



# Inflation Expectations

June 2024

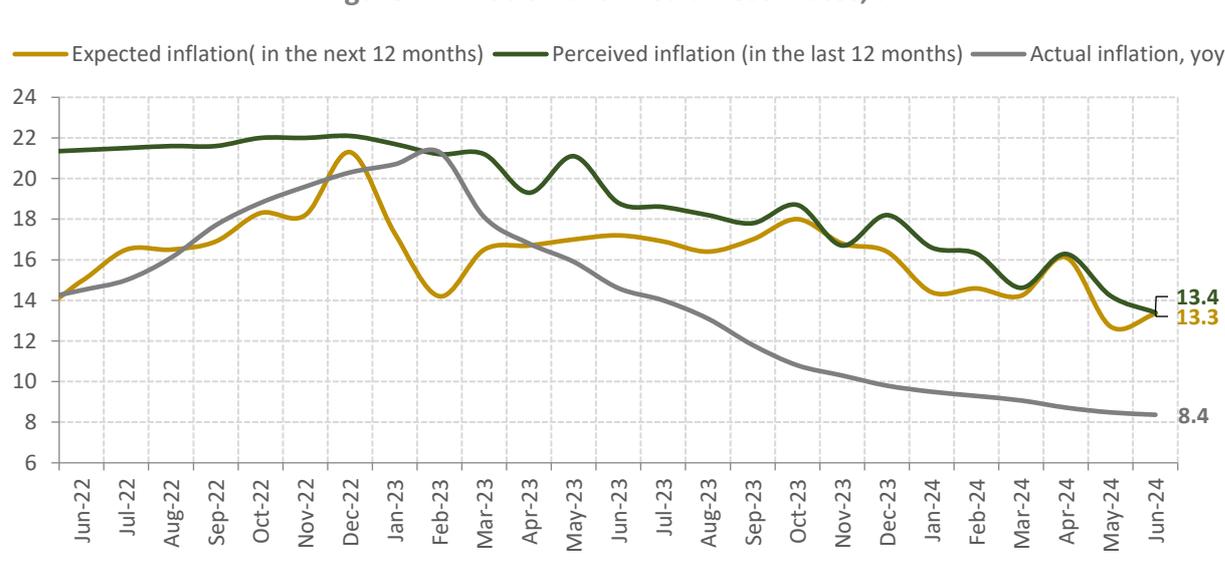
- Inflation expectations of the population increased in June 2024
- Consumer sentiment has improved due to an increase in the assessment of personal financial situation over the past year and assessments of the country's development prospects

## Households` inflation expectations

In June 2024, the median estimate<sup>1</sup> of expected inflation in the next 12 months increased to 13.3% (May 2024 – 12.7%) (Figure 1). In the structure of expectations for the year ahead, the share of high inflation expectations has increased moderately.

The median estimate of perceived inflation over the past 12 months has decreased to 13.4% (14.2%).

Figure 1. Inflation and median estimates, %



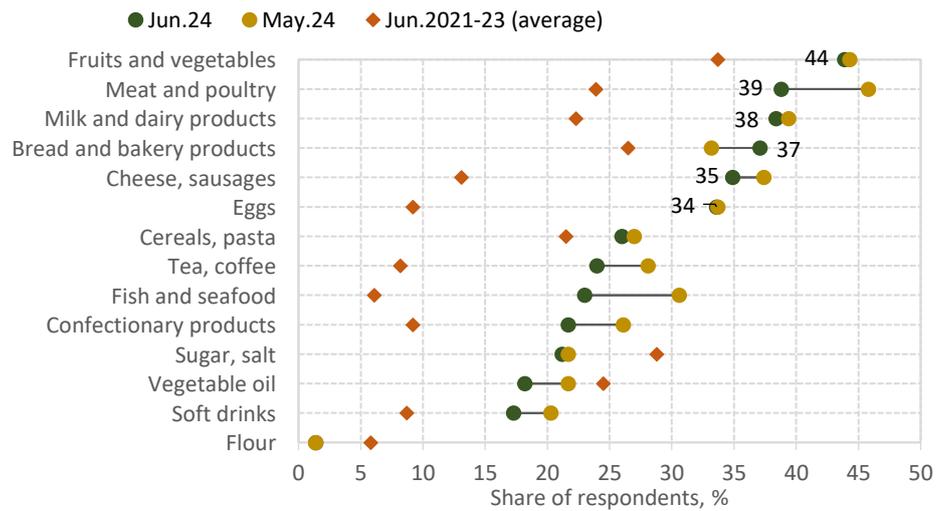
Source: Results of the population survey, Fusion Lab

In June 2024, the share of respondents who noted an increase in food prices decreased to 75.1% (in May 2024 – 77%). Along with this, the share of those who noted an increase in prices for paid services increased to 10.4% (8.1%).

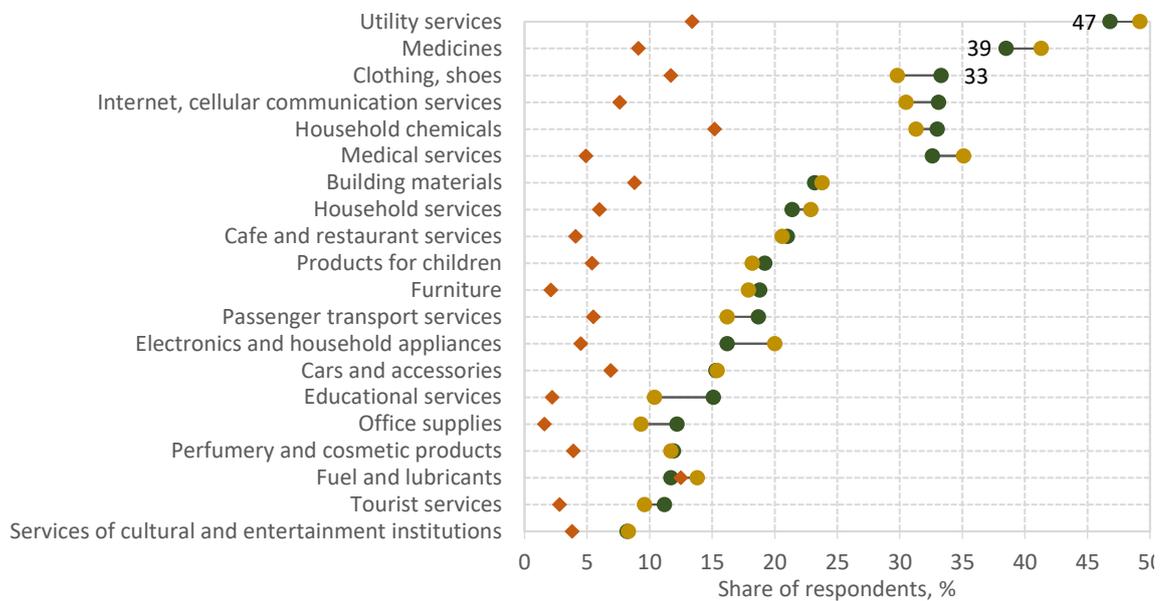
Among the food products, respondents note an increase in prices for fruits and vegetables, meat and dairy products, bread and bakery products. In the structure of non-food products, the population pointed to an increase in the cost of medicines, clothing and footwear, household chemicals. Among paid services, respondents most noted an increase in prices for housing and communal services, Internet and cellular communications, and medical services (Figure 2).

Figure 2. Frequently mentioned goods and services

Food products



Non-food products and services



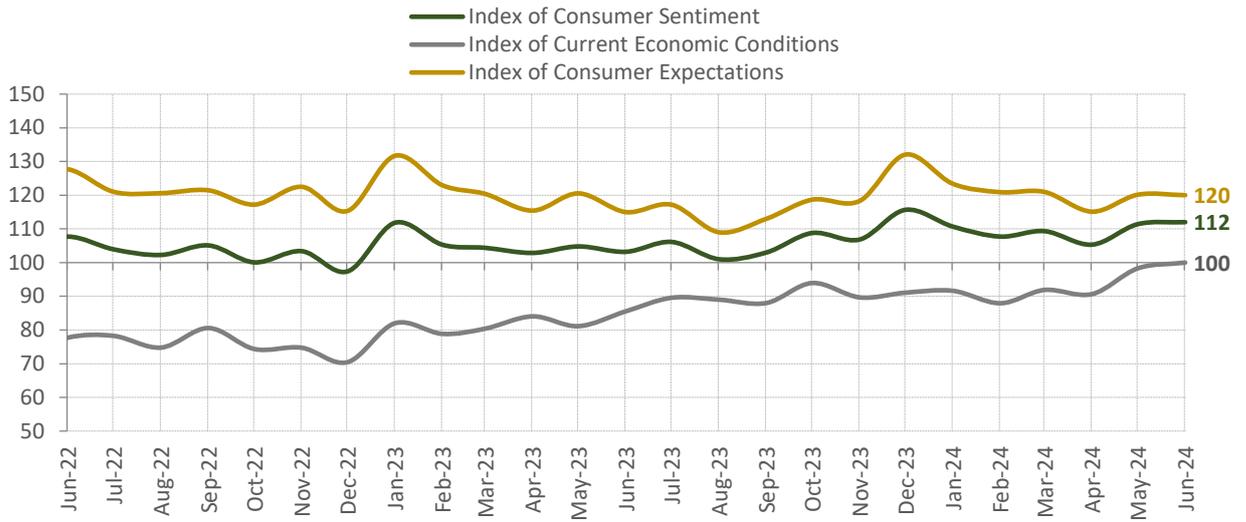
Source: Results of the population survey, Fusion Lab

Consumer sentiment of the population

The consumer sentiment index increased to 112.2 in June 2024 (111.4 in May 2024) (Figures 3,4,5). In particular, estimates of the country's development prospects in the coming year have increased (by 7.3 points).

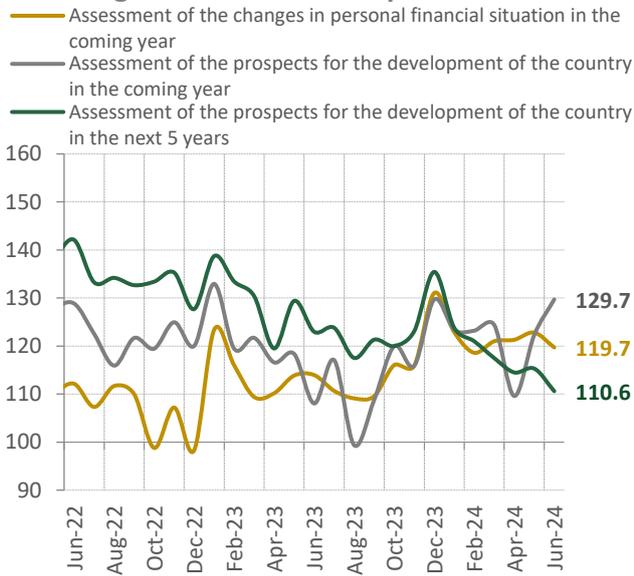
Along with this, the assessment of personal financial situation has increased over the past year (by 2 points), as well as readiness for large purchases (by 2.4 points).

**Figure 3. Index<sup>2</sup> of Consumer Sentiment**



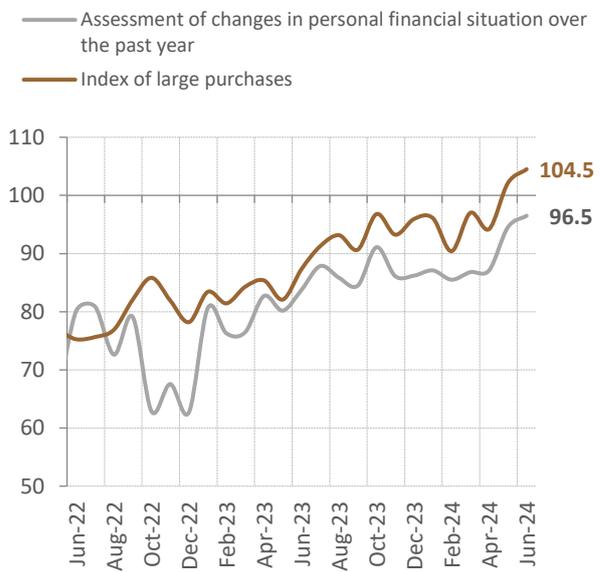
Source: Results of the population survey, Fusion Lab

**Figure 4. Consumer Expectations**



Source: Results of the population survey, Fusion Lab

**Figure 5. Current Conditions**



## NOTES

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### 1

A quantitative assessment of inflation expectations/median estimates for January 2022 has not been published, because the results of the survey in January 2022 were influenced by January events in the country, which affected the smaller sample size and incompatibility with previous data

Median estimate of perceived inflation based on the survey results: «How much exactly do you think the prices of goods and services have increased over the past 12 months?». Median estimate of expected inflation based on the question: «How much exactly do you think prices for goods and services will rise in the next 12 months?».

**2** Consumer sentiment index - The average value of private indices:

- changes in personal financial situation over the past year;
- changes in personal financial situation in the coming year;
- prospects for the development of the country in the coming year;
- prospects for the development of the country in the next 5 years;
- large purchases.

Current status index - The average value of private indices:

- changes in personal financial situation over the past year;
- the index of large purchases.

Consumer expectations index - The average value of private indices:

- changes in personal financial situation in the coming year;
- prospects for the development of the country in the coming year;
- prospects for the development of the country in the next 5 years.

The numerical value represents the balance of responses, which is calculated as the difference between the proportion of positive and negative responses + 100. Index values can vary from 0 to 200. A value above 100 indicates the predominance of positive estimates, below 100 – negative estimates.