



National Bank of Serbia

REPORT ON THE RESULTS OF THE INFLATION EXPECTATIONS SURVEY

September 2026

Belgrade, October 2026

Contents:

Introductory note.....	2
Summary	3
Inflation expectations of the financial sector	4
Corporate inflation expectations and estimate of business conditions.....	5
Household inflation expectations.....	7

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.

Summary

One-year ahead inflation expectations of the financial sector remained unchanged at 3.5% for the third consecutive month, and thus continued to move within the NBS target band. Expected inflation calculated using the **composite measure of inflation expectations**¹ increased to 4.1% in September from 3.9% in August, primarily due to an increase in expectations of banks with the largest market shares. According to the results of the **October Bloomberg survey**, one-year ahead inflation expectations of the financial sector declined from 3.8% in September to 3.7% in October.

Short-term inflation expectations of the corporate sector remained unchanged at 5.0% since April, this also being the level predominantly recorded since the beginning of 2025.

The financial sector's inflation expectations for two years ahead increased from 3.0% in August to 3.4% in September, while **expectations for three years ahead** remained unchanged at 3.0% since June, with medium-term expectations continuing to move within the 3.0%–3.5% range since January 2024.

Medium-term inflation expectations of the corporate sector stood at 5.0% in September, representing an increase relative to the previous month, when **expectations for two years ahead stood at 4.4%, and those for three years ahead at 4.7%**. Medium-term inflation expectations of the corporate sector have continued to move within the 4.0%–5.0% range since mid-2024.

Traditionally higher than the expectations of other sectors, households' one-year ahead inflation expectations remained unchanged at 10% for the fourth consecutive month. **Expected inflation for two years ahead** declined from 10% in August to 8% in September, while **expectations for three years ahead** remained at 10% for the fifth consecutive month. **At the same time, the results of the qualitative survey indicate that households expect inflation over the next twelve months to be lower than 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.

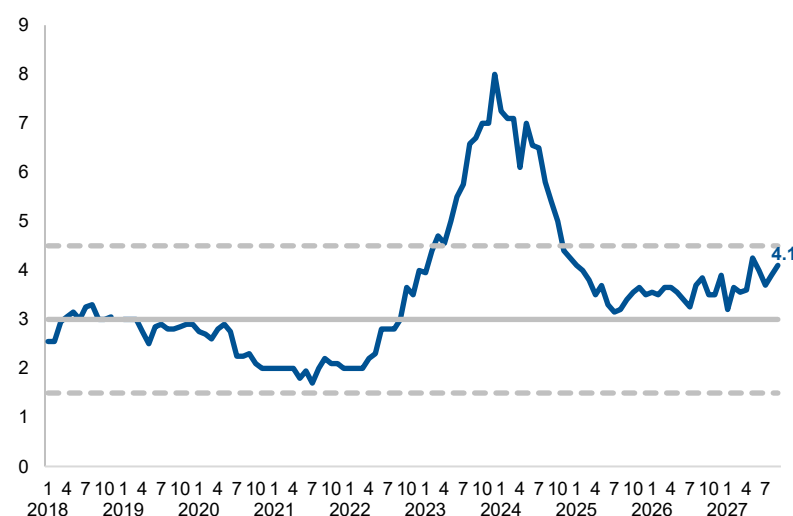
Inflation expectations of the financial sector

According to the results of the **Ninamedia survey**, the **financial sector's short-term inflation expectations** remained unchanged at 3.5% for the third consecutive month, continuing to move within the NBS target band and around the average value since the beginning of the year. According to the **results of the October Bloomberg survey**, one-year ahead inflation expectations declined to 3.7%, from 3.8% in September.

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) increased from 3.9% in August to 4.1% in September, due to an increase in expectations of banks with the largest market shares (Chart 1).

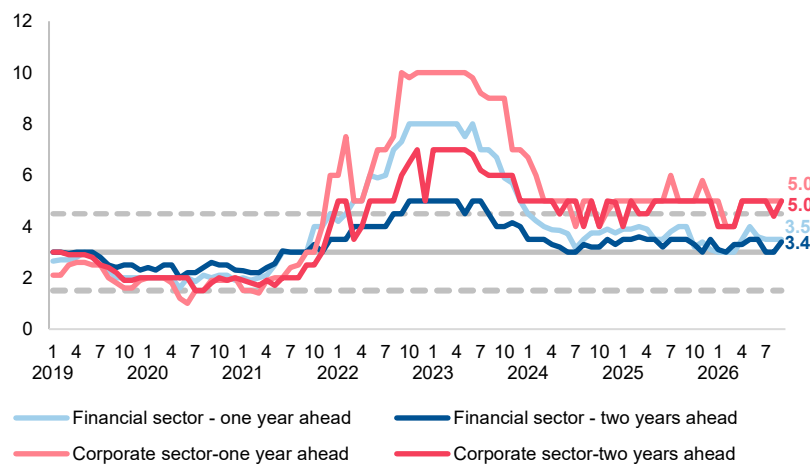
Chart 1 **Composite measure of inflation expectations of the financial sector (in %)**



Source: NBS, Ipsos, Ninamedia, Bloomberg.

The financial sector's inflation expectations for two years ahead increased from 3.0% in August to 3.4% in September, while **expectations for three years ahead** have remained unchanged since June, at 3.0%, with medium-term expectations continuing to move 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 (%)



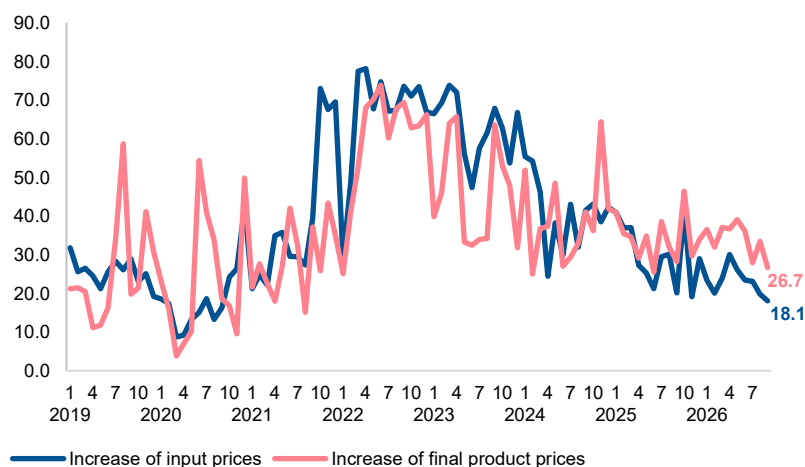
Corporate inflation expectations and estimate of business conditions

Short-term expectations of the corporate sector remained unchanged in the September survey, while medium-term expectations recorded a slight increase. The corporate sector's one-year ahead inflation expectations remained unchanged for the sixth consecutive month, at 5.0%, this also being the level predominantly recorded since the beginning of 2025.

Medium-term inflation expectations of the corporate sector stood at 5.0% in September, representing an increase relative to the previous month, when expectations for two years ahead stood at 4.4%, and those for three years ahead at 4.7%.

The share of corporates expecting their **input prices** to increase in the short term declined from 20% in August to 18% in September, accompanied by a decrease in the share of those expecting **output prices** to increase, from 33% to 27% in the September survey (Chart 3).

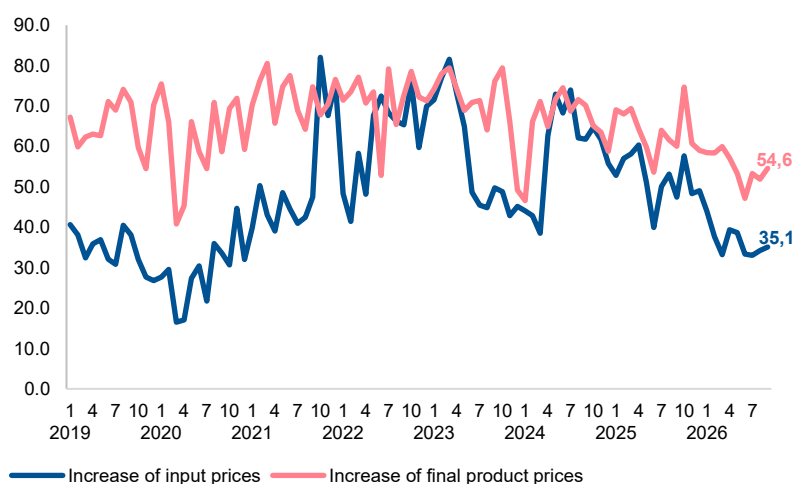
Chart 3 **Share of the businesses expecting an increase in the prices of inputs and final products in the next three months (in %)**



Source: Ipsos, Ninamedia.

With regard to expectations of **price developments over the next 12 months**, the share of corporates expecting **input prices** to increase stood at 35% in September, recording a slight increase of 1 pp relative to the previous month. At the same time, the share of those expecting **output prices** to rise increased from 52% in August to 55% in the September survey, standing at the average level recorded since the beginning of the year (Chart 4).

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 over the past three months** have remained unchanged (77% of respondents). Respondents expressed

the same view regarding business conditions **over the next twelve months**, with 66% not expecting any change in business conditions.

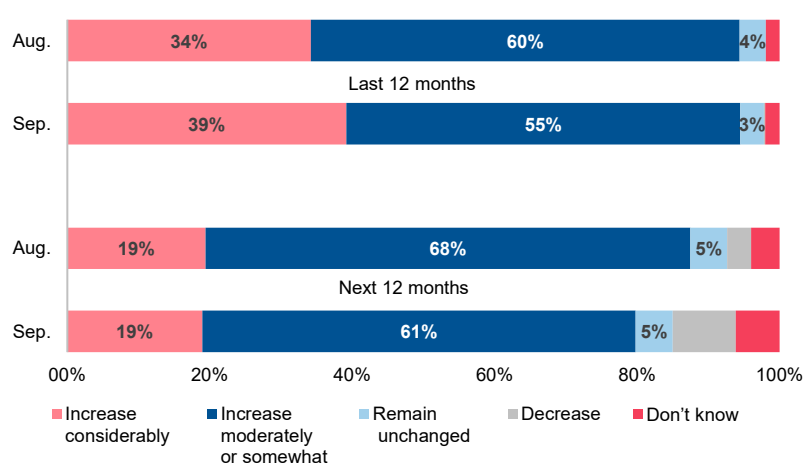
The shares of respondents expecting an increase in their own production/turnover over the next three months and the next twelve months declined, standing at 24% and 41%, respectively. Nevertheless, the prevailing view among corporates remains that production/turnover will not change over either period (72% do not expect any change over the next three months and 59% over the next twelve months).

Household inflation expectations

According to the results of the Ninamedia survey, households' **short-term inflation expectations** remained unchanged for the fourth consecutive month, standing at 10% in the September survey. **Expected inflation for two years ahead** declined from 10% in August to 8% in September, while **expectations for three years ahead** remained at 10% for the fifth consecutive month.

According to the qualitative survey results (Chart 5), **the share of respondents who perceive that prices have increased considerably over the past twelve months** rose from 34% in August to 39% in September, while the largest share of respondents continue to assess that prices have increased moderately or somewhat (55%). In contrast, **the share of respondents expecting a considerable increase in prices over the next 12 months** remained unchanged from August, at 19%, with the majority expecting prices to increase moderately or somewhat (61%).

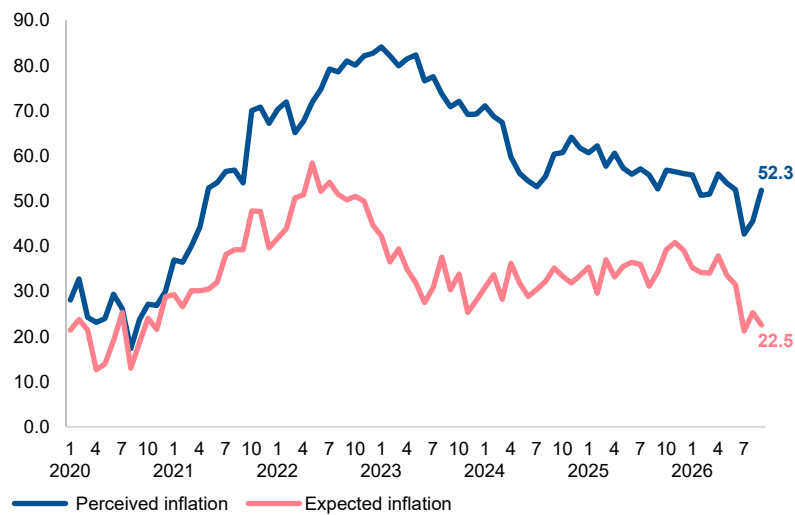
Chart 5 Distribution of household responses by perceived and expected inflation



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 increase 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/loi/izvestaji/inflation_report_02_2016.pdf).