

Comment on households` inflation expectations in September 2021 by Denis Chernyavskiy, Deputy Director of Monetary Policy Department of the NBK

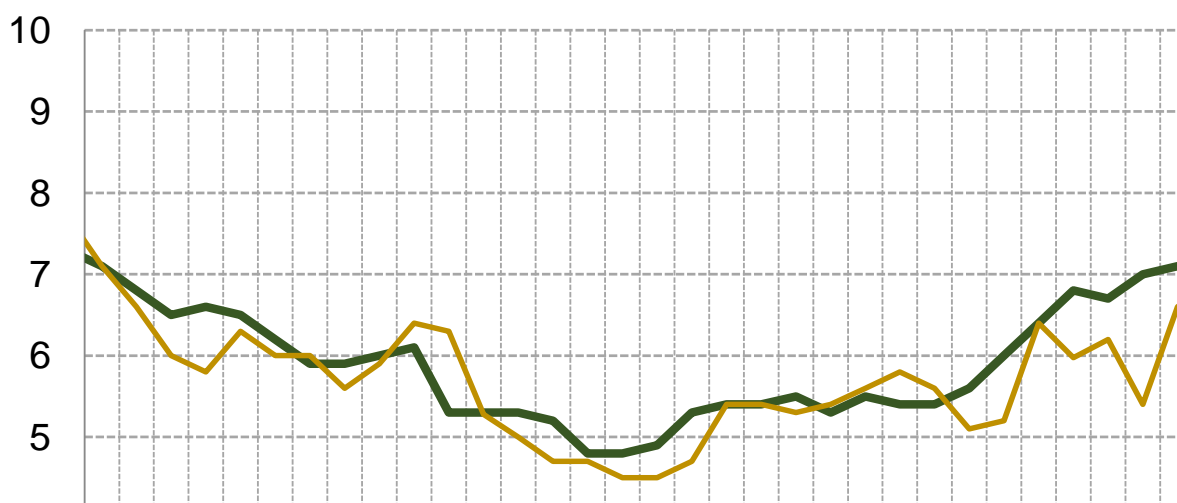
Quantitative assessment of inflation expectations for a year ahead in September 2021 made 9.0%.

Inflation estimates by households remain elevated, however, there is a gradual decrease from maximum values reported in July-August 2021. In particular, share of respondents expecting acceleration and preservation of the current inflation rates dropped to 59% (61.5% in August). Most of the respondents highlighted increasing food prices (85%). In the structure of goods, respondents noted a rapid rise in prices for meat and poultry, bakery products, construction materials, clothing and footwear, products for children.

Consumer sentiments in September improved almost in all the components. Readiness of the households to make large purchases continued to improve having reached parameters of early 2020. Short-term and long-term expectations for economic development also got better against the background of softening of restrictive measures and declining COVID incidence.

Figure 1

Inflation and expected inflation % year-on-year



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, FusionLab