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Revelation of Expectations in Latin America

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REVELA is a free Web-based monthly service on inflation and growth expectations in Latin America. REVELA's Web site offers an up-to-date report and a database with historical information. This service compiles data from the expectations surveys conducted and reported by eight Central Banks in Latin American with inflation-targeting regimes. REVELA does not represent official projections by the IDB or any other official institution.

A. Highlights

June surveys of expectations conducted by Central Banks in the region indicate that the simple average of growth expectations in 2019 decreased by 0.2% from 2.5% to 2.3% and the simple average of inflation expectations remained constant at 4.1% with respect to May's surveys.

At the individual country level, growth expectations for 2019 in June compared to the previous month decreased in Brazil, Chile, Mexico, Paraguay, Peru and Uruguay, and remained constant in Colombia and Guatemala.

Inflation expectations for 2019 increased in Brazil, Mexico and Uruguay and remained constant in Chile, Colombia, Guatemala, Paraguay and Peru.

In June, growth expectations for 2019 ranged from 0.8% in Uruguay to 3.6% in Peru, while inflation expectations for 2019 ranged from 2.4% in Peru to 7.7% in Uruguay.

Country	Growth expectation (percentage expected for 2019)		Inflation expectation (percentage expected for 2019)	
	as of Jun 2019	May - Jun change	as of Jun 2019	May - Jun change
	Brazil	0.9	↓ -0.5	3.8
Chile	2.9	↓ -0.3	2.8	→ 0.0
Colombia	3.2	→ 0.0	3.4	→ 0.0
Guatemala	3.1	→ 0.0	4.5	→ 0.0
Mexico	1.1	↓ -0.2	3.6	↓ -0.2
Paraguay	3.0	↓ -0.2	4.0	→ 0.0
Peru	3.3	↓ -0.3	2.5	→ 0.0
Uruguay	0.8	↓ -0.1	7.7	↓ -0.1
Eight country average	2.3	↓ -0.2	4.1	→ 0.0

Source: REVELA, IDB 2019. Data available for download

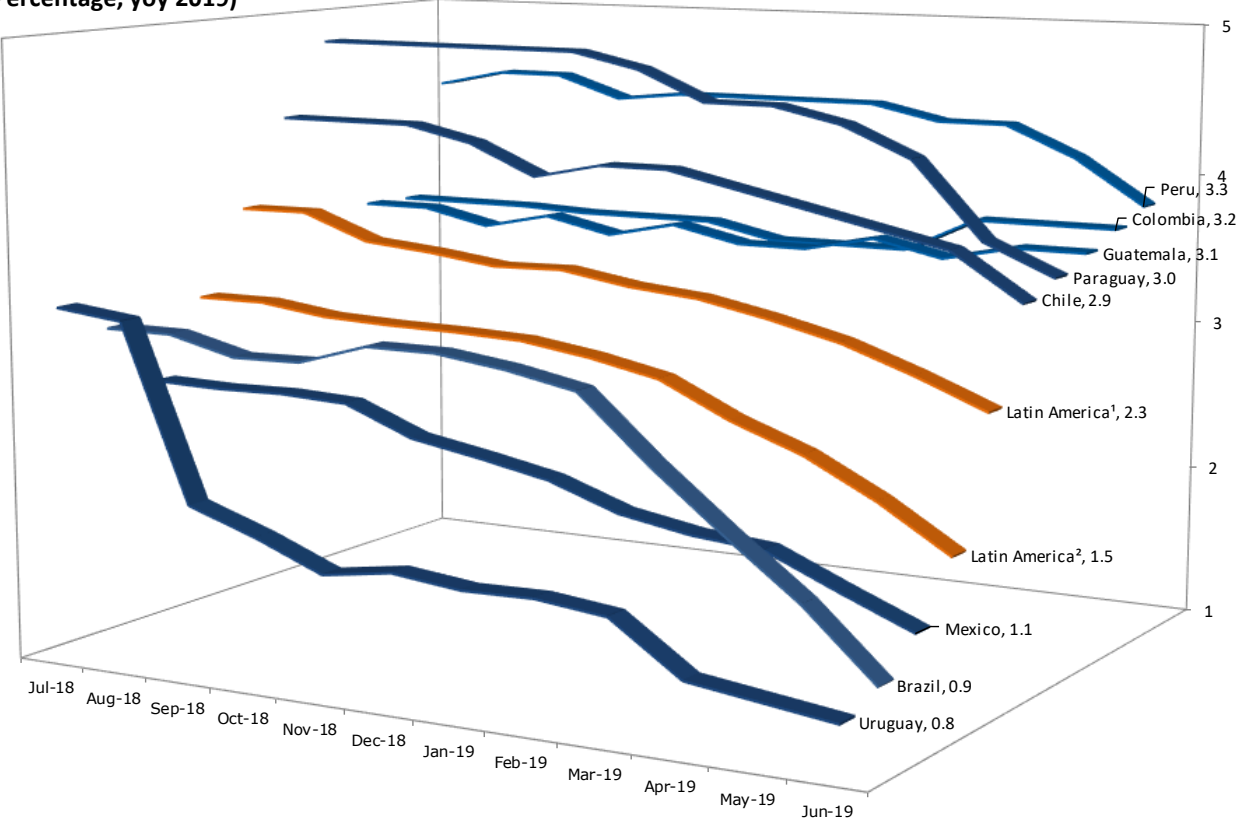
B. Growth

According to surveys in June, the simple average of growth expectations decreased by 0.2% from 2.5% to 2.3% and the GDP-weighted average of growth expectations decreased also by 0.3% from 1.8% to 1.5% for 2019. Compared to expectations six months before, expected growth decreased both under the GDP-weighted average and under the simple average calculations by 1.1% and 0.7%, respectively.

Growth expectations for 2019 decreased by 0.5% in Brazil, by 0.3% in Chile and Peru, by 0.2% in Mexico and Paraguay, by 0.1% in Uruguay and remained constant in Colombia and Guatemala.

Compared to surveys six months ago, growth expectations for 2019 decreased in all the countries except Colombia, where it grew by 0.1%, and Guatemala, where it remained constant. With these results, growth expectations for the region for 2019 ranged from 0.8% in Uruguay to 3.3% in Peru in June.

Figure 1. Market Expectations of Growth (Percentage, yoy 2019)



Source: REVELA, IDB 2019. Data available for download [here](#).

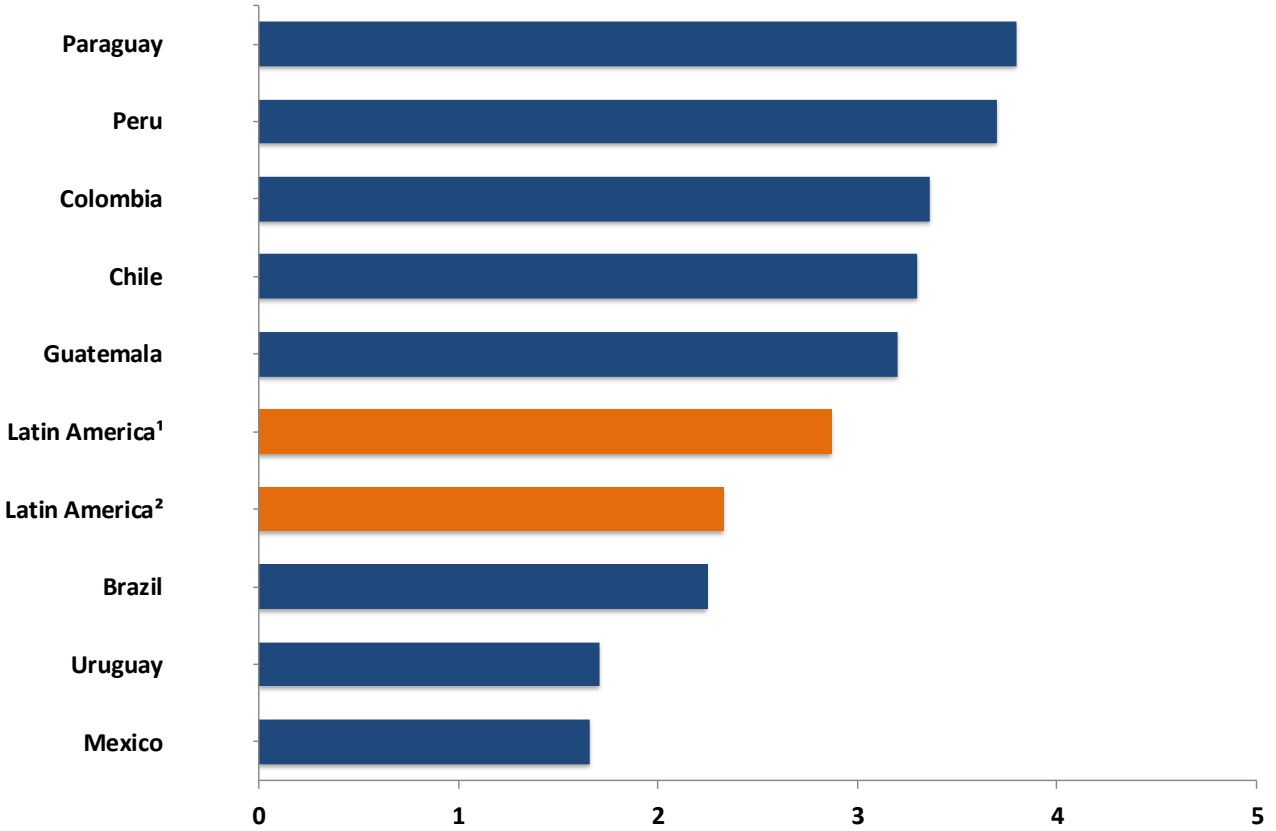
¹ Refers to the simple average of the eight inflation targeting countries.

² Refers to the GDP weighted average of the eight inflation targeting countries.

Growth expectations for 2020 remained constant in June compared to May for the simple average calculation at 2.9% and decreased by 0.1% for the GDP-weighted average calculation from 2.4% to 2.3%.

Expected growth for 2020 decreased in Brazil, Chile, Paraguay and Uruguay and remained constant for the rest of the countries. According to June surveys, growth expectations for 2020 ranged from 1.7% in Mexico to 3.8% in Paraguay and Peru.

Figure 2. Growth Market Expectations
(Percentage, yoy 2020)



Source: REVELA, IDB 2019. Data available for download [here](#).

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² Refers to the GDP weighted average of the eight inflation targeting countries.

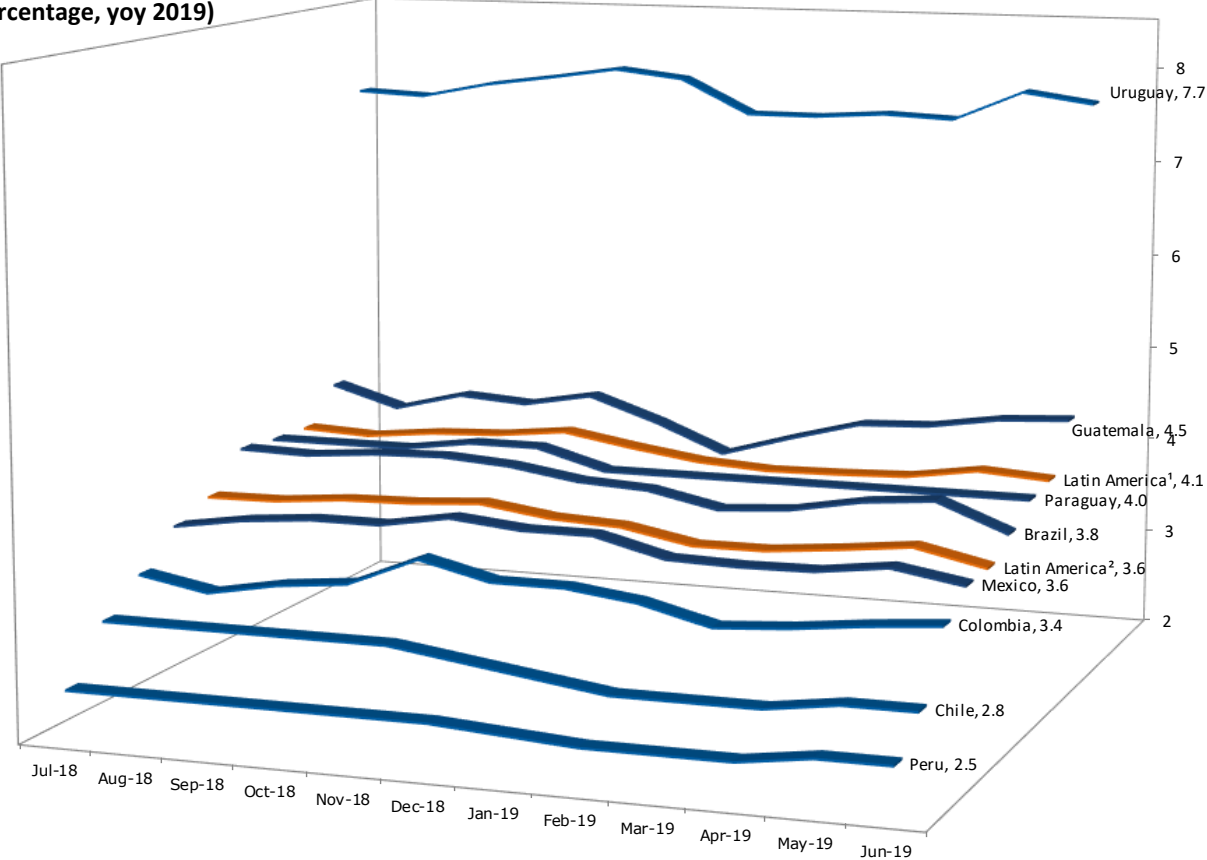
C. Inflation

According to surveys in June, the simple average of inflation expectations for 2019 remained constant at 4.1% while the GDP-weighted average decreased by 0.2% from 3.8% to 3.6% with respect to May.

At the individual country level, compared to the previous month inflation expectations for 2019 decreased for Brazil, Mexico and Uruguay and remained constant for the other countries.

During the previous six months, cumulative decreases were surveyed in Brazil, Chile, Colombia, Mexico and Uruguay, increases in Guatemala and Paraguay and Peru remained constant. According to June surveys, inflation expectations in the region for 2019 ranged from 2.5% in Peru to 7.7% in Uruguay.

Figure 3. Inflation Market Expectations (Percentage, yoy 2019)



Source: REVELA, IDB 2019. Data available for download [here](#).

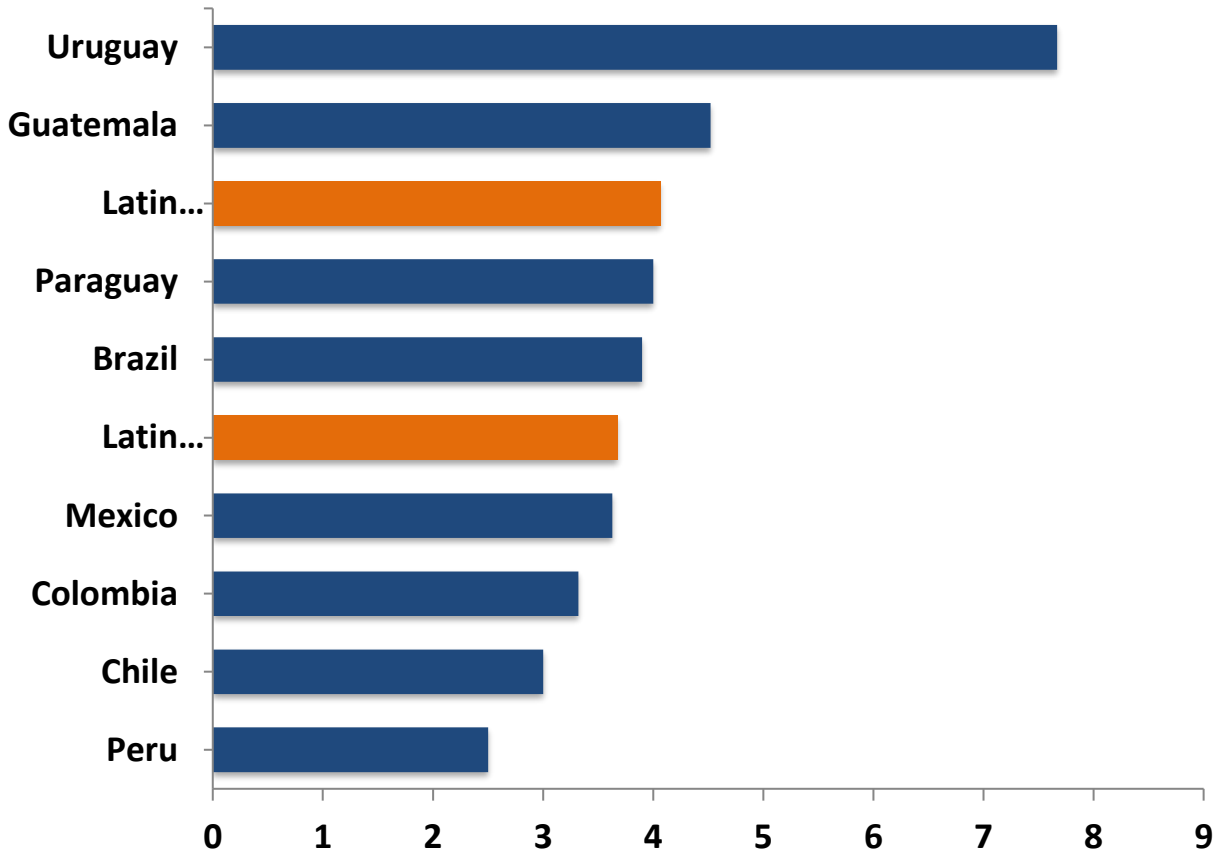
¹ Refers to the simple average of the eight inflation targeting countries.

² Refers to the GDP weighted average of the eight inflation targeting countries.

Inflation expectations for 2020 remained constant in June compared to May for the simple average calculation at 4.1% and for the GDP-weighted average calculation at 3.7%.

Expected inflation for 2020 decreased in Brazil, Guatemala and Mexico, increased in Uruguay and remained constant in the rest of the countries with respect to the previous month. According to June surveys, inflation expectations for 2020 ranged from 2.5% in Peru to 7.7% in Uruguay.

Figure 4. Inflation Market Expectations
(Percentage, yoy 2020)



Source: REVELA, IDB 2019. Data available for download [here](#).

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