

Citibanamex Survey - Analysts forecast Banxico's next rate hike in June

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- **Citibanamex just published its bi-weekly survey of economic expectations**
- **Out of the 23 economists surveyed, 22 believe that Banxico's next rate hike will take this Thursday, while the remaining analyst expects it in September (Banorte-Ixe: 25bps hike in June)**
- **In addition, all economists expect it to be a 25bps increase**
- **Taking into account the monetary policy forecasts, economists continue to expect inflation to close 2017 at 5.9%, marginally above our 5.7% estimate**
- **Core inflation by YE17 is forecasted at 4.9% (Banorte-Ixe: 5.1%)**
- **Economists expect headline inflation at 0.11% 2w/2w in the first half of June (Banorte-Ixe: 0.10%), while the core component is expected at 0.16%, marginally below our 0.26% estimate**
- **For 2017, analysts expect an economic expansion of 2.0% yoy (previous: 1.9%), above our 1.6% forecast**
- **Moreover, growth in 2018 is still expected at 2.2%, below our 2.5% forecast**
- **Finally, analysts expect the exchange rate at USD/MXN 18.70 by YE17, below the USD/MXN 19.50 posted in the previous survey (Banorte-Ixe: USD/MXN 19.50)**

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