Online annex to BIS Bulletin 28: Inflation at risk from Covid-19

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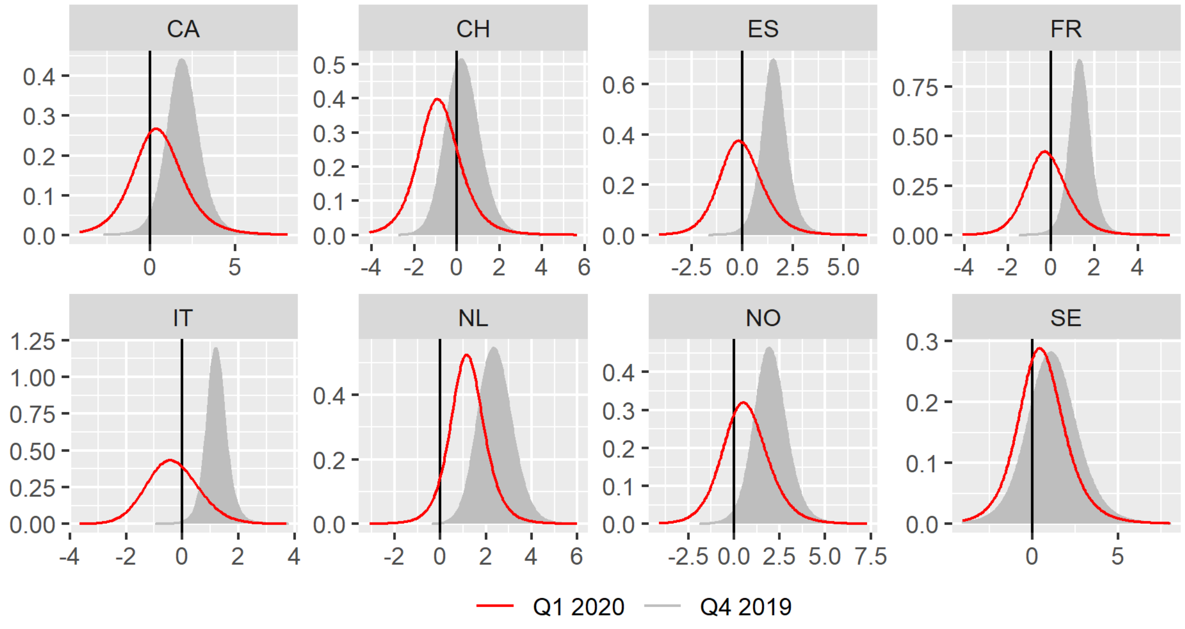
This annex presents four-quarter-ahead conditional distributions of inflation risks for additional countries analysed in Banerjee et al (2020).

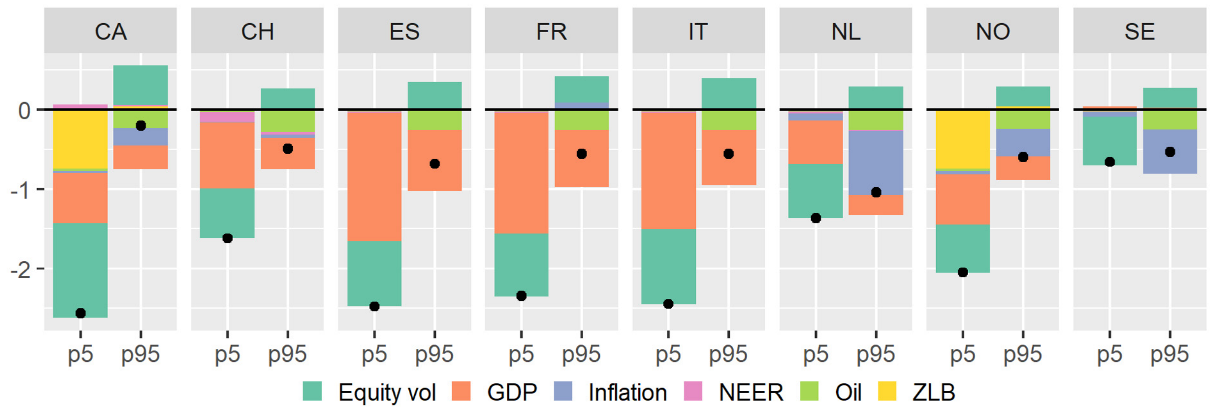
The economic and financial fallout shifts inflation forecast distributions – advanced economies

Probability density functions for four-quarter-ahead CPI inflation, Q4 2019 and Q1 2020 Graph A1



Sources: Bloomberg; national data; authors' calculations.

Contributions of risk factors to change in tail inflation risks in advanced economies[1] Graph A2

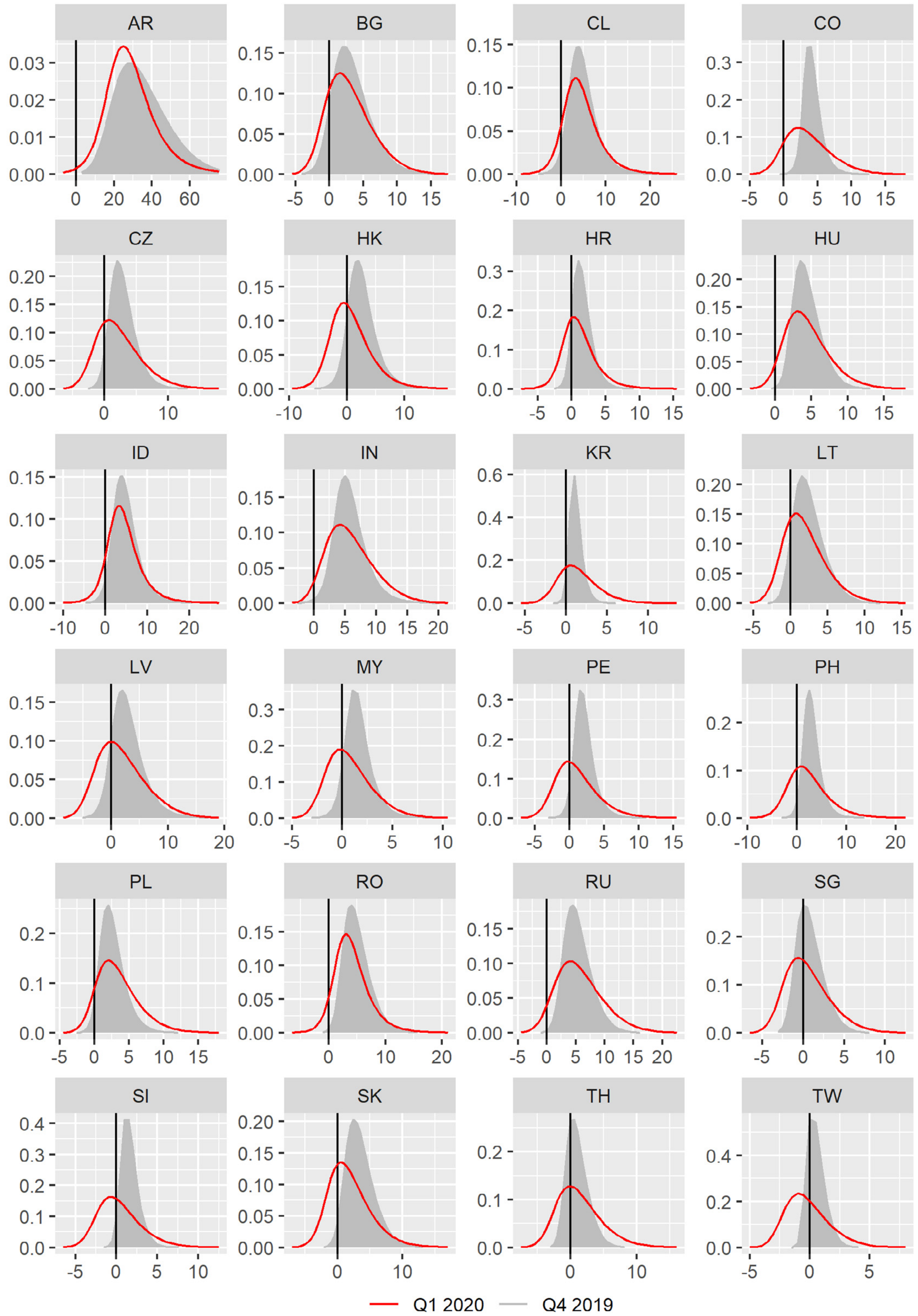


[1] Change in one-year-ahead tail inflation risks between Q4 2019 and Q1 2020 computed at 5th (p5) and 95th (p95) percentiles. "ZLB" denotes the contribution from a dummy variable that captures the possibility that interest rates are at the zero lower bound.

Sources: Bloomberg; national data; authors' calculations

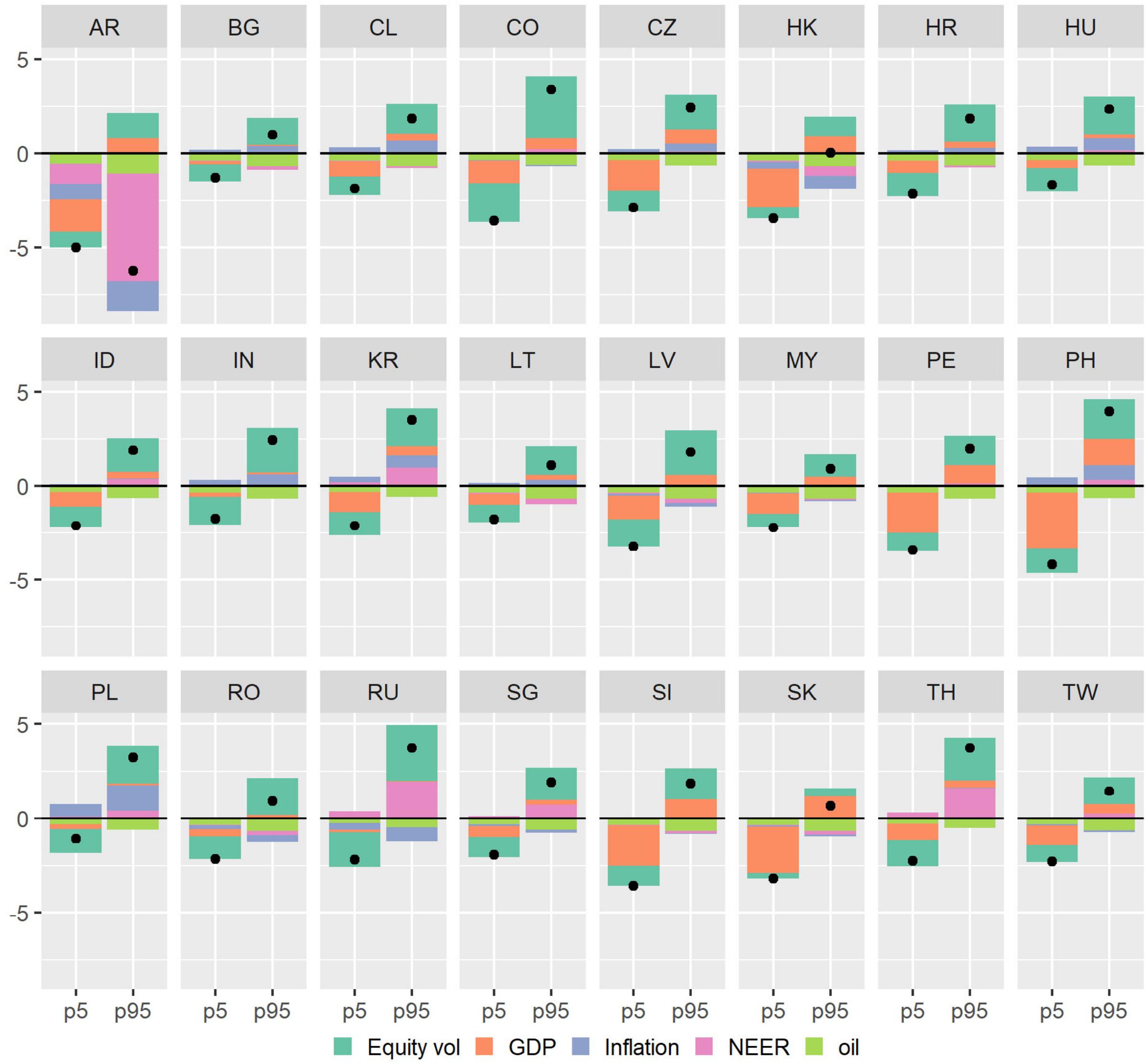
The economic and financial fallout shifts inflation forecast distributions – emerging economies

Probability density functions for four-quarter-ahead CPI inflation, Q4 2019 and Q1 2020 Graph A3



Sources: Bloomberg; national data; authors' calculations.

Contributions of risk factors to change in tail inflation risks in emerging markets[1] Graph A4



[1] Change in one-year-ahead tail inflation risks between Q4 2019 and Q1 2020 computed at 5th (p5) and 95th (p95) percentiles. "ZLB" denotes the contribution from a dummy variable that captures the possibility that interest rates are at the zero lower bound.

Sources: Bloomberg; national data; authors' calculations

References

Banerjee, R, J Contreras, A Mehrotra and F Zampolli (2020): "Inflation at risk in advanced and emerging economies", mimeo.