

Citibanamex Survey - Analysts forecast Banxico's next rate hike in June

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- Citibanamex just published its bi-weekly survey of economic expectations
- Out of the 23 economists surveyed, 22 believe that Banxico's next rate hike will take place in June 22, while the remaining analyst expect it in September (Banorte-Ixe: 25bps hike in June)
- In addition, 22 out of 23 economists expect it to be a 25bps increase
- Taking into account the monetary policy forecasts, economists now expect inflation to close 2017 at 5.9%, marginally above our 5.7% estimate
- Core inflation by YE17 is forecasted at 4.9% (Banorte-Ixe: 5.1%)
- Economists expect headline inflation at -0.13% m/m in May (Banorte-Ixe: -0.14%), while the core component is expected at 0.27%, marginally above our 0.26% estimate
- For 2017, analysts expect an economic expansion of 1.9% yoy (previous: 1.9%), above our 1.6% forecast
- Moreover, growth in 2018 is still expected at 2.2%, below our 2.5% forecast
- Finally, analysts expect the exchange rate at USD/MXN 19.50 by YE17, below the USD/MXN 19.77 posted in the previous survey (Banorte-Ixe: USD/MXN 19.50)

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