

Economists expect a 50bps hike on Thursday

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- Citibanamex just published its bi-weekly survey of economic expectations
- All but two of the 21 economists surveyed believe that Banxico's next rate hike will probably take place this Thursday (February 9)
- Out of the 19 analysts that forecast a hike in February, 89.5%, including us, expect it to be a 50bp hike, while the remaining 10.5% forecast a 25bp increase
- Taking into account the monetary policy forecasts, economists now expect inflation for YE17 at 5.32% from 4.84% (Banorte-Ixe: 5.7%)
- Core inflation by YE17 is forecasted at 4.2% (Banorte-Ixe: 4.67%)
- Economists expect headline inflation at 1.68% m/m in January (Banorte-Ixe: 1.63% m/m), while the core component is expected at 0.53%, above our 0.48 % forecast
- 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 21.80 by YE17, below the previous estimate of USD/MXN 22.13 (Banorte-Ixe: USD/MXN 23.50)

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