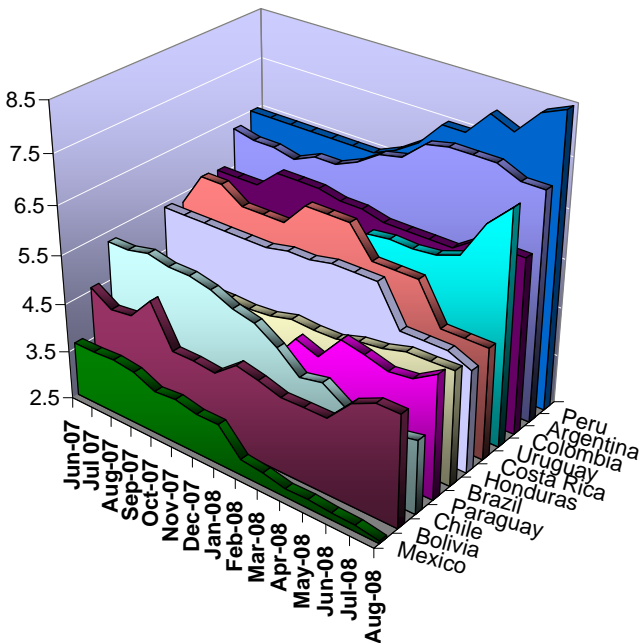




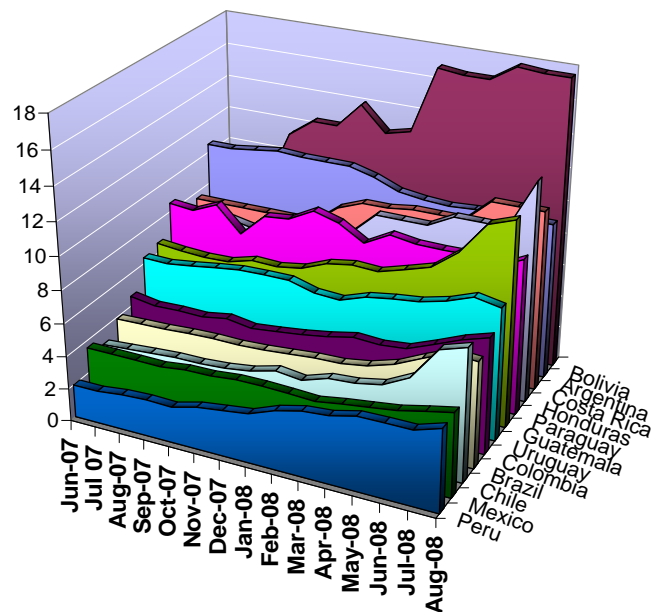
**Revelation of Expectations in Latin America**  
**RES-IDB**  
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**About REVELA:** The figures analyzed represent the results of surveys of private sector actors conducted by the central banks of each country according to their own specific methodologies. They do not represent official projections by the IDB or any other official body. The IDB Research Department collects the results of these surveys from participating central banks on a monthly basis (around the 20th of each month) to produce REVELA. This document analyzes differences across countries and trends over time. The data are available at [www.iadb.org/res](http://www.iadb.org/res)

**Market Expectations-GDP Growth**  
**(%, end 2008)**



**Market Expectations-Inflation**  
**(%, end 2008)**



On the other hand, **inflation** expectations for 2008 continue to increase. Now, the simple average of the expected inflation rate for 2008 is 9.43%, 0.48% higher than last month. Moreover, 2009 inflation expectations are also up, the simple average of the expected inflation rate for 2009 rose from 8.3% to the actual value of 8.4%. The graphs illustrate how 2008 growth and inflation expectations have changed across the surveyed countries, from June 2007 to August 2008.

**Growth**

Growth expectations for 2008 have increased in five countries included in REVELA. The most significant increase was in Uruguay from 6.8% to

7.27%. Expectations also rose in Paraguay from 4.74% to 5.03%, in Peru from 8.3% to 8.5%, in Chile from 3.9% to 4.0% and somewhat in Brazil. On the other hand, growth expectations fell in two countries: in Honduras by 0.2 % to the actual level of 4.6% and in Mexico from 2.63% to 2.55%. Growth expectations for 2008 remained stable in Argentina (7.2%), Bolivia (4.78%), Colombia (6.11%), Costa Rica (4.8%) and Guatemala (4.0%).

However, the simple average of expected 2009 growth rate fell from 4.9% to 4.8%. Expectations only rose in Uruguay, where the expected 2009 growth rate is now 4.5%, 0.08% higher than last month. Growth expectations for 2009 decreased in Brazil by 0.13% to 3.77%, in Honduras by 0.3% to 4.5%, in Mexico from 3.25% to 3.09% and in Paraguay by 0.07%, being now 4.92%.

### Inflation

Inflation expectations for 2008 rose in almost all countries included in REVELA. The major increase occurred in Honduras where the expected 2008 inflation rate rose from 10.4%, 13.4%. Other countries with higher expected inflation rates for 2008 are: Chile (now 8.0% against previous 7.5%), Colombia (now 7.06%, 0.49% up from last month), Guatemala (now 12.42%, 0.56% higher than previous month) and Mexico where 2008 expected inflation rate rose from 4.74% to 5.07%. Inflation expectations for 2008 are also up in Paraguay by 0.78% to 9.5% and in Peru by 0.5% reaching the value of 5%. Inflation expectations for 2008 fell in Brazil from 6.53% to 6.42% and in Uruguay from 8.34% to 8.05%. Inflation expectations for 2008 did not change in Bolivia (17.61%) and Costa Rica (11.0%).

Inflation forecasts for 2009 also continued to increase. Compared to last month's survey, inflation expectations for 2009 increased in Honduras from 10.3% to 13%, in Peru by 0.5% to 4%, in Mexico from 3.71% to 3.83% and somewhat in Brazil. Inflation expectation for 2009 decreased in Guatemala by 1.41% reaching

the value of 9.29%, and just 0.01% in Uruguay being now 7.09%.

The table that follows summarizes the results of growth and inflation expectations for 2009 for April, July and August surveys.

	Inflation Expectations for 2009			Growth Expectations for 2009		
	Apr-08	Jul-08	Aug-08	Apr-08	Jul-08	Aug-08
Argentina	10.10	10.30	10.30	6.00	5.40	5.40
Bolivia	17.43	19.83	19.83	.	4.96	4.96
Brazil	4.34	4.89	4.90	4.14	3.90	3.77
Chile	3.50	4.50	4.50	4.60	4.20	4.20
Colombia	4.78*	5.52*	5.71*	5.60	5.91	5.91
Costa Rica	8.60	10.30	10.30	5.60	4.90	4.90
Guatemala	7.51	10.70	9.29	.	.	.
Honduras	9.90	10.30	13.00	5.50	4.80	4.50
Mexico	3.52	3.71	3.83	3.39	3.25	3.09
Paraguay	8.88	8.66	8.46	4.74	4.99	4.92
Peru	3.50	3.50	4.00	6.50	7.00	7.00
Uruguay	6.30	7.10	7.09	4.15	4.42	4.50
Average	7.6	8.5	8.7	5.0	4.9	4.8

\* is 12 month inflation and not December 2009

	Average changes	
	Inflation	Growth
Argentina	—	—
Bolivia	—	—
Brazil	▼	▲
Chile	▲	▼
Colombia	▲	—
Costa Rica	—	—
Guatemala	▲	—
Honduras	▲	▼
Mexico	▲	▼
Paraguay	▲	▲
Peru	▲	▲
Uruguay	▼	▲

Source: Latin American Market expectations surveys

The table above summarizes the changes in expectations from July 2008 to August 2008 for 2008 growth and inflation. As can be seen, the changes in expected inflation are mostly upwards, while the changes in expected growth are mixed.

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