



INFLATION EXPECTATIONS SURVEY TO THE PANEL OF PRIVATE ANALYSTS - EEI -

JANUARY 2010

The Inflation Expectations Survey to the Private Panel of Analysts is done monthly in order to obtain the opinion of national and international analysts, knowledgeable of the operational procedures of the monetary policy, in relation to the expected evolution in the prices of the economy. Said survey is extremely useful, given the importance that the inflationary expectations have in the behavior of the general level of prices.

In the first part of this note, we present the results of the survey of inflation expectations and of the economic activity, held between the second and fourth week of January 2010.

In the second part, the trust index of the economic activity is presented, which was made based on the referred survey.

I. INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

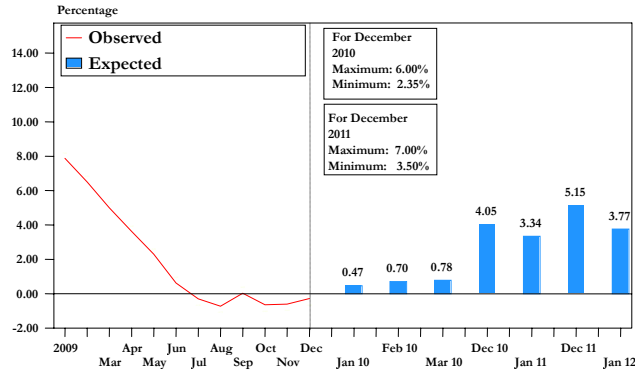
1. INFLATION

The Economic analysts surveyed foresee an inflationary rhythm of 0.47% for January 2010 with a maximum value of 1.00% and a minimum of 0.00%, while for February 2010; they estimate that it will reach 0.70%. For December 2010, the analysts forecast an average inflation of 4.05%, registering a maximum value of 6.00% and a minimum of 2.35%. For December 2011, they consider that this could reach 5.15% with a maximum value of 7.00% and a minimum of 3.50%.

On the other hand, the economic analysts estimated that for January 2011 the inflation would be at 3.34%, while for January 2012, this could be at 3.77%¹.

¹ Within the Monetary, Foreign Exchange Rate and Credit Policy for 2010, approved by the Monetary Authority, it was established that for informative reasons they would also report the inflation expectations referred to on a 24 month mobile horizon.

INFLATION OBSERVED AND EXPECTED 2009 - 2012

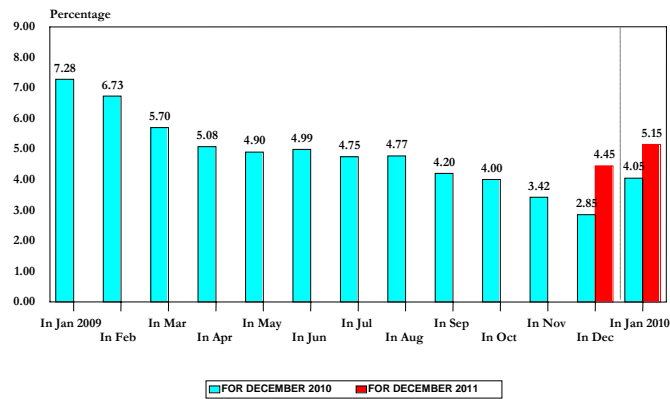


Source: Banco de Guatemala and Inflation Expectations Survey from the Panel of Private Analysts

When comparing the results of this survey with the obtained the month before, it was observed that the expected inflationary rhythm for January 2010 decreased by 0.44 percentage points (0.91% from the survey in December 2009); while for February 2010, it decreased by 0.95 percentage points (1.65% in the previous survey).

For the end of 2010, the expected inflationary rhythm increased 1.20 percentage points (2.85%, in the previous survey), whereas for December 2011 it increased 0.70 percentage points (4.45% in the previous survey).

INFLATION EXPECTATIONS FOR DECEMBER 2010 AND FOR DECEMBER 2011



SOURCE: Inflation Expectations Survey from the Panel of Private Analysts.

In the opinion of the interviewed analysts, the main factors that could explain the forecast of inflation for 2010 are: the prices of fuel, the international price of oil, the price of raw materials, the nominal exchange rate and the performance of the fiscal policy.

FACTORS THAT COULD EXPLAIN THE INFLATION FORECAST FOR DECEMBER 2010

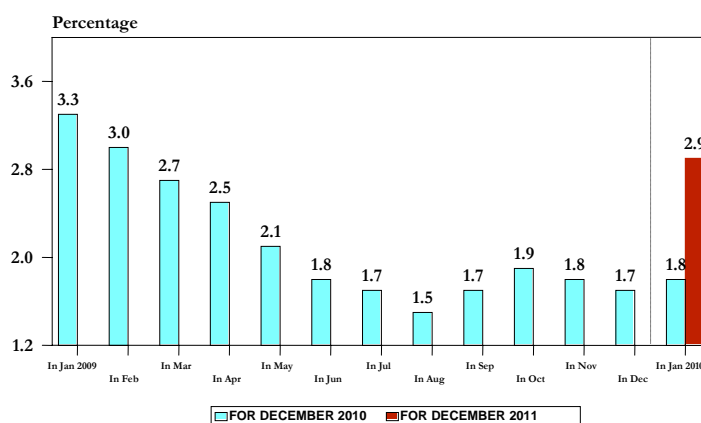
-In percentage-

FACTORS	January
Fuel prices	16.67
International price of oil	16.67
Prices of raw materials	14.58
Nominal exchange rate	12.50
Fiscal policy performance	10.42
Monetary policy performance	8.33
Seasonality of agricultural products	8.33
Climate conditions	6.25
Other	6.25
TOTAL	100.00

2. ECONOMIC ACTIVITY

In January 2010, the private analysts estimated that for said year, measured by the Real Gross Domestic Product, it will register growth of 1.8%, number higher by 0.1 percentage points to the forecasted by the economic analysts in the previous survey (1.7%). For 2011, the analysts estimate that it will be at 2.9%.

**GROWTH OF THE REAL GROSS DOMESTIC PRODUCT
EXPECTATIONS FOR 2010 and 2011
GROWTH RATE**



SOURCE: Inflation Expectations Survey from the Panel of Private Analysts.

According to the analysts interviewed, the main factors that could influence the growth rhythm of the economic activity in 2010 are: the interest rate levels (domestic and foreign), the strengthening of the domestic markets and the stability of the nominal exchange rate.

**FACTORS THAT COULD PROMOTE THE RHYTHM OF THE
ECONOMIC ACTIVITY IN 2010**

-In percentage-

FACTORS	January
Interest rate level (domestic and foreign)	13.17
Strengthening of the domestic market	13.17
Stability in the nominal exchange rate	10.53
Price of fuel	7.89
Fiscal policy performance	7.89
Stability in the general level of prices	7.89
Execution of mega-projects	7.89
International price of oil	5.26
FTA with the United States of America	5.26
Others	21.05
TOTAL	100.00

**II. TRUST INDEX OF THE ECONOMIC ACTIVITY FROM THE
PANEL OF PRIVATE ANALYSTS**

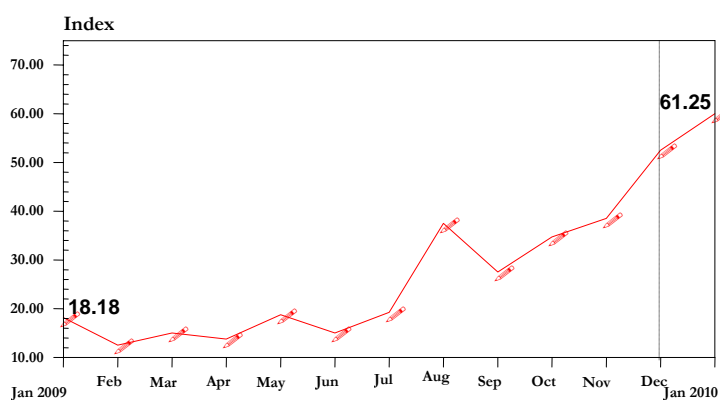
The Trust Index of the Economic Activity from the Panel of Private Analysts has the purpose of measuring the perception on the current economic situation and the environment for business that the interviewed economic analysts have, which is compared with the prevailing index in the recent past. Also, pursues obtaining an appreciation on the economic evolution of the country in the near future. For that purpose, the private analysts were asked a series of questions, which results are as follows:

INDICADORES SOBRE EL NIVEL DE CONFIANZA

Pregunta	2009												2010
	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre	Enero
7 ¿Cómo considera que evolucione el clima de los negocios para las actividades productivas del sector privado en los próximos seis meses en comparación con los pasados seis meses?	Mejorará	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	20.0%	0.0%	16.7%	20.0%	40.0%
	Igual	45.5%	42.9%	40.0%	60.0%	50.0%	50.0%	46.2%	75.0%	60.0%	77.8%	58.3%	60.0%
	Empeorará	54.5%	57.1%	60.0%	40.0%	50.0%	50.0%	53.8%	12.5%	20.0%	22.2%	25.0%	20.0%
8 ¿Considera usted que actualmente la economía del país está mejor que hace un año?	Sí	18.2%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	20.0%	50.0%
	No	81.8%	100.0%	90.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	91.7%	80.0%	50.0%
9 ¿Espere usted que la evolución económica del país mejore durante los próximos seis meses?	Sí	0.0%	14.3%	10.0%	0.0%	25.0%	10.0%	23.1%	62.5%	30.0%	66.7%	100.0%	80.0%
	No	100.0%	85.7%	90.0%	100.0%	75.0%	90.0%	76.9%	37.5%	70.0%	33.3%	33.3%	20.0%
10 ¿Cómo considera que sea la coyuntura actual de las empresas en el país para efectuar inversiones?	Buen momento	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.6%	0.0%	0.0%	8.3%	10.0%	20.0%
	No está seguro	63.6%	42.9%	40.0%	50.0%	50.0%	50.0%	46.2%	75.0%	60.0%	66.7%	50.0%	50.0%
	Mal momento	36.4%	57.1%	60.0%	50.0%	50.0%	50.0%	46.2%	25.0%	40.0%	33.3%	41.7%	30.0%

In January 2010, the trust index level of the economic activity² was at 61.25, index higher by 16.67%, regarding the registered the month before (52.50) and higher by 236.91% regarding the observed in January 2009 (18.18).

TRUST INDEX OF THE ECONOMIC ACTIVITY
JANUARY 2009 - JANUARY 2010



SOURCE: Inflation Expectations Survey from the Panel of Private Analysts.

² The index is made based on four questions. Their calculation is derived from considering sub-indexes for each question; same that result from the balance of answers that are obtained subtracting, for each question, the percentage of positive answers, the percentage of negatives and add a constant of 100, with the purpose of avoiding negative quantities. The sub-indexes obtained this way for each question are averaged and the trust index results from expressing said average value as a percentage of the maximum possible average.

TRUST INDEX OF THE ECONOMIC ACTIVITY
JANUARY 2009 - JANUARY 2010

Month	Index	Variation (%)		
		Inter-monthly	Inter-annual	Accumulated
2009				
January	18.18	-8.14	-55.25	-8.14
February	12.50	-31.24	-65.01	-36.84
March	15.00	20.00	-52.00	-24.20
April	13.75	-8.33	-20.01	-30.52
May	18.75	36.36	50.00	-5.26
June	15.00	-20.00	-10.02	-24.20
July	19.22	28.13	-5.37	-2.88
August	37.50	95.11	55.99	89.49
September	27.50	-26.67	6.22	38.96
October	34.73	26.29	64.68	75.49
November	37.50	7.98	135.70	89.49
December	52.50	40.00	165.29	165.29
2010				
January	61.25	16.67	236.91	16.67