

SURVEY PUBLICATION | FIRST QUARTER 2026

Survey of Inflation Expectations

Nicolaas van der Wath | wnwath@sun.ac.za

EXECUTIVE SUMMARY

- In the first quarter of 2026 (the second survey after the inflation target changed to 3%), the average five-year inflation expectations of the three professional groups declined slightly to a record low of 3.6% (from 3.7% previously).
- Next-year expectations also declined marginally (0.1% pts) to 3.6%.
- In contrast, household inflation expectations reversed its downward trend; one-year expectations were measured at 5.4% (5.3% previously), while five-year expectations rose from 7.7% to 8.4%.
- Survey respondents still expect wages to increase by 4.7% this year. They expect a similar rate in 2027.
- All three professional groups are slightly more optimistic about GDP growth; they now anticipate an expansion of 1.5% in 2026 (1.3% previously), accelerating to 1.7% next year.

Survey conducted during	2025Q4				2026Q1			
	Analysts	Business people	Trade union officials	Average	Analysts	Business people	Trade union officials	Average
Headline CPI inflation during the year								
2026	3.5	3.9	3.9	3.8	3.3	3.7	3.8	3.6
2027	3.4	4.0	3.8	3.7	3.3	3.7	3.8	3.6
2028					3.2	3.9	3.7	3.6
5 years	3.3	4.1	3.8	3.7	3.2	4.0	3.7	3.6

Figure 1: Headline CPI inflation during the year

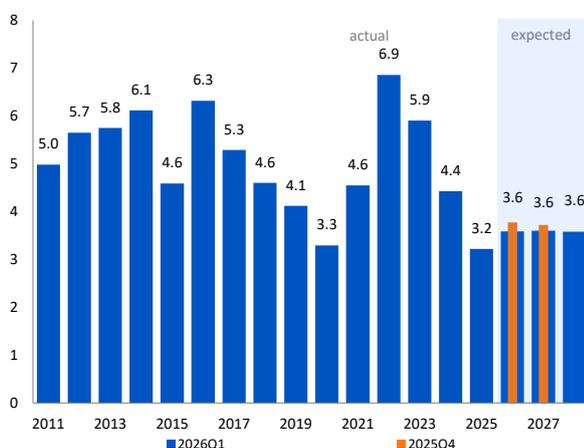
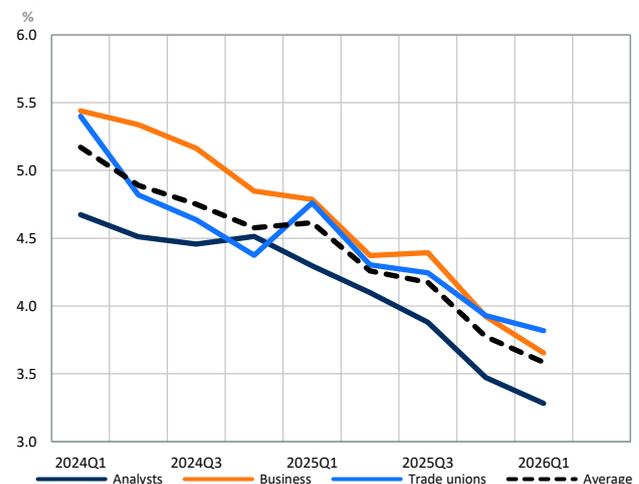


Figure 2: CPI inflation expectations: 2026



Headline CPI inflation expectations of analysts, business people and trade unions

In the first quarter of 2026, the average inflation expectations for the next five years, of the three professional groups, continued its declining trend (from a recent peak of 5.5% at the end of 2022). This time the drop was only marginal, from 3.7% to 3.6%, but it nonetheless represents a record low. All three groups made a downward revision of 0.1 percentage point (% pt), compared to the previous quarter. On the lower end, analysts expect inflation to average 3.2% over the next five years; at the higher end, business managers forecast 4.0%. Trade unions are in the middle at 3.7%.

The three groups expect inflation to be very stable over this five-year period, with headline inflation measured at 3.6% this year, next year and in 2028. During the previous survey, the three groups were expecting inflation of 3.8% in 2026. Analysts and trade union officials expect inflation to subside marginally between 2027 and 2028, while business managers anticipate a small increase. Analysts forecast a rate of 3.2% in 2028, trade unions 3.7% and businesses 3.9%.

These revisions were made against the backdrop of the reference rate quoted in the questionnaire dropping from 4.4% for 2024 to 3.2% for 2025.

The exact survey period is shown in Table 2 below. It is important to note that the professional survey closed on 5 March, while the household survey closed earlier, on 27 February. As a result, the surge in international oil prices and the weakening of the rand following the escalation of the conflict in Iran at the end of February are not reflected in the household survey results. Only a handful of professional respondents were likely aware of these developments when completing the survey.

Figure 3: Per survey quarter

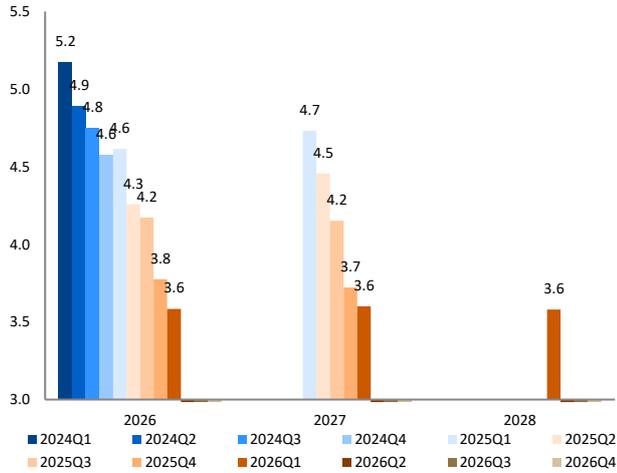


Figure 4: Analysts: one year ahead

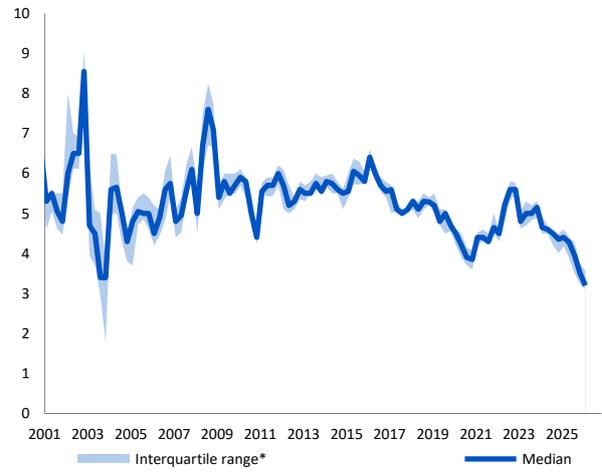


Figure 5: Business people: one year ahead

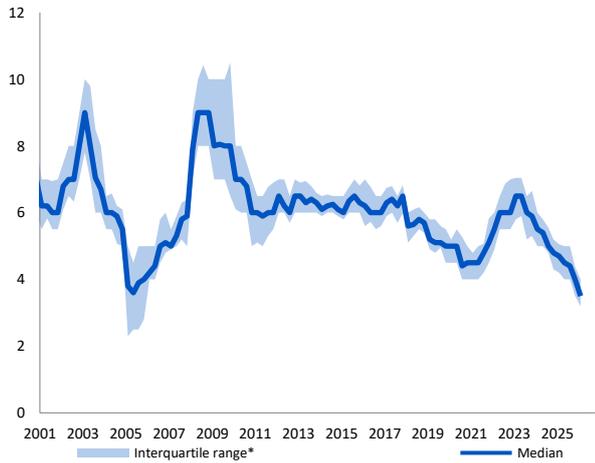


Figure 6: Trade unions: one year ahead

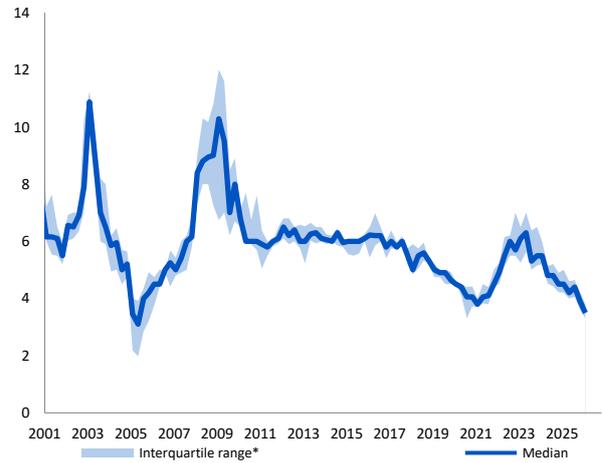
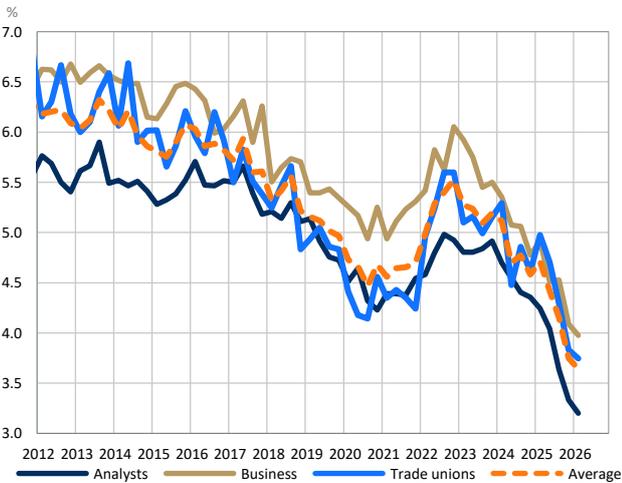


Figure 7: Over the next 5 years



* If all the values from a specific survey quarter are sorted from high to low and divided into four equal quarters, 25% of the values fall above and 25% below the shaded area and the middle 50% falls within it. A wider interquartile range indicates higher disagreement among the respondents and a narrower range more agreement. The extent of disagreement may be related to, but does not necessarily measure, uncertainty. The position of the average relative to the top and bottom of the range provides some clues on the skewness of the distribution of the responses. For instance, a few very high values may pull the average closer to the top of the range, because the distribution of the responses has a long tail to the right.

Household inflation expectations

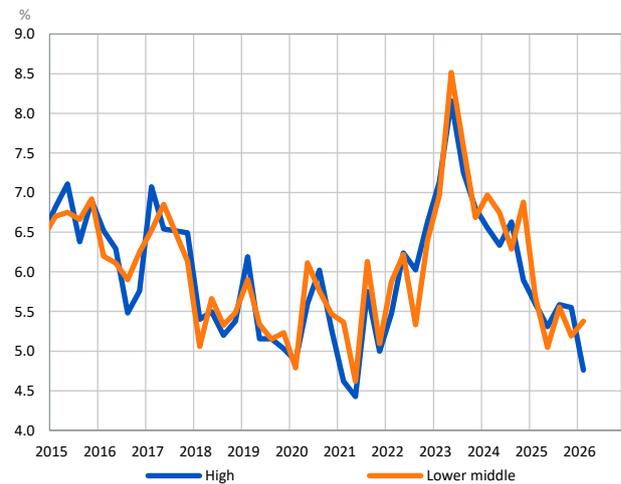
Household inflation expectations for the next 12 months ticked up slightly to 5.4% in the first quarter of 2026, from 5.3% previously. The downward trend seems to have bottomed out now; this is the same level that it was in the second quarter of 2025. However, there was a divergence among income groups. The expectations of the high-income group dropped from 5.6% to 4.8%, while those of the low-income group increased from 5.4% to 6.2%.

Household expectations for inflation over the next five years also stopped declining. It was measured at 8.4% in the first quarter of 2026, reversing the sharp drop to 7.7% in the preceding quarter. As such, expectations are back to levels similar to those recorded in the second quarter of last year.

Figure 8: Households' expectation: Total



Figure 9: Per income group (one year ahead)



Forecasts of the other variables

During the first quarter of 2026, the survey respondents from the three professional groups, on average, expected that wages will increase by 4.7% this year and next year. The forecast for 2026 is unchanged from the previous quarter, despite inflation expectations ticking down. Among the three groups, analysts anticipate lower wage growth (close to 4%), whereas trade unions expect increases just above 5% per year. Business managers expect wage increases of just below 5% in both years.

Analysts revised their forecast of growth in the M3 money supply upward. They now expect it to increase by 7.2% this year, up from a previous forecast of 6.8%. For next year, they also expect a 7.2% increase. *This upward revision for 2026 was made against the backdrop of the reference to M3 growth in the questionnaire changing from 6.3% in 2024 to 6.8% in 2025.*

The survey respondents have become more optimistic about a stronger currency since the previous survey. They now expect the rand to trade at R16.24 per US dollar by the end of 2026, which is R1.17 stronger than anticipated previously. They made this revision against the backdrop of the rand appreciating by R1.04 to R16.12 per dollar during the respective survey periods. There is no significant divergence among the views of the three groups. On average, they expect the rand to depreciate slightly next year, reaching R16.49 per dollar.

On average, the three professional groups still expect a prime overdraft rate of 10.00% by the end of this year. This implies they anticipate only one 25-basis-point (bps) cut in 2026, from the current rate of 10.25%. However, they do forecast another 50-bps reduction next year, to 9.50%. The underlying views diverged somewhat. Analysts and business managers retained their forecast for the end of 2026 at 9.5% and 10% respectively, while trade unions increased theirs by 25 bps to 10.25%. Next year, analysts expect another two cuts of 25 bps each, while businesses and trade unions expect only one 25 bps cut.

Regarding the yield on the 10-year government bond, analysts now expect it to be much lower than before. During the fourth quarter, they still expected the yield to be around 8.62% by the end of 2026; now, they expect a yield of only 7.93%, which is 70 bps lower than before. *This revision was done against the backdrop of the actual yield declined from 8.70% to 8.09% during the respective survey periods.*

All three professional groups became slightly more optimistic regarding economic growth this year. On average, they now anticipate GDP growth of 1.5% in 2026, up by 0.2% pts from their fourth-quarter forecast. They expect a small acceleration to 1.7% next year. Among the three groups, analysts are the most optimistic; they pencilled in growth of 1.7% this year and 1.9% next year. On the lower side, business managers expect growth of 1.4%, rising to 1.6%. Trade unions fall between the two.

Analysts downwardly revised their forecast of the utilisation of production capacity in manufacturing during 2026. They now expect it to be 78%, compared to 78.9% before. Thereafter, they forecast it to improve by 0.5% pts next year.

Figure 10: Salary and wage increases during the year

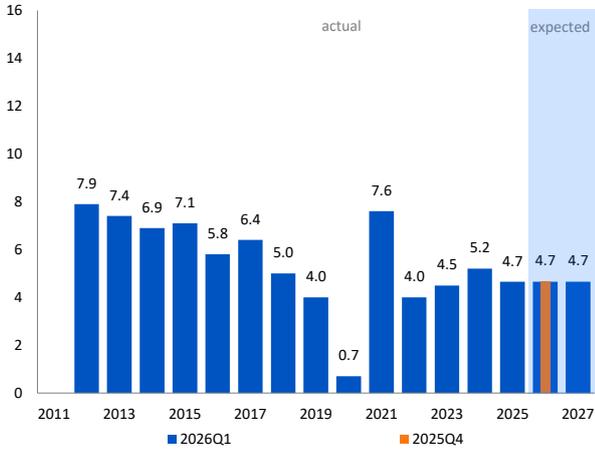


Figure 11: M3 money supply growth during the year

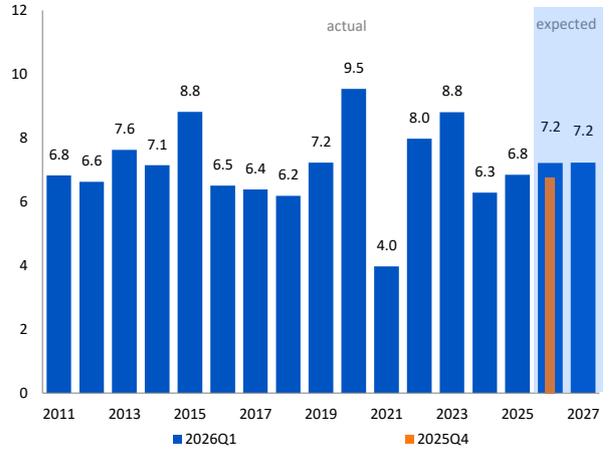


Figure 12: Rand/US dollar at the end of the year

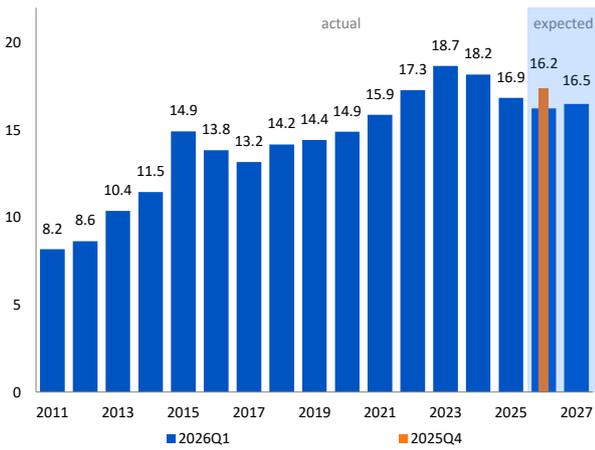


Figure 13: Prime overdraft rate at the end of the year

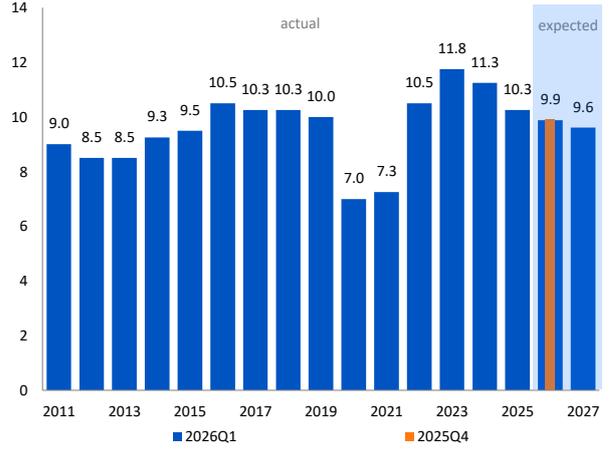


Figure 14: Ten-year gov. bond yield at the end of the year

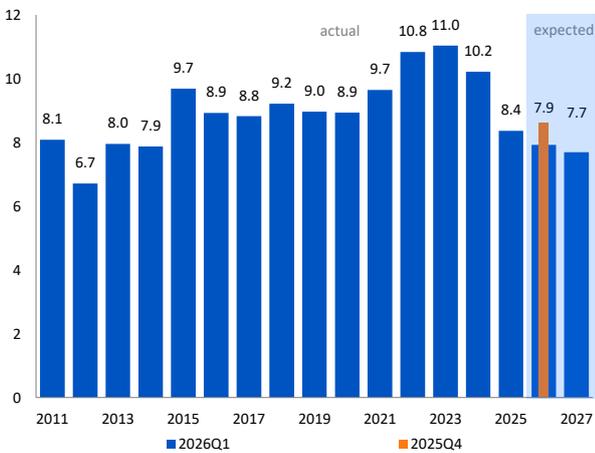
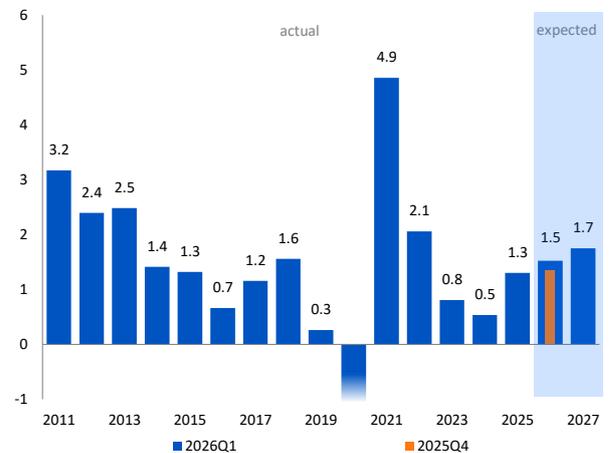


Figure 15: Economic growth during the year



Appendix

SURVEY DATA AND DATES

Table 1: Summary of the survey results

Survey conducted during	2025Q4				2026Q1			
	Analysts	Business people	Trade union officials	Average	Analysts	Business people	Trade union officials	Average
Headline CPI inflation during the year								
2026	3.5	3.9	3.9	3.8	3.3	3.7	3.8	3.6
2027	3.4	4.0	3.8	3.7	3.3	3.7	3.8	3.6
2028					3.2	3.9	3.7	3.6
5 years	3.3	4.1	3.8	3.7	3.2	4.0	3.7	3.6
Salary and wage increase during the year								
2026	4.0	4.9	5.1	4.7	4.1	4.7	5.1	4.7
2027					4.0	4.8	5.2	4.7
M3 money supply growth during the year								
2026	6.8			6.8	7.2			7.2
2027					7.2			7.2
Rand/US dollar at the end of								
2026	17.09	17.65	17.48	17.41	16.13	16.52	16.07	16.24
2027					16.34	16.87	16.27	16.49
Prime overdraft rate at the end of								
2026	9.58	10.06	10.11	9.92	9.51	9.89	10.25	9.88
2027					9.14	9.68	10.00	9.61
Yield on the 10-year government bond at the end of								
2026	8.62			8.62	7.93			7.93
2027					7.69			7.69
Economic growth (% change in real GDP) during the year								
2026	1.6	1.2	1.2	1.3	1.7	1.4	1.5	1.5
2027					1.9	1.6	1.8	1.7
Percentage utilisation of production capacity in manufacturing during the year								
2026	78.9			78.9	78.0			78.0
2027					78.5			78.5
Households: Average price increase over								
The next 12 months				5.3				5.4
The next 5 years				7.7				8.4

Table 2: Dates when the surveys were conducted

	Analysts, businesses and trade unions			Households		
	Mail questionnaires	Date of return	Process results	Fieldwork		Process results
2022Q4	21-Nov	08-Dec	09-Dec	14-Nov -	23-Nov	25-Nov
2023Q1	20-Feb	09-Mar	10-Mar	27-Feb -	09-Mar	13-Mar
2023Q2	19-Jun	29-Jun	30-Jun	05-Jun -	15-Jun	21-Jun
2023Q3	14-Aug	31-Aug	01-Sep	15-Aug -	24-Aug	30-Aug
2023Q4	20-Nov	07-Dec	08-Dec	13-Nov -	24-Nov	28-Nov
2024Q1	19-Feb	07-Mar	08-Mar	26-Feb -	08-Mar	12-Mar
2024Q2	10-Jun	27-Jun	28-Jun	03-Jun -	14-Jun	19-Jun
2024Q3	12-Aug	29-Aug	30-Aug	19-Aug -	30-Aug	03-Sep
2024Q4	18-Nov	05-Dec	06-Dec	11-Nov -	22-Nov	26-Nov
2025Q1	17-Feb	06-Mar	07-Mar	24-Feb -	07-Mar	12-Mar
2025Q2	19-May	05-Jun	06-Jun	02-Jun -	13-Jun	20-Jun
2025Q3	18-Aug	04-Sep	05-Sep	18-Aug -	29-Aug	05-Sep
2025Q4	17-Nov	04-Dec	05-Dec	10-Nov -	21-Nov	28-Nov
2026Q1	16-Feb	05-Mar	06-Mar	16-Feb -	25-Feb	06-Mar

In 2026Q1, 22 analysts, 109 business people, 11 trade unions and 502 households participated.

Table 3: Historical data of analysts, businesses and trade unions (average %)

CPI	Average				Analysts				Business				Trade unions				Next five years			
	Survey quarter	2025	2026	2027	2028	2025	2026	2027	2028	2025	2026	2027	2028	2025	2026	2027	2028	Average	Analysts	Business
2023Q1	5.5				4.6				6.2				5.8				5.3	4.8	5.9	5.1
2023Q2	5.6				4.7				6.3				5.8				5.2	4.8	5.8	5.2
2023Q3	5.3				4.8				5.7				5.3				5.1	4.8	5.5	5.0
2023Q4	5.6				4.7				6.0				6.0				5.2	4.9	5.5	5.2
2024Q1	5.3	5.2			4.7	4.7			5.6	5.4			5.6	5.4			5.1	4.7	5.4	5.3
2024Q2	5.0	4.9			4.6	4.5			5.5	5.3			5.0	4.8			4.7	4.5	5.1	4.5
2024Q3	4.8	4.8			4.4	4.5			5.3	5.2			4.7	4.6			4.8	4.4	5.1	4.9
2024Q4	4.5	4.6			4.3	4.5			4.8	4.8			4.6	4.4			4.6	4.4	4.8	4.6
2025Q1	4.3	4.6	4.7		3.9	4.3	4.3		4.6	4.8	4.8		4.5	4.8	5.0		4.7	4.2	4.9	5.0
2025Q2	3.9	4.3	4.5		3.4	4.1	4.2		4.3	4.4	4.5		4.0	4.3	4.7		4.4	4.0	4.5	4.7
2025Q3	3.8	4.2	4.2		3.4	3.9	3.7		4.2	4.4	4.5		3.8	4.2	4.2		4.2	3.6	4.5	4.3
2025Q4	3.7	3.8	3.7		3.3	3.5	3.4		3.9	3.9	4.0		3.8	3.9	3.8		3.7	3.3	4.1	3.8
2026Q1		3.6	3.6	3.6		3.3	3.3	3.2		3.7	3.7	3.9		3.8	3.8	3.7	3.6	3.2	4.0	3.7
2026Q2																				
2026Q3																				
2026Q4																				

Table 4: Historical data of households (average %)

Survey quarter	Total	Gender		Race				Income				Age			
		Male	Female	Blacks	Coloureds	Indians	Whites	High	Higher middle	Lower middle	Low	16-24	25-34	35-49	50+
1-year expectations															
2024Q1	6.7	6.0	7.3	6.6	6.6	6.8	7.3	6.6	6.4	7.0	6.6	6.6	6.2	6.4	7.5
2024Q2	6.4	6.8	6.1	6.3	6.9	5.2	7.2	6.3	6.4	6.7	6.0	6.4	6.5	6.7	5.9
2024Q3	6.9	6.8	6.9	7.0	6.0	7.8	6.4	6.6	6.7	6.3	8.1	7.6	6.3	6.9	6.8
2024Q4	6.6	6.0	7.1	6.5	6.6	5.9	7.2	5.9	6.8	6.9	7.0	6.3	6.6	6.2	7.3
2025Q1	5.7	5.8	5.5	5.6	5.4	6.1	6.3	5.6	5.1	5.7	6.2	5.2	5.2	5.5	7.0
2025Q2	5.4	5.0	5.8	5.3	5.9	5.0	5.7	5.3	6.1	5.0	5.1	5.4	5.0	5.5	5.7
2025Q3	5.5	5.8	5.3	5.3	5.6	6.5	6.5	5.6	5.2	5.6	5.4	5.6	4.9	5.6	6.0
2025Q4	5.3	5.4	5.2	5.2	4.8	5.4	6.1	5.6	4.8	5.2	5.4	5.7	4.4	5.2	5.9
2026Q1	5.4	4.9	5.8	5.3	6.0	4.1	6.4	4.8	5.0	5.4	6.2	5.3	5.2	5.1	6.0
5-year expectations															
2024Q1	10.4	10.2	10.6	10.2	10.7	10.2	11.5	10.7	10.4	10.8	10.5	10.4	10.0	10.2	11.0
2024Q2	9.7	9.8	9.6	9.6	9.9	9.5	10.2	9.7	10.1	10.0	9.2	10.3	10.0	9.4	9.0
2024Q3	10.6	9.5	11.6	10.4	11.0	13.6	10.6	11.8	9.9	9.9	11.3	10.7	9.6	10.4	11.6
2024Q4	9.7	9.3	10.2	9.4	11.1	9.0	11.9	9.3	9.8	9.9	10.4	9.2	9.4	9.9	10.7
2025Q1	9.1	9.1	9.1	8.7	10.7	11.0	10.4	10.5	8.5	9.3	8.8	8.6	8.5	9.8	9.5
2025Q2	8.5	8.4	8.5	8.1	9.8	11.5	9.8	9.4	8.6	8.3	7.7	7.9	8.0	8.5	9.4
2025Q3	8.9	9.2	8.7	8.5	9.5	11.2	11.5	10.2	9.4	8.0	8.0	9.3	7.8	9.6	9.2
2025Q4	7.7	7.2	8.2	7.4	7.8	9.0	10.1	7.7	7.7	8.2	7.2	6.9	8.0	7.6	8.3
2026Q1	8.4	7.9	9.0	7.9	10.6	6.9	12.6	8.5	8.3	7.8	9.0	8.3	7.4	9.1	9.0

Note: The survey method was switched from face-to-face interviews to telephone calls in the third quarter of 2019. The results of the telephone call surveys are likely to be more volatile than face-to-face interviews due to the smaller sample size, non-weighting and treatment of non-respondents. Care should be taken when considering the results of consecutive quarters especially for smaller demographic groups, such as all races other than Blacks, the low-income group and the 50+ age group.

Contact the BER for more descriptive statistics for the current quarter.

HISTORICAL INFORMATION PROVIDED TO RESPONDENTS

Analysts, business people and trade union officials

2022

What do you expect the ...	Average				
	2017-21	2021	2022	2023	2024
average headline inflation rate (as measured by the percentage change in the CPI) to be during the year:	4.4	4.6			

2023

What do you expect the ...	Average				
	2018-22	2022	2023	2024	2025
average headline inflation rate (as measured by the percentage change in the CPI) to be during the year:	4.7	6.9			

2024

What do you expect the ...	Average				
	2019-23	2023	2024	2025	2026
average headline inflation rate (as measured by the percentage change in the CPI) to be during the year:	4.9	5.9			

2025

What do you expect the ...	Average				
	2020-24	2024	2025	2026	2027
average headline inflation rate (as measured by the percentage change in the CPI) to be during the year:	5.0	4.4			

2026

What do you expect the ...	Average				
	2021-25	2025	2026	2027	2028
average overall inflation rate (as measured by the percentage change in the CPI) to be during the year:	5.0	3.2			

Households

2023

Over the past five years prices increased by on average 4.7 per cent per year. During 2022 prices increased by 6.9 per cent. By about how much do you expect prices in general to increase during the next 12 months?

2024

Over the past five years prices increased by on average 4.9 per cent per year. During 2023 prices increased by 5.9 per cent. By about how much do you expect prices in general to increase during the next 12 months?

2025

Over the past five years prices increased by on average 5.0 per cent per year. During 2024 prices increased by 4.4 per cent. By about how much do you expect prices in general to increase during the next 12 months?

2026

Over the past five years prices increased by on average 5.0 per cent per year. During 2025 prices increased by 3.2 per cent. By about how much do you expect prices in general to increase during the next 12 months?

CONTACT US

Tel: +27 (21) 808 9779

Email: wnwath@sun.ac.za

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