

Citibanamex Survey – Reference rate to remain unchanged for the rest of the year

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- Citibanamex just published its bi-weekly survey of economic expectations
- Regarding monetary policy, 12 out of 27 analysts, including us, expect a 25bps hike at some point in the 2Q18, while one more anticipates it in October 2018
- In particular, out of those 12 analysts, three expect it in Banxico's next meeting, which will take place on May 17
- Out of the remaining 14, two economists forecast a cut in August and another five in October. In addition, five economists expect the cut until 2019
- In this context, the median around the level of the reference rate at the end of 2018 stands at 7.5% (Banorte: 7.25%)
- Regarding inflation, economists now expect it to close 2018 at 3.9% from 3.95%, below our 4.3% estimate
- Core inflation by YE18 is forecasted at 3.54% (Banorte: 4.1%)
- Economists expect headline inflation to fall 0.31% m/m in April (Banorte: -0.30% m/m); while the core component is estimated at 0.15% m/m, practically in line with our 0.16% m/m forecast
- For 2018, analysts expect an economic expansion of 2.2% yoy (Banorte: 2.5%)
- Moreover, growth in 2019 is expected at 2.2%
- Finally, analysts expect the exchange rate at USD/MXN 18.60, in line with our forecast and the previous survey

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