

## Citibanamex Survey – Upwards revision in year-end inflation

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- **Citibanamex** just published its bi-weekly survey of economic expectations
- Regarding monetary policy, 11 out of 24 economists, including us, do not forecast further rate hikes in the remainder of the year
- In addition, 9 analysts expect at least one more rate hike in the year. In particular, two forecast it in August, five in October and one in December, while another doesn't specify the date
- Regarding rate cuts, four participants forecast the movement to happen this year, most in December (3 analysts), while an additional six expect it in 2019
- In this context, the median of analysts continues to expect the reference rate at 7.75% at the end of 2018 (Banorte: 7.75%)
- Regarding inflation, economists now expect it to close 2018 at 4.16% from 4.05%, still below our 4.3% estimate
- Core inflation by YE18 is forecasted at 3.6% (Banorte: 4%)
- Economists expect headline inflation to rise 0.24% 2w/2w in the first half of July, practically in line with our 0.23% 2w/2w forecast. The core component is estimated at 0.14% 2w/2w (Banorte: 0.12% 2w/2w)
- 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 19.00 for YE18, in line with the previous survey (Banorte: USD/MXN 18.60)

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