

Citibanamex survey – Analysts expect inflation in the first half of February to stand at 0.28% 2w/2w

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- Citibanamex just published its bi-weekly survey of economic expectations
- Economists expect headline inflation at 0.28% 2w/2w in the first half of February (Banorte-Ixe: 0.13% 2w/2w), while the core component is expected at 0.28% 2w/2w, above our 0.24% 2w/2w forecast
- Economists now expect inflation for YE17 at 5.36% from 5.32% (Banorte-Ixe: 5.7%)
- Core inflation by YE17 is forecasted at 4.37% (Banorte-Ixe: 4.80%)
- For 2017, analysts forecast 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 estimate the exchange rate at USD/MXN 21.68 by YE17, above the previous estimate of USD/MXN 22.80
- Economists surveyed believe that Banxico's next move to be a 50bp hike, which will probably take place on May's monetary policy meeting
- We highlight that the survey was collected before the Foreign Exchange Commission's (FEC) announcement of the new FX hedge program, which we believe will modify some of the estimates in the coming days

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