

[Box 3: Inflation Report June 2016](#)

Keep in mind

Los análisis y pronósticos incluidos en este informe son producidos por el equipo técnico del Banco. Es la base principal sobre la cual se realiza la [recomendación de política monetaria](#) a la Junta Directiva del Banco de la República (JDBR) y por estas razones no refleja necesariamente la opinión de sus [miembros](#).

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One way to explain the rise in inflation from 2.89% in July 2014 to 8.60% in June 2016 is to analyze the contribution from each component of the CPI. This period was selected because it was when the peso began to depreciate sharply against the dollar. During that period the exchange rate increased from COP 1,858.5 per dollar in July 2014 to COP 3,357.5 in February 2016, followed by a decline to COP 2,991.7 in June. However, it is important to point out that this method is a partial analysis, as it does not consider second round effects. It cannot be interpreted as a cause-effect approximation.