

Banamex Survey – Analysts continue to expect Banxico’s next hike in 3Q15

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- **Banamex just published its bi-weekly survey of economic expectations**
- **We highlight that 26 out of 27 analysts surveyed expect Banxico to hike rates at some point in 2015 (median: July 2015)**
- **Inflation forecast for year-end 2015 stood at 3.1% yoy (previous: 3.1%)**
- **For medium-term expectations (2017-2021) inflation expectations stand at 3.41%**
- **Economists expect inflation at 0.21% m/m in February (Banorte-Ixe: 0.29% m/m)**
- **For 2015, analysts expect an economic expansion of 3.1% yoy, in line with the observed in the last survey**
- **Finally, the exchange rate forecast is now at USD/MXN14.33 in YE15, from USD/MXN14.30 in the previous survey**

Analysts still expect Banxico's next move to be a rate hike in 2015 (median: July 2015). *Banamex* just published its bi-weekly survey of economic expectations. We highlight that 26 out of 27 analysts surveyed expect Banxico to hike at some point in 2015. Six analysts believe that Banxico’s next move might take place at some point in 2Q15. Moreover, thirteen economists (including us) believe that Banxico will hike rates in 3Q15 (Banorte-Ixe: July-2015). Finally, 5 analysts believe that Banxico’s next move will take place in 4Q15.

Inflation forecast for year-end 2015 stood at 3.1% yoy. Furthermore, core CPI is expected to increase 2.93% yoy in 2015. For 2016, inflation is expected at 3.47% yoy, while in the medium term, analysts see inflation around 3.41% yoy. For Monday, economists expect inflation at 0.21% m/m in February (Banorte-Ixe: 0.29%), while core inflation estimate stands at 0.37% during the period in question (Banorte-Ixe: 0.39%).

GDP growth estimates for 2015 stand at 3.1%yoy (Banorte-Ixe: 3.6%; range: 2.3% - 3.9%). For 2016, consensus expects an economic expansion of 3.5% yoy (Banorte-Ixe: 4.3%; range: 2.5% - 4.3%).

Analysts continue to see a weak Mexican peso. The median exchange rate forecast for year-end 2015 is now at USD/MXN 14.33 (previous: USD/MXN 14.30). For 2016, analysts expect the currency to finish at USD/MXN 14.12.

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