



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

DECEMBER 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 December 2009.

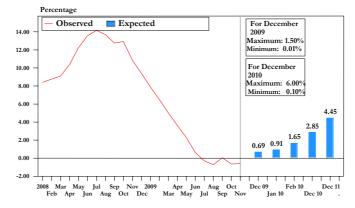
In the second part, the trust index of the economic activity is presented, which was made based on the referred survey.

I. INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

1. INFLATION

The Economic analysts surveyed foresee an inflationary rhythm of 0.69% for December 2009, with a maximum value of 1.50% and a minimum of 0.01%, while for January 2010, the economic analysts project an inflation of 0.91%. For December 2010, the analysts forecast an average inflation of 2.85%, registering a maximum value of 6.00% and a minimum of 0.10%. On the other hand, for December 2011 consider that this could reach 4.45% with a maximum value of 5.50% and a minimum of 2.50%.

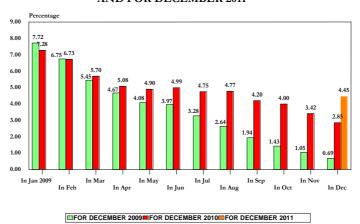
INFLATION OBSERVED AND EXPECTED 2008 - 2011



Source: Banco de Guatemala and Inflation Expectations Survey to 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 December 2009 decreased by 0.36 percentage points (1.05% from the survey in November); while for January 2010, it decreased by 0.69 percentage points (1.60% in the previous survey). For the end of 2010, the expected inflationary rhythm decreased 0.57 percentage points (3.42%, in the previous survey).

INFLATION EXPECTATIONS FOR DECEMBER 2009, 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 2009 are: the prices of fuel, the international price of oil, the price of raw materials, the performance of the fiscal policy, the performance of the monetary policy and the seasonality of agricultural products.

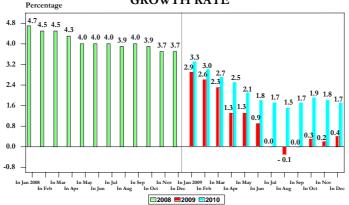
Fa	actors that could explain the inflation forecast for December 2009
	-In percentage -

FACTORES	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre
Precios de los combustibles	20.00	20.45	17.39	20.83	20.00	18.37	15.22	17.14	19.50	19.44	16.67	18.37
Precio internacional del petróleo	18.00	18.18	17.39	16.67	17.14	18.37	21.74	17.14	17.07	19.44	16.67	18.37
Precios de las materias primas	12.00	13.63	17.39	14.58	14.29	16.33	13.04	8.57	14.63	11.11	11.11	12.25
Desempeño de la política fiscal	12.00	18.18	15.21	16.67	14.29	14.29	13.04	14.30	9.76	8.33	8.33	12.25
Desempeño de la política monetaria	20.00	13.64	10.87	10.42	11.43	14.29	13.04	11.43	7.32	8.33	8.33	12.25
Estacionalidad de los productos agrícolas	4.00	4.55	6.53	6.25	5.71	6.12	6.52	11.43	9.76	8.33	11.11	10.20
Tipo de cambio nominal	8.00	4.55	6.52	4.17	5.71	4.07	6.52	5.71	9.76	8.33	11.11	8.15
Condiciones climáticas	4.00	2.27	2.17	2.08	-,-	2.04	2.17	8.57	7.32	11.11	8.33	4.08
Otros	2.00	4.55	6.53	8.33	11.43	6.12	8.71	5.71	4.88	5.58	8.34	4.08
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

2. ECONOMIC ACTIVITY

In December 2009, the private analysts estimated that for 2009 the economic activity, measured through the Real Gross Domestic Product, will register growth of 0.4%, number higher by 0.2 percentage points to the forecasted by the economic analysts in the previous survey (0.2%). For 2010, the analysts estimate that it will be at 1.7%, lower by 0.1 percentage points to the estimated in the previous survey (1.8%).

GROWTH EXPECTATIONS OF THE REAL GROSS DOMESTIC PRODUCT FOR 2008, 2009 and 2010 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 2009 are: the price of fuels, the performance of the fiscal policy, the international price of crude oil, the stability in the general level of prices and the interest rate levels (domestic and foreign).

Factors that could promote the rhythm of the economic activity in 2009
-In percentage-

FACTORES	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre
Precios de los combustibles	11.32	11.63	11.10	13.04	12.20	14.29	11.11	11.77	10.53	10.81	10.81	18.37
Desempeño de la política fiscal	15.09	11.63	16.67	15.22	9.76	11.90	17.78	17.65	15.79	18.92	18.92	14.29
Precio internacional del petróleo	13.21	11.63	13.89	13.04	9.76	11.90	11.11	8.82	10.53	8.11	8.11	14.29
Estabilidad en el nivel general de precios	13.21	11.63	11.10	13.04	14.63	11.90	8.89	5.88	10.53	10.81	8.11	12.24
Niveles de las tasas de interés (internas y externas)	11.32	13.95	16.67	8.70	9.76	9.52	13.34	17.65	13.15	13.51	16.21	10.20
Estabilidad en el tipo de cambio nominal	7,55	4.64	5.56	8.70	9.76	7.16	4.44	5.88	5.26	2.70	5.41	8.17
Ejecución de megaproyectos	7,55	6.98	5.56	6.52	7.31	9.52	8.89	11.77	10.53	8.11	10.81	6.12
Fortalecimiento del mercado interno	9.43	11.63	8.33	8.70	7.31	9.52	11.11	8.82	10.53	8.11	8.11	6.12
TLC con los Estados Unidos de América	7,55	9.30	5.56	10.87	7.31	4.77	4.44	5.88	7.89	13.51	5.40	4.08
Otros	3.77	6.98	5.56	2.17	12.20	9.52	8.89	5.88	5.26	5.41	8.11	6.12
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	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 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:

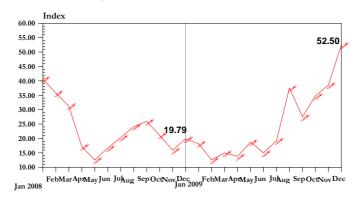
INDICATORS FOR THE TRUST LEVEL

Question		2009											
		Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre	
7 ¿Cómo considera que evolucione el clima de los negocios para las actividadesproductivas 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%	0.0%	12.5%	20.0%	0.0%	16.7%	20.0%	
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 ¿Considerausted que actualmentela economíadel 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%	0.0%	8.3%	20.0%	
No	81.8%	100.0%	90.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	91.7%	80.0%	
9 ¿Espera usted que la evolucióneconómicadel 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%	66.7%	100.0%	
No	100.0%	85.7%	90.0%	100.0%	75.0%	90.0%	76.9%	37.5%	70.0%	33.3%	33.3%	0.0%	
10 ¿Cómoconsideraque sea la coyunturaactualde las empresasen 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%	0.0%	8.3%	10.0%	
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%	60.0%	
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 December 2009, the trust index level of the economic activity¹ was at 52.50, index lower by 40.0%, regarding the registered the month before (37.50) and higher by 165.29% regarding the observed in December the previous year (19.79).

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 - DECEMBER 2009



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

TRUST INDEX OF THE ECONOMIC ACTIVITY JANUARY 2008 - DECEMBER 2009

Month	Index	Variation (%)								
Month	index	Intermonthly	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	<i>-</i> 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						
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						