

## **Citibanamex Survey – No rate movements on Banxico’s Thursday’s meeting**

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- **Citibanamex just published its bi-weekly survey of economic expectations**
- **Regarding monetary policy, economists do not expect a movement in Banxico’s reference rate on Thursday’s meeting, however, two analysts still forecast a 25bp hike in December’s meeting**
- **Economists’ consensus continues to signal that Banxico’s next rate movement will be a 25pb rate cut during a meeting taking place in August 2018**
- **Particularly, 4 economists forecast a rate cut in the first part of 2018, while 11 more, including us, expect it to take place in the second half of the year (Banorte: -50bp in August 2018)**
- **Only one of the analysts expects the rate cut to take place in 2019**
- **Regarding inflation, economists keep expecting it to close 2017 at 6.25%, below our 6.4% estimate**
- **Core inflation by YE17 is forecasted at 4.9%, in line with our estimate**
- **Economists expect headline inflation at 0.60% m/m in September, below our 0.66% forecast, while the core component is expected at 0.24% m/m, marginally above our 0.26% estimate**
- **For 2017, analysts expect an economic expansion of 2.1% yoy, in line with our 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 (Banorte-Ixe: USD/MXN 18.10), while the forecast for YE18 stands at USD/MXN 18.10 (Banorte-Ixe: USD/MXN 18.60)**

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