



**mni** | DEUTSCHE BÖRSE  
GROUP

# MNI Russia Business Report

## May 2015

Insight and data for better decisions

# MNI Russia Business Report

## Methodology

MNI Russia Business Sentiment is a monthly poll of Russian business executives at companies listed on the Moscow Exchange which has been available since March 2013. Companies are a mix of manufacturing, service, construction and agricultural firms.

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

Respondents are asked their opinion on whether a particular business activity has increased, decreased or remained the same compared with the previous month as well as their expectations for three months ahead, e.g. Is Production 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 50 shows expansion, below 50 indicates contraction and a result of 50 means no change.

The survey looks at key business metrics including orders, production, pricing, inventories, credit availability and exchange rate impact. Sentiment on both current and future expectations allows users to comprehensively monitor business and economic trends.

Whether you are forecasting the Russian economy, analysing where to invest in Russia or want to know how other companies in your sector are performing, our monthly intelligence offers an unrivalled insight into exactly what Russia's largest companies are thinking.

### Written and researched by

Philip Uglow, Chief Economist

Shaily Mittal, Economist

George Brown, Economist

### Release Time

Embargoed until 9:45 a.m. Moscow time

May 28, 2015

### MNI Indicators | Deutsche Börse Group

Westferry House

11 Westferry Circus

London


E14 4HE

Tel: +44 (0)20 7862 7444

Email: [info@mni-indicators.com](mailto:info@mni-indicators.com)

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

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

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

# MNI Russia Business Report - May 2015

## Contents

4	Editorial
6	Executive Summary
10	Economic Landscape
17	Indicators
18	MNI Russia Business Indicator
20	Orders
22	Output and Employment
24	Prices
26	Money and Credit
28	Logistics
30	Data Tables



# Hibernation

---

There was little doubt that the economy would go into hibernation. Although it's still uncertain as to how long it will take to emerge and whether the worst is over, latest signals have been a little more positive and point to some revival in economic activity.

There was little doubt that the economy would go into hibernation. Although it's still uncertain as to how long it will take to emerge and whether the worst is over, latest signals have been a little more positive and point to some revival in economic activity.

Russia's problems appeared long before the imposition of Western sanctions, although the economy has remained surprisingly resilient over the past year in spite of the hardships it has faced. Ultimately, however, things took a turn for the worse at the beginning of 2015. Industrial production fell sharply, while falling wages, rising unemployment and the high cost of credit prompted a sharp fall in consumer demand. Consequently, it came as no surprise that preliminary data by the Federal Statistics Service revealed that the economy had contracted in the first quarter of 2015 for the first time in six years.

Latest signals, though, have been a little more positive. The stabilisation in the rouble and the possible topping out of inflation are two key positives for Russia. After the rouble depreciated so rapidly towards the end of 2014 that it almost brought about a full-blown currency crisis, it has now recovered substantially. The stronger rouble was already a contributory factor in the easing of inflation in April and should help to bring it down further over the coming months. It should also provide the Central Bank of Russia (CBR) with more room to cut the key rate in order to normalise it following the rapid policy tightening at the end of last year which should help to boost domestic demand.

Of course, it does create a headache for the Kremlin's finances. Last year's fall in the price of oil, which accounted for around half of Russia's annual budget revenue, had been mitigated by the corresponding weakening in the currency, leaving fiscal revenues more-or-less unchanged since oil export duties are denominated in US dollars. Moreover, the rouble came as a helping hand to exporters. Both these effects have now diminished though following the appreciation in the rouble.

Even so, evidence from this month's MNI Russia Business Survey suggests businesses are experiencing some revival in activity, meaning that the economy

may fare better than previously anticipated. If the data from our business survey is right, we may be not too far from the bottom.

The downturn has presented an opportunity for Russia to reinvent itself; to move away from its reliance on oil and instead diversify. Indeed, we have seen just how effective Russian manufacturing can be, filling the void created by the food ban and sanctions in 2014. It will be an uphill struggle, but in the long-term Russia has the means to rival its BRIC partners once again.

**George Brown**  
Economist  
MNI Indicators



# Executive Summary

---

The MNI Russia Business Sentiment Indicator rose by 11.5% to 51.3 in May from 46.0 in April, bringing to an end eight consecutive months of contraction.

Confidence returned to Russian companies in May as the rate cuts by the Central Bank of Russia and the recovery in the rouble brought about a considerable improvement to the business environment.

The MNI Russia Business Sentiment Indicator rose by 11.5% to 51.3 in May from 46.0 in April, bringing to an end eight consecutive months of contraction. Business confidence is now significantly above the record low of February, with the latest increase a further sign that this may prove to be a turning point.

Companies in the service sector were the sole driver of this month's improvement, and were the most optimistic among the three sectors. Meanwhile, companies within the manufacturing and construction sectors reported that they were less satisfied with the current business environment but continued to remain positive overall.

Companies were also more optimistic in their near-term outlook, with the Future Expectations Indicator rising by 2.6% to 55.2 from 53.8 in April.

Availability of Credit increased for the third consecutive month, pushing it into expansion for the first time since the introduction of capital restrictions in July 2014.

Both Production and New Orders increased modestly, building on gains in March and April, and pushing them both just above the 50 level in May.

Even though the rouble has strengthened considerably since hitting a low in January, it remains relatively weak by historical standards and consequently balanced out the negative impact of the sanctions in May with the Export Orders Indicator standing at exactly 50.0.

While companies kept the size of their workforce broadly stable in May, with the Employment Indicator at 50.0, they anticipated that their workforce would be higher in three months' time amid a more optimistic outlook for both orders and output.

Inflationary pressures continued to ease as the rouble appreciated further, with lower input costs enabling more companies to keep the prices of their own goods and services in check.

Even as companies expanded their production in May, there was a corresponding fall in the Inventories Indicator to 53.4 from 60.8 in April, possibly signalling that the improvement in demand outstripped the rise in output this month.

## Overview

	Mar-15	Apr-15	May-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
<b>MNI Russia Business Indicator</b>								
Current Conditions	48.8	46.0	51.3	Aug-14	-	48.7	5.3	11.5%
Future Expectations	52.7	53.8	55.2	Jan-15	-	53.9	1.4	2.6%
<b>Production</b>								
Current Conditions	47.8	49.5	50.5	Jan-15	-	49.3	1.0	2.0%
Future Expectations	48.3	50.3	52.9	Oct-14	-	50.5	2.6	5.2%
<b>New Orders</b>								
Current Conditions	44.3	48.3	50.5	Jan-15	-	47.7	2.2	4.6%
Future Expectations	50.5	51.8	51.5	-	Mar-15	51.3	-0.3	-0.6%
<b>Export Orders</b>								
Current Conditions	48.7	50.0	50.0	Apr-15	-	49.6	0.0	0.0%
Future Expectations	51.1	51.1	52.7	Aug-13	-	51.6	1.6	3.1%
<b>Productive Capacity</b>								
Current Conditions	50.3	50.0	50.0	Apr-15	-	50.1	0.0	0.0%
Future Expectations	51.0	51.0	51.0	Apr-15	-	51.0	0.0	0.0%
<b>Order Backlogs</b>								
Current Conditions	47.8	50.0	49.8	-	Mar-15	49.2	-0.2	-0.4%
Future Expectations	48.0	48.3	48.3	Apr-15	-	48.2	0.0	0.0%
<b>Employment</b>								
Current Conditions	50.0	50.5	50.0	-	Feb-15	50.2	-0.5	-1.0%
Future Expectations	49.0	50.5	50.5	Apr-15	-	50.0	0.0	0.0%
<b>Inventories</b>								
Current Conditions	66.9	60.8	53.4	-	Dec-14	60.4	-7.4	-12.2%
Future Expectations	50.0	50.0	49.3	-	Dec-14	49.8	-0.7	-1.4%
<b>Input Prices</b>								
Current Conditions	56.8	55.3	52.5	-	Dec-14	54.9	-2.8	-5.1%
Future Expectations	52.3	52.9	52.1	-	Feb-15	52.4	-0.8	-1.5%
<b>Prices Received</b>								
Current Conditions	55.3	62.3	52.8	-	Dec-14	56.8	-9.5	-15.2%
Future Expectations	54.2	56.8	56.3	-	Mar-15	55.8	-0.5	-0.9%
<b>Financial Position</b>								
Current Conditions	49.3	52.8	50.5	-	Mar-15	50.9	-2.3	-4.4%
Future Expectations	52.5	54.7	55.6	Feb-15	-	54.3	0.9	1.6%
<b>Interest Rates Paid</b>								
Current Conditions	50.0	50.0	50.0	Apr-15	-	50.0	0.0	0.0%
Future Expectations	49.5	49.5	49.7	Feb-15	-	49.6	0.2	0.4%
<b>Effect of Rouble Exchange Rate</b>								
Current Conditions	49.5	39.3	48.8	Mar-15	-	45.9	9.5	24.2%
Future Expectations	49.7	49.4	49.4	Apr-15	-	49.5	0.0	0.0%
<b>Supplier Delivery Times</b>								
Current Conditions	48.3	44.8	48.5	Jan-15	-	47.2	3.7	8.3%
Future Expectations	49.7	49.5	49.7	Mar-15	-	49.6	0.2	0.4%
<b>Availability of Credit</b>								
Current Conditions	46.0	49.5	50.8	Jul-14	-	48.8	1.3	2.6%
Future Expectations	55.7	53.8	55.5	Mar-15	-	55.0	1.7	3.2%



Preliminary data  
showed that GDP  
shrank by 1.9% in  
Q1...

...following growth of 0.4% in Q4 2014.



# Economic Landscape

---

Preliminary data by the Federal Statistics Service revealed that the economy had contracted in the first quarter of 2015 for the first time in six years, suggesting that Russia may have fallen into recession.

Preliminary data by the Federal Statistics Service revealed that the economy had contracted in the first quarter of 2015 for the first time in six years, suggesting that Russia may have fallen into recession. Even so, the contraction was far more moderate than many had expected as the Russian economy continues to exhibit the same resilience that it did in 2014.

In a widely anticipated move, the Central Bank of Russia cut the key benchmark rate further as it seeks to normalise monetary policy following the emergency tightening witnessed towards the end of 2014. Both the rouble's strengthening and the deterioration in consumer demand has helped to bring about an easing in inflation. Consequently, the CBR chose to cut the key interest rate by a further 150 basis points to 12.5% at its meeting on April 30 as it shifts its focus to the significant cooling in growth which it now sees as the greatest risk to the Russian economy.

Latest economic data has been poor across the board, indicating that the Russian economy is most likely in recession. In April, industrial production suffered a sharp contraction as the strengthening in the rouble eroded the attractiveness of Russian-manufactured goods and services. Meanwhile, real wages declined sharply as high unemployment further eroded the bargaining power of the Russian workforce who have accepted wage cuts

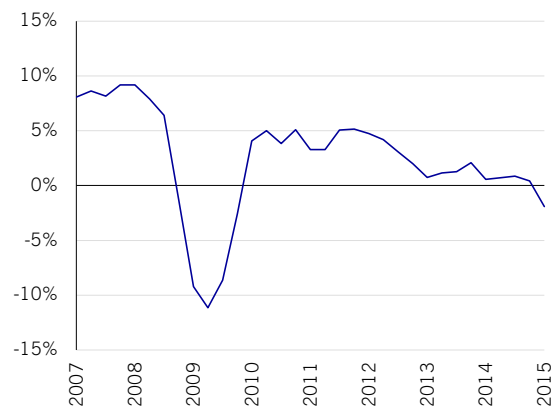
as companies seek to scale back their operations. This weighed further on consumers' purchasing power, with retail sales falling by the most since July 1999 and car sales posting a double-digit decline for the fourth consecutive month in April despite the government's car scrappage scheme. Consumer prices eased for the first time in nine months in April, providing a tentative sign that inflation is tapering off, although wholesale prices continued to rise.

**Economy falls into contraction**

Preliminary data released by the Federal Statistics Service (Rosstat) showed that the economy shrunk by 1.9% in the first quarter of 2015 following growth of just 0.4% in Q4 2014. This marked the first contraction in more than six years and suggests that the economy has taken a turn for the worse after having fared remarkably well throughout 2014 considering the pressures it faced.

While data on an expenditure basis has yet to be released, it is likely that the contraction was led by a sharp drop in consumer spending brought about by high interest rates, falling wages and rising inflation. Meanwhile, a narrowing in Russia's trade surplus could have had some bearing on the contraction in the first quarter as low oil prices, Western sanctions and the recent appreciation of the rouble are likely to have dented Russian exports.

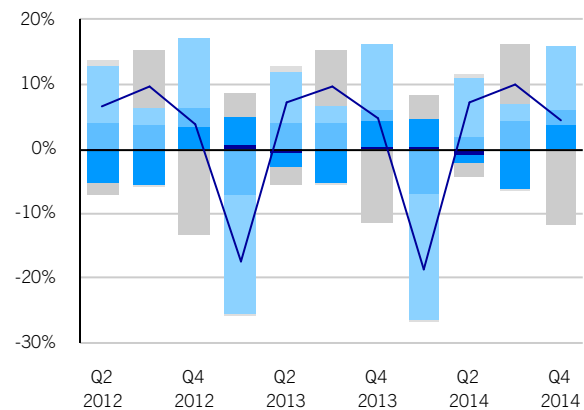
**Economic Growth**



— GDP Y/Y %

Source: Rosstat

**Contribution to Economic Growth**



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

Source: Rosstat

Over the course of 2014 as a whole, the Russian economy expanded by 0.6% compared with growth of 1.3% in the previous year. Nevertheless, the economy is expected to contract this year given the difficult headwinds that it faces.

The latest GDP figures from the Economic Development Ministry revealed that the economy contracted by 4.7% on the year in April after shrinking by 3.4% in March, bringing the estimate for Q1 to -2.2%. The economy ministry estimates that the economy will shrink by 2.5% in 2015 and that the downturn will be sharpest in the third quarter.

#### Output continues to contract

Industrial production declined by a seasonally adjusted 1.6% on the month in April after contracting by 0.4% in the previous month, causing year-on-year growth to fall by 4.5% in April following a decline of 0.6% previously.

A collapse in manufacturing output was the main driver, shrinking 7.2% on the year in April following a decline of 1.9% in the month before. The greatest decline came from the transportation means and equipment industry, which contracted by 22.2% on the year from 5.2% in the previous month, while a 17.5% fall in the printing and publishing industry also brought down manufacturing output this month.

Mining and quarrying output, meanwhile, contracted by 0.8% on the year in April after an increase of 0.4% in the previous month. While mining of coal and crude oil expanded by 2.4% and 1.2% respectively in April, a 3.5% contraction in the extraction of natural gas brought the sector as a whole into the red.

Conversely, growth in utilities output accelerated to 1.8% on the year in April from 0.8% in March. Thermal energy production and distribution managed to eke out annual growth of 0.7% in April following a 0.6% decline in March. Meanwhile, electricity production accelerated to 3.2% on the year in April from 1.9% in the previous month.

In the first four months of 2015, industrial production contracted by 1.4% compared with growth of 1.4% in the same period a year ago.

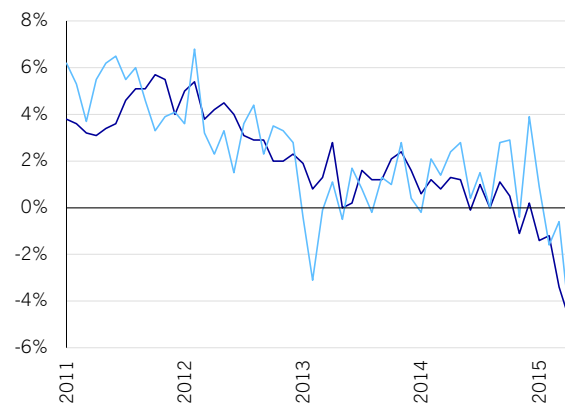
#### Third rate cut in 2015

At its meeting on April 30, the Central Bank of Russia cut the key interest rate by 150 basis points to 12.5% as it sought to further normalise monetary policy.

This marks the third time the CBR has cut the key interest rate this year after having previously raised it by 650 basis points in December in a desperate effort to support the rouble which was rapidly depreciating. Pressure on the currency has subsided considerably since the December maelstrom and inflation eased for the first time in nine months in April, vindicating the CBR's quick policy reversal and paves the way for further policy normalisation.

In a press release explaining the rationale behind the rate cut, the CBR said that the combination of the rouble's sharp strengthening and the rapid deterioration in consumer demand had caused annual inflation to ease faster than they had previously anticipated. As a consequence, it felt that the balance of risks had shifted towards the cooling in the economy which is estimated to have suffered a significant contraction in Q1 according to the Economy Ministry, warranting a rate cut that would not contribute to inflationary pressures. Once again, the CBR stressed that it is open to additional monetary easing as inflation risks continue to abate.

#### Industrial Production and GDP

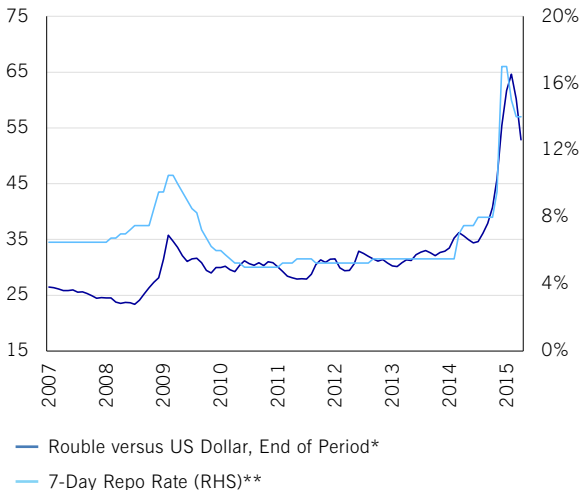


— GDP: Estimate Y/Y %\*

— Industrial Production Y/Y %\*\*

Source: \*Ministry of Economic Development, \*\*Rosstat

**CBR Key Rate and Ruble**



Source: \*Reuters, \*\*Central Bank of Russia

The central bank is due to meet next on June 15 when it is likely to further normalise policy in an effort to alleviate the downturn in the Russian economy. While the rouble has strengthened significantly since December, the CBR has been relatively cautious in easing policy and so a more sizeable rate cut shouldn't be ruled out.

**Trade surplus deteriorates**

Russia's trade surplus has narrowed considerably over the past year as the low price of oil and economic sanctions have caused a continuous decline in exports that has outstripped a fall in imports. In March, Russia's trade surplus declined by 40.1% to \$11.8 billion from \$19.6 billion in March 2014.

Exports declined by 36.4% to \$29.9 billion in March from \$47 billion in a year earlier, the sharpest annual fall since August 2011. Much of the decline is the result of the sharp drop in the price of oil, Russia's key export commodity, which started falling in July. Therefore, it is likely that exports will continue to post annual declines until base effects begin to materialise.

Imports, meanwhile, fell by 33.6% to \$18.2 billion in March from \$27.4 billion a year earlier, although even this was a moderation on the decline of 35.4% in February and the contraction of 40.7% in January. Since the rouble has weakened considerably over the past

year, the cost of imports has increased sharply. Consequently, imports have reduced as companies have looked increasingly to domestic suppliers.

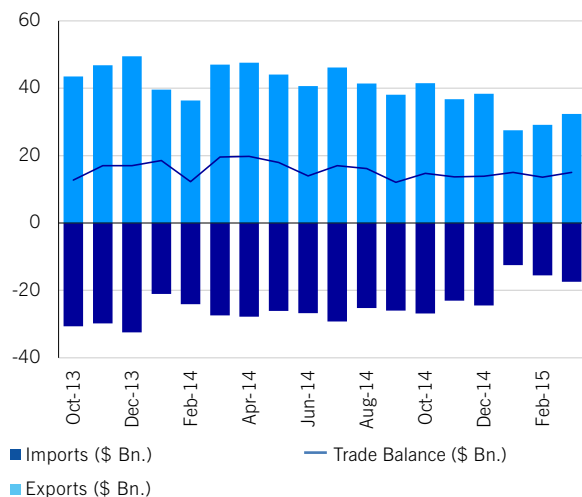
Historically, a strong trade surplus has been a supporting factor for the rouble and the recent deterioration in Russia's terms of trade has only added to the headwinds faced by the currency. While the rouble lost almost half of its value in 2014, it has recovered considerably against the dollar in the first quarter of 2015 which could ease the decline in imports over the coming months and thus cause Russia's trade surplus to narrow even further.

**Inflation shows tentative signs of tapering off**

Consumer price inflation slowed for the first time in nine months to 16.4% on the year in April from 16.9% in March. Much of the easing was due to a deceleration in food price inflation, which makes up more than a third of the basket, to 21.9% on the year in April following a rise of 23% in March. Stripping out the prices of food and fuel, which tend to be volatile, core inflation continued to rise after the significant weakening in the rouble caused the price of many imported goods to rise. In April, it remained unchanged at 17.5% on the year, the highest since the statistics office began measuring it in January 2003.

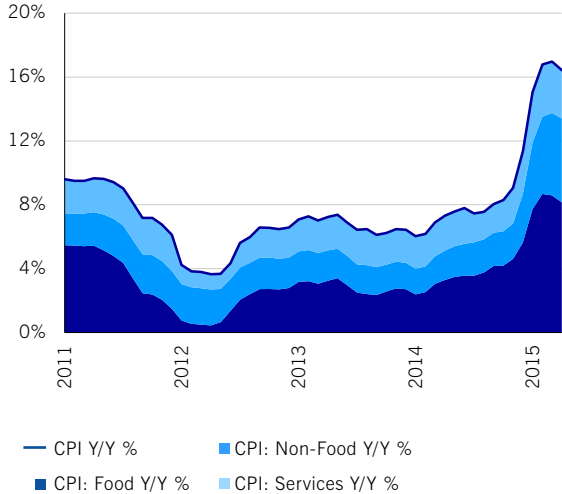
Under the Central Bank of Russia's most recent baseline scenario, weak economic growth is forecast to slow

**Trade Balance**



Source: Federal Customs Service

Consumer Price Inflation



Source: Rosstat

annual inflation to 8% by 2016 before finally falling to its medium-term target of 4% in 2017.

Producer price inflation, meanwhile, accelerated to 15% on the year in April from 13% in March. While prices have previously been kept in check by weak demand and lower energy prices, the weakness of the rouble has filtered through in recent months. Petroleum coke led the components of the wholesale basket in April, accelerating to 74.2% on the year from 50.2% in March.

Deterioration in household finances

Amid the tough economic background, unemployment has risen and wages have deteriorated which have had an adverse impact on the spending power of Russian households.

Western sanctions and the fall in the price of oil have hurt the finances of many Russian companies, causing some to collapse and others to start scaling back their workforce given the uncertain future. This has resulted in greater unemployment, which remains historically high in spite of a slight easing to 5.8% in April following a rise to 5.9% in March. The employment situation in Russia has on the whole remained resilient in the face of the slowdown, a reflection of the country's overstaffing and low levels of productivity, although the recent trend in rising unemployment is expected to continue

throughout 2015 in line with the downturn in the economy.

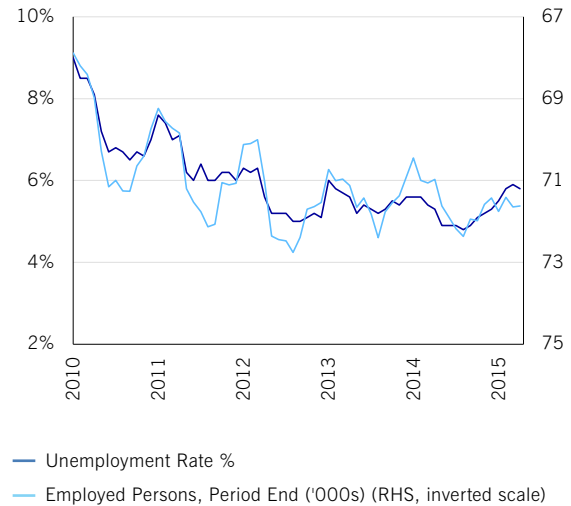
Rising unemployment has reduced the bargaining power of the Russian workforce and many have accepted wage cuts as companies seek to scale back their operations. Real wages fell by a staggering 13.2% on the year in April after declining by a revised 10.6% in March, the largest decline since August 1999 when the economy was recovering from the financial crisis. Evidence from our consumer survey shows that Russian households spend a significant proportion of their income on daily expenses; leaving them with very little, if any, to save or invest. With wages likely to continue declining given rising unemployment, households could be ill-equipped to deal with the challenging conditions they are likely to have to endure in 2015.

Further decline in consumer spending

Retail sales fell by 9.8% in April from a year earlier, following a decline of 8.7% in March, the joint largest decline since July 1999. Sales of non-food items declined by 10.7% on the year in April after having contracted by a revised 10% in March, whereas food sales declined by 8.9% on the year in April after shrinking by a revised 7.4% in the previous month.

Automobile sales declined by 41.5% on the year in April following a fall of 42.5% in March. Previously, the

Labour Market

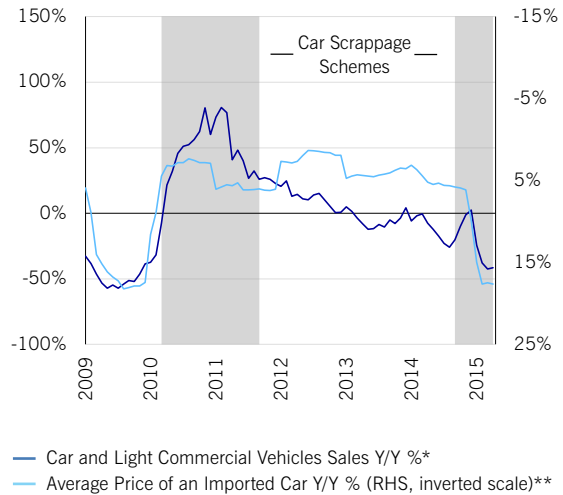


Source: Rosstat

downturn in the car market had been mitigated by a government car scrappage and trade-in scheme introduced in September 2014 which provides a discount of at least 40,000 roubles off a new vehicle to consumers who trade in a car that is at least six years old. There were hopes that growth observed in December, although small, would mark the end of an 11-month decline in the car market but the significant fall in the first four months of 2015 dispels any such notion. The sharp decline in car sales may be due to dealerships having priced in the cost of the weaker rouble, having previously kept prices in check. In April, the price of a domestically manufactured car was 21.5% above one produced a year previously and the price of those that are imported was 17.6% higher on the year.

The government has recently pledged 1.5 billion roubles of subsidies in order to help bring down the cost of car loans which have risen considerably following the rapid policy tightening of the Central Bank of Russia towards the end of 2014. The government hopes that the scheme will help Russian households buy up to 200,000 new cars, although these estimates seem optimistic given that expectations for personal finances fell to an all-time low in the April MNI Russia Consumer Survey which will likely weigh down heavily on major purchases such as cars.

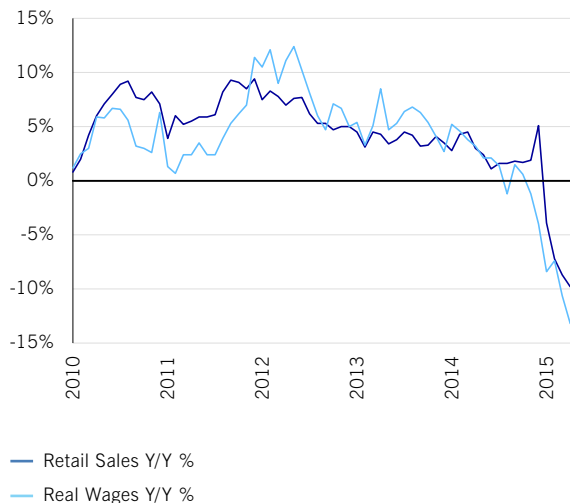
Car Sales



Source: \*Association of European Businesses, \*\*Rosstat

As we anticipated, consumer spending has failed to retain its momentum as consumer purchasing power has been eroded by the fall in household finances. Indeed, this trend looks likely to continue throughout 2015 as purchasing conditions in the Russian economy are set to deteriorate further. While inflation has shown some tentative signs of tapering off, it is likely to remain uncomfortably high which will continue to be a burden on consumers over the remainder of the year.

Retail Sales and Real Wages



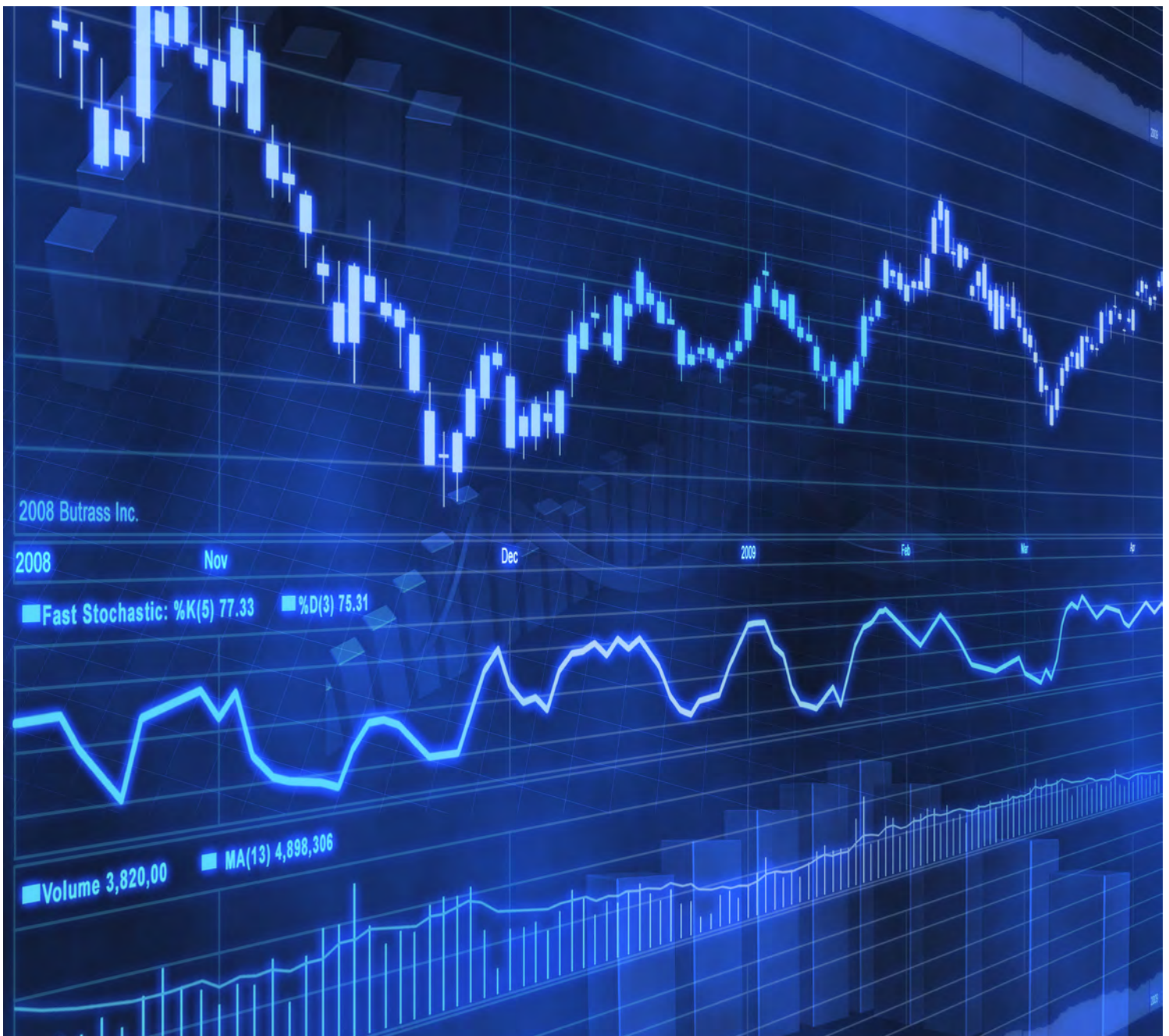
Source: Rosstat

## Key Monthly Economic Data

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
GDP Y/Y %*	-1.1	0.2	-1.4	-1.2	-3.4	-4.7	-
Industrial Production Y/Y %**	-0.4	3.9	0.9	-1.6	-0.6	-4.5	-
Consumer Price Index Y/Y %**	9.1	11.4	15.0	16.7	16.9	16.4	-
Producer Price Index Y/Y %**	6.1	5.8	7.1	9.3	13.0	15.0	-
Unemployment Y/Y %**	5.2	5.3	5.5	5.8	5.9	5.8	-
Real Wages Y/Y %**	-1.2	-4.0	-8.4	-7.4	-10.6	-13.2	-
Retail Sales Y/Y %**	1.9	5.1	-3.9	-7.2	-8.7	-9.8	-
Car Sales Y/Y %***	-1.1	2.4	-24.4	-37.9	-42.5	-41.5	-
Trade Balance \$ Bn.****	13.7	13.9	15.0	13.6	15.0	-	-
Exports \$ Bn.****	36.8	38.4	27.5	29.2	32.4	-	-
Imports \$ Bn.****	23.1	24.5	12.5	15.6	17.4	-	-
MNI Russia Business Sentiment Indicator	46.8	47.3	49.2	42.0	48.8	46.0	51.3
MNI Russia Consumer Sentiment Indicator	76.3	80.3	70.6	73.1	69.2	72.0	-

Source: \*Ministry of Economic Development, \*\*Rosstat, \*\*\*Association of European Businesses, \*\*\*\*Federal Customs Service





# Indicators

---

Confidence returned to Russian companies in May as the rate cuts by the Central Bank of Russia and the recovery in the rouble brought about a considerable improvement in the business environment.

# MNI Russia Business Indicator

## Highest Since August 2014



Confidence returned to Russian companies in May as the rate cuts by the Central Bank of Russia and the recovery in the rouble brought about a considerable improvement in the business environment.

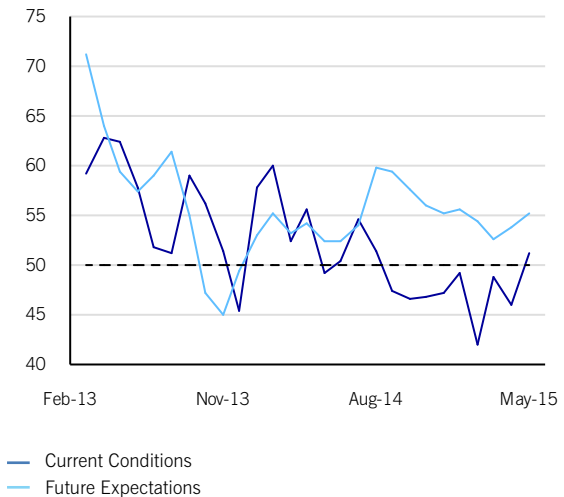
The MNI Russia Business Sentiment Indicator rose by 11.5% to 51.3 in May from 46.0 in April, bringing to an end eight consecutive months of contraction. Business confidence is now significantly above the record low of February, with the latest increase a further sign that this may prove to be a turning point.

Companies were also more optimistic in their near-term outlook, with the Future Expectations Indicator rising by 2.6% to 55.2 from 53.8 in April.

Companies in the service sector were the sole driver of this month's improvement, and were the most optimistic among the three sectors. Meanwhile, companies within the manufacturing and construction sectors reported that they were less satisfied with the current business environment but continued to remain positive overall. All three sectors remained optimistic in their expectations for the coming three months, although only service sector companies had an improved outlook. Expectations eased slightly among companies in the manufacturing sector and remained unchanged for the sixth consecutive month among construction firms.

Data from the Ministry of Economic Development revealed that the Russian economy contracted by 4.7% on the year in April following a decline of 3.4% in March. Russia's GDP growth is captured well by the MNI Russia Business Sentiment Indicator and this month's rise could be a tentative sign that the worst of the downturn has passed. Even so, growth is unlikely to return for some time to come given that there are several factors currently weighing down the Russian economy with many

MNI Russia Business Sentiment Indicator



### MNI Russia Business Indicator

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Current Conditions	49.2	47.3	49.2	42.0	48.8	46.0	51.3

downside risks continuing to threaten the already-dire situation.

The Federal State Statistics Service released official GDP data for the three months to March and revealed that economic growth had contracted by 1.9% on the year after having managed to eke out growth of 0.4% in Q4. This was broadly in line with our expectations after the MNI Russia Business Sentiment Indicator averaged just 46.7 in Q1, the weakest quarter since the survey began in March 2013. Meanwhile, our sister MNI Russia Consumer Survey showed that consumer sentiment had also fallen to a record low of 71.0 in Q1.

In addition to the rise in overall business sentiment, there were some encouraging signs in many other key metrics of the report. For the first time since the introduction of Western capital restrictions, the availability of credit to our panel expanded following three consecutive rate cuts by the central bank. Increasing ties with Chinese lending institutions may also be having an impact. Companies reported an expansion in orders for the first time since January even though overseas demand remained unchanged from the previous month, pointing to a welcome improvement in domestic demand. To meet the rise in demand, companies expanded their production and anticipated that they would continue to scale up for the next three months as well. Inflationary pressures continued to ease as the rouble appreciated further, with lower input costs enabling more companies to keep the prices of their own goods and services in check.

Six out of the 15 current conditions indicators in the MNI Russia Business Survey rose in May, while seven of the 15 Future Expectations indicators increased on the month.

#### Sectors - Overall Business Conditions

	Manufacturing	Services	Construction
Current Conditions	↓ > 50	↑ > 50	↓ = 50
Future Expectations	↓ > 50	↑ > 50	↔ > 50

#### MNI Russia Business Indicator

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Future Expectations	52.5	55.3	55.6	54.5	52.7	53.8	55.2

# Orders

## Domestic Orders Pick-Up



While export orders were unchanged from the previous month, there was a rise in the total number of new orders received by our panel in May, pointing to an improvement in domestic demand.

Evidence from our survey shows that companies have received fewer orders in recent months as Russian companies have faced a highly uncertain business environment due to the imposition of painful sectoral sanctions by the West. In May, however, the New Orders Indicator reversed three consecutive months of decline by rising above the 50 benchmark level to 50.5 from 48.3 in April, although it was still down by 7.8% on the year.

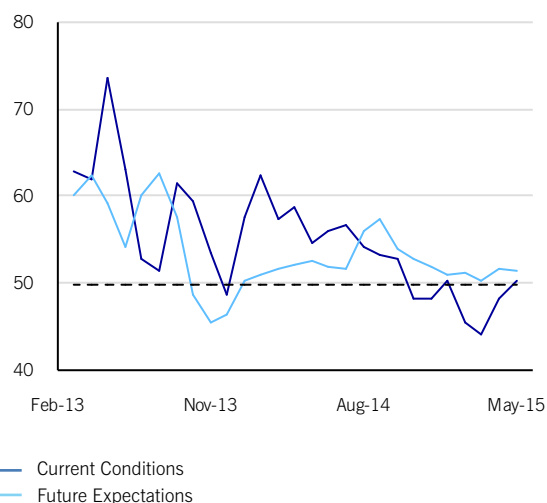
Companies also remained optimistic about demand over the coming three months, with the Expectations Indicator for New Orders remaining broadly stable at 51.5 in May compared with 51.8 in April.

With the rouble having depreciated substantially throughout 2014, Russian goods and services have become cheaper to foreign companies. Even so, Western economic sanctions have prevented trade with certain Russian companies, resulting in numerous joint-ventures having to be cancelled, while new trade agreements have become a rarity.

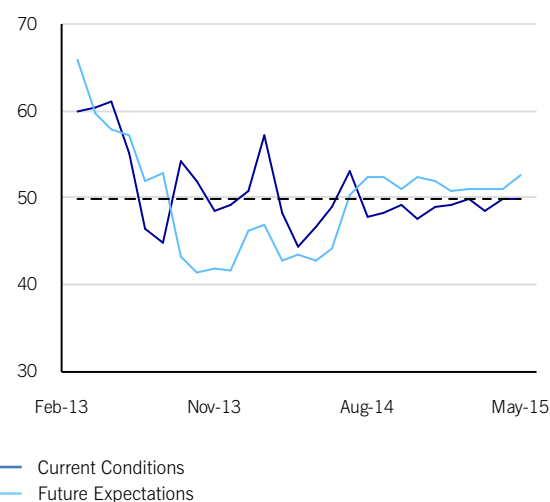
Even though the currency has strengthened considerably since hitting a low in January, it remains relatively weak by historical stands and consequently balanced out the negative impact of the sanctions in May with the Export Orders Indicator standing at exactly 50.0.

Our panel continued to anticipate that Export Orders would rise in the coming three months, with the Expectations Indicator rising to 52.7 in May after having

### New Orders



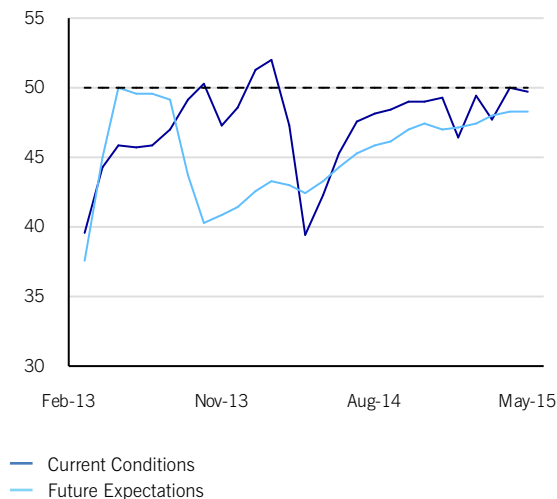
### Export Orders



### Orders - Current Conditions

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
New Orders	54.8	48.3	50.5	45.5	44.3	48.3	50.5
Export Orders	46.9	49.0	49.3	50.0	48.7	50.0	50.0
Order Backlogs	42.3	49.3	46.5	49.5	47.8	50.0	49.8

## Order Backlogs



previously been at 51.1 for three consecutive months. With sanctions preventing several state-owned Russian companies from doing business with the West, the government has made recent efforts to improve relations with other countries including China, India and Turkey which could account in part for the brighter outlook for overseas orders.

While last month's rise in the Order Backlogs to 50.0 ended 13 months of decline, the slight fall in the indicator to 49.8 in May tipped it straight back into contraction. Moreover, our panel remained pessimistic in their outlook for their unfulfilled orders in the future, with the Expectations Indicator remaining unchanged at 48.3 in May.

## Sectors - Current Conditions

	New Orders	Export Orders	Order Backlogs
Manufacturing	↓ > 50	↔ = 50	↔ < 50
Services	↑ < 50	↔ = 50	↓ = 50
Construction	↓ = 50	↔ = 50	↑ = 50

## Sectors - Future Expectations

	New Orders	Export Orders	Order Backlogs
Manufacturing	↔ > 50	↑ = 50	↔ < 50
Services	↔ = 50	↑ > 50	↔ < 50
Construction	↔ < 50	↔ = 50	↔ < 50

## Orders - Future Expectations

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
New Orders	52.7	52.1	51.1	51.3	50.5	51.8	51.5
Export Orders	43.0	52.1	51.0	51.1	51.1	51.1	52.7
Order Backlogs	43.3	47.0	47.2	47.5	48.0	48.3	48.3

# Output and Employment

## Production Expands in May



Amid a pick-up in the number of orders received, companies expanded their production but chose to keep their workforce broadly stable.

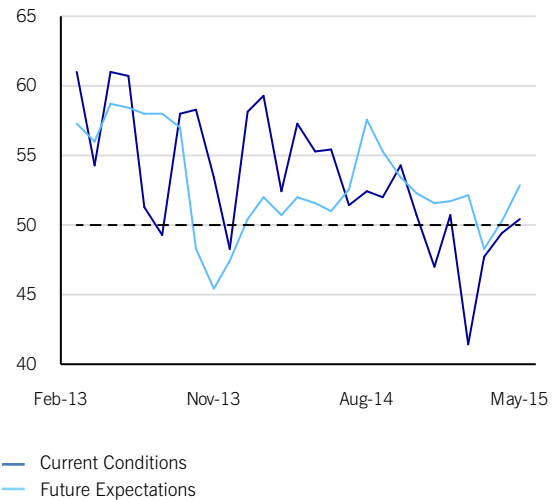
The Production Indicator rose by 2% to 50.5 in May from 49.5 in April, reversing three consecutive months of contraction. Only manufacturing companies increased output, with firms in the service sector continuing to cut back and construction companies keeping output stable following six months of scaling back.

Companies were also more optimistic about their level of output amid higher expectations for orders in the coming three months. Expectations for Production improved to 52.9 in May from 50.3 in April, although remained below the series average of 53.0. All three sectors had higher expectations for production in May, with those in the manufacturing sector having the most optimistic plans for output.

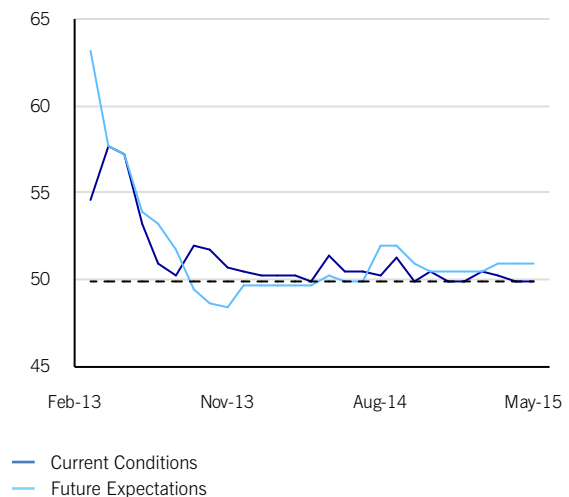
Official data showed that industrial production contracted by 4.5% on the year in April following a decline of 0.6% in March. The decline was much sharper than many had expected as the downturn in the manufacturing sector shifted up a gear. On a seasonally-adjusted monthly basis, industrial production contracted by 1.6% following growth of 0.4% in March.

Weak consumer demand and a tough economic climate have left many companies with a high degree of excess capacity and evidence from the survey suggests that firms have done little to cut back in recent months, with the Productive Capacity Indicator remaining unchanged at 50.0 in May. Moreover, companies continued to anticipate that they would expand their capacity slightly in the future, as the Expectations Indicator stood at 51.0 for the third consecutive month.

### Production



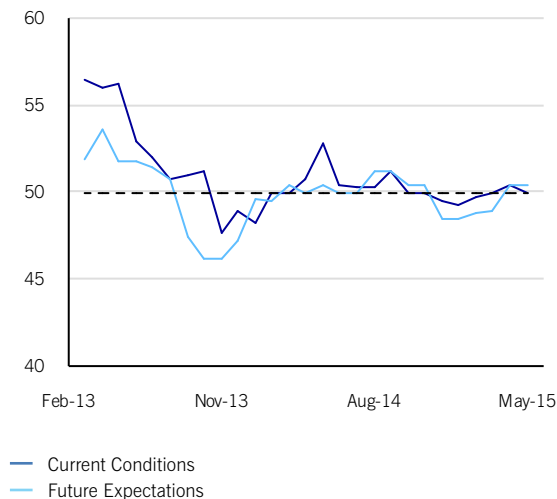
### Productive Capacity



### Output and Employment - Current Conditions

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Production	55.3	47.0	50.8	41.5	47.8	49.5	50.5
Productive Capacity	51.5	50.0	50.0	50.5	50.3	50.0	50.0
Employment	52.8	49.5	49.3	49.8	50.0	50.5	50.0

## Employment



## Sectors - Current Conditions

	Production	Productive Capacity	Employment
Manufacturing	↓ > 50	↔ = 50	↓ = 50
Services	↑ < 50	↔ = 50	↑ = 50
Construction	↑ = 50	↔ = 50	↓ = 50

## Sectors - Future Expectations

	Production	Productive Capacity	Employment
Manufacturing	↑ > 50	↔ > 50	↔ < 50
Services	↑ > 50	↔ > 50	↔ > 50
Construction	↑ > 50	↔ = 50	↔ > 50

Companies kept the size of their workforce broadly stable in May, with the Employment Indicator falling only slightly to stand at 50.0 from 50.5 in April. However, companies continued to anticipate that their workforce would be higher in three months' time amid a more optimistic outlook for both orders and output, with the Expectations Indicator remaining unchanged at 50.5 in May.

## Output and Employment - Future Expectations

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Production	51.7	51.6	51.8	52.2	48.3	50.3	52.9
Productive Capacity	50.3	50.5	50.5	50.5	51.0	51.0	51.0
Employment	50.5	48.5	48.5	48.8	49.0	50.5	50.5

# Prices

## Inflationary Pressures Cool Further



With input costs easing and the rouble recovering much of the ground lost towards the end of 2014, a greater proportion of Russian companies were able to keep the prices they charged for their goods and services in check.

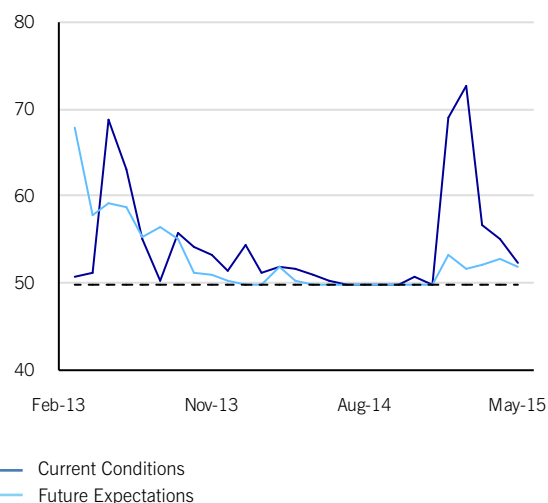
Input Prices eased 5.1% to 52.5 in May from 55.3 in April as fewer companies reported that the price of their raw materials had risen. Companies also had lower expectations for prices over the next three months, with the Expectations Indicator declining to 52.1 in May from 52.9 in the previous month.

Official figures showed that consumer price inflation slowed for the first time in nine months to 16.4% on the year in April from 16.9% in March. Much of the easing was due to a deceleration in food price inflation, which makes up more than a third of the basket, to 21.9% in April following a rise of 23% in March. Stripping out the prices of food and fuel, which tend to be volatile, core inflation continued to rise after the significant weakening in the rouble caused the price of many imported goods to rise. However, in April, it remained unchanged at 17.5% on the year, the highest since the statistics office began measuring it in January 2003.

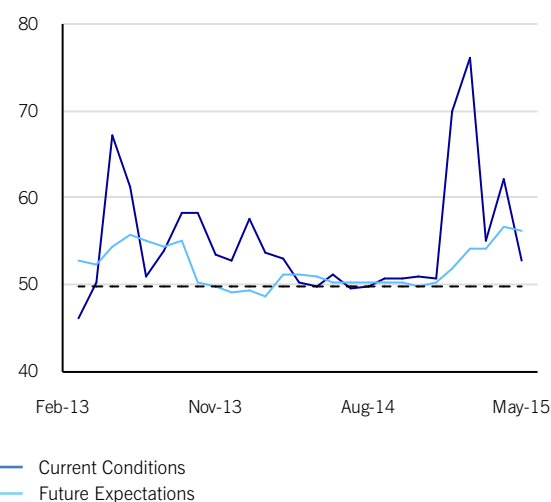
Lower input prices translated through to lower prices charged, reflected in the fall in the Prices Received Indicator to 52.8 in May from 62.3 in April. The decline brought the current indicator below that for Expectations, which stood at 56.3 in May, suggesting that more companies expect to raise the prices of their goods and services over the coming three months.

The rapid appreciation in the rouble over recent months was taken as a positive by our panel, leading the rise in overall business sentiment this month, although

### Input Prices



### Prices Received

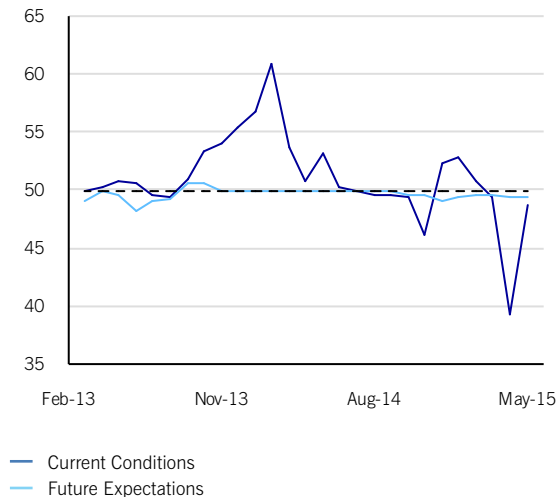


### Prices - Current Conditions

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Input Prices	51.0	50.0	69.2	72.8	56.8	55.3	52.5
Prices Received	50.0	50.8	70.1	76.3	55.3	62.3	52.8
Exchange Rate	53.3	52.4	52.9	50.8	49.5	39.3	48.8



## Effect of Rouble Exchange Rate



continued to hurt overall business operations. The Effect of the Rouble Exchange Rate Indicator, which measures whether the exchange rate is helping or hurting businesses, rose by double-digits to 48.8 in May from a record low of 39.3 in April. In spite of a 9.5 point gain, the indicator failed to rise above the 50 level and was still 8.4% below the level seen in May 2014. A value above 50 shows that more firms reported that it was helping, while a reading below 50 shows the exchange rate was hurting.

Following a turbulent few months towards the end of 2014, the rouble has since recovered considerably although downside risks remain given the volatility in the price of oil. Companies expected the rouble exchange rate to continue to hurt in the coming three months, with the Expectations Indicator remaining unchanged at 49.4 in May.

## Sectors - Current Conditions

	Input Prices	Prices Received	Effect of Rouble Exchange Rate
Manufacturing	↓ > 50	↓ > 50	↑ < 50
Services	↓ > 50	↓ > 50	↑ < 50
Construction	↓ > 50	↓ = 50	↑ < 50

## Sectors - Future Expectations

	Input Prices	Prices Received	Effect of Rouble Exchange Rate
Manufacturing	↓ > 50	↔ > 50	↔ < 50
Services	↔ = 50	↔ = 50	↑ < 50
Construction	↓ > 50	↓ > 50	↔ = 50

## Prices - Future Expectations

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Input Prices	50.0	50.0	53.4	51.8	52.3	52.9	52.1
Prices Received	51.0	50.5	52.1	54.2	54.2	56.8	56.3
Exchange Rate	50.0	49.1	49.4	49.7	49.7	49.4	49.4

## Money and Credit

### Credit Availability Highest Since July 2014



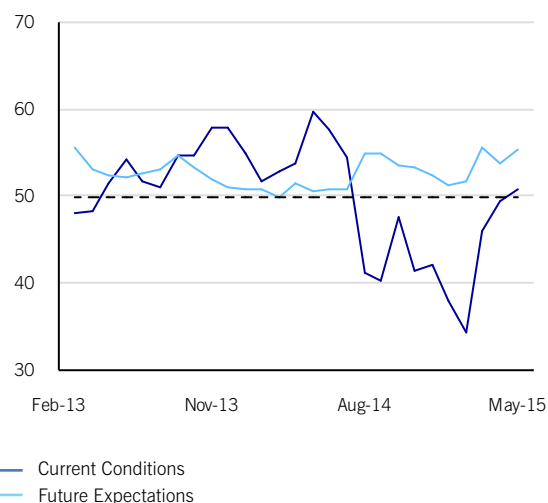
While the balance sheets of our panel stumbled slightly, relief came in the form of the first improvement in the availability of credit since the imposition of Western sanctions at the end of July last year.

Russian businesses have found it difficult to secure lending since the annexation of Crimea, particularly so following the subsequent imposition of capital restrictions by Western nations. As a consequence, credit availability to firms has been severely dented with two of the three major ratings agencies considering Russian government debt to be below investment-grade.

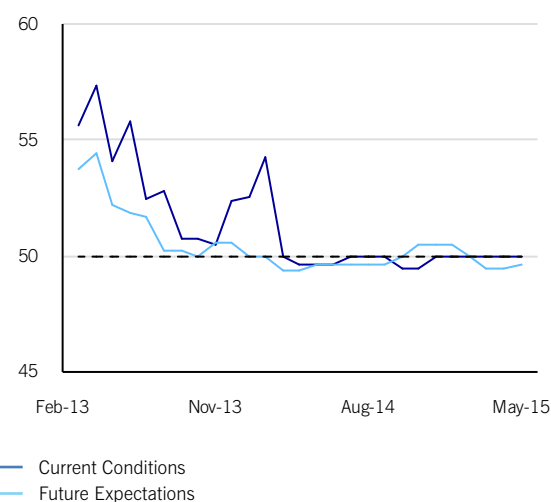
Nevertheless, the Availability of Credit Indicator rose to 50.8 in May from 49.5 in April; the first month that the indicator has been above the 50 level since Western sanctions cut off Russian companies' access to international debt markets. Reports have suggested that firms have been looking east toward China to fulfil their financing requirements following high-level meetings between Russian President Vladimir Putin and his Chinese counterpart Xi Jinping, which may account in part for this month's improvement. While companies in the manufacturing and service sectors reported an improvement in their credit availability in May, construction companies experienced the same lending conditions as they did in the previous month.

Throughout 2014, the Central Bank of Russia raised the benchmark interest rate by a total of 1150 basis points in an effort to stem a significant depreciation in the rouble brought about by a slide in oil prices and the imposition of economic sanctions. With the financial situation in Russia having stabilised somewhat recently, the CBR chose to reduce the key interest rate by 450 basis points to 12.5% at its first three meetings of 2015 and is likely to cut it further at its fourth meeting of the

#### Availability of Credit



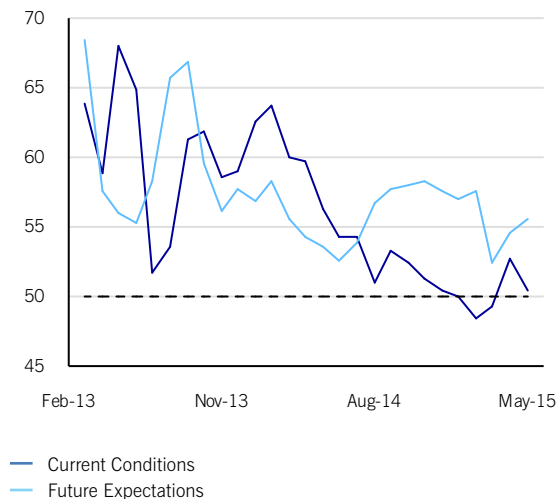
#### Interest Rates Paid



#### Money and Credit - Current Conditions

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Availability of Credit	59.9	42.3	38.0	34.4	46.0	49.5	50.8
Interest Rates Paid	49.7	50.0	50.0	50.0	50.0	50.0	50.0
Financial Position	56.3	50.5	50.0	48.5	49.3	52.8	50.5

## Financial Position



year on June 15 amid tentative signs that inflation is easing and the sharp fall in consumer spending.

Even so, the Interest Rates Paid Indicator remained at 50.0 in May for the sixth consecutive month as nearly our entire panel reported that they faced the same financing costs as they did in April. It is surprising that the indicator has not been more responsive to the frequent, sizeable movements in the benchmark interest rate but there is a possibility that it will fall over the coming months as the CBR is expected to normalise monetary policy by cutting the key interest rate.

Fewer companies reported that their financial health had improved this month, with the Financial Position Indicator falling to 50.5 from 52.8 in April. The decline put the indicator 10.5% below the series average of

## Sectors - Current Conditions

	Availability of Credit	Interest Rates Paid	Financial Position
Manufacturing	↑ > 50	↔ = 50	↓ > 50
Services	↑ > 50	↔ = 50	↓ > 50
Construction	↔ = 50	↔ = 50	↔ = 50

## Sectors - Future Expectations

	Availability of Credit	Interest Rates Paid	Financial Position
Manufacturing	↓ > 50	↑ < 50	↑ > 50
Services	↑ > 50	↔ = 50	↑ > 50
Construction	↔ = 50	↔ = 50	↑ > 50

56.4, suggesting companies' profitability has been severely dented.

With the Russian economy set to fall into recession this year, it is likely that the financial position of our companies will be strained which may tip them back into the red. Our panel remained optimistic, however, with the Expectations Indicator rising to 55.6 in May from 54.7 in April.

## Money and Credit - Future Expectations

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Availability of Credit	50.6	52.6	51.4	51.8	55.7	53.8	55.5
Interest Rates Paid	49.7	50.5	50.5	50.0	49.5	49.5	49.7
Financial Position	53.6	57.6	57.1	57.6	52.5	54.7	55.6

# Logistics

## Lowest Inventories of 2015



Following a pick-up in the number of orders, the pace of stockbuilding eased and fewer companies reported that delivery times had shortened.

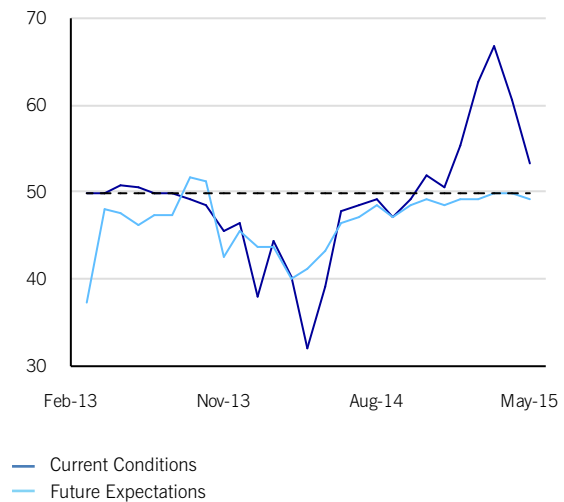
Even as companies expanded their production in May, there was a corresponding fall in the Inventories Indicator to 53.4 from 60.8 in April which could signal that the improvement in demand outstripped the rise in output this month.

While companies in the manufacturing sector reduced their pace of stock building in May, construction companies reported that their inventories had not changed for the second month in a row.

After hitting a low in April 2014, inventories had risen sharply throughout the remainder of the year as the turmoil in Russia intensified with firms being left with stocks. In recent months, however, firms have shown greater willingness to scale back their production which has resulted in the pace of stockbuilding to ease somewhat. According to our panel, this trend is set to continue with the Expectations Indicator for future stock levels slipping back into contraction to 49.3 in May from 50.0 in April, indicating that companies anticipate their stock levels to fall over the coming three months.

The Supplier Delivery Times Indicator measures sentiment about the speed of supplier deliveries compared with the previous month. A reading above 50 indicates that a higher proportion of companies reported that supplier deliveries were longer compared with a month ago while a reading below 50 indicates a higher proportion of companies reporting that supplier delivery times were shorter compared with a month ago.

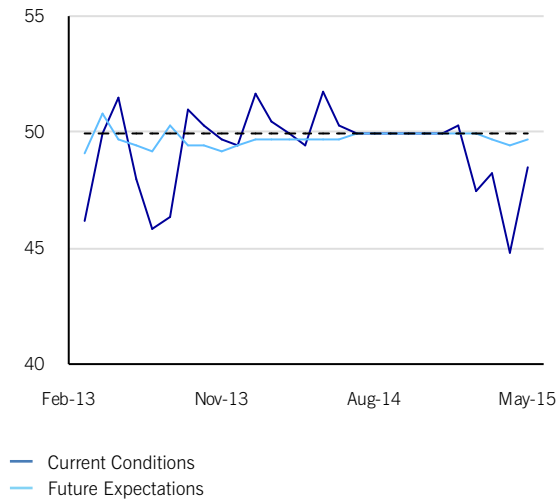
### Inventories



### Logistics - Current Conditions

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Inventories	39.2	50.7	55.4	62.8	66.9	60.8	53.4
Supplier Deliveries	51.8	50.0	50.3	47.5	48.3	44.8	48.5

Supplier Delivery Times



Sectors - Current Conditions

	Inventories of Finished Goods	Supplier Delivery Times
Manufacturing	↓ > 50	↑ < 50
Construction	↔ = 50	↑ = 50

Sectors - Future Expectations

	Inventories of Finished Goods	Supplier Delivery Times
Manufacturing	↔ > 50	↑ < 50
Construction	↓ < 50	↔ = 50

While the time taken to deliver supplies to companies shortened for the fourth consecutive month in May, the corresponding rise in orders helped the Supplier Delivery Times Indicator to rise to 48.5 in May from a record low of 44.8 in April.

Previously, we had speculated that the indicator might return to the 50 breakeven level following the conclusion of the Russian New Year period since it has historically been inert in nature. While this month's rise could be some normalisation, the volatility in the indicator suggests there could be a possible departure from the trend but it will be necessary to observe the indicator over the coming months before determining whether this is indeed true.

Logistics - Future Expectations

	May-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Inventories	43.4	48.6	49.3	49.3	50.0	50.0	49.3
Supplier Deliveries	49.7	50.0	50.0	50.0	49.7	49.5	49.7



# Data tables

---

- 31 Historical Summary
- 32 Historical Records
- 33 Historical Records - Quarterly

## Historical Summary

	2014								2015				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>MNI Russia Business Indicator</b>													
Current Conditions	49.2	50.5	54.6	51.5	47.5	46.7	46.8	47.3	49.2	42.0	48.8	46.0	51.3
Future Expectations	52.5	52.5	54.0	59.8	59.4	57.6	56.1	55.3	55.6	54.5	52.7	53.8	55.2
<b>Production</b>													
Current Conditions	55.3	55.5	51.5	52.5	52.0	54.3	50.8	47.0	50.8	41.5	47.8	49.5	50.5
Future Expectations	51.7	51.1	52.6	57.7	55.3	53.5	52.4	51.6	51.8	52.2	48.3	50.3	52.9
<b>New Orders</b>													
Current Conditions	54.8	56.0	56.8	54.3	53.3	52.8	48.3	48.3	50.5	45.5	44.3	48.3	50.5
Future Expectations	52.7	51.9	51.8	56.0	57.4	54.0	52.9	52.1	51.1	51.3	50.5	51.8	51.5
<b>Export Orders</b>													
Current Conditions	46.9	49.0	53.3	48.0	48.3	49.3	47.7	49.0	49.3	50.0	48.7	50.0	50.0
Future Expectations	43.0	44.3	50.4	52.6	52.6	51.1	52.5	52.1	51.0	51.1	51.1	51.1	52.7
<b>Productive Capacity</b>													
Current Conditions	51.5	50.5	50.5	50.3	51.3	50.0	50.5	50.0	50.0	50.5	50.3	50.0	50.0
Future Expectations	50.3	50.0	50.0	52.0	52.0	51.0	50.5	50.5	50.5	50.5	51.0	51.0	51.0
<b>Order Backlogs</b>													
Current Conditions	42.3	45.4	47.7	48.2	48.5	49.0	49.0	49.3	46.5	49.5	47.8	50.0	49.8
Future Expectations	43.3	44.4	45.4	45.9	46.2	47.0	47.5	47.0	47.2	47.5	48.0	48.3	48.3
<b>Employment</b>													
Current Conditions	52.8	50.5	50.3	50.3	51.3	50.0	50.0	49.5	49.3	49.8	50.0	50.5	50.0
Future Expectations	50.5	50.0	50.0	51.3	51.3	50.5	50.5	48.5	48.5	48.8	49.0	50.5	50.5
<b>Inventories</b>													
Current Conditions	39.2	48.0	48.6	49.3	47.3	49.3	52.0	50.7	55.4	62.8	66.9	60.8	53.4
Future Expectations	43.4	46.5	47.3	48.6	47.3	48.6	49.3	48.6	49.3	49.3	50.0	50.0	49.3
<b>Input Prices</b>													
Current Conditions	51.0	50.5	50.0	50.0	50.0	50.0	50.8	50.0	69.2	72.8	56.8	55.3	52.5
Future Expectations	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	53.4	51.8	52.3	52.9	52.1
<b>Prices Received</b>													
Current Conditions	50.0	51.3	49.7	50.0	50.8	50.8	51.0	50.8	70.1	76.3	55.3	62.3	52.8
Future Expectations	51.0	50.3	50.3	50.3	50.5	50.5	50.0	50.5	52.1	54.2	54.2	56.8	56.3
<b>Financial Position</b>													
Current Conditions	56.3	54.3	54.3	51.0	53.3	52.5	51.3	50.5	50.0	48.5	49.3	52.8	50.5
Future Expectations	53.6	52.7	53.9	56.8	57.8	58.1	58.4	57.6	57.1	57.6	52.5	54.7	55.6
<b>Interest Rates Paid</b>													
Current Conditions	49.7	49.7	50.0	50.0	50.0	49.5	49.5	50.0	50.0	50.0	50.0	50.0	50.0
Future Expectations	49.7	49.7	49.7	49.7	49.7	50.0	50.5	50.5	50.5	50.0	49.5	49.5	49.7
<b>Effect of Rouble Exchange Rate</b>													
Current Conditions	53.3	50.3	50.0	49.7	49.7	49.4	46.2	52.4	52.9	50.8	49.5	39.3	48.8
Future Expectations	50.0	50.0	50.0	50.0	50.0	49.7	49.7	49.1	49.4	49.7	49.7	49.4	49.4
<b>Supplier Delivery Times</b>													
Current Conditions	51.8	50.3	50.0	50.0	50.0	50.0	50.0	50.0	50.3	47.5	48.3	44.8	48.5
Future Expectations	49.7	49.7	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	49.7	49.5	49.7
<b>Availability of Credit</b>													
Current Conditions	59.9	57.7	54.5	41.3	40.3	47.8	41.5	42.3	38.0	34.4	46.0	49.5	50.8
Future Expectations	50.6	50.8	51.0	55.1	55.0	53.6	53.4	52.6	51.4	51.8	55.7	53.8	55.5

## Historical Records

	2013 - Current			
	Minimum	Maximum	Mean	Median
<b>MNI Russia Business Indicator</b>				
Current Conditions	42.0	62.9	52.4	51.5
Future Expectations	45.0	71.3	55.7	55.2
<b>Production</b>				
Current Conditions	41.5	61.1	53.4	52.5
Future Expectations	45.5	58.8	53.0	52.2
<b>New Orders</b>				
Current Conditions	44.3	73.8	55.2	54.3
Future Expectations	45.5	62.8	53.6	52.1
<b>Export Orders</b>				
Current Conditions	44.4	61.1	50.8	49.3
Future Expectations	41.6	66.0	50.0	51.1
<b>Productive Capacity</b>				
Current Conditions	50.0	57.7	51.3	50.5
Future Expectations	48.5	63.2	51.6	50.5
<b>Order Backlogs</b>				
Current Conditions	39.5	52.0	47.3	47.8
Future Expectations	37.7	50.0	45.4	45.9
<b>Employment</b>				
Current Conditions	47.7	56.5	51.0	50.3
Future Expectations	46.2	53.6	49.9	50.5
<b>Inventories</b>				
Current Conditions	32.2	66.9	49.3	49.4
Future Expectations	37.5	51.9	46.8	47.5
<b>Input Prices</b>				
Current Conditions	50.0	72.8	54.6	51.8
Future Expectations	50.0	67.9	52.9	51.3
<b>Prices Received</b>				
Current Conditions	46.3	76.3	55.2	52.8
Future Expectations	48.7	56.8	52.1	51.3
<b>Financial Position</b>				
Current Conditions	48.5	68.0	56.4	54.3
Future Expectations	52.5	68.5	57.6	57.1
<b>Interest Rates Paid</b>				
Current Conditions	49.5	57.4	51.4	50.0
Future Expectations	49.4	54.5	50.5	50.0
<b>Effect of Rouble Exchange Rate</b>				
Current Conditions	39.3	61.0	51.1	50.6
Future Expectations	48.2	50.7	49.7	50.0
<b>Supplier Delivery Times</b>				
Current Conditions	44.8	51.8	49.3	50.0
Future Expectations	49.1	50.8	49.8	49.7
<b>Availability of Credit</b>				
Current Conditions	34.4	59.9	50.0	51.7
Future Expectations	50.0	55.7	52.8	52.6



## Historical Records - Quarterly

	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Quarterly Change	Quarterly % Change
<b>MNI Russia Business Indicator</b>							
Current Conditions	56.8	51.8	51.2	46.9	46.7	-0.2	-0.4%
Future Expectations	53.9	53.1	57.7	56.3	54.3	-2.0	-3.6%
<b>Production</b>							
Current Conditions	56.7	56.0	52.0	50.7	46.7	-4.0	-7.9%
Future Expectations	51.1	51.6	55.2	52.5	50.8	-1.7	-3.2%
<b>New Orders</b>							
Current Conditions	59.2	56.5	54.8	49.8	46.8	-3.0	-6.0%
Future Expectations	51.0	52.3	55.1	53.0	51.0	-2.0	-3.8%
<b>Export Orders</b>							
Current Conditions	52.1	46.8	49.9	48.7	49.3	0.6	1.2%
Future Expectations	45.5	43.6	51.9	51.9	51.1	-0.8	-1.5%
<b>Productive Capacity</b>							
Current Conditions	50.3	50.7	50.7	50.2	50.3	0.1	0.2%
Future Expectations	49.7	50.0	51.3	50.7	50.7	0.0	0.0%
<b>Order Backlogs</b>							
Current Conditions	50.3	42.4	48.1	49.1	47.9	-1.2	-2.4%
Future Expectations	43.0	43.4	45.8	47.2	47.6	0.4	0.8%
<b>Employment</b>							
Current Conditions	49.4	51.4	50.6	49.8	49.7	-0.1	-0.2%
Future Expectations	49.9	50.2	50.9	49.8	48.8	-1.0	-2.0%
<b>Inventories</b>							
Current Conditions	41.0	39.8	48.4	50.7	61.7	11.0	21.7%
Future Expectations	42.6	43.7	47.7	48.8	49.5	0.7	1.4%
<b>Input Prices</b>							
Current Conditions	52.6	51.1	50.0	50.3	66.3	16.0	31.8%
Future Expectations	50.7	50.1	50.0	50.0	52.5	2.5	5.0%
<b>Prices Received</b>							
Current Conditions	54.9	50.6	50.2	50.9	67.2	16.3	32.0%
Future Expectations	49.8	50.9	50.4	50.3	53.5	3.2	6.4%
<b>Financial Position</b>							
Current Conditions	62.2	56.8	52.9	51.4	49.3	-2.1	-4.1%
Future Expectations	57.0	53.6	56.2	58.0	55.7	-2.3	-4.0%
<b>Interest Rates Paid</b>							
Current Conditions	52.3	49.7	50.0	49.7	50.0	0.3	0.6%
Future Expectations	49.8	49.6	49.7	50.3	50.0	-0.3	-0.6%
<b>Effect of Rouble Exchange Rate</b>							
Current Conditions	57.2	51.5	49.8	49.3	51.1	1.8	3.7%
Future Expectations	50.0	50.0	50.0	49.5	49.6	0.1	0.2%
<b>Supplier Delivery Times</b>							
Current Conditions	50.7	50.5	50.0	50.0	48.7	-1.3	-2.6%
Future Expectations	49.7	49.7	50.0	50.0	49.9	-0.1	-0.2%
<b>Availability of Credit</b>							
Current Conditions	53.3	57.2	45.4	43.9	39.5	-4.4	-10.0%
Future Expectations	50.6	51.0	53.7	53.2	53.0	-0.2	-0.4%

## About MNI Indicators

### Insight and data for better decisions

MNI Indicators offers unique macro-economic data and insight to businesses and the investment community. We produce data and intelligence that is unbiased, pertinent and responsive. Our data moves markets.

MNI Indicators specialises in business and consumer focused macro-economic reports that give our customers the ability to make timely and relevant decisions. We strive to provide up-to-date information on business and consumer confidence on the economy.

MNI Indicators publishes data on a monthly basis. Our indicators are based on a unique and proprietary methodology and are designed to present an advance picture of the economic landscape as perceived by businesses and consumers every month.

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.

MNI Indicators is part of MNI, a leading provider of news and intelligence. MNI is a wholly owned subsidiary of Deutsche Börse Group, one of the largest worldwide exchange organisations.



**mni** | DEUTSCHE BÖRSE  
GROUP

## 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.

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

Insight and data for better decisions

**Published by**

MNI Indicators | Deutsche Börse Group

Westferry House


11 Westferry Circus

London

E14 4HE

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

 @MNIIndicators

 MNI Indicators

Copyright © 2015 MNI Indicators | Deutsche Börse Group.

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