



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

JULY 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 July 2009.

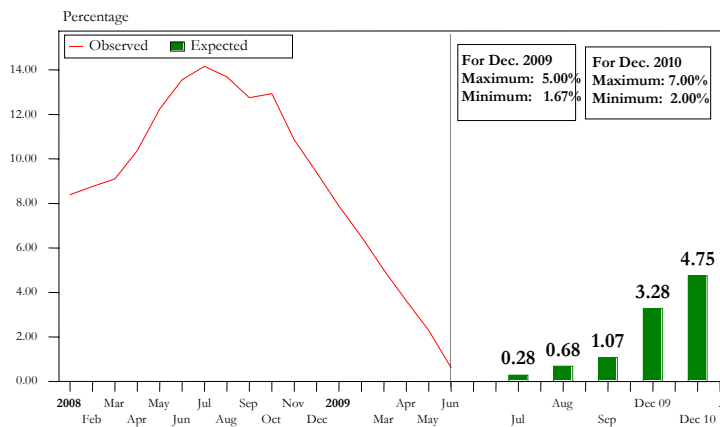
In the second part, the trust index of the economic activity is presented, which was made based on the referred survey.

INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

1. INFLATION

The Economic analysts surveyed foresee an inflationary rhythm of 0.28% for July 2009, while for August and September 2009, it is estimated that it will reach 0.68% and 1.07%. For the end of 2009, the economic analysts project an inflation of 3.28%, with a maximum value of 5.00% and a minimum of 1.67%. For December 2010, the analysts forecast an average inflation of 4.75%, registering a maximum value of 7.00% and a minimum of 2.00%.

**INFLATION
OBSERVED AND EXPECTED
2008 - 2010**



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

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:

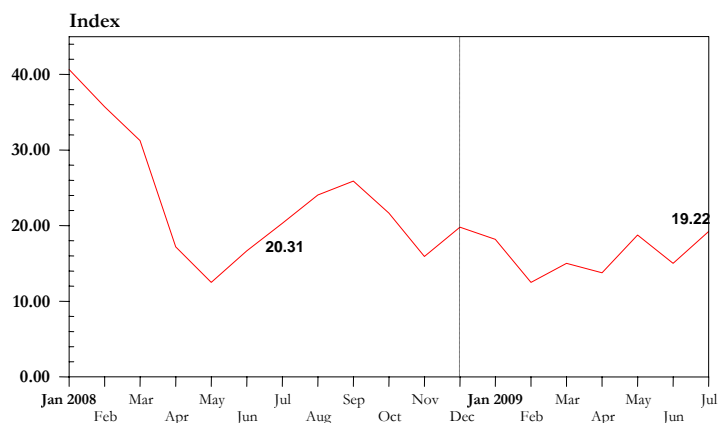
INDICATORS ON THE LEVEL OF TRUST

| Pregunta | 2009 | | | | | | |
|---|----------------|---------|--------|-------|--------|--------|--------|
| | Enero | Febrero | Marzo | Abril | Mayo | Junio | Julio |
| 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% |
| | Igual | 45.5% | 42.9% | 40.0% | 60.0% | 50.0% | 46.2% |
| | Empeorará | 54.5% | 57.1% | 60.0% | 40.0% | 50.0% | 53.8% |
| | | | | | | | |
| 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% |
| | No | 81.8% | 100.0% | 90.0% | 100.0% | 100.0% | 100.0% |
| 9 ¿Espera usted que la evolución económica del país mejore durante los próximos seis meses? | Sí | 0.0% | 14.3% | 10.0% | 0.0% | 25.0% | 23.1% |
| | No | 100.0% | 85.7% | 90.0% | 100.0% | 75.0% | 76.9% |
| 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% | 7.6% |
| | No está seguro | 63.6% | 42.9% | 40.0% | 50.0% | 50.0% | 46.2% |
| | Mal momento | 36.4% | 57.1% | 60.0% | 50.0% | 50.0% | 46.2% |

In July 2009, the trust index level of the economic activity¹ was at 19.22, index higher by 28.13%, regarding the registered the month before (15.00) and lower by 5.37% regarding the observed in July the previous year (20.31).

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 - JULY 2009**



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

**TRUST INDEX OF THE ECONOMIC ACTIVITY
JANUARY 2008 – JULY 2009**

| Mes | Índice | Variación | | |
|-------------|--------|--------------|------------|-----------|
| | | Intermensual | Interanual | Acumulada |
| 2008 | | | | |
| Enero | 40.63 | -15.21 | 23.83 | -15.21 |
| Febrero | 35.72 | -12.08 | -15.34 | -25.46 |
| Marzo | 31.25 | -12.51 | -13.46 | -34.79 |
| Abril | 17.19 | -44.99 | -54.16 | -64.13 |
| Mayo | 12.50 | -27.28 | -65.22 | -73.91 |
| Junio | 16.67 | 33.36 | -60.00 | -65.21 |
| Julio | 20.31 | 21.84 | -54.30 | -57.62 |
| Agosto | 24.04 | 18.37 | -41.47 | -49.83 |
| Septiembre | 25.89 | 7.70 | -52.21 | -45.97 |
| Octubre | 21.09 | -18.54 | -50.01 | -55.99 |
| Noviembre | 15.91 | -24.56 | -68.18 | -66.80 |
| Diciembre | 19.79 | 24.39 | -58.70 | -58.70 |
| 2009 | | | | |
| Enero | 18.18 | -8.14 | -55.25 | -8.14 |
| Febrero | 12.50 | -31.24 | -65.01 | -36.84 |
| Marzo | 15.00 | 20.00 | -52.00 | -24.20 |
| Abril | 13.75 | -8.33 | -20.01 | -30.52 |
| Mayo | 18.75 | 36.36 | 50.00 | -5.26 |
| Junio | 15.00 | -20.00 | -10.02 | -24.20 |
| Julio | 19.22 | 28.13 | -5.37 | -2.88 |