

## **Comment on households` inflation expectations in December 2021 by Denis Chernyavskiy, Deputy Director of NBK Monetary Policy Department**

Quantitative assessment of inflation expectations for a year ahead in December 2021 was 10.3% (10.8% in November). The bulk of respondents expect the current price growth to continue or accelerate over the next 12 months and increase in this indicator up to 66% (63% in November 2021). Along with that, share of the respondents expecting further price increase has declined from a historical high of 35% in November to 31% in December 2021.

In December, the bulk of respondents (65%) still indicate an outpacing growth of prices over the past year, however, this figure has significantly decreased compared to the November value (74%). In estimates of price dynamics over the past month, respondents who highlighted a significant increase in prices accounted for 58% in December (61% in November). Most respondents pointed out growing food prices, in November their share was 85%.

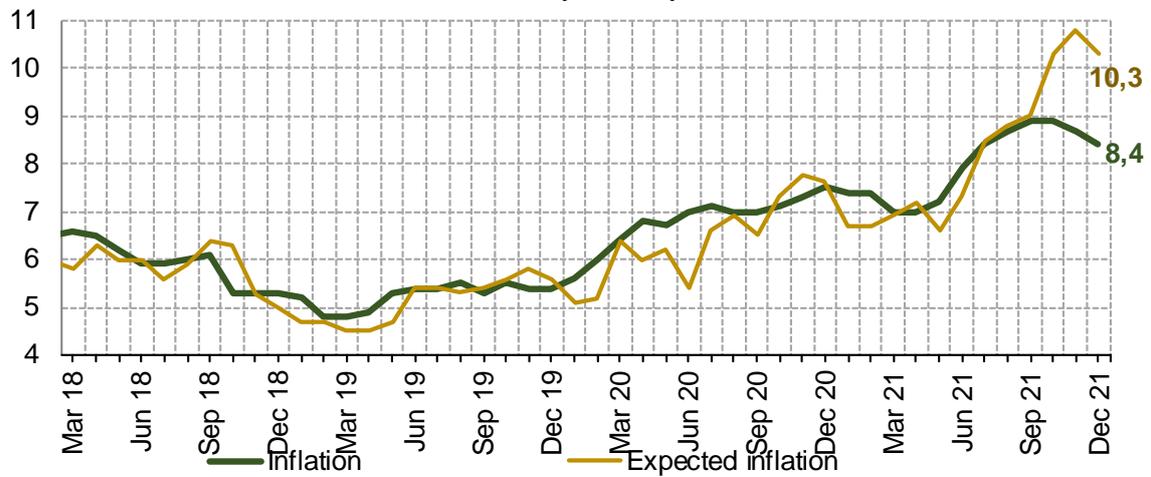
The share of the population having savings in December 2021 was 18% (16% in November). Most respondents carry savings in bank deposits and in cash. In December, the majority of respondents considered the current time as unfavorable make savings (36%), while this share has been growing for the last three months. Share of respondents who mentioned a decrease in savings over the past year rose from 19% in November to 24% in December 2021 (19% in December 2020).

According to the survey, the consumer sentiment index in December 2021 grew slightly and made 103.1 (102.4 in November). At the same time, assessments of personal financial situation worsened for the past year, while assessments of the future condition remained practically unchanged. There is also an increase in readiness of the population for large purchases, as 21% of the respondents positively assessed the current time for purchases (19% in November).

Short-term estimates of country`s development improved, meanwhile long-term estimates remained unchanged. 38% of the respondents positively assess prospects for economic development for the year ahead, 37% for 5 years ahead.

### Inflation and expected inflation

% year-on-year



*Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, FusionLab*