



Inflation Expectations

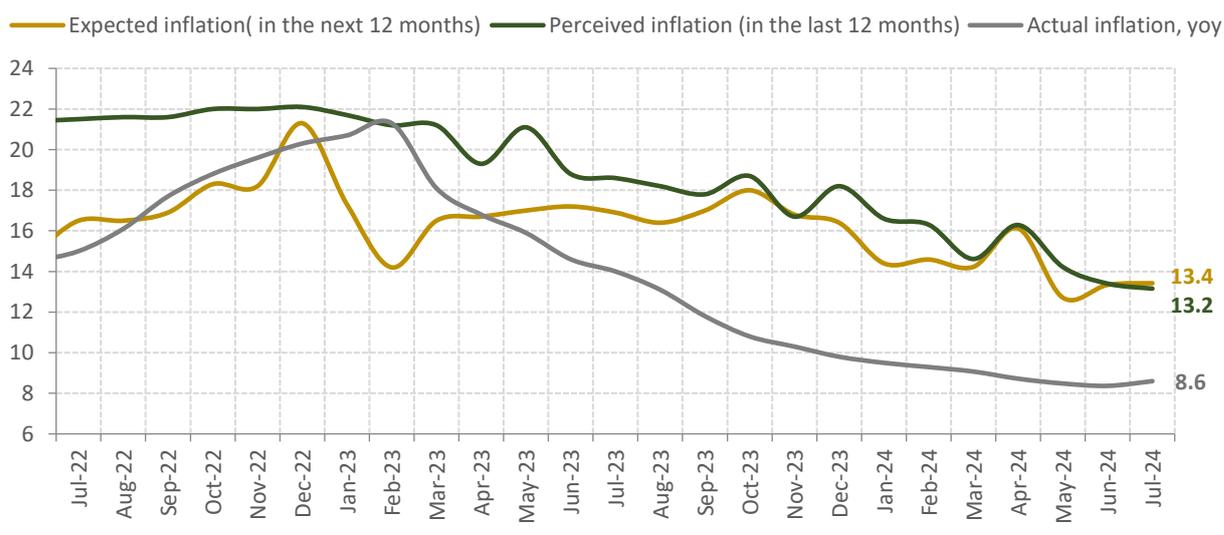
July 2024

- Inflation expectations of the population did not change significantly in July 2024
- Consumer sentiment remained unchanged: estimates of the country's development prospects decreased, while estimates of personal financial situation and readiness for large purchases increased

Households` inflation expectations

In July 2024, the median estimate¹ of expected inflation in the next 12 months was 13.4% (in June 2024 – 13.3%) (Figure 1). The median estimate of perceived inflation over the past 12 months has decreased to 13.2% (13.4%).

Figure 1. Inflation and median estimates, %



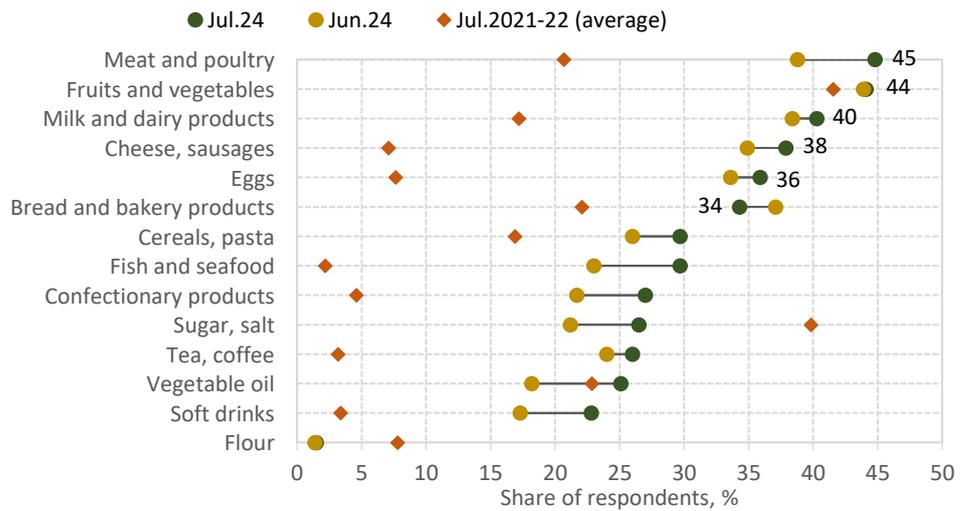
Source: Results of the population survey, Fusion Lab

In July 2024, the share of respondents who noted an increase in food prices decreased to 74% (in June 2024 – 75.1%). Along with this, the share of those who noted an increase in prices for non-food products increased to 12.4% (10.6%).

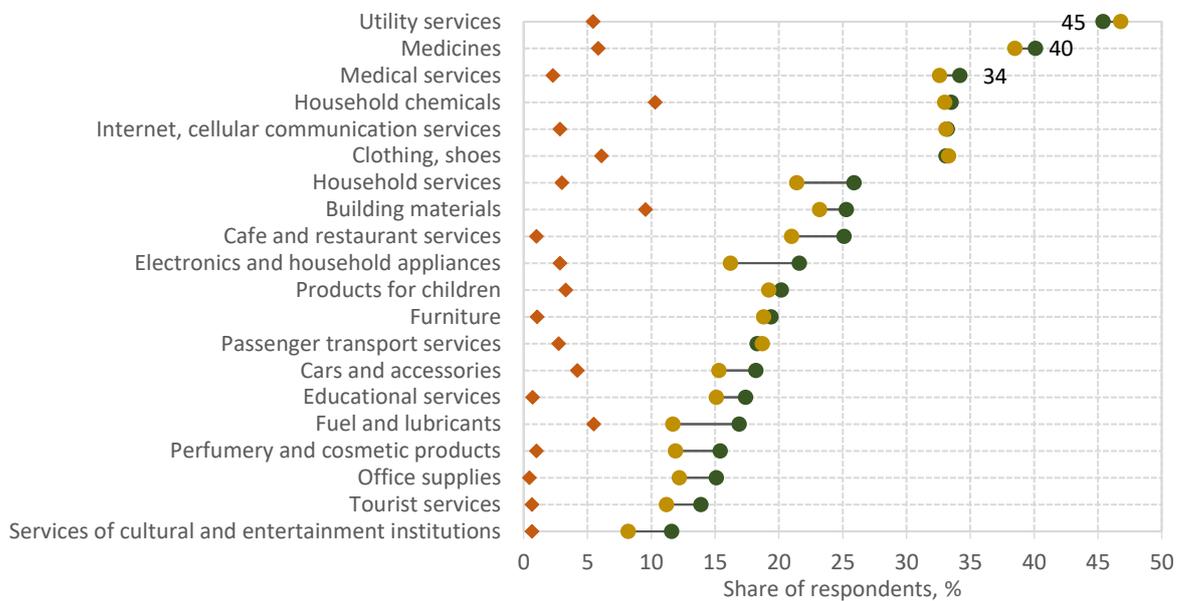
Among the food products, respondents noted the largest increase in prices for meat and dairy products, fruits and vegetables. In the structure of non-food products, the population pointed to an increase in the cost of medicines, household chemicals, clothing and footwear. Among paid services, respondents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

Figure 2. Frequently mentioned goods and services

Food products



Non-food products and services



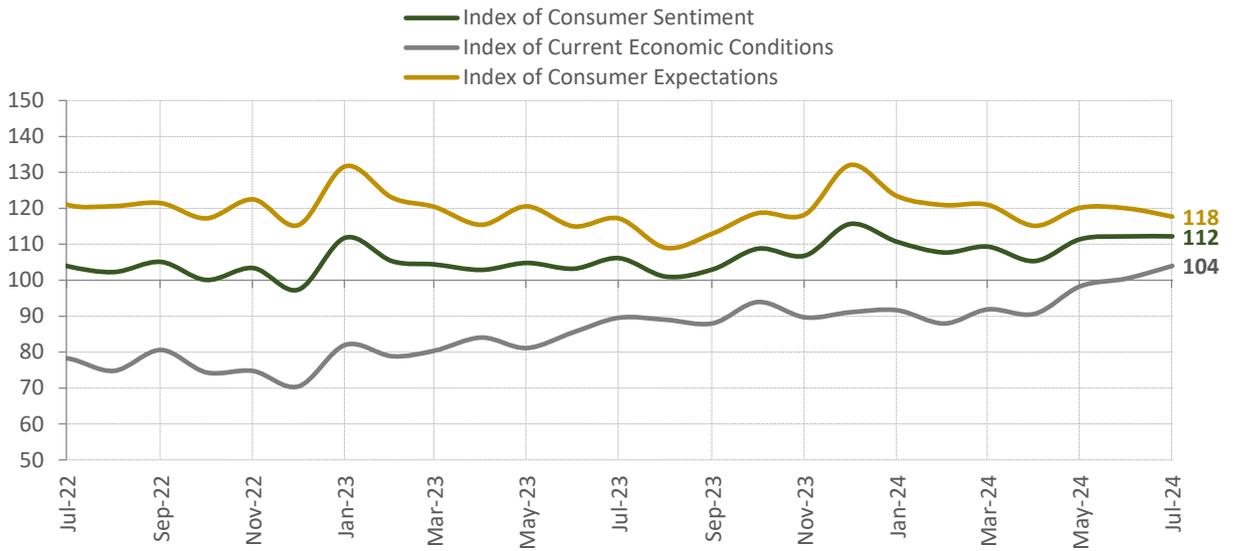
Source: Results of the population survey, Fusion Lab

Consumer sentiment of the population

The consumer sentiment index in July 2024 remained unchanged at 112.2 (Figures 3,4,5). At the same time, estimates of the country's development prospects in the coming year (by 4.7 points) and in the next five years (by 2.1 points) decreased in expectations estimates.

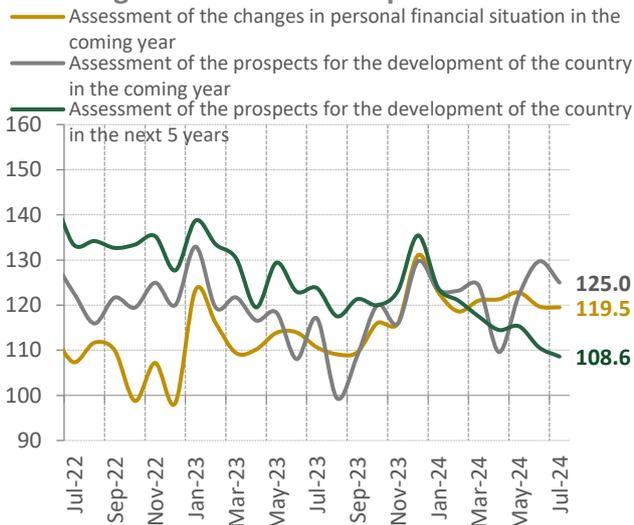
Along with this, in estimates of the current conditions the assessment of personal financial situation over the past year (by 3.9 points), as well as readiness for large purchases (by 3.1 points) have increased.

Figure 3. Index² of Consumer Sentiment



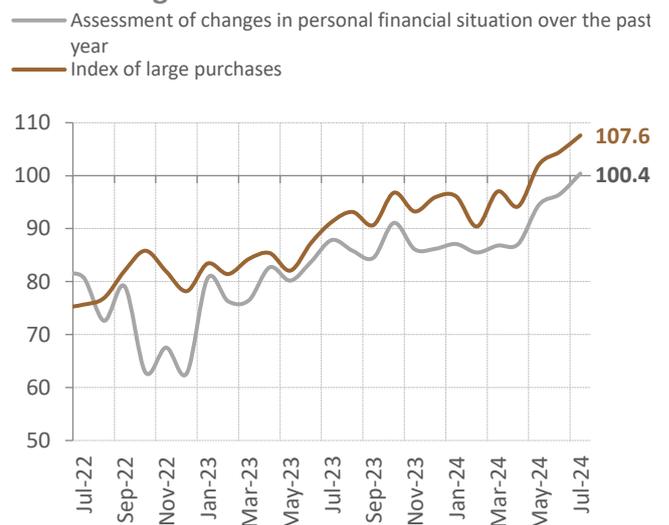
Source: Results of the population survey, Fusion Lab

Figure 4. Consumer Expectations



Source: Results of the population survey, Fusion Lab

Figure 5. Current Conditions



NOTES

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.