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# CONSENSUS FORECAST OF INFLATION MARCH 2026 QUARTER



# Background

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 23 March to 02 April 2026. The response rate was 62.5 per cent.

# Overview

- I. At the 1-year and 2-year ahead horizon, forecasters expect on average that inflation will remain within the Bank's target range.
- II. Forecasters expressed mixed views regarding the most important drivers of inflation at the 1-year-ahead horizon.
- III. At the 2-year ahead horizon forecasters expressed that target communicated by the Central Bank and changes in the US\$ price of imported goods (*raw materials/oil/grains/etc.*) are expected to be the main drivers of inflation.
- IV. Most forecasters believe that demand conditions are growing weakly for the review quarter.



# 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?*

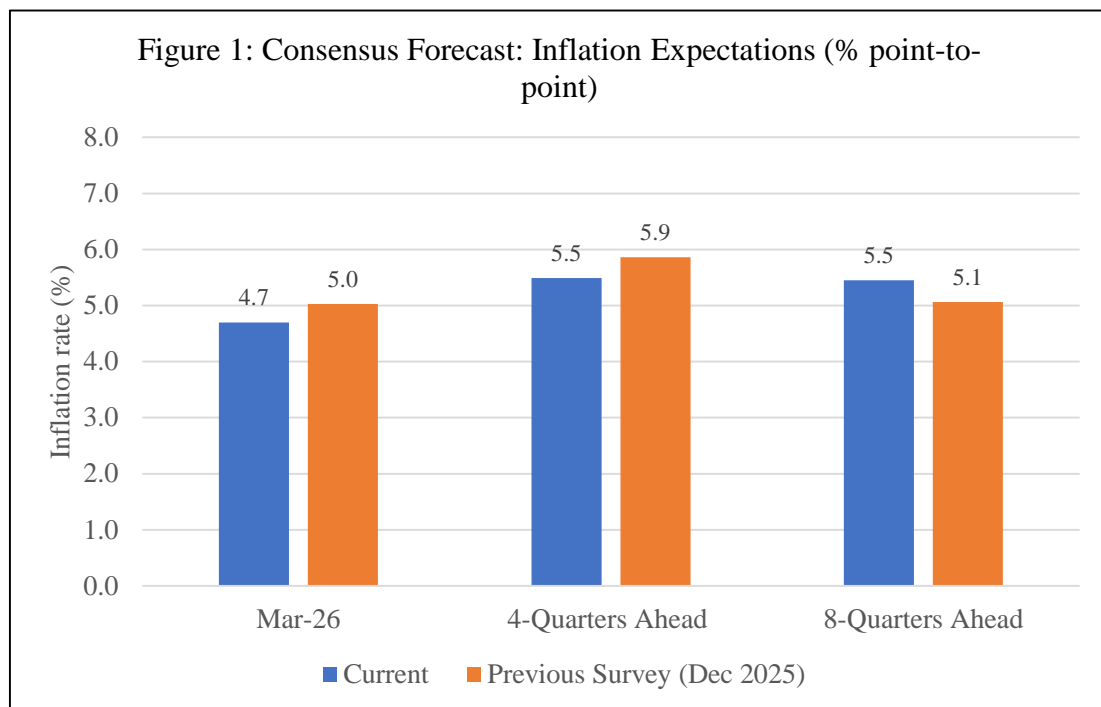


Table 1: Consensus Forecast: Inflation Expectations

		4-Quarters Ahead	8-Quarters Ahead
	Mar-26	Mar-27	Mar-28
Expected Inflation Rate (Mean %)	4.7	5.5	5.5
Expected Inflation Rate (Median %)	4.5	5.0	5.3
Highest Forecast	6.0	7.2	6.2
Lowest Forecast	4.0	4.3	4.8

Forecasters indicated that for the one-year ahead horizon, inflation will decelerate, on average, to 5.5 per cent relative to 5.9 per cent in the previous survey in December 2025, with some forecasters anticipating inflation above the 4.0 per cent to 6.0 per cent target range.

For the two-year ahead horizon, forecasters expect the inflation rate to remain unchanged.

# 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 1: Consensus Forecast: Inflation Expectations (% point-to-point)

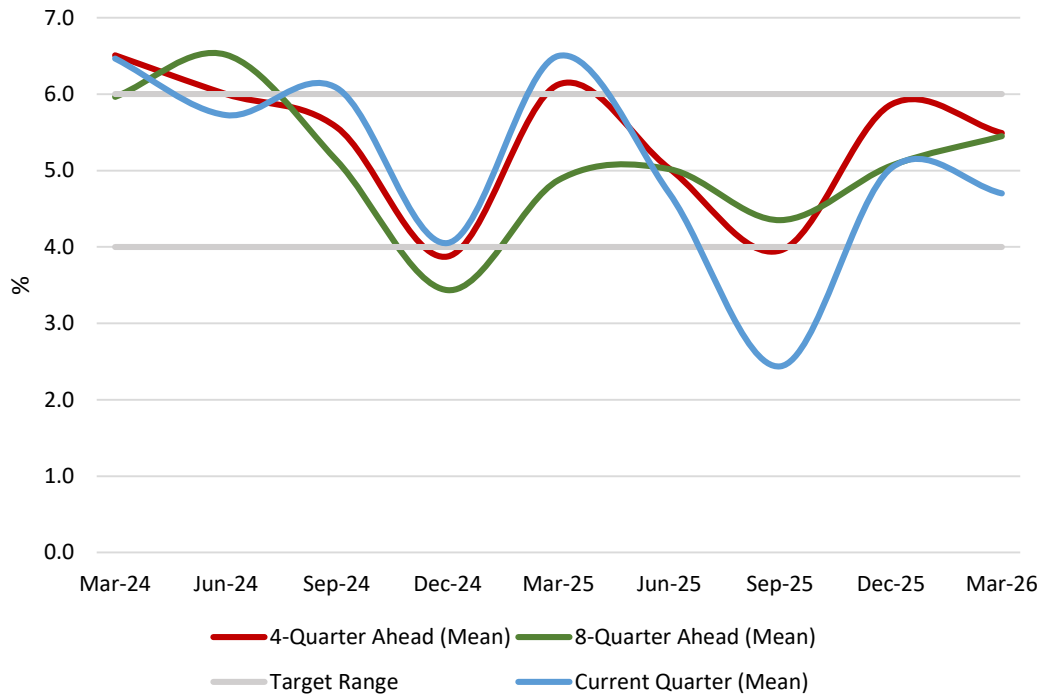


Table 2: Mean Inflation Rate (%)

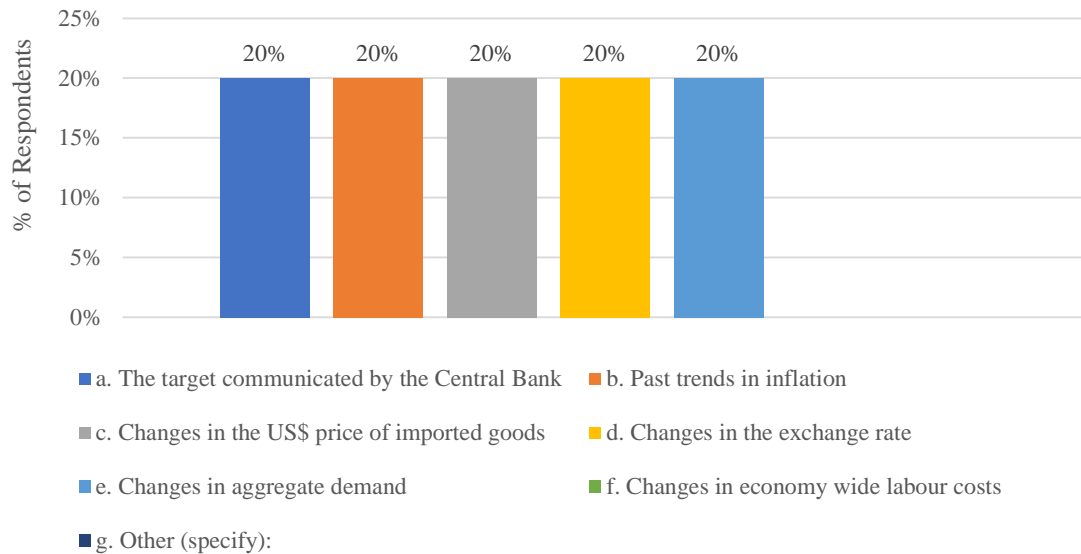
Surveys	Current Quarter	4- Quarters Ahead	8- Quarters Ahead
Mar-24	6.5	6.5	6.0
Jun-24	5.7	6.0	6.5
Sep-24	6.1	5.6	5.1
Dec-24*	-	-	-
Mar-25*	-	-	-
Jun-25	4.7	5.0	5.0
Sep-25	2.4	4.0	4.4
Dec-25	5.0	5.9	5.1
Mar-26	4.7	5.5	5.5

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

# Main Drivers of Inflation

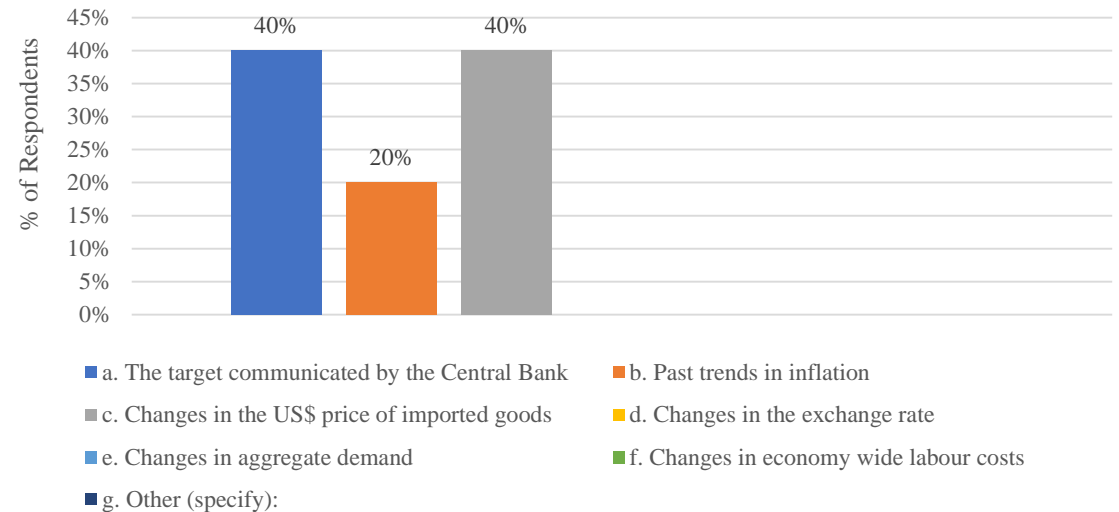
What are the four main drivers of the inflation projections that you have provided? Please select and rank these drivers in order of importance, with 4 being the most important.

Figure 4: Consensus Forecast of Most Important Drivers of Inflation Expectations (Rank 4) 4 Quarters Ahead



In the March 2026 survey, forecasters expressed mixed views regarding the most important drivers of inflation at the 1-year-ahead horizon.

Figure 5: Consensus Forecast of Most Important Drivers of Inflation Expectations (Rank 4) - 8 Quarters Ahead



For the 2-year ahead horizon forecasters expressed that *target communicated by the Central Bank* and *Changes in the US\$ price of imported goods (raw materials/oil/grains/etc.)* are expected to be the main drivers of inflation.

# Selected Price Variables & Demand Conditions

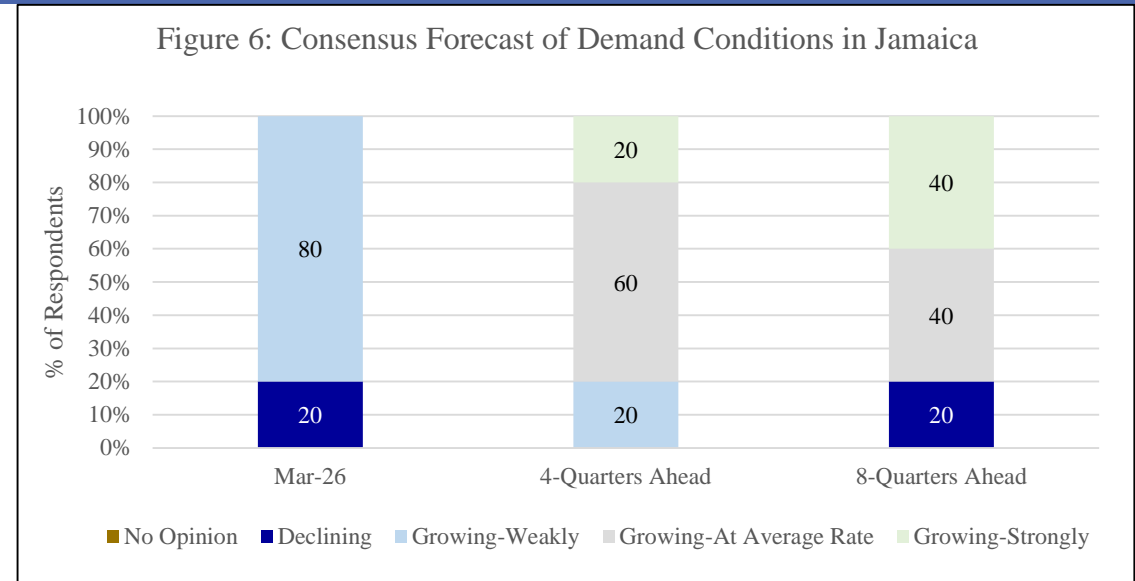
Please outline your projections for each of the variables below if used in your forecast of inflation (state annual percentage change)?

		4-Quarters Ahead	8-Quarters Ahead
	Mar-26	Mar-27	Mar-28
	Point-to-point (%)		
Crude oil prices (WTI prices in \$US per barrel)	25.1	-17.3	-2.9
<b>Grains prices (\$US per bushel)</b>			
Corn	5.1	2.0	1.8
Wheat	-0.2	0.5	2.1
Soybeans	10.0	-5.0	5.0
Rice	5.0	-5.0	5.0
Exchange rate (JMD per US\$1)	0.8	0.7	0.8
US inflation (annual %)	2.2	2.1	1.9
Domestic GDP (% Y.O.Y)	-1.4	2.6	2.4

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

Forecasters expect crude oil prices, to decline over the next 4 quarters. Similarly, forecasters expect prices for soyabeans and rice to decline while corn and wheat prices are expected.

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



	Mar-26	4-Quarters Ahead	8-Quarters Ahead
	% of Forecasters	% of Forecasters	% of Forecasters
Growing-Strongly	0	20	40
Growing-At Average Rate	0	60	40
Growing-Weakly	80	20	0
Declining	20	0	20
No Opinion	0	0	0

Most forecasters were of the view that demand conditions were growing weakly for the review period. However, for the next 4 and 8 quarters ahead forecasters had mixed views regarding demand.