CONSUMER INFLATION EXPECTATIONS SURVEY

First quarter of 2026

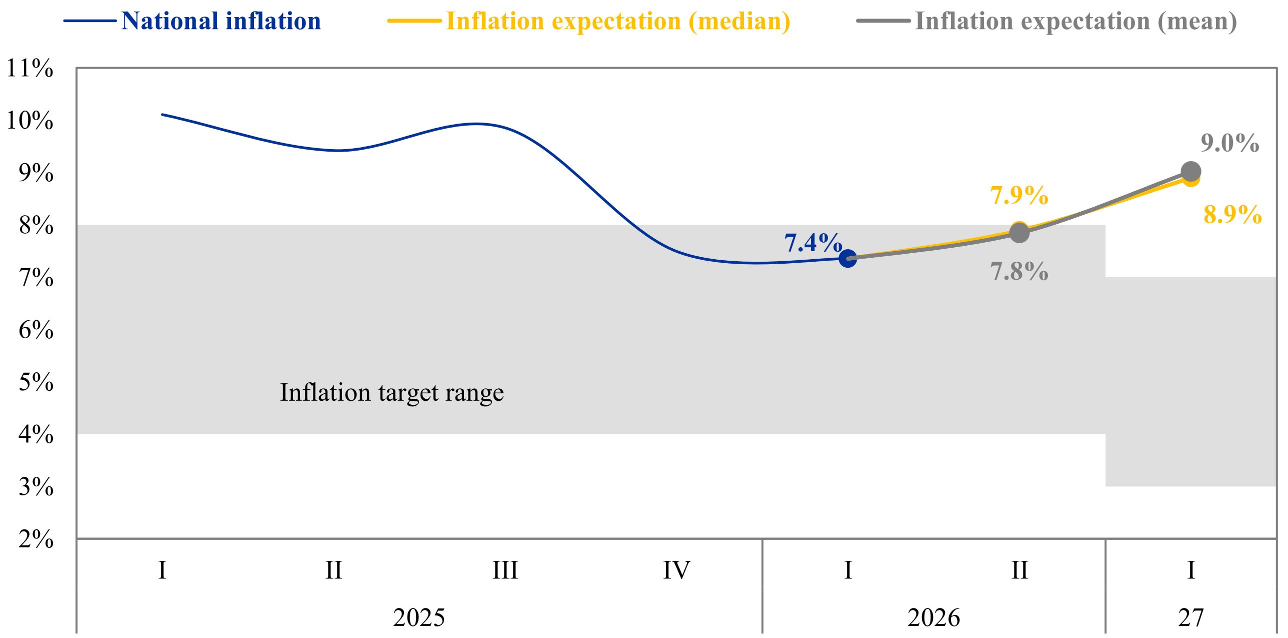
April 2026

I. SUMMARY

With the national inflation incorporated into policy decisions starting in the third quarter of 2025, the coverage of the survey has been expanded to the national level from the previous quarter's survey onward. Survey data were collected between 3 and 17 April 2026 from 1,848 respondents nationwide, with the sample designed to represent the population by location, gender, age group, and household income level. The main survey findings are summarized as follows:

- **Respondent profile**: A majority of respondents (59%) were female, aged 26–45, with a tertiary education.
- **Inflation expectations**: Based on the survey responses, inflation is expected to increase slightly over the next three months (by the end of the second quarter of 2026) from its current level, representing an increase of 0.5 percentage points from the previous quarter's results. Additionally, over the next 12 months (by the end of the first quarter of 2027), inflation is expected to increase by approximately 0.3 percentage points from the previous quarter's level, indicating a moderate increase from current levels. While inflation expectations are expected to remain around the upper bound of the target range in the short term, they are expected to reach around **9.0%** over the next 12 months, exceeding the target range (Figure 1).
- **Regional expectations**: Inflation expectations remain relatively high in Ulaanbaatar, at **8.5%** for the next three months and **9.9%** for the next 12 months.
- **Household finances**: Household income is expected to increase slightly, while expenditure is expected to decline slightly compared with the previous quarter. However, household savings expectations deteriorated slightly, indicating continued pressure on households' financial positions.
- **Employment and macroeconomic outlook**: Among respondents, the prevailing expectation was that employment would decline slightly. Respondents also expected slower economic activity, continued depreciation of the tugrug, and an increase in loan interest rates.

Figure 1. Inflation expectations



Source: "Consumer Inflation Expectations Survey", BOM

II. INFLATION EXPECTATION

Qualitative responses indicate that the perceived inflation index for both the past three months and the past 12 months declined slightly compared to the previous quarter, while remaining within the "inflation increased" range (Figure 2).

The inflation expectations index for the period ahead increased moderately from the previous quarter for both the next quarter and the next 12 months, remaining within the "inflation increasing" range. Although these indices declined consecutively throughout 2025, they increased notably in the latest survey round compared with the previous quarter, similar to the change observed in the first quarter of 2025 (Figure 3).

Figure 2. Perceived Price Index[1]

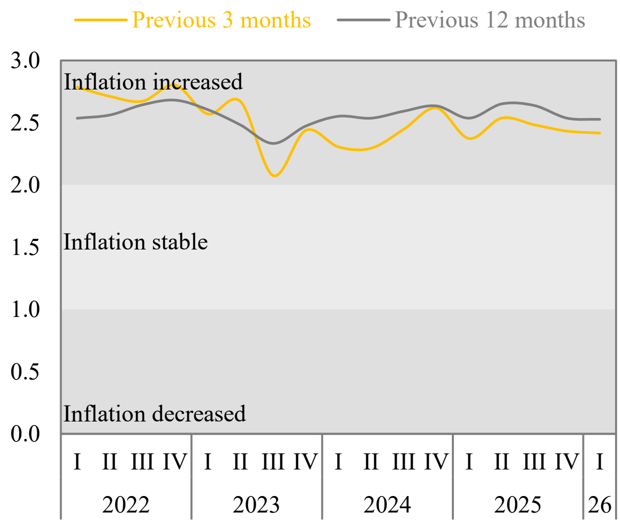
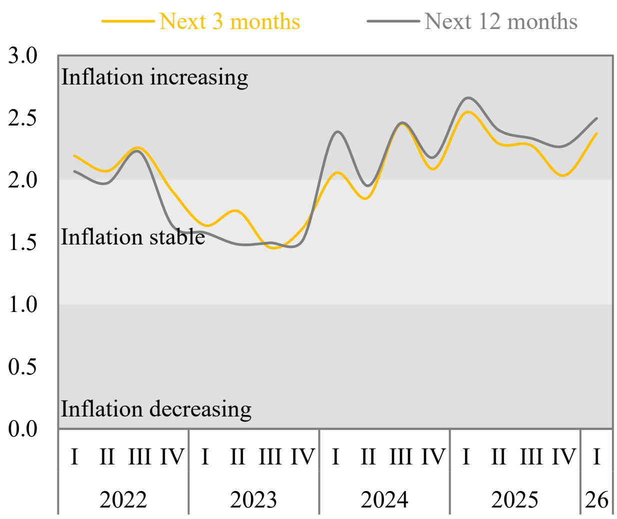


Figure 3. Inflation Expectations Index



Source: "Consumer Inflation Expectations Survey", BOM

Based on respondents' quantitative responses, mean expected inflation for 2026Q2 increased to **7.8%**, while mean expected inflation for 2027Q1 rose to **9.0%**. Median[2] expected inflation also increased, reaching **7.9%** for 2026Q2 and **8.9%** for 2027Q1 (Figure 4 and 5). These figures represent increases of 0.2-0.5 percentage points from the previous quarter's results. While short-term inflation expectations are expected to remain near the target level, expectations for the year ahead suggest inflation will exceed the target range.

[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)

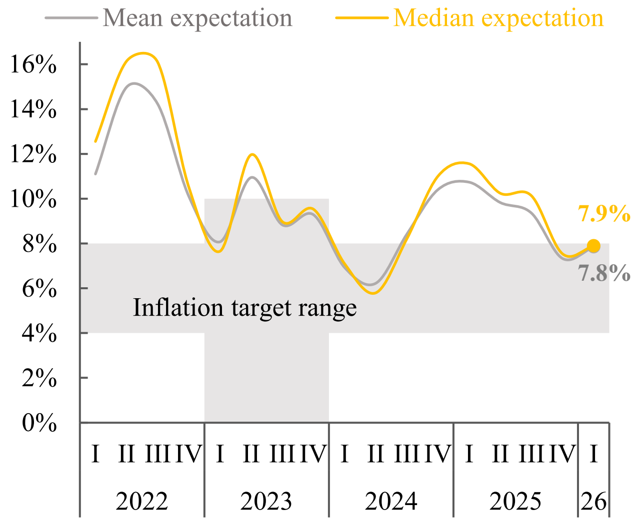
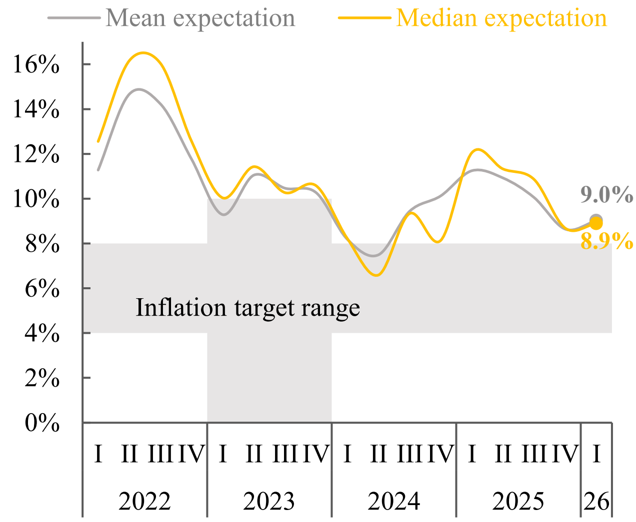


Figure 5. Inflation Expectations: Mean and Median (next 12 months)



Source: "Consumer Inflation Expectations Survey", BOM

Distribution of quantitative responses on three-month-ahead inflation expectations shows that, in the previous quarter, responses were more concentrated around 9%. In the reporting quarter, however, the distribution became relatively more evenly structured and concentrated around 7%-9% (Figure 6).

For 12-month-ahead inflation expectations, the distribution in the previous quarter was centered around 9% with a distinct central tendency. In the reporting quarter, however, the distribution became more dispersed and concentrated around 7%-11% (Figure 7). In other words, the widening of the distribution indicates that inflation expectations have become more unstable, with risk assessments becoming more varied.

Figure 6. Distribution of Quantitative Inflation Expectations, next 3 months

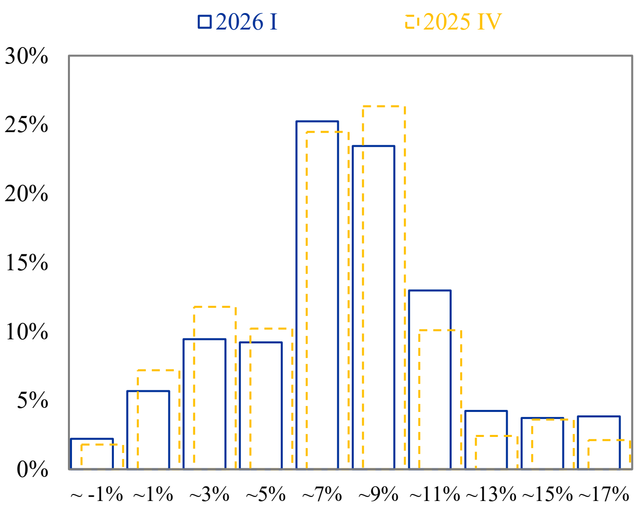
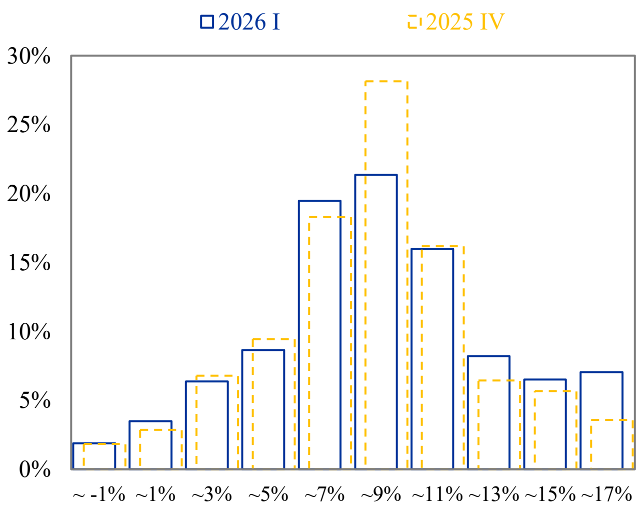


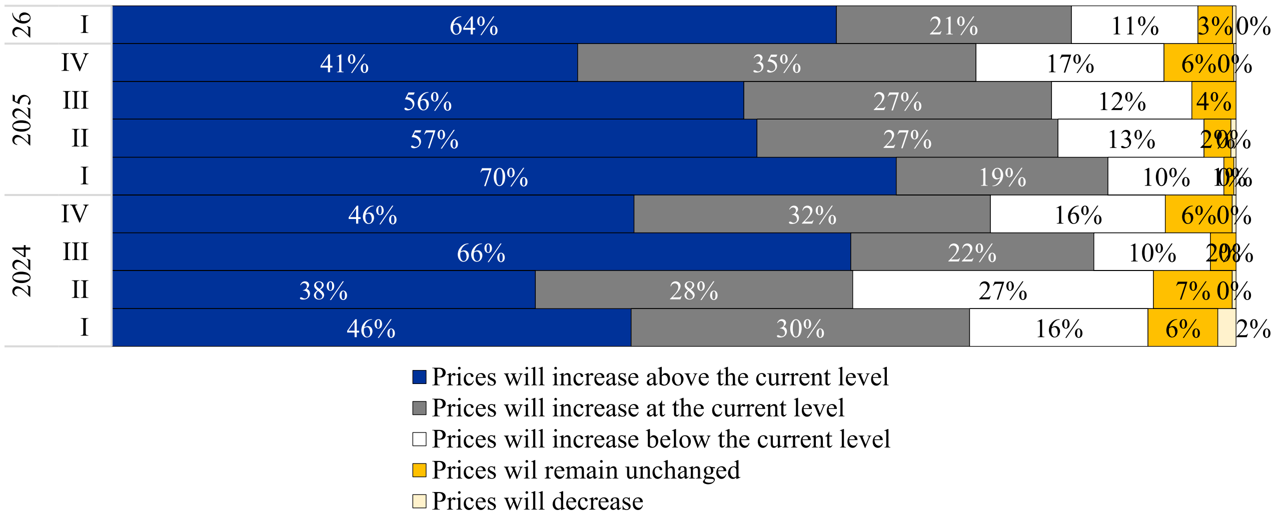
Figure 7. Distribution of Quantitative Inflation Expectations, next 12 months



Source: "Consumer Inflation Expectations Survey", BOM

In the survey, 64% of respondents expect inflation in 2026Q2 to be 'higher than the current level', with the "increase" category dominating qualitative responses on inflation expectations. Meanwhile, expectations for inflation to "decrease" have completely disappeared, and responses indicating prices will “remain the same” reached only 3%, suggesting that inflation decline is not expected in the near term. Compared with the previous quarter, expectations for “higher increase” rose sharply (Figure 8).

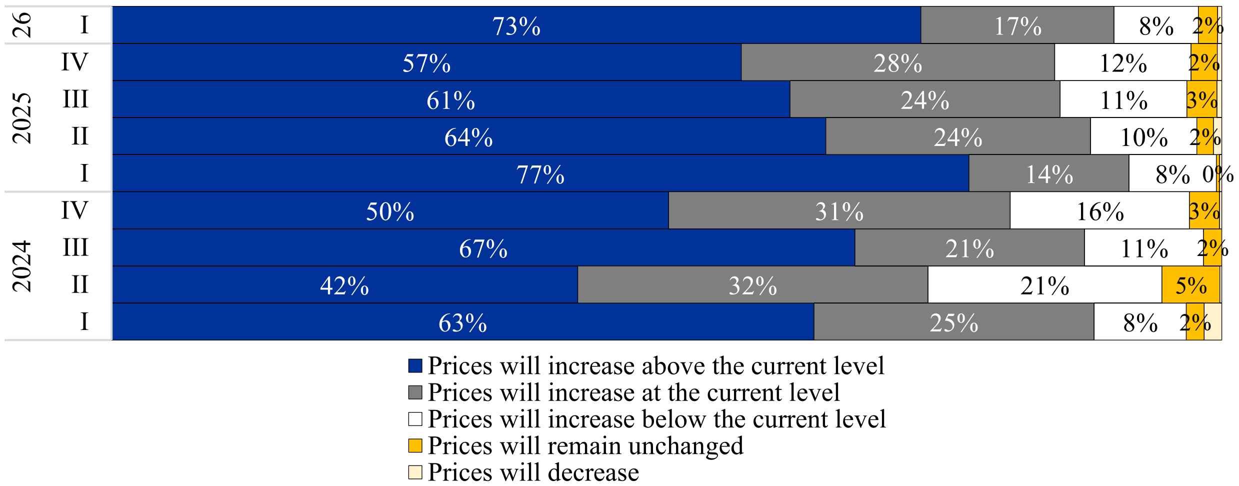
Figure 8. Inflation expectations, distribution of qualitative responses ***(next 3 months)***



Source: “Consumer Inflation Expectations Survey”, BOM

For the next 12 months, the share of respondents expecting inflation to rise above the current level increased by 16 percentage points from the previous quarter, resulting in expectations for higher inflation dominating 73% of survey participants (Figure 9).

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



Source: “Consumer Inflation Expectations Survey”, BOM

For residents of Ulaanbaatar, inflation expectations stand at **8.5%** for the next 3 months, slightly above the target level, while rural residents expect inflation at **7.3%**, remaining within the target range. For the next 12 months, expectations reach **9.9%** in Ulaanbaatar and **8.3%** in rural areas, with both indices exceeding the target level (Figure 10 and 11). This suggests that inflationary pressures may remain relatively stable in the short term but could intensify over the longer horizon. At the regional level, the mean inflation expectations among Ulaanbaatar residents are around 1.4 percentage points higher than those of the rural residents. This difference reflects variations in consumption patterns, including housing costs and food sourcing.

Figure 10. Inflation Expectations by location (next 3 months)

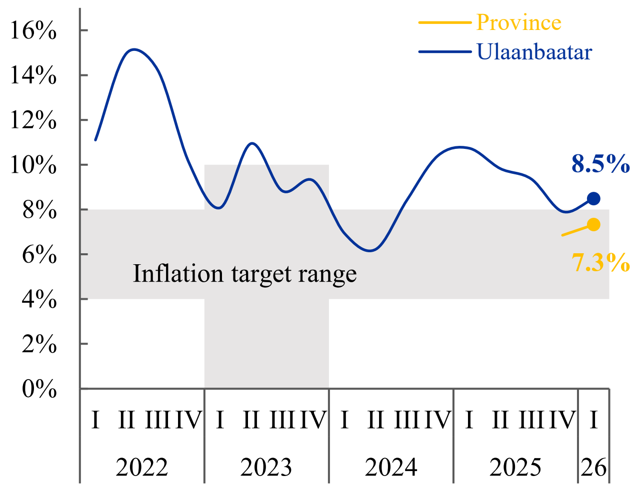
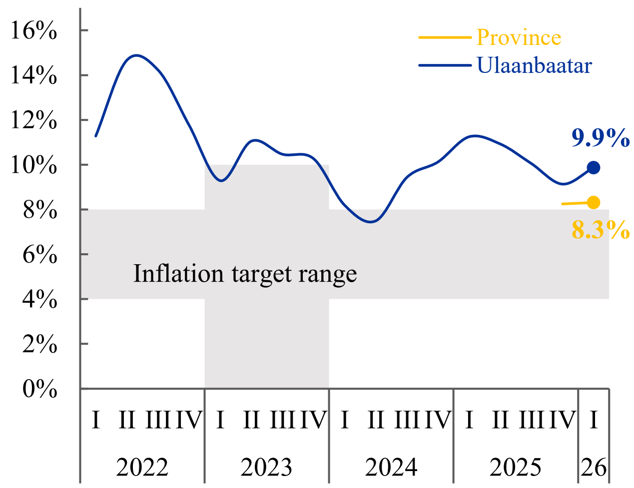


Figure 11. Inflation Expectations by location (next 12 months)



Source: "Consumer Inflation Expectations Survey", BOM

By age group, inflation expectations for 2026Q2 increased across all cohorts from the previous quarter. Specifically, expectations among respondents aged 55 and above rose by 0.9 percentage points to **8.5%**, while those among respondents aged 36-55 and under 36 increased by 0.6 percentage points and 0.1 percentage points, to **8.0%** and **7.2%**, respectively (Figure 12). For the next 12 months, inflation expectations also increased from the previous quarter, with each age group showing approximately 1.2 percentage points higher results than their relevant 3-month expectations (Figure 13).

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

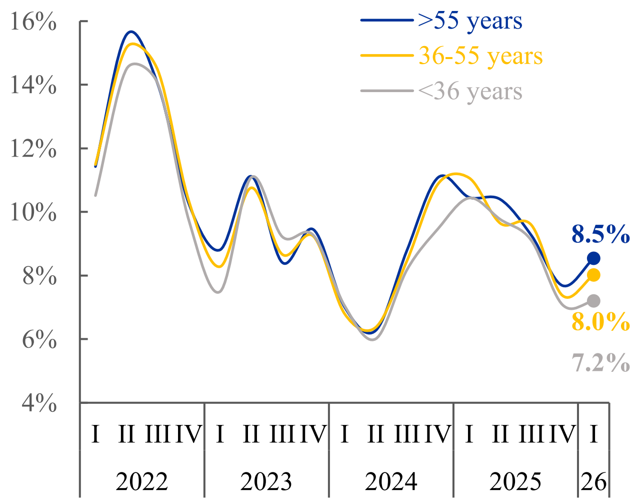
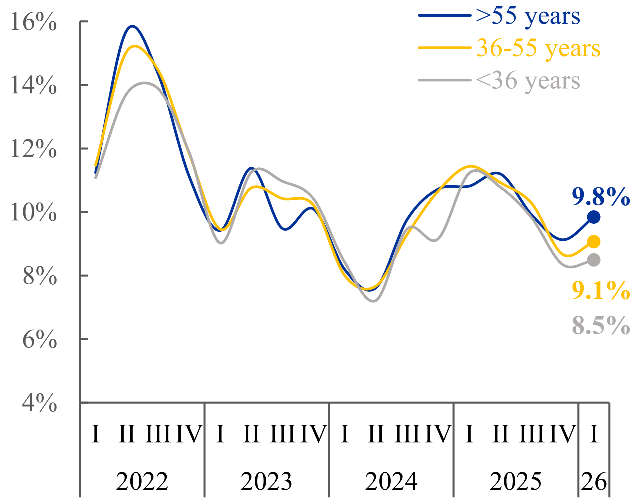


Figure 13. Inflation Expectations by age group (next 12 months)



Source: "Consumer Inflation Expectations Survey", BOM

By income group, inflation expectations for respondents with both medium (MNT 1.6-3.0 million) and relatively high (above MNT 3.0 million) income levels have increased by 0.6 percentage points each from the previous quarter. Expected inflation rose for both groups to 8.0% for the next 3 months, and to 9.2% for the next 12 months. For respondents with relatively low income (below MNT 1.6 million), expected inflation stands at 7.3% for the next 3 months and 8.4% for the next 12 months (Figure 14 and 15).

Figure 14. Inflation Expectations by Income Group (next 3 months)

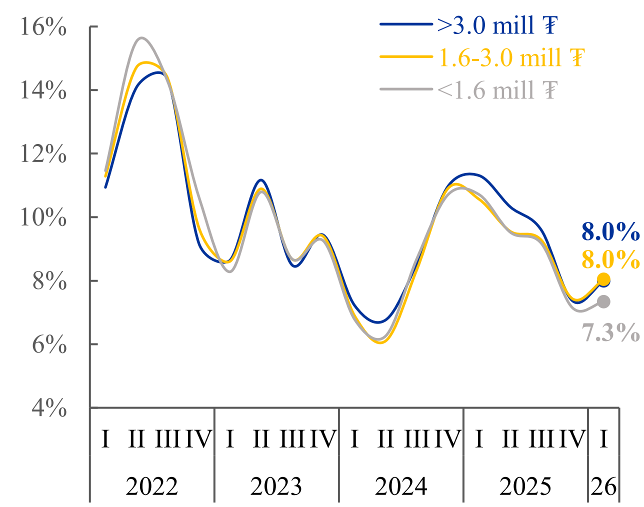
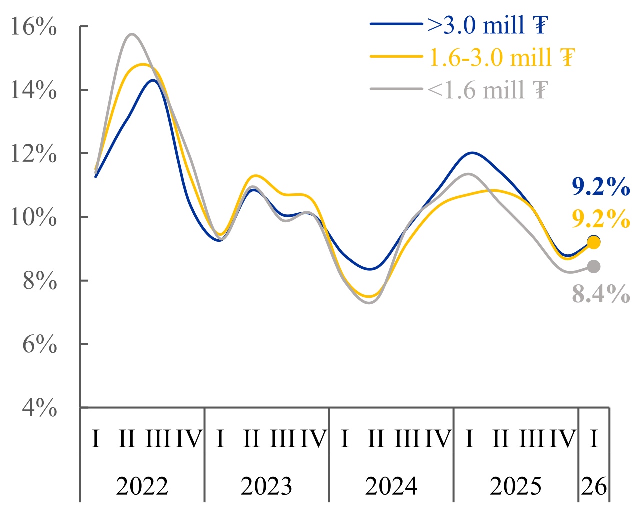


Figure 15. Inflation Expectations by Income Group (next 12 months)



Source: "Consumer Inflation Expectations Survey", BOM

III. HOUSEHOLD FINANCIAL CONDITIONS

Household income and expenditure expectations peaked in 2024 and have since been on a declining trend. While expectations stabilized somewhat in 2026Q1, the real wage index has declined, and consumption growth has slowed (Figure 16 and 17).

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

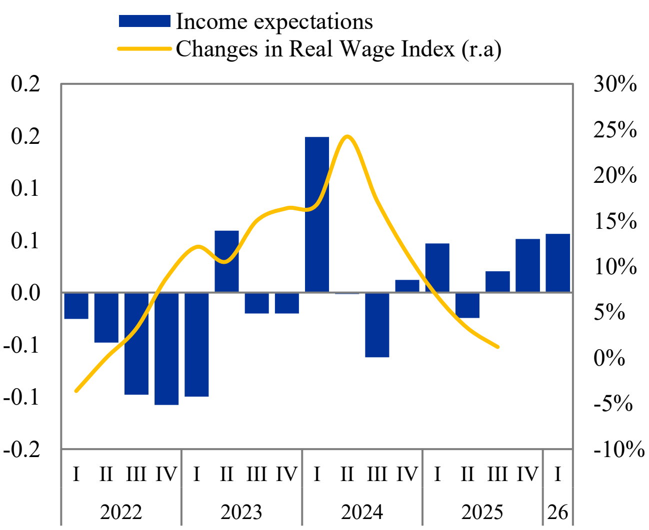
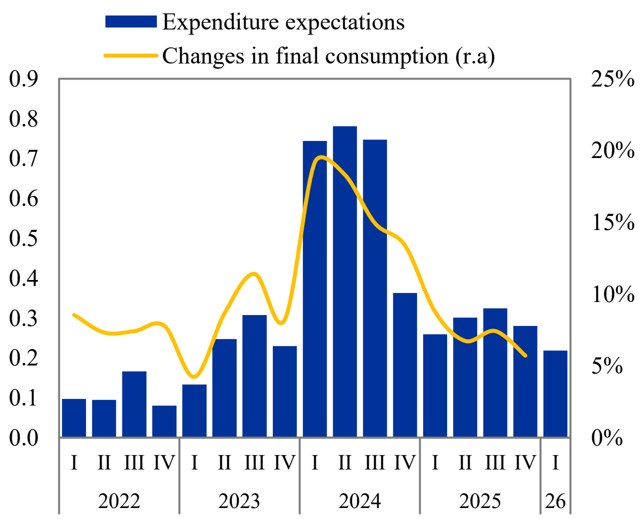


Figure 17. Household Expenditure Expectations, (next 3 months)



Source: "Consumer Inflation Expectations Survey", BOM, NSO

Household savings expectations have been on a declining trend for eight consecutive quarters (Figure 18). The majority of respondents reported difficulty in planning their finances for the upcoming quarter. This indicator shows a slight deterioration from the previous quarter (Figure 19).

Figure 18. Household Saving Expectations, (next 3 months)

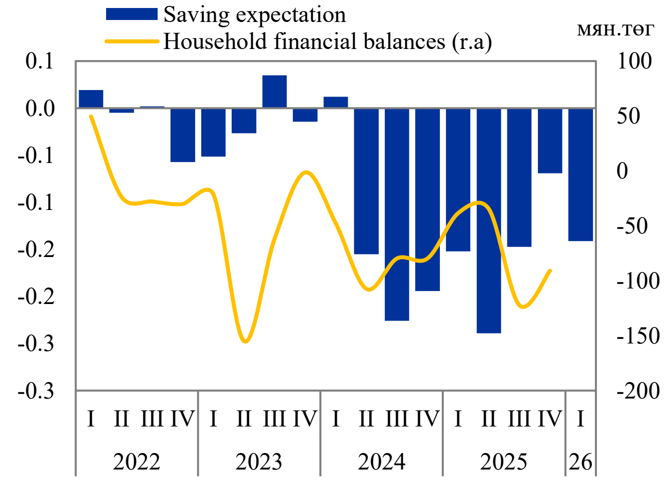
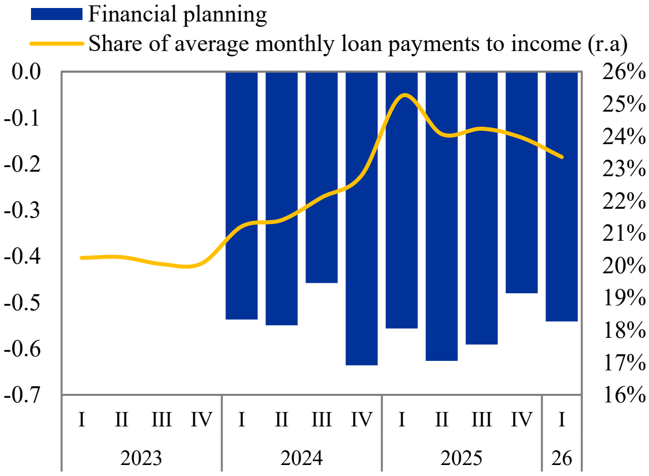


Figure 19. Household Financial Planning, (next 3 months)



Source: "Consumer Inflation Expectations Survey", BOM, NSO

Based on the outstanding balance of household consumer loans from banks, together with the weighted average interest rate and loan maturity, the average monthly loan repayment was calculated at MNT 703.8 thousand as of 2026Q1. This corresponds to 23.4% of the average monthly nominal household income[3].

IV. MACROECONOMIC EXPECTATIONS FOR HOUSEHOLDS

The employment expectations index declined slightly from the previous quarter, indicating that employment is expected to decrease in the upcoming quarter (Figure 20). According to NSO data, employment growth has been declining for four consecutive quarters; however, it showed 2.2% increase for this quarter year-on-year. The economic growth expectations index also decreased by 0.13 points from the previous quarter to -0.36, indicating expectations of economic contractions (Figure 21).

Figure 20. Employment Expectations, (next 3 months)

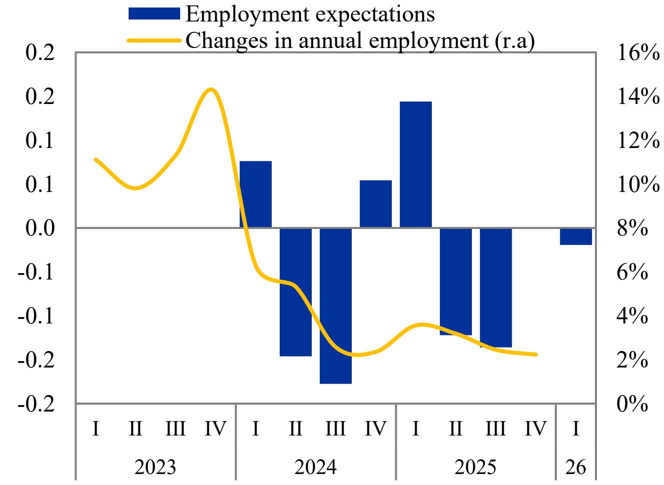
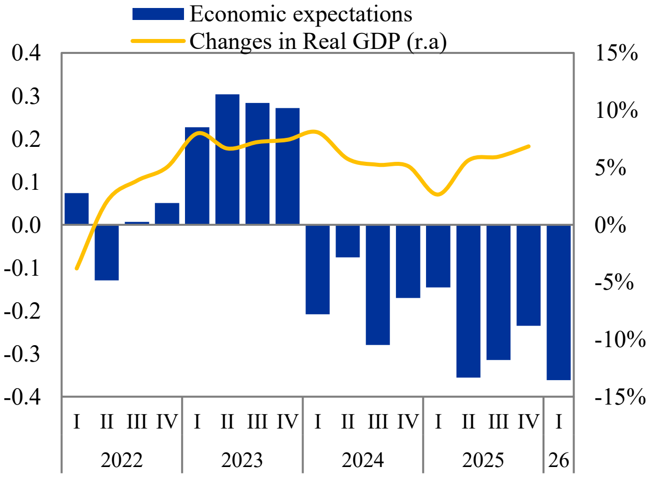


Figure 21. Economic Growth Expectations, (next 3 months)



Source: "Consumer Inflation Expectations Survey" BOM, NSO

[3] NSO, "Household Socio-Economic Survey", 2025Q4

In 2026Q1, the U.S. dollar averaged MNT 3,564.5, reflecting a 3.2% depreciation from the same period of the previous year. Most respondents expect the tugrug (MNT) to continue to depreciate in the upcoming quarter (Figure 22).

Regarding interest rates, expectations of rising loan rates dominate among respondents, showing a slight increase compared with the previous quarter (Figure 23). The weighted average interest rate on household consumer loans provided by banks decreased by 0.2 percentage points from the previous quarter, standing at 17.4% as of 2026Q1.

Figure 22. Exchange Rate Expectations, (next 3 months)

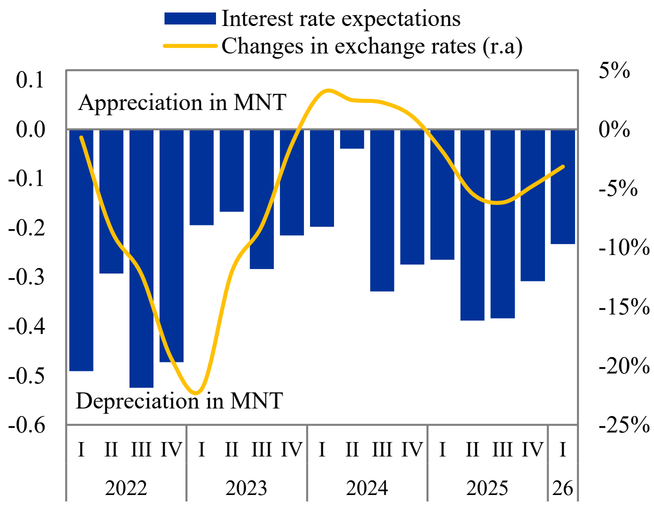
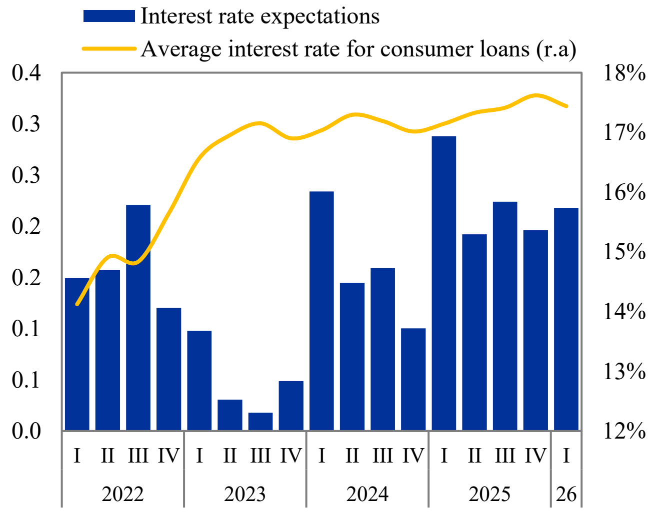


Figure 23. Interest Rate Expectations, (next 3 months)



Source: "Consumer Inflation Expectations Survey" BOM, BOM

V. APPENDIX

Data for the"Consumer Inflation Expectations Survey" were collected nationwide between 3 and 17 April 2026 from **1,848** individuals. Survey data were gathered through three channels: telephone interviews with respondents who had participated in previous survey rounds (766), interviews with rural residents (942), and random sampling using random digit dialing (RDD[4]) and mass text messaging (140). The sample is considered broadly representative of the target population. In particular, the residential distribution of respondents was proportionate to the structure of the adult population residing in Ulaanbaatar in 2025, as reported by the National Statistics Office of Mongolia (Figure 24). Residents from Bayanzurkh and Songino-Khairkhan districts accounted for 44.7% of respondents in Ulaanbaatar, while each province accounted for around 5% of the rural sample (Figure 25). In this survey round, 59% of respondents were female, and 41% were male.

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[4] The Random Digit Dialing methodology has been implemented starting from the second quarter 2025 survey. Forming a specific portion of the sample through this methodology, it offers several advantages, including refreshing participant information, incorporating new participants, expanding the database, increasing participation probability for younger age group representatives, and reducing time and costs for survey data collection. Currently, the aim is to collect data through this methodology for up to 10% of the sample size.

Figure 24. Distribution of Survey Respondents by District of Residence

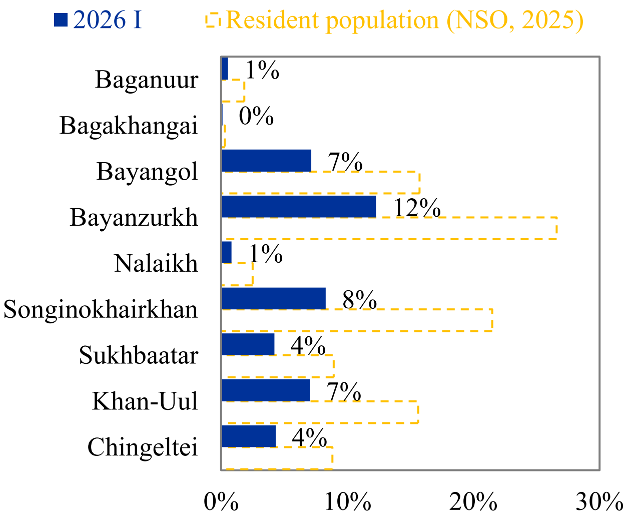
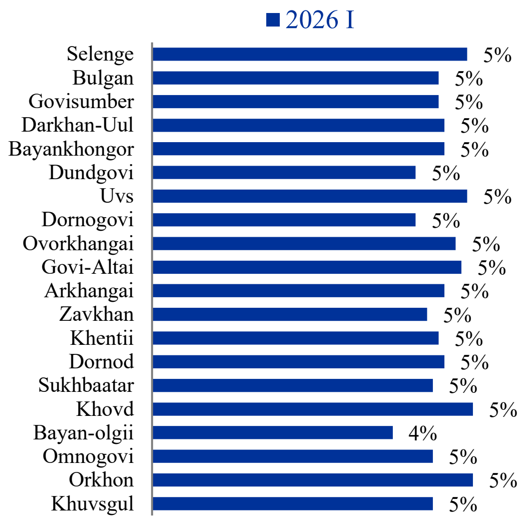


Figure 25. Distribution of Survey Respondents by Province of Residence



Source: "Consumer Inflation Expectations Survey" BOM, NSO

By age group, 74% of survey participants were between 26 and 55 years old, and this age group represents 69% of Mongolia's total population, indicating that each age group is proportionally consistent. In terms of education, respondents with tertiary and upper-secondary education levels were more prominently represented in the survey (Figure 26 and 27).

Figure 26. Age Distribution of Survey Respondents

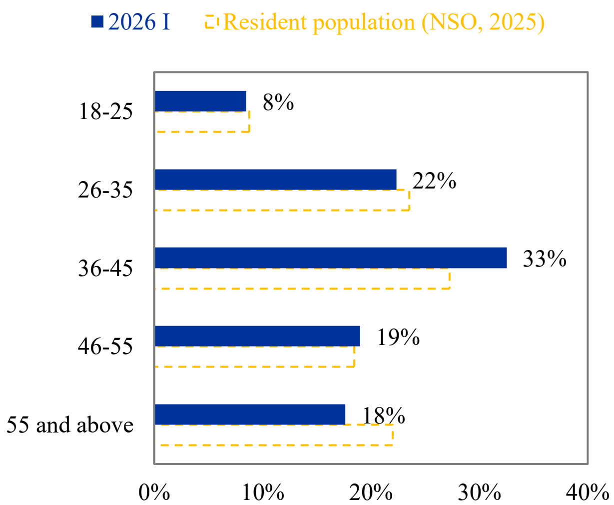
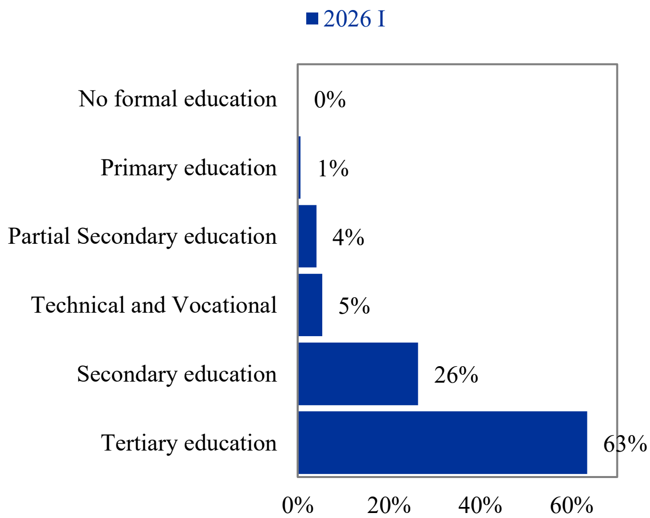


Figure 27. Educational Background of Survey Respondents



Source: "Consumer Inflation Expectations Survey" BOM, NSO

In terms of employment status, this survey round mainly consisted of respondents employed in the private and public sectors (Figure 28). The distribution of survey participants across household income groups is broadly consistent with the most recent results of the "Household Socio-Economic Survey" conducted by the National Statistics Office of Mongolia, specifically the fourth quarter 2025 results, where households were grouped by monetary income (Figure 29).

Figure 28. Employment Status of Survey Respondents

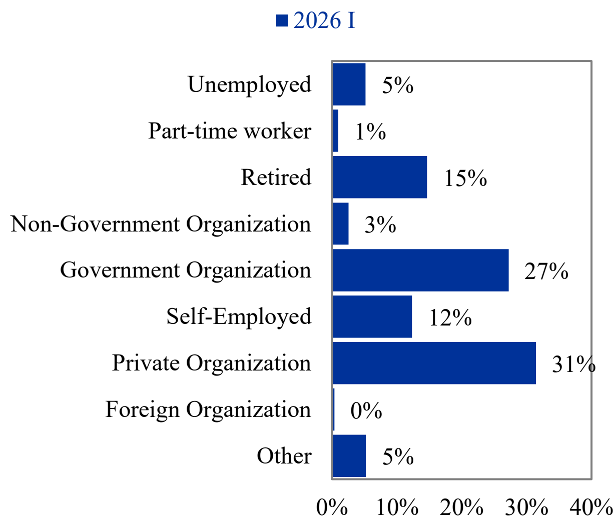
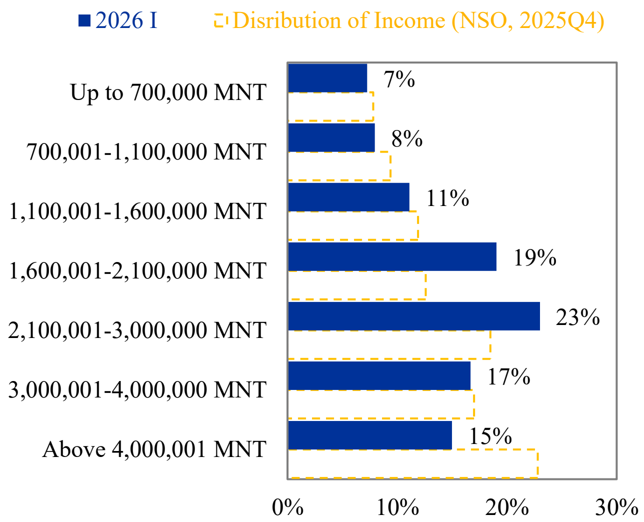


Figure 29. Household Income Distributions of Survey Respondents



Source: "Consumer Inflation Expectations Survey" BOM, NSO