



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

MAY 2009

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, made between the second and fourth week of May, 2009.

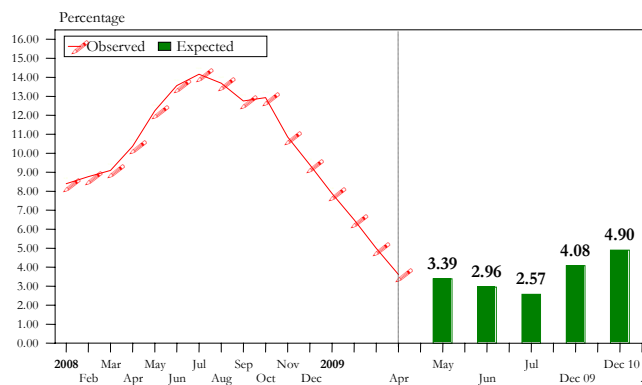
In the second part, the trust index of the economic activity is presented, which was made based on the referred survey.

I. INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

1. INFLATION

The Economic analysts surveyed foresee an inflationary rhythm of 3.39% for May 2009, while for June and July 2009, it is estimated that it will reach 2.96% and 2.57%. For the end of 2009 and 2010 the economic analysts project an inflation of 4.08% and 4.90%, in their order.

INFLATION
OBSERVED AND EXPECTED
2008 - 2010

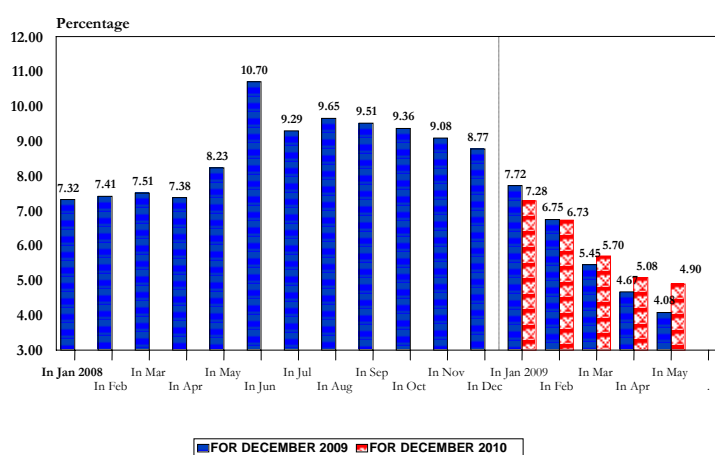


Source: Banco de Guatemala Survey of Inflation Expectations from the Panel of Private Analysts.

When comparing the results of this survey with the obtained the month before, it was observed that the expected inflationary rhythm for May 2009 decreased by 0.31 percentage points (3.70% from the survey in April); while for June 2009, it decreased by 0.65 percentage points (3.61% in the previous survey).

For the end of 2009, the expected inflationary rhythm decreased 0.59 percentage points (4.67%, in the previous survey). For the end of 2010, a decrease of 0.18 percentage points (5.08% in the previous survey) was observed.

INFLATION EXPECTATIONS FOR DECEMBER 2009 AND FOR DECEMBER 2010



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

In the opinion of the interviewed analysts, the main factors that could explain the forecast of inflation for 2009 are: the prices of fuel, the international price of oil, the performance of the fiscal policy, the price of raw material, and the performance of the monetary policy.

FACTORS THAT COULD EXPLAIN THE FORECAST OF INFLATION FOR DECEMBER 2009

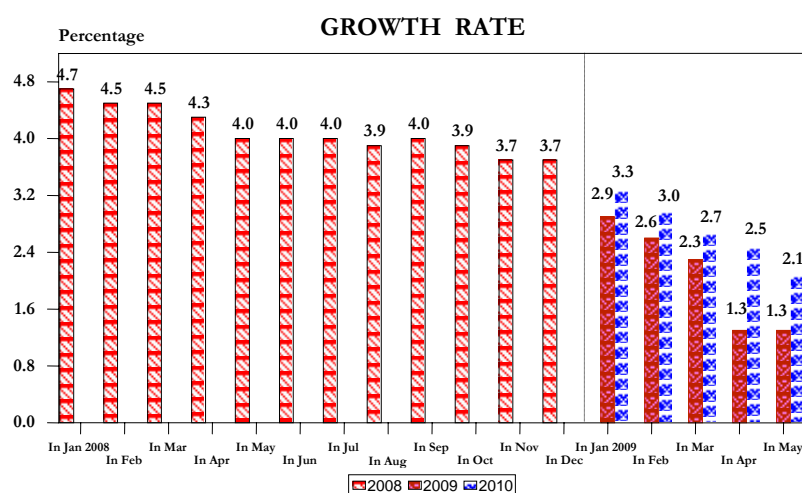
-In percentage-

FACTORS	JANUARY	FEBRUARY	MARCH	APRIL	MAY
Price of fuels	20.00	20.45	17.39	20.83	20.00
International price of oil	18.00	18.18	17.39	16.67	17.14
Performance of the fiscal policy	12.00	18.18	15.21	16.67	14.29
Price of raw materials	12.00	13.63	17.39	14.58	14.29
Performance of the monetary policy	20.00	13.64	10.87	10.42	11.43
Seasonality of agricultural prices	4.00	4.55	6.53	6.25	5.71
Nominal exchange rate	8.00	4.55	6.52	4.17	5.71
Climate conditions	4.00	2.27	2.17	2.08	--
Others	2.00	4.55	6.53	8.33	11.43
TOTAL	100.00	100.00	100.00	100.00	100.00

1. ECONOMIC ACTIVITY

The private analysts estimate that in 2009 the economic activity, measured through the Real Gross Domestic Product, will grow 1.3%, the same number forecast by the economic analysts in the previous survey. For 2010, the analysts estimate that it will be at 2.1%, lower by 0.4 percentage points to the estimated in the previous survey (2.5%).

EXPECTATIONS OF THE REAL GROSS DOMESTIC PRODUCT FOR 2008, 2009 and 2010



SOURCE: Survey of Inflation Expectations 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 2009 are: the stability in the general level of prices, the price of fuels, the performance of the fiscal policy, the international price of oil, the levels of the interest rates (domestic and foreign) and the stability in the nominal exchange rate.

FACTORS THAT COULD PROMOTE THE RHYTHM OF THE ECONOMIC ACTIVITY IN 2009

-In percentage-

FACTORS	January	February	March	April	May
Stability in the general level of prices	13.21	11.63	11.10	13.04	14.63
Price of fuels	11.32	11.63	11.10	13.04	12.20
Performance of the fiscal policy	15.09	11.63	16.67	15.22	9.76
International price of oil	13.21	11.63	13.89	13.04	9.76
Levels of the interest rates (domestic and foreign)	11.32	13.95	16.67	8.70	9.76
Stability in the nominal exchange rate	7.55	4.64	5.56	8.70	9.76
FTA with the United States of America	7.55	9.30	5.56	10.87	7.31
Strengthening of the domestic market	9.43	11.63	8.33	8.70	7.31
Execution of mega-projects	7.55	6.98	5.56	6.52	7.31
Others	3.77	6.98	5.56	2.17	12.20
TOTAL	100.00	100.00	100.00	100.00	100.00

II. TRUST INDEX OF THE ECONOMIC ACTIVITY OF 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 has, 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:

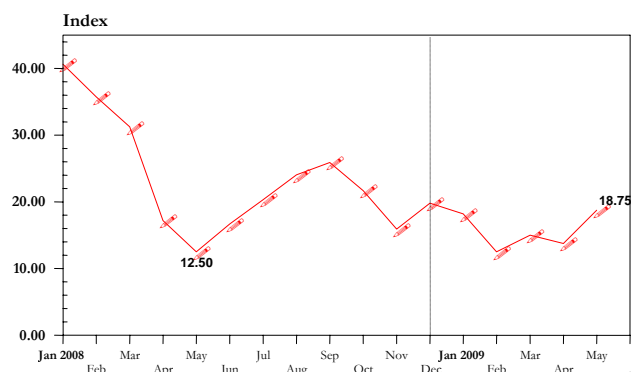
INDICADORES SOBRE EL NIVEL DE CONFIANZA

Pregunta	2008												2009				
	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre	Enero	Febrero	Marzo	Abril	Mayo
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	12.5%	14.3%	0.0%	0.0%	0.0%	0.0%	7.7%	14.3%	0.0%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Igual	75.0%	71.4%	62.5%	50.0%	37.5%	67.7%	75.0%	76.9%	64.3%	68.8%	27.3%	33.3%	45.5%	42.9%	40.0%	60.0%
	Emporará	12.5%	14.3%	37.5%	50.0%	62.5%	33.3%	25.0%	15.4%	21.4%	31.3%	63.6%	66.7%	54.5%	57.1%	60.0%	40.0%
8 ¿Considera usted que actualmente la economía del país está mejor que hace un año?	Si	37.5%	14.3%	37.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	18.2%	0.0%	10.0%	0.0%	0.0%
	No	62.5%	85.7%	62.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	91.7%	81.8%	100.0%	90.0%	100.0%	100.0%
9 ¿Espera usted que la evolución económica del país mejore durante los próximos seis meses?	Si	25.0%	28.7%	25.0%	0.0%	0.0%	12.5%	15.4%	28.6%	25.0%	9.1%	16.7%	0.0%	14.3%	10.0%	0.0%	25.0%
	No	75.0%	71.4%	75.0%	100.0%	100.0%	87.5%	84.6%	71.4%	75.0%	90.9%	83.3%	100.0%	85.7%	90.0%	100.0%	75.0%
10 ¿Cómo considera que sea la conjuntura actual de las empresas en el país para efectuar inversiones?	Buen momento	0.0%	0.0%	0.0%	12.5%	12.5%	0.0%	7.7%	0.0%	0.0%	9.1%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%
	No está seguro	100.0%	100.0%	62.5%	62.5%	37.5%	66.7%	62.5%	53.8%	57.1%	50.0%	45.5%	58.4%	63.6%	42.9%	40.0%	50.0%
	Mal momento	0.0%	0.0%	37.5%	25.0%	50.0%	33.3%	37.5%	38.5%	42.9%	50.0%	45.5%	33.3%	36.4%	57.1%	60.0%	50.0%

In May 2009, the trust index level of the economic activity¹ was at 18.75, index higher by 36.36%, regarding the registered the month before (13.75) and higher by 50.00% regarding the observed in May the previous year (12.50).

¹ 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 2008 - MAY 2009**



FUENTE: Encuesta de Expectativas de Inflación al Panel de Analistas Privados.

**TRUST INDEX OF THE ECONOMIC ACTIVITY
JANUARY 2008 - MAY 2009**

Month	Index	Variation		
		Inter-monthly	Inter-annual	Accumulated
2008				
January	40.63	-15.21	23.83	-15.21
February	35.72	-12.08	-15.34	-25.46
March	31.25	-12.51	-13.46	-34.79
April	17.19	-44.99	-54.16	-64.13
May	12.50	-27.28	-65.22	-73.91
June	16.67	33.36	-60.00	-65.21
July	20.31	21.84	-54.30	-57.62
August	24.04	18.37	-41.47	-49.83
September	25.89	7.70	-52.21	-45.97
October	21.09	-18.54	-50.01	-55.99
November	15.91	-24.56	-68.18	-66.80
December	19.79	24.39	-58.70	-58.70
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