



Inflation Expectations

January 2024

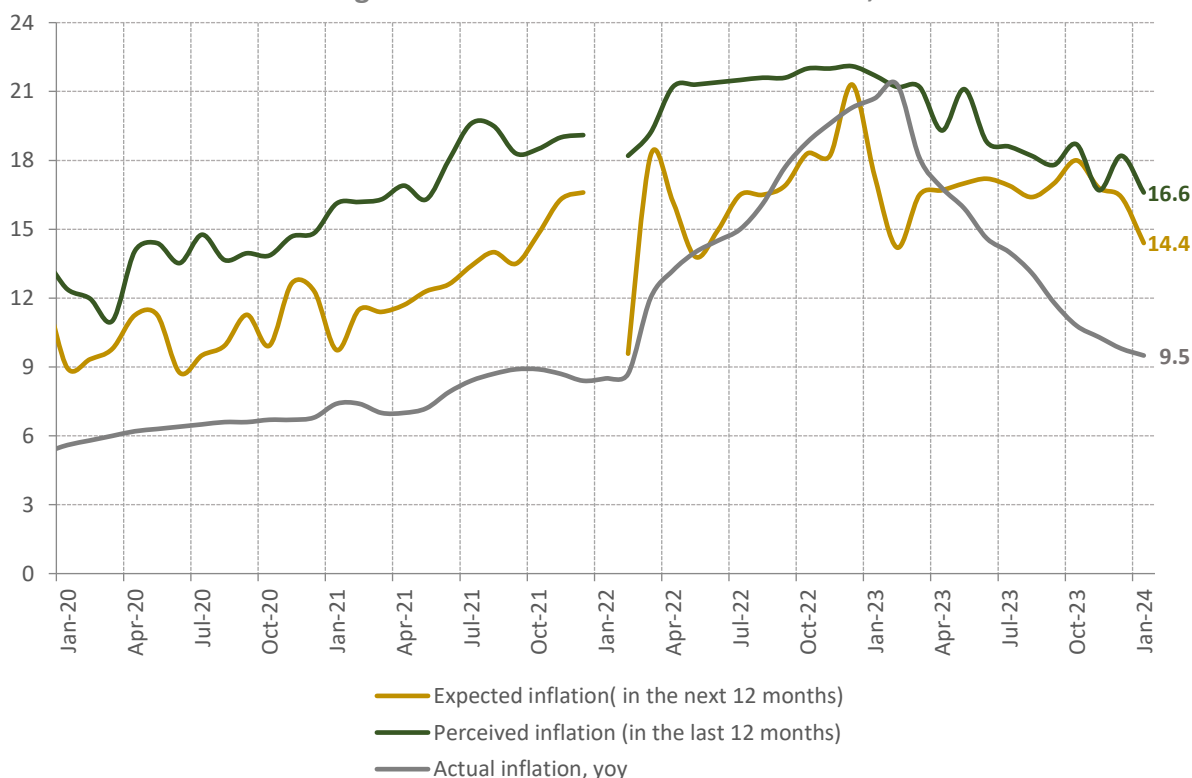
- Inflation expectations of the population decreased in January 2024
- Consumer sentiment has deteriorated slightly, but it is above the average for 2023

Households' inflation expectations

In January 2024, the median estimate¹ of expected inflation in the next 12 months continued to decline to 14.4% (December 2023 – 16.4%). At the same time, the median estimate of perceived inflation over the past 12 months has decreased to 16.6% (18.2%) (Figure 1).

According to the survey results, the share of respondents expecting a faster price increase over the horizon of one year decreased to 24.7% (in December – 27.2%). At the same time, the share of respondents expecting the current rate of price growth to continue increased to 46% (in December – 42%).

Figure 1. Inflation and median estimates, %



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

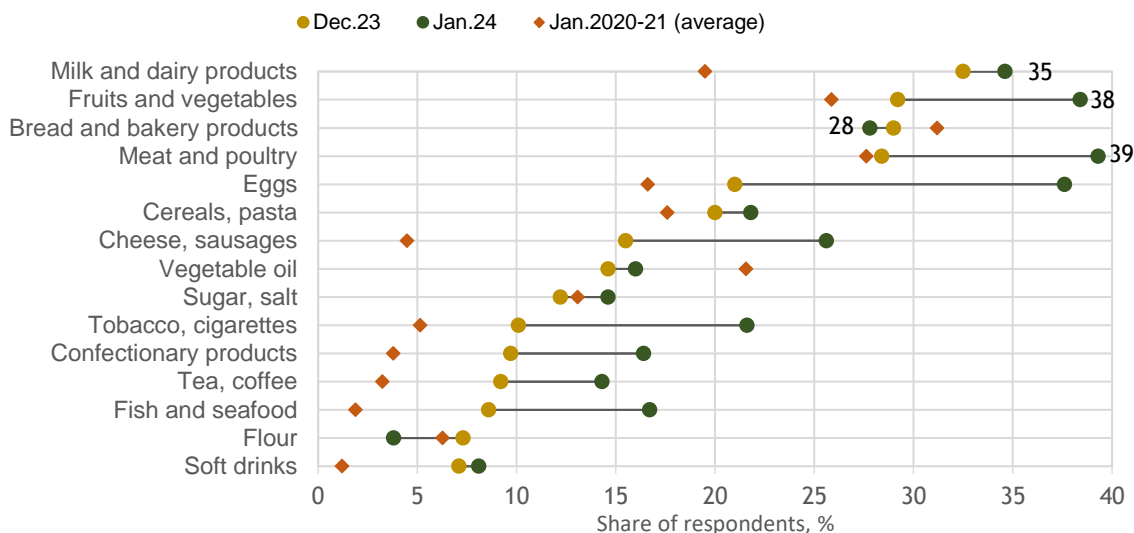
In January 2024, the share of respondents who noted an increase in food prices remained unchanged (80%). At the same time, the share of those who noted an increase in prices for non-food products increased to 7% (in December – 6%).

Among the food products, respondents noted an increase in the prices for dairy and meat products, bakery products as well as fruits and vegetables. In the structure of non-food products,

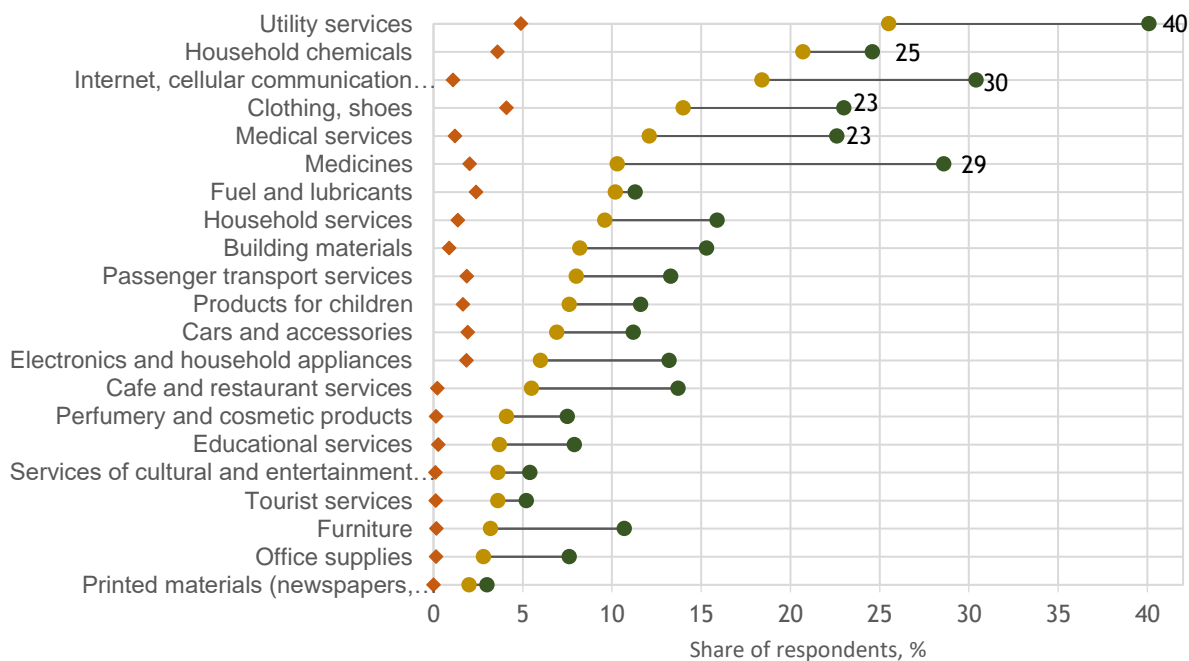
the population noted an increase in the cost of household chemicals, clothing and shoes as well as medicines. Among paid services, respondents mostly noticed an increase in the cost of utility services, Internet and cellular services and medical services (Figure 2).

Figure 2. Frequently mentioned goods and services

Food products



Non-food products and services



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

Consumer sentiment

The consumer sentiment index fell to 110.7 in January 2024 (115.7 in December 2023) (Figures 3,4,5). In particular, estimates of the country's development prospects in the coming year and estimates of the country's development prospects in 5 years have decreased by 6.3 points and 11.6 points, respectively. The assessment of personal financial situation in one year has decreased by 8.1 points.

At the same time, in the estimates of the current situation, the assessment of personal

financial situation over the past year has increased (by 0.9 points) along with readiness for large purchases (by 0.2 points).

Figure 3. Index² of Consumer Sentiment

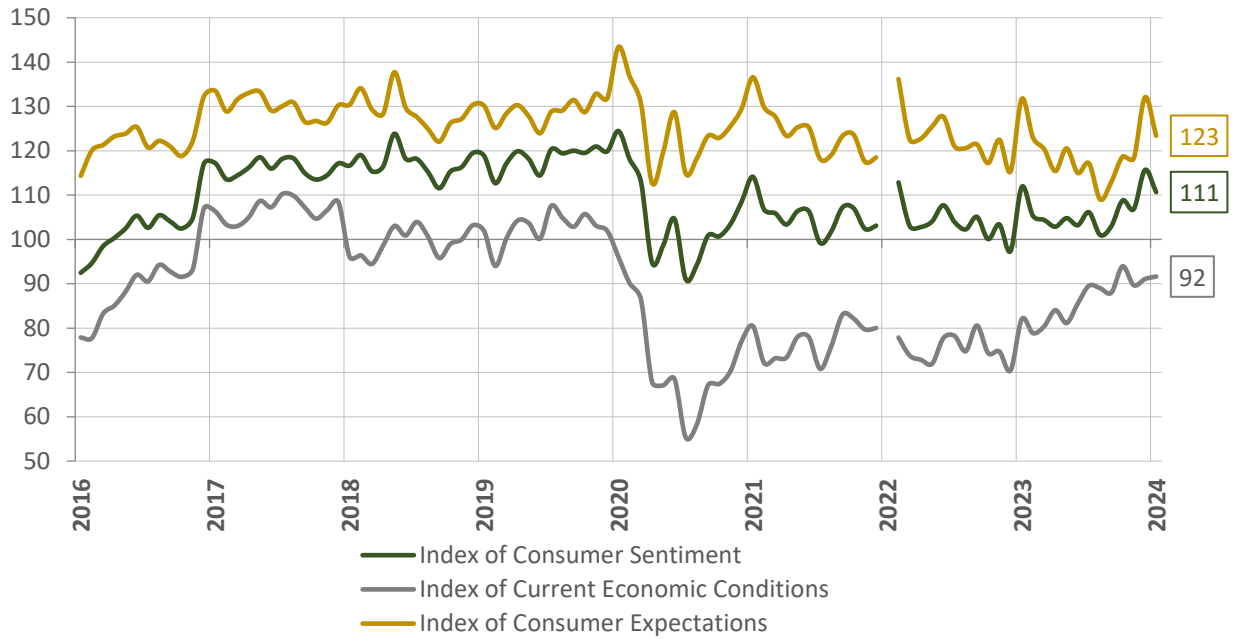


Figure 4. Consumer Expectations

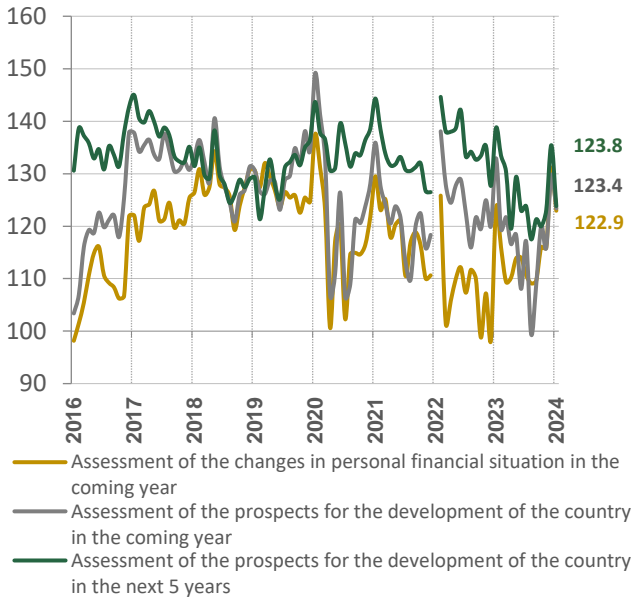
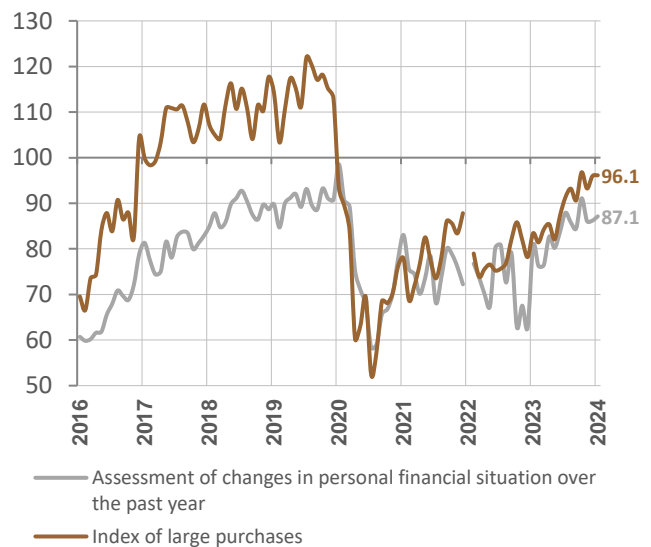


Figure 5. Current Conditions



Source: Results of a telephone survey of the population of Kazakhstan, 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.