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## Keep in mind

The Monetary Policy Report presents the Bank's technical staff's analysis of the economy and the inflationary situation and its medium and long-term outlook. Based on it, it makes a recommendation to the Board of Directors on the monetary policy stance. This report is published on the second business day following the Board of Directors' meetings in January, April, July, and October.

## AUTHORS AND/OR EDITORS

[Caicedo-García, Edgar Martínez-Rivera, Wilmer Osvaldo Vallejo-Peña, Juan Camilo Garavito-Plata, Gabriel Adolfo](#)

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Annual inflation is computed using the consumer price index (CPI), the twelve months included in this calculation are weighted equally. Consequently, price variations during the period analyzed may lead to an underestimation or overestimation of the significance of the information included in the most recent inflation concerning inflationary dynamics. Nevertheless, the measure of instantaneous inflation for Colombia provides an alternative to correct this bias, calculated by assigning greater weight to the most recent data and reducing the influence of more remote data through a Kernel function. This potential bias resulting from the overweighting of older data exists because information from more distant months may be less relevant for understanding the current behavior of consumer prices. In addition, we explore

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below the possibility of instantaneous inflation presiding over official annual inflation.