



National Bank of Serbia

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

**March 2026**

Belgrade, April 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 have stood at the NBS target midpoint for the third consecutive month.** Expected inflation, calculated as the **inflation expectations composite measure**<sup>1</sup>, declined from 3.65% in February to 3.55% in the March survey, remaining in line with the average recorded in the previous year. According to the **April Bloomberg survey**, financial sector inflation expectations remained unchanged from March, standing at 3.5% in April.

**One-year ahead inflation expectations of the corporate sector** stayed unchanged compared to February, standing at 4.0% in the March survey, thus remaining within the NBS target band for the second consecutive month.

**Two-year ahead financial sector inflation expectations** increased from 3.0% in February to 3.3% in March, while **three-year ahead expectations** remained unchanged at 3.0%, continuing to move within the 3.0–3.5% range since January 2024. **Two-year ahead corporate sector expectations** were unchanged for the third consecutive month at 4.0% in March, while **three-year ahead expectations** declined from 5.0% to 4.1%, reaching their lowest level since February 2025.

**One-year ahead inflation expectations of the household sector, typically higher than those of other sectors**, remained unchanged at 15% for the fourth consecutive month. **Medium-term household expectations** were broadly unchanged compared to the previous month, standing at 11% for **two years ahead** and 10% for **three years ahead**.

**The results of the qualitative survey indicate that households expect inflation in the coming twelve months to be lower than the inflation perceived over the previous year.**

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<sup>1</sup> 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.

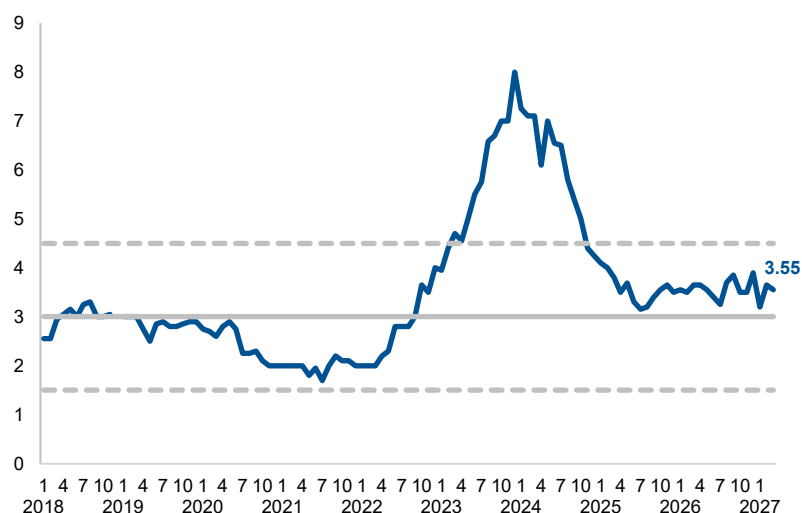
## Inflation expectations of the financial sector

According to the **Ninamedia survey**, **short-term inflation expectations of the financial sector** remained unchanged for the third consecutive month and stood at the NBS target midpoint. According to the **April Bloomberg survey**, inflation expectations were the same as in the previous month, standing at 3.5%.

A more detailed analysis of individual responses shows that almost all surveyed financial institutions (21 out of 22) expect one-year ahead inflation to remain within the NBS target tolerance band.

The composite measure of expectations (combining responses from financial institutions participating in the Bloomberg and Ninamedia surveys) declined from 3.65% in February to 3.55% in the March survey, remaining around the average level recorded in the previous year (Chart 1).

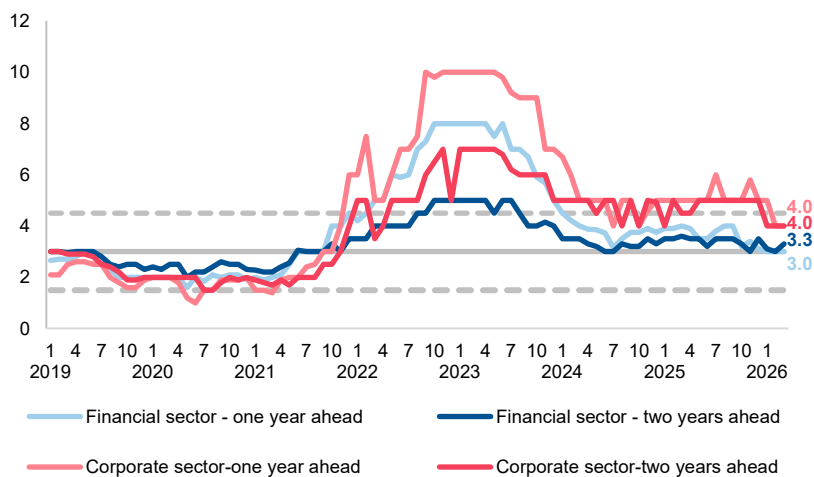
Chart 1 Composite measure of inflation expectations of the financial sector (in %)



Source: NBS, Ipsos, Ninamedia, Bloomberg

**Two-year ahead financial sector expectations** increased from 3.0% in February to 3.3% in March, while **three-year ahead expectations** stayed at 3.0%.

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



Source: NBS, Ninamedia and Ipsos

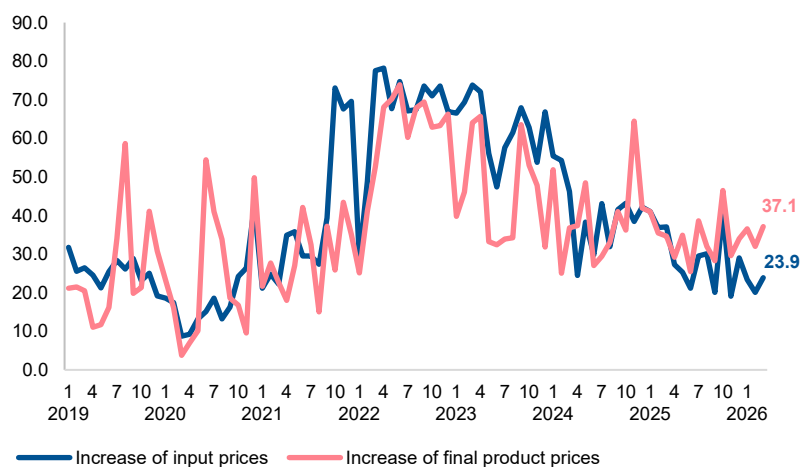
## Inflation expectations of the corporate sector and estimate of business conditions

**Short-term inflation expectations of the corporate sector** remained unchanged compared to February, standing at 4.0% in the March survey, thus remaining within the NBS target band for the second consecutive month.

**Two-year ahead corporate expectations** remained unchanged for the third consecutive month at 4.0%, while **three-year ahead expectations declined from 5.0% to 4.1%, reaching their lowest level since February 2025**. Medium-term corporate expectations continued to move within the 4.0–5.0% range over the past year.

The share of corporates expecting an increase in **input prices** in the short term rose from 20% in February to 24% in March, alongside an increase in the share of those expecting a rise in **output prices** from 32% to 37% (Chart 3).

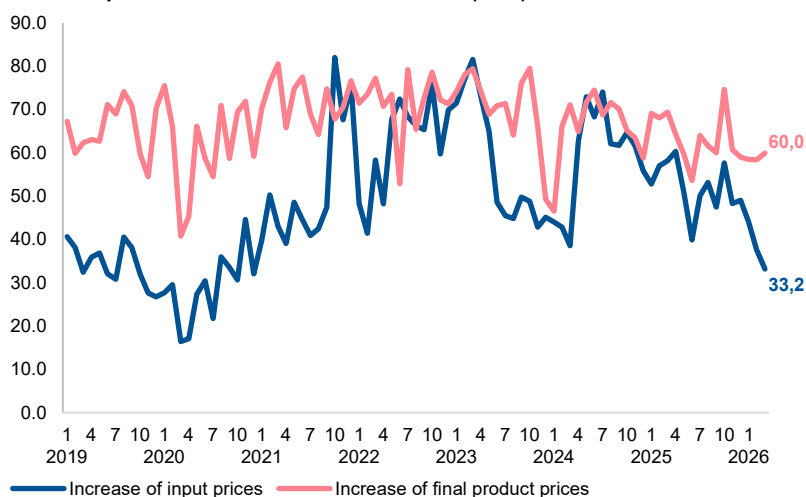
**Chart 3 Share of the businesses expecting an increase in the prices of inputs and final products in the next three months (in %)**



Source:Ipsos, Ninamedia

Regarding expectations for price movements over the next twelve months (Chart 4), the share of corporates expecting an increase in **input prices** declined from 38% in February to 33% in March, while the share of those expecting an increase in **output prices** remained stable at around 60%.

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



Source:Ipsos, Ninamedia

The prevailing view among corporates is that **business conditions** remained unchanged **over the past three months** (73% of respondents). As for expectations for the **next twelve months**, there was an increase in the share of corporates expecting a deterioration in business conditions, from 23% in February to 37% in March, which may

be associated with heightened uncertainty following the outbreak of the Middle East conflict, while 54% expect no change.

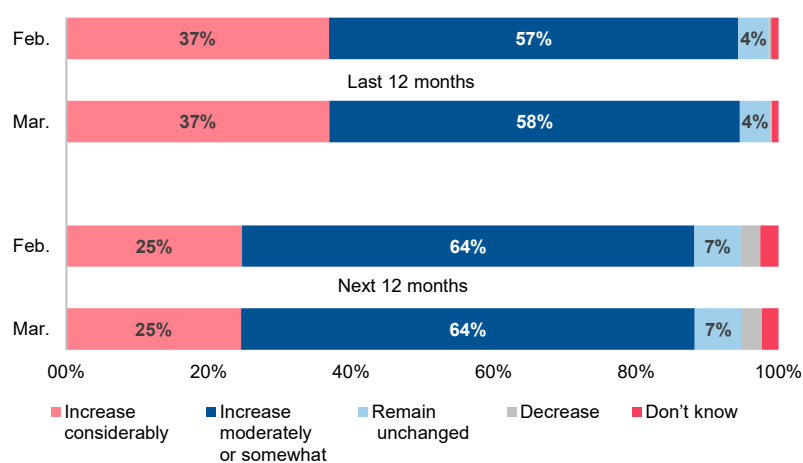
The share of corporates expecting an increase in their own production/turnover over the next three months declined from 42% in February to 32% in March. At the same time, the share of those expecting growth over the next twelve months remained stable at around 48% since the beginning of the year.

## Inflation expectations of the household sector

According to the Ninamedia survey, **short-term household inflation expectations** remained unchanged for the fourth consecutive month at 15% in March. **Medium-term expectations** were broadly unchanged compared to the previous month, standing at 11% for two years ahead and 10% for three years ahead.

According to the qualitative survey results (Chart 5), **the share of respondents who believe that prices increased considerably over the past year** remained unchanged from February, at 37% in March. **The share of respondents expecting a considerable increase in prices over the next twelve months** also remained unchanged at 25%, with a dominant share (64%) expecting prices to increase moderately or somewhat.

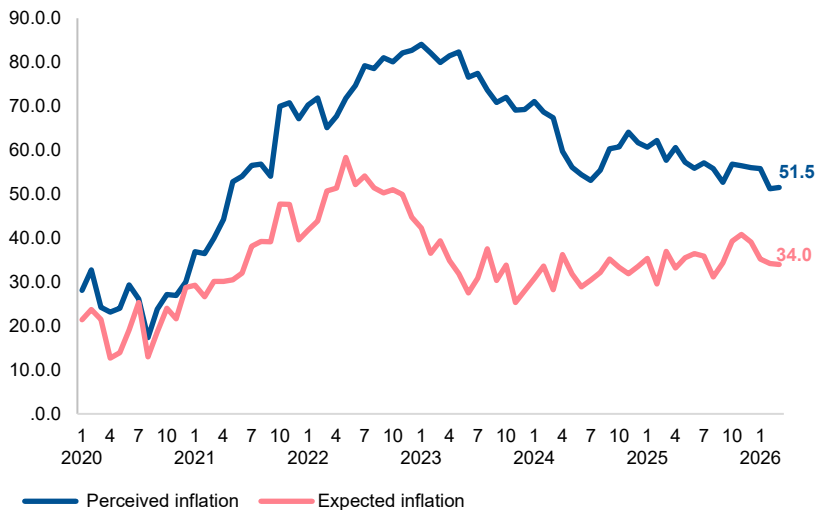
Chart 5 Distribution of household responses by perceived and expected inflation



A continuously higher perceived inflation index than the expected inflation index (Chart 6) implies that **households expect inflation in the coming twelve months to be lower than in the previous year.**<sup>2</sup>

<sup>2</sup> 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*:

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



Source: Ninamedia, Ipsos and NBS estimate