ONLINE APPENDIX

Do inflation expectations become more anchored during a disinflation episode? Evidence for euro area firms

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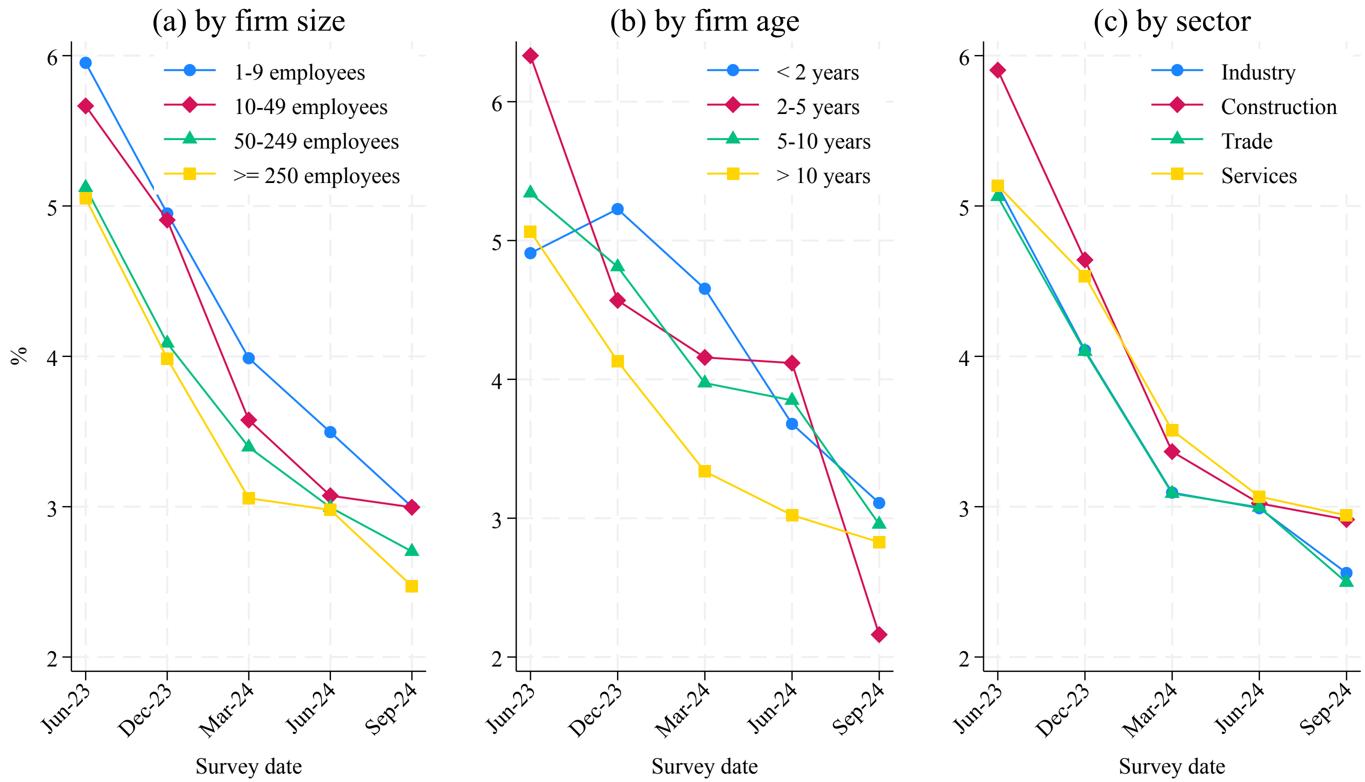
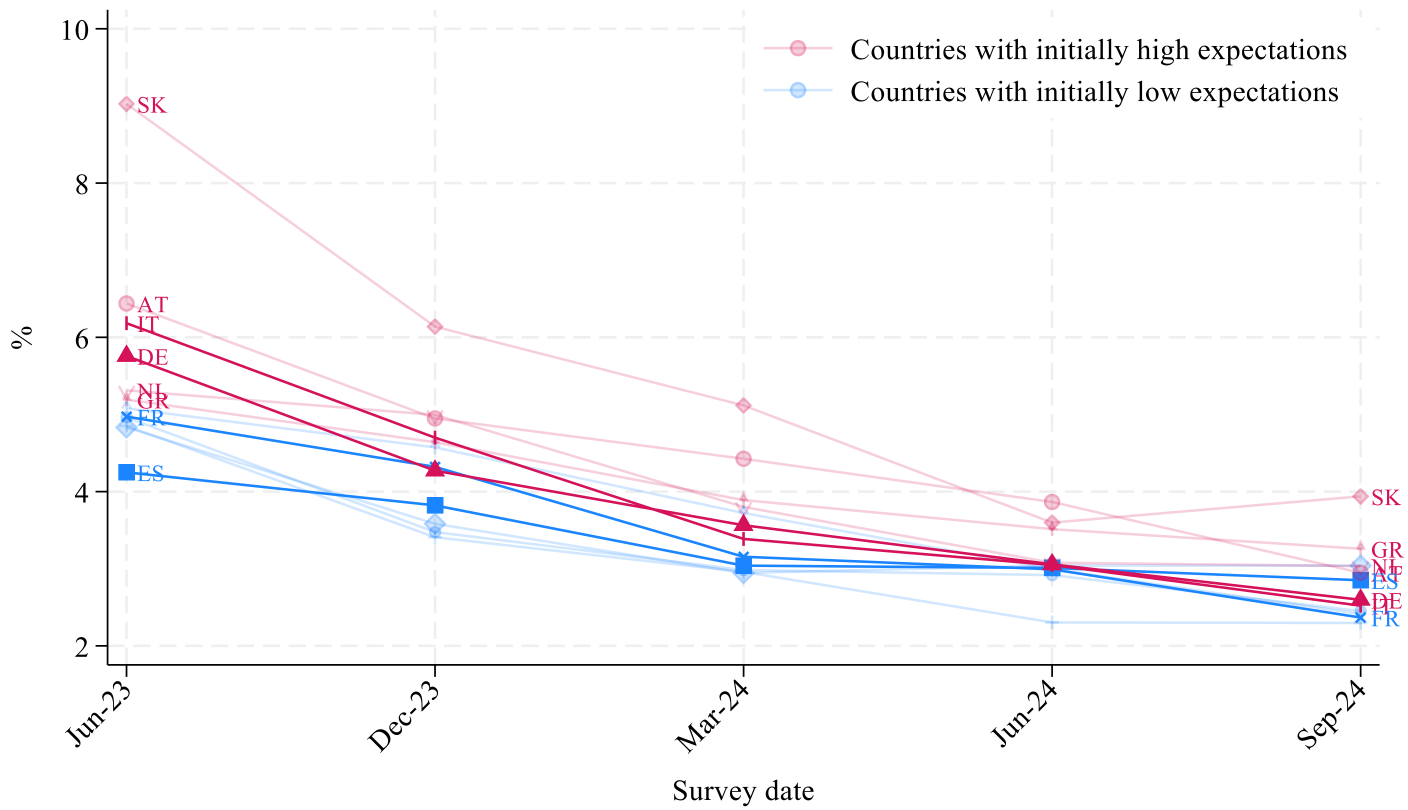
Appendix Figure 1. One-year-ahead inflation expectations by firm size, age, and sector



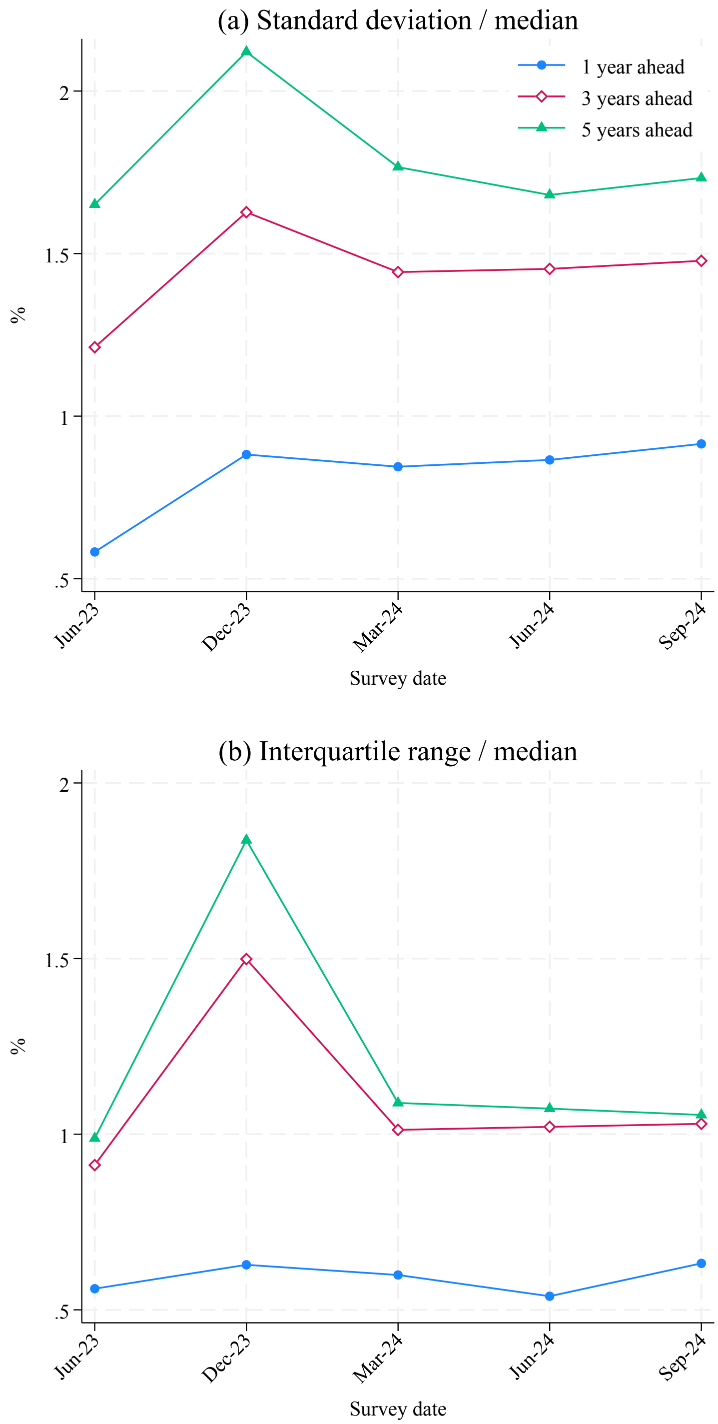
Notes: This figure plots median one-year-ahead inflation expectations by firm size, firm age, and sector for each survey date. Medians are computed by linear interpolation of the mid-distribution function and using survey weights.

Appendix Figure 2. One-year-ahead inflation expectations by country (and initial expectation)



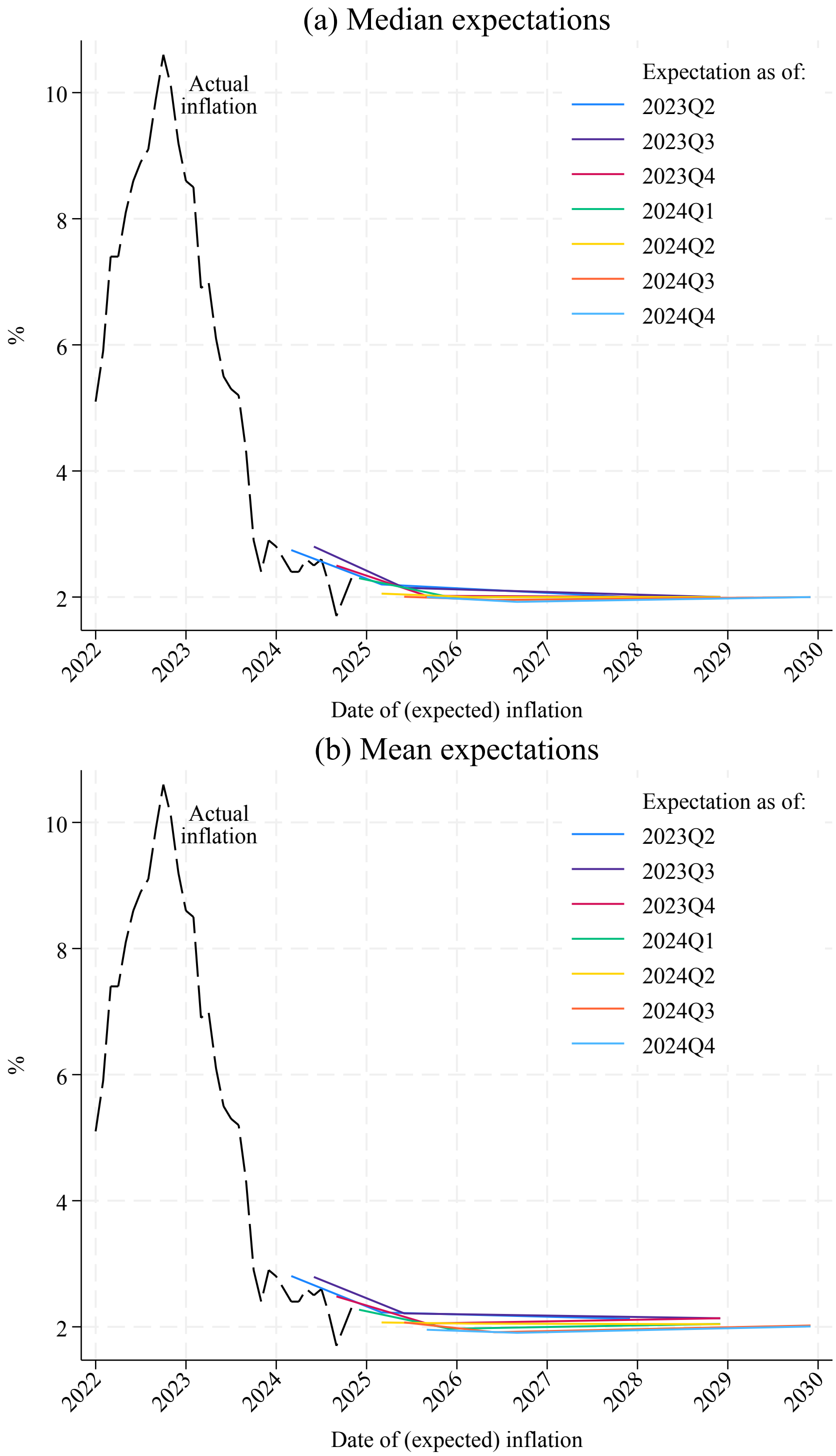
Notes: This figure plots median one-year-ahead inflation expectations for each survey date by country. Coloring is according to initial expectation: The six countries with the highest median inflation expectations in June 2023 are in red. The other six countries with the lowest median inflation expectations in June 2023 are in blue. Medians are computed by linear interpolation of the mid-distribution function and using survey weights.

Appendix Figure 3. Disagreement in inflation expectations.



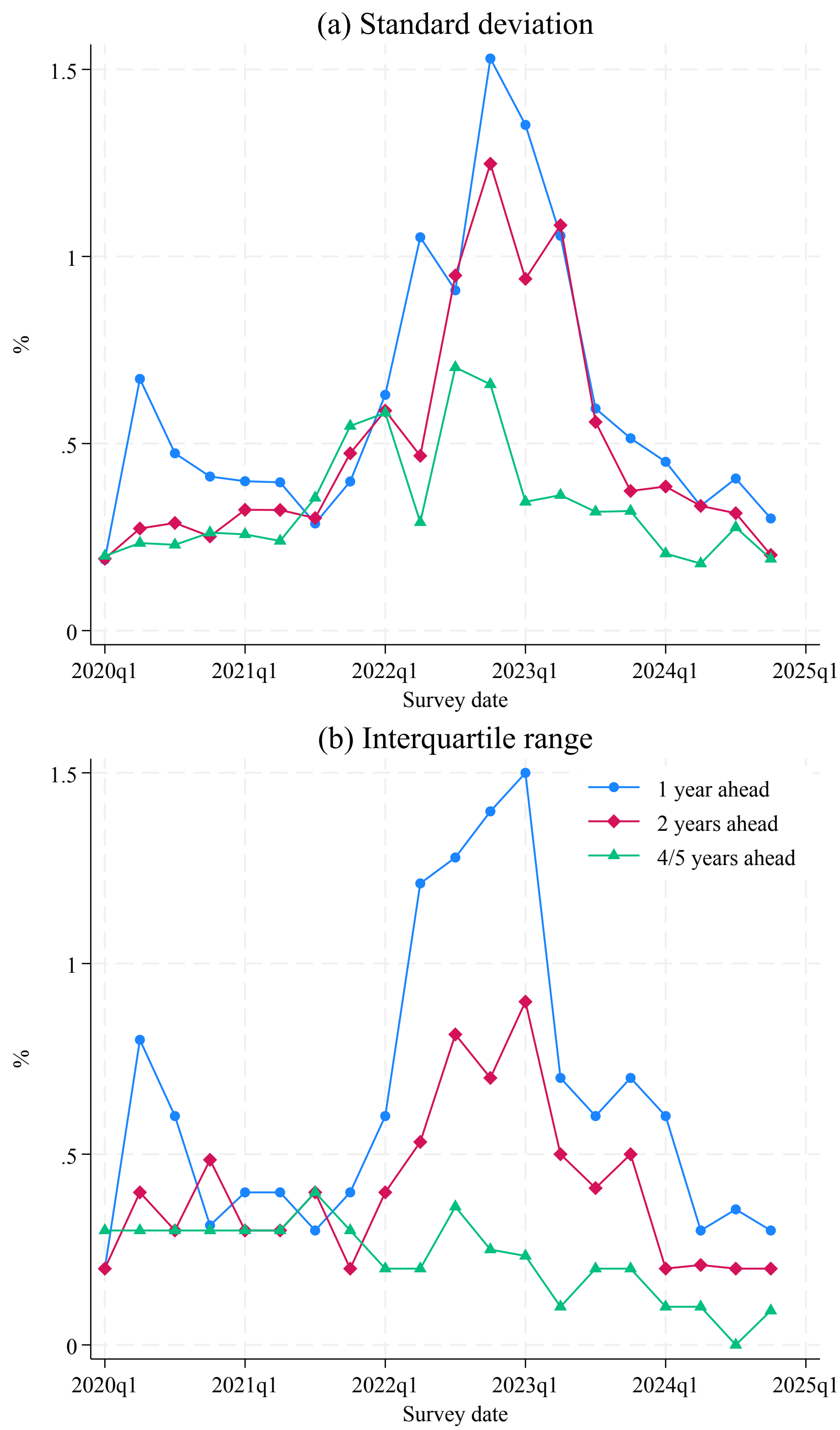
Notes: This figure plots the standard deviation and the interquartile range, normalized in each case with the median, of firms' euro area inflation expectations at the one-, three-, and five-year-ahead horizons for each survey date. Quartiles and medians are computed by linear interpolation of the mid-distribution function. All statistics are computed using survey weights.

Appendix Figure 4. Average inflation expectations in the Survey of Professional Forecasters.



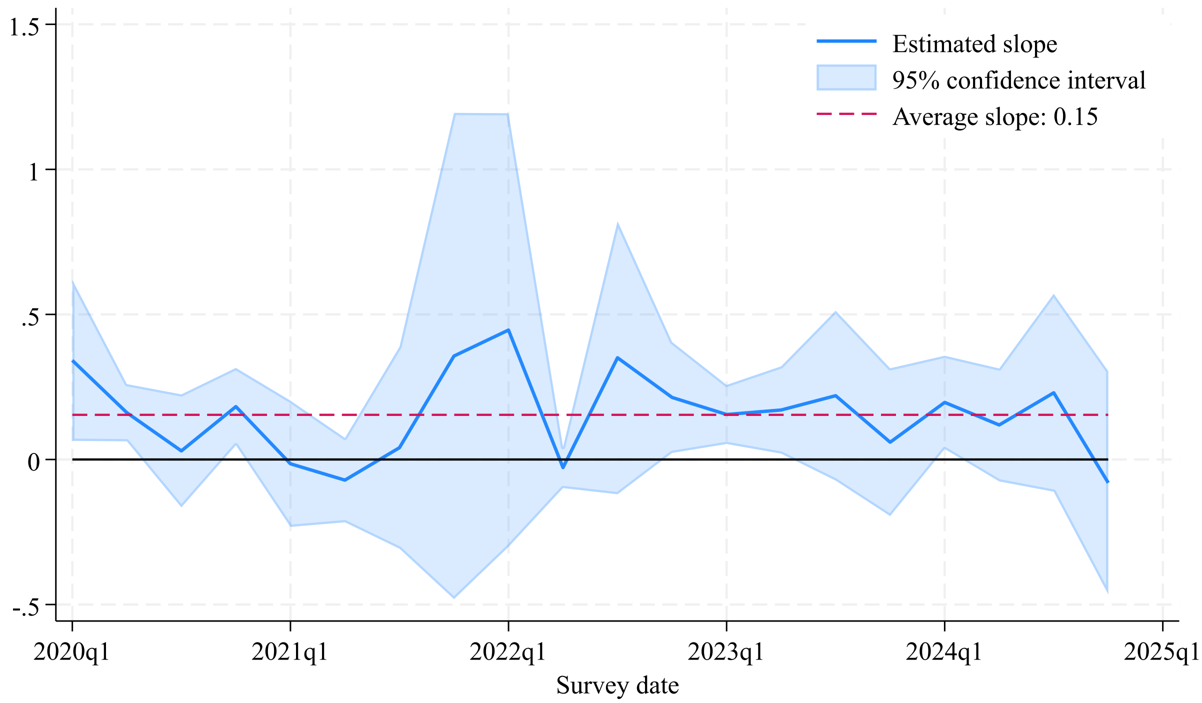
Notes: This figure plots median and mean euro area inflation expectations from the Survey of Professional Forecasters by one-, two-, and four-/five-year-ahead and survey date. The long-term horizon is four calendar years ahead for surveys waves conducted in the first and second quarter of a year and five calendar years ahead for surveys waves conducted in the third and fourth quarter of a year.

Appendix Figure 5. Disagreement in inflation expectations in the Survey of Professional Forecasters.



Notes: This figure plots the standard deviation and the interquartile range of inflation expectations from the Survey of Professional Forecasters at the one-, two-, and four-/five-year-ahead horizon for each survey date. The long-term horizon is four calendar years ahead for surveys waves conducted in the first and second quarter of a year and five calendar years ahead for surveys waves conducted in the third and fourth quarter of a year.

Appendix Figure 6. Slope for the regression of four-/five-year-ahead inflation expectations on one-year-ahead inflation expectations in the Survey of Professional Forecasters.



Notes: This figure reports quarter-by-quarter regression coefficients of four-/five-year-ahead inflation expectations (four calendar years ahead for surveys waves conducted in the first and second quarter of a year and five calendar years ahead for surveys waves conducted in the third and fourth quarter of a year) on one-year-ahead inflation expectations at the individual forecaster level in the Survey of Professional Forecasters. The shaded area represents 95% confidence intervals based on heteroskedasticity-robust standard errors.