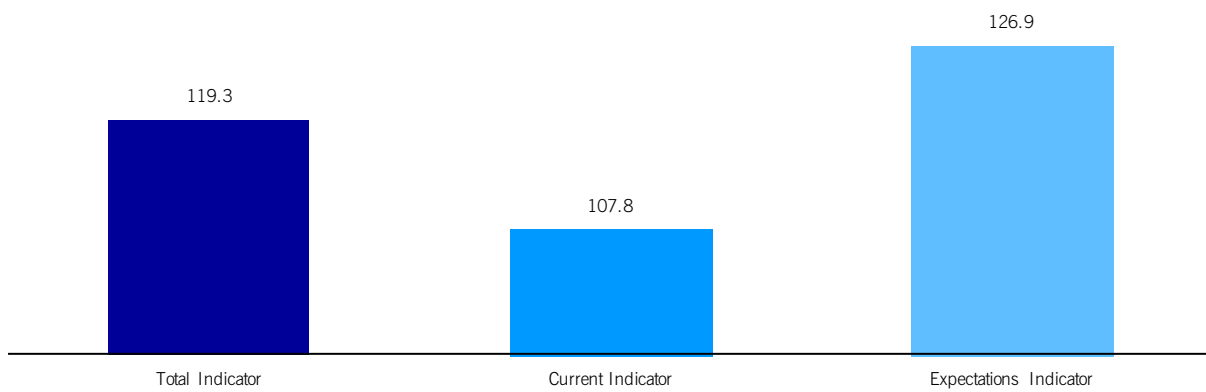
The gap in confidence between high and low-income households has risen significantly over the past year, although it narrowed to a four-month low in July. Consumer sentiment has averaged 120.5 among those in the low-income group since the start of the survey, while for higher income households, it has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

# MNI India Consumer Indicator

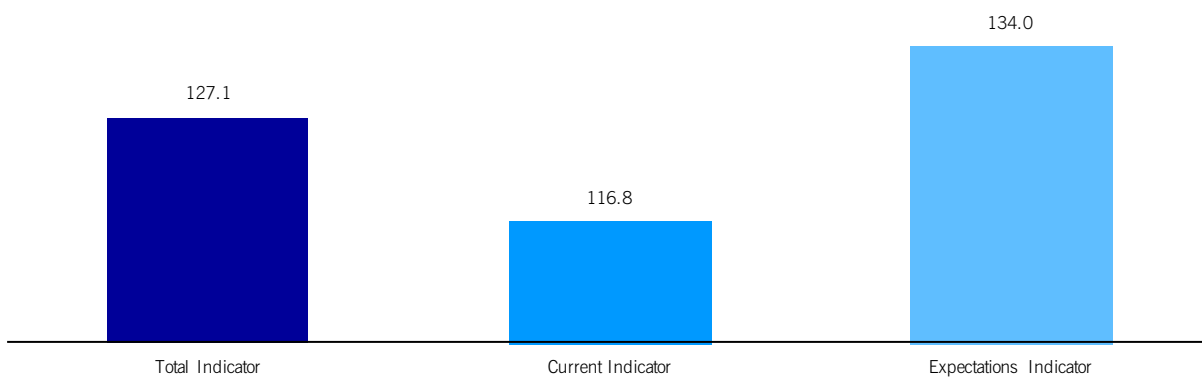
## Income Groups



< Rs. 432,000 per annum



> Rs. 432,000 per annum



# MNI India Consumer Indicator

## Main Cities



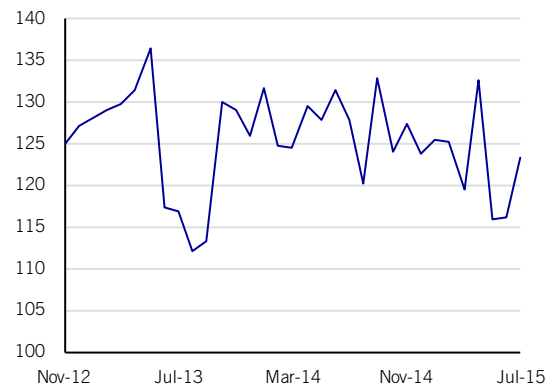
Consumer sentiment rose in five of the 10 major Indian cities surveyed in July.

In Mumbai, India's most populous city, consumer sentiment rose by 6.1% to 123.3 in July from 116.1 in June. Residents of the city were much more confident with their Current Personal Finances, with the indicator rising by 14.8% which comfortably offset last month's fall. Consumers were also more optimistic about their Future Personal Finances, which rose by double-digits, although fewer respondents thought it was a good time to purchase large household items. Respondents revised up their expectations for business conditions, with their short-term outlook rising by 4.7% and that for the long-term rising by 6.4% on the month.

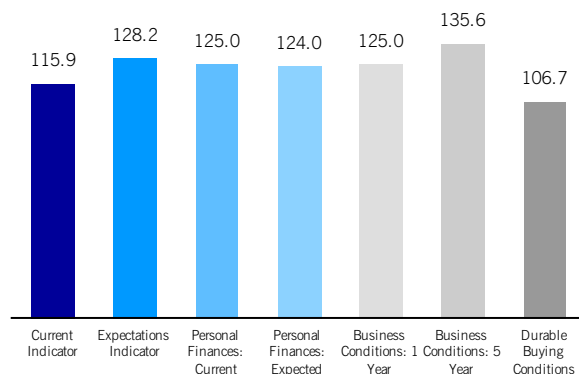
In the capital, Delhi, consumer sentiment rose for the second consecutive month to 120.9 in July from 119.4 in June. The rise in the Consumer Indicator was led by heightened expectations for long-term business conditions, with the indicator rising almost 12% on the month, in contrast to consumers' short-term outlook for the business environment which eased slightly. Consumers were also less satisfied with their Current Personal Finances as evidenced by the 4.5% fall in July, possibly impacting their attitude toward purchasing large household items which remained more-or-less stable this month.

Consumer confidence in Bengaluru, the third largest city by population in India, rose to 125.6 in July from 122.4 in June. Consumer sentiment towards current conditions weakened while respondents were more optimistic about the future. Consumers were less enthusiastic towards buying durable goods with the indicator falling by 5.7% to the lowest since March. In contrast, consumers were slightly more optimistic about business conditions in the short-term while their expectations for Business Conditions in Five Years' time increased to the highest since November 2014.

### Consumer Indicator - Mumbai

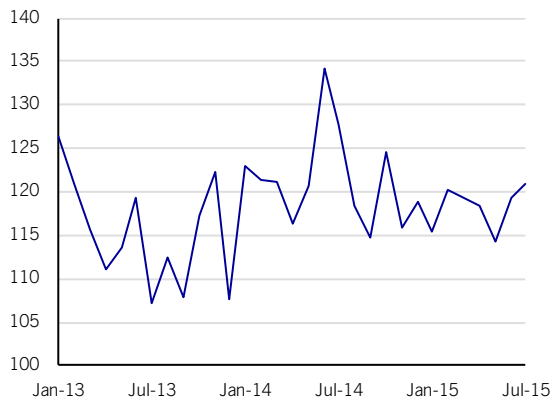


### Consumer Indicator Components - Mumbai

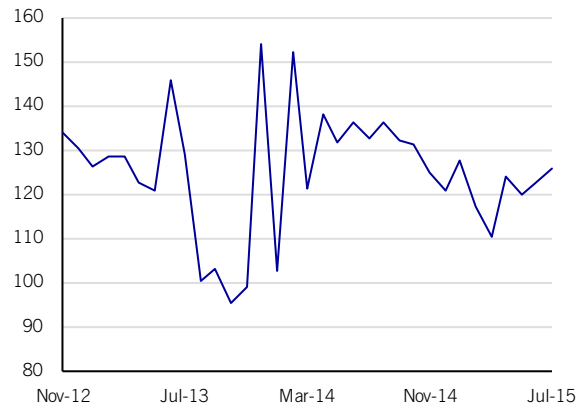




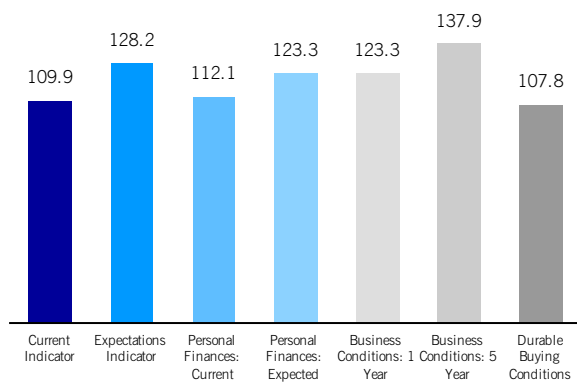
Consumer Indicator - Delhi



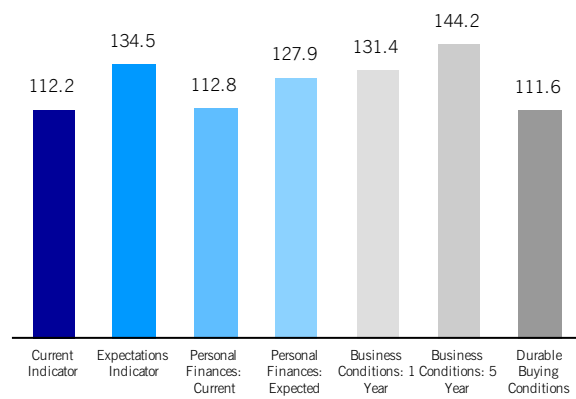
Consumer Indicator - Bengaluru



Consumer Indicator Components - Delhi



Consumer Indicator Components - Bengaluru



# Personal Finances

## Current Finances at Series Low

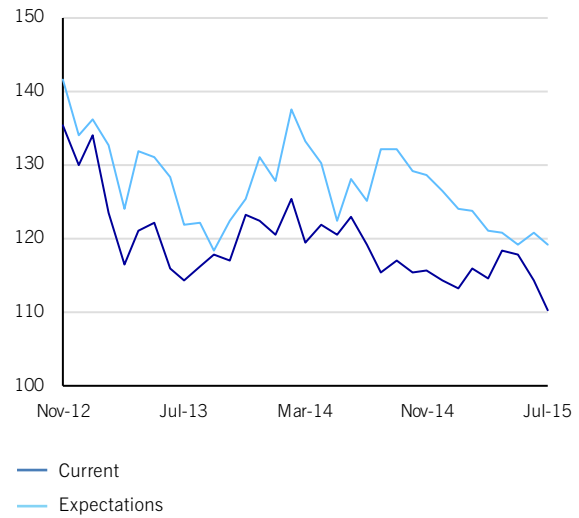


Consumers became less satisfied than ever before in their perception of their current household finances, leading the overall decline in headline sentiment, which in-turn weighed down on their expectations for the future.

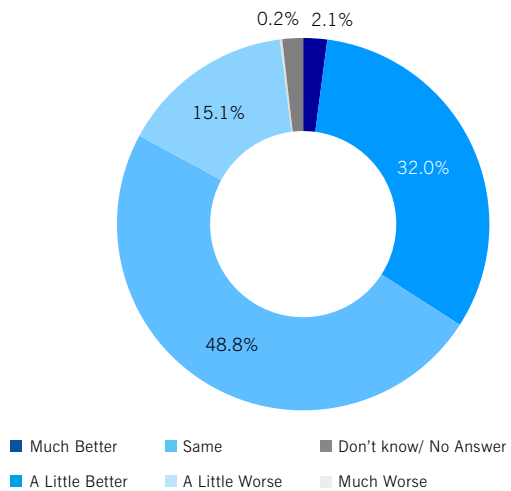
The Current Personal Finances Indicator, which measures whether a household is better or worse off financially than a year ago, fell to a record low of 110.3 in July from 114.4 in June. Since the start of the year, the indicator has fallen 2.7% while this month's fall placed it 7.4% below the outturn a year earlier. While the RBI has cut the benchmark repo rate three times this year, which should have likely resulted in higher personal disposable income, the majority of respondents said their income was roughly around the same level. Of those who reported that their finances had worsened, almost 83% of respondents 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, which had been gradually narrowing after hitting a series high in September 2014, has started to diverge once again. Expectations for Future Personal Finances fell slightly to 119.3 in July from 120.9 in June.

### Personal Finances



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



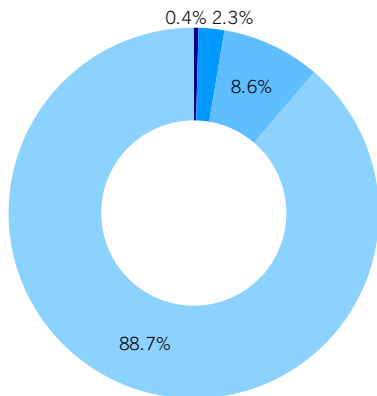
### Personal Finances

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Current	119.1	116.1	114.5	118.3	117.7	114.4	110.3
Expectations	125.2	123.7	121.1	120.8	119.1	120.9	119.3



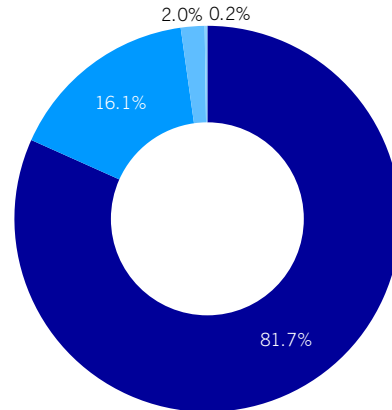
# How Households Spend their Money

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



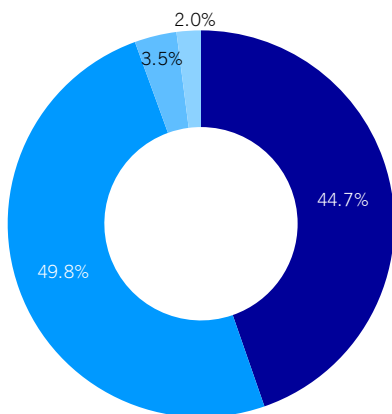
- 0% - 29% of Income
- 30% - 49% of Income
- 50% - 69% of Income
- 70% - 100% of Income

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



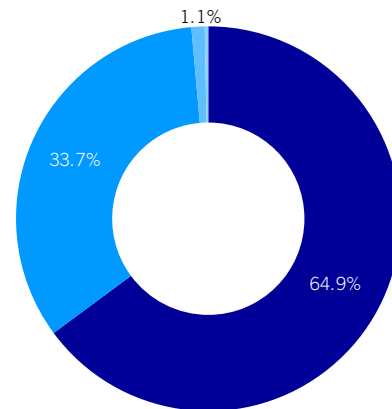
- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Monthly Household Income Used for Savings (% of Households)



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

Monthly Household Income Used for Investments (% of Households)



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

# Expectations for Business Conditions in One Year eased to 121.1 from 122.5 in June.

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Of those who were optimistic about business conditions in the coming year, the majority attributed it to economic development.



# Business Conditions

## Less Confident about Current Business Conditions



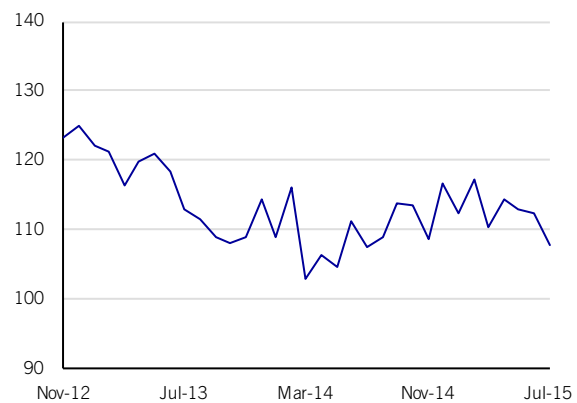
Consumers revised up their outlook for the long-term business environment, even as their perception of the current business situation and their short-term expectations for it worsened, possibly because households now expect the pace of reforms to be slower.

The Current Business Conditions Indicator fell to 107.9 in July from 112.4 in June, the lowest since July last year. Even so, consumers' assessment of the current business environment was one of the few parameters of the survey that was around the same level as its respective outturn in 2014. This was in contrast to both the expectations metrics for future business conditions which were below the level seen a year earlier.

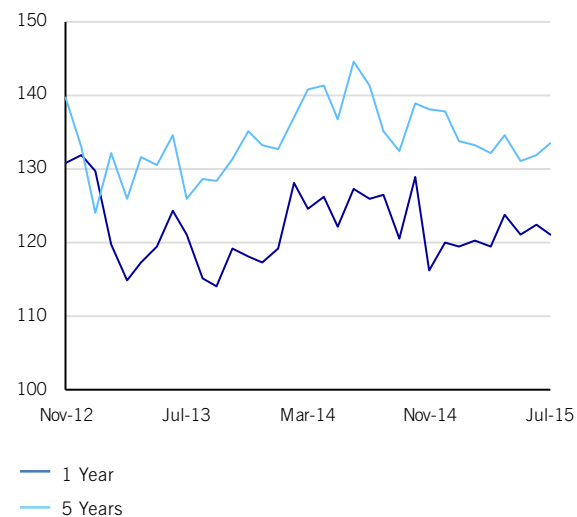
In July, expectations for Business Conditions in One Year eased to 121.1 from 122.5 in June. Of those who were optimistic about business conditions in the coming year, the majority attributed it to economic development.

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 133.4 in July from 131.9 in the previous month, although it was 5.6% below the level seen a year ago. Sentiment rose in five of the 10 major cities surveyed, with confidence about the long-term outlook for business conditions highest among residents of Visakhapatnam.

Current Business Conditions Indicator



Expected Business Conditions: 1 Year and 5 Years



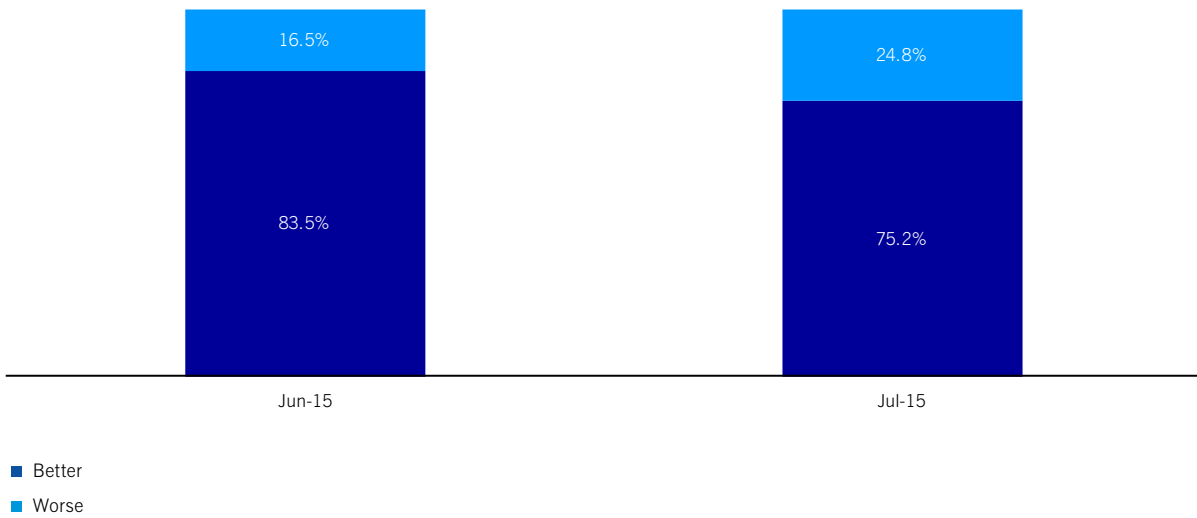
### Business Conditions

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Current	107.7	117.2	110.3	114.4	113.0	112.4	107.9
In 1 Year	125.9	120.1	119.5	123.8	121.1	122.5	121.1
In 5 Years	141.3	133.3	132.1	134.5	131.0	131.9	133.4

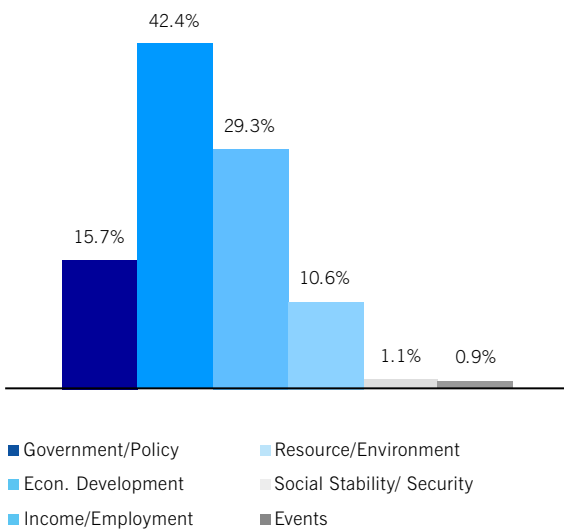
# Business Conditions in 1 Year Selected Reasons



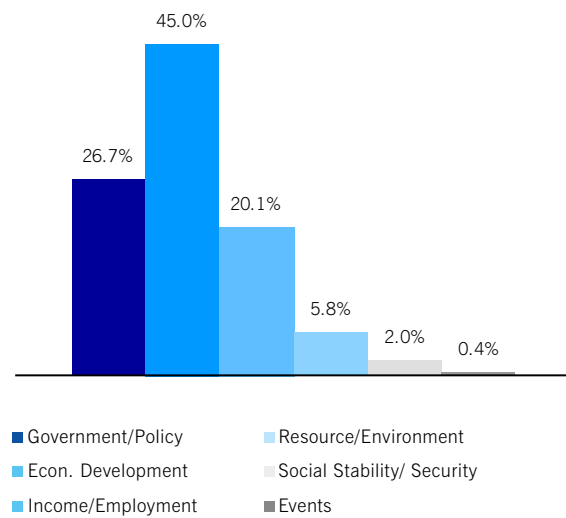
All India



All India, Reasons for Better



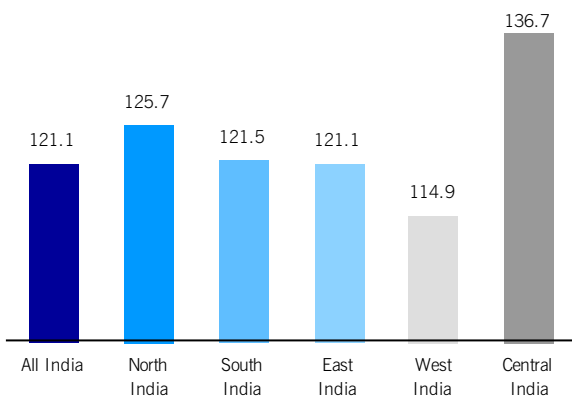
All India, Reasons for Worse



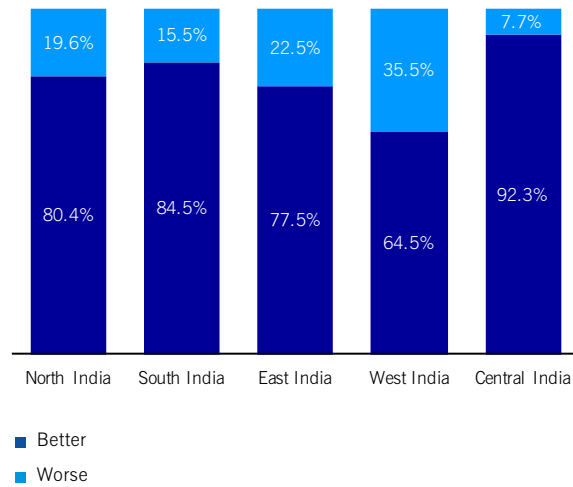
# Business Conditions in 1 Year Regions



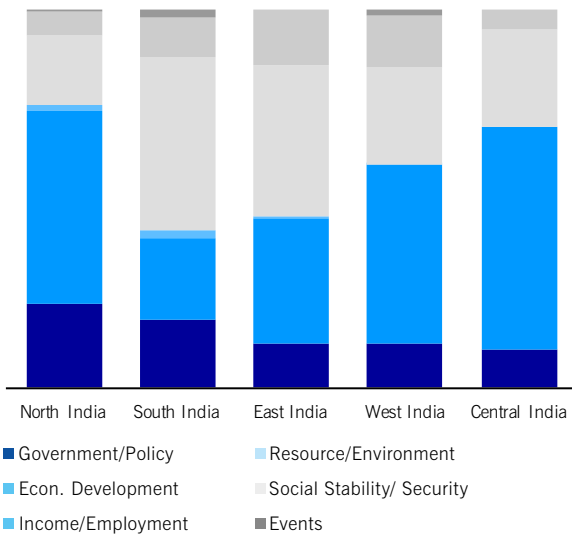
Business Expectations



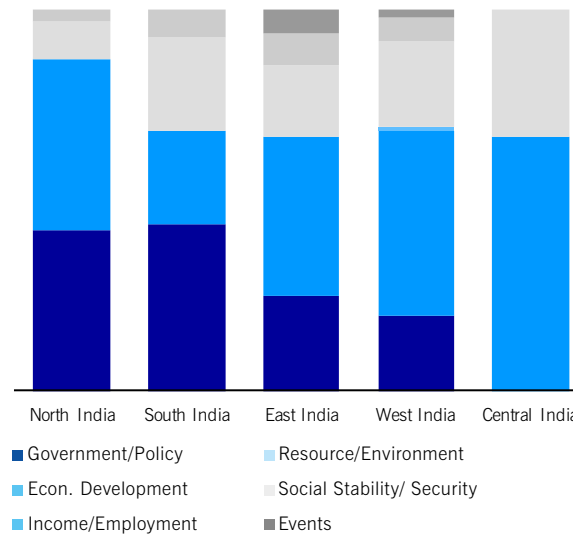
Business Expectations: Better or Worse? (% of Respondents)



Reasons for Better (% of Respondents)



Reasons for Worse (% of Respondents)



# Durable Buying Conditions Increase Despite Poor Finances

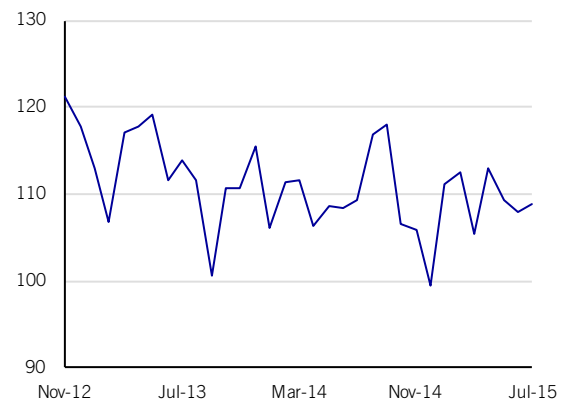


The Durable Buying Conditions Indicator rose in July as fewer consumers considered it a bad time to make such a purchase, though the majority remained indifferent to buying big-ticket items.

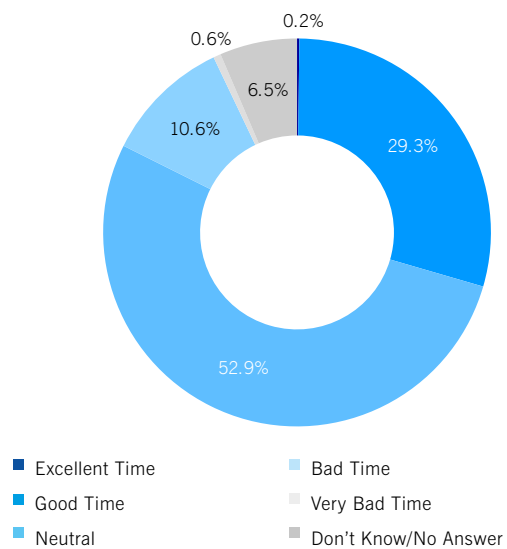
The Durable Buying Conditions Indicator rose to 109.0 in July from 108.0 in June. The indicator measures consumers' willingness to purchase a large household good and provides a guide to overall consumer spending. The indicator has increased following the cuts in the benchmark interest rate by the central bank this year, with the latest cut in early June similarly resulting in a rise in the buying sentiment this month, albeit the smallest rise this year.

With overall consumer sentiment down on the year, all components of the Consumer Indicator have also fallen. The Durable Buying Conditions Indicator, however, was just a touch below the level it was in July 2014 in spite of a sharp fall in household finances.

Durable Buying Conditions



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



Durable Buying Conditions

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Durable Buying Conditions	109.3	112.6	105.4	113.0	109.2	108.0	109.0

# Employment Outlook Lowest Since March

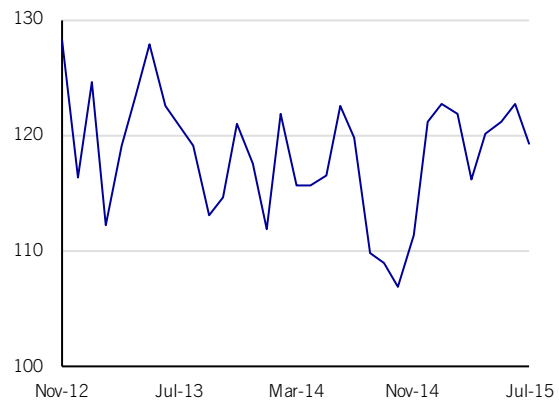


The Employment Outlook Indicator fell for the first time in four months to 119.3 in July from 122.7 in June. In spite of the decline, more than 50% of respondents expected the job market to improve over the next 12 months, making it one of the few indicators in the survey to surpass both last year's average as well as its series average.

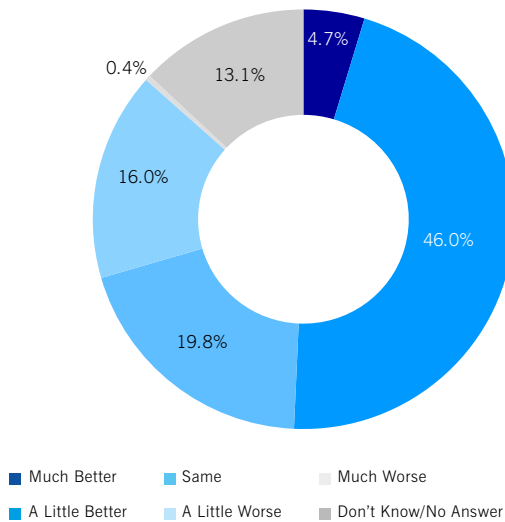
Consumers' expectations for the job market have improved sharply since the downturn during the second half of last year. In the quarter ending June, sentiment averaged 121.3, the highest since the quarter ending June 2013. Our sister business survey of India's largest companies also painted a similar picture with the Employment Indicator remaining above the 50 breakeven mark in July but fewer companies reported a need to expand workforce and some also expected to scale back their hiring plans over the coming three months.

A fall in the employment outlook was led by North India, with the Employment Outlook Indicator for the region falling to a four-month low amid a sharp fall in those who had a more positive outlook for employment conditions in the next 12 months. In West India, respondents were similarly less optimistic, although the indicator fell by a smaller degree.

Employment Outlook Indicator



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



## Employment Outlook

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Employment Outlook	119.9	121.8	116.3	120.1	121.1	122.7	119.3

15.1% consumers  
anticipated that  
prices would rise by  
11%-24% over the  
next 12 months...

---

...while a quarter of respondents were unsure.

# Prices Sentiment

## Dissatisfaction Rises



Sentiment towards prices fell in July as a growing proportion of consumers thought that the current level of prices was unreasonable and had higher expectations for inflation for the coming 12 months.

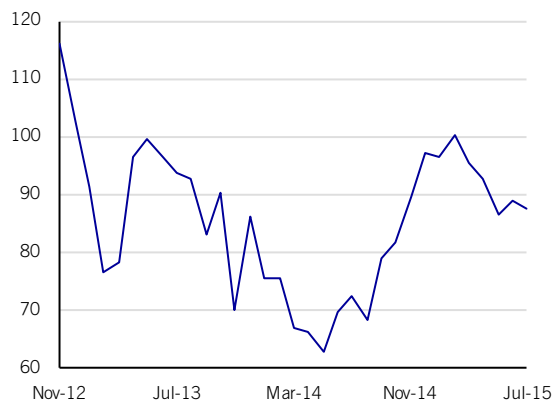
Low inflation helped the Current Prices Satisfaction Indicator to rise above the 100 mark in February but it has subsequently fallen back into contraction. In July, the indicator measuring satisfaction with the current level of prices fell to 87.7 from 89.1 in June. A figure below 100 indicates wider 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 nine-month high of 5.4% in June from 5% in May. Food price inflation accelerated to 5.5% from 4.8% in the previous month, while core inflation rose to a seven-month high of 5% from 4.8% in May.

Expectations for inflation in 12 months' time rose again to 140.4, the highest level in more than a year, after falling to 136.3 in June. Respondents were, however, divided in their expectations for how much prices would rise over the next 12 months, with 15.1% consumers anticipating that they would rise by 11%-24% while a quarter of respondents were unsure.

The Inflation Expectations Indicator has closely matched the trend in consumer price inflation and points to a further pick-up over the coming months. The Inflation Expectations Indicator is up 10.8% since

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



### Prices Sentiment

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Satisfaction with Current Prices	72.5	100.4	95.4	92.6	86.7	89.1	87.7
Inflation Expectations	137.0	119.6	132.8	134.2	138.7	136.3	140.4

# Prices Sentiment Regions



the start of the year and 2.5% above the level recorded in July 2014, signalling that India is likely to experience a period of high inflation over the coming months, not least due to the impact of uneven monsoon rains on food prices. Even so, the Reserve Bank of India is expected to hit its now formalised inflation target of 6% by January 2016.

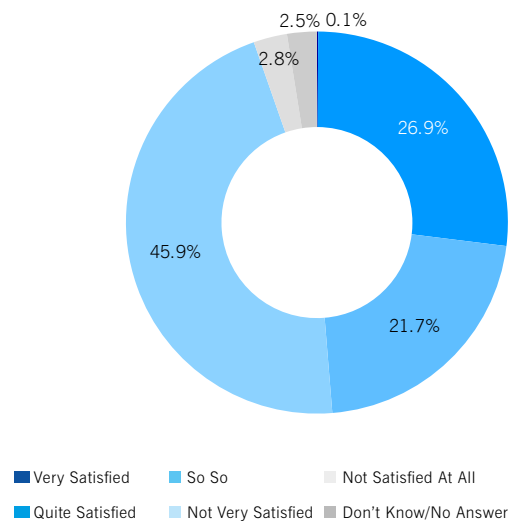
### Regions

Satisfaction with Current Prices fell in East and West India.

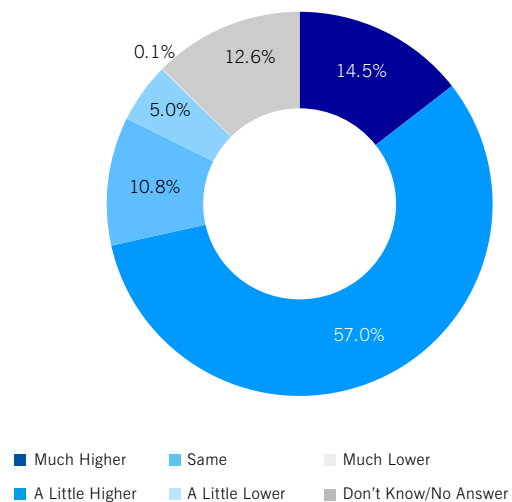
Consumers in East India became dissatisfied with prices, as evidenced by the 12.2% fall in the indicator to 88.7 in July from 100.9 in June. Correspondingly, more respondents thought that prices would rise in the next 12 months with the Inflation Expectations Indicator rising 11.7% to the highest since April 2014. Of those who thought that prices would rise, a growing proportion of respondents expected them to increase by 11%-24%, although the majority were unsure what the extent of the rise would be.

Consumers in West India further revised down their perception of prices, causing the Current Prices Satisfaction Indicator to fall by 10.6%. More respondents thought prices would rise over the coming year, pushing the Inflation Expectations Indicator to the highest since May.

Satisfaction with Current Prices  
(% of Households)



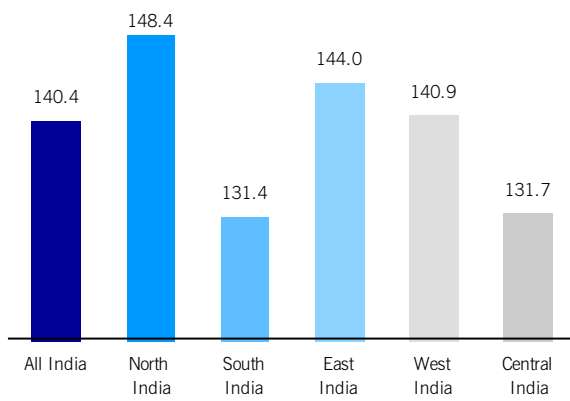
Inflation Expectations in 12 Months  
(% of Households)



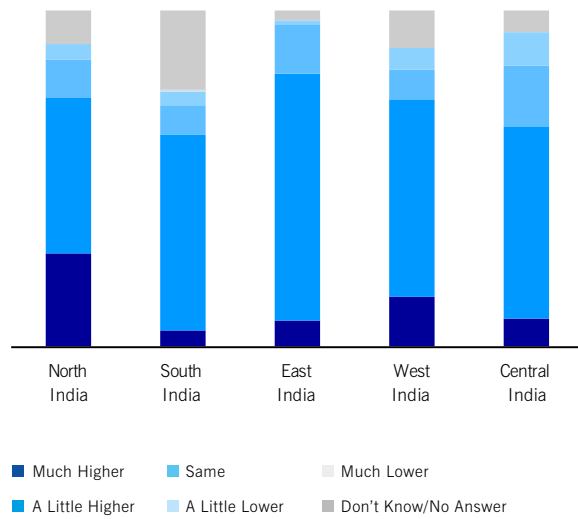




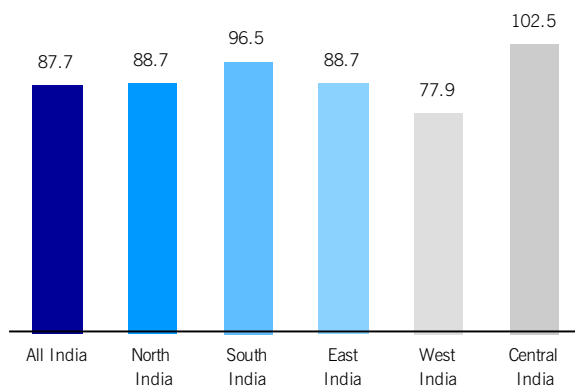
Inflation Expectations Indicator



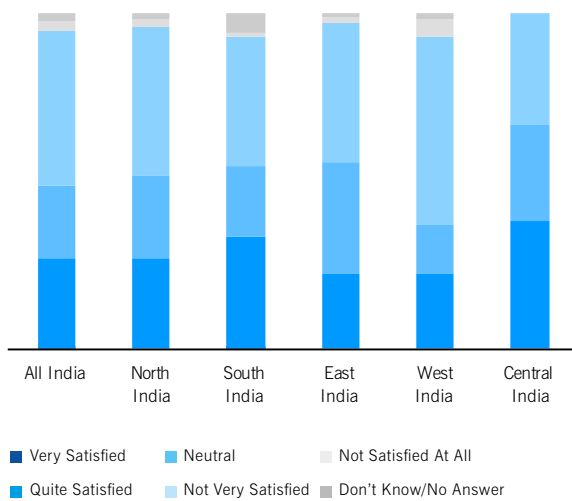
Inflation Expectations in 12 Months (% of Households)



Satisfaction with Current Prices Indicator



Satisfaction with Current Prices (% of Households)



# Interest Rate Expectations Three-Month Low

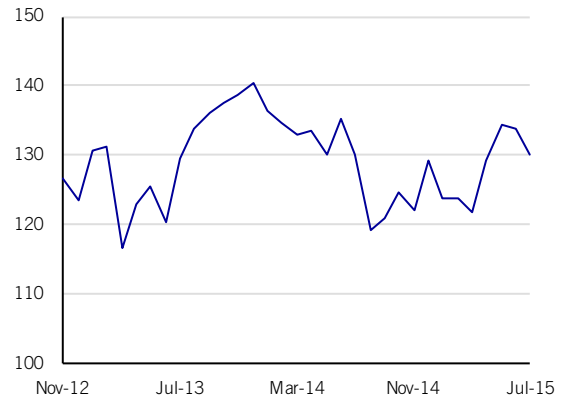


The Interest Rates Expectations Indicator fell for the second consecutive month to 130.1 from 133.7 in June, but was slightly above the series average of 129.1.

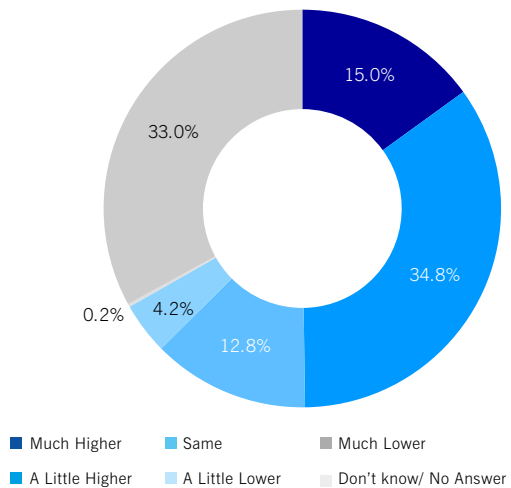
Raghuram Rajan has cut benchmark interest rates three times since he took over as the Governor of the Reserve Bank of India, having successfully overseen a significant fall in inflation following his appointment in September 2013. Evidence from both our business and consumer surveys indicate that the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

The likelihood of subsequent rate cuts is crucially dependant on the impact that monsoon rains have on food prices and in turn on overall 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. If such a scenario is realised, then the RBI would have less scope for further monetary easing this year.

Interest Rate Expectations Indicator



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



## Interest Rate Expectations

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Interest Rate Expectations	130.2	124.0	121.9	129.2	134.3	133.7	130.1

# 56% of respondents expected stock market to rise...

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...compared with 42% in the previous month.

## Stock Investment Indicator Lowest Since January



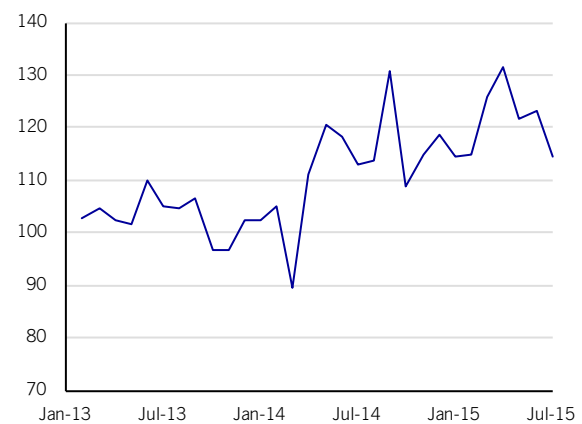
Sentiment surrounding the stock market has fallen significantly after hitting a record high in April. The Stock Investment Indicator, a gauge of whether it is a good or bad time to invest in the stock market, fell to 114.5 in July from 123.2 in June.

Stock Price Sentiment, which measures whether equity prices are high or low, rose to 93.9 in July from 88.5 in June. Indian stock markets have been volatile in recent months and tumbled early in the month amid the significant downturn in the Shanghai Composite and fears that Greece would be forced to exit the eurozone which rattled investors and probably accounted for why the proportion of respondents who thought share prices were cheap outnumbered those who thought they were expensive.

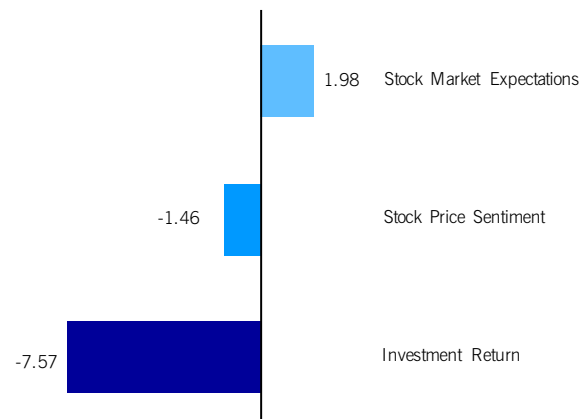
The Stock Investment Return component, a measure of the amount of profit or loss in investments over the past year, plummeted to 109.3 in July from 137.3 in the previous month.

The Stock Market Expectations component, which shows whether consumers think stock prices will rise or fall in the next three months, rose to 128.1 in July from 120.8 in June. 56% of respondents expected stock market to rise compared with 42% in the previous month after the Greek crisis seems largely to have abated in addition to a boost in sentiment after the nuclear deal with Iran which in turn has led the decline in crude oil prices.

Stock Investment Indicator



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



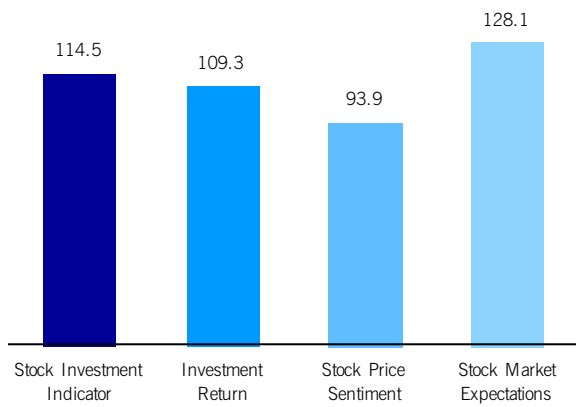
### Investment Sentiment

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Investment Sentiment Indicator	112.9	114.7	126.0	131.3	121.5	123.2	114.5
Investment Return	131.1	128.9	152.5	151.0	154.2	137.3	109.3
Stock Price Sentiment	125.6	121.9	129.0	104.4	112.6	88.5	93.9
Stock Market Expectations	133.2	137.1	154.4	147.4	122.9	120.8	128.1

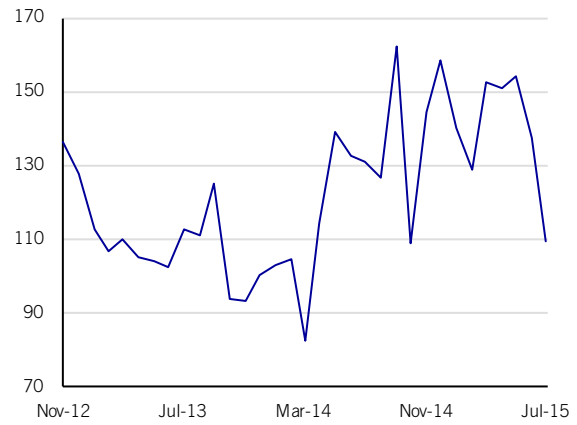
# Stock Investment Indicator Components



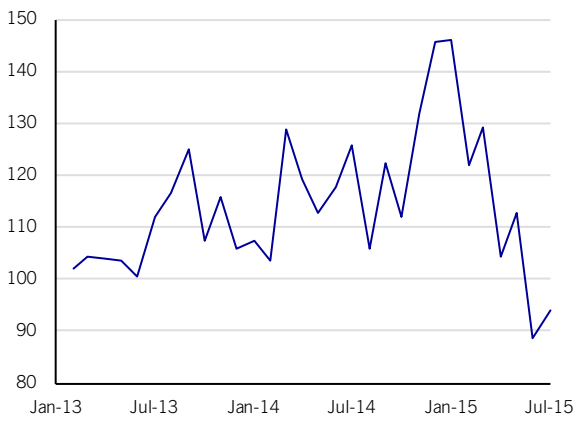
Stock Investment Indicator - Components



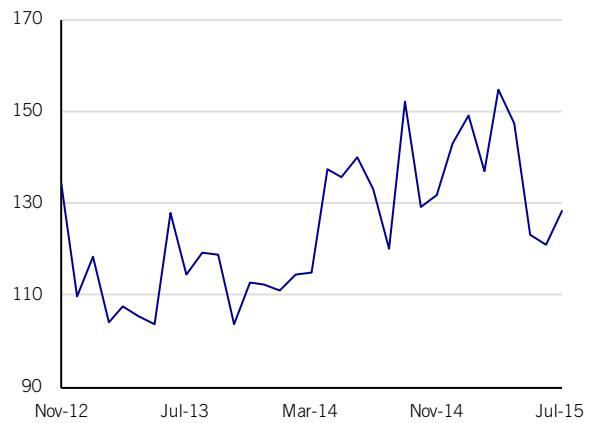
Investment Return



Stock Price Sentiment



Stock Market Expectations



# Almost four out of five respondents expected house prices to rise in the next six months in July...

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...placing the House Price Expectations component at 152.4 compared with 153.7 in the previous month.

# Real Estate Investment Indicator Highest Since April



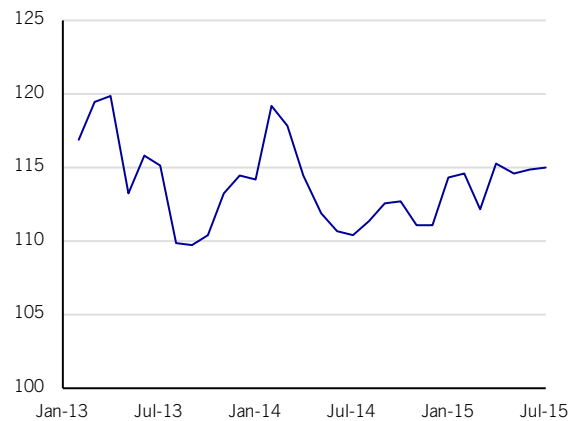
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment), stood at 115.0 in July compared with 114.8 in the previous month.

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 as respondents see it as a bad time to purchase a house, albeit it has started to recover slightly.

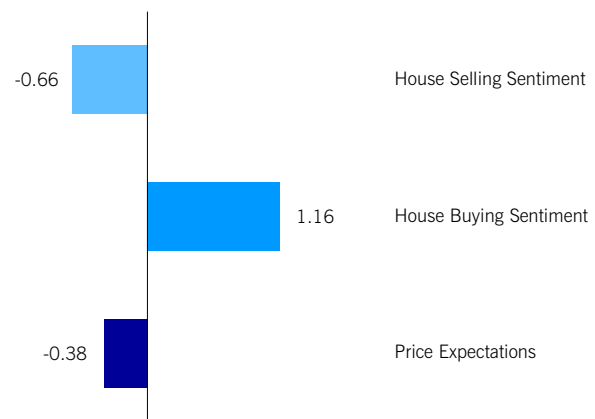
Heightened expectations for a revival in the economy after the Bharatiya Janta Party (BJP) led by Prime Minister Narendra Modi came to power have boosted consumers' expectations about house prices. Almost four out of five respondents expected house prices to rise in the next six months in July, placing the House Price Expectations component at 152.4 compared with 153.7 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 for the second consecutive month to 93.3 in July from 89.3 in the previous month. The indicator has remained below 100 since May 2014 indicating that pessimists outnumber optimists with the majority attributing lower willingness to purchase a house to high property prices. While the Reserve Bank of India has cut official interest rates three times this year, this has not yet managed to boost housing sentiment significantly. This is likely because profit-seeking commercial banks have been slow in passing

Real Estate Investment Indicator



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



## Real Estate Investment Sentiment

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Real Estate Investment Sentiment	110.3	114.5	112.1	115.3	114.6	114.8	115.0
Price Expectations	144.9	151.8	149.9	152.9	156.6	153.7	152.4
House Buying	99.7	96.6	91.5	88.9	88.4	89.3	93.3
House Selling	113.7	104.9	105.0	96.0	101.4	98.5	100.8

# Real Estate Investment Indicator Components and Balances



the full benefits of lower interest rates by reducing their lending rates.

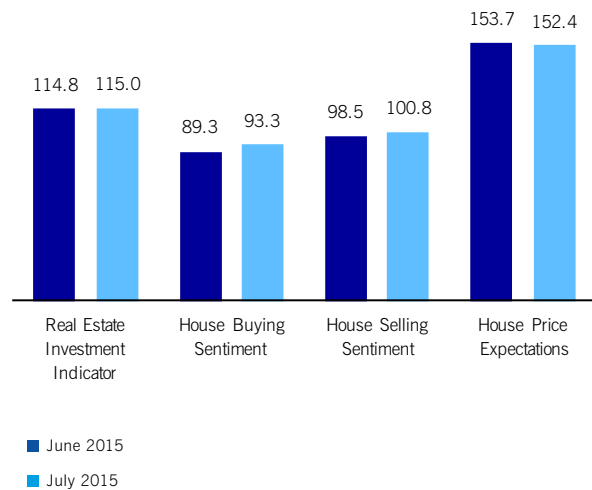
House Selling Sentiment, a measure of whether it is a good or bad time to sell a house in the next six months, rose to 100.8 in July after falling below the 100 breakeven level to 98.5 in June.

### Regions

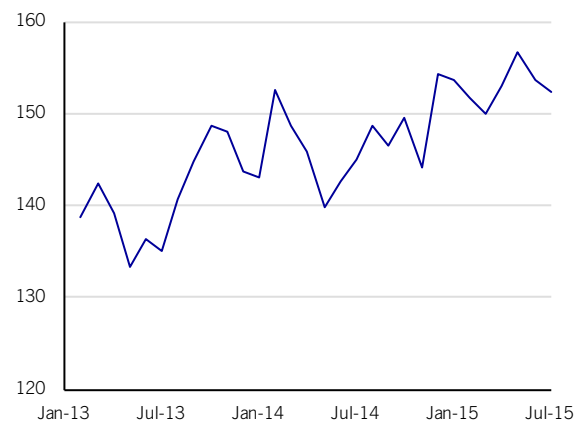
Sentiment surrounding the real estate market rose only in South India. The Real Estate Investment Indicator rose by 4.5% to 115.9 in South India, the highest level since February 2014. This was led by higher House Price Expectations and House Buying Sentiment.

Sentiment in North India outstripped that in South India. The Real Estate Investment Indicator in North India stood at 116.2 in July compared with 116.6 in June as more respondents considered it a good time to buy a house in spite of weaker expectations of house prices in the next six months.

Real Estate Investment Indicator - Components



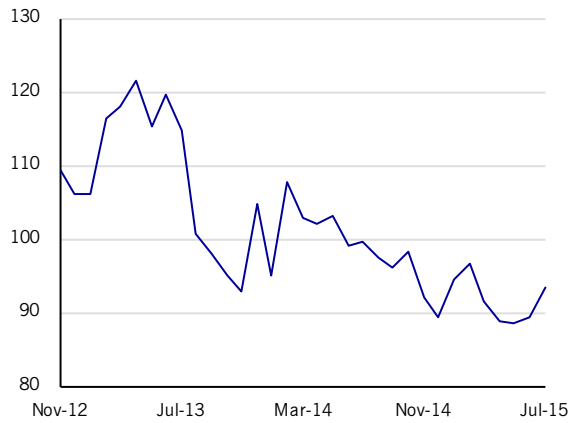
Real Estate Prices: Expected Changes in Next 6 Months



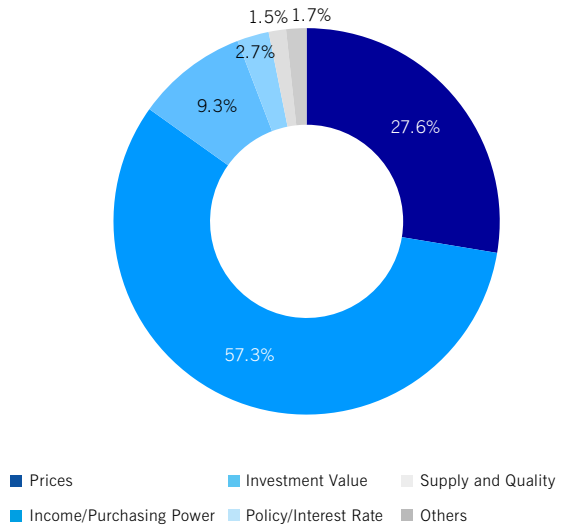




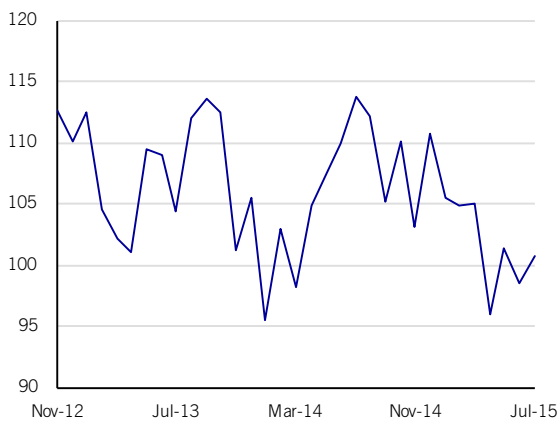
House Buying Sentiment



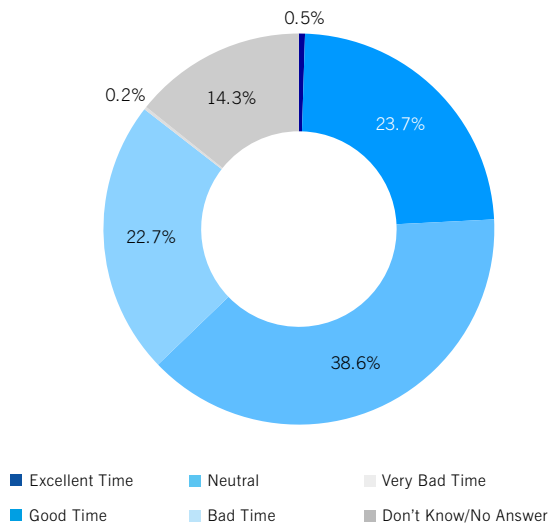
Reasons for Buying Houses (% of Households)



House Selling Sentiment



Timing for Selling Houses (% of Households)



## Car Purchase Indicator Highest Since May



The Car Purchase Indicator rose slightly for the first time in five months to 84.9 in July from 84.6 in the previous month as slightly fewer respondents anticipated that gasoline prices would rise while their willingness to purchase a car in the next 12 months remained broadly stable.

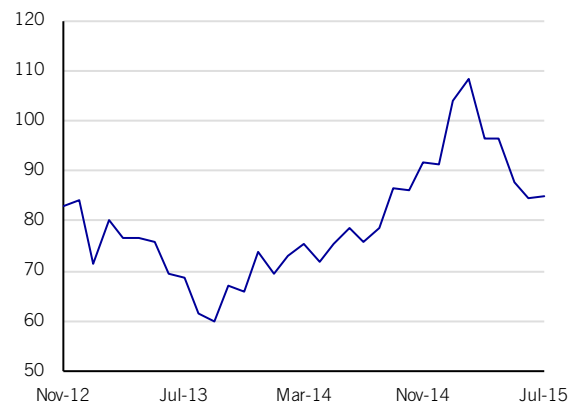
The Car Purchase Indicator is made up of two components, Car Purchase Expectations and Price of Gasoline Expectations, with the latter having a negative impact on the indicator.

After hitting a series low in September 2013, the Car Purchase Indicator rose sharply to a record high in February this year, 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.

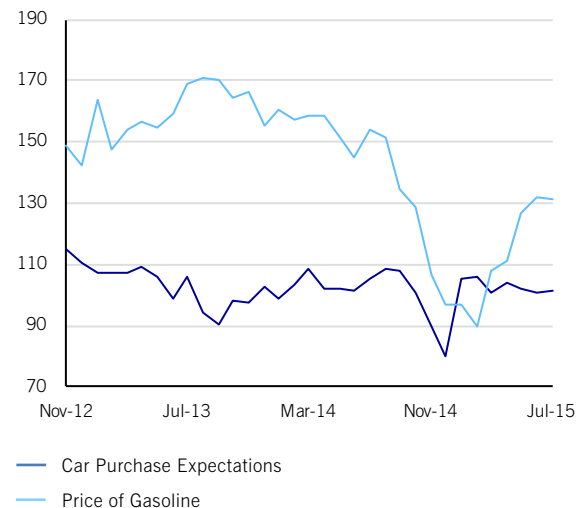
The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, remained broadly stable at 101.1 in July compared with 101.0 in June.

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 rise in those who cited favourable interest rates, although this proportion was a minority. Since commercial banks have been slow in passing on the full benefits of lower interest rates, the Reserve Bank of India has urged commercial banks to pass on the sequence of lending rate cuts.

Car Purchase Indicator



Car Purchase Indicator - Components



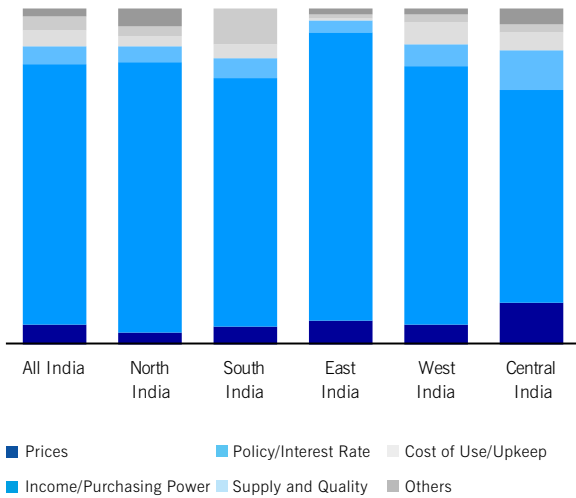
### Car Purchase Sentiment

	Jul-14	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Car Purchase Sentiment	75.6	108.1	96.5	96.3	87.7	84.6	84.9
Car Purchase Expectations	105.4	105.8	100.7	103.8	102.1	101.0	101.1
Price of Gasoline	154.2	89.5	107.6	111.2	126.6	131.8	131.3

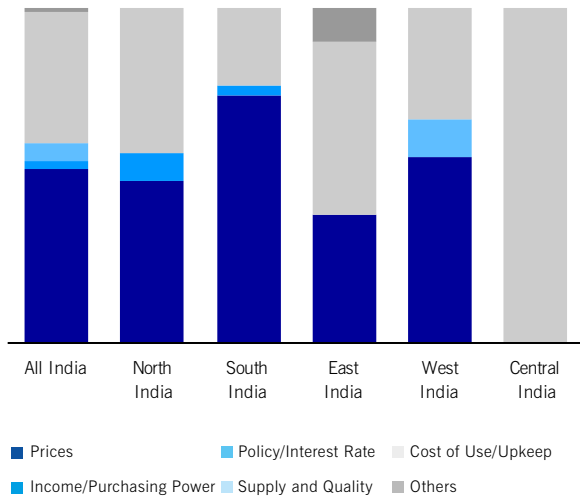
# Car Purchase Indicator Regions



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

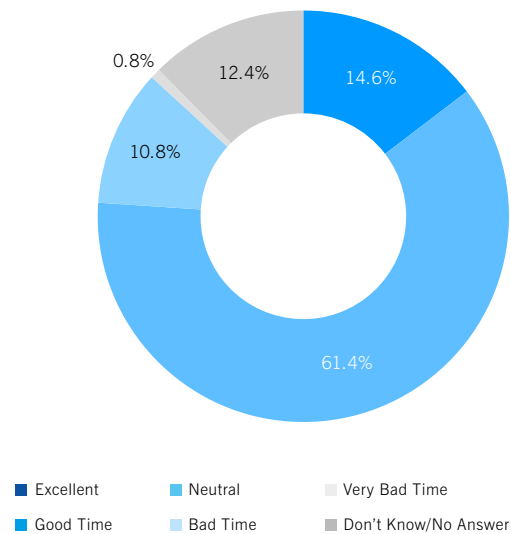


Reasons for a Bad Time to Buy a Car (% of Households)



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 February, expectations have started rising quickly with the indicator increasing to a 10-month high of 131.8 in June and subsequently standing at 131.3 in July. With crude oil prices again under pressure, fuel retailers cut petrol and diesel prices by Rs. 2.43 and Rs. 3.6 a litre respectively, the third cut in July, aligning them with international prices after adjusting for foreign exchange rates.

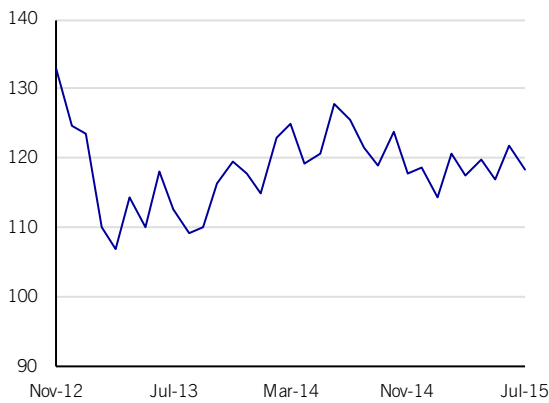
Is it a Good Time to Buy a Car? (% of Households)



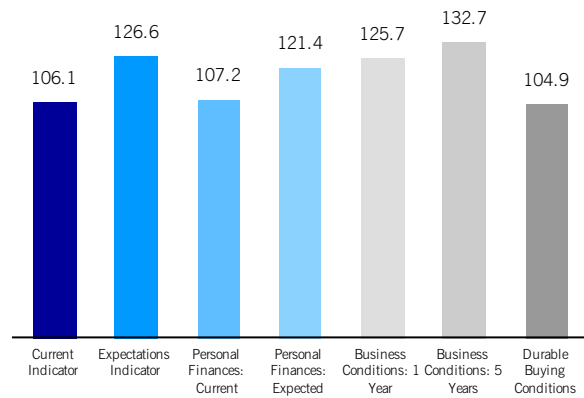
# MNI India Consumer Indicator Regions



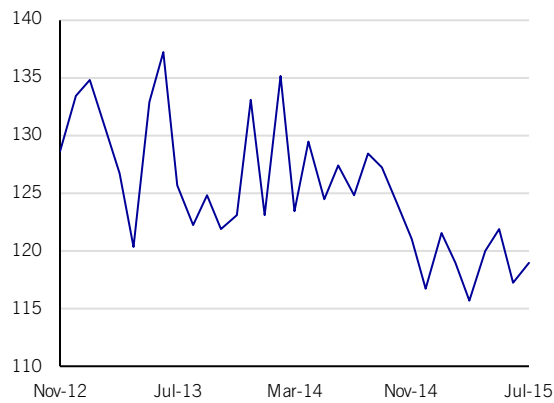
Consumer Indicator: North India



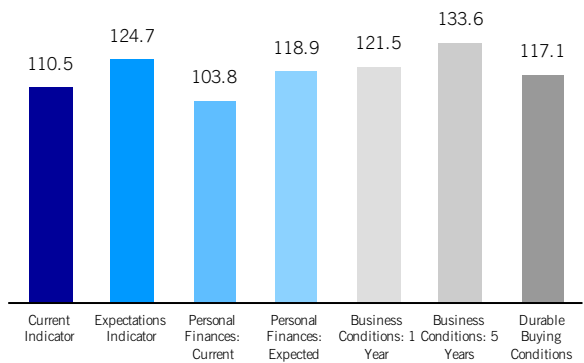
Consumer Indicator Components: North India



Consumer Indicator: South India

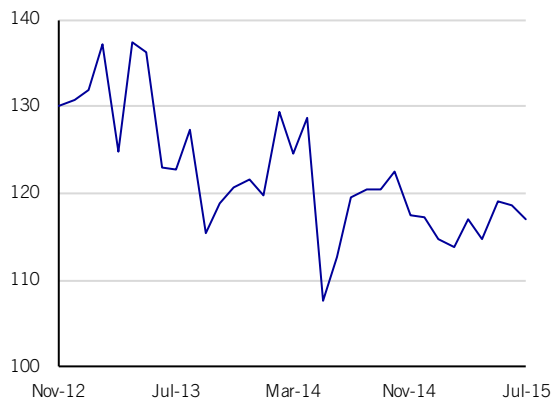


Consumer Indicator Components: South India

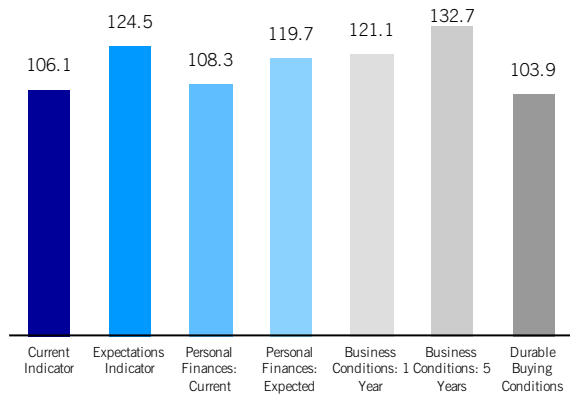




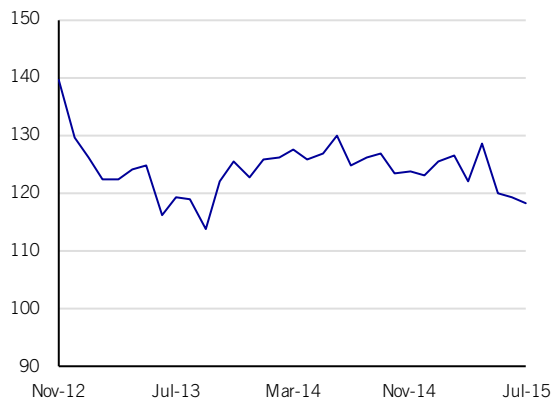
Consumer Indicator: East India



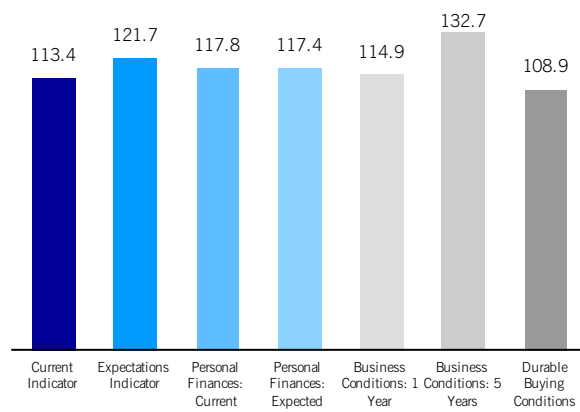
Consumer Indicator Components: East India



Consumer Indicator: West India

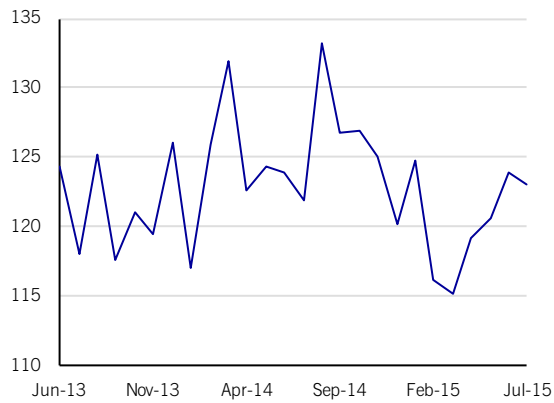


Consumer Indicator Components: West India

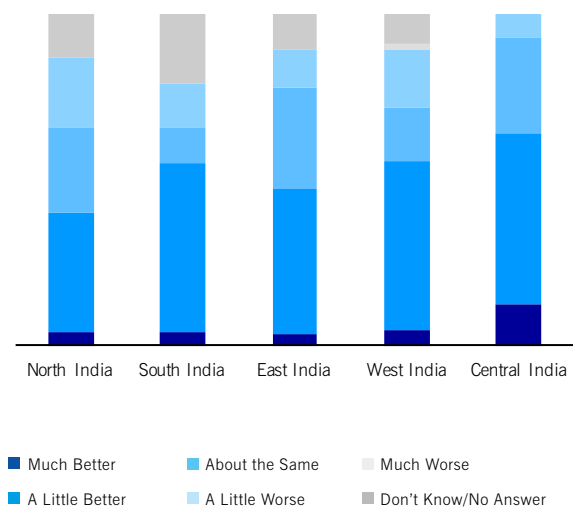




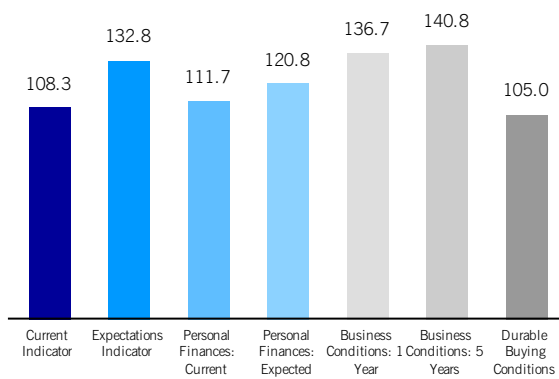
Consumer Indicator: Central India



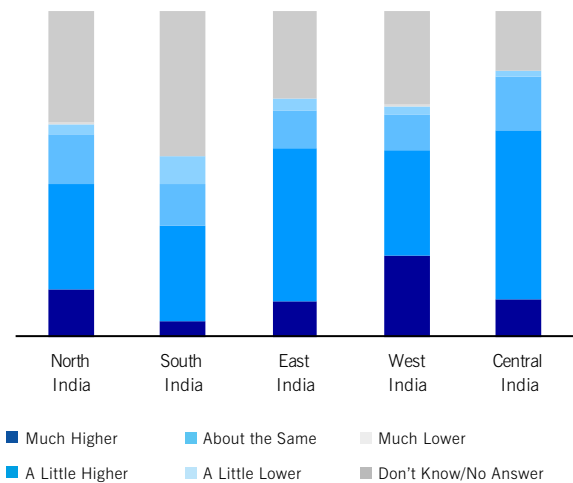
Employment Outlook for the Next 12 Months (% of Households)



Consumer Indicator Components: Central India

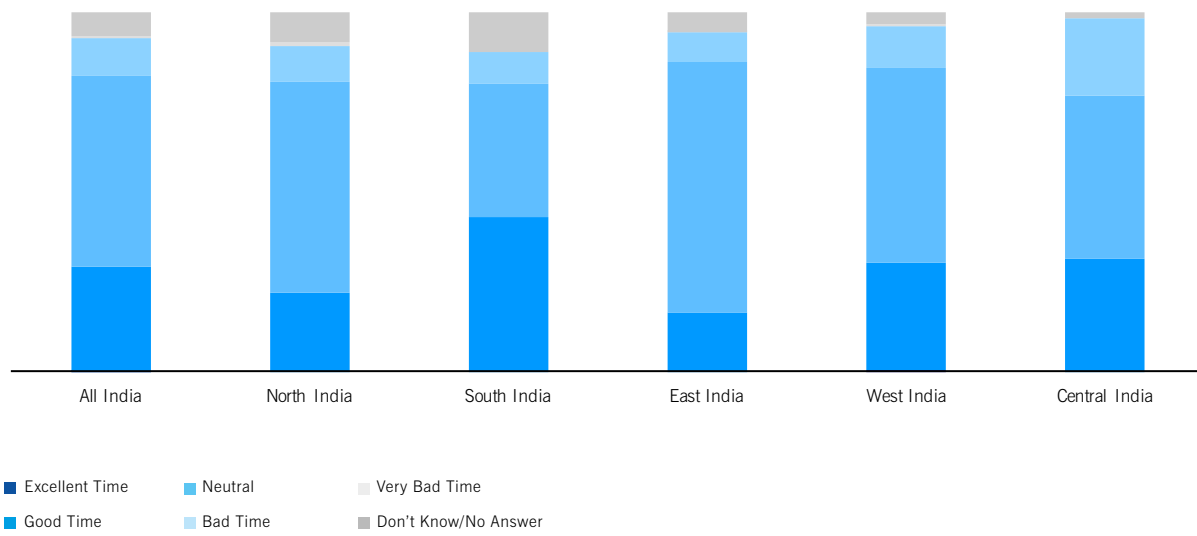


Interest Rate Expectations on House and Car Loans Indicator (% of Households)

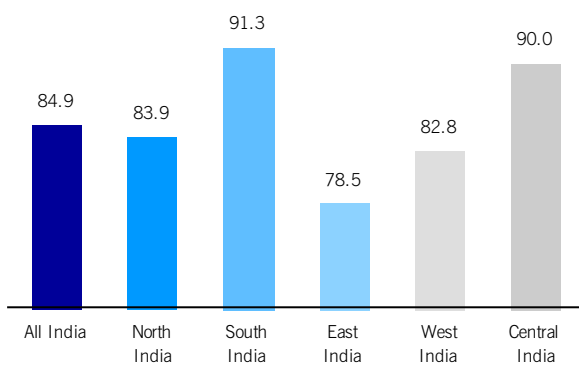




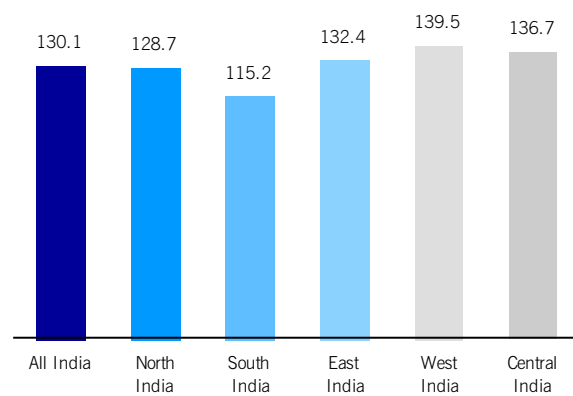
Is it a Good/Bad Time to Buy Large Household Goods? (% of Households)



Car Purchase Indicator - Regions



Interest Rates Expectations (% of Households)

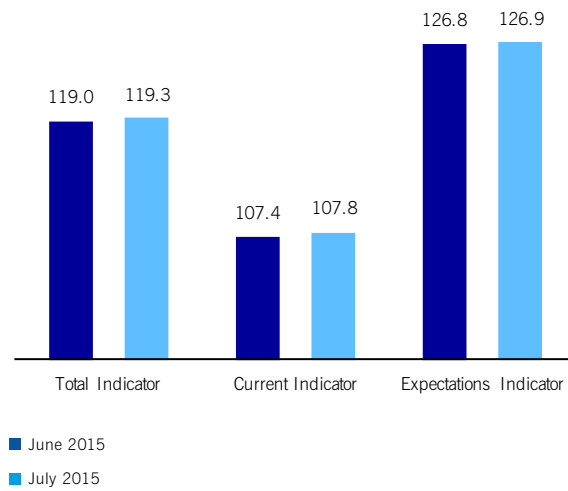


# MNI India Consumer Indicator

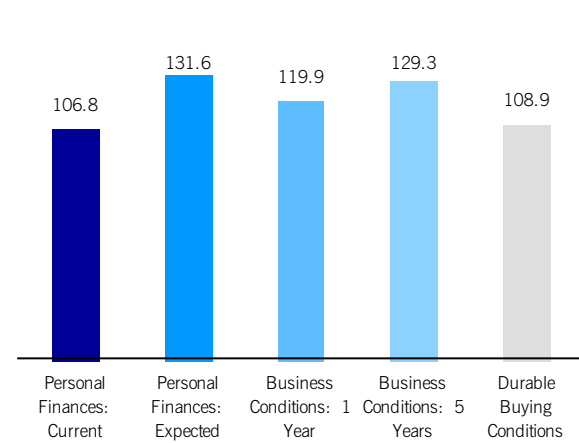
## Income Groups



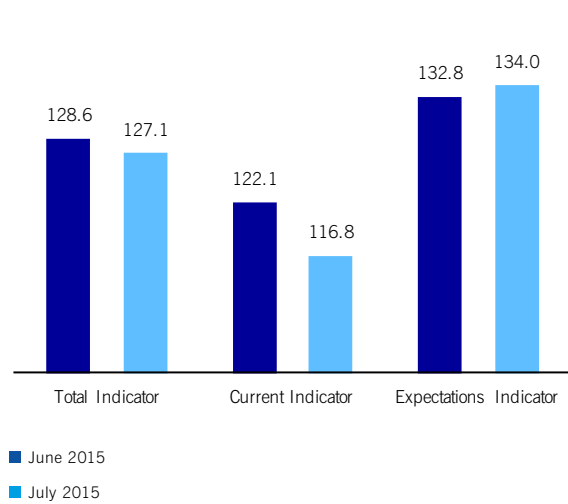
< Rs. 432,000 per annum



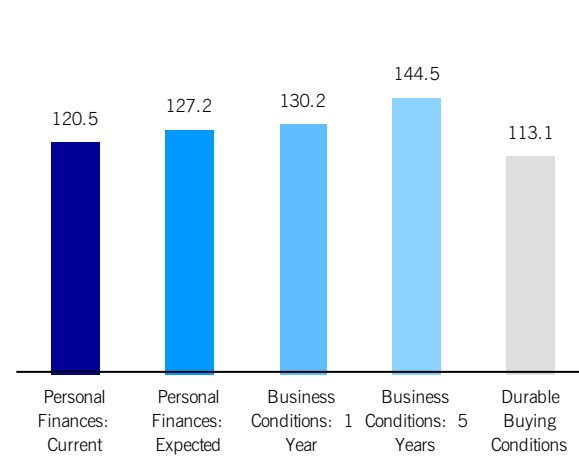
< Rs. 432,000 - Components



> Rs. 432,000 per annum



> Rs. 432,000 - Components





# Households in the lower income group were slightly more confident in July...

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



# Data Tables

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

## North India Overview

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>North India Consumer Indicator</b>	117.1	121.7	118.4	-	May-15	119.1	-3.3	-2.7%
Current Indicator	112.1	111.6	106.1	-	Jan-14	109.9	-5.5	-4.9%
Expectations Indicator	120.5	128.5	126.6	-	May-15	125.2	-1.9	-1.5%
Personal Finance: Current	116.7	118.9	107.2	-	Aug-13	114.3	-11.7	-9.8%
Personal Finance: Expected	118.5	126.9	121.4	-	May-15	122.3	-5.5	-4.3%
Business Condition: 1 Year	120.4	127.3	125.7	-	May-15	124.5	-1.6	-1.3%
Business Condition: 5 Years	122.5	131.3	132.7	Dec-14	-	128.8	1.4	1.1%
Durable Buying Conditions	107.6	104.3	104.9	May-15	-	105.6	0.6	0.6%
Current Business Conditions Indicator	104.6	110.7	108.0	-	May-15	107.8	-2.7	-2.5%
Stock Investment Indicator	148.9	-	112.5	May-15	-	87.1	112.5	0.0%
Real Estate Investment Indicator	117.5	116.6	116.2	-	Jan-15	116.8	-0.4	-0.4%
Car Purchase Indicator	84.5	82.6	83.9	May-15	-	83.7	1.3	1.6%
Employment Outlook Indicator	115.4	124.2	111.6	-	Mar-15	117.1	-12.6	-10.2%
Inflation Expectations Indicator	145.7	140.6	148.4	May-14	-	144.9	7.8	5.5%
Current Prices Satisfaction Indicator	82.6	86.5	88.7	Apr-15	-	85.9	2.2	2.6%
Interest Rates Expectations Indicator	142.7	143.0	128.7	-	Oct-14	138.1	-14.3	-10.0%

## South India Overview

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>South India Consumer Indicator</b>	121.9	117.2	119.0	May-15	-	119.4	1.8	1.5%
Current Indicator	117.7	109.8	110.5	May-15	-	112.7	0.7	0.6%
Expectations Indicator	124.6	122.2	124.7	Jan-15	-	123.8	2.5	2.0%
Personal Finance: Current	119.8	103.0	103.8	May-15	-	108.9	0.8	0.8%
Personal Finance: Expected	123.0	110.2	118.9	May-15	-	117.4	8.7	8.0%
Business Condition: 1 Year	125.4	121.5	121.5	May-15	-	122.8	0.0	0.0%
Business Condition: 5 Years	125.4	134.9	133.6	-	May-15	131.3	-1.3	-1.0%
Durable Buying Conditions	115.6	116.6	117.1	Apr-15	-	116.4	0.5	0.4%
Current Business Conditions Indicator	122.8	117.1	109.4	-	Mar-15	116.4	-7.7	-6.6%
Stock Investment Indicator	118.5	124.5	-	-	-	-	-	-
Real Estate Investment Indicator	110.0	110.9	115.9	Feb-14	-	112.3	5.0	4.5%
Car Purchase Indicator	97.7	91.9	91.3	-	Dec-14	93.6	-0.6	-0.7%
Employment Outlook Indicator	122.1	118.2	123.2	Feb-15	-	121.2	5.0	4.2%
Inflation Expectations Indicator	128.4	130.6	131.4	Mar-15	-	130.1	0.8	0.6%
Current Prices Satisfaction Indicator	96.0	92.3	96.5	Apr-15	-	94.9	4.2	4.5%
Interest Rates Expectations Indicator	113.1	114.3	115.2	Oct-14	-	114.2	0.9	0.8%

## East India Overview

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>East India Consumer Indicator</b>	119.1	118.6	117.1	-	Apr-15	118.3	-1.5	-1.2%
Current Indicator	110.0	111.0	106.1	-	Jan-15	109.0	-4.9	-4.4%
Expectations Indicator	125.2	123.6	124.5	May-15	-	124.4	0.9	0.7%
Personal Finance: Current	109.3	116.0	108.3	-	Jan-15	111.2	-7.7	-6.7%
Personal Finance: Expected	120.2	125.8	119.7	-	Apr-15	121.9	-6.1	-4.9%
Business Condition: 1 Year	118.8	120.5	121.1	Oct-14	-	120.1	0.6	0.5%
Business Condition: 5 Years	136.6	124.6	132.7	May-15	-	131.3	8.1	6.5%
Durable Buying Conditions	110.7	105.9	103.9	-	Jan-15	106.8	-2.0	-1.9%
Current Business Conditions Indicator	113.6	113.0	108.5	-	Apr-15	111.7	-4.5	-3.9%
Stock Investment Indicator	-	-	133.3	Apr-15	-	44.4	133.3	0.0%
Real Estate Investment Indicator	112.5	113.4	112.9	-	May-15	112.9	-0.5	-0.4%
Car Purchase Indicator	84.4	84.8	78.5	-	Aug-14	82.6	-6.3	-7.5%
Employment Outlook Indicator	117.5	117.4	119.7	Jan-15	-	118.2	2.3	2.0%
Inflation Expectations Indicator	136.4	128.9	144.0	Apr-14	-	136.4	15.1	11.7%
Current Prices Satisfaction Indicator	82.7	100.9	88.7	-	May-15	90.8	-12.2	-12.2%
Interest Rates Expectations Indicator	139.0	126.1	132.4	May-15	-	132.5	6.3	5.1%

## West India Overview

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>West India Consumer Indicator</b>	120.0	119.2	118.3	-	Sep-13	119.2	-0.9	-0.7%
Current Indicator	112.8	110.8	113.4	Apr-15	-	112.3	2.6	2.3%
Expectations Indicator	124.8	124.8	121.7	-	Sep-13	123.8	-3.1	-2.5%
Personal Finance: Current	120.3	116.0	117.8	May-15	-	118.0	1.8	1.6%
Personal Finance: Expected	115.5	121.6	117.4	-	May-15	118.2	-4.2	-3.4%
Business Condition: 1 Year	119.9	121.3	114.9	-	Sep-13	118.7	-6.4	-5.3%
Business Condition: 5 Years	138.9	131.4	132.7	May-15	-	134.3	1.3	1.0%
Durable Buying Conditions	105.4	105.7	108.9	Apr-15	-	106.7	3.2	3.0%
Current Business Conditions Indicator	113.6	111.3	105.2	-	Mar-14	110.0	-6.1	-5.5%
Stock Investment Indicator	107.5	122.8	106.5	-	Mar-14	112.3	-16.3	-13.3%
Real Estate Investment Indicator	115.8	116.4	114.5	-	Mar-15	115.6	-1.9	-1.7%
Car Purchase Indicator	84.8	82.1	82.8	May-15	-	83.2	0.7	0.9%
Employment Outlook Indicator	125.7	126.5	119.9	-	Mar-15	124.0	-6.6	-5.2%
Inflation Expectations Indicator	142.4	137.9	140.9	May-15	-	140.4	3.0	2.2%
Current Prices Satisfaction Indicator	83.6	87.1	77.9	-	Oct-14	82.9	-9.2	-10.6%
Interest Rates Expectations Indicator	139.9	139.6	139.5	-	Apr-15	139.7	-0.1	-0.1%

## Central India Overview

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Central India Consumer Indicator</b>	120.6	123.9	123.0	-	May-15	122.5	-0.9	-0.7%
Current Indicator	114.1	118.0	108.3	-	Mar-15	113.5	-9.7	-8.2%
Expectations Indicator	125.0	127.8	132.8	Oct-14	-	128.5	5.0	3.9%
Personal Finance: Current	118.8	128.1	111.7	-	Mar-15	119.5	-16.4	-12.8%
Personal Finance: Expected	124.0	122.8	120.8	-	Feb-15	122.5	-2.0	-1.6%
Business Condition: 1 Year	118.8	118.4	136.7	Aug-14	-	124.6	18.3	15.4%
Business Condition: 5 Years	132.3	142.1	140.8	-	May-15	138.4	-1.3	-0.9%
Durable Buying Conditions	109.4	107.9	105.0	-	Feb-15	107.4	-2.9	-2.7%
Current Business Conditions Indicator	105.2	106.1	116.7	Jan-15	-	109.3	10.6	9.9%
Stock Investment Indicator	133.3	-	133.3	series high	-	88.9	133.3	0.0%
Real Estate Investment Indicator	117.7	117.5	113.9	-	Apr-15	116.4	-3.6	-3.1%
Car Purchase Indicator	85.4	77.6	90.0	Apr-15	-	84.3	12.4	15.9%
Employment Outlook Indicator	122.9	124.6	132.5	Apr-13	-	126.7	7.9	6.4%
Inflation Expectations Indicator	134.4	149.1	131.7	-	Apr-15	138.4	-17.4	-11.7%
Current Prices Satisfaction Indicator	93.8	71.1	102.5	Apr-13	-	89.1	31.4	44.3%
Interest Rates Expectations Indicator	141.7	157.0	136.7	-	Apr-15	145.1	-20.3	-13.0%

## All India - Overview by Age

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>Age 18-34</b>								
<b>MNI India Consumer Indicator</b>	120.1	122.5	122.9	Apr-15	-	121.8	0.4	0.3%
Current Indicator	114.3	112.9	112.0	-	Mar-15	113.1	-0.9	-0.8%
Expectations Indicator	123.9	129.0	130.2	Apr-15	-	127.7	1.2	1.0%
Personal Finance: Current	117.4	114.5	113.9	-	Jan-15	115.3	-0.6	-0.6%
Personal Finance: Expected	119.7	125.7	124.2	-	May-15	123.2	-1.5	-1.2%
Business Condition: 1 Year	120.9	126.9	126.8	-	May-15	124.9	-0.1	-0.1%
Business Condition: 5 Years	131.0	134.3	139.6	Dec-14	-	135.0	5.3	4.0%
Durable Buying Conditions	111.3	111.3	110.1	-	Mar-15	110.9	-1.2	-1.1%
<b>Age 35-54</b>								
<b>MNI India Consumer Indicator</b>	119.8	118.7	118.3	-	Mar-15	118.9	-0.4	-0.4%
Current Indicator	113.0	110.1	108.5	-	Dec-14	110.5	-1.6	-1.4%
Expectations Indicator	124.3	124.5	124.7	Apr-15	-	124.5	0.2	0.2%
Personal Finance: Current	117.0	113.4	109.3	-	series low	113.2	-4.1	-3.6%
Personal Finance: Expected	118.4	119.8	119.3	-	May-15	119.2	-0.5	-0.4%
Business Condition: 1 Year	122.8	121.6	121.3	-	Mar-15	121.9	-0.3	-0.2%
Business Condition: 5 Years	131.7	132.1	133.6	Dec-14	-	132.5	1.5	1.1%
Durable Buying Conditions	109.0	106.7	107.8	May-15	-	107.8	1.1	1.0%
<b>Age 55-64</b>								
<b>MNI India Consumer Indicator</b>	118.2	115.6	109.8	-	series low	114.5	-5.8	-5.0%
Current Indicator	113.0	110.7	106.9	-	Dec-14	110.2	-3.8	-3.4%
Expectations Indicator	121.6	118.9	111.8	-	series low	117.4	-7.1	-6.0%
Personal Finance: Current	120.7	116.7	104.8	-	series low	114.1	-11.9	-10.2%
Personal Finance: Expected	119.7	113.8	108.1	-	series low	113.9	-5.7	-5.0%
Business Condition: 1 Year	116.2	116.2	108.2	-	Sep-13	113.5	-8.0	-6.9%
Business Condition: 5 Years	128.9	126.6	119.0	-	Apr-13	124.8	-7.6	-6.0%
Durable Buying Conditions	105.2	104.6	109.1	Apr-15	-	106.3	4.5	4.3%



## All India - Overview by Income

	May-15	Jun-15	Jul-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>&lt; Rs. 432,000 per annum</b>								
<b>MNI India Consumer Indicator</b>	114.5	119.0	119.3	Feb-15	-	117.6	0.3	0.2%
Current Indicator	107.7	107.4	107.8	Apr-15	-	107.6	0.4	0.5%
Expectations Indicator	119.0	126.8	126.9	Feb-15	-	124.2	0.1	0.1%
Personal Finance: Current	106.2	105.1	106.8	Apr-15	-	106.0	1.7	1.6%
Personal Finance: Expected	118.9	124.0	131.6	Aug-14	-	124.8	7.6	6.1%
Business Condition: 1 Year	114.6	121.0	119.9	-	May-15	118.5	-1.1	-0.9%
Business Condition: 5 Year	123.6	135.3	129.3	-	May-15	129.4	-6.0	-4.4%
Durable Buying Conditions	109.3	109.6	108.9	-	Mar-15	109.3	-0.7	-0.7%
<b>&gt; Rs. 432,000 per annum</b>								
<b>MNI India Consumer Indicator</b>	129.7	128.6	127.1	-	Mar-15	128.5	-1.5	-1.1%
Current Indicator	124.3	122.1	116.8	-	Jan-14	121.1	-5.3	-4.3%
Expectations Indicator	133.3	132.8	134.0	Apr-15	-	133.4	1.2	0.8%
Personal Finance: Current	126.1	124.5	120.5	-	Jan-14	123.7	-4.0	-3.2%
Personal Finance: Expected	129.8	131.8	127.2	-	Mar-15	129.6	-4.6	-3.5%
Business Condition: 1 Year	134.0	132.1	130.2	-	Mar-15	132.1	-1.9	-1.4%
Business Condition: 5 Year	136.1	134.7	144.5	Dec-14	-	138.4	9.8	7.3%
Durable Buying Conditions	122.5	119.8	113.1	-	Mar-15	118.5	-6.7	-5.5%

## 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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## Discovering trends in Emerging Markets

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

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

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