عنوان فارسی مقاله:
مصون سازی ریسک تورم در یک اقتصاد در حال توسعه: مطالعه موردی، برزیل

عنوان انگلیسی مقاله:
Hedging inflation risk in a developing economy: The case of Brazil
4. Results

4.1. Inflation hedging properties of individual assets

The inflation hedging properties of asset classes can be analysed by examining their correlations with inflation. Fig. A3 in Appendix A displays correlation coefficients between asset returns and inflation based on our VAR model, depending on the investment horizon, from 1 month to 30 years. Among asset classes, IL bonds are certainly the best assets to hedge against inflation, for an obvious reason: the impact of a rising inflation rate has a direct positive impact on performances through the coupon indexing mechanism (even if a rise in real rates can undermine the inflation component of the return during some periods). The correlation with inflation increases with the investment horizon, reaching 70% on a 30-year horizon. Consistent with intuition, nominal bond returns are negatively correlated with inflation, especially in the short run, since changes in expected inflation and bond risk premiums are traditionally the main source of variation in nominal yields. In the long run, this correlation becomes close to zero.