

## Citibanamex Survey – Consensus points to a rate cut in October

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- Citibanamex just published its bi-weekly survey of economic expectations
- Regarding monetary policy, 10 out of 25 analysts, including us, expect a 25bps hike at some point in the 2Q18
- Out of the remaining 15, two analysts forecast a cut in August and another six in October. In addition, four economists expect the cut until 2019
- In this context, the median around the level of the reference rate at the end of 2018 now stands at 7.38%, below the 7.50% seen in the previous survey (Banorte: 7.25%)
- Regarding inflation, economists now expect it to close 2018 at 3.95% from 4.13%, below our 4.3% estimate
- Core inflation by YE18 is forecasted at 3.6% (Banorte: 4.1%)
- Economists expect headline inflation to fall 0.27% 2w/2w in the first half of April (Banorte: -0.30% 2w/2w); while the core component is estimated at 0.08% 2w/2w, practically in line with our 0.06% 2w/2w forecast
- For 2018, analysts expect an economic expansion of 2.2% yoy (Banorte: 2.5%)
- Moreover, growth in 2019 is expected at 2.3%
- Finally, analysts expect the exchange rate at USD/MXN 18.60, in line with our forecast, but marginally below the previous figure of USD/MXN 18.63

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