National Bank of Serbia

REPORT ON THE RESULTS OF THE INFLATION EXPECTATIONS SURVEY

October 2026

Belgrade, November 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 September to 4.0% in October, continuing to move within the NBS target band. Expected inflation calculated using the **composite measure of inflation expectations**[1] decreased from 4.1% in September to 3.85% in October, which is the average value since the start of the year. According to the results of the **November Bloomberg survey**, one-year ahead inflation expectations of the financial sector rose from 3.7% in October to 3.9% in November.

One-year ahead 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.

Financial sector medium-term inflation expectations remained at their September level, 3.4% for two years ahead and 3.0% for three years ahead in the October survey, continuing to move within the 3.0–3.5% range since January 2024.

Corporate sector expectations for two years ahead stayed unchanged from September at 5.0%, while **expectations for three years ahead** increased from 5.0% to 5.5% in the October survey.

Traditionally higher than the expectations of other sectors, households' one-year ahead inflation expectations remained unchanged at 10% for the fifth consecutive month. **Expected inflation for two years ahead** increased from 8% in September to 10% in October, thus returning to the August level, while **expectations for three years ahead** stayed at 10% for the sixth 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.

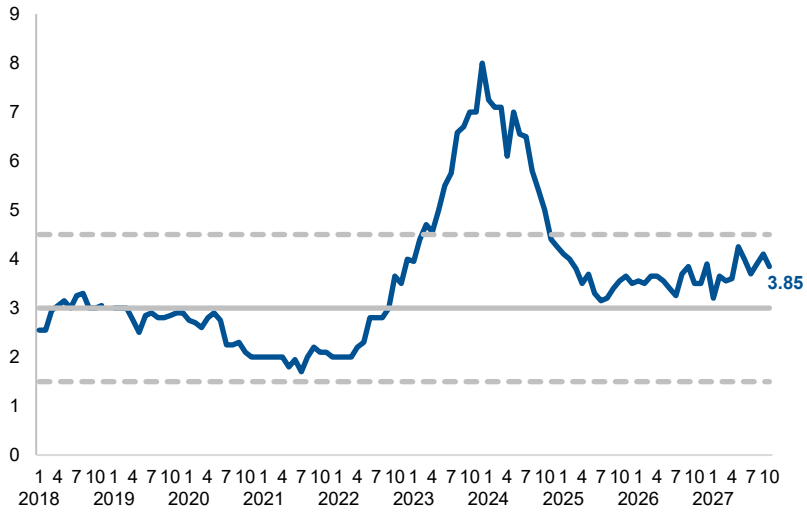
Inflation expectations of the financial sector

According to the results of the **Ninamedia survey, one-year ahead inflation expectations of the financial sector rose** from 3.5% in September to 4% in the October survey, continuing to move within the NBS target band. According to the **results of the November Bloomberg survey**, one-year ahead inflation expectations of the financial sector also rose to 3.9% in November from 3.7% in October.

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

The value of the composite measure of expectations (which combines the responses of financial institutions participating in the Bloomberg and Ninamedia surveys) decreased from 4.1% in September to 3.85% in October, which is the average value since the star of the year (Chart 1).

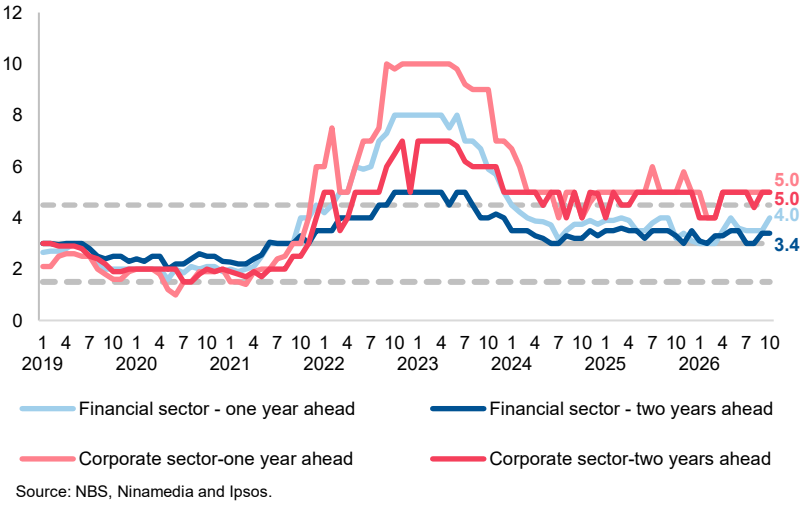
Chart 1 **Composite measure of inflation expectations of the financial sector (in %)**



Source: NBS, Ipsos, Ninamedia, Bloomberg.

Financial sector medium-term inflation expectations remained unchanged from the previous month, standing at 3.4% for two years ahead and 3.0% for three years ahead in the October survey, 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 (%)**



Source: NBS, Ninamedia and Ipsos.

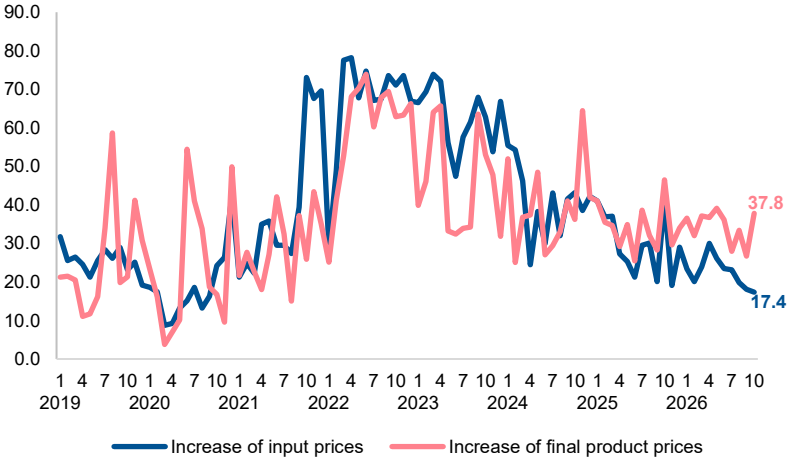
Corporate inflation expectations and estimate of business conditions

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

Expected inflation for two years ahead remained unchanged from September at 5.0%, while **expectations for three years ahead** increased from 5.0% to 5.5% in the October survey.

The share of corporates expecting their **input prices** to increase in the short term declined mildly from 18% in September to 17% in October (Chart 3), while the share of those expecting a rise in the **prices of the final products and services** increased from 27% to 38% in the October survey. Nevertheless, the largest share of corporates still expected prices to remain unchanged (62% in October).

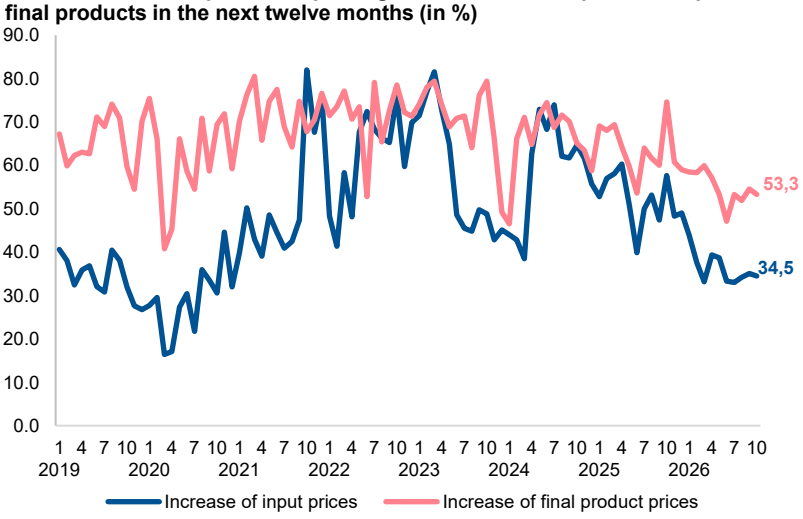
Chart 3 **Share of corporates expecting an increase in the prices of inputs and final products over the next three months (in %)**



Source:Ipsos, Ninamedia.

With regard to the expectations of price movements over the next 12 months, the share of corporates expecting **input prices** to increase in October remained almost unchanged from September at 35%, while the share of those expecting **output prices** to rise decreased from 55% to 53% in the October survey (Chart 4).

Chart 4 **Share of corporates 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 month**s have remained unchanged (79% of respondents). Respondents expressed the same view regarding business conditions **over the next 12 months**, with 66% not expecting any change in business conditions.

The share of respondents expecting an increase in their own production/turnover over the next three months went up from 24% in September to 26% in October. Conversely, the share of respondents expecting an increase in their own production/turnover over the next 12 months recorded a mild decline of 1.1 pp from September, standing at 40% in the October survey.

Household inflation expectations

According to the results of the Ninamedia survey, households' short-term inflation expectations remained unchanged from June, standing at 10% in the October survey. **I** in September to 10% in October, while **expectations for the next 12 years ahead** remained at 10% for the sixth cons

Acco **of respondents who perceive that prices have increased considerably over the past twelve months** rose s largest share of respondents continue to assess that prices have increased moderately or somewhat (56%). T **se in prices over the next 12 months** with the dominant share of those expecting prices to increase moderately or somewhat (62%).

Графикон 5. **Дистрибуција испитаника сектора становништва према перципираном и очекиваном расту цена**

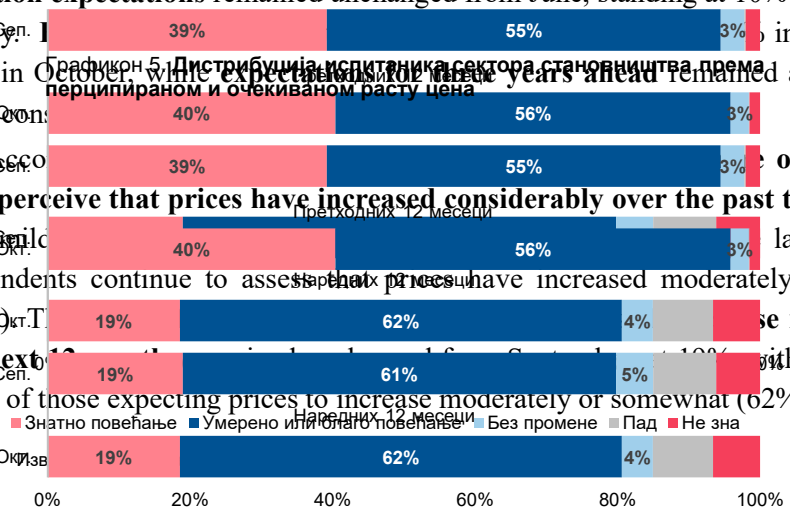
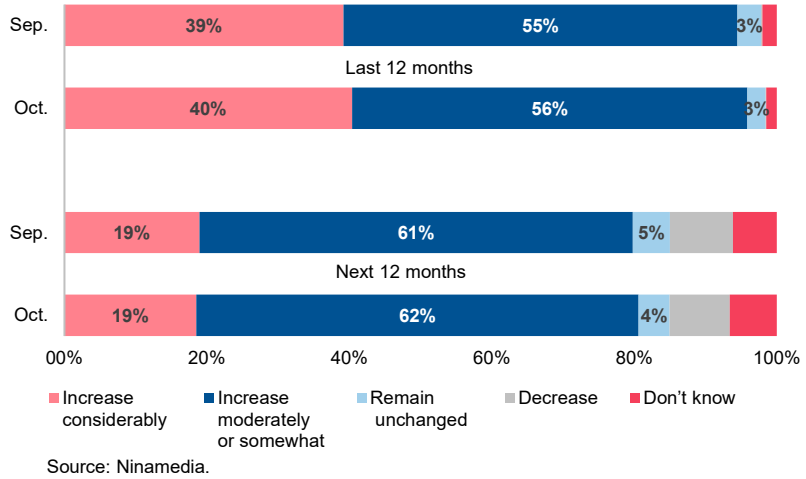


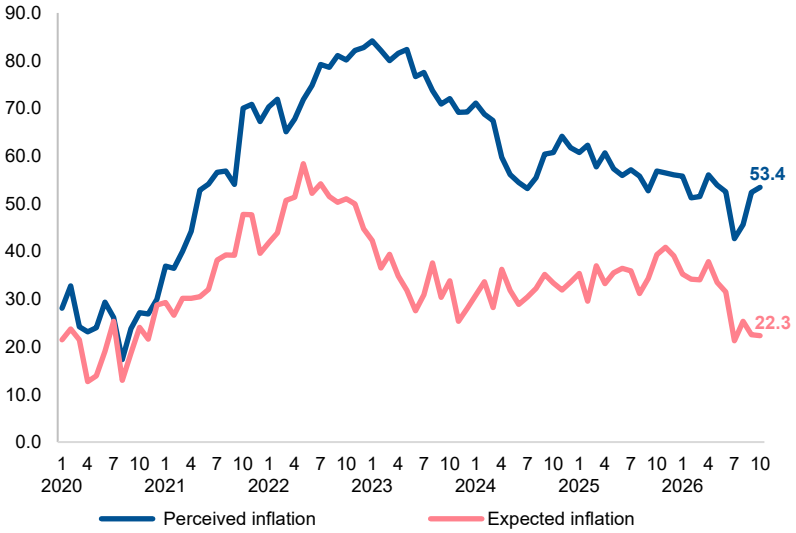
Chart 5 **Distribution of household responses by perceived and expected inflation**



Source: Ninamedia.

The continuously higher perceived than expected inflation index (Chart 6) indicates that **households anticipate lower inflation in the coming 12 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 the *Inflation Report – February 2016* (https://www.nbs.rs/export/sites/NBS_site/documents-eng/publikacije/ioi/izvestaji/inflation_report_02_2016.pdf).