

[Working Paper No. 928](#)

Keep in mind

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

AUTHOR OR EDITOR

Hernando Vargas

Inflation expectations in Colombia are characterized. Empirical evidence following conventional tests suggests that they might not be rational, although the period of disinflation included in the sample makes it difficult to ascertain this conclusion. Inflation expectations display close ties with observed past and present headline inflation and are affected by exogenous shocks in a possibly non-linear way. A model-based core inflation measure is computed that addresses the shortcomings of traditional exclusion measures when temporary supply shocks have widespread effects and are persistent.

The series Borradores de Economía is published by the Economic Studies Department at the Banco de la República (Central Bank of Colombia). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.