



National Bank of Serbia

REPORT ON THE RESULTS OF THE INFLATION EXPECTATIONS SURVEY

November 2025

Belgrade, December 2025

Contents:

Introductory note	3
Overview	4
Inflation expectations of the financial sector	5
Inflation expectations of the corporate sector and estimate of business conditions	6
Inflation expectations of the household sector	8

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.

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

One-year ahead inflation expectations of the financial sector went slightly up from 3.2% in October to 3.4% in November, but they stayed within the NBS target tolerance band.

According to the **December Bloomberg survey**, financial sector's inflation expectations went up from 3.5% in November to 4.0% in December. Expected inflation, calculated through the **composite measure of inflation expectations**¹, came at 3.5% in the November survey (unchanged from October).

Short-term inflation expectations of corporates increased from 5.0% in October to 5.8% in November, while the highest value this year was recorded in July (6.0%).

Two-year ahead inflation expectations of the financial sector went down from 3.3% in October to 3.0% in November, while **three-year ahead expected inflation** stayed at its October level (3.0%). **Medium-term corporate expectations stayed unchanged at 5.0%**, continuing to move within the 4.0–5.0% range since end-2023.

Traditionally higher than other sectors' expectations, **short-term inflation expectations of households** increased from 15% in October to 18% in November. **Two-year ahead expectations** stood at 12%, unchanged from the previous month, while **three-year ahead expectations** rose from 13.6% to 15% in November.

The results of the qualitative survey suggest that households nevertheless 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.

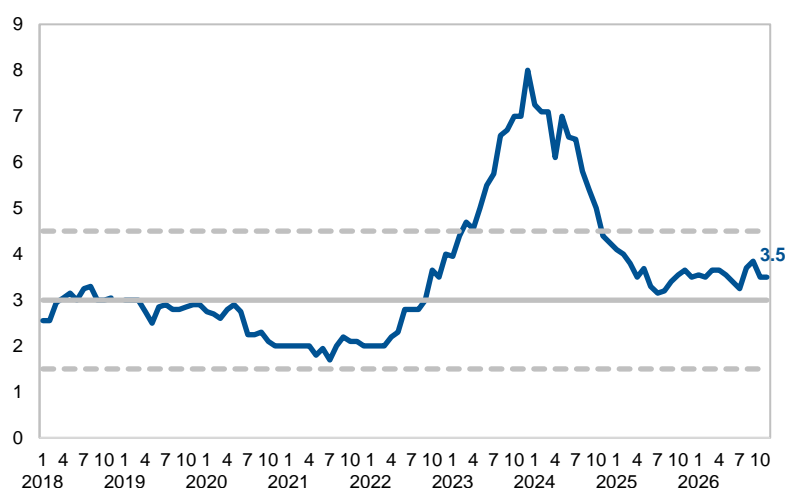
Inflation expectations of the financial sector

According to the **Ninamedia survey**, **short-term inflation expectations of the financial sector** increased slightly from 3.2% in October to 3.4% in November continuing to move within the NBS target tolerance band. **According to the December Bloomberg survey results**, inflation expectations edged up from 3.5% in November, to 4% in December.

A closer analysis of the structure of individual responses shows that all of the surveyed financial institutions 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, stayed unchanged from a month before, at 3.5% which has been the average value since early this year (Chart 1).

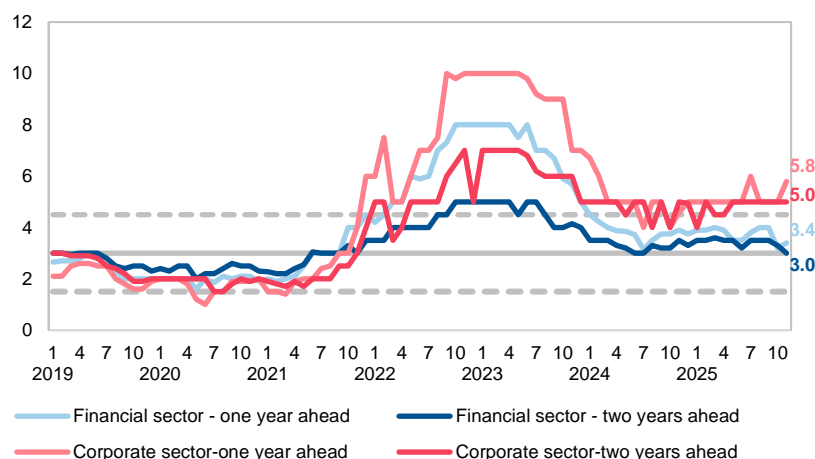
Chart 1 **Composite measure of inflation expectations of the financial sector (in %)**



Source: NBS, Ipsos, Ninamedia, Bloomberg.

Two-year ahead expectations of the financial sector went down from 3.3% in October to 3.0% in November, while **three-year ahead expectations** stayed unchanged at 3.0% and medium-term expectations continued 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 (%)



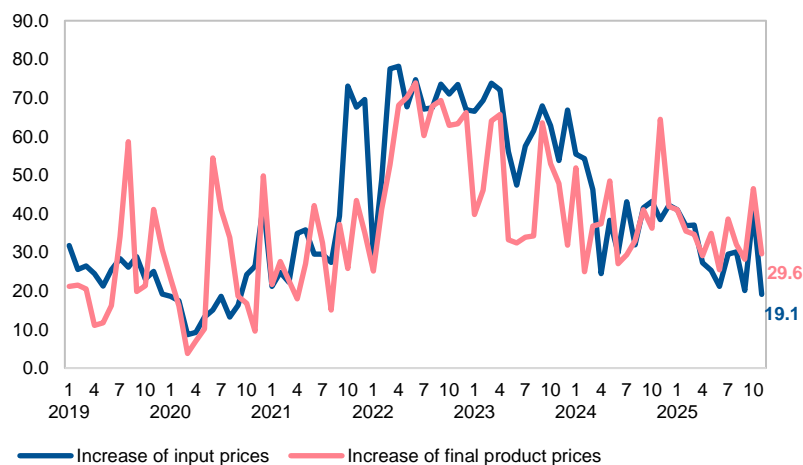
Source: NBS, Ninamedia and Ipsos.

Inflation expectations of the corporate sector and estimate of business conditions

Short-term corporate expectations grew from 5.0% in October to 5.8% in the November survey. **Medium-term corporate expectations stayed unchanged at 5.0%** from a month earlier, continuing to move within the 4.0%–5.0% range since end-2023.

Expectations of the corporate sector regarding a rise in input and final product prices over the next three months were lowered in the November survey. The share of corporates expecting an increase in input prices declined from 41% in October to 19% in November, with a simultaneous decrease in the share of those expecting an increase in the prices of final products and services from 47% in October to 30% in the November survey (Chart 3).

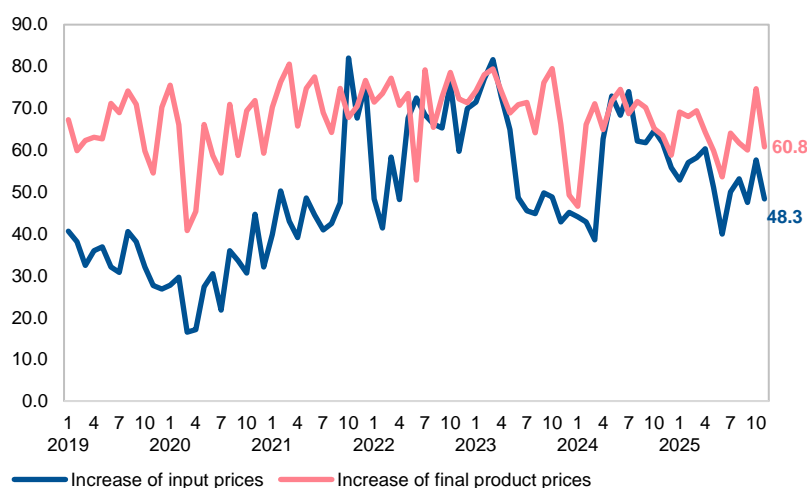
Chart 3 Share of the businesses expecting an increase in the prices of inputs and final products in the next three months (in %)



Source: Ipsos, Ninamedia.

As for the movement of prices of inputs and final products over next twelve months (Chart 4), the share of corporates expecting an increase in input prices decreased notably – from 58% in October to 48% in November, while the decline in the share of those expecting an increase in the prices of final products and services was more prominent – from 75% in October to 61% in the November survey.

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 in the past three months** (68% of corporates), and a half of them (around 50%) believe that no changes will occur over the next twelve months either.

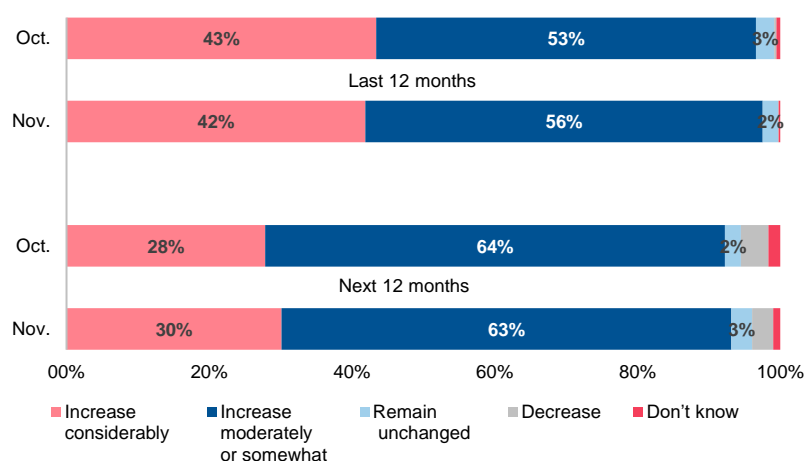
The share of corporates expecting an increase in their own production/turnover over the next three months dropped from 46% in October to 33% in November, with the majority of respondents not expecting any changes (63%). At the same time, the share of those expecting a rise in production/turnover over the next twelve months fell from 53% in October to 37% in the November survey.

Inflation expectations of the household sector

According to Ninamedia, short-term inflation expectations of households increased from 15% in October to 18% in November, for the first time since August 2024. Two-year ahead expectations stayed at their October level (12%), while three-year ahead expectations increased from 13.6% in October to 15.0% in the November survey.

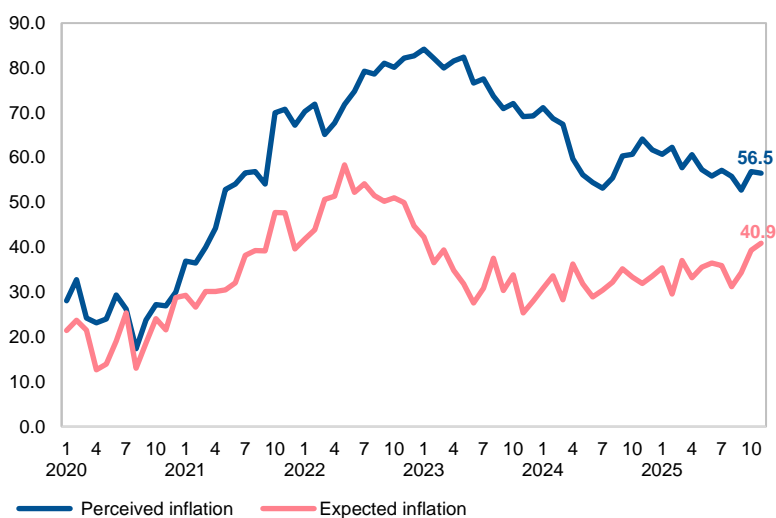
According to the qualitative results of the survey (Chart 5), the share of respondents who believe that there has been a considerable increase in prices over the past year went down from 43% in October to 42% in November, with 56% of respondents assessing a price increase in the previous 12 months (53% in October) as moderate or slight. When it comes to household expectations for the next 12 months, the share of those expecting a considerable increase in prices went slightly up from 28% in October to 30% in November, with a dominant share (63%) of those expecting prices to rise less (moderate or slight price increase).

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)



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/loi/izvestaji/inflation_report_02_2016.pdf