

South America's Economic Pulse: Inflation Surges, Oil Output Rebounds, and

South American Finance · Answer Key · 10 Questions

1. In April 2026, Brazil's consumer price index (IPCA-15) showed a year-on-year increase to 4.4%. What were the primary drivers of this inflation surge?

- A) A significant drop in agricultural production and a slowdown in manufacturing.
- B) Rising food, housing, and transportation costs, with fuel prices seeing a notable increase.**
- C) A sharp decline in global commodity prices and reduced export demand.
- D) Increased government spending on social programs leading to excess liquidity.

2. What significant development occurred regarding Venezuela's oil production in April 2026, according to U.S. Energy Secretary Chris Wright?

- A) Production decreased to below 800,000 barrels per day due to renewed sanctions.
- B) Production stabilized at 1 million barrels per day, showing no signs of recovery.
- C) Production surged to 1.2 million barrels per day, a 25% increase over three months.**
- D) Venezuela nationalized all foreign oil operations, halting international output.

3. Chile's new government, under President José Antonio Kast, aims to accelerate copper expansion. By what target year does the administration project annual copper output to reach 6 million metric tons?

- A) 2030**
- B) 2033
- C) 2035
- D) 2028

4. Paraguay reported a trade surplus in the first quarter of 2026. What was the reported surplus amount, and what sectors were key drivers of export growth?

- A) US\$25.5 million, driven by automotive parts and electronics.
- B) US\$83.5 million, primarily from soybeans and maquila manufacturing.**
- C) US\$150 million, with strong performance in natural gas exports.
- D) US\$50 million, led by tourism and services.

5. Argentina's economic strategy under President Milei involves managing its exchange rate. What key change was implemented in January 2026 regarding the peso's exchange rate bands?

- A) The bands began to be adjusted monthly based on the inflation rate from two months prior.**
- B) The bands were completely removed, allowing the peso to float freely without intervention.
- C) The bands were fixed for the remainder of 2026 to stabilize the currency.
- D) The bands were adjusted weekly based on US Federal Reserve interest rate changes.

6. In early April 2026, Brazil's consumer prices rose by 0.89% month-on-month. How did this figure compare to the median economist forecast?

- A) It was significantly higher than the forecast of 0.98%.
- B) It was exactly in line with the forecast of 0.89%.
- C) It was below the median economist forecast of 0.98%.**
- D) There was no forecast available for comparison.

7. What fiscal measures did Colombia's President Gustavo Petro's government propose in April 2026 to balance the 2026 budget, despite anticipated congressional resistance?

- A) A reduction in public sector wages and a significant cut to non-essential government spending.
- B) A new tax reform bill and potentially enacting measures by decree following an economic emergency.**
- C) An increase in value-added tax (VAT) on all imported goods.
- D) The privatization of state-owned energy companies.

8. What was the primary concern highlighted by Chile's February 2026 copper output figures, which reached a nine-year low?

- A) A surplus of copper on the global market leading to price collapse.
- B) Declining ore grades and underperformance at key mines, exacerbating supply concerns.**
- C) A significant increase in production costs due to new environmental regulations.
- D) A shift in global demand away from copper towards alternative materials.

9. Peru's GDP growth forecast for 2026 was revised by BBVA Research. What was the revised forecast, and what factors influenced this adjustment?

- A) Revised to 3.1%, due to strong performance in the mining sector.
- B) Revised to 2.9%, due to weather conditions and rising international oil prices impacting macroeconomic figures.**
- C) Revised to 3.5%, due to increased foreign direct investment.
- D) Revised to 2.5%, due to a significant contraction in the services sector.

10. In early 2026, Ecuador successfully returned to international capital markets. What was the total amount raised through its bond issuance, and what was a key use of these funds?

- A) \$2 billion, primarily for infrastructure development.
- B) \$6 billion, to fund social welfare programs.
- C) \$4 billion, to tender for and repurchase existing near-term debt.**
- D) \$1 billion, to bolster the national currency reserves.