



National Bank of Serbia

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

May 2026

Belgrade, June 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 rose from 3.5% in April to 4.0% in May, which is the level around which they hovered in September 2025 when the margin capping decree entered into force. Expected inflation, calculated through the **composite measure of inflation expectations**,¹ **increased from 3.6% in April to 4.25% in May**, primarily due to higher reported inflation expectations of banks with the largest market shares. According to the **June Bloomberg survey**, inflation expectations of the financial sector increased from 3.8% in May to 4.0% in June, equalising with the Ninamedia survey expectations.

One-year ahead corporate expectations stayed unchanged from April, at 5.0% in the May survey, a level dominantly recorded in the previous period.

Two-year ahead expectations of the financial sector went up from 3.3% in April to 3.5% in May, while **three-year ahead expectations** stayed unchanged at 3.1%. Medium-term expectations have been moving within the 3.0–3.5% range since January 2024.

Medium-term corporate expectations stayed unchanged from the previous survey, at 5.0% in May, continuing to move within the 4.0–5.0% range registered since December 2023.

Traditionally higher than those of other sectors, short-term household expectations stayed unchanged from December 2025, at 15% in the May survey. Medium-term household expectations, i.e. expectations for two and three years ahead went down to 10% in May from the April levels of 15% and 12%. This is also confirmed by the qualitative survey, which shows that the share of respondents expecting a considerable rise in prices over the next twelve months dropped from 28% in April to 25% in May, with a dominant share of those expecting prices to increase moderately or somewhat (62%). **At the same time, 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.

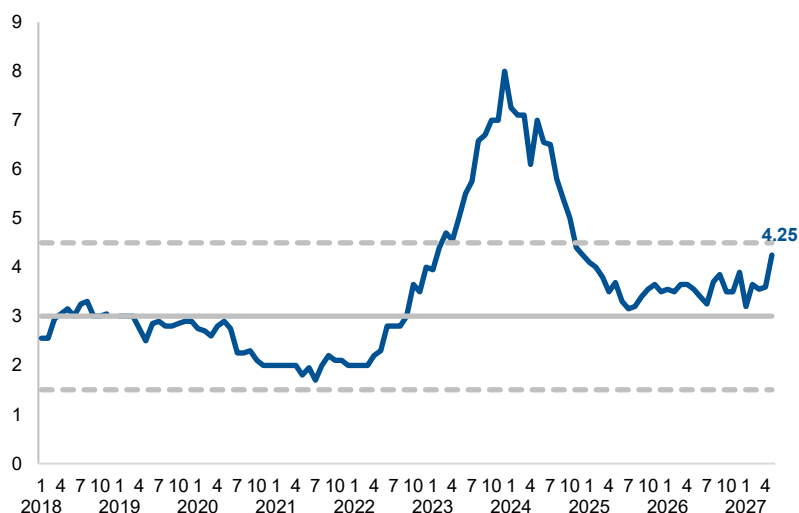
Inflation expectations of the financial sector

According to the **Ninamedia survey**, **short-term inflation expectations of the financial sector** increased from 3.5% in April to 4.0% in May, continuing to move within NBS target tolerance band. According to the **June Bloomberg survey results**, one-year ahead inflation expectations edged up from 3.8% to 4.0% in May.

A closer analysis of the structure of individual responses shows that most financial institutions surveyed by Ninamedia (19 out of 23) 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 3.6% in April to 4.25% in May, primarily on account of higher values reported by banks with the largest market shares (Chart 1).

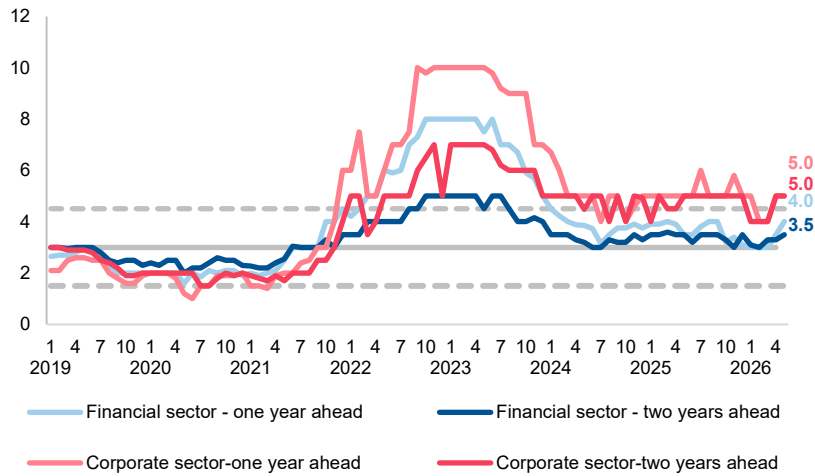
Chart 1 **Composite measure of inflation expectations of the financial sector (in %)**



Source: NBS, Ipsos, Ninamedia, Bloomberg.

Two-year ahead expectations of the financial sector went up from 3.3% in April to 3.5% in May, while **three-year ahead expectations** stayed unchanged at 3.1% in the May survey. Medium-term expectations have been moving within the 3.0–3.5% range since January 2024.

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



Source: NBS, Ninamedia and Ipsos.

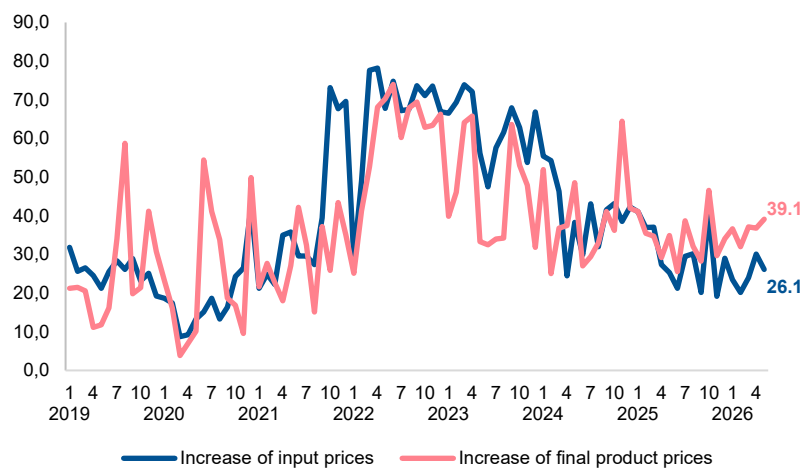
Inflation expectations of the corporate sector and estimate of business conditions

Short- and medium-term inflation expectations of corporates did not change. One-year ahead inflation expectations stayed unchanged from the previous month, at 5.0% in May, which is the level dominantly recorded in the previous period.

Medium-term corporate expectations for two and three years ahead were also unchanged from April, at 5.0% in the May survey, continuing to move within 4.0–5.0% interval in the last year.

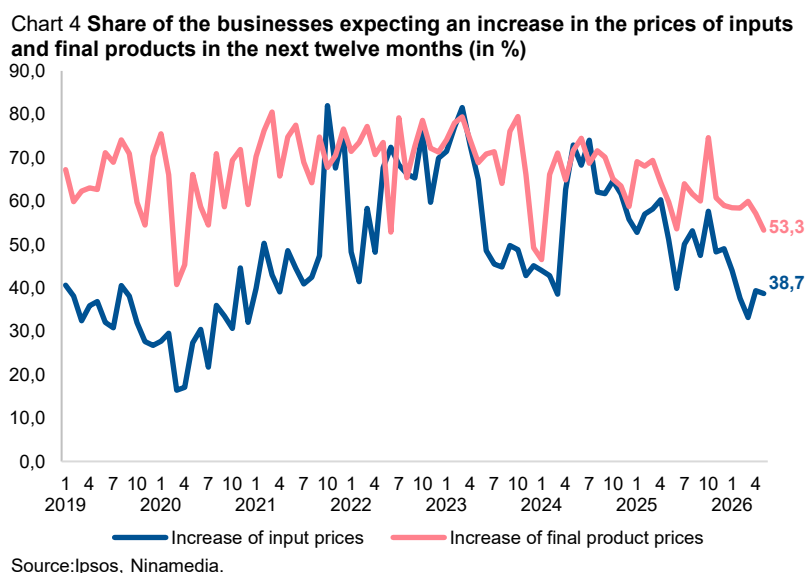
The share of corporates expecting a rise in their **input prices** in the short run dropped from 30% in April to 26% in May, while the share of those envisaging an increase in **output prices** increased from 37% in April to 39% in May (Chart 3).

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 developments over the next 12 months, the share of corporates expecting an increase in **input prices** remained unchanged from the previous month, standing at 39% in May. At the same time, the share of corporates anticipating an increase in **output prices** declined from 57% in April to 53% in the May survey (Chart 4).



The prevailing view among corporates is that **business conditions** have remained unchanged **over the past three months**, with 71% of respondents holding this view. Respondents hold the same view regarding business conditions **over the next twelve months**, with 65% expecting business conditions to remain unchanged.

The share of corporates expecting an increase in their own production/turnover in the next three months declined from 46% in April to 41% in May, while the share of those expecting an increase in their own production/turnover in the next twelve months lowered from 52% to 47%.

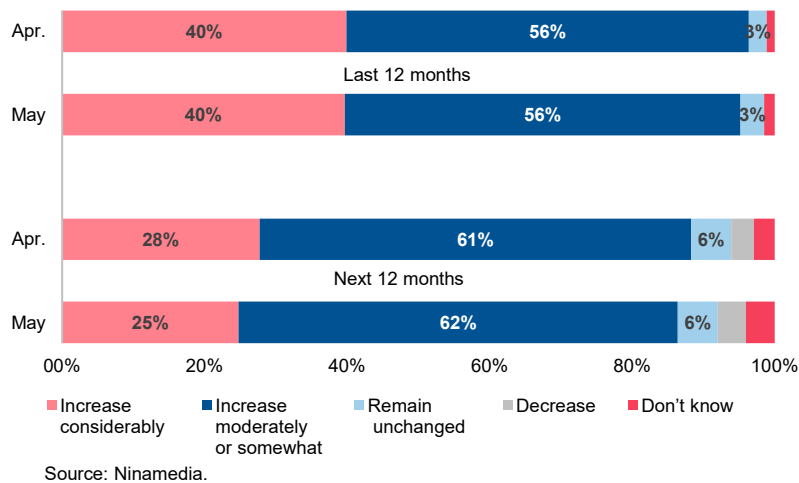
Inflation expectations of the household sector

According to the results of the Ninamedia survey, household inflation expectations for one year ahead have been unchanged since December 2025, standing at 15% in the May survey. **Medium-term household expectations**, i.e. expectations for two and three years ahead went down to 10% in May from the April levels of 15% and 12%.

According to the qualitative survey results (Chart 5), **the share of respondents who believe that prices have increased considerably over the past year** remained unchanged from the previous month, standing at 40% in the May survey. At the same time, the largest share of respondents continues to assess that prices have increased

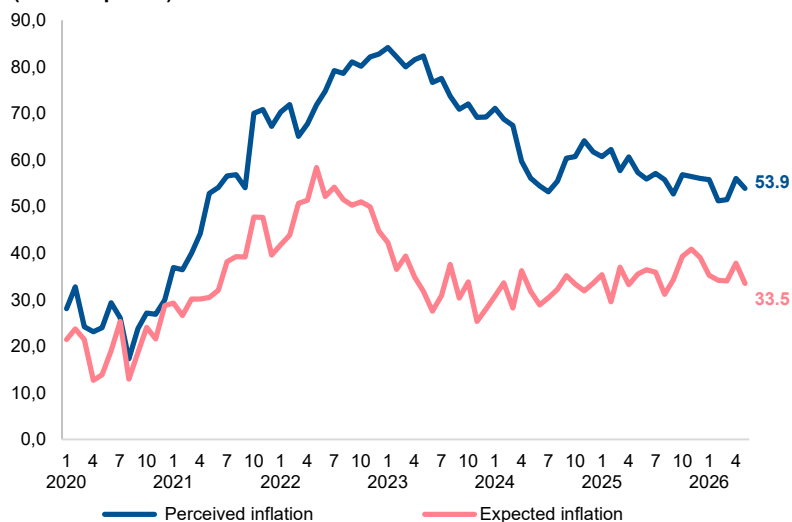
moderately or somewhat (56%). In contrast, **the share of respondents expecting a considerable increase in prices over the next 12 months** declined from 28% to 25%, returning to the level recorded since the beginning of the year. Respondents anticipating prices to increase moderately or somewhat accounted for the largest share (62%).

Chart 5 Distribution of household responses by perceived and expected inflation



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)



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/ioi/izvestaji/inflation_report_02_2016.pdf