



Consensus Forecast of Inflation December 2025 Quarter

Overview

Consensus forecasts are typically central tendencies (average, median, mode or range) of the numerical projections for a set of variables (such as inflation and GDP growth) which are provided by selected participants to a central collating party. Bank of Jamaica (BOJ) introduced a consensus forecast of inflation survey in December 2023 to gather market intelligence on inflation expectations and to produce a consensus outlook. The forecast is derived from a survey which is administered and collated by BOJ quarterly. Businesses and individuals may use the consensus forecast to aid in their projection of inflation and assessment of risk.

The consensus forecast is developed from the voluntary projections of 8 selected professionals in five (5) industries. These participants are either major price setters for consumer goods and services, have knowledge of the sources/causes of price changes in Jamaica or are involved in generating CPI-based inflation projections. The results summarize opinions expressed by the independent forecasters and may not reflect the views of BOJ. The results of the survey do not imply any particular course of policy action by BOJ. The most recent survey was conducted during the period 08 to 17 December 2025. The response rate was 62.5 per cent.

Consensus Forecast of Inflation

What inflation rate (i.e., the percentage change in the consumer price index (CPI) relative to the same month in the previous year) do you project for the following periods?

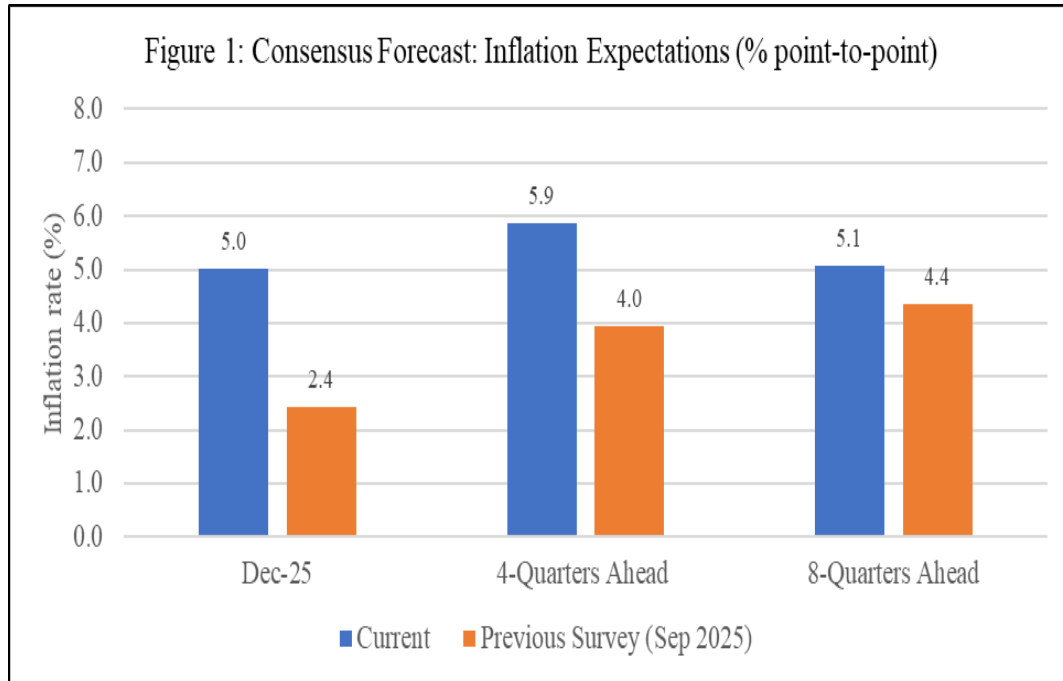


Table 1: Consensus Forecast: Inflation Expectations

		4-Quarters Ahead	8-Quarters Ahead
	Dec-25	Dec-26	Dec-27
Expected Inflation Rate (Mean %)	5.0	5.9	5.1
Expected Inflation Rate (Median %)	5.0	6.0	5.0
Highest Forecast	7.0	6.5	5.5
Lowest Forecast	3.5	5.0	4.8

Forecasters indicated that for the one-year ahead horizon, inflation will accelerate, on average, to 5.9 per cent relative to 4.0 per cent in the previous survey in September 2025, with some forecasters anticipating inflation above the 4.0 to 6.0 target range.

For the two-year ahead horizon, forecasters expect a deceleration in inflation.

Consensus Forecast of Inflation

Since its inception in the December 2023 quarter, forecasters have expected, on average, that inflation will remain within the Bank's target range.

Figure 2: Consensus Forecast: Inflation Expectations (% point-to-point)

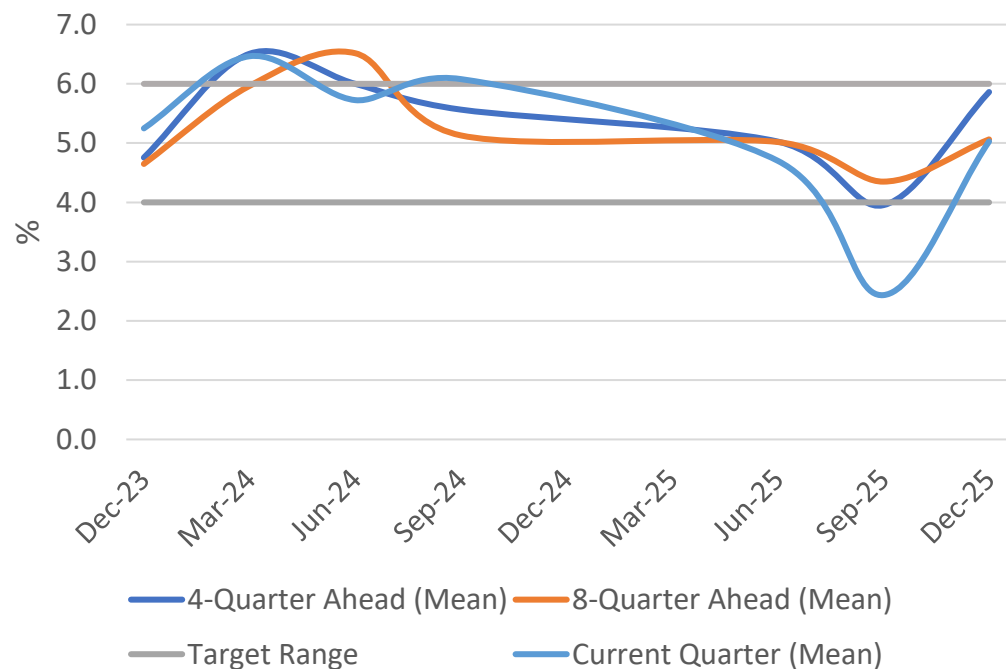


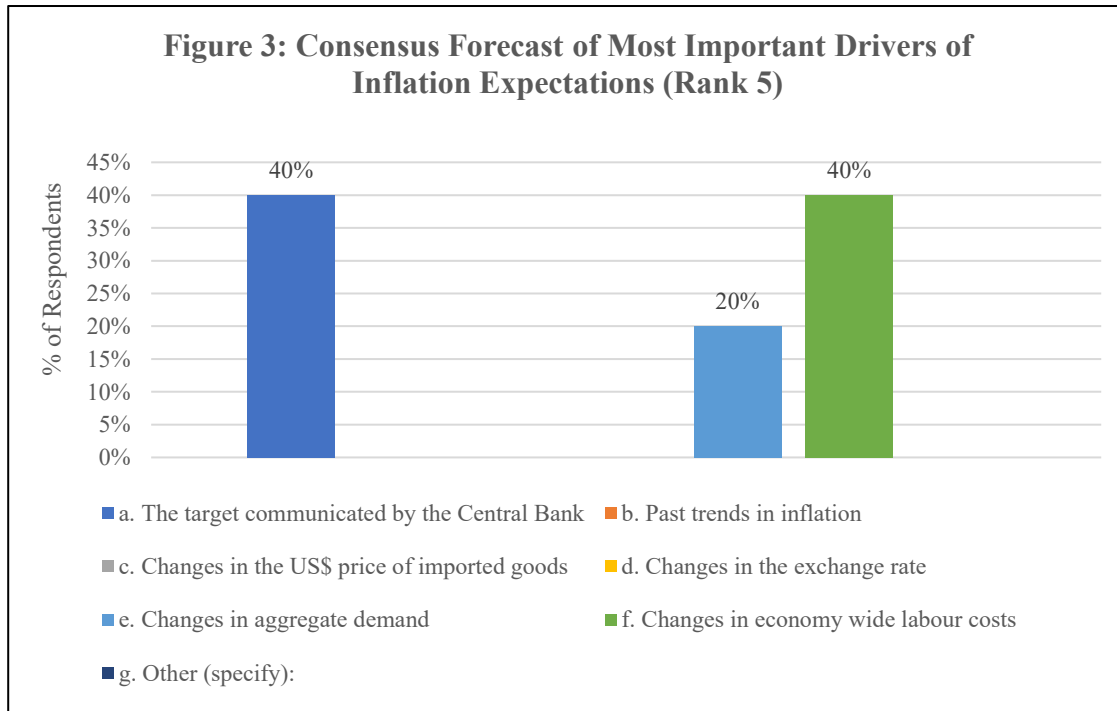
Table 2: Mean Inflation Rate (%)

Surveys	Current Quarter	4- Quarters Ahead	8- Quarters Ahead
Dec-23	5.2	4.8	4.6
Mar-24	6.5	6.5	6.0
Jun-24	5.7	6.0	6.5
Sep-24	6.1	5.6	5.1
Dec-24*	-	-	-
Mar-25*	-	-	-
Jun-25	4.7	5.0	5.0
Sep-25	2.4	4.0	4.4
Dec-25	5.0	5.9	5.1

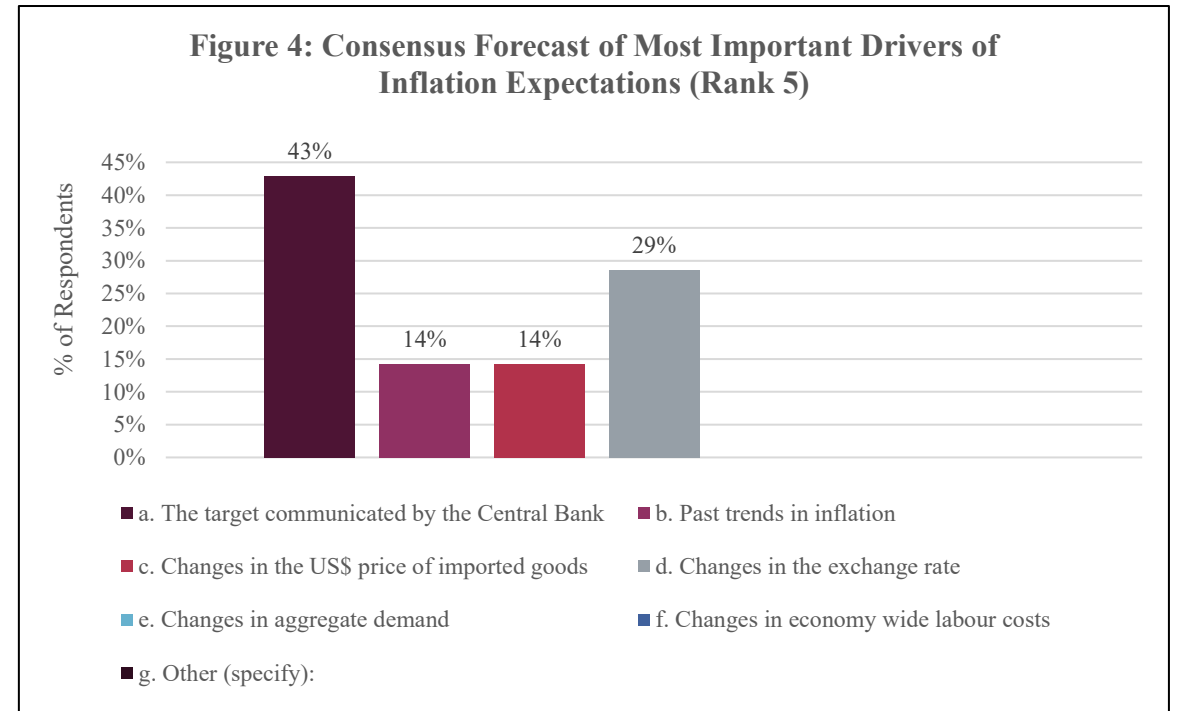
* No survey data available for Dec-24 & Mar-25

Main Drivers of Inflation

What are the five main drivers of the inflation projections that you have provided? From the list below please select and rank these drivers in order of importance, with 5 being the most important.



In the December 2025 survey, most forecasters expressed that *target communicated by the Central Bank and changes in economy wide labour costs were the main drivers of inflation.*



In the September 2025 survey, most forecasters expressed that *the target communicated by the Central Bank was the main driver of inflation.*

Using the **Likert Scale** forecasters are asked to rank the factors from 1 to 5 as follow: 1 = not important, 2 = slightly important, 3= moderately important, 4= important and 5= most important. The charts show the factors listed as most important.

Selected Price Variables & Demand Conditions

Please outline your projections for each of the variables below if used in your forecast of inflation (state annual percentage change)?

Table 3: Consensus Forecast of Selected Price Variables			
		4-Quarters Ahead	8-Quarters Ahead
	Dec-25	Dec-26	Dec-27
	Point-to-point (%)		
Crude oil prices (WTI prices in \$US per barrel)	-10.8	-2.3	-0.5
Grains prices (\$US per bushel)			
Corn	1.0	5.0	3.0
Wheat	-3.0	6.5	2.0
Soybeans	1.0	1.0	1.0
Rice	2.0	2.0	2.0
Exchange rate (JMD per US\$1)	2.5	1.5	1.5
US inflation (annual %)	2.9	2.4	2.4
Domestic GDP (% Y.O.Y)	-4.2	-0.4	0.5

**The table shows the average of forecasters' annual percentage changes for the listed variables.*

Forecasters expect a faster pace of price increases over the next 4 quarters for grains. However, crude oil prices are expected to decline at a slower pace.

How would you describe aggregate demand conditions in Jamaica over the specified period below?

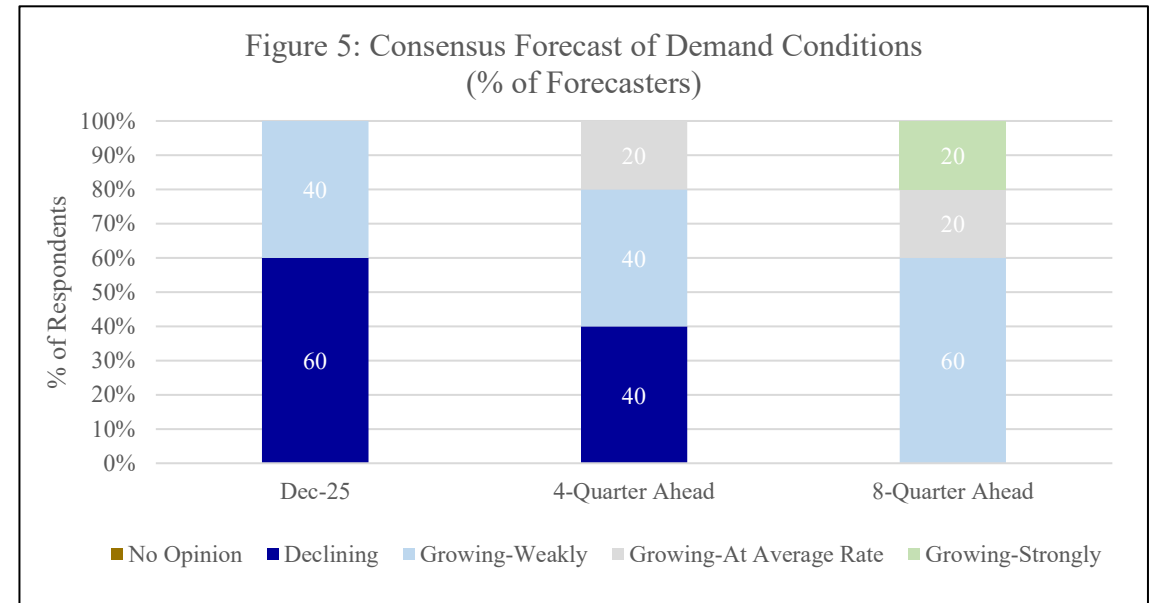


Table 4: Consensus Forecast of Demand Conditions in Jamaica			
	Dec-25	4-Quarter Ahead	8-Quarter Ahead
	% of Forecasters	% of Forecasters	% of Forecasters
Growing-Strongly	0	0	20
Growing-At Average Rate	0	20	20
Growing-Weakly	40	40	60
Declining	60	40	0
No Opinion	0	0	0

Most forecasters were of the view that demand conditions declined for the review period. However, for the next four and eight quarters ahead forecasters had mixed opinions regarding demand.