



Inflation Expectations

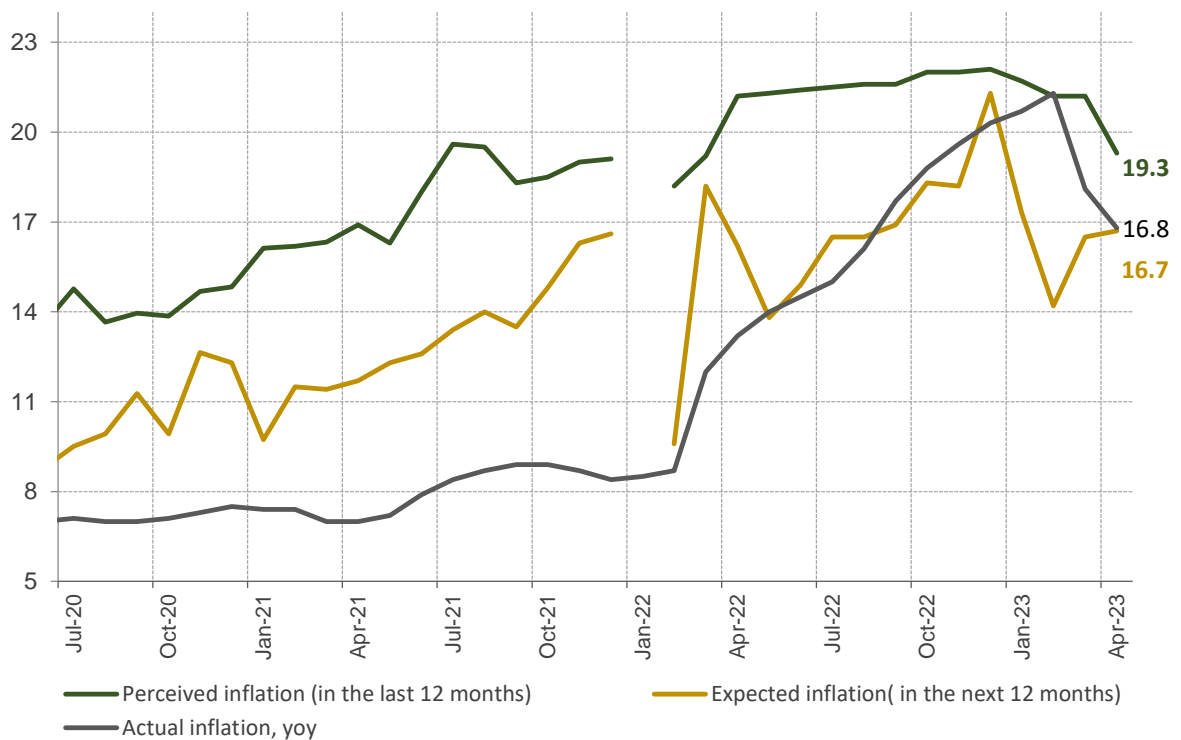
April 2023

- The median estimate of expected inflation has risen slightly
- Consumer sentiment, despite falling for the third month in a row, continues to remain in the positive area

Inflation expectations

The share of respondents, expecting the current prices to remain or to increase faster, rose to 63.5% in April 2023 (53.5% in March 2023). The median estimate¹ of expected inflation increased to 16.7% (16.5%), perceived inflation decreased to 19.3% (Figure 1).

Figure 1. Median inflation expectations, %



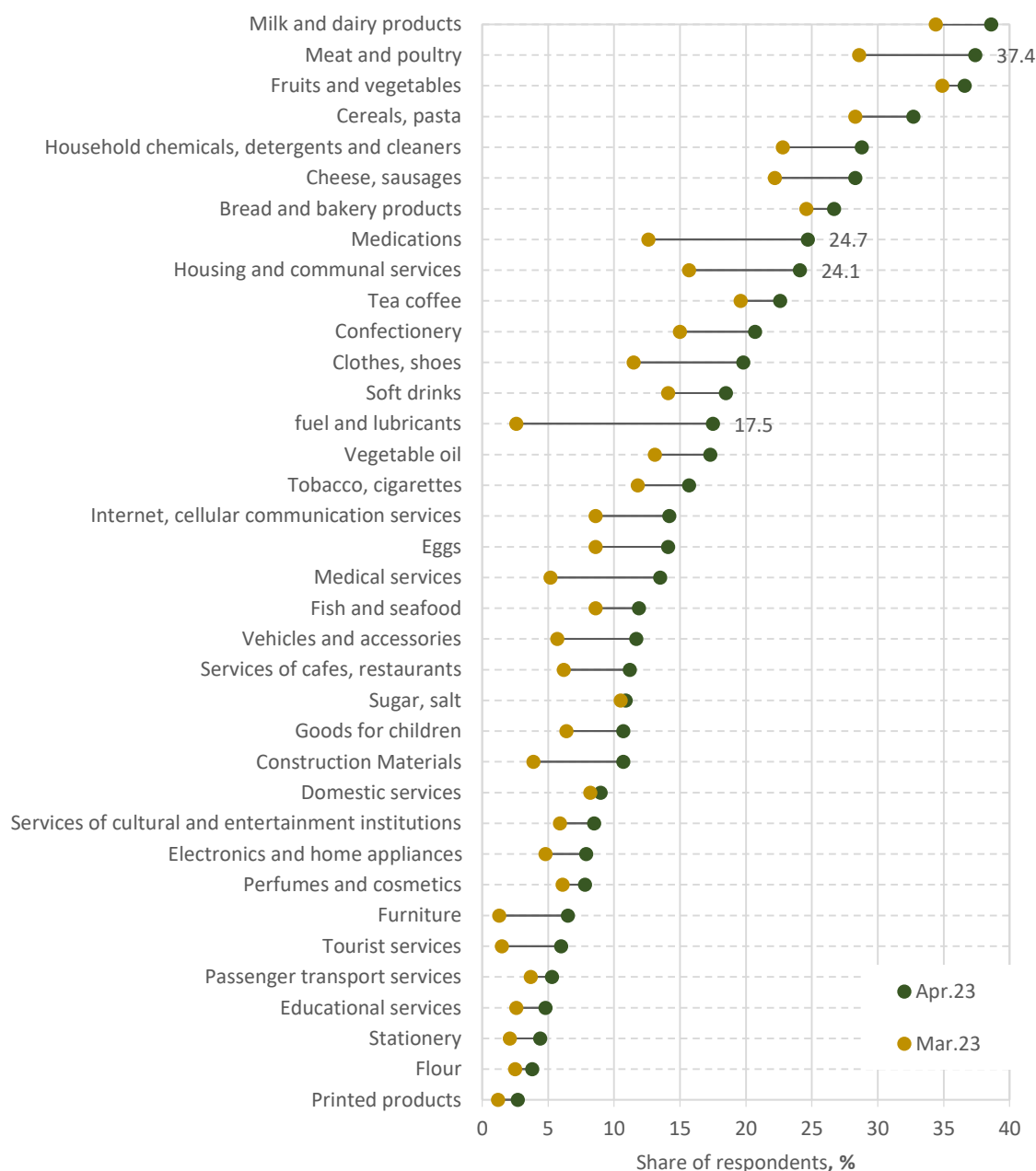
Source: Results of a telephone survey of the population, Fusion Lab

In April 2023, the share of respondents who noted an increase in food prices (79%) decreased, while the share of those who noted an increase in prices for paid services increased.

In general, in April 2023, the share of respondents who noted an increase in prices for most items increased.

Among food products, respondents noticed growth in prices for dairy, fruits and vegetables, meat (share of respondents rose from 29% in March to 37% in April). Among non-food products, respondents observed an increase in the cost of fuel and lubricants (share of respondents rose from 3% in March to 18% in April), clothing and footwear (from 12% to 20%), medicines (from 13% to 25%), and household chemicals (from 23% to 29%). In the structure of services, the population most strongly felt the increase in prices for housing and communal services (from 16% to 24%), medical services (from 5% to 24%), communications / Internet service, restaurants (Figure 2).

Figure 2. Frequently mentioned goods and services



Source: Results of a telephone survey of the population, Fusion Lab

Consumer sentiments

Consumer sentiment continued to decline for the third month in a row, but remains in the positive area. The consumer sentiment index in April 2023 was 102.9 (in March 2023 - 104.4). The decline was observed mainly in assessments of the prospects for economic development.

In particular, assessments of personal financial situation in a year (down by 6.6 points), long-term assessments of the country's development (by 3.4 points) have significantly decreased. At the same time, estimates of changes in the prospects for the development of the country in the coming year improved (growth by 2.3 points).

Estimates of personal financial situation over the past year have not changed, readiness for large purchases has slightly increased (by 2.9 points), while both indicators are still in the negative area.

Figure 3. Index² of Consumer Sentiment

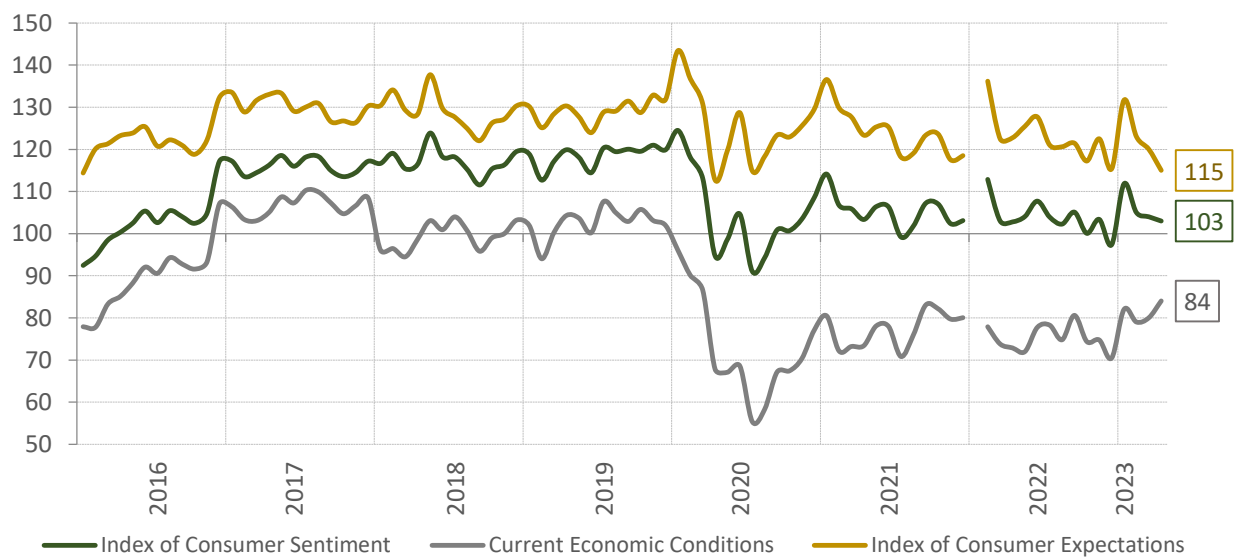


Figure 4. Current Conditions

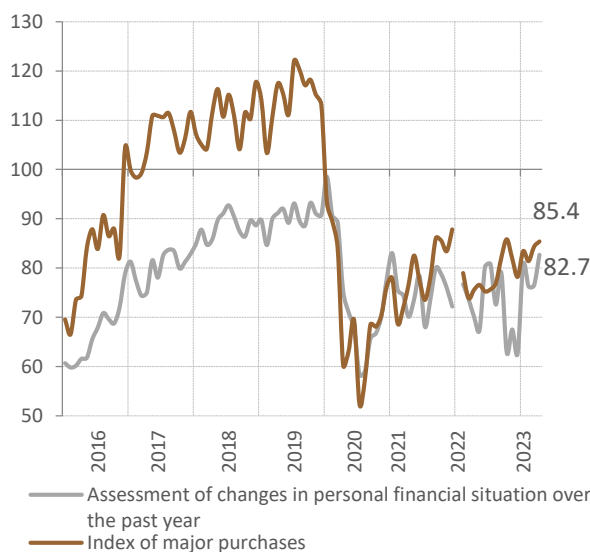
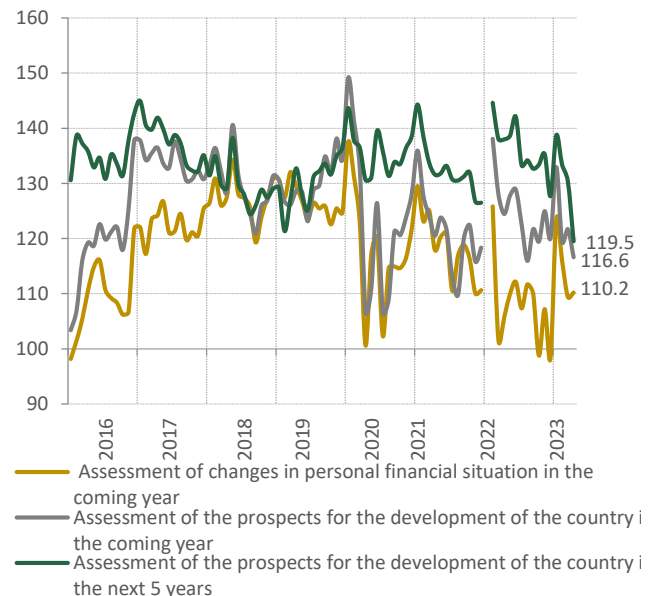


Figure 5. Consumer Expectations



Source: Results of a telephone survey of the population, FusionLab

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