

## Citibanamex Survey – We expect higher inflation than consensus

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- Citibanamex just published its bi-weekly survey of economic expectations
- Regarding monetary policy, 7 out of 22 economists, including us, do not forecast a further rate hikes in the remainder of the year
- In addition, 9 analysts expect at least one more rate hike in the year, with the consensus among them being October (4 analysts)
- Regarding rate cuts, five participants forecast the movement to happen this year, while an additional five expect it in 2019
- In this context, the median of analysts continues to the reference rate at 7.75% at the end of 2018 (Banorte: 7.75%)
- Regarding inflation, economists expect it to close 2018 at 4%, below our 4.3% estimate
- Core inflation by YE18 is forecasted at 3.6% (Banorte: 4%)
- Economists expect headline inflation to rise 0.32% m/m in June, below our 0.48% m/m forecast. The core component is estimated at 0.21% m/m (Banorte: 0.23% m/m)
- 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, below the USD/MXN 19.50 forecasted in the previous survey (Banorte: USD/MXN 18.60)

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