

Citibanamex Survey - Analysts now forecast 25bp hikes in Banxico's reference rate

April 5, 2017

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- **Citibanamex just published its bi-weekly survey of economic expectations**
- **Economists consensus points to a hike in June's meeting (65% of surveyed economists), although some forecast a hike in May (17%), and others, like us, forecast it in September (17%)**
- **After Banxico's 25 bps hike, all analysts now expect the next increase to be a 25bp hike**
- **Taking into account the monetary policy forecasts, economists continue to expect inflation for YE17 at 5.5% (Banorte-Ixe: 5.7%)**
- **Core inflation by YE17 is forecasted at 4.6% (Banorte-Ixe: 5.2%)**
- **In line with our forecast, economists expect headline inflation at 0.58% m/m in March, while the core component is expected at 0.53%, marginally below our 0.54% m/m estimate**
- **For 2017, analysts continue expecting an economic expansion of 1.5% yoy, above our 1.1% forecast**
- **Moreover, growth in 2018 is expected at 2.2%, below our 2.5% forecast**
- **Finally, analysts expect the exchange rate at USD/MXN 20.40 by YE17, below the USD/MXN 20.60 previous estimate (Banorte-Ixe: USD/MXN 19:50)**

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