



Inflation Expectations

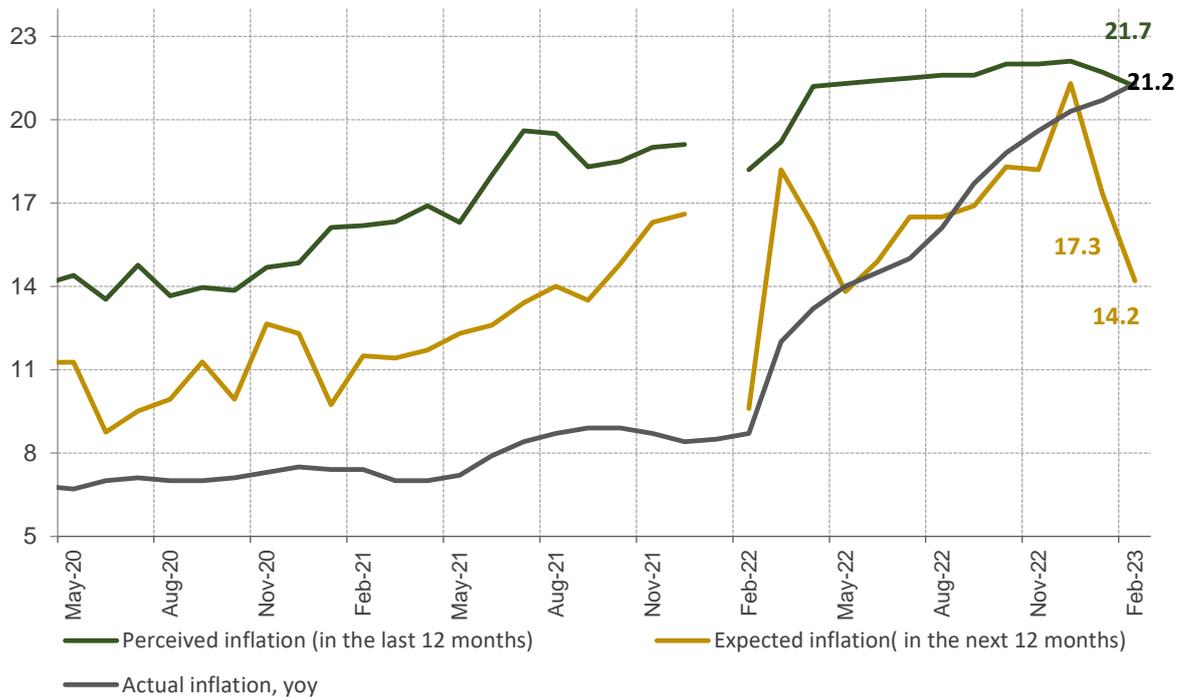
February 2023

- Median estimates of expected inflation have slowed significantly
- Consumer sentiment has slightly deteriorated compared to the previous month, but is generally in a positive area

The median of expected inflation continued to slow down

The share of respondents expecting the current prices to remain or increase faster decreased to 53% in February 2023 (57% in January 2023). The median estimate¹ of expected inflation decreased to 14.2% (17.3%), perceived inflation – to 21.2% (21.7%) (Figure 1).

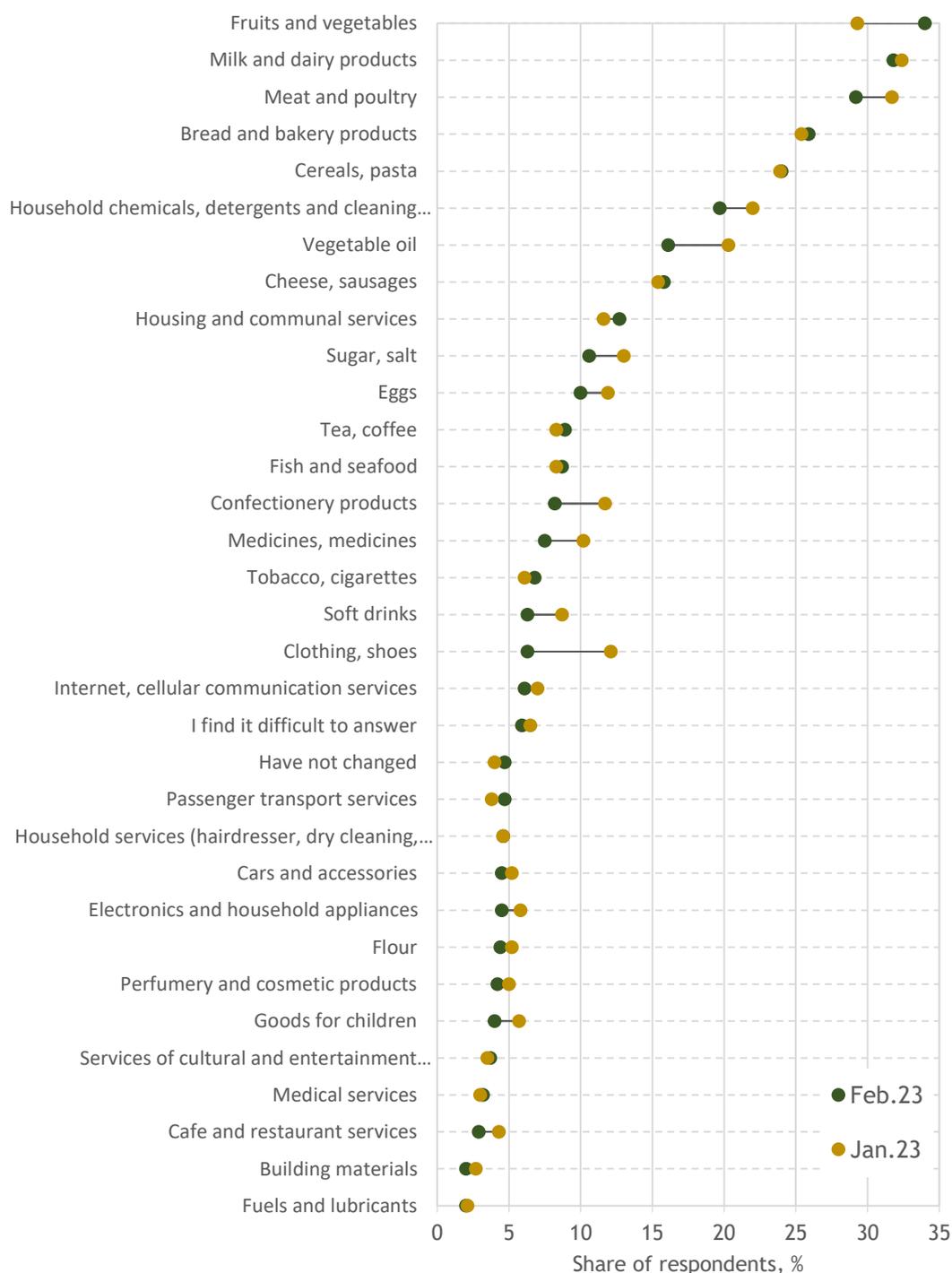
Figure 1. Median inflation expectations, %



Source: Results of a telephone survey of the population, Fusion Lab

In February 2023, the share of respondents who noted an increase in food prices decreased (84%). At the same time, most respondents noted an increase in prices for fruit and vegetable products (34%), dairy (32%) and meat (29%) products. In addition, the share of respondents who noted an increase in the cost of housing and communal services has increased (13%) (Figure 2). For other goods and services, the share of respondents decreased.

Figure 2. Frequently mentioned goods and services



Source: Results of a telephone survey of the population, Fusion Lab

Consumer sentiment has slightly deteriorated compared to the previous month, but is generally in a positive area

The consumer sentiment index in February 2023 was 105.3 (in January 2023 – 111.8). In particular, estimates of changes in the country's development prospects in the coming year have deteriorated significantly (a decrease of 13.5 points). Estimates of personal financial situation in a year also decreased (a decrease of 7 points), long-term estimates of the country's development (by 5 points).

In the estimates of the current situation, estimates of personal financial situation have decreased over the past year (a decrease of 4 points), readiness for large purchases (a decrease of 2 points), while both indicators continue to be in the negative area.

Figure 3. Index² of Consumer Sentiment

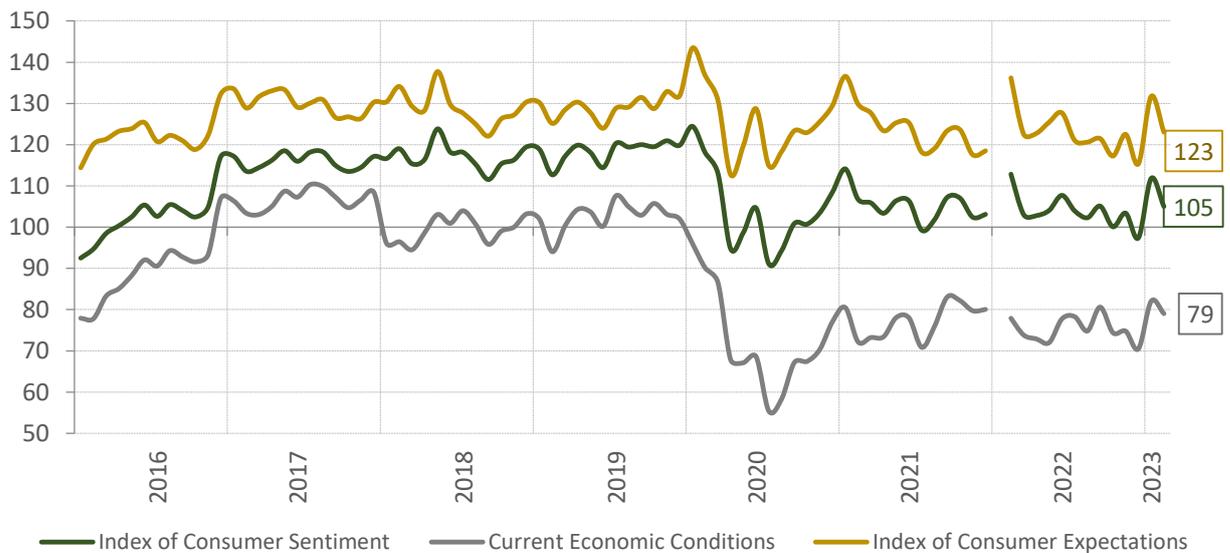


Figure 4. Current Conditions

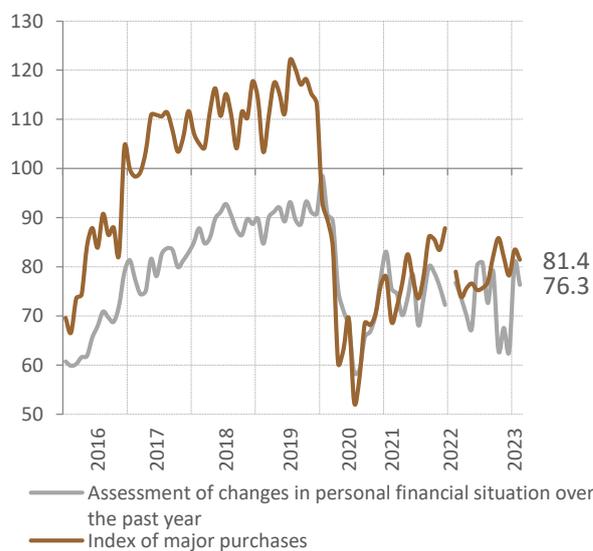
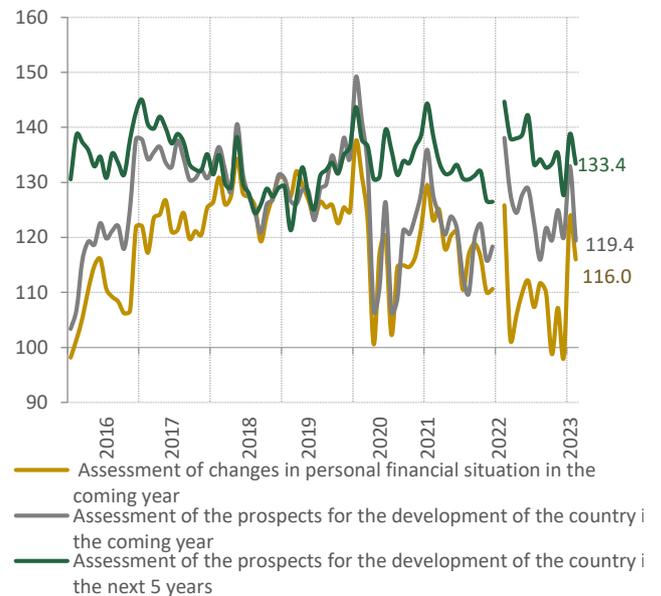


Figure 5. Consumer Expectations



Source: Results of a telephone survey of the population, FusionLab

NOTES

1 A quantitative assessment of inflation expectations/median estimates for January 2022 has not been published, because the results of the survey in January 2022 were influenced by January events in the country, which affected the smaller sample size and incompatibility with previous data

Median estimate of perceived inflation based on the survey results: How much exactly do you think the prices of goods and services have increased over the past 12 months? Median estimate of expected inflation based on the question: How much exactly do you think prices for goods and services will rise in the next 12 months?

2 Consumer sentiment index: The average value of private indices - changes in personal financial situation over the past year; changes in personal financial situation in the coming year; prospects for the development of the country in the coming year; prospects for the development of the country in the next 5 years; large purchases.

Current status index: The average value of private indices - changes in personal financial situation over the past year; the index of large purchases.

Consumer expectations index: The average value of private indices - changes in personal financial situation in the coming year; prospects for the development of the country in the coming year; prospects for the development of the country in the next 5 years.

The numerical value represents the balance of responses, which is calculated as the difference between the proportion of positive and negative responses + 100. Index values can vary from 0 to 200. A value above 100 indicates the predominance of positive estimates, below 100 – negative estimates