

Banamex Survey – No significant changes on analysts' estimates

April 20, 2016

www.banorte.com
www.ixc.com.mx
@ analisis_fundam

Saúl Torres
Analyst, Mexico
saul.torres@banorte.com

- Banamex just published its bi-weekly survey of economic expectations
- The median of economists expects Banxico's rate will close 2016 at 4.25%, in line with our forecast
- However, 30.4% of analysts expect Banxico's next rate hike in 2Q16, in line with our estimate; while 47.8% expect it in 3Q16 (median: September)
- For 2016, analysts expect an economic expansion of 2.3% yoy, in line with the previous survey and similar with our forecast
- Similarly, for 2017 GDP growth is expected at 2.75% yoy, in line with the previous survey (Banorte-Ixe: 3.1%)
- Inflation forecast for year-end 2016 stood at 3.22% yoy, practically in line with the 3.23% observed in the previous survey (Banorte-Ixe: 2.8%)
- Economists expect inflation at -0.24% 2w/2w in the first half of April, above our -0.37% estimate
- The exchange rate forecast stood at USD/MXN 17.90 by YE16, slightly above the USD/MXN 17.80 from the past survey (Banorte-Ixe: 17.60)

Analysts continue to expect that Banxico's rate will close 2016 at 4.25%. Banamex just published its bi-weekly survey of economic expectations. The median of analysts expects Banxico's rate will close 2016 at 4.25%, in line with our forecast. In this context, 30.4% of the analysts surveyed (7 of 23) expect Banxico's next rate hike in 2Q16, in line with our forecast (Banorte-Ixe: June). On the other hand, 47.8% of analysts (11 of 23) believe that Banxico's next move will take place in 3Q16 (median: September). Moreover, 2 economists expect Banxico's next hike in December's meeting. Finally, one economist considers that the next hike rate will take in 1Q17; while 2 analysts were uncertain about Banxico's decision.

No changes to 2016 year-end inflation forecast. Inflation estimate for year-end 2016 stood at 3.22% yoy, practically in line with the 3.23% observed in the previous survey (Banorte-Ixe: 2.8%). Furthermore, core CPI is expected to increase 3.07% yoy in 2016. For 2017, inflation is expected at 3.3% yoy, while medium term inflation expectations stand around 3.3% yoy. For April 22, economists expect inflation at -0.24% 2w/2w in the first half of April, above our -0.37% estimate; while core inflation would stand at 0.10% in the same period, below our 0.13% forecast.

Document for distribution among public

Analysts maintain their 2016 GDP forecasts. For 2016, GDP growth is expected at 2.3% yoy, in line with the previous survey and similar with our forecast (range: 1.8% - 3.0%). For 2017, consensus expects an economic expansion of 2.75% yoy, also in line with the last survey (Banorte-Ixe: 3.1%; range: 2.2% - 4.0%). Moreover, the median exchange rate forecast for year-end 2016 stands at USD/MXN 17.90, slightly above the 17.80 observed in the past survey (Banorte-Ixe: 17.60). For 2017, analysts expect the currency to finish at 17.25 pesos per dollar (Banorte-Ixe: 17.30).

Disclaimer

The information contained in this document is illustrative and informative so it should not be considered as an advice and/or recommendation of any kind. BANORTE is not part of any party or political trend.

GRUPO FINANCIERO BANORTE S.A.B. de C.V.
Research and Strategy

Gabriel Casillas Olvera	Chief Economist and Head of Research	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967

Economic Analysis

Delia María Paredes Mier	Executive Director of Economic Analysis	delia.paredes@banorte.com	(55) 5268 - 1694
Alejandro Cervantes Llamas	Senior Economist, Mexico	alejandro.cervantes@banorte.com	(55) 1670 - 2972
Katia Celina Goya Ostos	Senior Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Miguel Alejandro Calvo Domínguez	Economist, Regional & Sectorial	miguel.calvo@banorte.com	(55) 1670 - 2220
Juan Carlos García Viejo	Economist, International	juan.garcia.viejo@banorte.com	(55) 1670 - 2252
Rey Saúl Torres Olivares	Analyst	saul.torres@banorte.com	(55) 1670 - 2957
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

Fixed income and FX Strategy

Alejandro Padilla Santana	Head Strategist – Fixed income and FX	alejandro.padilla@banorte.com	(55) 1103 - 4043
Juan Carlos Alderete Macal, CFA	FX Strategist	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Santiago Leal Singer	Analyst Fixed income and FX	santiago.leal@banorte.com	(55) 1670 - 2144

Equity Strategy

Manuel Jiménez Zaldivar	Director Equity Research — Telecommunications / Media	manuel.jimenez@banorte.com	(55) 5268 - 1671
Victor Hugo Cortes Castro	Equity Research Analyst	victorh.cortes@banorte.com	(55) 1670 - 1800
Marissa Garza Ostos	Senior Equity Research Analyst – Conglomerates/Financials/ Mining/ Chemistry	marissa.garza@banorte.com	(55) 1670 - 1719
Marisol Huerta Mondragón	Equity Research Analyst – Food/Beverages	marisol.huerta.mondragon@banorte.com	(55) 1670 - 1746
José Itzamna Espitia Hernández	Equity Research Analyst – Airports / Cement / Infrastructure / Fibras	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Equity Research Analyst – Auto parts	valentin.mendoza@banorte.com	(55) 1670 - 2250
María de la Paz Orozco García	Analyst	maripaz.orozco@banorte.com	(55) 1670 - 2251

Corporate Debt

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Analyst, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Idalia Yanira Céspedes Jaén	Analyst, Corporate Debt	idalia.cespedes@banorte.com	(55) 1670 - 2248

Wholesale Banking

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Asset Management	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Victor Antonio Roldan Ferrer	Head of Corporate Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454