



National Bank of Serbia

**REPORT ON THE RESULTS OF THE INFLATION
EXPECTATIONS SURVEY**

February 2026

Belgrade, March 2026

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Introductory note

Indicators of inflation expectations of economic agents are an important factor in the process of monetary policy decision-making in an inflation targeting regime. The effectiveness of the inflation targeting strategy is measured by the degree of stability of inflation expectations and by how firmly they are anchored within the target tolerance band, enhancing the credibility of the monetary policy.

In accordance with the best international practice, after introducing the inflation targeting regime in January 2009, the NBS began to monitor and analyse the inflation expectations of economic agents. To this end, the NBS draws on the inflation expectations survey conducted by the Ninamedia agency for the NBS since April 2024. Survey respondents are classified into four sectors (the financial sector, corporate sector, trade unions and households) and asked to state their one-year ahead price growth expectations, since March 2014, their medium-term, i.e. two-year ahead expectations, and since February 2021 their three-year ahead expectations for the y-o-y price growth.

Overview

Short-term inflation expectations of the financial sector stood at the 3.0% NBS target midpoint, for the second month in a row. Expected inflation calculated as the **inflation expectations composite measure**¹ increased from 3.2% in January to 3.65% in the February survey. According to the **March Bloomberg survey**, financial sector's inflation expectations declined from 3.7% in February to 3.5% in March.

One-year ahead inflation expectations of the corporate sector went down from 5.0% in January to 4.0% in February, which is the lowest level since October 2021.

Medium-term inflation expectations of the financial sector came at 3.0% in the February survey, almost unchanged from a month earlier (in January two-year ahead expectations amounted to 3.1% and three-year ahead to 3.0%), continuing to move between 3.0% and 3.5% since January 2024. **Two-year ahead corporate expectations** stayed at January level, at 4.0%, while **three-year ahead expectations** returned to 5.0% (a level recorded for the most part of 2025), following a decline to 4.7% in January.

Short-term inflation expectations of households, which are usually higher than those of other sectors, stayed at January level (15.0%) which was recorded dominantly in the previous period. **Household inflation expectations for two years ahead** went slightly up from 10% in January to 10.8% in February, while **three-year ahead expectations** stayed unchanged, at 10%.

The results of the qualitative survey suggest that households anticipate inflation to be lower in the coming twelve months than the inflation perceived in the previous twelve months.

¹ Weighted by the individual respondent's share in total assets of the surveyed financial institutions. Institutions participating in both surveys are assigned the arithmetic mean of the responses provided in the Ninamedia and Bloomberg surveys for the relevant month. Hence, banks with a larger market share have a greater influence on the aggregate result.

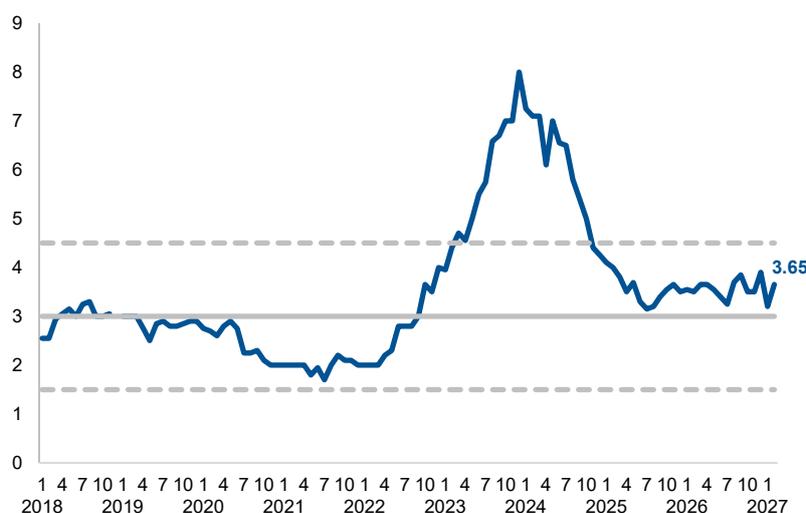
Inflation expectations of the financial sector

According to the **Ninamedia survey**, **one-year ahead inflation expectations of the financial sector** stayed unchanged from a month earlier, at 3.0%. According to the **March Bloomberg survey results**, inflation expectations edged down from 3.7% in February to 3.5%.

A closer analysis of the structure of individual responses shows that all of surveyed financial institutions expect one-year ahead inflation to be within the NBS target tolerance band.

The composite measure of expectations, calculated by combining the responses of financial institutions that participate in the Bloomberg and Ninamedia surveys, went up from 3.2% in January to 3.65% in the February survey primarily on account of higher values reported by banks with the largest market shares (Chart 1).

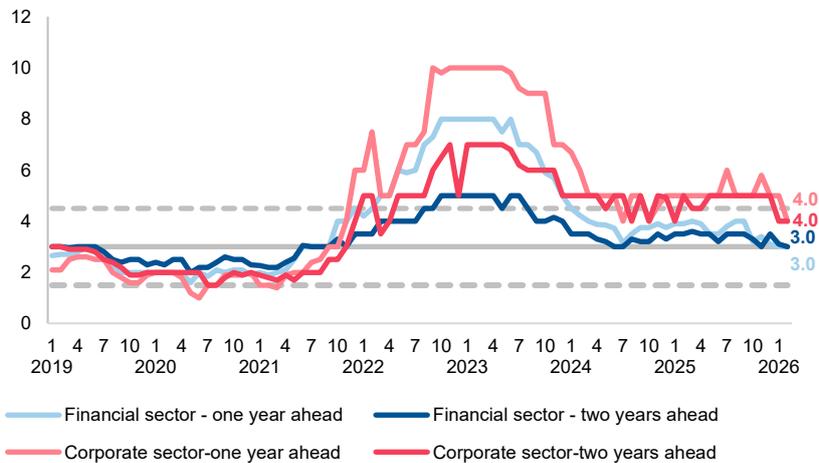
Chart 1 Composite measure of inflation expectations of the financial sector (in %)



Sources: NBS, Ipsos, Ninamedia, Bloomberg.

Medium-term inflation expectations of the financial sector came at 3.0% in the February survey, almost unchanged from a month earlier (in January two-year ahead expectations amounted to 3.1% and three-year ahead to 3.0%).

Chart 2 Expected inflation of financial and corporate sector for one and two years ahead (%)



Sources: NBS, Ninamedia and Ipsos.

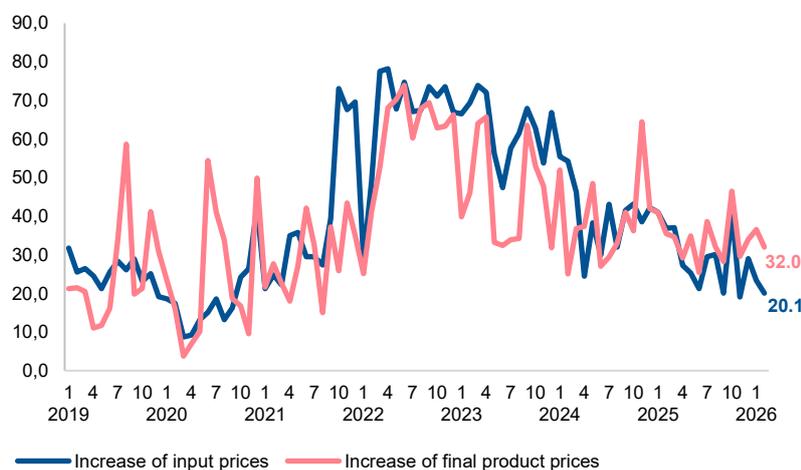
Inflation expectations of the corporate sector and estimate of business conditions

One-year ahead inflation expectations of the corporate sector declined from 5.0% in January to 4.0% in the February survey.

Two-year ahead corporate expectations stayed at January level, at 4.0%, while **three-year ahead expectations** returned to 5.0% (a level recorded for the most part of 2025), following a decline to 4.7% in January. Medium-term corporate expectations continued moving between 4.0% and 5.0% in the past year.

The share of corporates expecting a rise in **the prices of inputs** in the next three months went down from 23% in January to 20% in February, with a simultaneous decline in the share of corporates envisaging an increase in the **prices of final products and services** from 37% to 32% in the February survey (Chart 3).

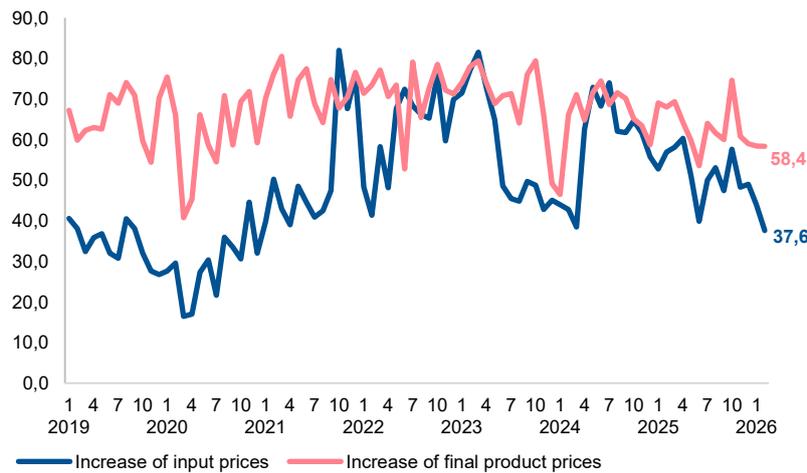
Chart 3 Share of the businesses expecting an increase in the prices of inputs and final products in the next three months (in %)



Sources: Ipsos, Ninamedia.

As for expectations concerning the prices in the next 12 months (Chart 4) the share of corporates expecting a rise in **input prices** dropped from 44% in January to 38% in February with an unchanged share of those anticipating an increase in **output prices** (58%) in the February survey.

Chart 4 Share of the businesses expecting an increase in the prices of inputs and final products in the next twelve months (in %)



Sources: Ipsos, Ninamedia.

The prevailing view among corporates is that **business conditions remained unchanged over the past three months** (71% of corporates), and 65% of them believe that no changes will occur over the next twelve months either.

The share of corporates expecting an increase in their own production/turnover over the next three months increased from 37% in January to 42% in the February survey. At the same time, the share of those expecting a rise in production/turnover over the next twelve months went up from 49% in January to 50% in the February survey.

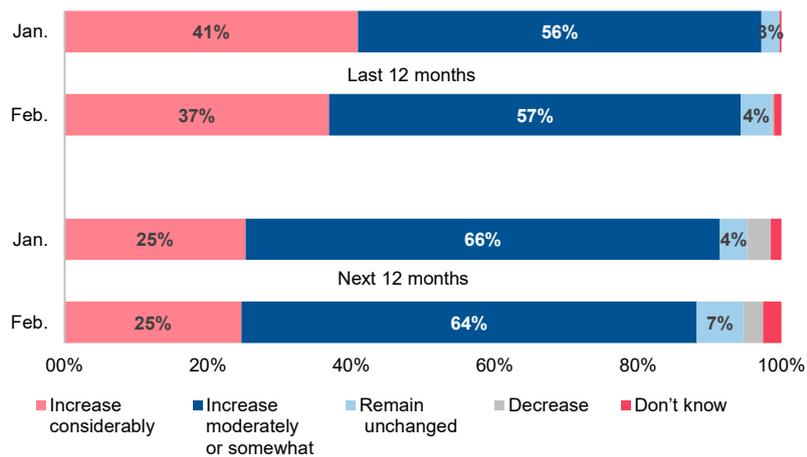
Inflation expectations of the household sector

According to Ninamedia, **short-term household expectations** stayed unchanged from the previous month, at 15% in the February survey, a dominantly recorded level in the previous period. **Two-year ahead expectations** went up from 10% in January to 10.8% in February, while **three-year ahead expectations** stayed unchanged from the January survey, at 10%.

According to the qualitative survey results (Chart 5), the **share of respondents who believe that there was a considerable increase in prices over the past year** dropped from 41% in January to 37% in February, significantly below a 44% average throughout 2025. On the other hand, the share of respondents expecting a considerable

increase in prices **over the next twelve months** stayed unchanged from a month earlier, at 25% in the February survey, with a dominant share (64%) of those expecting prices to rise less (moderate or slight price increase).

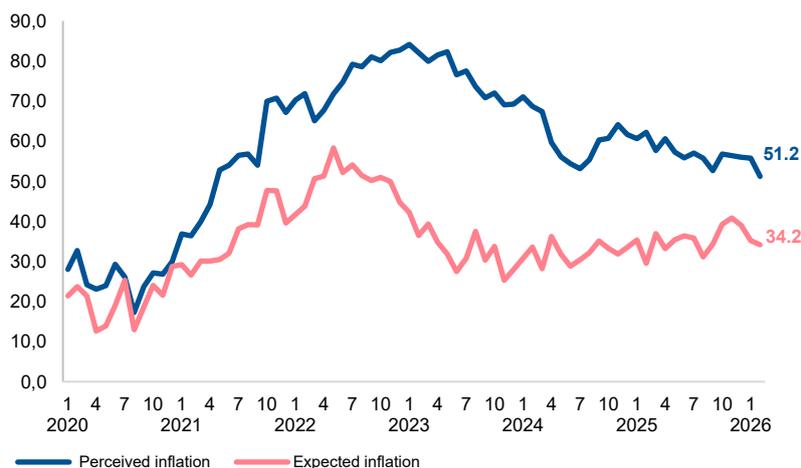
Chart 5 Distribution of household responses by perceived and expected inflation



Source: Ninamedia.

A continuously higher perceived than expected inflation index (Chart 6) implies that **households anticipate lower inflation in the coming twelve months than in the previous year.**²

Chart 6 Perceived and expected inflation of households (in index points)



Sources: Ninamedia, Ipsos and NBS estimate.

² The index is the difference between the weighted share of respondents who assess that prices increased more than somewhat and those assessing that prices remained unchanged or decreased. For details, see Text box 2 of the *Inflation Report – February 2016*.

https://www.nbs.rs/export/sites/NBS_site/documents-eng/publikacije/loi/izvestaji/inflation_report_02_2016.pdf