Scotiabank

GLOBAL ECONOMICS

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.

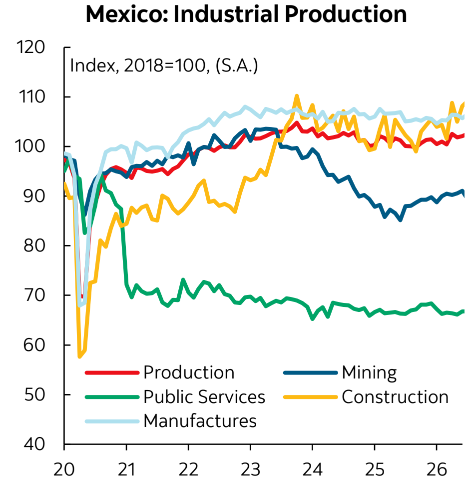
—Ricardo Avila

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



Sources: Scotiabank Economics, INEGI, Haver.