# Working Papers on Economics - Do natural disasters and the announcement of ENSO events have an impact on market-based measures of inflation expectations?

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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 of 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.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications-research/working-papers-economics/natural-disasters-announcement-ENSO