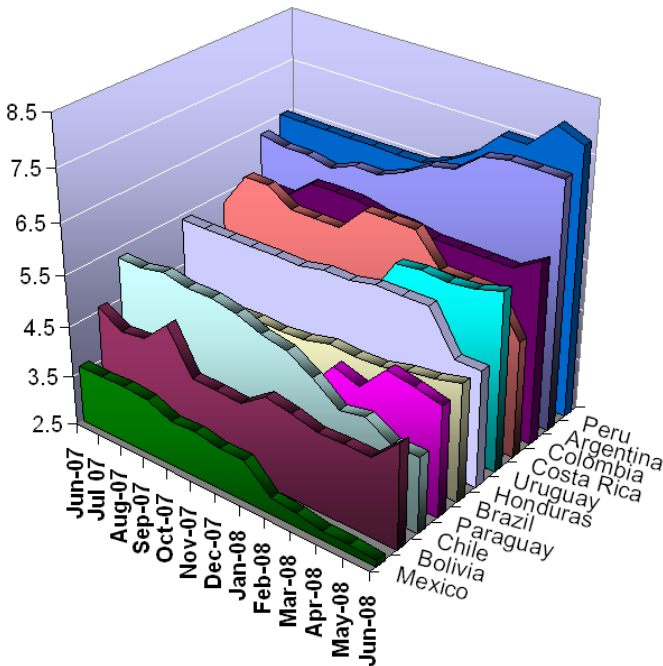




**Revelation of Expectations in Latin America**  
**RES-IDB**  
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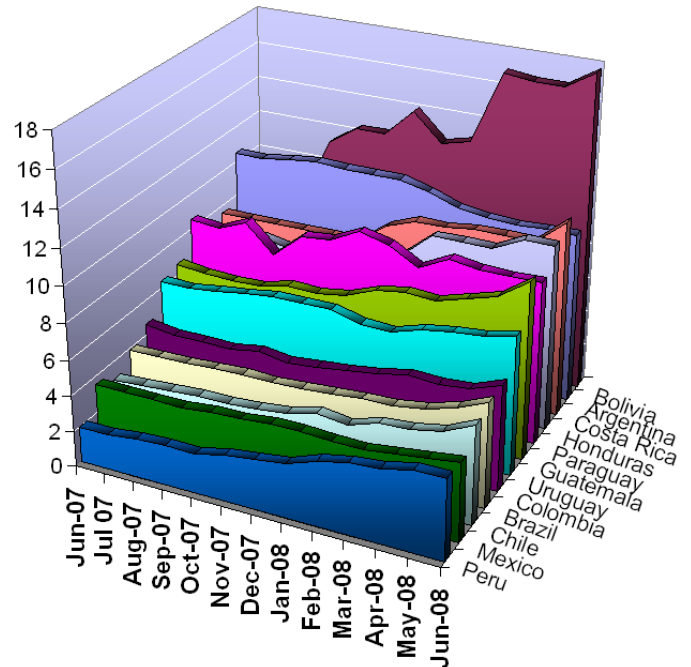
**About REVELA:** The figures analyzed represent the results of surveys of private sector actors conducted by the central banks of each country according to their own specific methodologies. They do not represent official projections by the IDB or any other official body. The IDB Research Department 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)**



June's survey shows that **growth** expectations for 2008 in Latin America remained almost unchanged, with a simple average expected growth rate of 5.14%, slightly down from last month's forecast of 5.17%. Growth expectations for 2009 have increased somewhat in the last month. The current expected growth rate for 2009 is 4.92%, lower than growth expectations for 2008 but higher than May's 2009 growth forecast of 4.87%.

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



On the other hand, pushed by recent rises in oil and food prices, **inflation** expectations continue to increase: the simple average of expected inflation for 2008 rose more than half a percentage point in the last month, reaching 8.48%. In the same direction, the average expected inflation rate for 2009 also rose to 7.9%, up 0.46% from last month's survey. The graphs show the path of 2008 growth and inflation expectations across the surveyed countries, from June 2007 to June 2008.

## Growth

Growth expectations for 2008 increased in Bolivia from 4.06% to 4.56%, in Brazil from 4.69% to 4.82%, in Colombia from 5.79% to 6.1% and in Uruguay from 5.86% to 6.03%. On the other hand, growth expectations fell in five of the countries included in REVELA: in Costa Rica by 0.8 % to 4.8%, in Guatemala from 4.3% to 4.0%, in Paraguay from 4.81% to 4.68%, in Peru by 0.2% to the April forecast of 7.8% and somewhat in Mexico to the actual level of 2.64%. Growth expectations for 2008 remained stable in Argentina (7.4%), Chile (4.0%) and Honduras (4.8%).

## Inflation

Inflation expectations for 2008 rose in almost all countries included in REVELA. The increase was particularly significant in Costa Rica where the expected 2008 inflation rate passed from 9.6% to 11% and in Guatemala where they increased from 8.73% to 9.92%. Inflation expectations were also up in Bolivia by 0.98% reaching 17.76%, in Brazil by 0.73% to 5.86%, in Chile from 4.7% to 5.5%, and in Colombia by 0.62% reaching 5.92%. The increases were smaller in Mexico: by 0.21%, to the actual rate of 4.39%, in Uruguay from 7.37% to 7.76% and marginally in Paraguay and Peru. Inflation expectations for 2008 did not change in Honduras (10.4%).

	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 change in expectations from May 2008 to June 2008 for 2008 growth and inflation. As can be seen, the changes in expected inflation are mostly positive, while the changes in expected growth are mixed.

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