

Banamex Survey – Expectations for Banxico’s next rate hike were pushed forward to September

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- **Banamex just published its bi-weekly survey of economic expectations**
- **We highlight that 24 out of 25 analysts surveyed expect Banxico to hike rates at some point in 2015 (median: September 2015)**
- **The exchange rate forecast is now at USD/MXN14.75 in YE15, from USD/MXN14.33 in the previous survey**
- **For 2015, analysts expect an economic expansion of 3% yoy, slightly below the 3.1% observed in the last survey**
- **Inflation forecast for year-end 2015 stood at 3.1% yoy (previous: 3.1%)**
- **For medium-term expectations (2017-2021) inflation expectations stand at 3.43%**
- **Finally, economists expect inflation at 0.25% 2w/2w in the first half of March (Banorte-Ixe: 0.29% 2w/2w)**

Analysts still expect Banxico's next move to be a rate hike in 2015 (median: September 2015). *Banamex* just published its bi-weekly survey of economic expectations. We highlight that 24 out of 25 analysts surveyed expect Banxico to hike at some point in 2015. However, we highlight that the median forecast was pushed forward to September to July. In this regard, six analysts believe that Banxico’s next move might take place at some point in 2Q15. Moreover, 12 economists (including us) believe that Banxico will hike rates in 3Q15 (Banorte-Ixe: July-2015). Finally, 5 analysts believe that Banxico’s next move will take place in 4Q15.

Analysts continue to see a weak Mexican peso. The median exchange rate forecast for year-end 2015 is now at USD/MXN 14.75 (previous: USD/MXN 14.33). For 2016, analysts expect the currency to finish at USD/MXN 14.46.

GDP growth estimates for 2015 stand at 3% yoy, slightly below with the observed in the previous survey that was in the area of 3.1% (Banorte-Ixe: 3.6%; range: 2.3% - 3.6%). For 2016, consensus expects an economic expansion of 3.5% yoy (Banorte-Ixe: 4.3%; range: 2.5% - 4.3%).

Inflation forecast for year-end 2015 stood at 3.1% yoy. Furthermore, core CPI is expected to increase 2.9% yoy in 2015. For 2016, inflation is expected at 3.47% yoy, while in the medium term, analysts see inflation around 3.43% yoy. For Tuesday, economists expect inflation at 0.25% 2w/2w in the first half of March (Banorte-Ixe: 0.29%), while core inflation estimate stands at 0.20% during the period in question (Banorte-Ixe: 0.21%).

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