

Citibanamex Survey – Consensus points to 25bps rate hike in June

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- Citibanamex just published its bi-weekly survey of economic expectations
- Regarding monetary policy, 12 out of 26 analysts, including us, forecast a 25bps hike at the June 21st meeting
- In addition, five other analysts expect a rate hike sometime in 2018. In particular one assumes it will happen in August, two in October and the remaining economists did not specify a date
- On the other hand, five participants expect the next movement to be a rate. Two analysts forecast the rate cut in 2018 while the remaining three expect it in the first half of 2019
- In this context, the median around the level of the reference rate at the end of 2018 still stands at 7.5% (Banorte: 7.25%)
- Regarding inflation, economists now expect it to close 2018 at 3.96% from 3.9%, below our 4.3% estimate
- Core inflation by YE18 is forecasted at 3.5% (Banorte: 4.1%)
- Economists expect headline inflation to fall 0.22% 2w/2w in May (Banorte: -0.23% m/m); while the core component is estimated at 0.24% m/m, above our 0.23% 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 18.95 for YE18, above the USD/MXN 18.90 forecasted in the previous survey (Banorte: USD/MXN 18.60)

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