
[Download](#)

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. 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.

AUTHORS AND/OR EDITORS

[Bermúdez-Céspedes, Juan Pablo](#) [Melo-Velandia, Luis Fernando](#) [Parra-Amado, Daniel](#)

Natural disasters and ENSO (El Niño–Southern Oscillation) announcements have significant but distinct effects on inflation expectations. While natural disasters increase both the mean and the volatility of medium-term expectations, ENSO announcements affect the mean of expectations without altering their volatility.

Publication Date:
Thursday, 12 June 2025

Abstract

This research investigates the influence of natural disasters and climate-related announcements, particularly those associated with the El Niño Southern Oscillation (ENSO), on inflation expectations within the Colombian economy. Employing an event study framework, we analyze daily data on inflation expectations derived from the Colombian public debt market spanning October 2004 to August 2022, in conjunction with the Emergency Events Database (EM-DAT) and ENSO announcements from international agencies. Our findings provide evidence that both types of events significantly influence the mean of the inflation expectations. Moreover, while natural disasters increase the volatility of inflation expectations, ENSO announcements do not exhibit a similar effect.