

LATAM DAILY

September 11, 2026

Contributors

Juan Manuel Herrera, Director
+52.55.2299.6675 (Mexico)
juanmanuel.herrera@scotiabank.com

Jorge Selaive, Head Economist, Chile
+56.2.2619.5435 (Chile)
jorge.selaive@scotiabank.cl

Eduardo Suárez, VP, Latin America Economics
+52.55.9179.5174 (Mexico)
esuarezm@scotiabank.com.mx

TODAY'S CONTRIBUTORS:

Rodolfo Mitchell, Director of Economic and Sectoral Analysis
+52.55.3977.4556 (Mexico)
mitchell.cervera@scotiabank.com.mx

Miguel Saldaña, Economist
+52.55.5123.1718 (Mexico)
msaldanab@scotiabank.com.mx

Martha Cordova, Economic Research Specialist
+52.55.5435.4824 (Mexico)
martha.cordovamendez@scotiabank.com.mx

Ricardo Avila, Senior Analyst
ricardo.avila@scotiabank.com.pe

Latam Daily: Hawkish BCRP Hold, Mexican Industry Gains

- **Peru:** BCRP turns slightly more hawkish while keeping rates on hold.
- **Mexico:** Industrial activity strengthens in July, supported by broad-based annual gains across components.

PERU: BCRP TURNS SLIGHTLY MORE HAWKISH WHILE KEEPING RATES ON HOLD

The Board of the Central Reserve Bank of Peru (BCRP) decided to keep its policy interest rate unchanged at 4.25% in September, marking 12 consecutive months without any adjustments. This decision was in line with our expectations and market consensus, as reflected in the Bloomberg median forecast.

The main difference between the September statement and the one released in August is that the latest communication adopts a slightly more hawkish tone:

August: "The Board remains attentive to new information on inflation and its determinants and will make adjustments to monetary policy if necessary."

September: "The Board remains attentive to new information on inflation and its determinants with a view to making adjustments to monetary policy in the short term."

In addition, the BCRP highlighted the following points:

- **Inflation:** Headline and core monthly inflation stood at 0.07% and 0.02%, respectively, in July. On an annual basis, headline inflation increased from 4.1% to 4.4%, mainly due to a base effect associated with the negative monthly reading recorded in August 2025. Meanwhile, core inflation excluding food and energy eased from 4.6% to 4.5%. Annualized inflation excluding food, energy, and transportation remained below the midpoint of the target range, standing at 1.8% year-over-year in July.
- **Inflation Expectations:** Twelve-month inflation expectations increased from 3.0% to 3.1%, placing them slightly above the target range. Nevertheless, the BCRP continues to expect inflation will return to the 1-3% target range over the forecast horizon (2026–2027).
- **Economic Expectations:** Leading indicators of economic activity through August continued to show solid performance. According to the BCRP survey, most indicators of current economic conditions improved, while expectations indicators remained in optimistic territory, albeit with some moderation.
- **International Environment:** Global risks remain elevated, as reflected in increased volatility in financial markets and oil prices.

In summary, the BCRP notes that inflation remains above the target range, although this is largely explained by temporary shocks that affected prices in March and April. Indeed, monthly inflation since May has remained broadly in line with its historical average over the last twenty years. Furthermore, excluding food, energy, and transportation components, inflation stands at 1.8%, suggesting limited underlying inflationary pressures. This contrasts sharply with the period following the outbreak of the Russia-Ukraine conflict, when this measure rose to around 5.0%. Nevertheless, El Niño and the persistence of the conflict in the Middle East continue to pose upside risks to inflation, helping explain the more hawkish tone of the latest statement.

—Ricardo Avila

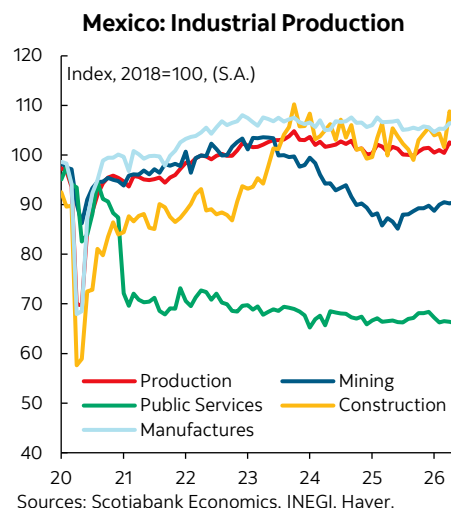
September 11, 2026

MEXICO: INDUSTRIAL ACTIVITY STRENGTHENS IN JULY, SUPPORTED BY BROAD-BASED ANNUAL GAINS ACROSS COMPONENTS

In July, the Monthly Industrial Activity Indicator (IMAI) posted a 2.7% annual increase using original figures (chart 1). By component, and also in annual terms, positive variations were observed across the board. Mining grew by 1.6%, driven by services related to mining, which rose 26.0%; utilities increased by 0.6%; construction expanded by 7.3%, with all of its components in positive territory; while manufacturing grew by only 1.6%, with notable gains in the manufacture of petroleum-derived products, up 14.7%, and the manufacture of electronic equipment, up 14.2%. In monthly seasonally adjusted terms, industrial activity recorded a 0.5% variation, while mining declined by 1.8%, utilities remained unchanged at 0.0%, construction increased by 0.9%, and manufacturing advanced by 0.7%.

—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

Chart 1



This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a “call to action” or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with “Global Banking and Markets”, is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including: Scotiabank Europe plc; Scotiabank (Ireland) Designated Activity Company; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorized by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorized by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, and Scotia Inverlat Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.