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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

February surveys of expectations conducted by Central Banks in the region indicate that the simple average of growth expectations in 2019 remained constant at 2.9% and the simple average of inflation expectations also remained constant at 4.0% with respect to January's surveys.

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

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

In February, growth expectations for 2019 ranged from 1.3% in Uruguay to 4.0% in Paraguay, while inflation expectations for 2019 ranged from 2.4% in Peru to 7.5% in Uruguay.

Country	Growth expectation (percentage expected for 2019)		Inflation expectation (percentage expected for 2019)	
	as of Feb 2019	Jan - Feb change	as of Feb 2019	Jan - Feb change
Brazil	2.5	↓ -0.1	3.9	↓ -0.1
Chile	3.5	↓ -0.1	2.7	↓ -0.1
Colombia	3.0	→ 0.0	3.4	↓ -0.1
Guatemala	3.0	→ 0.0	4.2	↑ 0.2
Mexico	1.6	↓ -0.2	3.7	↓ -0.2
Paraguay	4.0	→ 0.0	4.0	→ 0.0
Peru	3.9	→ 0.0	2.4	↓ -0.1
Uruguay	1.3	→ 0.0	7.5	→ 0.0
<b>Eight country average</b>	<b>2.9</b>	<b>→ 0.0</b>	<b>4.0</b>	<b>→ 0.0</b>

Source: REVELA, IDB 2019. Data available for download

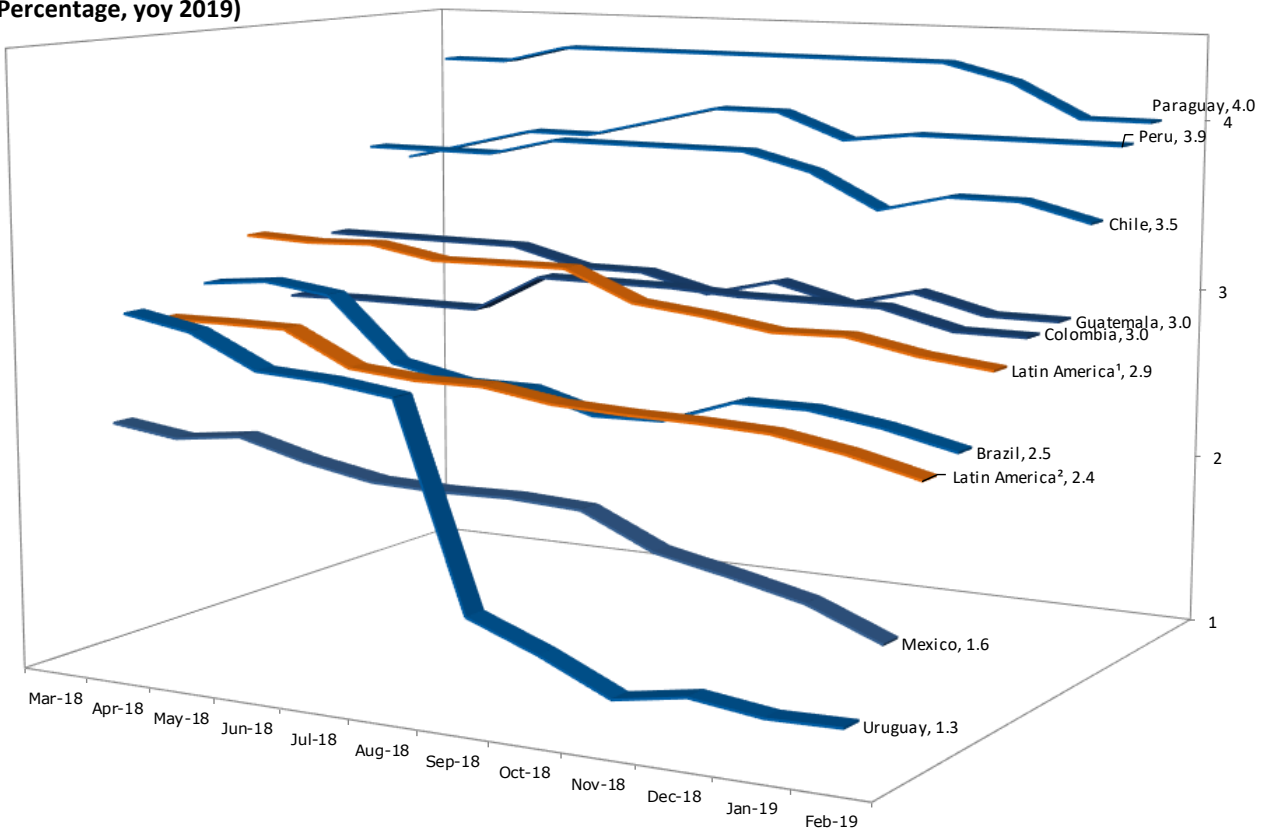
## B. Growth

According to surveys in February, the simple average of growth expectations remained constant at 2.9%, while the GDP-weighted average of growth expectations decreased by 0.1% from 2.5% to 2.4% for 2019. Compared to expectations six months before, expected growth decreased both under the GDP-weighted average and under the simple average calculations by 0.3% to 2.9% and 2.4%, respectively.

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

Compared to surveys six months ago, growth expectations for 2019 decreased in all the countries. With these results, growth expectations for the region for 2019 ranged from 1.3% in Uruguay to 4.0% in Paraguay in February.

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



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

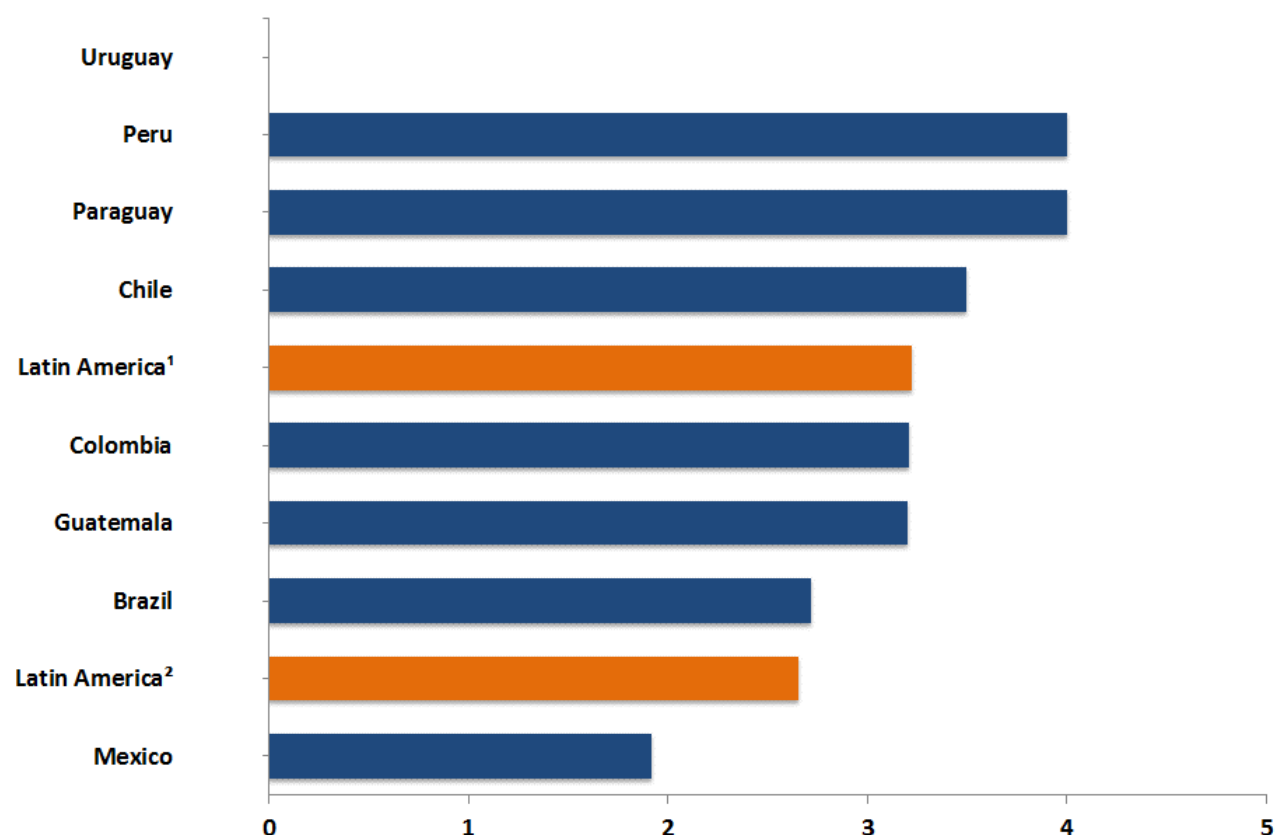
<sup>1</sup> Refers to the simple average of the eight inflation targeting countries.

<sup>2</sup> Refers to the GDP weighted average of the eight inflation targeting countries.

Growth expectations for 2020 remained constant in February compared to January for the simple average calculation at 3.2% and decreased by 0.1% for the GDP-weighted average calculation from 2.7% to 2.6%.

Expected growth for 2020 remained constant in the countries with respect to the previous month. According to February surveys, growth expectations for 2020 ranged from 1.9% in Mexico to 4.0% in Paraguay.

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



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

<sup>1</sup> Refers to the simple average of the eight inflation targeting countries.

<sup>2</sup> Refers to the GDP weighted average of the eight inflation targeting countries.

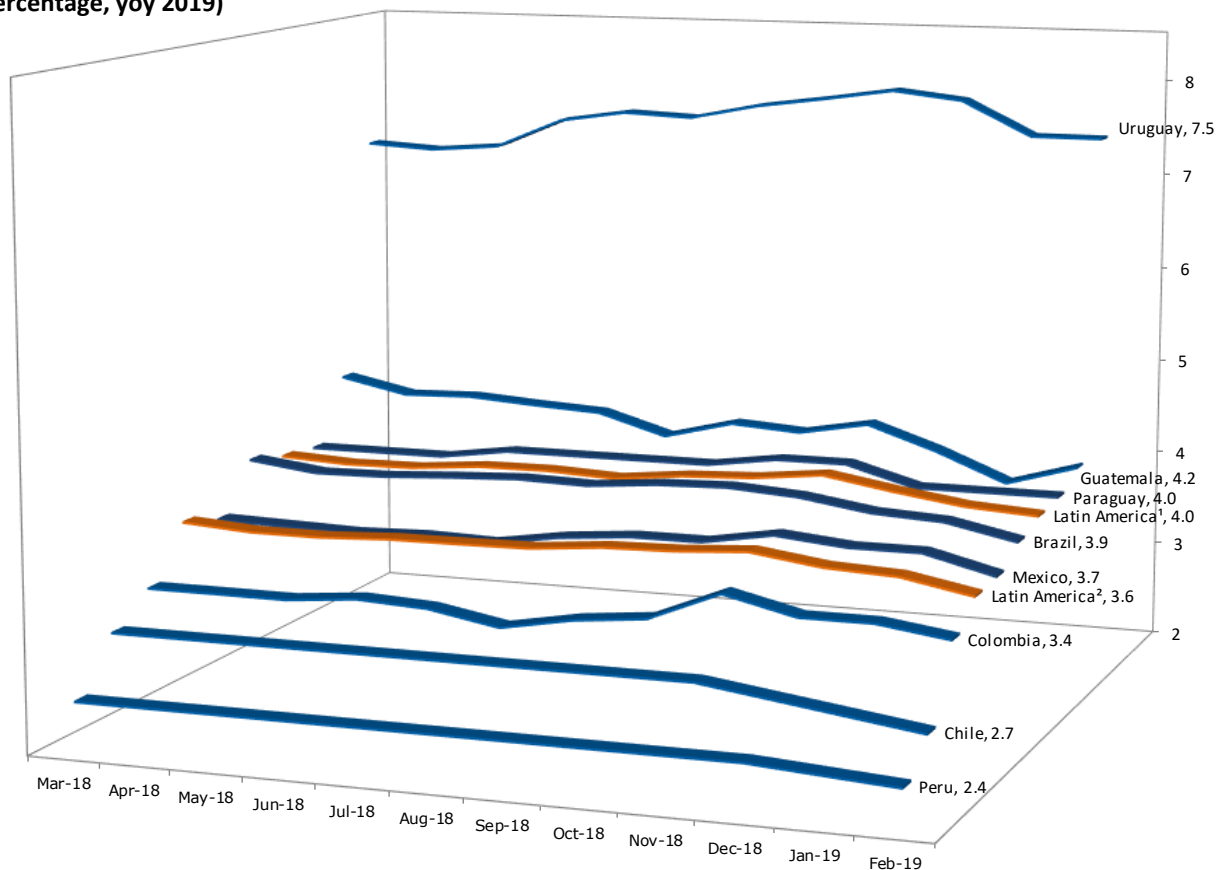
## C. Inflation

According to surveys in February, the simple average of inflation expectations for 2019 remained constant at 4,0% and the GDP-weighted average decreased by 0.2% from 3.8% to 3.6% with respect to January.

At the individual country level, compared to the previous month inflation expectations for 2019 decreased by 0.2% in Mexico, by 0.1% in Brazil, Chile, Colombia and Peru, increased by 0.2% in Guatemala and Remained constant in Paraguay and Uruguay.

During the previous six months, cumulative decreases were surveyed in Brazil, Chile, Paraguay, Peru and Uruguay, while rises were registered in Colombia and Guatemala and Mexico remained constant. According to February surveys, inflation expectations in the region for 2019 ranged from 2.4% in Peru to 7.5% in Uruguay.

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



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

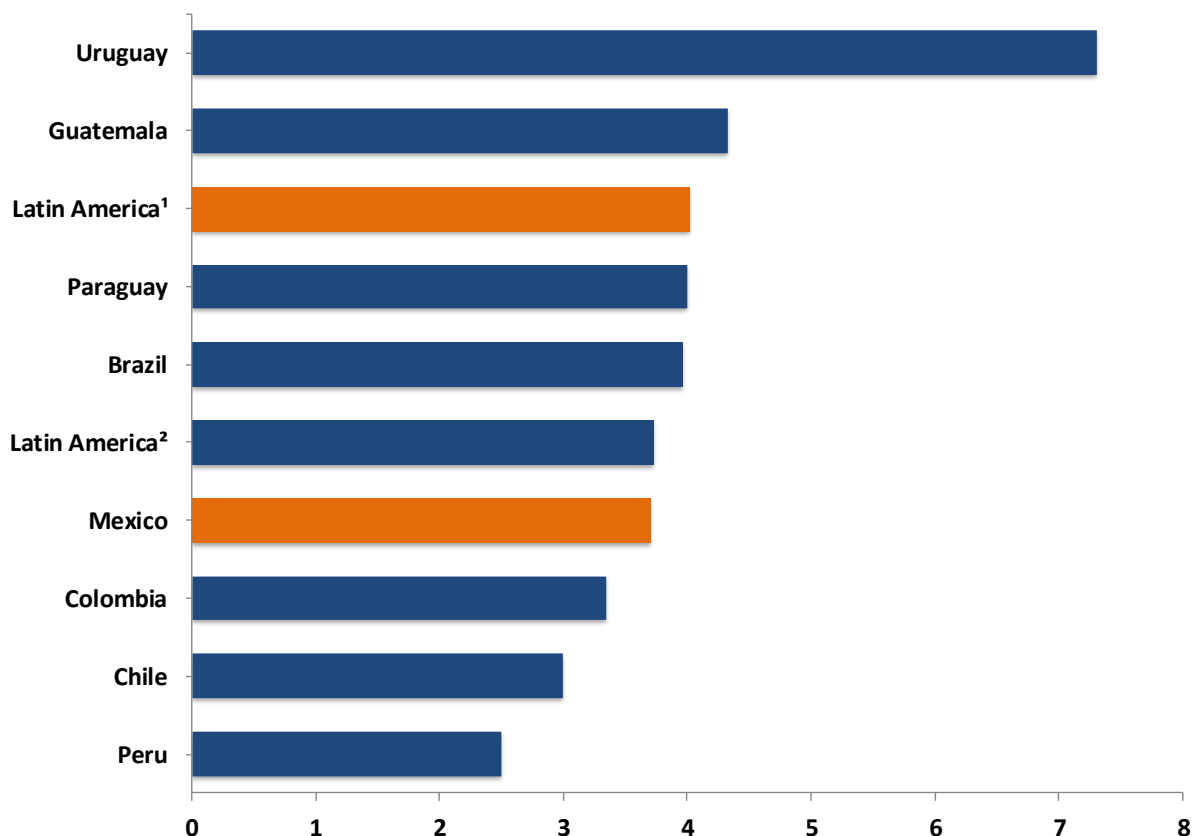
<sup>1</sup> Refers to the simple average of the eight inflation targeting countries.

<sup>2</sup> Refers to the GDP weighted average of the eight inflation targeting countries.

inflation expectations for 2020 remained constant in February compared to January for the simple average calculation at 4.0% and decreased by 0.1% for the GDP-weighted average calculation from 3.8% to 3.7%.

Expected inflation for 2020 decreased in Mexico and increased in Guatemala, while it remained constant in the other countries with respect to the previous month. According to February surveys, inflation expectations for 2020 ranged from 2.5% in Peru to 7.3% in Uruguay.

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



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

<sup>1</sup> Refers to the simple average of the eight inflation targeting countries.

<sup>2</sup> Refers to the GDP weighted average of the eight inflation targeting countries.

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