

Banamex Survey – Analysts still expect Banxico’s next hike in September

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- Banamex just published its bi-weekly survey of economic expectations
- We highlight that 23 out of 24 analysts surveyed expect Banxico to hike rates at some point in 2015 (median: September 2015)
- For 2015, analysts expect an economic expansion of 2.8% yoy, marginally below the 2.83% observed in the last survey
- The exchange rate forecast is now at USD/MXN 15.00 in YE15, from USD/MXN 14.80 in the previous survey
- Inflation forecast for year-end 2015 stood at 3.06% yoy (previous: 3.1%)
- Medium-term inflation expectations (2017-2021) stand at 3.44% yoy
- Finally, economists expect inflation at -0.24% m/m in April (Banorte-Ixe: -0.17% m/m)

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 23 out of 24 analysts surveyed expect Banxico to hike at some point in 2015, with the median forecast in September’s meeting. Moreover, one analyst believes that Banxico’s next move might take place in the next board meeting (June 4th). Similarly, 11 economists (including us) believe that Banxico will hike rates in 3Q15 (Banorte-Ixe: July-2015). Finally, 10 analysts believe that Banxico’s next move will take place in 4Q15. Lastly, one analyst expects no changes in 2015.

GDP growth estimate for 2015 stands at 2.8% yoy, slightly below the 2.83% observed in the last survey (Banorte-Ixe: 3.6%; range: 2.3% - 3.6%). For 2016, consensus expects an economic expansion of 3.3% yoy (range: 2.5% - 4.2%).

Analysts continue to see a weak Mexican peso. The median exchange rate forecast for year-end 2015 is now at USD/MXN 15.00, from 14.80 in the previous survey (Banorte-Ixe: 14.90). For 2016, analysts expect the currency to finish at 14.60 pesos per dollar (Banorte-Ixe: 14.50), slightly above 14.54 in the last survey.

Inflation forecast for year-end 2015 stood at 3.06% yoy. Furthermore, core CPI is expected to increase 2.83% yoy in 2015. For 2016, inflation is expected at 3.47% yoy, while in the medium term, analysts see inflation around 3.44% yoy. For next Thursday, economists expect inflation at -0.24% m/m in April (Banorte-Ixe: -0.17%), while core inflation would stand at +0.14% during the period in question (Banorte-Ixe: +0.17%).

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