

Online Appendix for “Firm Inflation Uncertainty”

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A. Figures

Figure A1 Expected inflation questions

Panel A Scenarios

Decision Maker Panel

 BANK OF ENGLAND

Looking ahead, from now to 12 months from now, what approximate % change in your AVERAGE PRICE would you expect in each of the following scenarios?

Note:
Price growth scenarios should be ordered from the lowest to the highest.

The LOWEST % change in my prices would be about: %

A LOW % change in my prices would be about: %


A MIDDLE % change in my prices would be about: %

A HIGH % change in my prices would be about: %

The HIGHEST % change in my prices would be about: %

Panel B Probabilities

Decision Maker Panel

 BANK OF ENGLAND

Please assign a percentage likelihood (probability) to the % changes in your AVERAGE PRICES you entered (values should sum to 100%).

LOWEST: The likelihood of realising about 0% would be: %

LOW: The likelihood of realising about 1% would be: %

MIDDLE: The likelihood of realising about 2% would be: %

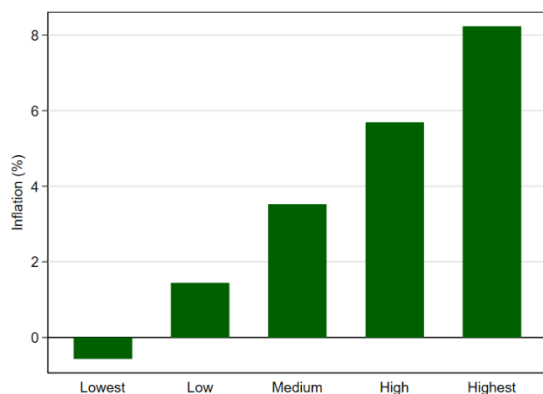
HIGH: The likelihood of realising about 4% would be: %

HIGHEST: The likelihood of realising about 10% would be: %

Total: %

Figure A2 Average response to expected inflation questions

Panel A Scenarios



Panel B Probabilities

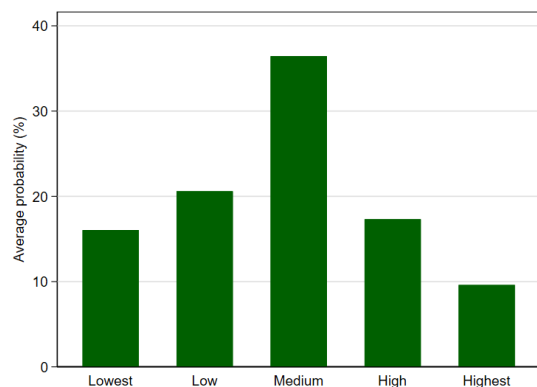
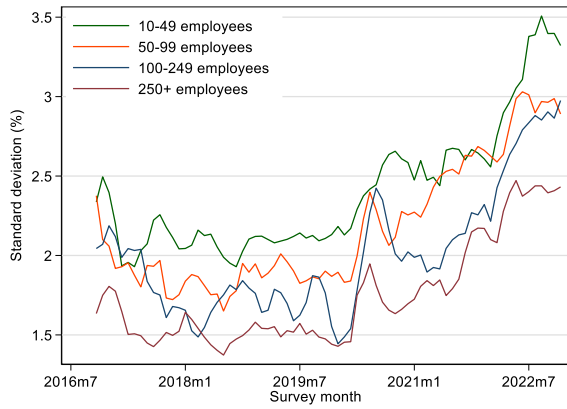
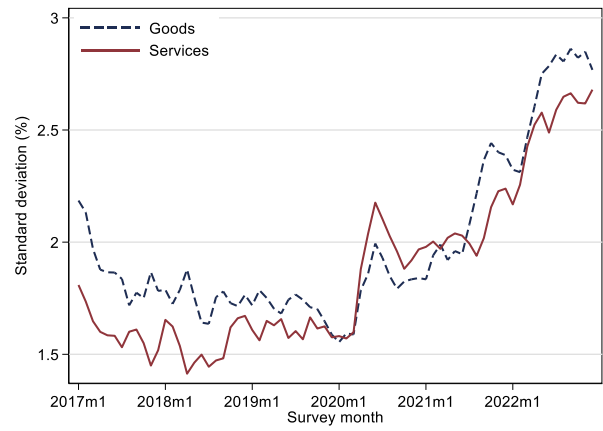


Figure A3 Cross-sectional differences in inflation uncertainty

Panel A Inflation uncertainty by firm size



Panel B Inflation uncertainty by goods vs. services sector firms



Notes: The series in Panels A and B are three-month moving averages

B. Tables

Table A1 Regressions for forecast inflation errors

| Dependent variable: | Realized price inflation | | Price inflation absolute forecast error | |
|---|--------------------------|----------------------|---|----------------------|
| Sample period: January 2018 to December 2022 | (1) | (2) | (3) | (4) |
| Expected price inflation a year ago _{it} | 0.618*** (0.0205) | 0.272*** (0.0265) | | |
| Standard deviation of expected price inflation a year ago _{it} | | | 0.561*** (0.0293) | 0.173*** (0.0305) |
| Firm fixed effects | No | Yes | No | Yes |
| Month fixed effects | Yes | Yes | Yes | Yes |
| Observations | 16729 | 15676 | 16729 | 15676 |

Notes: Standard errors are clustered at the firm level and are reported in parentheses. *** p<0.01, ** p<0.05, * p<0.1.