National Bank of Serbia

REPORT ON THE RESULTS OF THE INFLATION EXPECTATIONS SURVEY

August 2026

Belgrade, September 2026

Contents:

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 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 y-o-y price growth.

Overview

Short-term inflation expectations of the financial sector remained unchanged from the previous month in August, standing at 3.5%, and thus continued to move firmly within the NBS target band. Expected inflation, calculated using the **composite measure of inflation expectations**,[1] remained somewhat higher and stood at **3.9% in August** (3.7% in July). According to the results of the **September Bloomberg survey**, the financial sector's one-year ahead inflation expectations decreased to 3.8%, from 3.9% in the August survey.

The **corporate sector's one-year ahead inflation expectations** remained unchanged at 5.0% for the fifth consecutive month, this being also the level predominantly recorded since the beginning of 2025.

The financial sector's medium-term inflation expectations remained at the NBS target midpoint of 3.0% in August.

The corporate sector's two-year ahead expected inflation declined from 5.0% in July to 4.4% in August, while **three-year ahead expectations decreased from 5.0% to 4.7%**, their lowest levels since March.

Traditionally higher than the expectations of other sectors, households' short-term inflation expectations remained unchanged from July, standing at 10% in the August survey. **Households' medium-term inflation expectations (for two and three years ahead)** were unchanged for the fourth consecutive month, measuring 10% in August. **At the same time, the results of the qualitative survey indicate that households expect inflation over the next twelve months to be lower than the inflation perceived over the past year**.

[1] Calculated as the weighted median of individual responses, with the shares of institutions in the total assets of the surveyed financial institutions used as weights. 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.

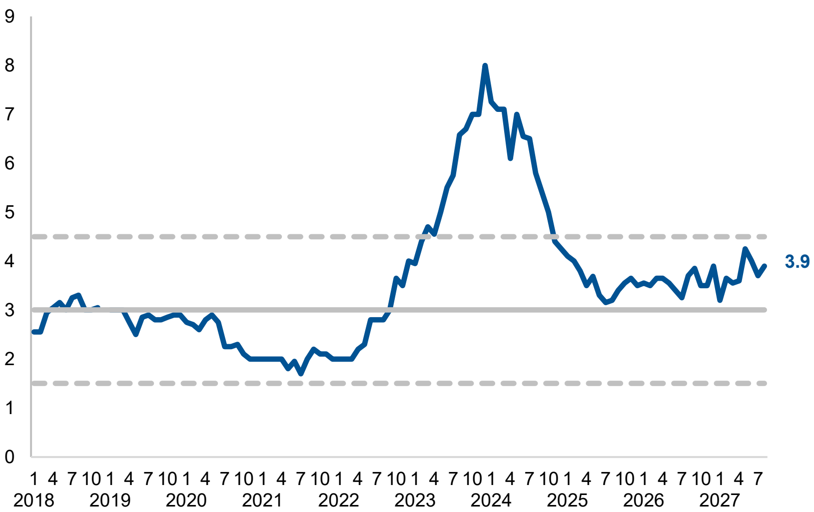
Inflation expectations of the financial sector

According to the results of the **Ninamedia survey, the financial sector's one-year ahead inflation expectations** remained unchanged from July at 3.5% in August, continuing to move within the NBS target band and around their average level since the beginning of the year. According to the **results of the September Bloomberg survey**, short-term inflation expectations decreased to 3.8%, from 3.9% in August.

A more detailed analysis of the structure of individual responses shows that all financial institutions participating in the Ninamedia survey expect one-year ahead inflation to remain within the NBS target band.

The value of the composite measure of expectations (which combines the responses of financial institutions participating in the Bloomberg and Ninamedia surveys) was somewhat higher than in July (3.9% compared with 3.7%), but below the peak reached in previous months (Chart 1).

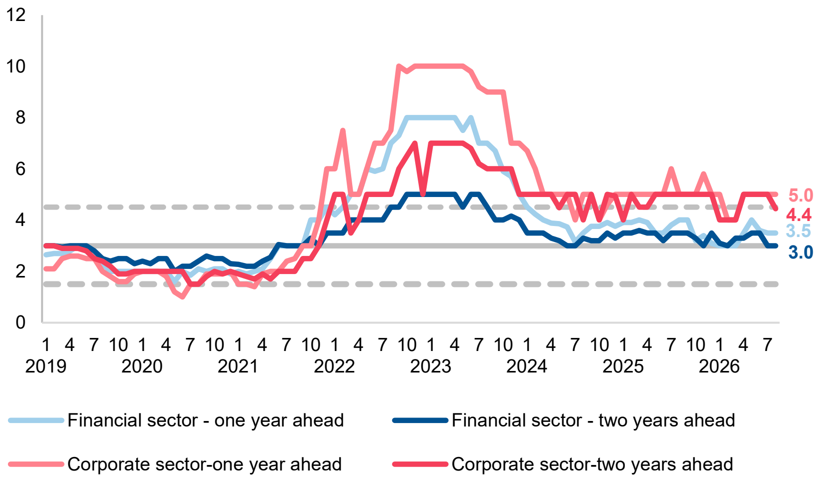
Chart 1 **Composite measure of inflation expectations of the financial sector (in %)**



Source: NBS, Ipsos, Ninamedia, Bloomberg

The financial sector's two- and three-year ahead **inflation expectations** remained unchanged from the July survey, standing at the NBS target midpoint of 3.0%.

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



Source: NBS, Ninamedia and Ipsos

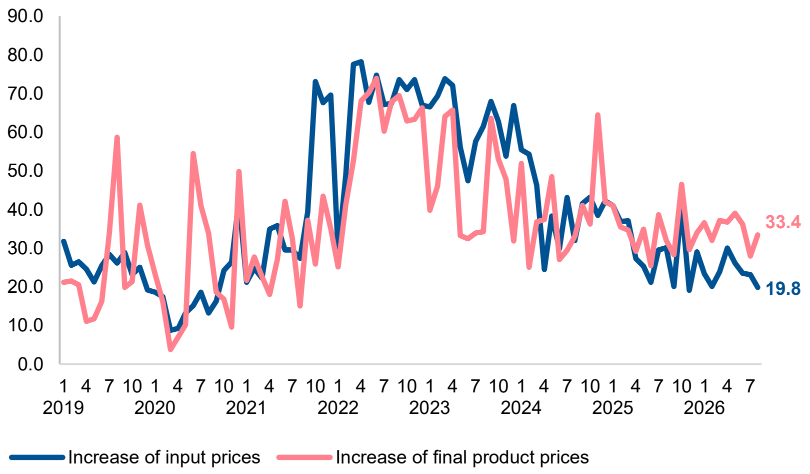
Corporate inflation expectations and estimate of business conditions

The corporate sector's short-term inflation expectations remained unchanged in the August survey, while medium-term expectations declined. The corporate sector's one-year ahead inflation expectations were unchanged for the fifth consecutive month, standing at 5.0%, a level predominantly recorded since the beginning of 2025.

On the other hand, the corporate sector's two-year ahead inflation expectations returned within the target band in August, declining from 5.0%, where they had stood in the previous four months, to 4.4%. Three-year ahead inflation expectations also declined, from 5.0% in July to 4.7% in August.

The share of corporate sector representatives expecting an increase in their **input prices** in the short term stood at around 20.0%, down from the previous month (around 23.0%), while the share of those expecting an increase in **output prices** rose somewhat in August to 33.4%, following a significant decline in the July survey (around 28.0%) (Chart 3).

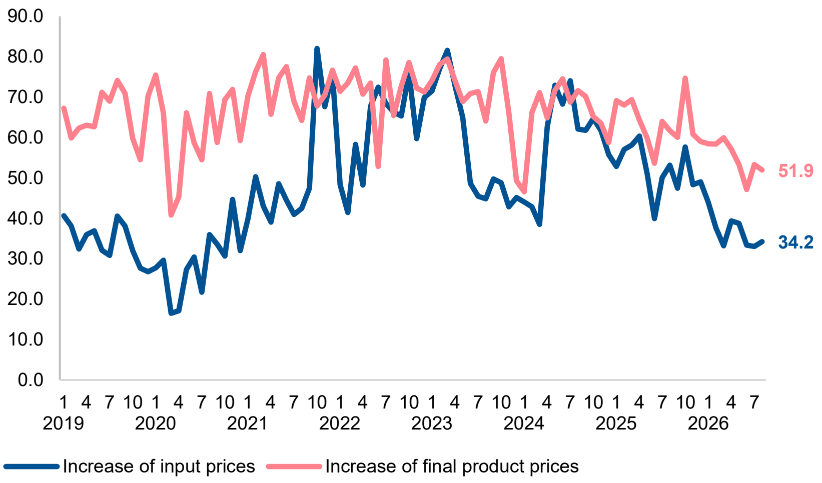
Chart 3 **Share of the businesses expecting an increase in the prices of inputs and final products in the next three months (in %)**



Source:Ipsos, Ninamedia

With regard to expectations of **price developments over the next 12 months, there were no significant changes**. In August, around 34% of corporate sector representatives expected an increase in **input prices** (33% in July), while around 52% expected an increase in **output prices** (53% in July).

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 corporate sector representatives is that **business conditions over the past three months** have remained unchanged (77.5% of respondents). Respondents expressed the same view regarding business conditions **over the next twelve months**, with 72.7% not expecting any change in business conditions.

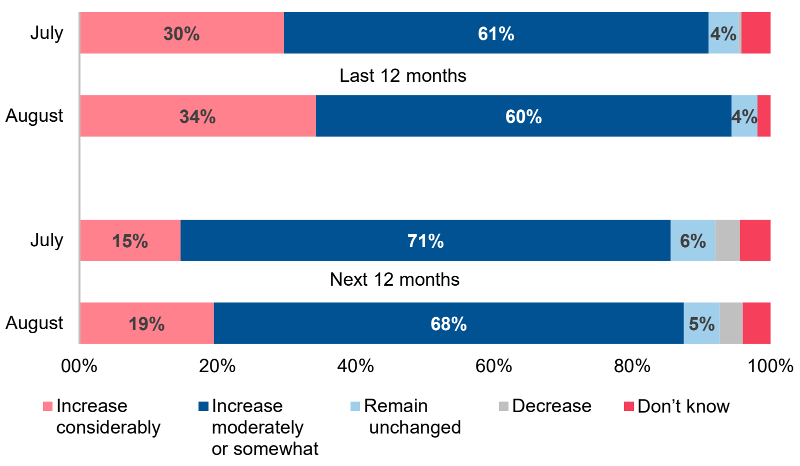
The share of corporate sector representatives expecting an increase in their own production/turnover also remained stable compared with the previous survey, with around 30% expecting an increase in the short term, over the next three months, while the corresponding longer-term share is higher, at around 45%.

Household inflation expectations

According to the results of the Ninamedia survey, the short- and medium-term inflation expectations of households remained unchanged from the previous month, standing at 10% in the August survey.

According to the qualitative survey results (Chart 5), **the share of respondents who perceive that prices have increased considerably over the past year** edged up from 30% in July to 34% in August, while the largest share of respondents continue to assess that prices have increased moderately or somewhat (60%). At the same time, **the share of respondents expecting a considerable increase in prices over the next 12 months** rose from 15% to 19%, with the majority expecting prices to increase moderately or somewhat (68%).

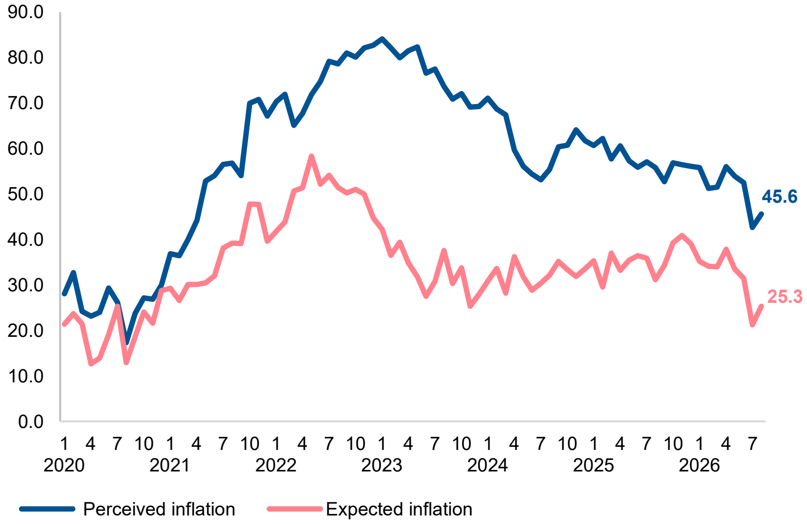
Chart 5 **Distribution of household responses by perceived and expected inflation**



Source: Ninamedia

The 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)**



Source: 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 Inflation Report – February 2016. (https://www.nbs.rs/export/sites/NBS_site/documents-eng/publikacije/ioi/izvestaji/inflation_report_02_2016.pdf).