

## Citibanamex Survey – Consensus points to 25bps rate hike in August

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- Citibanamex just published its bi-weekly survey of economic expectations
- Regarding monetary policy, 9 out of 25 analysts, including us, forecast a 25bps hike at the June 21<sup>st</sup> meeting
- In addition, three other analysts expect a rate hike sometime in 2018. In particular one assumes it will happen in August, another in October and the remaining economist did not specify a date
- On the other hand, 11 participants expect the next movement to be a rate. Five analysts forecast the rate cut in 2018 while the remaining six expect it in the first half of 2019
- In this context, the median around the level of the reference rate at the end of 2018 still stands at 7.5% (Banorte: 7.25%)
- Regarding inflation, economists now expect it to close 2018 at 3.9% from 3.95%, below our 4.3% estimate
- Core inflation by YE18 is forecasted at 3.5% (Banorte: 4.1%)
- Economists expect headline inflation to fall 0.35% 2w/2w in the first half of May (Banorte: -0.39% 2w/2w); while the core component is estimated at 0.12% 2w/2w, below our 0.15% 2w/2w forecast
- For 2018, analysts expect an economic expansion of 2.2% yoy (Banorte: 2.5%)
- Moreover, growth in 2019 is expected at 2.4%
- Finally, analysts expect the exchange rate at USD/MXN 18.90 for YE18, above the USD/MXN 18.60 forecasted in the previous survey (Banorte: USD/MXN 18.60)

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