



# Inflation Expectations

September 2023

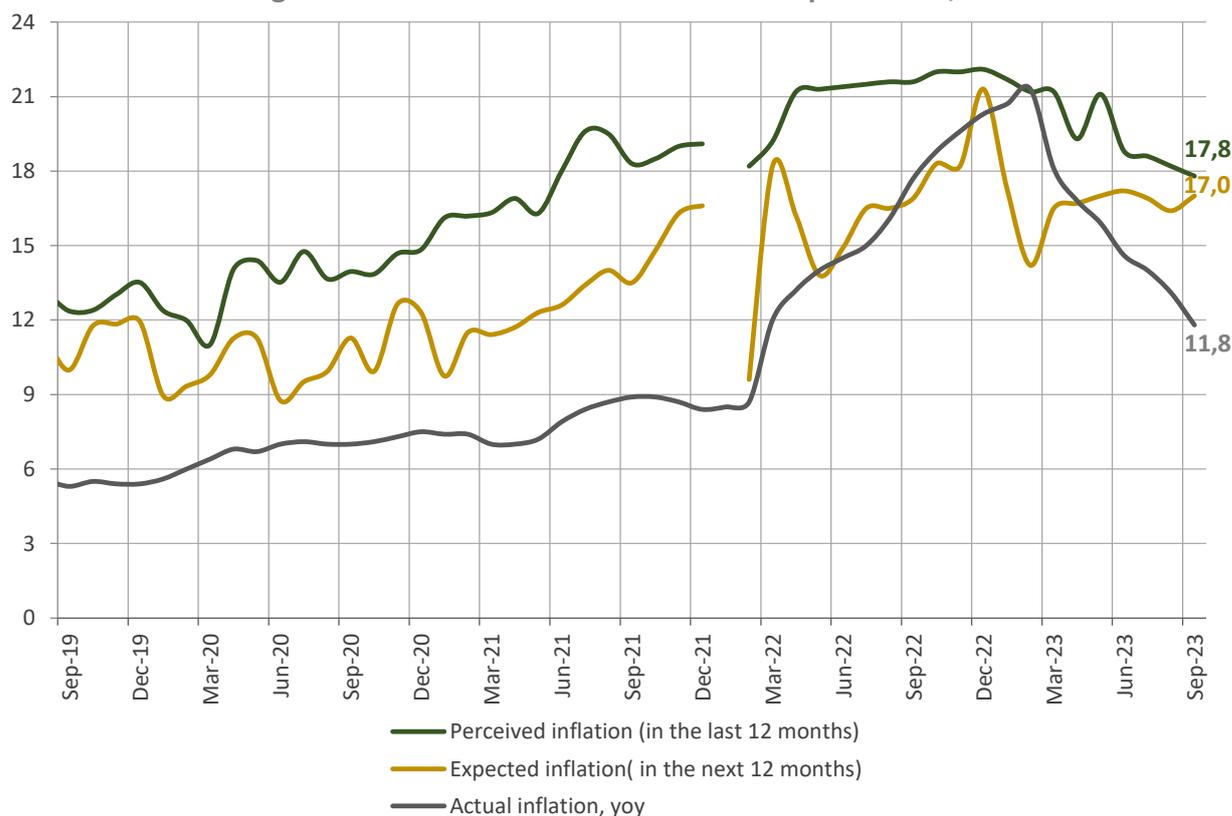
- Inflation expectations remain high
- Consumer sentiment improved due to higher estimates of the country's development prospects in the coming year

### Inflation expectations

The median estimate<sup>1</sup> of expected inflation increased to 17.0% in September 2023 (16.4% in August 2023), perceived inflation decreased to 17.8% (Figure 1).

The share of respondents, expecting a faster increase in the current prices on the one-year horizon, fell to 23% in September 2023 (26% in August 2023).

Figure 1. Inflation and median inflation expectations, %



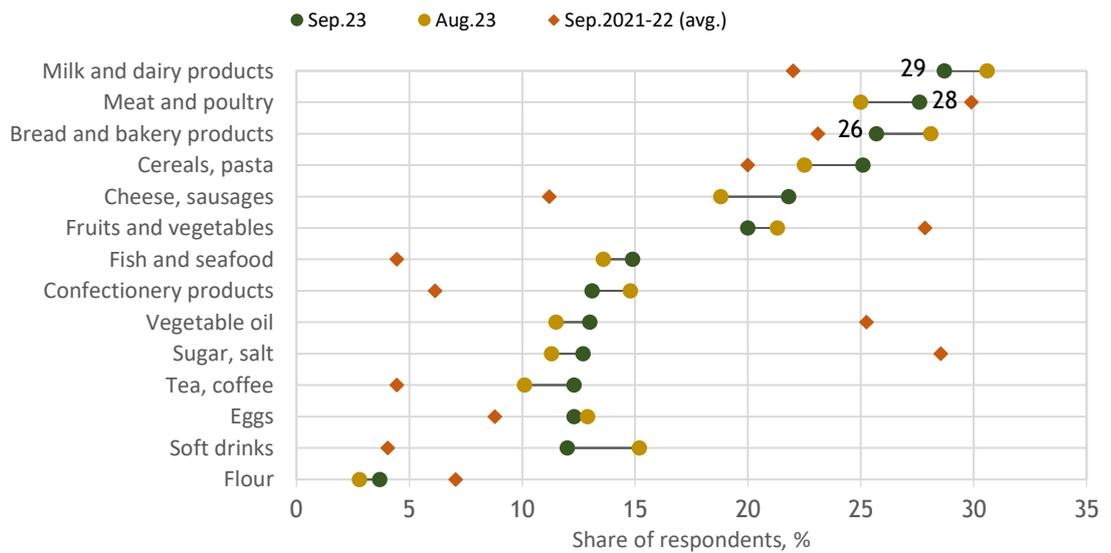
Source: Results of a telephone survey of the population, Fusion Lab

In September 2023, the share of respondents who noted an increase in food prices increased to 67%. At the same time, the share of those who noted an increase in prices for services decreased slightly (10%).

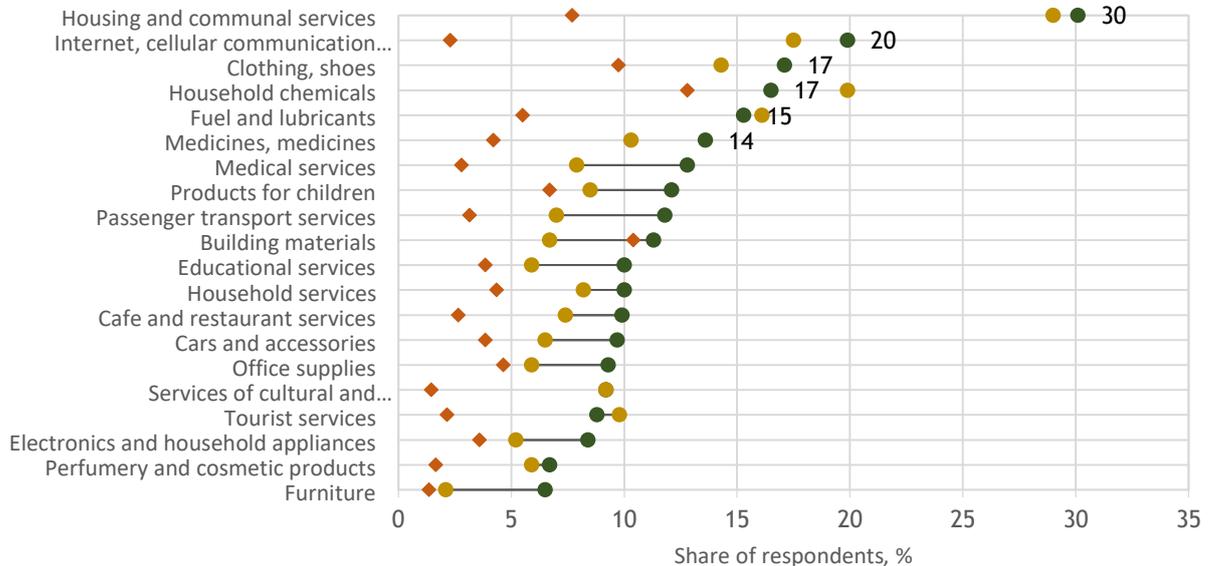
Among the food products, respondents noted dairy, meat products, bakery and pasta products. In addition, respondents mostly noticed an increase in the cost of housing utility services, Internet and mobile services, medical and educational services, as well as rising prices for clothing and shoes, cars and accessories, construction materials (Figure 2).

**Figure 2. Frequently mentioned goods and services**

**Food products**



**Non-food products and services**



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

### Consumer sentiments

The consumer sentiment index in September 2023 increased to 103.0 (in August 2023 – 101.0).

In particular, estimates of the country's development prospects in the coming year (by 9.4 points) and in 5 years (by 3.8 points) have significantly increased, as well as estimates of personal financial situation in a year (by 0.5 points).

In the estimates of the current situation, the assessment of personal financial situation over the past year has decreased (by 1.4 points) as well as the readiness for large purchases (by 2.5 points).

Figure 3. Index<sup>2</sup> of Consumer Sentiment

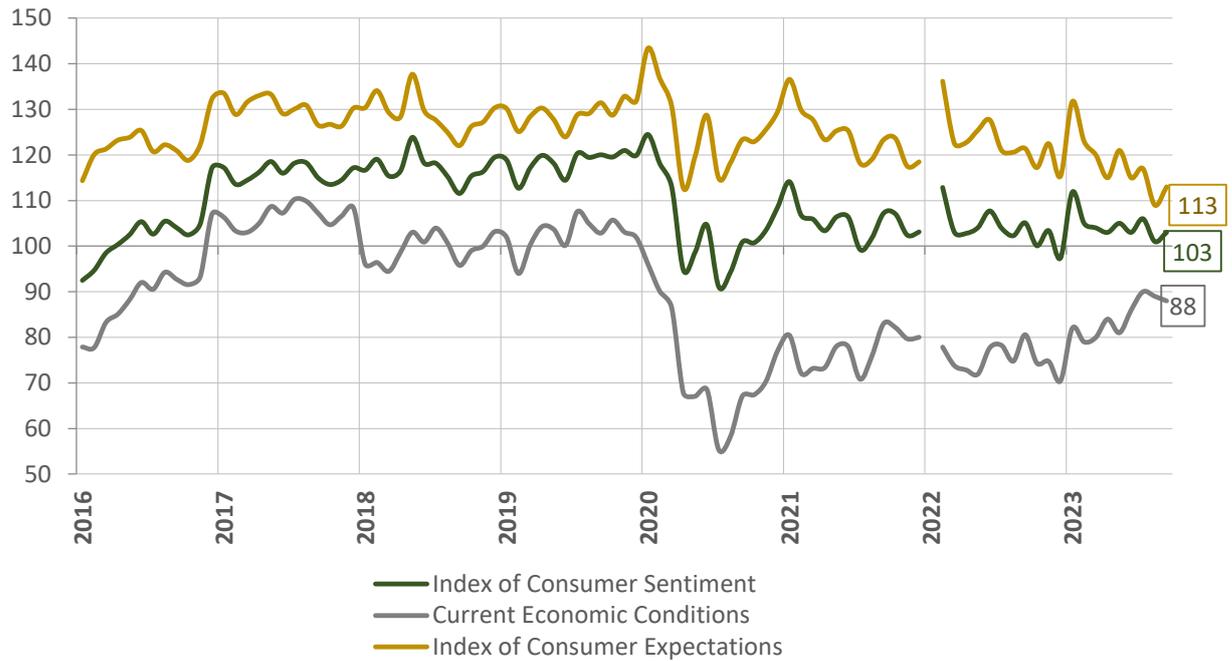


Figure 4. Consumer Expectations

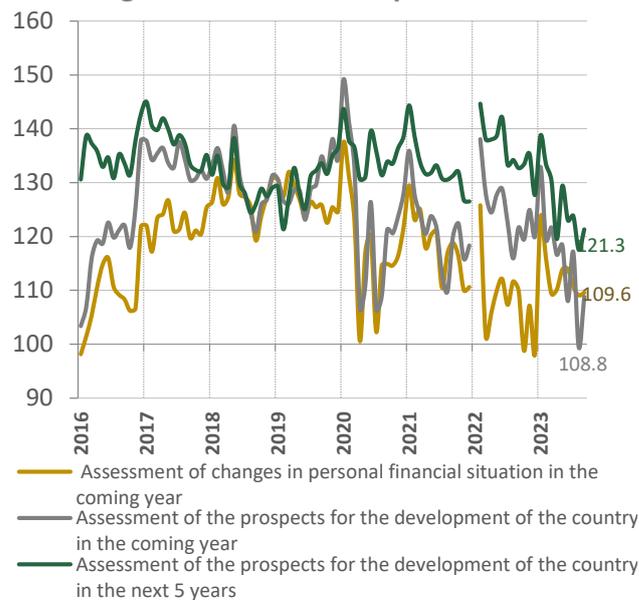
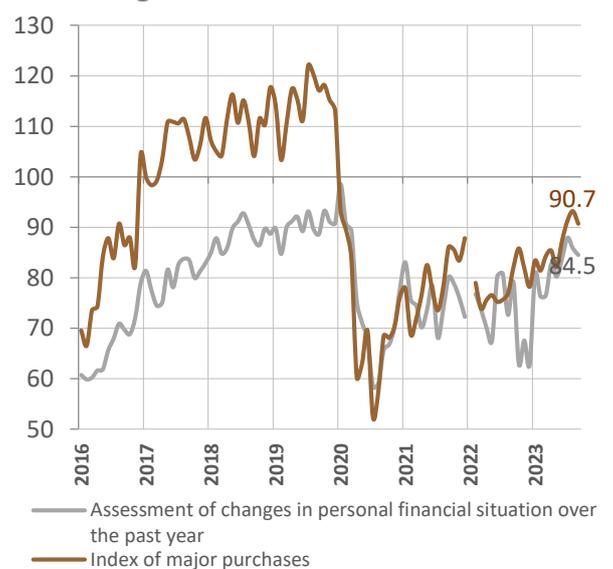


Figure 5. Current Conditions



## NOTES

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**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