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Revelation of Expectations in Latin America

Issue XCVI –May 2019

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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

May surveys of expectations conducted by Central Banks in the region indicate that the simple average of growth expectations in 2019 decreased by 0.1% from 2.6% to 2.5% and the simple average of inflation expectations increased by 0.1% from 4.0% to 4.1% with respect to April's surveys.

Country	Growth expectation (percentage expected for 2019)		Inflation expectation (percentage expected for 2019)	
	as of May 2019	Apr - May change	as of May 2019	Apr - May change
Brazil	1.4	↓ -0.3	4.1	↑ 0.1
Chile	3.2	↓ -0.1	2.8	↑ 0.1
Colombia	3.2	→ 0.0	3.4	↑ 0.1
Guatemala	3.1	↑ 0.1	4.5	↑ 0.1
Mexico	1.3	↓ -0.2	3.8	↑ 0.1
Paraguay	3.2	↓ -0.5	4.0	→ 0.0
Peru	3.6	↓ -0.2	2.5	↑ 0.1
Uruguay	0.9	→ 0.0	7.8	↑ 0.3
Eight country average	2.5	↓ -0.1	4.1	↑ 0.1

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

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

In May, growth expectations for 2019 ranged from 0.9% in Uruguay to 3.6% in Peru, while inflation expectations for 2019 ranged from 2.5% in Peru to 7.8% in Uruguay.

Source: REVELA, IDB 2019. Data available for download

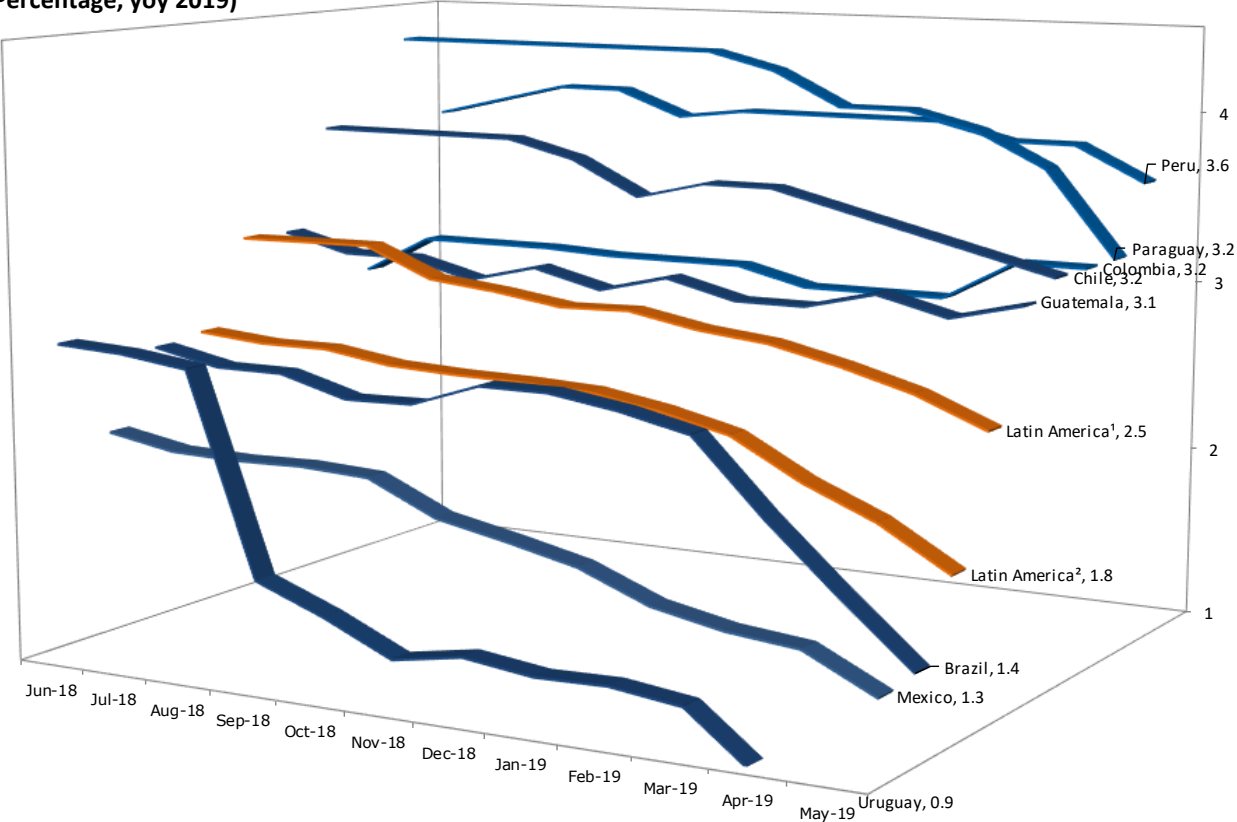
B. Growth

According to surveys in May, the simple average of growth expectations decreased by 0.1% from 2.6% to 2.5% and the GDP-weighted average of growth expectations decreased also by 0.2% from 2.0% to 1.8% for 2019. Compared to expectations six months before, expected growth decreased both under the GDP-weighted average and under the simple average calculations by 0.8% and 0.5%, respectively.

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

Compared to surveys six months ago, growth expectations for 2019 decreased in Brazil, Chile, Mexico, Paraguay, Peru and Uruguay and grew in Colombia and Guatemala. With these results, growth expectations for the region for 2019 ranged from 0.9% in Uruguay to 3.6% in Peru in May.

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



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

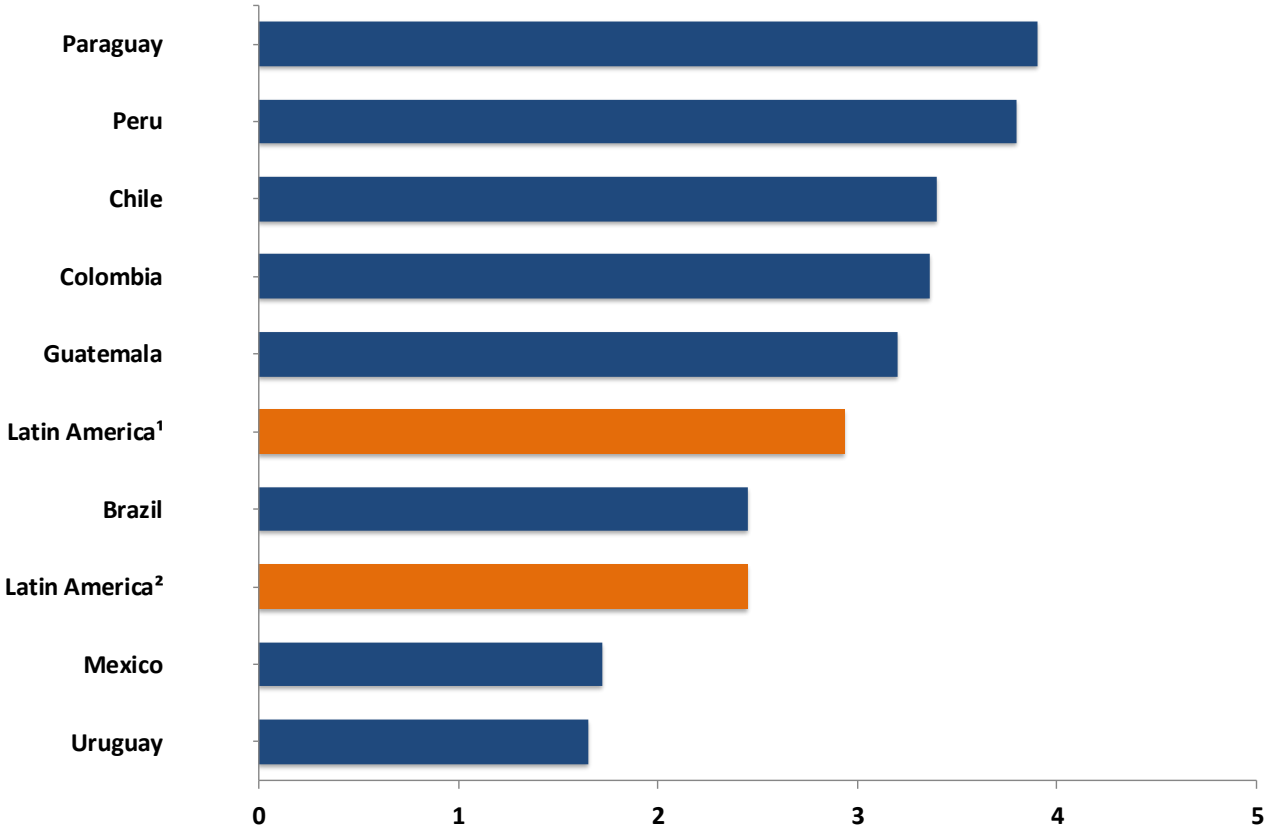
¹ Refers to the simple average of the eight inflation targeting countries.

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

Growth expectations for 2020 decreased in May compared to April for the simple average calculation by 0.1% from 3.0% to 2.9% and for the GDP-weighted average calculation by 0.1% from 2.5% to 2.4%.

Expected growth for 2020 decreased in Brazil, Paraguay, Peru and Uruguay and remained constant for the rest of the countries. According to May surveys, growth expectations for 2020 ranged from 1.7% in Mexico to 3.9% 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.

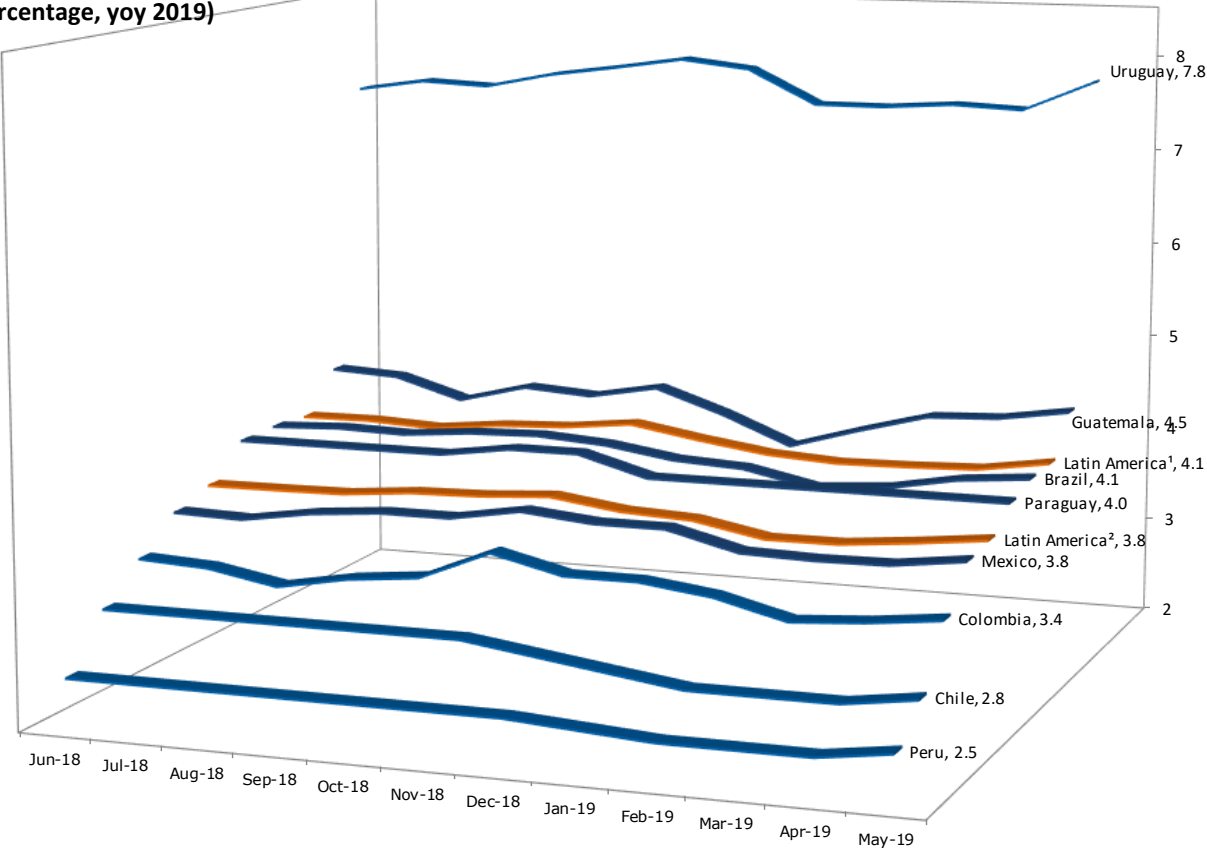
C. Inflation

According to surveys in May, the simple average of inflation expectations for 2019 increased by 0.1% from 4.0% to 4.1% and the GDP-weighted average also increased by 0.1% from 3.7% to 3.8% with respect to April.

At the individual country level, compared to the previous month inflation expectations for 2019 increased by 0.3% in Uruguay and by 0.1% Brazil, Chile, Colombia, Guatemala, Mexico and Peru, and remained constant in Paraguay.

During the previous six months, cumulative decreases were surveyed in all the countries except Guatemala and Peru, where inflation remained constant. According to May surveys, inflation expectations in the region for 2019 ranged from 2.5% in Peru to 7.8% in Uruguay.

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



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

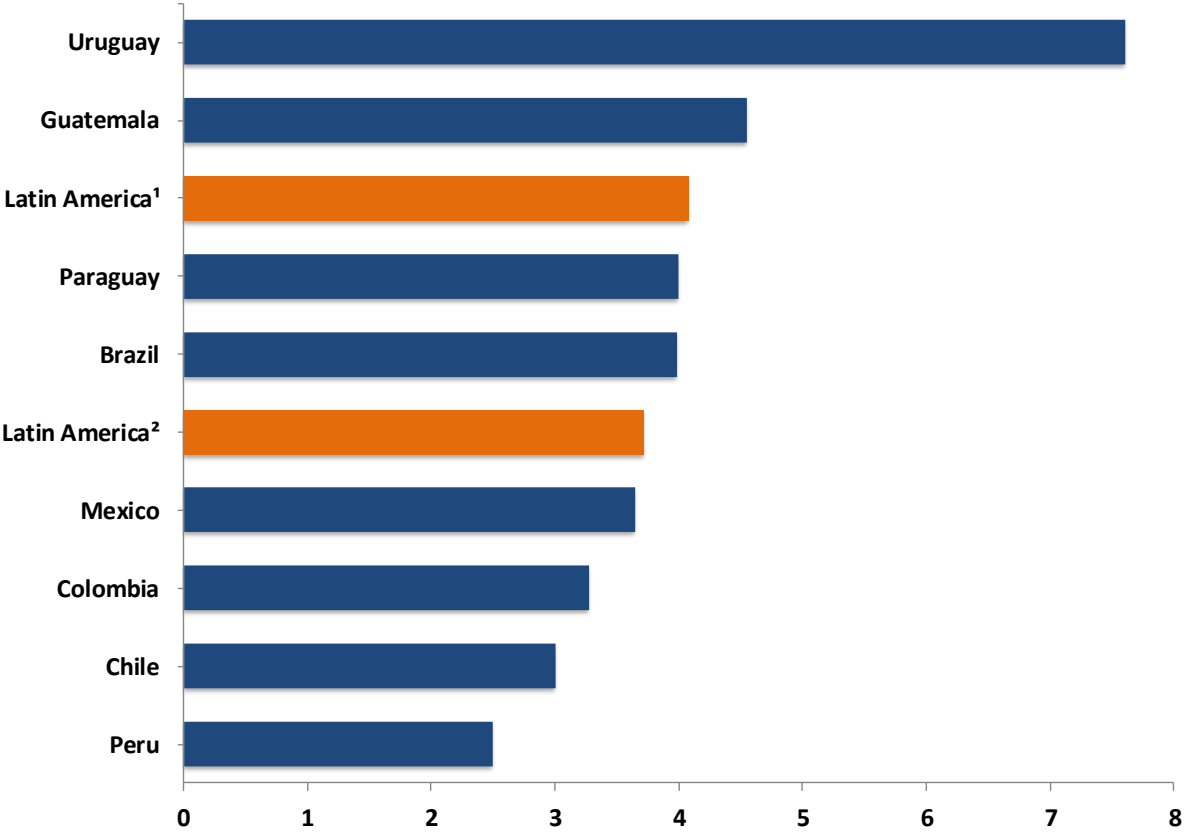
¹ Refers to the simple average of the eight inflation targeting countries.

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

Inflation expectations for 2020 rose in May compared to April for the simple average calculation from 4.0% to 4.1% and remained constant for the GDP-weighted average calculation at 3.7%.

Expected inflation for 2020 increased in Brazil, Guatemala, Mexico and Uruguay and remained constant in Chile, Colombia, Paraguay and Peru with respect to the previous month. According to May surveys, inflation expectations for 2020 ranged from 2.5% in Peru to 7.6% in Uruguay.

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



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

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