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MNI Russia Consumer Report September 2014

Insight and data for better decisions

About MNI Indicators

Insight and data for better decisions

The MNI Russia Consumer Sentiment Survey is a monthly poll of Russian consumer confidence, surveying at least 1,000 individuals from a range of age groups and regions across the country each month.

The survey provides the first monthly snapshot of economic and consumer conditions, ahead of official data and other consumer confidence data in Russia.

Respondents are asked their opinion on whether a particular consumer aspect has increased, decreased or remained the same compared with the previous month as well as their expectations for the future, e.g. Are your Personal Finances Higher/Same/Lower compared with a month ago?

A diffusion indicator is then calculated by adding the percentage share of positive responses to half the percentage of those respondents reporting no change. An indicator reading above 100 shows expansion, below 100 indicates contraction and a result of 100 means no change.

The survey looks at key consumer metrics including price sentiment, personal finances, employment, durable buying conditions and expectations for interest rates. Sentiment on both current and future expectations allows users to comprehensively monitor consumer and economic trends.

Whether you are forecasting the Russian economy, analysing where to invest in Russia or want to know how consumers in your region(s) are performing, our monthly intelligence offers an unrivalled insight into exactly what Russian consumers are thinking.

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Running on Empty

The Russian car industry has made great strides in recent years but has been hit hard by the conflict in Ukraine which has taken its toll on the market this year.

Did you hear the one about the difference between a Lada and a golf ball? You can drive a golf ball 200 metres. Actually, while Lada has been ridiculed in the past, the Russian car industry has made great strides in recent years, shaking off its rather bleak past under the old Soviet Union.

These gains, though, have been hit hard by the conflict in Ukraine which has taken its toll on the market this year. The weakening rouble has increased the cost of foreign car components and a higher cost of credit, a result of the central bank raising the key interest rate three times since the start of the year, has had a significant dampening effect on consumer spending on cars.

Figures from the Association of European Businesses (AEB) revealed that only 197,233 cars were sold in September, 20.1% below the level in the same month a year earlier. While the September data may exaggerate the weakness slightly, sales were still down 13% compared with the same period a year earlier.

A recently announced government car scrappage and trade-in scheme aims to help reverse the downward slide. Under the programme, consumers who trade in a car which is at least six-years old will be eligible for a discount of at least 40,000 roubles (around USD 1,000) off a new vehicle.

A similar scrappage scheme for cars over 10-years old which ended in September 2011 certainly helped to drive up car sales following a slump during the height of the global financial crisis. Manufacturers hoping that the new scheme will do the same should be cautious though, with consumers' willingness to purchase a car falling to a series low in our August consumer sentiment survey with many respondents citing higher interest rates and cost of use or upkeep for their downbeat outlook.

Additionally, and far more drastically, the Russian government is considering a ban on imported cars as it strives to protect the domestic industry, and in retaliation to Western economic sanctions. This would

be an extension to an earlier ban on state and municipal purchases of imported cars in order to support domestic manufacturers. The threat is certainly plausible enough for Mercedes, the top luxury sales vehicle by sales in Russia, to consider moving production to the country in order to continue business there. Some manufacturers, though, such as VW and General Motors already have significant plants within the country anyway so would not be affected by any ban. Still, they've have been affected by the general downturn in the economy. General Motors slashed jobs and output at its assembly plant in St. Petersburg recently, while Volkswagen halted production for 10 days at its Kaluga plant as a measure of "flexibility".

The scrappage scheme has been in operation since September 1, although consumers in this month's survey do not appear to have chosen to take up the opportunity, with the Car Purchase indicator falling to a series low. Consumers may feel differently in the months to come but even if it does have a short-term upward impact, the severity of the economic downturn suggests the industry faces a tough few years as consumers are squeezed further and rein in spending.

George Brown
Junior Economist
 MNI Indicators



Executive Summary

Russian consumer sentiment recovered slightly after plummeting to an all time low in the previous month, although consumers were even more concerned about the outlook for employment and the high level of prices.

Russian consumer sentiment recovered slightly after plummeting to an all time low in the previous month, although consumers were even more concerned about the outlook for employment and the high level of prices.

The MNI Russia Consumer Indicator rose 3.6 points on the month to 85.3 in September from 81.7 in August. Consumer sentiment has fallen sharply over the past year given the significant weakening in economic growth and the onset of the Ukraine crisis, with confidence now standing 12.4% below the level seen a year earlier.

All five of the components which make up the Consumer Indicator rose between August and September, apart from Expected Personal Finances which remained unchanged after hitting a record low in the previous month. Durable Buying Conditions rose by 13.6% to 97.7, having the largest upward impact on sentiment, despite the high cost of credit and the increased cost of imported goods as a result of the weaker rouble.

While the MNI Russia Consumer Sentiment Indicator rose in September, consumers were increasingly concerned about the job market, with the Employment Outlook indicator sliding to a new series low of 80.9. Moreover, consumers' dissatisfaction with the current level of prices rose to the highest on record after a ban on food imports by Russia, with the Current Prices Satisfaction indicator falling to 63.4. Inflation expectations, though, eased slightly as respondents perhaps saw a resolution to the Ukraine crisis.

The recent car scrapping scheme has yet to have any impact with the the Car Purchase indicator hitting a new series low of 75.8 in September. The weak rouble has pushed up the cost of imported components which has increased prices.

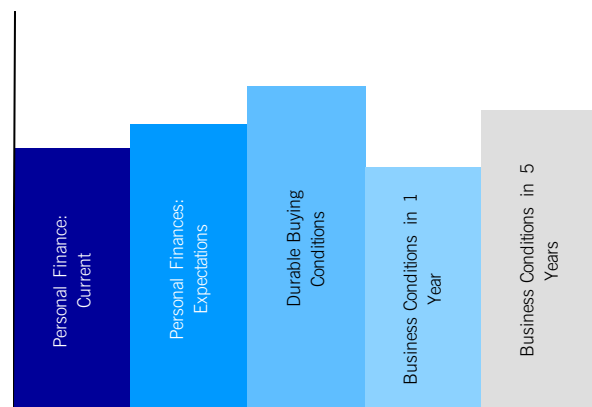
In spite of the poor economic climate, optimism about the real estate market remained buoyant with the House Price Expectations component rising to a series high of 148.2 in September.

Respondents were slightly more confident about their finances in the current month, with the Current Personal Finances Indicator rising to 78.8 in September, although they anticipated no change in the next 12 months.

The Interest Rate Expectations Indicator rose to 124.2 in September from 123.0 in August and was 11.7% above the level recorded in the same month a year earlier.

Perceptions about current business conditions and expectations about the future business environment improved to 89.2 in September despite the additional sanctions placed by Western nations and a record low rouble.

MNI Russia Consumer Indicator - Components



All Russia - Overview

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI Russia Consumer Indicator	91.1	81.7	85.3	Jul-14	-	86.0	3.6	4.4%
Current Indicator	97.1	81.6	88.2	Jul-14	-	89.0	6.6	8.2%
Expectations Indicator	87.1	81.8	83.4	Jul-14	-	84.1	1.6	2.0%
Personal Finance: Current	86.7	77.1	78.8	Jul-14	-	80.9	1.7	2.2%
Personal Finance: Expected	90.8	86.2	86.2	Jul-14	-	87.7	0.0	0.0%
Business Condition: 1 Year	81.1	70.5	73.5	Jul-14	-	75.0	3.0	4.3%
Business Condition: 5 Years	89.5	88.6	90.4	Jun-14	-	89.5	1.8	2.0%
Durable Buying Conditions	107.5	86.0	97.7	Jul-14	-	97.1	11.7	13.6%
Current Business Conditions Indicator	93.6	85.5	89.2	Jul-14	-	89.4	3.7	4.3%
Real Estate Investment Indicator	110.8	109.9	108.8	-	Jun-14	109.8	-1.1	-1.0%
Car Purchase Indicator	78.4	77.7	75.8	-	series low	77.3	-1.9	-2.3%
Employment Outlook Indicator	87.6	87.4	80.9	-	series low	85.3	-6.5	-7.4%
Inflation Expectations Indicator	145.3	145.1	140.9	-	Mar-14	143.8	-4.2	-2.9%
Current Prices Satisfaction Indicator	67.9	64.8	63.4	-	series low	65.4	-1.4	-2.2%
Interest Rates Expectations Indicator	121.9	123.0	124.2	Jun-14	-	123.0	1.2	1.0%

All Russia - Summary

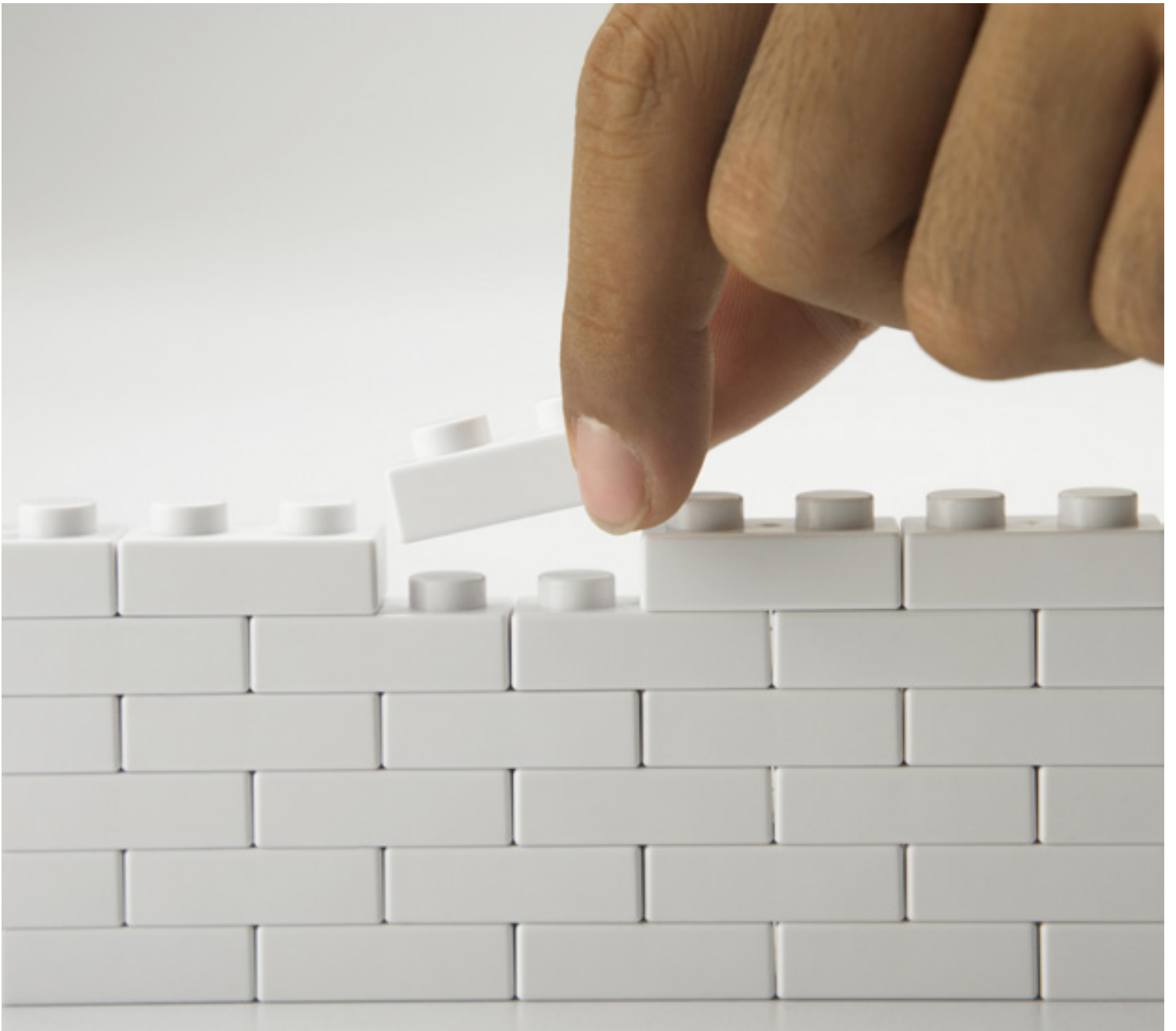
	2013				2014								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
MNI Russia Consumer Indicator	97.4	99.4	94.8	95.7	99.3	94.1	89.1	88.5	87.2	89.1	91.1	81.7	85.3
Current Indicator	95.8	99.2	94.3	95.7	102.0	98.6	89.4	90.2	87.3	91.1	97.1	81.6	88.2
Expectations Indicator	98.4	99.5	95.1	95.7	97.5	91.2	88.8	87.4	87.1	87.8	87.1	81.8	83.4
Personal Finance: Current	95.3	91.0	92.0	92.5	99.3	87.3	79.5	83.7	79.6	80.3	86.7	77.1	78.8
Personal Finance: Expected	105.4	101.2	101.7	101.9	101.2	96.3	96.3	93.4	95.0	91.5	90.8	86.2	86.2
Business Condition: 1 Year	96.1	101.5	94.9	94.4	95.1	87.8	79.4	77.8	77.7	80.7	81.1	70.5	73.5
Business Condition: 5 Years	93.7	95.8	88.7	90.8	96.4	89.4	90.7	91.1	88.6	91.2	89.5	88.6	90.4
Durable Buying Conditions	96.3	107.4	96.6	98.9	104.7	109.9	99.3	96.8	95.1	101.8	107.5	86.0	97.7
Current Business Conditions Indicator	97.6	94.5	97.4	94.9	100.3	97.5	99.2	95.7	85.5	91.0	93.6	85.5	89.2
Real Estate Investment Indicator	108.0	113.0	108.4	106.9	112.1	111.4	110.0	107.2	108.0	108.2	110.8	109.9	108.8
House Price Expectations	121.6	127.7	121.6	130.9	135.7	139.0	140.1	137.7	139.3	139.5	139.5	144.7	148.2
House Buying Sentiment	101.8	109.8	105.0	92.1	99.7	96.8	87.3	84.5	82.6	83.6	87.2	82.9	77.7
House Selling Sentiment	99.3	98.4	101.5	102.3	99.0	101.6	97.4	100.7	97.8	98.5	94.2	97.8	99.5
Car Purchase Indicator	85.7	85.1	81.9	81.0	83.3	88.3	85.1	82.2	79.3	79.8	78.4	77.7	75.8
Car Purchase Expectations	107.1	101.4	98.9	98.2	104.4	110.5	106.0	103.8	99.1	103.0	104.8	104.2	99.0
Price of Gasoline Expectations	135.6	131.3	135.2	136.2	137.7	133.8	135.8	139.4	140.5	143.4	148.0	148.9	147.3
Employment Outlook Indicator	99.9	100.4	98.1	98.2	87.2	86.5	92.9	90.9	87.8	87.5	87.6	87.4	80.9
Inflation Expectations Indicator	135.7	139.7	136.8	138.2	136.9	140.9	139.2	144.2	144.6	146.3	145.3	145.1	140.9
Current Prices Satisfaction Indicator	85.6	80.5	73.5	71.8	69.4	74.4	76.3	67.5	73.4	65.0	67.9	64.8	63.4
Interest Rates Expectations Indicator	111.1	115.6	115.5	114.9	115.9	122.6	119.2	122.3	126.0	126.8	121.9	123.0	124.2

All Russia - Records

	2013 - Current			
	Minimum	Maximum	Mean	Median
MNI Russia Consumer Indicator	81.7	99.9	93.9	95.7
Current Indicator	81.6	102.0	94.6	95.8
Expectations Indicator	81.8	100.3	93.5	95.7
Personal Finance: Current	77.1	103.2	90.3	92.0
Personal Finance: Expected	86.2	109.2	98.8	101.2
Business Condition: 1 Year	70.5	101.5	88.8	94.4
Business Condition: 5 Years	88.6	98.0	92.8	91.2
Durable Buying Conditions	86.0	109.9	98.8	97.7
Current Business Conditions Indicator	85.5	100.3	94.3	95.6
Real Estate Investment Indicator	105.3	113.0	108.7	108.2
House Price Expectations	117.9	148.2	131.8	130.9
House Buying Sentiment	77.7	109.8	93.7	96.7
House Selling Sentiment	94.2	102.3	99.3	99.3
Car Purchase Indicator	75.8	88.4	83.4	85.1
Car Purchase expectations	98.2	110.5	104.0	104.2
Price of Gasoline expectations	128.6	148.9	137.1	135.6
Employment Outlook Indicator	80.9	100.5	93.6	97.1
Inflation Expectations Indicator	130.7	146.3	139.4	139.2
Current Prices Satisfaction Indicator	63.4	86.0	74.7	73.9
Interest Rates Expectations Indicator	111.1	126.8	119.2	120.6

Russian consumer sentiment improved slightly in September.

The MNI Russia Consumer Indicator rose by 4.4% on the month to 85.3 in September from a series low of 81.7 in August.



Economic Landscape

Additional economic sanctions and the slide in the price of oil have caused the rouble to depreciate so much that the central bank has been forced to defend it.

Additional economic sanctions and the slide in the price of oil have caused the rouble to depreciate so much that the central bank has been forced to defend it. The rouble breached the upper bound of the central bank's trading corridor this month, prompting the central bank to intervene in the currency market to help stem the slide in the rouble, the first time it has had to do so since May. The depreciation in the rouble was sparked by the decision by the EU and US to extend their sanctions to include the oil companies Gazpromneft, Transneft and Rosneft which will be forbidden from raising capital on American and European financial markets. While a ceasefire between the Ukrainian government and pro-Russian separatist rebels has brought an end to fighting, there are reports that both sides are violating the ceasefire.

Consumer price inflation accelerated to its highest level in three years as a record weak rouble and the Russian ban on food imports from Western nations, in retaliation to sanctions placed upon Russia. Food prices rose significantly in September, due to a base effect in fruit and vegetable prices which rose sharply in September after a seasonal drop in the previous month as the Russian food import ban restricted supply.

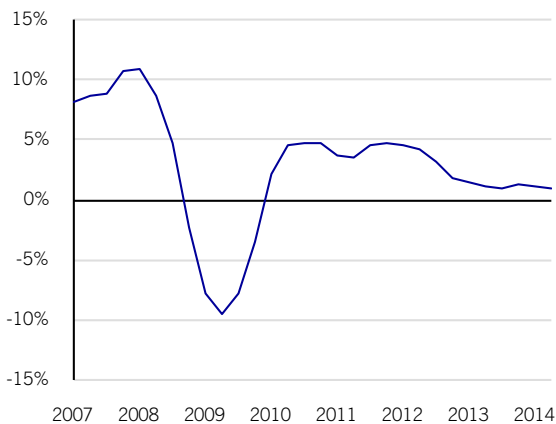
Economic growth slows

The latest update from the Economy Ministry suggests GDP contracted 0.2% in July compared with a year earlier, a poor start to Q3. Moreover, it revised its June estimate to a fall of 0.1% compared with the originally estimated 0.6% increase. Consequently, there could be a downward revision to overall Q2 GDP which was initially estimated at 0.8%, only slightly below the 0.9% outturn seen in Q1. While the Russian economy may have so far escaped slipping into a technical recession (two quarters of negative economic growth), it's far too early to conclude that it is out of the woods yet.

Russian ministers had predicted GDP growth of 2.5% this year before the turmoil in Ukraine. This has, though, been dramatically reduced to just 0.5%, following paltry growth of 1.3% in 2013. They have also halved their growth forecast for 2015 to 1% from 2% previously.

Central Bank governor Elvira Nabiullina expects growth in 2014 of 0.4%, a little below the government's forecast, although believes there will be a slight acceleration in the second half of the year.

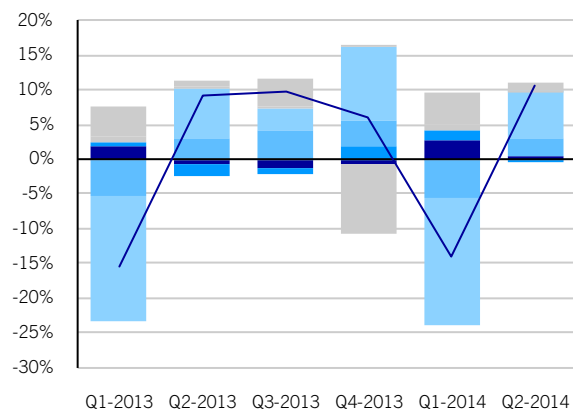
Economic Growth



— GDP Growth Y/Y %

Source: Federal State Statistics Service of Russia

Contribution to Economic Growth



■ Discrepancies ■ GFCF — GDP Growth Q/Q %
 ■ Net Exports ■ GFCE
 ■ PFCE ■ Inventories

Source: Federal State Statistics Service of Russia

Industrial production stagnates in August

Following six consecutive months of growth, industrial production was flat on the year in August, following strong growth of 1.5% in July. The slowdown was led by a drop in manufacturing output which shrank by 0.6% on the year compared with growth of 2.4% in the previous month. Mining and quarrying output accelerated to 0.8% on the year in August compared with growth of 0.2% in the previous month. Utilities output grew for the second consecutive month by 1.2% on the year in August after reversing a trend of eight consecutive months of contraction until July when it witnessed growth of 0.8%.

In the first eight months of 2014, industrial production grew 1.3% on the year having contracted by 0.1% in the same period a year ago. Russia's Economic Development Ministry recently revised its forecast for industrial output, expecting it to expand by about 1.7% this year from 1% previously, after it failed to grow in 2013.

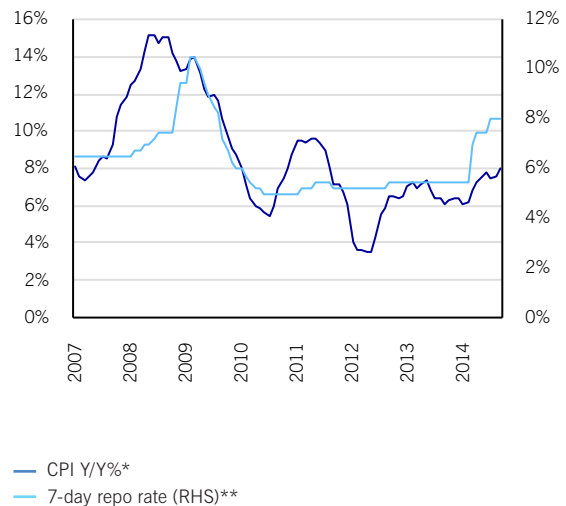
Inflation rises in September

Consumer price inflation accelerated to 8% in September from 7.6% in August, the highest in three years. A ban on food imports from Western nations, in retaliation to sanctions placed upon Russia, caused food price inflation to accelerate to 11.4% in September from 10.3% in August. This was primarily due to a base effect in fruit and vegetable prices which surged to 6.1% in September after a seasonal drop of 0.8% in the previous month. After stripping out the prices of food and fuel, core inflation accelerated to 8.2% from 8% in the previous month, the highest since July 2011.

Russia imports a large amount of consumer goods and food items, and the depreciation of the currency has pushed up prices in recent months, leaving the central bank very much on a tightening bias.

Recently, Russia's Economy Ministry revised its inflation forecast to 7-7.5% by the end of 2014, compared with 6% previously, and expects inflation to lie between 6-7% by the end of 2015, up from its previous forecast of 5%. It cited the ban on Western

Inflation and Interest Rate



Source: *Federal State Statistics Service of Russia, **Central Bank of Russia

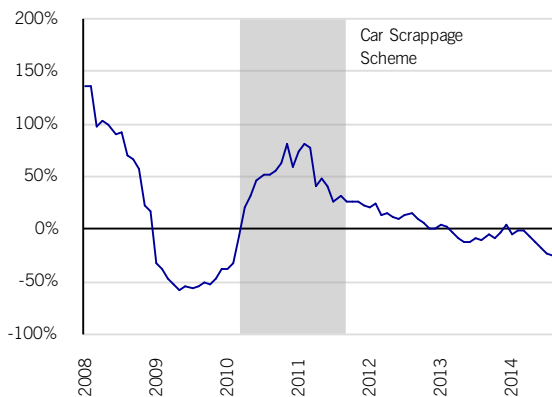
food imports as the primary cause of the revisions. Moreover, the ministry added that a new sales tax due to come into force next year would add around 1% to the inflation rate in 2015.

Key Policy Rate Held at 8%

On September 12, the Russian central bank retained its benchmark interest rate at 8% citing growing concerns about inflation due to economic sanctions and a Russian ban on food imports from Western nations. The central bank has raised the benchmark interest rate three times this year by a total of 250 basis points in an attempt to rein in inflation.

Central bank governor Elvira Nabiullina recently conceded that inflation in 2014 will exceed the bank's target of 5%, and speculated that it could be higher than 7.5%. However, the central bank is poised to retain its inflation target of 4.5-5% for 2015 and 3.7-4.2% in 2016. This is in spite of negative shocks from increased geopolitical tensions and the global monetary policy impact (a hike in rates by the US Federal Reserve for example) on the rouble, as well as changes to tax and tariffs policy, which are likely push inflation up.

Car Sales



— Car and Light Commercial Vehicles Sales y/y %

Source: Association of European Businesses

The central bank made clear that should the high rate of inflation persist, it will tighten monetary policy further in order to meet their inflation target.

Rouble Hits Record Low

The rouble fell to 40 against the dollar for the first time on October 6 after the key rate was held by the central bank at 8% by the central bank and the implementation of fresh Western economic sanctions.

The depreciation in the rouble had recently stabilised following the reinforcement of the ceasefire between the Ukrainian government and the pro-Russian separatists, although the fragility of the ceasefire and falling oil prices have since caused the slide to resume.

Earlier this year, the Russian Central Bank widened its trading corridor for the rouble and reduced the intervention threshold as it moves towards making the currency free-floating by the end of the year in order to adopt a full inflation targeting regime next year.

This month, the rouble breached the 44.40 US dollar-euro basket threshold, sparking unlimited interventions from the central bank to defend the currency, the first time it has had to do so since May. When the rouble

breaches the upper band of its trading corridor against a dollar-euro basket, the central bank sells \$350 million before shifting the boundary of the trading corridor by 5 kopeks. After intervening, the central bank said it shifted the upper bound by 10 kopeks to 44.50, signalling that it has sold at least \$700 million.

Trade surplus widens in August

Russia's trade surplus narrowed to \$16.6 billion in August, from \$17.1 billion a month earlier, and was above \$14.2 billion recorded a year earlier.

Exports fell to \$41.5 billion in August, down from July's reading of \$46.1 billion, and were 2.4% below the same month a year earlier. Imports rose to \$24.9 billion in August, following seven consecutive months of decline, down from \$29 billion in July.

Car sales plummet in August

In August, 172,015 cars were sold in Russia, 25.8% below the level in the same month a year earlier, according to the Association of European Businesses (AEB). The combination of a weaker rouble and increased cost of credit, a result of the central bank raising the key interest rate three times since the start of the year, has had a significant dampening effect on consumer spending on cars.

The eight months to August saw a decline of 12.1% in car sales compared with the same period a year earlier.

The AEB has forecast a 12% decline in car sales during 2014 following a drop of 5.5% in the previous year. It welcomed the recently announced government car scrappage and trade-in scheme, hoping that this might help reverse the market slide for automobiles, although stressed that the success of the initiative will be dependent on its quick implementation. Under this scheme, old cars would be demolished or traded in with payment to buy a new one and car owners would get a discount for buying a new one from producers.



Indicators

Russian consumer sentiment improved slightly in September, possibly helped by a calming in the Ukraine conflict, although still remains weak.

MNI Russia Consumer Indicator

Sentiment Recovers From Series Low



Russian consumer sentiment improved slightly after plummeting to an all time low in the previous month, although remains at a weak level.

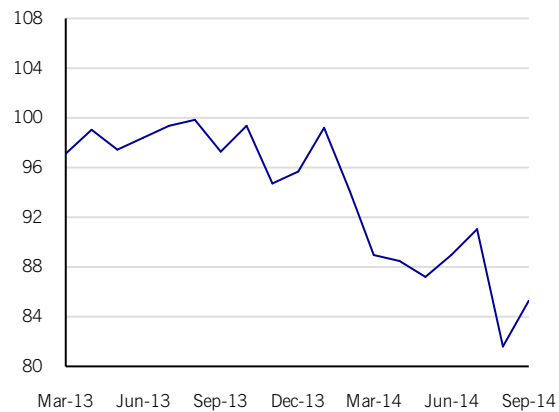
The MNI Russia Consumer Indicator rose by 4.4% on the month to 85.3 in September from a series low of 81.7 in August. Consumer sentiment has been dented severely since the onset of the Ukraine crisis with confidence now standing 12.4% below the level seen a year earlier.

All five of the components which make up the Consumer Indicator rose between August and September, apart from Expected Personal Finances which remained unchanged after hitting a record low in the previous month. Durable Buying Conditions rose by 13.6%, having the largest upward impact on sentiment. This was despite the high cost of credit and the increased cost of imported goods as a result of a weaker rouble.

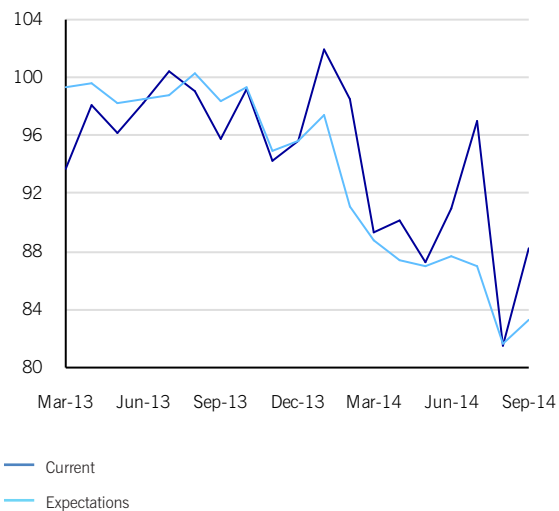
A reading below 100 indicates increasing negativity among consumers, while values above show increasing positivity. Consumer sentiment has remained below the 100 breakeven level since the series started in March 2013 and Q3 2014 marked the weakest sentiment on record, given the significant weakening in economic growth and ramifications of Russia's military action in Crimea.

The Current Prices Satisfaction Indicator fell to a series low of 63.4 in September, signalling that consumers were the least satisfied on record about the current level of prices. Official data showed that consumer price inflation accelerated to 8% in

MNI Russia Consumer Indicator



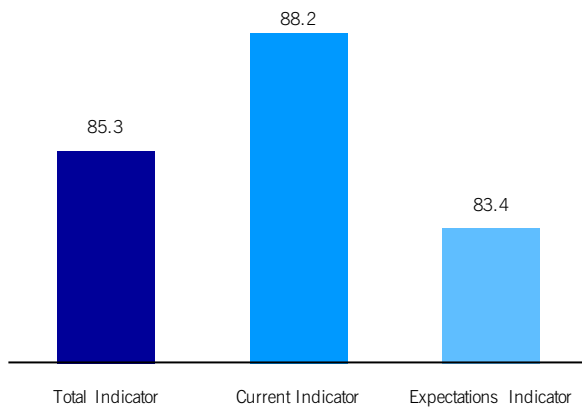
Current and Expectations Indicators



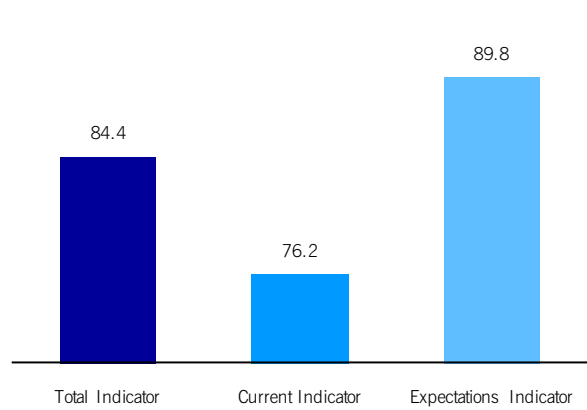
MNI Russia Consumer Indicator

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
MNI Russia Consumer Indicator	97.4	88.5	87.2	89.1	91.1	81.7	85.3
Current	95.8	90.2	87.3	91.1	97.1	81.6	88.2
Expectations	98.4	87.4	87.1	87.8	87.1	81.8	83.4

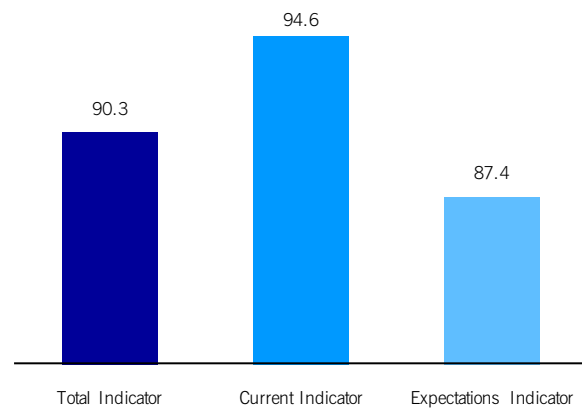
All Russia



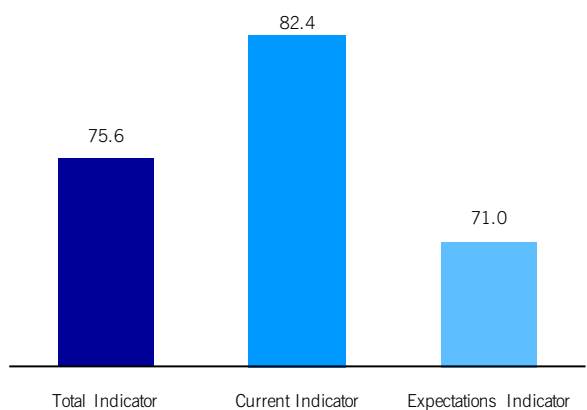
West Siberian



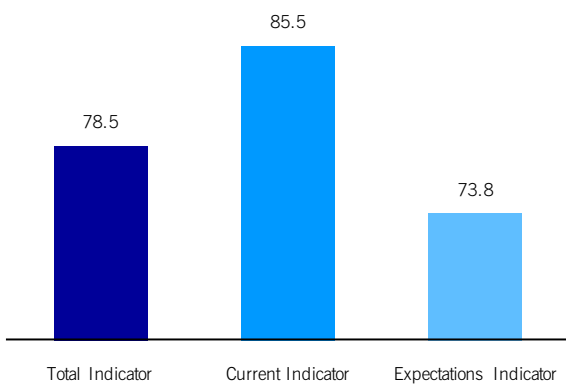
Central Russia



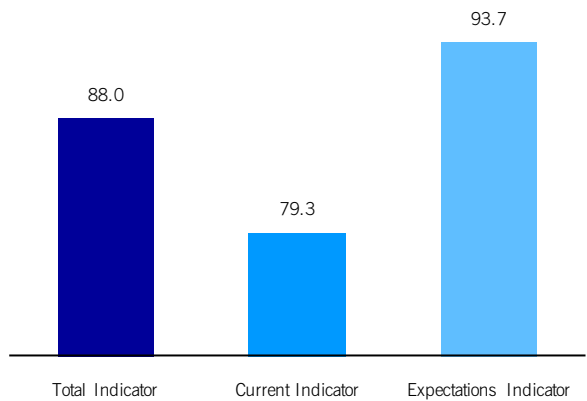
Volga



Urals



North Caucasus





September, the highest in three years, as a record low rouble and the Russian ban on food imports has pushed up prices. Still, expectations for inflation in 12 months' time eased to 140.9 compared with 145.1 previously, the lowest in six months.

During our survey period, the EU and the US imposed additional sanctions against Russia. The economic sanctions were extended to include the oil companies Gazpromneft, Transneft and Rosneft. Previous sanctions have targeted Russia's finance, energy and weapons industries. In retaliation, Russia introduced bans on certain agricultural imports from the West, which has started to push up prices.

Nevertheless, a ceasefire agreed at the beginning of our survey period between the Ukrainian government and pro-Russian separatists probably boosted confidence given that the EU and US have stated that they will consider lifting the economic sanctions imposed should the conflict in Ukraine come to an end.

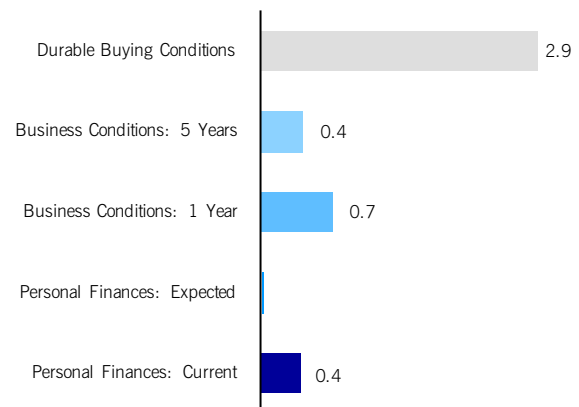
Consumers were increasingly concerned about the job market, with the Employment Outlook indicator sliding to a new series low of 80.9.

The Current Indicator, which measures consumers' assessment of current conditions, rose to 88.2 in September from a record low of 81.6 in August, while the Expectations Indicator, which is made up of the three forward looking components, also rose to 83.4 in September from an all-time low of 81.8 previously.

Regions

Consumer sentiment improved in all major regions except the Central region where it stood at a series low of 90.3 in September. The most significant upturn in consumer confidence was observed in the Volga region where the indicator rose to 75.6 from 62.9 in August, although remained the lowest level observed across all regions.

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





Among the top five regions, respondents from Central Russia had the strongest consumer sentiment in September despite optimism remaining unchanged and two of its indicators hitting an all-time low. The Consumer Indicator remained unchanged at 90.3 in September, the lowest on record.

Age

Consumer sentiment rose among all three age groups in September.

Consumer confidence in the youngest group rose in September after hitting a series low in August. The Consumer Indicator for the 18-34 year age range increased to 86.8 in September from 83.0 in August. Consumers expected Business Conditions in a year's time to worsen but appeared to have a greater belief in a resolution to sanctions, as more respondents were optimistic about long-term Business Conditions.

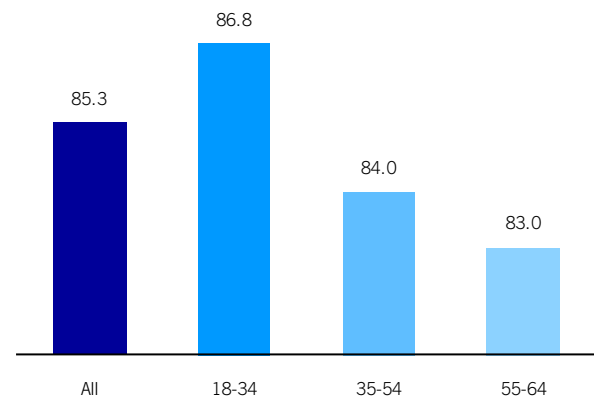
Consumer sentiment among 35-54 year olds improved to 84.0 in September from an all-time low of 82.4 in August. There was a surge in respondents who believed it was a good time to purchase big tickets items, contributing the most to the rise in overall sentiment, although consumers were more pessimistic about the future, driven by a sharp drop in Personal Finances and Business Conditions in Five Year's time.

Out of the three age groups, the Consumer Indicator for the 55-65 year age range had the most significant rise of 9.5% to 83.0 in September from 75.8 in August although had the weakest among all the age groups.

Income

Consumer confidence improved in both low and high income households in September.

Consumer Indicator: Age Groups



Consumer confidence for households with an average annual income under RUB 480,000 rose to 82.4 in September from an all-time low of 79.5 in August. While they were less optimistic about their current finances, they were more optimistic about their future financial health and their expectations about long-term business conditions.

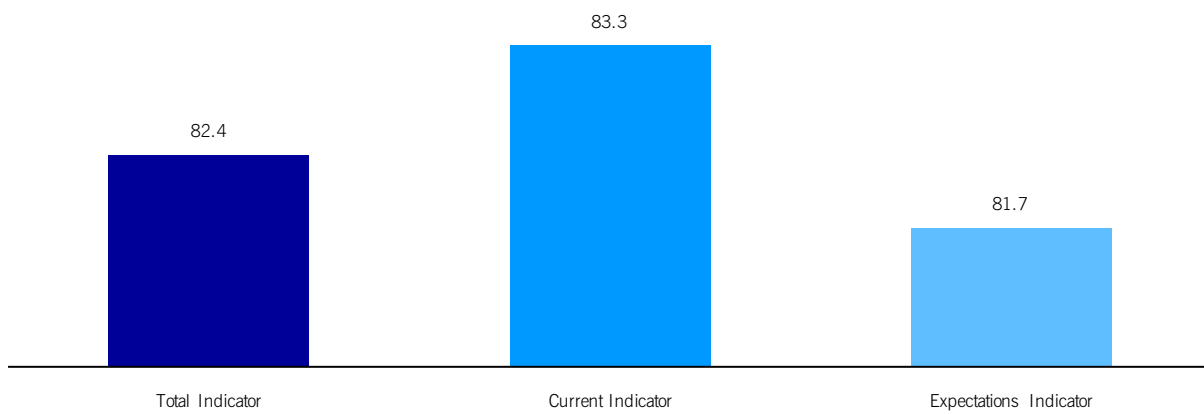
For households with an average annual income of over RUB 480,000, consumer confidence improved to 89.6 in September from a record low of 84.6 in August. Respondents were more confident about Business Conditions in One Year, although their long-term expectations fell to a series low.

Compared with the previous year, confidence was 16.5% lower among lower income households, while for higher income households it was 7.5% lower. On average, confidence remains greater for higher income households. Our surveys have shown that lower income households have been hit the most by the current political and economic tension, while wealthier ones have not been impacted as much.

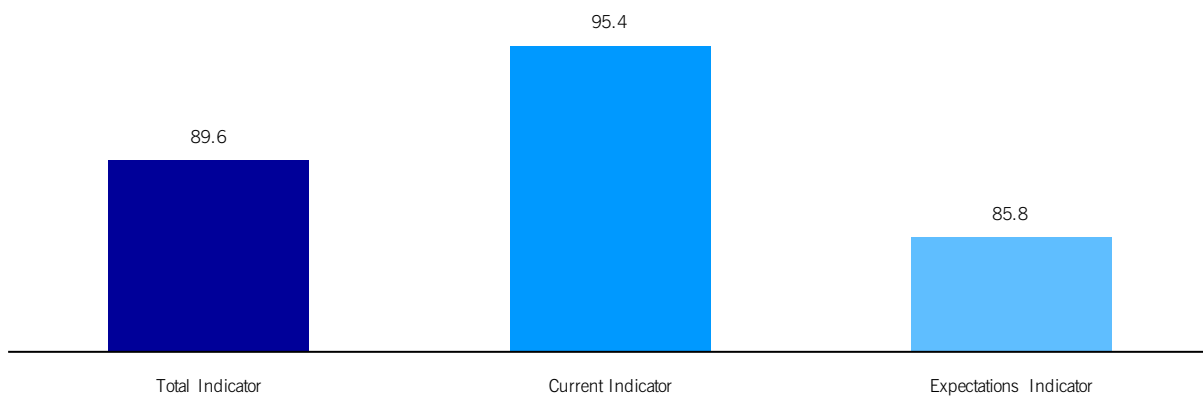
MNI Russia Consumer Indicator Income Groups



< RUB 480,000 Per Annum



> RUB 480,000 Per Annum



MNI Russia Consumer Indicator

Main Cities



The Consumer Indicator rose in nine out of the 10 major cities surveyed although consumers from only two cities were optimistic, with the indicator above the 100 breakeven level which separates expansion from contraction.

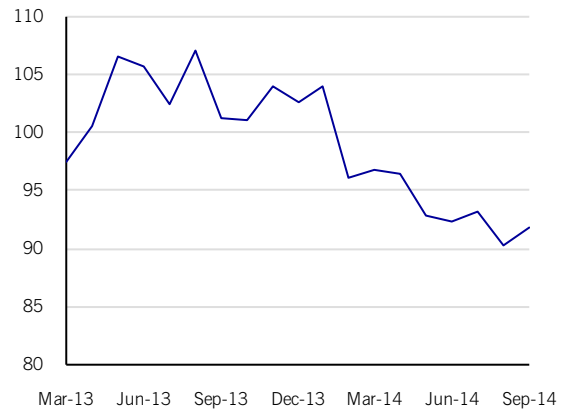
In the capital, Moscow, consumer sentiment rose slightly to 91.9 in September from a series low of 90.3 in the previous month. Consumers reported an improvement across all components of the Consumer Indicator except Business Conditions in Five Years, while the most significant increase was in Business Conditions in a Year.

In Saint Petersburg, the second largest city in Russia, consumer sentiment rose to 101.0 in September from 98.0 in August. Respondents were more optimistic about purchasing big ticket items, which led the improvement in overall consumer sentiment, following an improvement in their current personal finances. Consumers were less optimistic about the future, with expectations about finances and long-term business conditions both falling on the month.

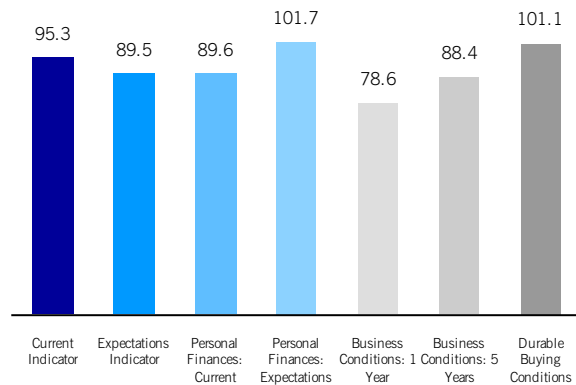
Consumer confidence in Novosibirsk, the third largest city by population in Russia, rose 83.2 in September from an all-time low of 78.4 in August. The only component to see a fall on the month was expected Personal Finances which hit a series' low, while consumers' optimism about purchasing household durables and expectations about business conditions in a year's time mainly led the improvement in consumer sentiment.

The only city not to see a rise in sentiment on the month was Kazan, the "third capital" of Russia, with the Consumer Indicator falling to 72.6 from 78.0 in August. The fall in sentiment was led by expected Personal Finances and Business conditions in Five Years, both of which plummeted to a series low.

Consumer Indicator - Moscow

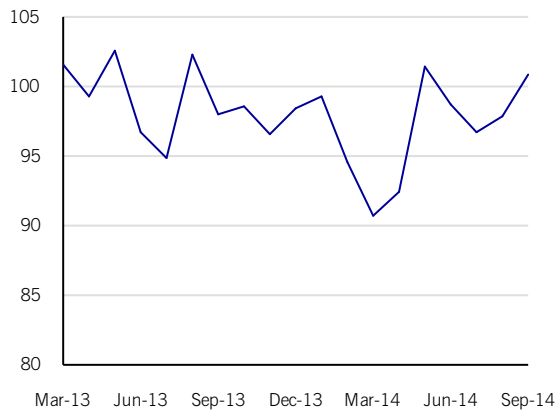


Consumer Indicator Components - Moscow

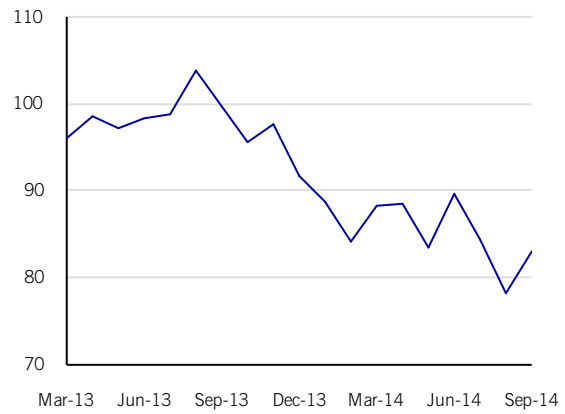




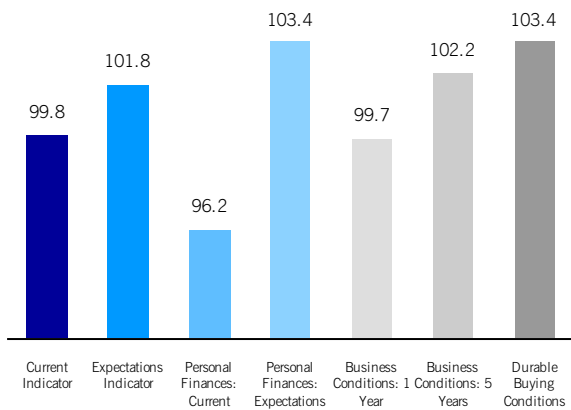
Consumer Indicator - Saint Petersburg



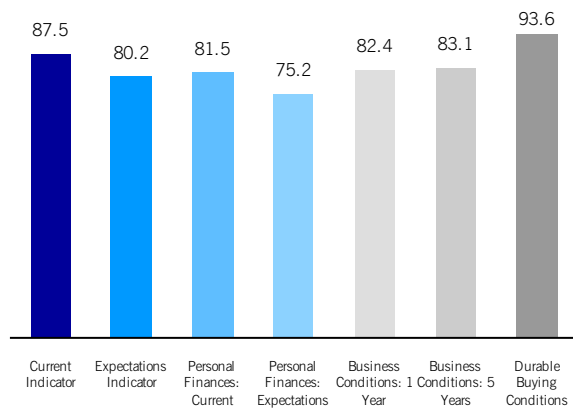
Consumer Indicator - Novosibirsk



Consumer Indicator Components - Saint Petersburg



Consumer Indicator Components - Novosibirsk



Personal Finances Improve Marginally



Respondents were slightly more confident about their finances in the current month although anticipated no change in the next 12 months.

The Current Personal Finances Indicator, which measures whether a household is better or worse off than a year ago, rose to 78.8 in September after plunging to a series low of 77.1 in August. Consumers' personal finances have weakened over the past year and in September they were 17.3% below the level seen in September 2013.

Out of those who reported that their financial conditions improved, a growing proportion gave credit to better investment returns. However, of those who thought their personal finances had worsened, the majority cited poor income, most likely the result of companies scaling back their operations amid sanctions.

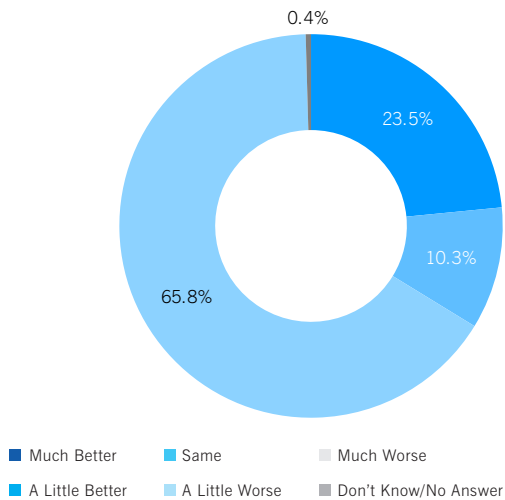
Consumers have been hit by high inflation and a weak rouble this year which has impacted their personal disposable income and savings. In September, 92% of respondents spent 70-100% of their monthly household income on daily expenses, while 81.1% of respondents said they were saving between just 1-29% of their monthly disposable income.

Expected Personal Finances, which measures whether households think their finances will be better in a year's time, was flat at 86.2 in September.

Personal Finances



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



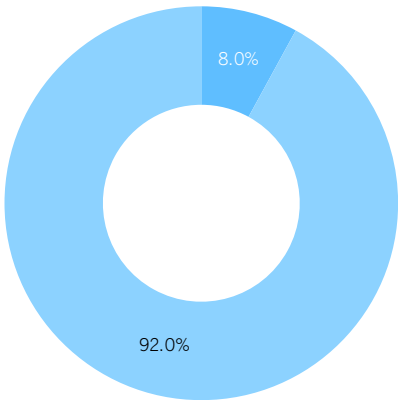
Personal Finances

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Current	95.3	83.7	79.6	80.3	86.7	77.1	78.8
Expectations	105.4	93.4	95.0	91.5	90.8	86.2	86.2

How Households Spend their Money

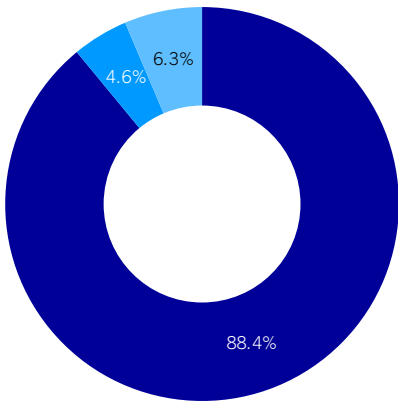


Daily Expenses
(% of Households)



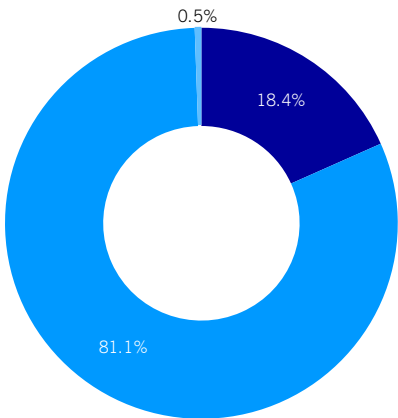
- 0% - 29% of Income
- 30% - 49% of Income
- 50% - 69% of Income
- 70% - 100% of Income

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



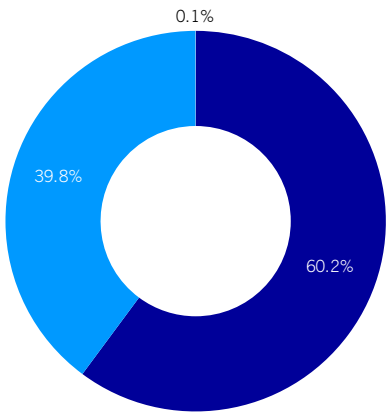
- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

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

Business Conditions Remain in Contraction



Following a record low in August, perceptions about current business conditions and expectations about future business environment improved in September despite the additional sanctions placed by Western nations and a record low rouble.

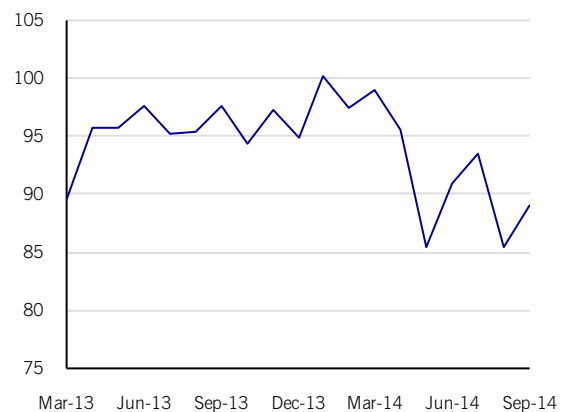
The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, rose to 89.2 in September from 85.5 in August but remained far below the series average of 94.3. The proportion of respondents who thought that conditions were "poor" or "very poor" were almost 30%, while only 9% of them thought that conditions were "good" or "excellent".

During our survey period, the EU and the US imposed additional sanctions against Russia. The economic sanctions were extended to include the oil companies Gazpromneft, Transneft and Rosneft which will be forbidden from raising capital on American and European financial markets and barred any export of oil-related technology to the affected companies.

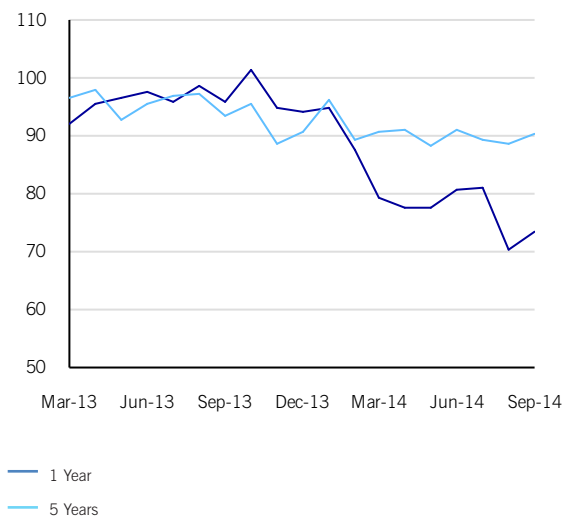
The indicator for Business Conditions in One Year rose to 73.5 from a series low of 70.5 in August and was 23.5% below the outturn in the same month a year ago.

Longer term Business Conditions also improved as respondents probably saw through the current crisis. Expectations about Business Conditions in Five Years rose to 90.4 in September from 88.6 in August.

Current Business Conditions Indicator



Expected Business Conditions



Business Conditions

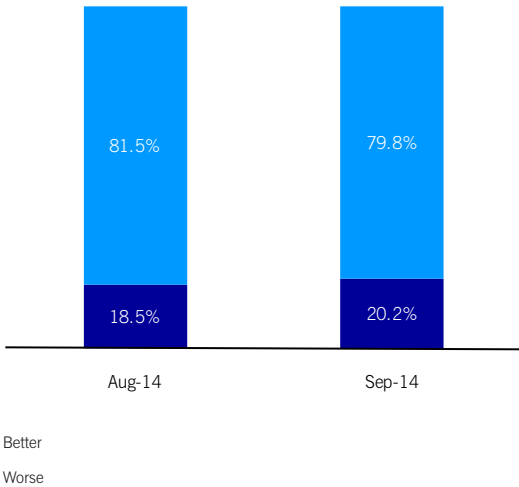
	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Current	97.6	95.7	85.5	91.0	93.6	85.5	89.2
In 1 Year	96.1	77.8	77.7	80.7	81.1	70.5	73.5
In 5 Years	93.7	91.1	88.6	91.2	89.5	88.6	90.4

Business Conditions in 1 Year

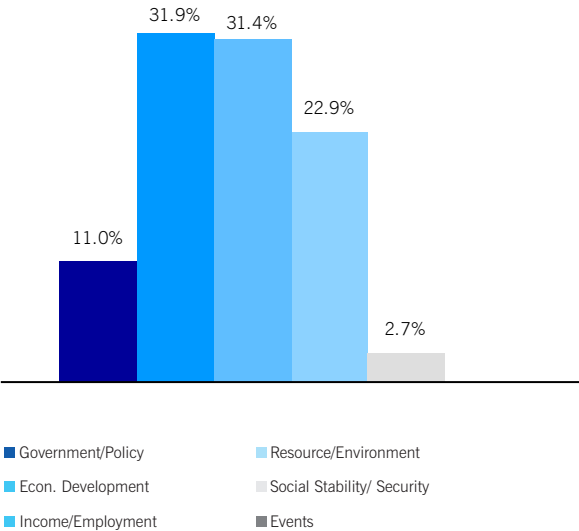


Among the 10 major cities surveyed, Saint Petersburg was the most optimistic city about longer term business conditions, while respondents from Kazan and Nizhny Novgorod had double digit declines to series' lows on the month.

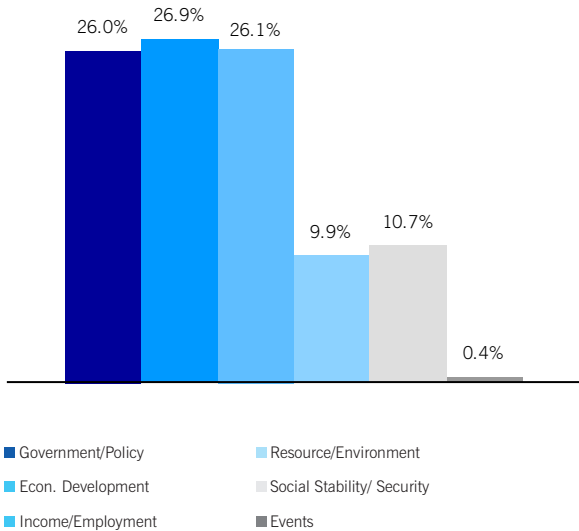
All Russia



All Russia, Reasons for Better



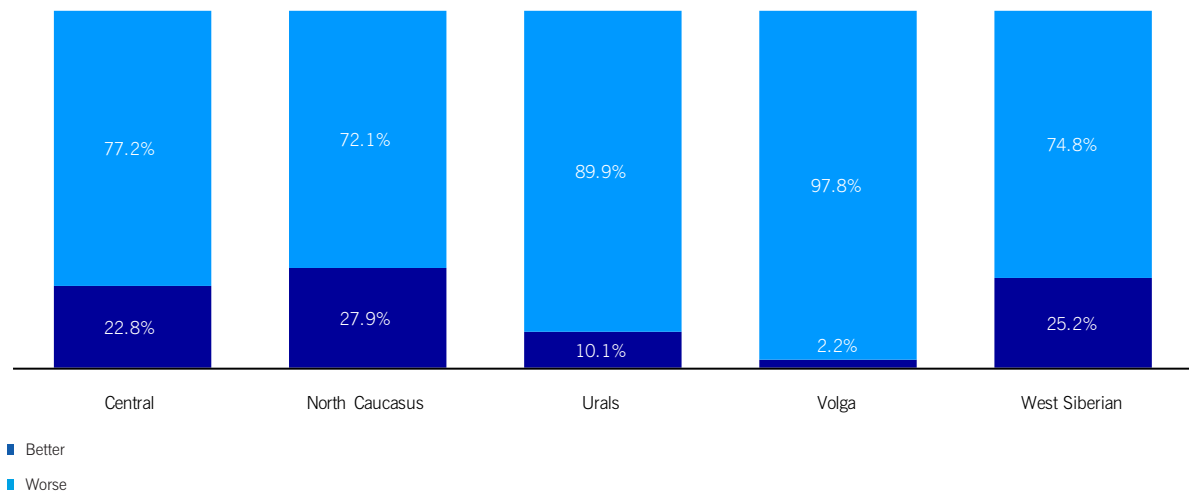
All Russia, Reasons for Worse



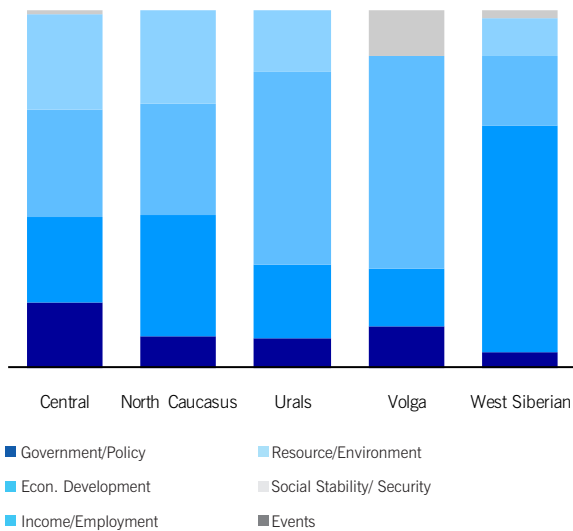
Business Conditions in 1 Year Regions



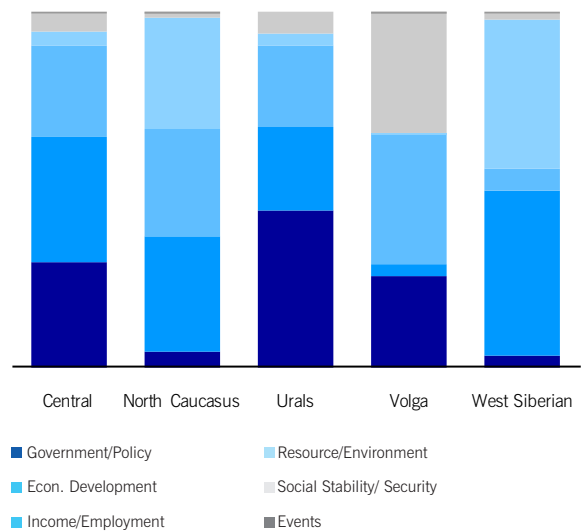
Business Expectations: Worse or Better?
(% of Respondents)



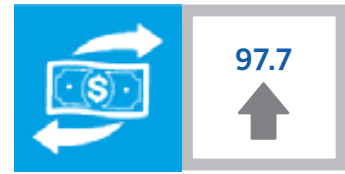
Reasons for Better
(% of Respondents)



Reasons for Worse
(% of Respondents)



Durable Buying Conditions Recover from Record Low



More consumers were willing to purchase large household items in September despite the high cost of credit and the increased cost of imported goods as a result of the weakened rouble.

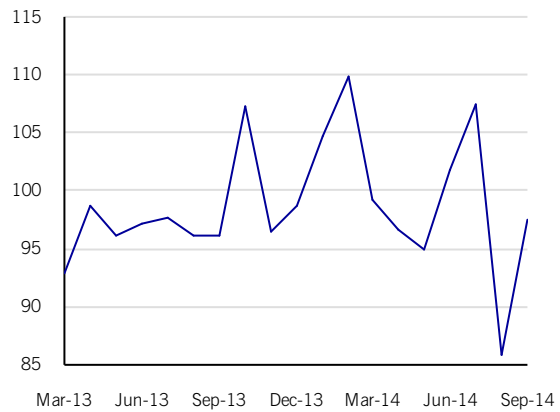
The Durable Buying Conditions Indicator rose to 97.7 in September from a series low of 86.0 in August, although remained below the series average of 98.8.

Respondents are asked whether they believe it is a good or bad time to purchase a large consumer durable, and a result below 100 means that a higher percentage of respondents view it as a bad time. The indicator remained below the 100 level in September but was about 1.4% above the level seen a year ago.

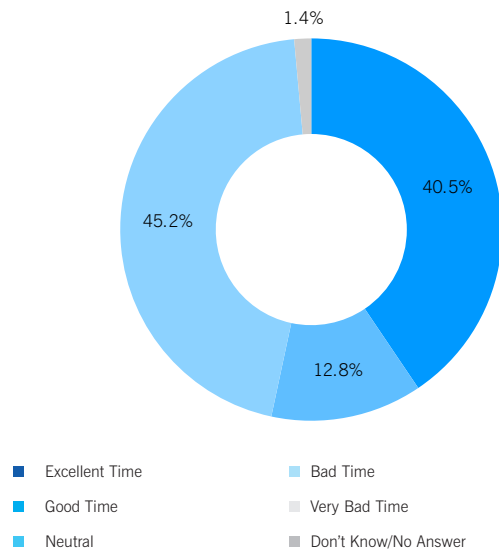
Consumers may have been more willing to purchase large household items given that they expected interest rates to rise in the future, with the Interest Rates Expectations Indicator rising to 124.2 in September, therefore making such purchases more attractive in the present compared with the future.

Out of the ten largest cities surveyed, consumers were split fairly evenly on whether it was a good time to purchase big ticket items in September. Respondents from Moscow, Saint Petersburg, Samara and Omsk were all above the 100 threshold that indicates more respondents were willing to make big ticket purchases. Out of the remaining six cities, respondents from Chelyabinsk were the least optimistic about buying a large household item in September, although were more willing compared with the previous month.

Durable Buying Conditions



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



Durable Buying Conditions

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Durable Buying Conditions	96.3	96.8	95.1	101.8	107.5	86.0	97.7

Employment Outlook Lowest on Record



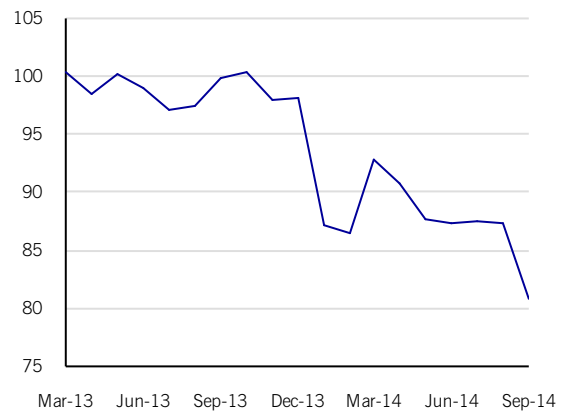
The outlook for the employment market plunged to a series low in September as consumers' concerns over further sanctions and the state of the economy mounted.

The Employment Outlook Indicator, which measures opinion on the outlook for the employment market over the next 12 months fell by 6.5 points to 80.9 in September compared with 87.4 in August. Views on the labour market has deteriorated significantly in 2014, particularly since the onset of the Ukraine crisis, with the Employment Outlook Indicator standing 19% below the level recorded a year earlier.

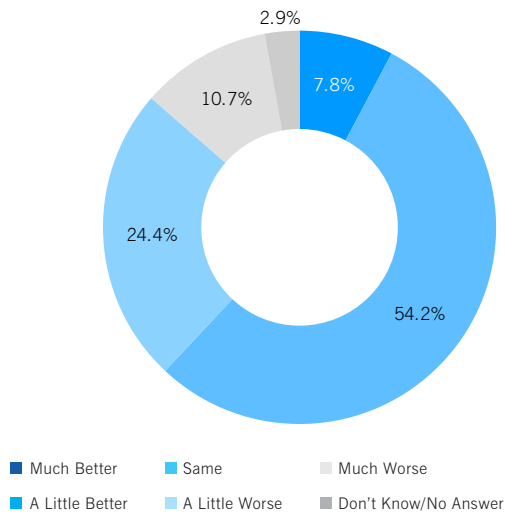
Respondents from the Volga region were the least optimistic about the employment outlook, with sentiment plummeting by 40.3% on the month to the lowest since January. In contrast, there was a rise in those who thought employment conditions would improve in the North Caucasus region, pushing the Employment Outlook above the 100 threshold that separates expansion from contraction to the highest since February.

Official statistics showed that the unemployment rate fell marginally to 4.8% in August, after remaining unchanged for three consecutive months. Results from the September edition of our sister survey on Russian Businesses showed that companies' hiring has increased in spite of the economic slowdown, a reflection of Russia's overstaffing and low levels of productivity.

Employment Outlook Indicator



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



Employment Outlook

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Employment Outlook	99.9	90.9	87.8	87.5	87.6	87.4	80.9

Prices Sentiment

Discontent with Current Prices at Record High



A record low rouble and the Russian ban on food imports pushed up prices, making consumers less satisfied than ever before about the current level of prices.

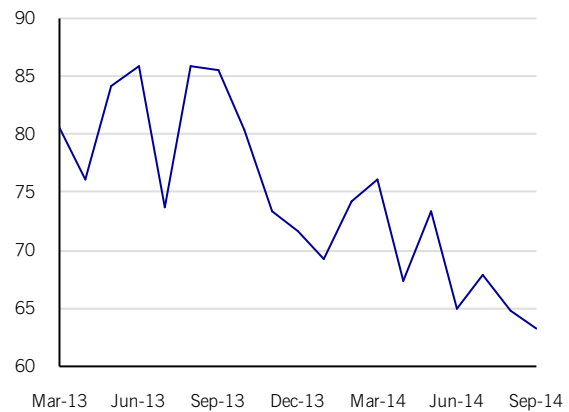
The Current Prices Satisfaction Indicator fell to 63.4 in September from 64.8 in August, the lowest since the survey began. A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction. The indicator has remained below 100 since the survey started and in September it was 26% below the same month a year earlier.

Official data showed that consumer price inflation accelerated to 8% in September from 7.6% in August, the highest in three years. A ban on food imports from Western nations, in retaliation to sanctions placed upon Russia, caused food price inflation to accelerate to 11.4% in September from 10.3% in August. This was primarily due to a base effect in fruit and vegetable prices which surged to 6.1% in September after a seasonal drop of 0.8% in the previous month.

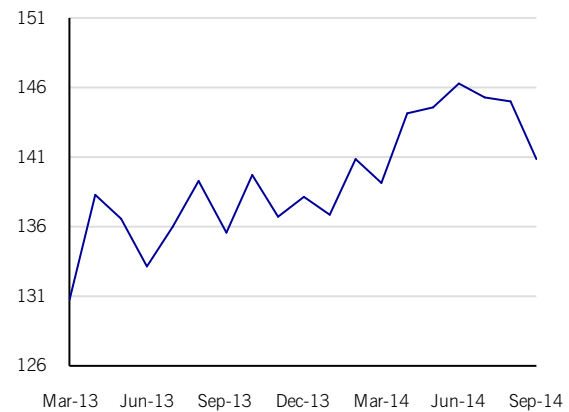
Satisfaction with current prices has trended downwards since last year in line with the decline in the rouble. In September, 59% of respondents reported they were dissatisfied with the current level of prices, the highest on record.

Consumers' inflation expectations have been at an elevated level since the start of the survey in March 2013. In September, expectations for inflation in 12 months' time eased to 140.9 compared with 145.1 previously, the lowest in six months.

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



Prices Sentiment

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Satisfaction with Current Prices	85.6	67.5	73.4	65.0	67.9	64.8	63.4
Inflation Expectations	135.7	144.2	144.6	146.3	145.3	145.1	140.9

Prices Sentiment Regions



The Russian central bank has raised the official interest rate by 250 basis points to 8% since the start of 2014 in a bid to control both inflation and stabilise the currency. Recently, Governor Elvira Nabiullina has conceded that inflation in 2014 will likely exceed the central bank's target of 5% (+/-1.5%), and speculated that it could be higher than 7.5%. Despite this, the central bank is poised to retain its inflation targets of 4.5-5% for 2015 and 3.7-4.2% in 2016 which will almost certainly require further tightening of monetary policy in order for them to be met.

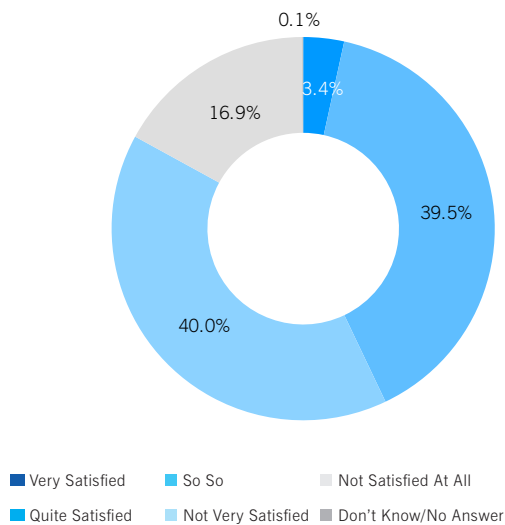
Since October 2013, most respondents had thought prices would rise between 11-24% over the next year, but this has changed in recent months. Almost a third of respondents believed that prices would rise more than 25% over the next year in September, a trend seen since February.

Regions

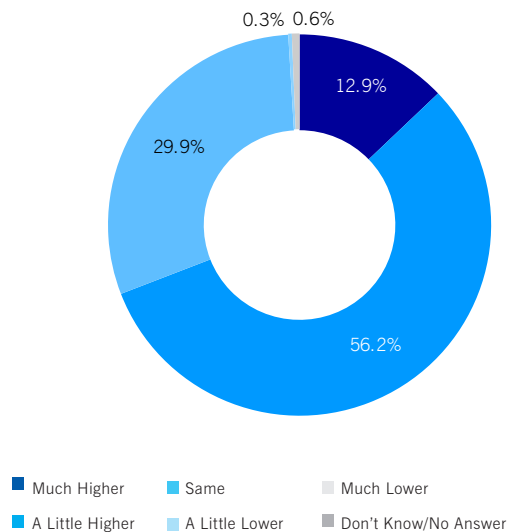
Satisfaction with Current Prices declined in Central, North Caucasus and the Urals. The majority of North Caucasus respondents said they were not satisfied at all, pushing the Current Prices Satisfaction indicator to a record low in September. In contrast, respondents from Volga were markedly more satisfied with the current level of prices, although the indicator remained well below the 100 threshold.

Consumers from all five regions had lower expectations for future prices. All consumers from the Volga region expected prices to rise over the next 12 months but there was a realignment from those who expected prices to be "much" higher to a "little" higher in the coming 12 months.

Satisfaction with Current Prices
(% of Households)

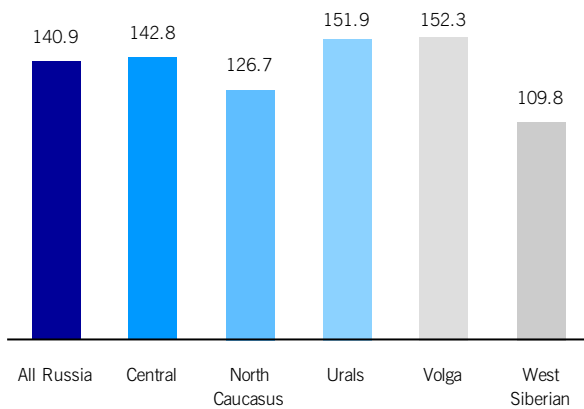


Inflation Expectations in 12 Months
(% of Households)

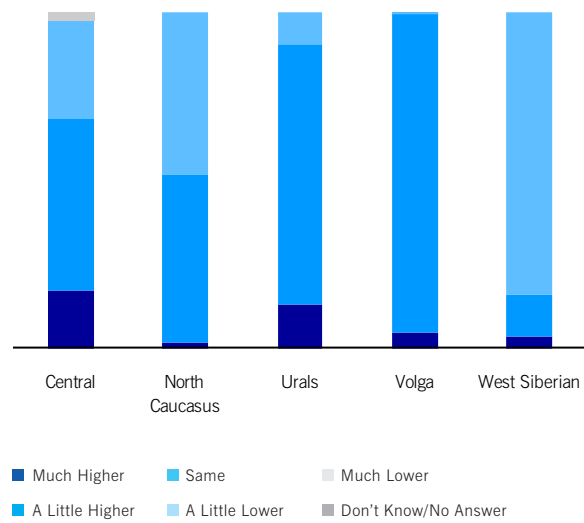




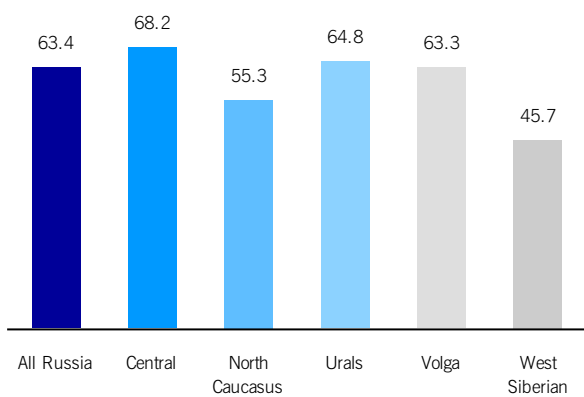
Inflation Expectations Indicator



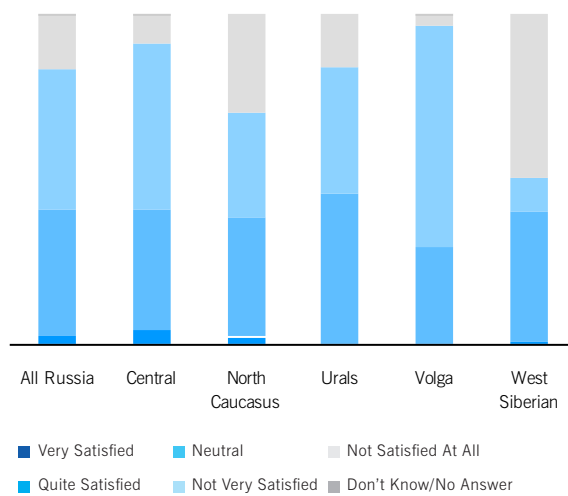
Expected Change in Prices in 1 Year (% of Households)



Current Prices Satisfaction Indicator



Satisfaction with Current Prices (% of Households)



Interest Rate Expectations Highest Since June



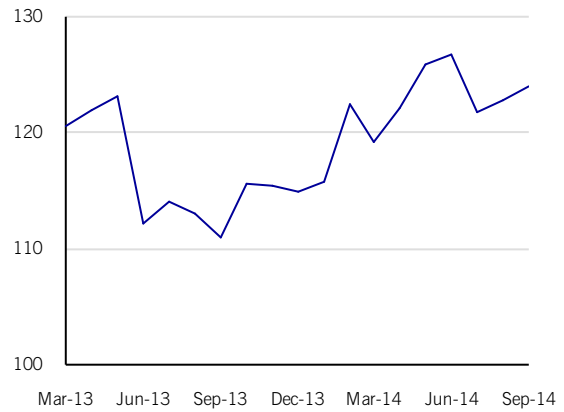
Consumers' expectations about interest rates on car and home loans have trended upwards over the past year and in September they rose slightly to the highest since June.

The Interest Rate Expectations Indicator rose to 124.2 in September from 123.0 in August and was 11.7% above the level recorded in the same month a year earlier. The indicator has remained above 100 since the survey started in March 2013, indicating that more households expected interest rates to rise than fall in the coming year.

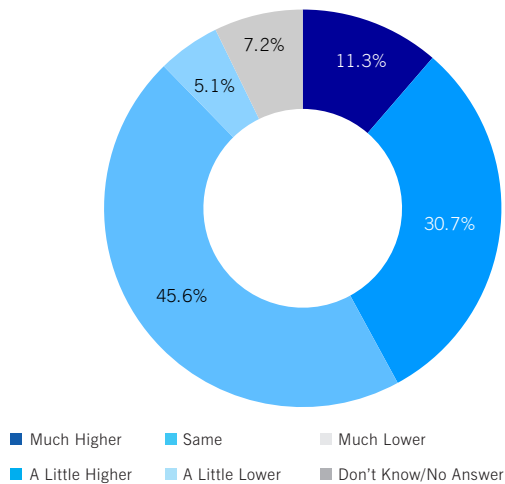
Since the onset of the Ukraine crisis, the central bank has hiked the key interest rate three times by a total of 250 basis points. At its meeting on September 12, Russia's central bank held the key policy rate at 8% although stressed that it is prepared to tighten monetary policy further in order to meet its inflation target.

The proportion of survey participants expecting that interest rates on home and car loans would be higher in a year's time rose to around 42% in September, while 45.6% expected interest rates to remain the same.

Interest Rate Expectations Indicator



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



Interest Rate Expectations

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Interest Rate Expectations	111.1	122.3	126.0	126.8	121.9	123.0	124.2

Real Estate Investment

House Price Expectations Hit Record High



In spite of the poor economic climate, optimism about the real estate market remained buoyant with respondents expecting house prices to increase.

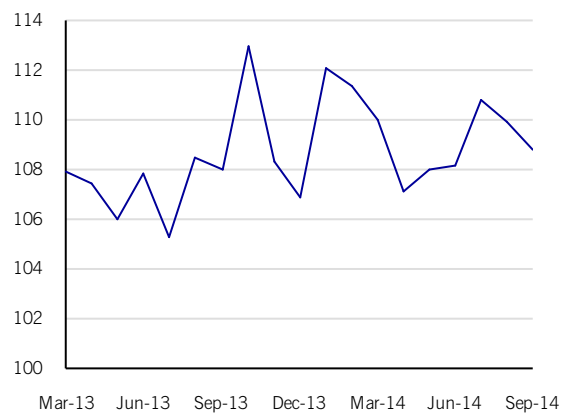
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment) stood at 108.8 in September compared with 109.9 in August, the lowest since June.

Consumers' expectations about house prices hit a new record high in September beating the previous all-time high recorded last month. The House Price Expectations component, which measures the outlook for prices over the coming six months, rose to 148.2 in September from 144.7 in August, almost 22% above the outturn of 121.6 in the same month a year earlier.

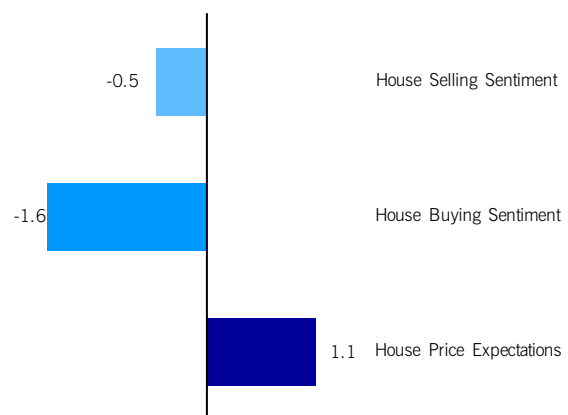
Consumers' sentiment about purchasing a house has dropped significantly since last year and in September it touched a series low as sanctions against Russia, economic stagnation and an increase in interest rates negatively affected house buying sentiment. House Buying Sentiment, a measure of whether it is a good time to buy a house in the next six months, fell by 6.3% to 77.7 in September from 82.9 in August.

With expectations that house prices would be higher in the next six months, more respondents believed it would be a good time to sell a house although the number of pessimists outweighed optimists. This was shown in House Selling Sentiment, a measure of whether it is a good time to sell a house in the next six

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Real Estate Investment Sentiment	108.0	107.2	108.0	108.2	110.8	109.9	108.8
Price Expectations	121.6	137.7	139.3	139.5	139.5	144.7	148.2
House Buying	101.8	84.5	82.6	83.6	87.2	82.9	77.7
House Selling	99.3	100.7	97.8	98.5	94.2	97.8	99.5

Real Estate Investment Components and Balances



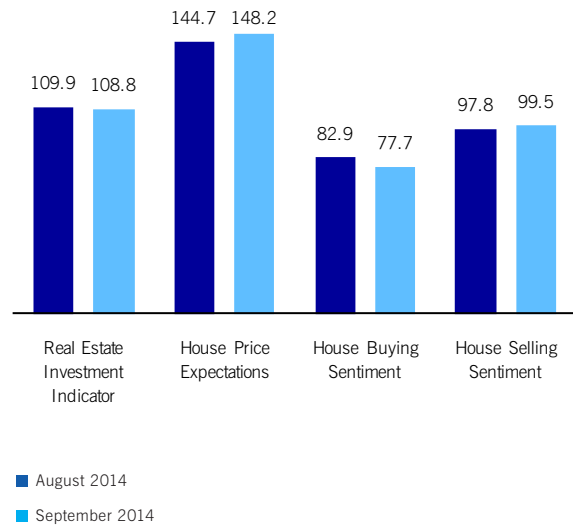
months, which has a negative impact on overall housing sentiment. In September, House Selling Sentiment rose to 99.5 from 97.8 in August, just below the 100 threshold that separates expansion from contraction in consumer sentiment.

Regions

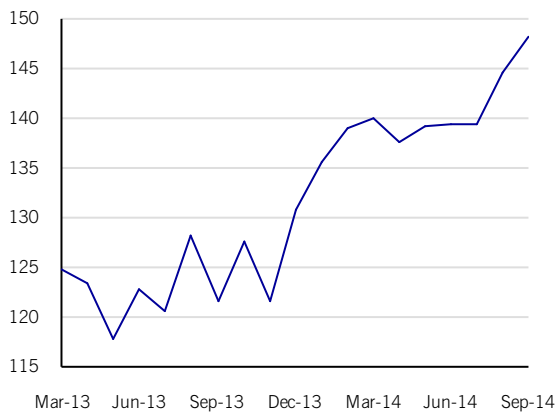
The Real Estate Investment Indicator declined in Central, North Caucasus and Volga. Respondents from the North Caucasus region were least optimistic about real estate investment with the indicator falling below the 100 threshold into contraction.

Respondents were more optimistic about housing compared with the previous month in West Siberian and the Urals, with the House Price Expectations rising to an all-time high in the latter.

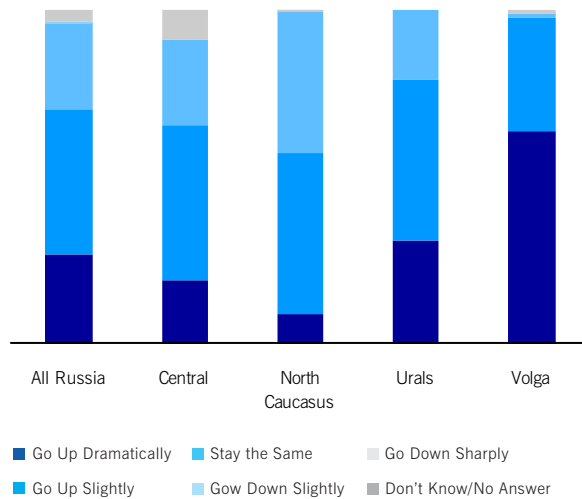
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes

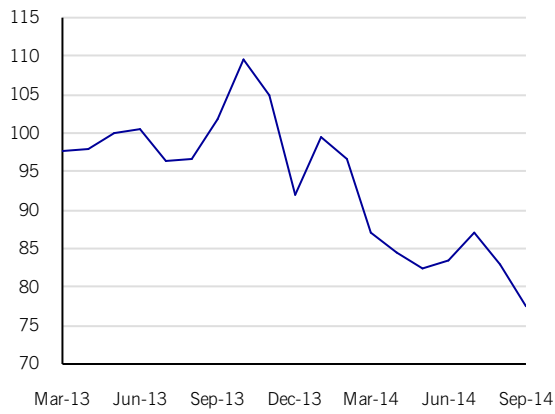


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

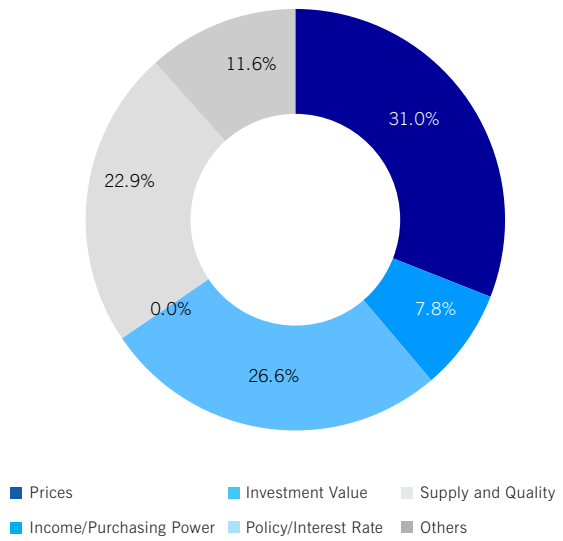




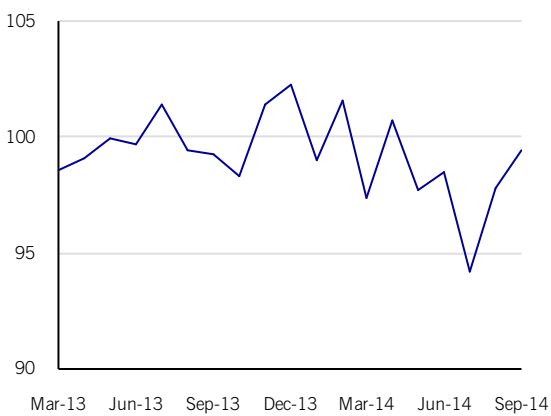
House Buying Sentiment



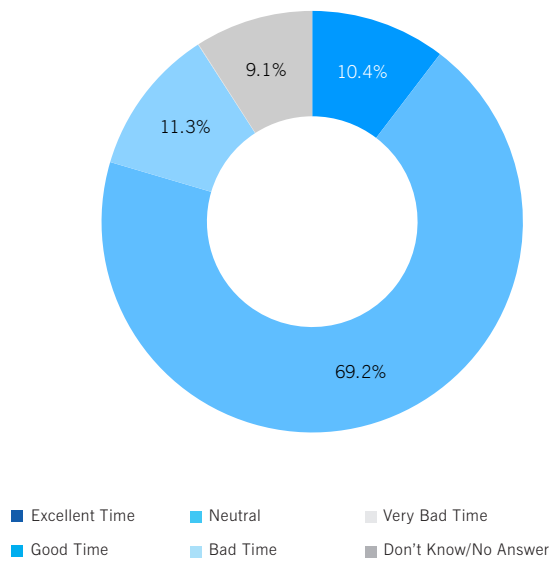
Reasons for Buying Houses (% of Households)



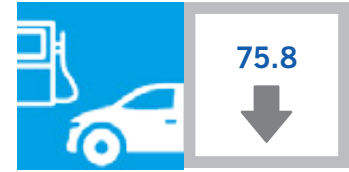
House Selling Sentiment



Timing for Selling Houses (% of Households)



Car Purchase Series Low



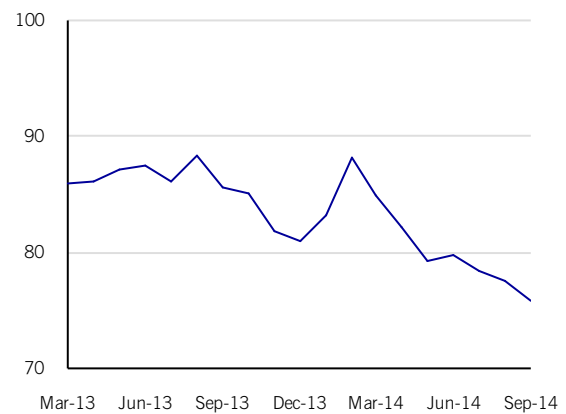
Consumer sentiment about car purchases fell to a new series low in September, as consumers didn't believe it would be a good time to purchase a car in the next 12 months in spite of lowered expectations of gasoline prices.

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, dipped below the 100 threshold that separates expansion from contraction in consumer sentiment. More than 45% of respondents considered it to be a bad time to buy a car, the lowest on record, with the component falling to at 99.0 in September compared with 104.2 in August.

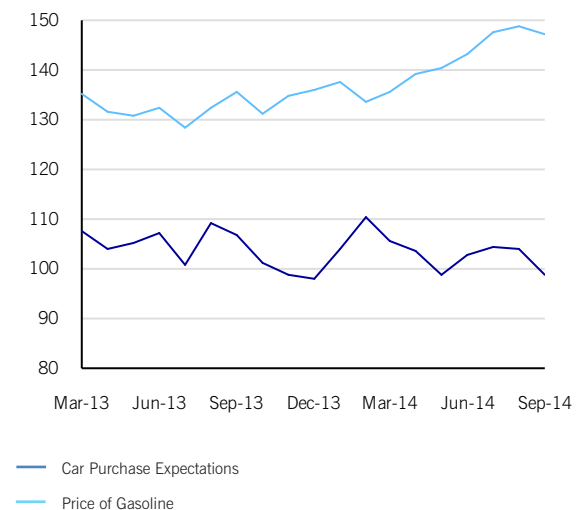
The fall comes in spite of the introduction of a government car scrappage and trade-in scheme at the beginning of September in an attempt to reverse the market slide for automobiles. Under this scheme, old cars would be demolished or traded in with payment to buy a new one and car owners would get a discount for buying a new one from producers. According to the Association of European Businesses, car sales plummeted for the eighth consecutive month by 25.8% in August from the same month a year ago.

Consumers' confidence about purchasing a car has trended downwards since February and in September it was 7.6% below the level seen a year ago. This likely reflects the impact of higher interest rates as compared with the previous year, making a car purchase even more expensive.

Car Purchase Indicator



Car Purchase Indicator - Components

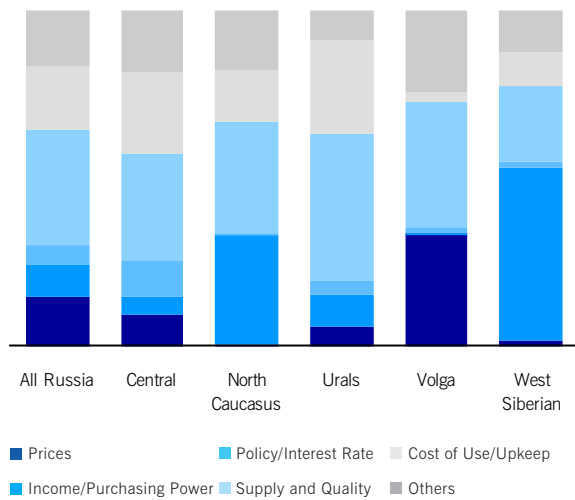


Car Purchase Sentiment

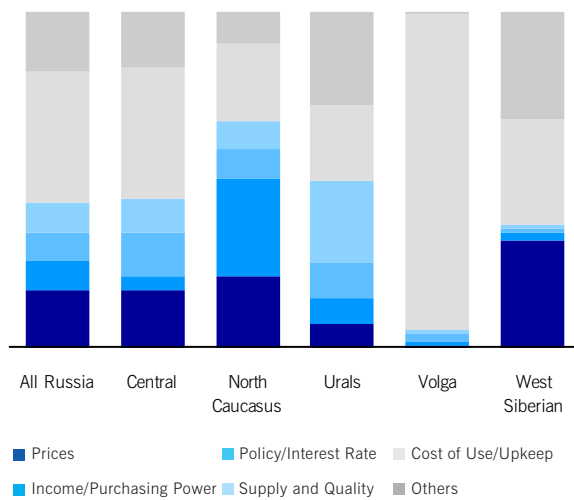
	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Car Purchase Sentiment	85.7	82.2	79.3	79.8	78.4	77.7	75.8
Car Purchase Expectations	107.1	103.8	99.1	103.0	104.8	104.2	99.0
Price of Gasoline	135.6	139.4	140.5	143.4	148.0	148.9	147.3



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



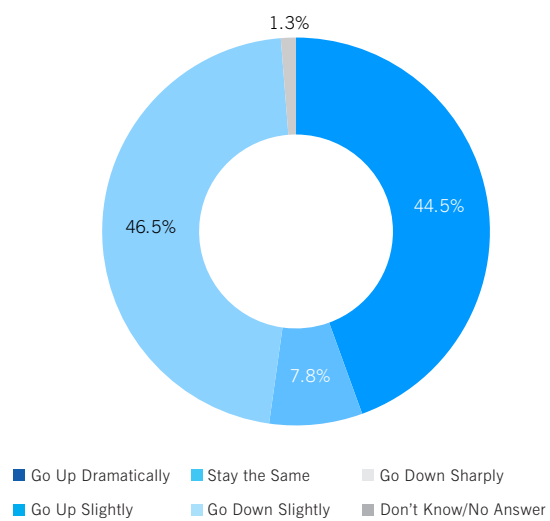
Reasons for a Bad Time to Buy a Car
(% of Households)



Of those who thought it was a bad time to purchase a car, there was a significant increase in those who cited cost of use or upkeep and the price as the main reasons. More than 70% of consumers, slightly less than the previous month, thought that the price of gasoline would rise in the next 12 months. Expectations for the Price of Gasoline fell to 147.3 in September from 148.9 in August following six consecutive months of increases.

Car Purchase Expectations and Expectations for the Price of Gasoline compose the Car Purchase Indicator. Car Purchase Sentiment hit a record low to 75.8 in September from 77.7 in the previous month. In general, higher inflation and a weaker rouble have negatively impacted consumer spending on cars.

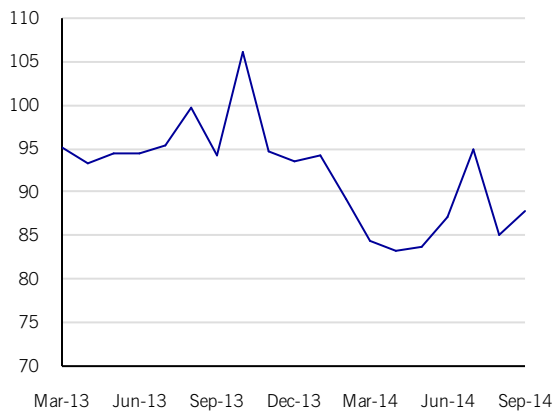
Expected Change in the Price of Gasoline
(% of Households)



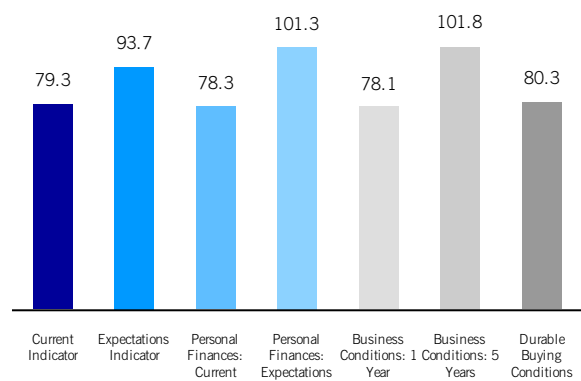
MNI Russia Consumer Indicator Regions



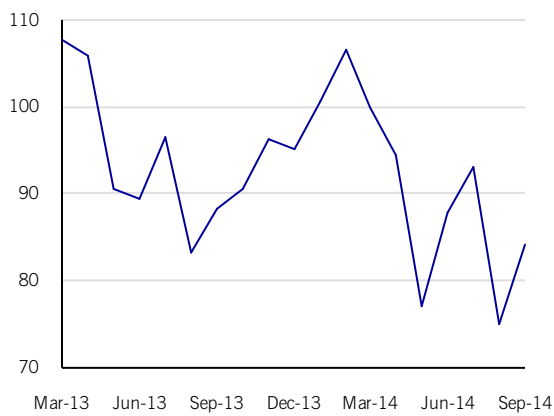
Consumer Indicator: North Caucasus



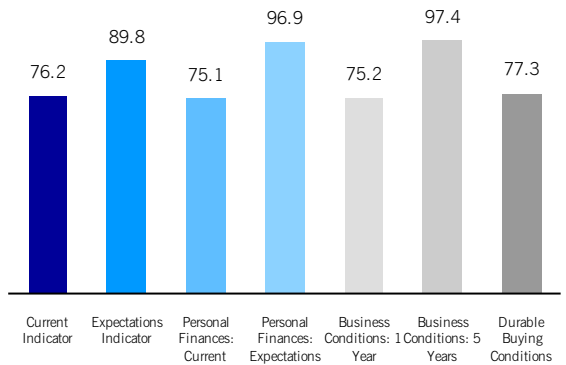
Consumer Indicator Components: North Caucasus



Consumer Indicator: West Siberian

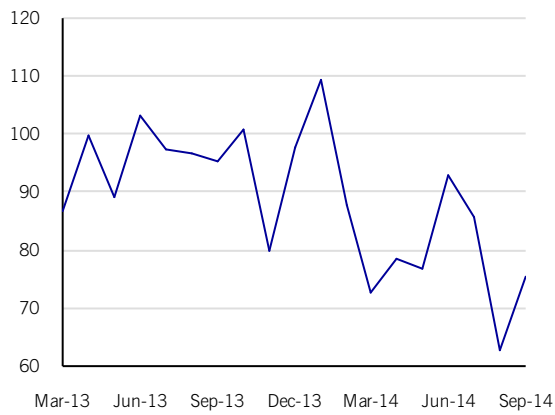


Consumer Indicator Components: West Siberian

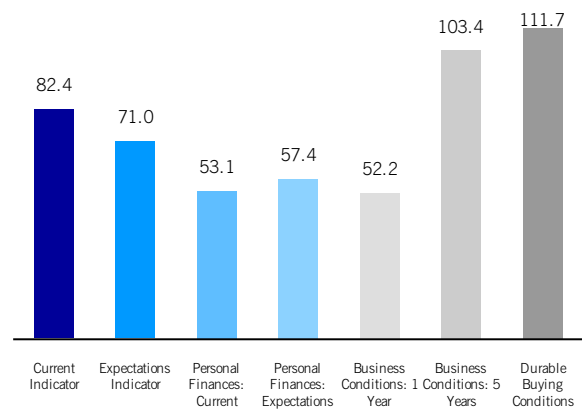




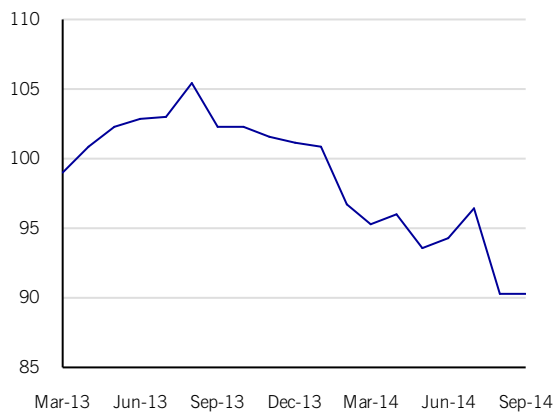
Consumer Indicator: Volga



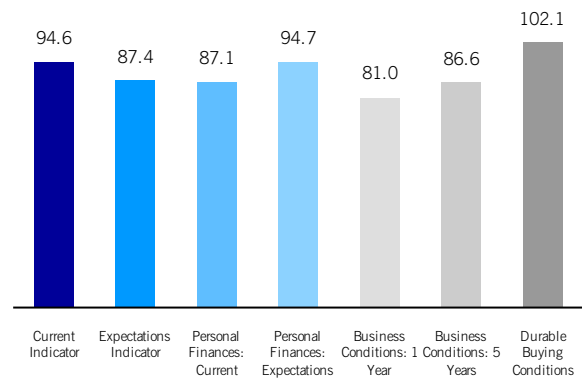
Consumer Indicator Components: Volga



Consumer Indicator: Central

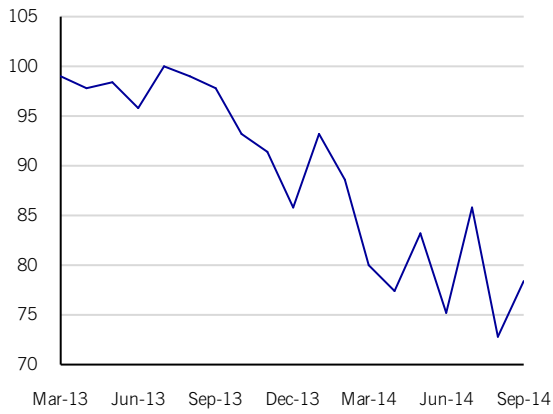


Consumer Indicator Components: Central

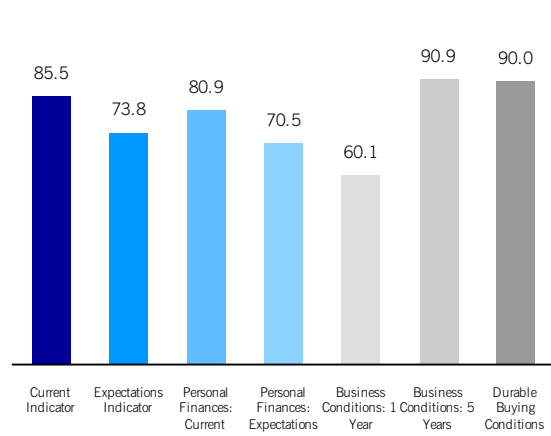




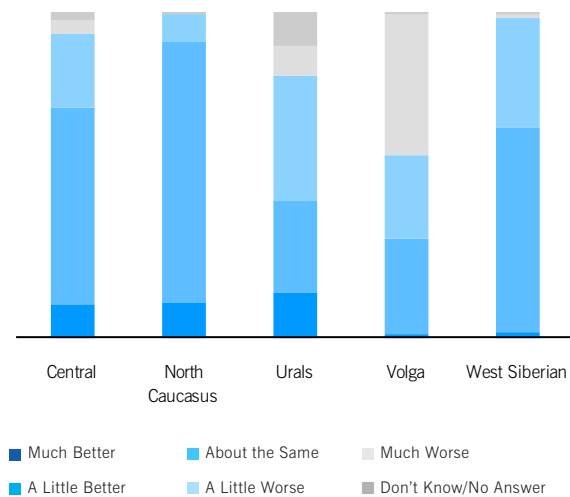
Consumer Indicator: Urals



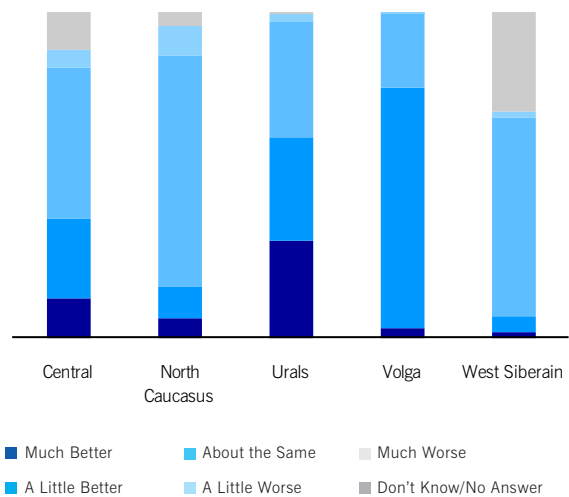
Consumer Indicator Components: Urals



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



Interest Rates Expectations Indicator (% of Households)

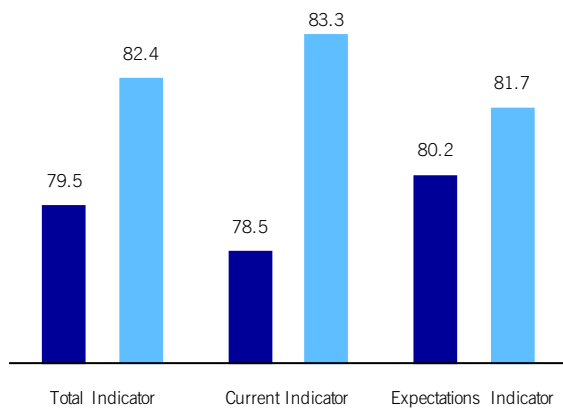


MNI Russia Consumer Indicator

Income Groups



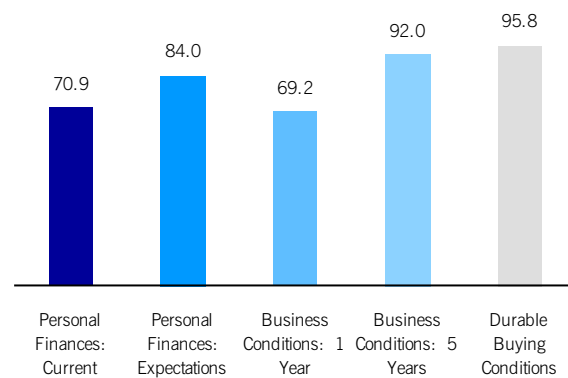
< RUB 480,000 Per Annum



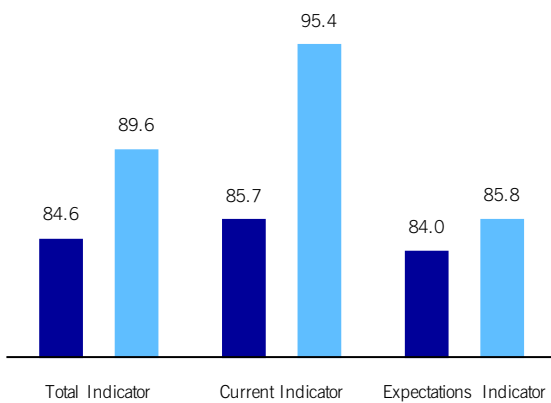
■ August 2014

■ September 2014

< RUB 480,000 - Components



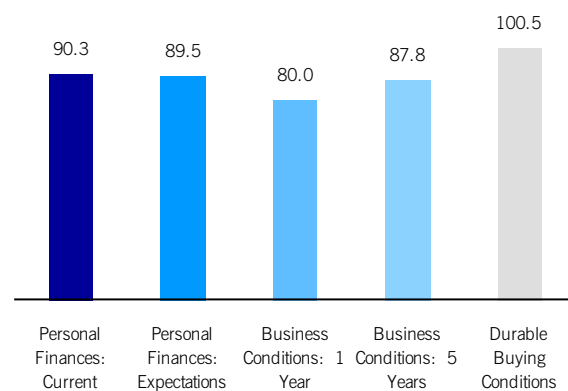
> RUB 480,000 Per Annum



■ August 2014

■ September 2014

> RUB 480,000 - Components





What the Panel Said

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

“The events in Ukraine are bad for business.”

“The Central Bank suspended some banking licenses. Our bank has closed and we lost some of our deposits.”

“A lot of offers are available in the real estate market.”

“Mortgage rates are very high.”

“Daily expenses have increased a lot.”

“My job is not stable. We don't know what tomorrow brings.”

“The rouble is getting weaker, it's hard to do business when things are so unpredictable.”

“The situation concerning imported cars is unclear.”

“Rouble goes down, prices go up.”

“There is a plan to protect Russia's economy from the possible widening of US and EU sanctions.”

“New product lines have appeared. They are modern, sophisticated, multipurpose and affordable.”

“You have to buy now because prices will surely go up, especially the prices of imported goods.”

“We live for the moment and don't know what the future holds for us.”

“Bank deposits are getting less safe.”

“Personal income makes it possible to regularly replace old devices with ones that are new and modern.”

“Housing prices are high and will continue to go up.”

“Owning a car is too expensive.”

“Most of our income is spent on food. Any other purchases are put off until our situation improves.”

“Work pays less than it used to.”

Russia - Central Overview

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Central Consumer Indicator	96.5	90.3	90.3	-	series low	92.4	0.0	0.0%
Current Indicator	102.4	94.6	94.6	-	series low	97.2	0.0	0.0%
Expectations Indicator	92.6	87.5	87.4	-	series low	89.2	-0.1	0.0%
Personal Finance: Current	95.2	88.0	87.1	-	series low	90.1	-0.9	-1.0%
Personal Finance: Expected	100.7	94.3	94.7	Jul-14	-	96.6	0.4	0.5%
Business Condition: 1 Year	85.9	78.3	81.0	Jul-14	-	81.7	2.7	3.5%
Business Condition: 5 Years	91.3	89.9	86.6	-	series low	89.3	-3.3	-3.6%
Durable Buying Conditions	109.6	101.2	102.1	Jul-14	-	104.3	0.9	0.8%
Current Business Conditions Indicator	91.1	91.5	91.2	-	Jul-14	91.3	-0.3	-0.4%
Real Estate Investment Indicator	115.3	112.9	111.9	-	Jun-14	113.4	-1.0	-0.9%
Car Purchase Indicator	77.1	77.3	73.6	-	series low	76.0	-3.7	-4.8%
Employment Outlook Indicator	90.3	87.7	89.0	Jul-14	-	89.0	1.3	1.6%
Inflation Expectations Indicator	147.5	147.9	142.8	-	Mar-14	146.1	-5.1	-3.4%
Current Prices Satisfaction Indicator	68.7	70.2	68.2	-	Jun-14	69.0	-2.0	-2.9%
Interest Rates Expectations Indicator	115.7	118.4	121.6	series high	-	118.6	3.2	2.7%

Russia - Urals Overview

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Urals Consumer Indicator	85.9	73.0	78.5	Jul-14	-	79.1	5.5	7.6%
Current Indicator	106.4	78.9	85.5	Jul-14	-	90.3	6.6	8.3%
Expectations Indicator	72.3	69.0	73.8	May-14	-	71.7	4.8	7.0%
Personal Finance: Current	98.9	74.2	80.9	Jul-14	-	84.7	6.7	9.1%
Personal Finance: Expected	72.3	68.5	70.5	Jul-14	-	70.4	2.0	2.8%
Business Condition: 1 Year	74.0	63.1	60.1	-	Jun-14	65.7	-3.0	-4.8%
Business Condition: 5 Years	70.6	75.3	90.9	May-14	-	78.9	15.6	20.7%
Durable Buying Conditions	113.8	83.6	90.0	Jul-14	-	95.8	6.4	7.7%
Current Business Conditions Indicator	92.7	67.8	83.2	Jul-14	-	81.2	15.4	22.7%
Real Estate Investment Indicator	114.6	109.2	111.3	Jul-14	-	111.7	2.1	1.9%
Car Purchase Indicator	89.4	83.3	74.7	-	series low	82.5	-8.6	-10.3%
Employment Outlook Indicator	76.5	85.8	78.6	-	Jul-14	80.3	-7.2	-8.4%
Inflation Expectations Indicator	158.2	158.0	151.9	-	Mar-14	156.0	-6.1	-3.8%
Current Prices Satisfaction Indicator	61.9	67.1	64.8	-	Jul-14	64.6	-2.3	-3.4%
Interest Rates Expectations Indicator	140.0	138.1	144.4	Jun-14	-	140.8	6.3	4.5%

Russia - Volga Overview

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Volga Consumer Indicator	86.0	62.9	75.6	Jul-14	-	74.8	12.7	20.1%
Current Indicator	96.9	57.4	82.4	Jul-14	-	78.9	25.0	43.6%
Expectations Indicator	78.8	66.6	71.0	Jul-14	-	72.1	4.4	6.6%
Personal Finance: Current	53.7	53.9	53.1	-	series low	53.6	-0.8	-1.5%
Personal Finance: Expected	73.4	56.1	57.4	Jul-14	-	62.3	1.3	2.3%
Business Condition: 1 Year	67.1	52.8	52.2	-	series low	57.4	-0.6	-1.2%
Business Condition: 5 Years	95.8	90.9	103.4	series high	-	96.7	12.5	13.8%
Durable Buying Conditions	140.1	60.9	111.7	Jul-14	-	104.2	50.8	83.5%
Current Business Conditions Indicator	108.7	62.3	79.4	Jul-14	-	83.5	17.1	27.6%
Real Estate Investment Indicator	103.6	115.5	112.3	-	Jul-14	110.5	-3.2	-2.7%
Car Purchase Indicator	57.9	56.7	82.4	Jun-14	-	65.7	25.7	45.4%
Employment Outlook Indicator	83.2	74.5	44.5	-	Jan-14	67.4	-30.0	-40.3%
Inflation Expectations Indicator	173.4	171.3	152.3	-	Jan-14	165.7	-19.0	-11.1%
Current Prices Satisfaction Indicator	92.4	57.4	63.3	Jul-14	-	71.0	5.9	10.3%
Interest Rates Expectations Indicator	149.4	150.0	140.0	-	Apr-14	146.5	-10.0	-6.6%

Russia - North Caucasus Overview

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - North Caucasus Consumer Indicator	95.0	85.1	88.0	Jul-14	-	89.4	2.9	3.4%
Current Indicator	92.6	75.1	79.3	Jul-14	-	82.3	4.2	5.6%
Expectations Indicator	96.6	91.8	93.7	Jul-14	-	94.0	1.9	2.2%
Personal Finance: Current	89.9	74.4	78.3	Jul-14	-	80.9	3.9	5.3%
Personal Finance: Expected	100.6	100.7	101.3	May-14	-	100.9	0.6	0.6%
Business Condition: 1 Year	89.5	74.5	78.1	Jul-14	-	80.7	3.6	4.9%
Business Condition: 5 Years	99.7	100.1	101.8	Oct-13	-	100.5	1.7	1.6%
Durable Buying Conditions	95.3	75.8	80.3	Jul-14	-	83.8	4.5	6.0%
Current Business Conditions Indicator	100.3	100.3	99.3	-	series low	100.0	-1.0	-0.9%
Real Estate Investment Indicator	106.3	101.7	97.0	-	Dec-13	101.7	-4.7	-4.6%
Car Purchase Indicator	78.4	80.8	65.8	-	Apr-14	75.0	-15.0	-18.5%
Employment Outlook Indicator	99.0	98.9	100.8	Feb-14	-	99.6	1.9	1.9%
Inflation Expectations Indicator	130.4	128.7	126.7	-	Jun-14	128.6	-2.0	-1.6%
Current Prices Satisfaction Indicator	62.1	61.3	55.3	-	series low	59.6	-6.0	-9.7%
Interest Rates Expectations Indicator	105.0	103.8	106.6	Jan-14	-	105.1	2.8	2.7%

Russia - West Siberian Overview

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - West Siberian Consumer Indicator	93.3	75.1	84.4	Jul-14	-	84.3	9.3	12.4%
Current Indicator	91.3	60.9	76.2	Jul-14	-	76.1	15.3	25.1%
Expectations Indicator	94.6	84.5	89.8	Jul-14	-	89.6	5.3	6.3%
Personal Finance: Current	90.4	60.8	75.1	Jul-14	-	75.4	14.3	23.4%
Personal Finance: Expected	96.9	97.8	96.9	-	series low	97.2	-0.9	-1.0%
Business Condition: 1 Year	90.0	59.8	75.2	Jul-14	-	75.0	15.4	25.8%
Business Condition: 5 Years	96.8	96.0	97.4	Jun-14	-	96.7	1.4	1.5%
Durable Buying Conditions	92.3	60.9	77.3	Jul-14	-	76.8	16.4	26.8%
Current Business Conditions Indicator	97.6	98.0	97.6	-	Jul-14	97.7	-0.4	-0.4%
Real Estate Investment Indicator	109.3	100.2	100.7	Jul-14	-	103.4	0.5	0.5%
Car Purchase Indicator	84.7	84.9	76.7	-	Jun-14	82.1	-8.2	-9.6%
Employment Outlook Indicator	89.2	90.1	82.7	-	series low	87.3	-7.4	-8.2%
Inflation Expectations Indicator	110.7	110.8	109.8	-	Nov-13	110.4	-1.0	-0.9%
Current Prices Satisfaction Indicator	44.3	45.6	45.7	Jun-14	-	45.2	0.1	0.1%
Interest Rates Expectations Indicator	104.3	104.9	103.3	-	Feb-14	104.2	-1.6	-1.5%

All Russia - Overview by Age

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI Russia Consumer Indicator	93.6	83.0	86.8	Jul-14	-	87.8	3.8	4.5%
Current Indicator	99.1	84.1	86.9	Jul-14	-	90.0	2.8	3.3%
Expectations Indicator	90.0	82.3	86.7	Jul-14	-	86.3	4.4	5.3%
Personal Finance: Current	94.9	80.7	75.5	-	series low	83.7	-5.2	-6.5%
Personal Finance: Expected	93.4	89.7	90.6	Jul-14	-	91.2	0.9	1.1%
Business Condition: 1 Year	85.8	72.8	72.3	-	series low	77.0	-0.5	-0.6%
Business Condition: 5 Years	90.8	84.5	97.1	Jan-14	-	90.8	12.6	14.9%
Durable Buying Conditions	103.3	87.5	98.4	Jul-14	-	96.4	10.9	12.4%
Age 35-54								
MNI Russia Consumer Indicator	91.1	82.4	84.0	Jul-14	-	85.8	1.6	2.0%
Current Indicator	98.4	82.4	93.2	Jul-14	-	91.3	10.8	13.1%
Expectations Indicator	86.2	82.5	77.9	-	series low	82.2	-4.6	-5.5%
Personal Finance: Current	82.3	76.1	85.7	Jan-14	-	81.4	9.6	12.6%
Personal Finance: Expected	88.6	88.0	75.8	-	series low	84.1	-12.2	-13.9%
Business Condition: 1 Year	80.3	70.5	77.1	Jul-14	-	76.0	6.6	9.4%
Business Condition: 5 Years	89.8	88.9	80.9	-	series low	86.5	-8.0	-9.0%
Durable Buying Conditions	114.5	88.6	100.7	Jul-14	-	101.3	12.1	13.6%
Age 55-64								
MNI Russia Consumer Indicator	82.9	75.8	83.0	Jun-14	-	80.6	7.2	9.5%
Current Indicator	85.9	72.0	79.2	Jul-14	-	79.0	7.2	10.1%
Expectations Indicator	80.9	78.3	85.5	Jun-14	-	81.6	7.2	9.2%
Personal Finance: Current	74.9	69.0	72.6	Jul-14	-	72.2	3.6	5.3%
Personal Finance: Expected	89.7	71.1	98.4	Oct-13	-	86.4	27.3	38.3%
Business Condition: 1 Year	68.5	63.5	67.5	Jul-14	-	66.5	4.0	6.4%
Business Condition: 5 Years	84.4	100.4	90.6	-	Jul-14	91.8	-9.8	-9.7%
Durable Buying Conditions	97.0	74.9	85.8	Jul-14	-	85.9	10.9	14.5%

All Russia - Overview by Income

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	84.7	79.5	82.4	Jul-14	-	82.2	2.9	3.6%
Current Indicator	88.5	78.5	83.3	Jul-14	-	83.4	4.8	6.1%
Expectations Indicator	82.1	80.2	81.7	Jul-14	-	81.3	1.5	1.9%
Personal Finance: Current	78.7	74.0	70.9	-	May-14	74.5	-3.1	-4.3%
Personal Finance: Expected	87.8	81.4	84.0	Jul-14	-	84.4	2.6	3.2%
Business Condition: 1 Year	70.2	70.2	69.2	-	May-14	69.9	-1.0	-1.5%
Business Condition: 5 Years	88.4	89.1	92.0	Apr-14	-	89.8	2.9	3.3%
Durable Buying Conditions	98.2	83.0	95.8	Jul-14	-	92.3	12.8	15.4%
> RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	100.5	84.6	89.6	Jul-14	-	91.6	5.0	5.9%
Current Indicator	109.7	85.7	95.4	Jul-14	-	96.9	9.7	11.3%
Expectations Indicator	94.4	84.0	85.8	Jul-14	-	88.1	1.8	2.1%
Personal Finance: Current	98.5	81.4	90.3	Jul-14	-	90.1	8.9	11.0%
Personal Finance: Expected	94.2	93.0	89.5	-	series low	92.2	-3.5	-3.8%
Business Condition: 1 Year	97.7	71.0	80.0	Jul-14	-	82.9	9.0	12.7%
Business Condition: 5 Years	91.5	87.9	87.8	-	series low	89.1	-0.1	-0.1%
Durable Buying Conditions	120.8	90.0	100.5	Jul-14	-	103.8	10.5	11.6%

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