

Citibanamex Survey – Upward revisions in year-end inflation continue after recent surprises

August 7, 2018

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- **Citibanamex** just published its bi-weekly survey of economic expectations
- Regarding monetary policy, 16 out of 24 economists, including us, do not forecast further rate adjustments in the remainder of the year. In this respect, the median analyst continues to expect the reference rate at 7.75% at the end of 2018
- In addition, four analysts expect at least one more rate hike this year. Of them, three forecast it in October and one in December
- On the contrary, 14 of 24 expect the next move to be a cut. However, only two forecast it in 2018 (one in November and one in December). Of the remaining 12, one expects it in February, four in April and four in June. Moreover, three do not specify a particular date in 2019
- Regarding inflation, economists now expect it to close 2018 at 4.25% from 4.16%, marginally below our 4.3% estimate
- Core inflation by YE18 is forecasted at 3.6% (Banorte: 4%)
- Economists expect headline inflation to rise 0.53% m/m in July, below our 0.56% m/m forecast. The core component is estimated at 0.30% m/m (Banorte: 0.32% m/m)
- For 2018, analysts expect an economic expansion of 2.2% yoy (Banorte: 2.5%)
- Moreover, growth in 2019 is also expected at 2.2%
- Finally, analysts expect the exchange rate at USD/MXN 18.90 for YE18, below the 19.00 seen in the previous survey (Banorte: USD/MXN 18.60)

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