



МОНГОЛБАНК
МОНГОЛ УЛСЫН ТӨВ БАНК

CONSUMER INFLATION EXPECTATIONS SURVEY

Second quarter of 2025

July 2025



I. SUMMARY

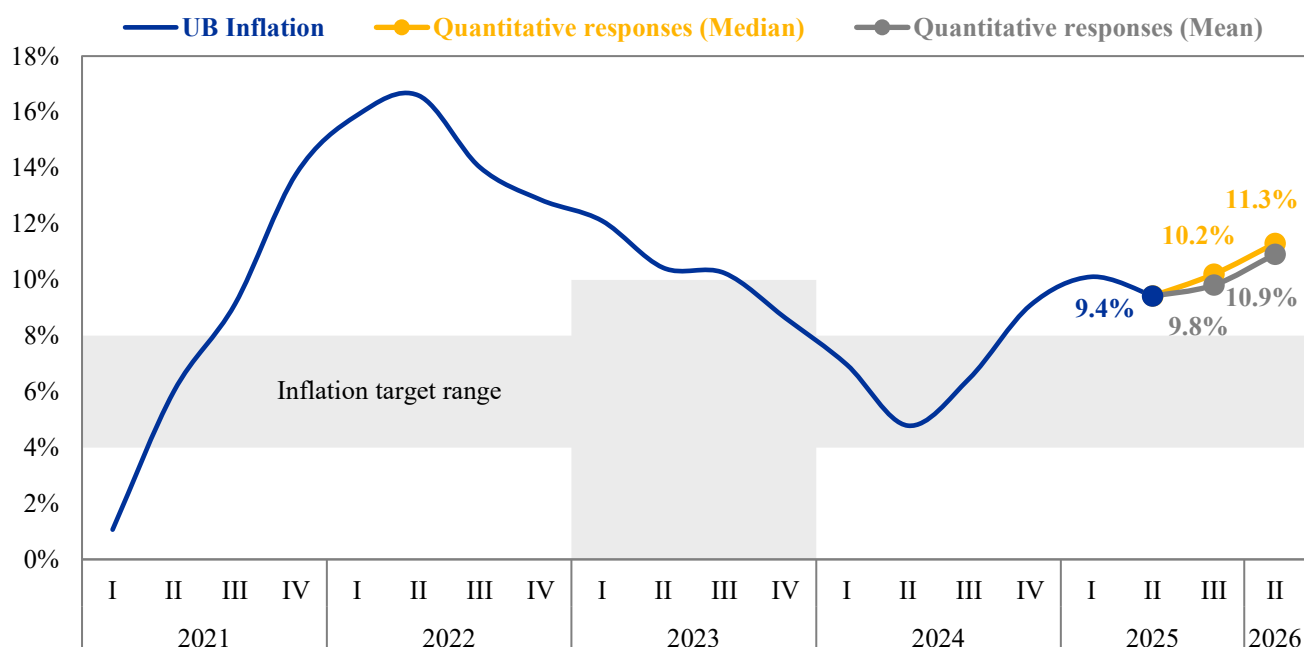
The data collection for the “Consumer Inflation Expectation Survey” was conducted between June 16th and July 2nd, 2025. A total of 1,002 individuals participated, representing Ulaanbaatar’s population across geographical location, gender, age group, and household income structure. The collected data has been analyzed, and a brief overview of the survey findings is presented below:

- **Demographics:** The majority of respondents (62%) were female, aged 26–55, and held tertiary qualifications. Residents of the Bayanzurkh and Songino-Khairkhan districts made up 38% of the total respondents.
- **Inflation expectations:** Based on the survey responses, inflation expectations are summarized as follows (Figure 1):

Inflation expectations	by the end of 2025Q3	by the end of 2026Q2
Mean expectations	9.8%	10.9%
Median expectations	10.2%	11.3%

- **Household Income and Expenditure:** Income expectations declined by 0.07 units compared to the previous quarter, shifting into contractionary territory, whereas expenditure expectations remained unchanged in expansionary territory. Household financial stability and savings expectations declined for the next quarter.
- **Employment Outlook:** Employment expectations have declined by 0.25 units compared to the previous quarter, shifting into the contractionary territory. Most respondents also anticipated an economic slowdown and a depreciation of the tugrug against foreign currencies.
- **Loan Rates:** Respondents expects loan rates to increase in the next quarter.

Figure 1. Inflation expectations



Source: “Consumer Inflation Expectations Survey” BOM

II. INFLATION EXPECTATION

Based on the qualitative responses, perceived inflation over the three and twelve months has remained largely stable. However, perceptions indicate a slight increase in the reporting quarter compared to the previous quarter, while still remaining within the “inflation increased” territory (Figure 2).

The inflation expectations index for the upcoming periods has increased slightly from the previous quarter for both three-month and twelve-month horizons. Expectations in the reporting quarter remain slightly higher compared to the same period last year (Figure 3).

Figure 2. Inflation Perception Index¹

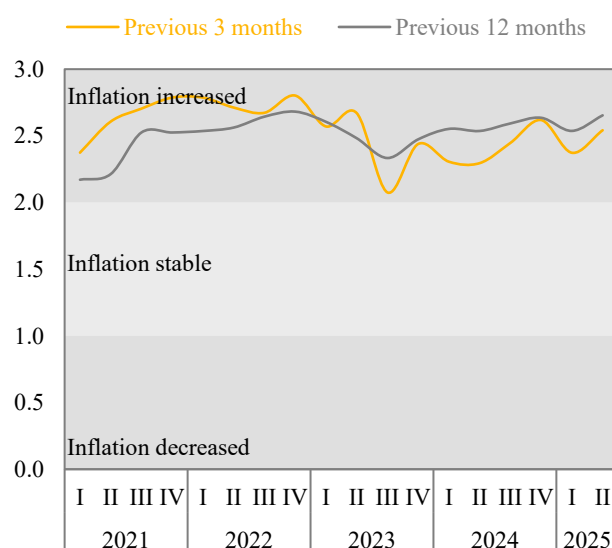
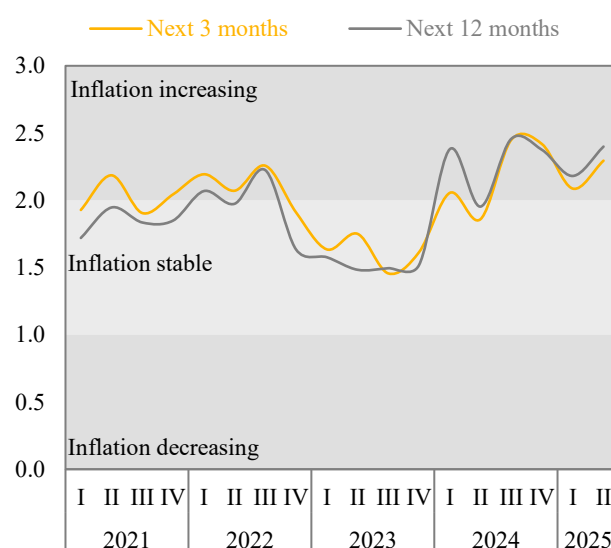


Figure 3. Inflation Expectation Index



Source: “Consumer Inflation Expectations Survey” BOM

Findings from the inflation expectations survey indicate that the mean inflation rate is expected to be **9.8%** for Q3 2025, a decrease of 0.5 percentage points from previous quarter. The mean expected inflation rate for Q2 2026 also declined by 0.3 percentage points to **10.9%** (Figure 4). Median² inflation expectations for Q3 2025 fell by 1.3 percentage points from the previous quarter to **10.2%**, while the median expectation for Q2 2026 declined by 0.7 percentage points to **11.3%** (Figure 5). Following three consecutive quarters of increases in inflation expectations since the second quarter of 2024, the expectations declined slightly in the reporting quarter (Figure 6).

¹ Respondents were surveyed about how the general level of prices for goods and services has changed compared to the previous period, with answers categorized as 'increased significantly,' 'increased moderately,' 'increased gradually,' 'remained the same,' and 'decreased.' These responses were normalized using a scale of [3;-1], and a diffusion index was calculated.

² The distribution and median values of numerical expectations were calculated applying [Nicholas J. Cox \(2009\)](#) methodologies of the 'Mid-Distribution Function' and 'Symmetric Linear Interpolation Median'.

Figure 4. Inflation Expectations: Mean and Median (next 3 months)

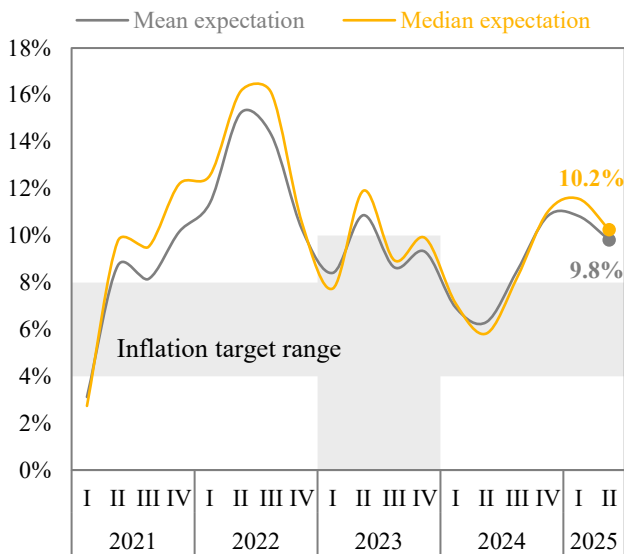
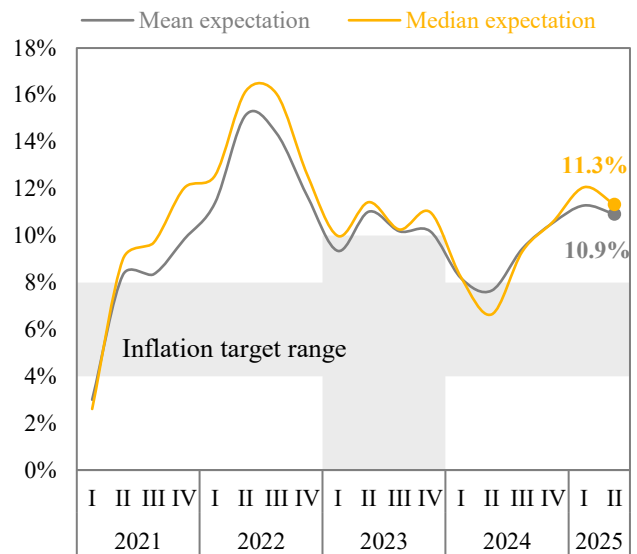


Figure 5. Inflation Expectations: Mean and Median (next 12 months)



Source: “Consumer Inflation Expectations Survey” BOM

Quantitative responses regarding inflation expectations exhibit a right-skewed distribution, indicating an expected increase from the current inflation for both the three-month and twelve-month periods (Figure 7).

Figure 6. Inflation expectation (Quantitative)

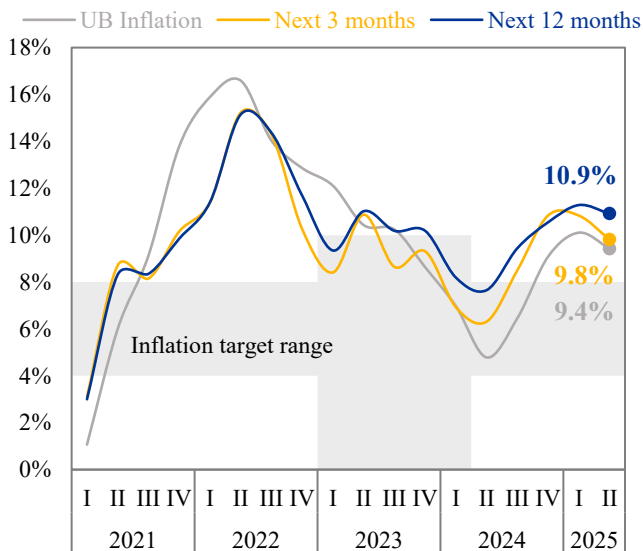
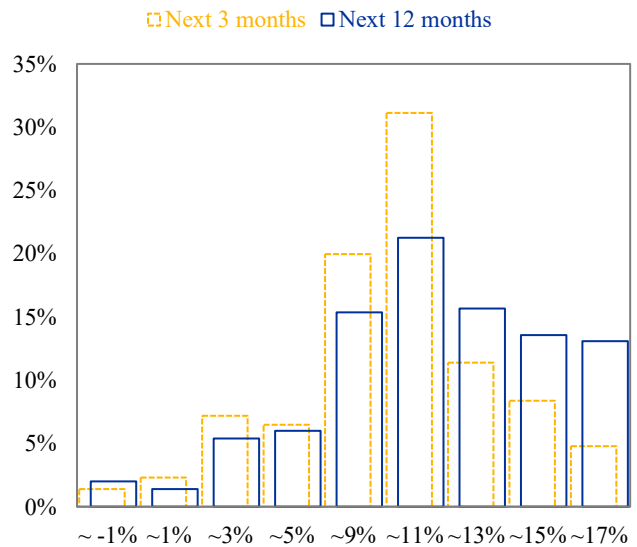


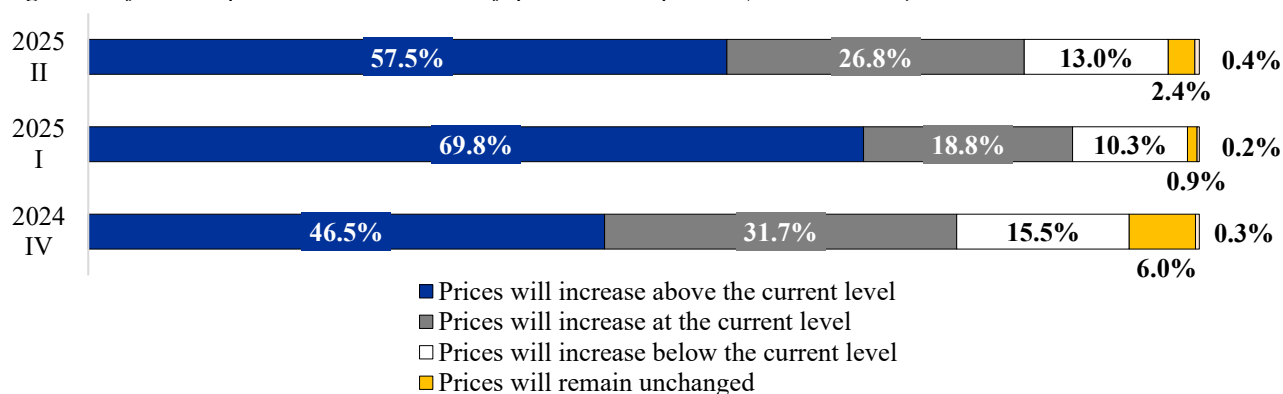
Figure 7. Distributions for Inflation Expectations (Quantitative)



Source: “Consumer Inflation Expectations Survey” BOM

The distribution of qualitative responses on future expectations indicates that respondents expecting prices to increase above the current level by Q3 2025 decreased by 12.3 percentage points from the previous quarter to **57.5%**. Respondents expecting prices to increase at the current level rose by 8.0 percentage points to **26.8%**, while those expecting prices to increase below the current level increased by 2.7 percentage points to **13.0%** (Figure 8).

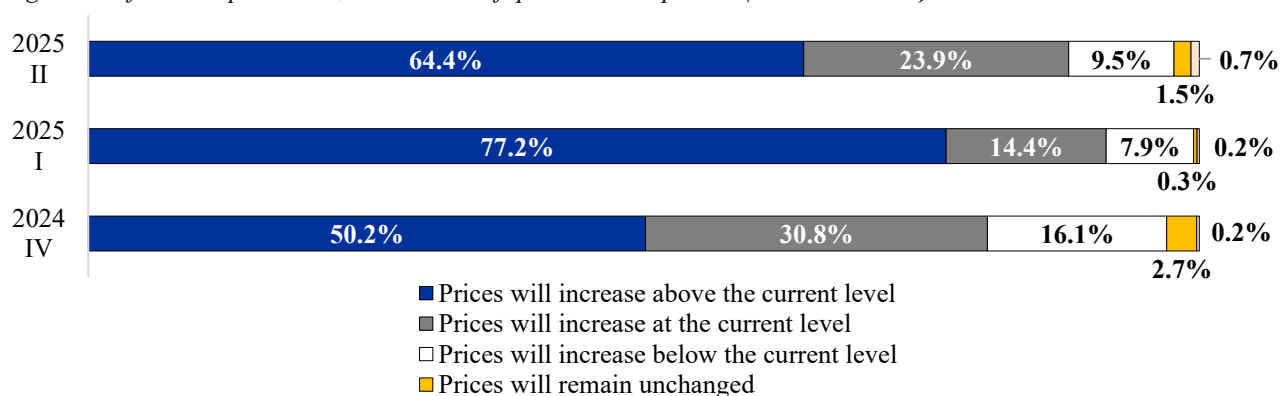
Figure 8. Inflation expectations, distribution of qualitative responses (next 3 months)



Source: "Consumer Inflation Expectations Survey" BOM

The distribution of qualitative responses on future expectations indicates that respondents expecting prices to increase above the current level by Q2 2026 decreased by 12.8 percentage points from the previous quarter to **64.4%**. Respondents expecting prices to increase at the current level rose by 9.5 percentage points to **23.9%**, while those expecting prices to increase below the current level increased by 1.6 percentage points to **9.5%** (Figure 9).

Figure 9. Inflation expectations, distribution of qualitative responses (next 12 months)



Source: "Consumer Inflation Expectations Survey" BOM

Inflation expectations for the end of September 2025, by age group, indicate that respondents aged 55 and above decreased their expectations by 0.1 percentage points to **10.4%**, those aged 36 to 55 decreased their expectations by 1.4 percentage points to **9.7%**, and respondents aged under 36 decreased their expectations by 1.5 percentage points to **9.6%** (Figure 10). Inflation expectations for the end of June 2026, by age group, indicate that respondents aged 55 and above increased their expectations by 0.4 percentage points to **11.2%**, those aged 36 to 55 decreased their expectations by 0.4 percentage points to **11.0%**, and respondents aged under 36 decreased their expectations by 0.3 percentage points to **10.6%** (Figure 11).

Figure 10. Inflation Expectations, by age group (next 3 months)

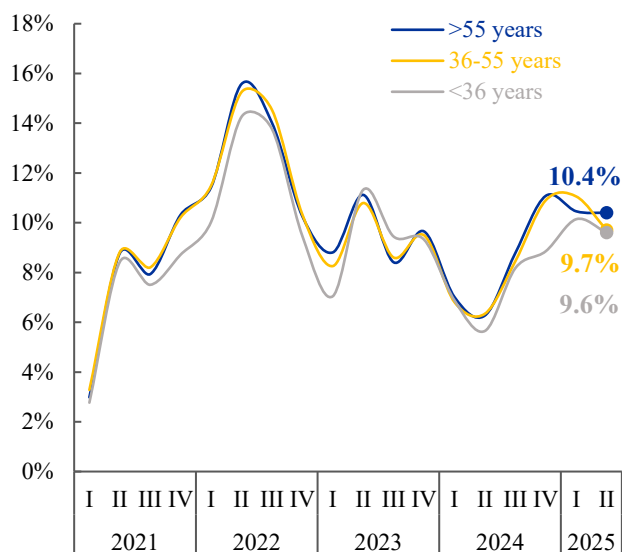
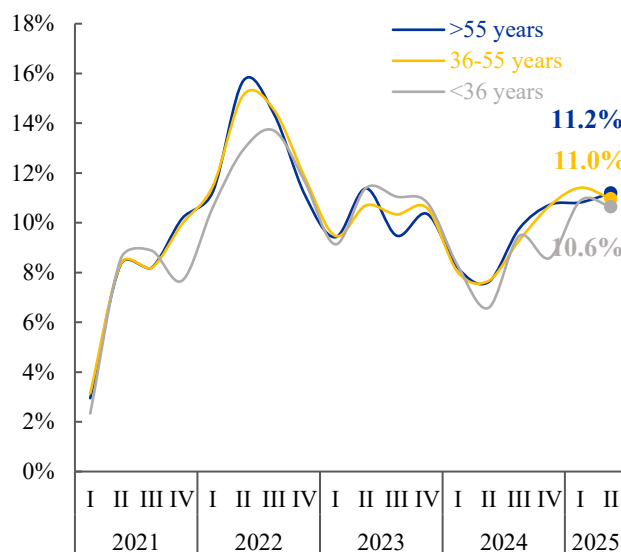


Figure 11. Inflation Expectations, by age group (next 12 months)



Source: "Consumer Inflation Expectations Survey" BOM

Inflation expectations for the third quarter of 2025, by income group, indicate that respondents with incomes above ¥3.0 million decreased their expectations by 1.0 percentage point to **10.3%**, those with incomes between ¥1.6-¥3.0 million decreased their expectations by 1.0 percentage point to **9.6%**, and respondents with incomes below ¥1.6 million decreased their expectations by 1.5 percentage points to **9.5%** (Figure 12). For the end of June 2026, respondents with incomes above ¥3.0 million decreased their expectations by 0.6 percentage points to **11.4%**, those with incomes between ¥1.6-¥3.0 million decreased their expectations by 0.1 percentage points to **10.8%**, and respondents with incomes below ¥1.6 million decreased their expectations by 1.9 percentage points to **10.0%** (Figure 13).

Figure 12. Inflation Expectations, by income group (next 3 months)

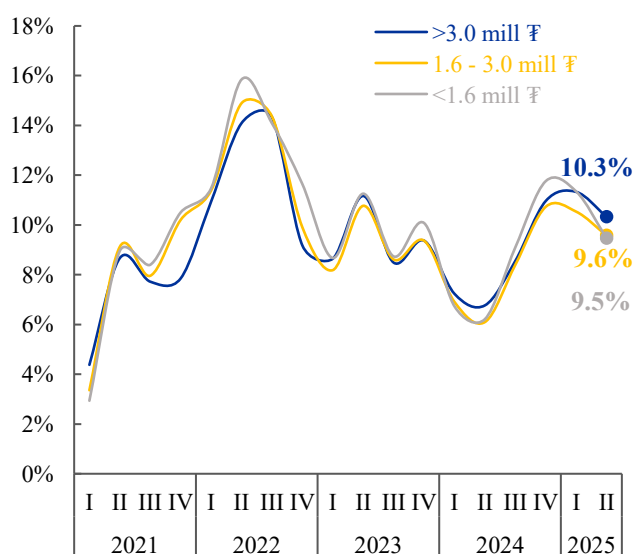
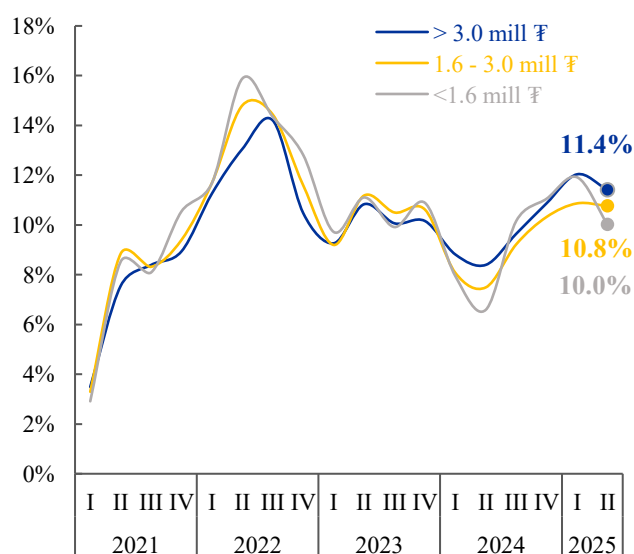


Figure 13. Inflation Expectations, by income group (next 12 months)



Source: "Consumer Inflation Expectations Survey" BOM

III. FINANCIAL OUTLOOK FOR HOUSEHOLDS

Household income expectations for the second quarter of 2025 declined by 0.07 units from the previous quarter to -0.02, shifting into the contractionary territory after remaining in the expansionary territory for two quarters (Figure 14). Meanwhile, household expenditure expectations for the upcoming quarter remain relatively unchanged from the previous quarter (Figure 15). Notably, household expenditure growth is still expected to outpace income growth.

Figure 14. Household Income Expectations, (next 3 months)

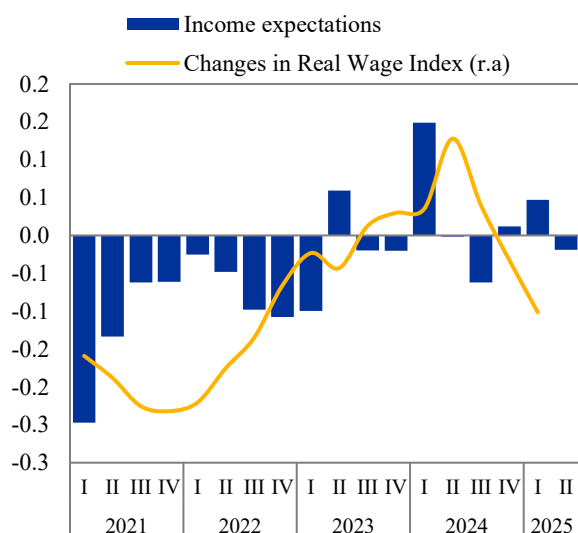
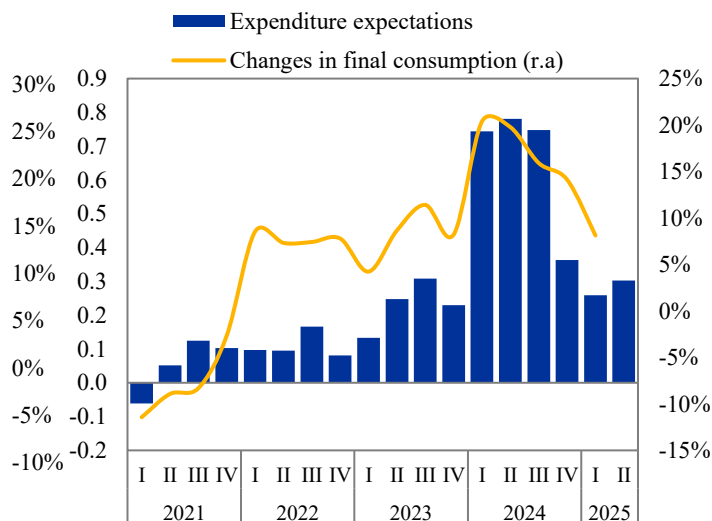


Figure 15. Household Expenditure Expectations, (next 3 months)



Source: "Consumer Inflation Expectations Survey" BOM, NSO

Household saving expectations have remained low for the fifth consecutive quarter, reaching (-0.24) units for the second quarter of 2025, reflecting a decrease of -0.09 units in the previous quarter (Figure 16). The survey also assessed households' ability to plan their finances, with the majority of respondents indicating that they found it difficult or challenging in the reporting quarter (Figure 17).

Figure 16. Household Saving Expectations, (next 3 months)

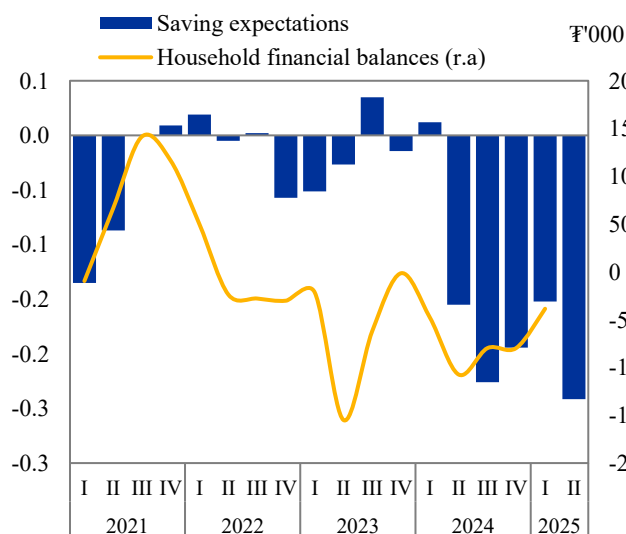
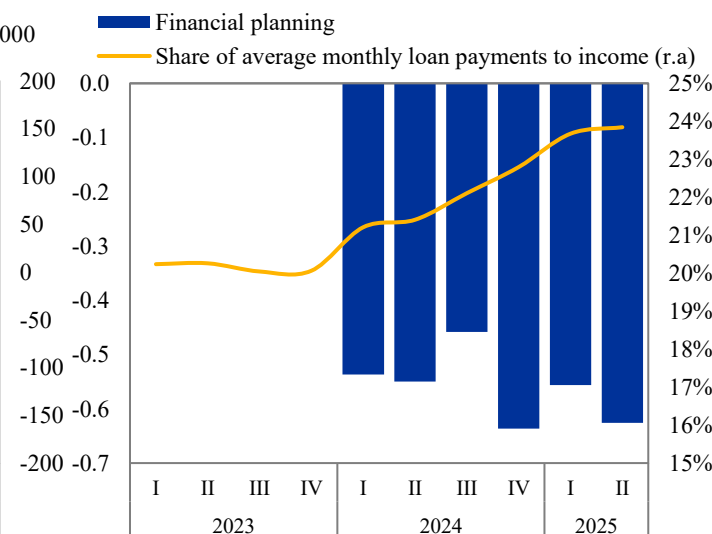


Figure 17. Household Financial Planning, (next 3 months)



Source: "Consumer Inflation Expectations Survey" BOM, NSO

As of June 2025, the average monthly loan payment was estimated at 678.3 thousand MNT, based on the outstanding balance of consumer loans. This payment accounts for 24% of the average nominal monthly household income and has been rising steadily over the past year.

IV. MACROECONOMIC EXPECTATIONS FOR HOUSEHOLDS

Employment expectations for the second quarter of 2025 declined by -0.25 units from the previous quarter to -0.11, shifting into the contractionary territory (Figure 18). Employment growth reported by the National Statistics Office (NSO) declined for the fifth consecutive quarter. Similarly, the economic growth expectation index declined by -0.21 units from the previous quarter to -0.36 in the second quarter, reflecting concerns about an economic contraction (Figure 19).

Figure 18. Employment Expectations, (next 3 months)

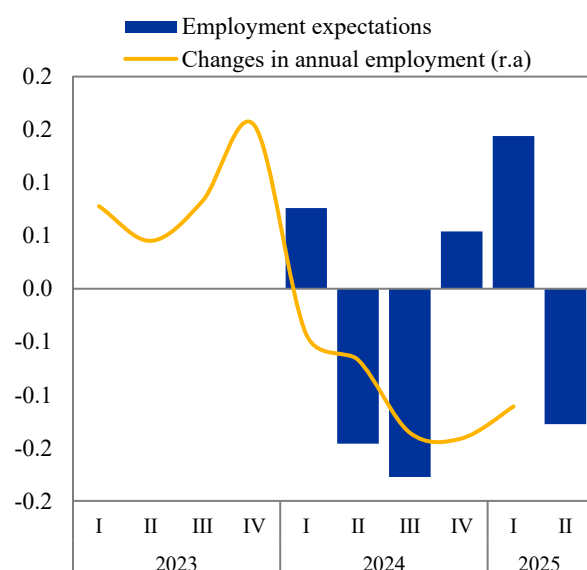
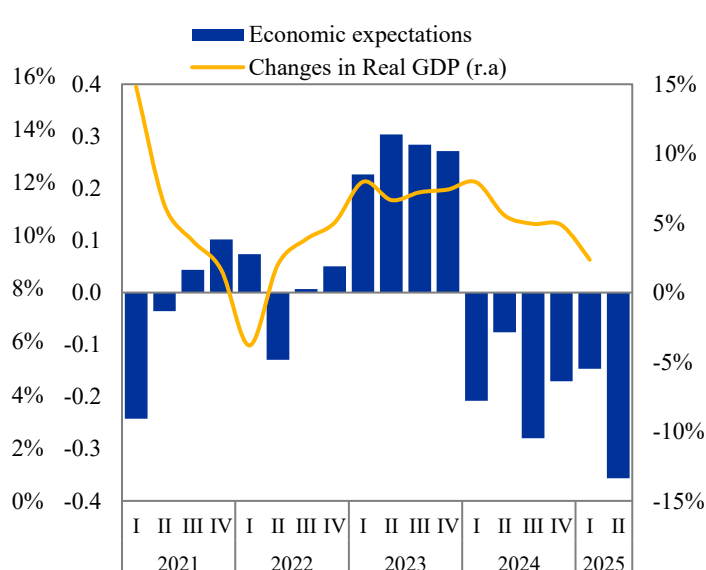


Figure 19. Economic Growth Expectations, (next 3 months)



Source: "Consumer Inflation Expectations Survey" BOM, NSO

In the second quarter of 2025, the exchange rate of one U.S. dollar averaged 3,564 MNT, depreciating by 5.5% compared to the same period last year. The majority of respondents expect further depreciation of the MNT in the upcoming quarter (Figure 20).

The survey assessed interest rate expectations, with the majority of respondents anticipating an increase. Also, this expectation has sharply increased from the previous quarter (Figure 21). The weighted average interest rate on consumer loans issued by banks has remained relatively unchanged over the past two years, standing at 17.3% in the second quarter of 2025.

Figure 20. Exchange Rate Expectations, (next 3 months)

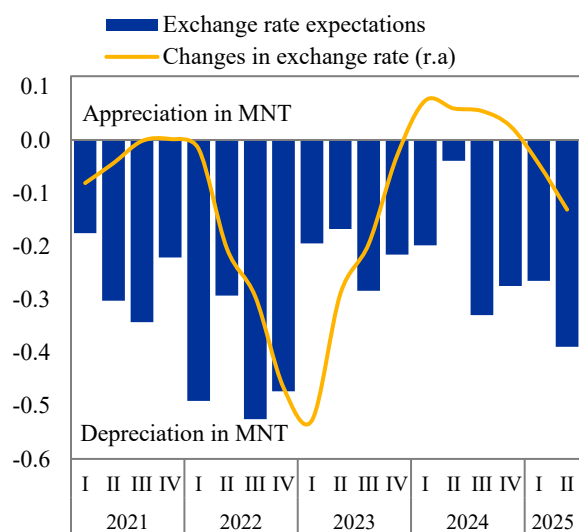
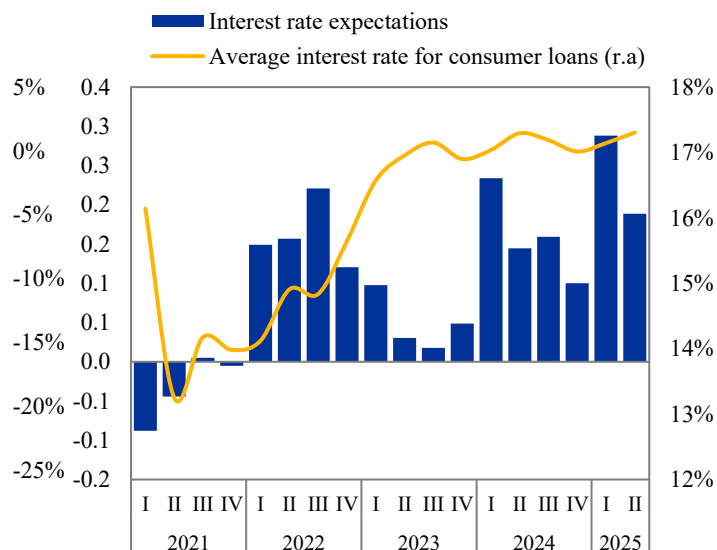


Figure 21. Interest Rate Expectations, (next 3 months)



Source: "Consumer Inflation Expectations Survey" BOM, BOM

V. APPENDIX

The "Consumer Expectations Survey" was conducted from June 16th to July 2nd, 2025. A total of 817 adult residents of Ulaanbaatar who had participated in previous survey rounds were interviewed via telephone. An additional 198 responses were collected through probabilistic sampling (RDD³), which involved generating random phone numbers and distributing mass messages. In total, 1,015 individuals participated in the survey. After removing duplicate responses, the final sample comprised 1,002 unique respondents, ensuring representativeness of the target population. In particular, the residential distribution of respondents aligns proportionally with the demographic structure of Ulaanbaatar's adult population in 2023, as reported by the National Statistics Office of Mongolia (Figure 22). Residents from Bayanzurkh and Songino-Khairkhan districts accounted for 38% of the total respondents, while the gender distribution of participants was 62% female and 38% male (Figure 23).

Figure 22. Residential Address of Survey Respondents

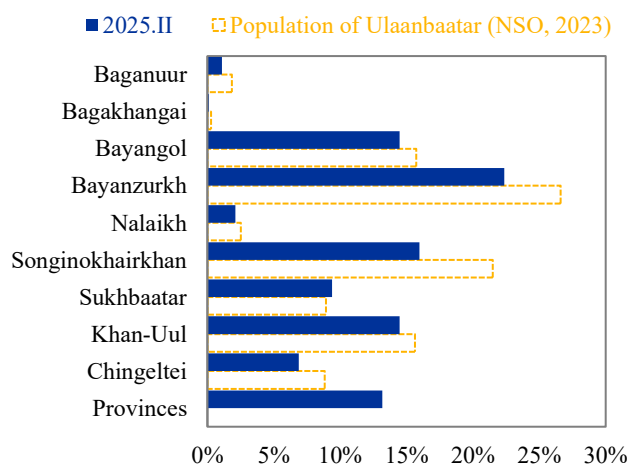
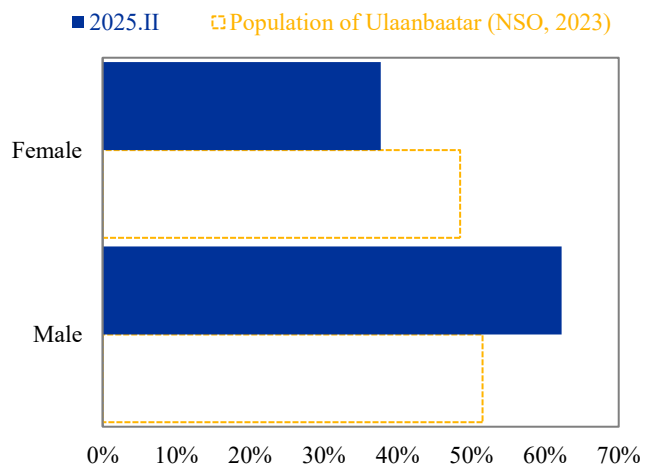


Figure 23. Gender Distribution of Survey Respondents



Source: "Consumer Inflation Expectations Survey" BOM, NSO

By age group, respondents aged 36-45, as well as those aged 46-55, accounted for 50% of the total participants. In terms of education, most respondents had tertiary or secondary education (Figure 24-Figure 25).

³ The "Random Digit Dialing" (RDD) method has been introduced starting from this quarter's survey. By using this approach to generate a portion of the sample, it offers several advantages: updating respondent information, recruiting new participants, expanding the database, increasing the likelihood of participation among younger age groups, and reducing the time and cost of data collection. Currently, the aim is to collect data for up to 20 percent of the total sample using this method.

Figure 24. Age Distribution of Survey Respondents

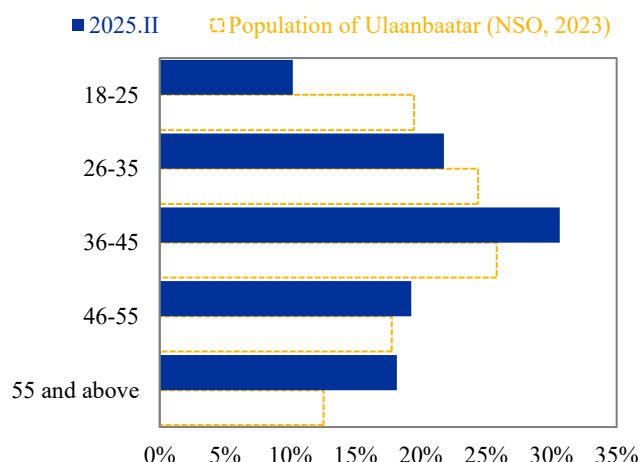
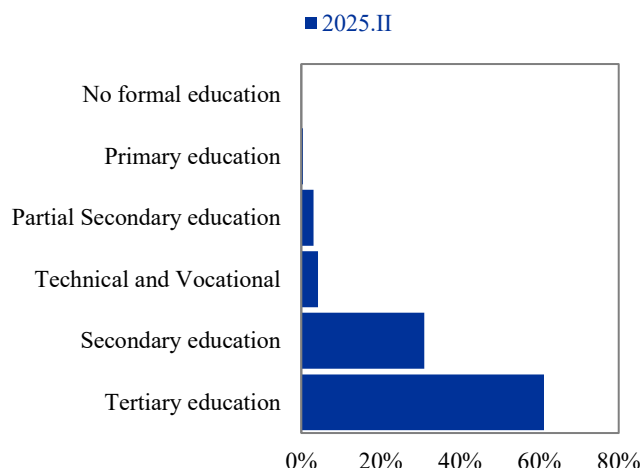


Figure 25. Education Background of Survey Respondents



Source: “Consumer Inflation Expectations Survey” BOM, NSO

The survey primarily consisted of employees in private organizations and retirees (Figure 26). The household income distribution of respondents aligns with the most recent results from the “Household Socio-Economic Survey” conducted by the National Statistics Office of Mongolia, specifically the survey from the first quarter of 2025 (Figure 27).

Figure 26. Employment Status of Survey Respondents

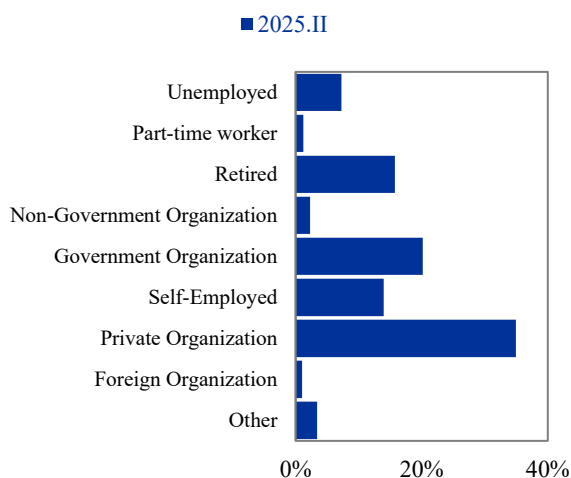
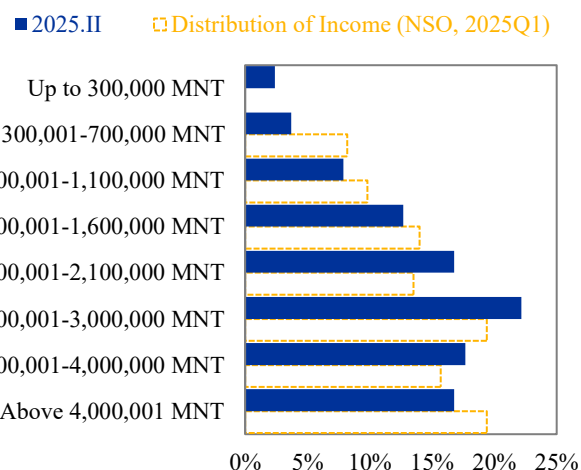


Figure 27. Income Distributions of Survey Respondents



Source: “Consumer Inflation Expectations Survey” BOM, NSO