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## Latam Weekly: New Month, Same Risks?

### ECONOMIC OVERVIEW

- We're halfway through the year now, but we're still dealing with the same challenges to the global and Latam economies: trade and fiscal uncertainty.
- Trump's threat to impose tariffs on Canada and cancelling trade negotiations is sending markets into the weekend in a negative mood instead of looking forward to shortened trading weeks in the U.S. and Canada.
- Chilean sectoral output and economic activity, Peruvian CPI, and Mexican remittances, investment, and employment readings are the data highlights in Latam, while we also monitor the minutes to the latest BanRep and BCC rate decisions and Banxico's economists survey results.
- In the G10, U.S. employment and ISM figures are in focus, alongside the release of Eurozone CPI and Chinese PMIs. Canadian and U.S. markets are closed on Tuesday and Friday, respectively.

### PACIFIC ALLIANCE COUNTRY UPDATES

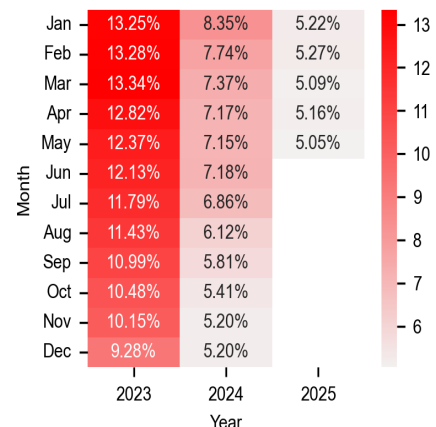
- We assess key insights from the last week, with highlights on the main issues to watch over the coming fortnight in the Pacific Alliance countries: Mexico and Peru.

### MARKET EVENTS & INDICATORS

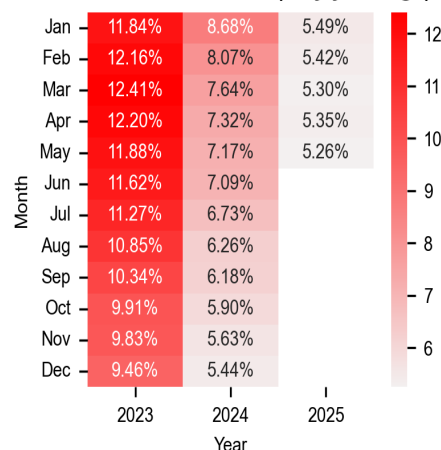
- A comprehensive risk calendar with selected highlights for the period June 28–July 11 across the Pacific Alliance countries and Brazil.

#### Chart of the Week

##### Colombia Headline Inflation (% y/y change)



##### Colombia Core Inflation (% y/y change)



Sources: Scotiabank Economics, DANE.

Chart of the Week: Prepared by: Cesar Amador, Economic Analyst.

## Economic Overview: New Month, Same Risks?

- **We're halfway through the year now, but we're still dealing with the same challenges to the global and Latam economies: trade and fiscal uncertainty.**
- **Trump's Friday threat to impose tariffs on Canada and cancelling trade negotiations is sending markets into the weekend in a negative mood instead of looking forward to shortened trading weeks in the U.S. and Canada.**
- **Chilean sectoral output and economic activity, Peruvian CPI, and Mexican remittances, investment, and employment readings are the data highlights in Latam, while we also monitor the minutes to the latest BanRep and BCCh rate decisions and Banxico's economists survey results.**
- **In the G10, U.S. employment and ISM figures are in focus, alongside the release of Eurozone CPI and Chinese PMIs. Canadian and U.S. markets are closed on Tuesday and Friday, respectively.**

We're halfway through the year now, but we're still dealing with the same challenges for the global and Latam economies. It seemed we were closing June out with some optimism on the tariffs front as the U.S. officialised its trade détente with China and reports emerged that the E.U. and the U.S. were confident about reaching a trade agreement. But now we have to contend with Trump's threat to Canada of tariff hikes to be announced over the next few days as the U.S. terminates negotiations with its northern neighbour.

With only a few days to go until the July 9<sup>th</sup> deadline for the 'Liberation Day' tariffs pause, it seems anything can happen for the U.S. trading partners around the globe; the Trump administration can change its mind a few hours apart. Alongside trade news, developments around the slow progress of the U.S. tax bill in Congress will also be in the market's line of sight, all the while fiscal uncertainty continues to hang over Colombia after dual rating downgrades this week (more below).

It may have been relatively quiet trading next week, particularly in North America, with Canada closed on Tuesday for Canada Day and the U.S. shut on Friday for Independence Day, but we'll be on alert for tariff news. The release of U.S. employment figures on Thursday as well as ISM manufacturing and services and job opening readings over the week is the data highlight for global markets, alongside Eurozone CPI data and Chinese PMIs.

Latam markets will not be on holiday next week, facing some key releases on tap, while we follow fiscal news in Colombia after S&P and Moody's rating downgrades, and we open Monday to the results of Chile's primary elections for the centre-left/left's official candidate for the presidency. Colombia's release calendar is relatively bare, with the release of BanRep's minutes on Thursday standing as the highlight after the bank's divided rate hold on the 27<sup>th</sup>, all while we monitor the response of the country's fiscal authorities to calm fears after the dual rating downgrade.

On top of political news, Chile's week kicks off with the release of retail sales, industrial production, commercial activity, and unemployment readings for May, followed by economic activity data (IMACEC) for the same month on Tuesday. Monday's data are expected to show an acceleration in sectoral output after April's year-on-year prints were depressed by base effects owing to the timing of Easter (and earlier, in February, due to the short-lived national blackout).

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June 27, 2025

Setting these effects aside shows that the Chilean economy is on strong footing, which should be reflected in growth of ~3.5-4.0% in Tuesday's IMACEC release that would average growth around 2.5% in the first five months of the year. On Friday, we'll also get the minutes to the BCCh's June decision, when it opted for a rate hold in light of external risks (namely, the Iran-Israel conflict). We'll be on the lookout for the board's thoughts on the possibility of resuming rate cuts were geopolitical risks to ease, as they seemingly have since the bank's decision on the 17<sup>th</sup>.

In Mexico, we'll pay close attention to remittances figures for May out on Tuesday to gauge the impact of hardened U.S. immigration policy on Mexican household incomes. In today's report the team in Mexico previews next week's releases, which also include investment data for April, and formal employment numbers for June, with the former expected to continue declining (more so due to the timing of Easter) while the latter could continue to show depressed hiring momentum amid multitude domestic and external headwinds. Banxico will also publish the results to its survey of economists, with a focus on analysts' expectations for monetary policy in the months ahead after the bank's divided 50bps rate cut earlier this week ([see here](#)).

The team in Lima give their take on Peru CPI data due on the 1<sup>st</sup>. With a mild 0.1% m/m expected rise in prices, Peruvian inflation should remain stable at 1.7 % for a thirteenth sub-2% reading in fourteen months (only November's 2.1% print broke this trend). Inflation is expected to pick up over the second half of the year, albeit mostly due to base effects, towards an end-2025 forecast of 2.3%. In today's Weekly, the team also go over their updated projections for a stronger Peruvian sol (though still weakening by year-end) with external factors driving greater strength in the currency. This may not last, as uncertainty heading into the 2026 elections may weigh on the currency.

## Pacific Alliance Country Updates

### Mexico—Remittances, Economic Activity, and Investment Data in Focus

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In the upcoming week, Mexico will continue to release key economic indicators, which we believe will reinforce signs of sluggishness in the economy. Although April's monthly economic activity proxy showed a rebound, we consider the figure to be atypical and not indicative of a trend reversal in the weakness observed particularly since the last quarter of the previous year. The IGAE (a GDP proxy) rose 0.5% month-over-month in seasonally adjusted terms, driven by a slight increase in industry (0.1%) and services (0.9%). It's worth noting that these seasonally adjusted figures are statistical estimates and may still be subject to revisions, so adjustments in future readings cannot be ruled out.

On an annual basis, the GDP proxy showed a contraction of -1.5%, with industrial activity down -4.0%, mainly due to a sharp drop in construction (-6.8%) and a decline in manufacturing (-2.6%). Services also turned negative, falling from 2.6% to -0.4%, particularly affected by a steep drop in wholesale trade (-8.1%) and a slowdown in retail sales (1.7%).

Next week, gross fixed investment and private consumption data may provide further insight into the extent of demand-side weakness. Given the prevailing uncertainty, we expect continued declines in construction investment, while machinery and equipment may also post another annual contraction. On the consumption side, we anticipate the largest declines in goods, especially imported and durable goods. Consumer sentiment may remain cautious, as consumer confidence—also to be released next week—has been declining year-over-year since January, despite a seasonally adjusted monthly rebound in May (up 1.2 points to 46.7), driven by improved perceptions of both current and future household conditions, even as views on the national situation remain negative.

Additionally, data impacting household income will be released, particularly remittances and formal job creation. Remittances face a challenging outlook amid renewed immigration enforcement efforts in the United States. With increased controls and proposals to tax remittance flows, the amount of money sent back home could continue to decline, following the -2.5% annual drop recorded in April. The 12-month cumulative total is nearing negative territory for the first time since 2013, hovering around USD 64 billion.

Meanwhile, formal job creation also faces a weak outlook due to rising uncertainty. The annual total is nearly flat, with only 23,000 new jobs created in May—just about 20% of the U.S. job creation in May alone—equivalent to a 0.1% annual increase. These figures may also explain the uptick in the unemployment rate in May, which rose to 2.7%, alongside an increase in informality from 54.7% to 54.9%. The number of registered employers in the social security system has been declining year-over-year since July 2024, in line with growing uncertainty.

Finally, we will also see updates to private sector analyst expectations. We believe the new data will lead to upward revisions in inflation forecasts and slight downward adjustments in this year's growth projections. Of particular interest will be any changes in year-end interest rate expectations following Banxico's recent shift in tone. The Citi Survey will provide further detail on anticipated moves for the August meeting.

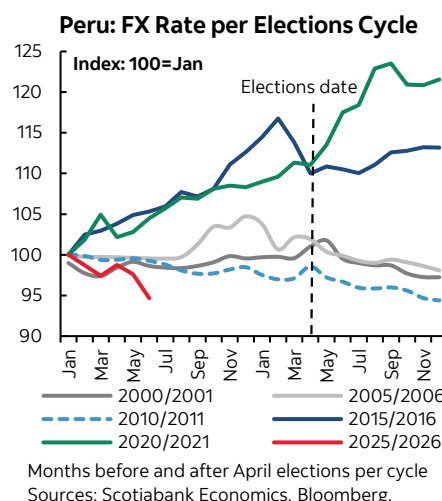
### Peru—Strengthening Fundamentals Come From Abroad

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We have lowered our PEN year-end 2025 forecast from 3.78 to 3.68. We have done this in recognition of the enduring strength of the currency vis-à-vis the USD, and of the solid fundamentals giving support to this strength.

Our new PEN forecast still means that we expect the PEN to weaken moderately towards the end of 2025, as the 2026 elections—and the uncertainty that it brings—approach. In the past, the PEN has typically followed an elections cycle (chart 1), weakening towards the end of the pre-election year and into the election year, and then correcting or not after the elections, depending on the result. A path similar to the average of the past five elections cycle would put the PEN at 3.67 – 3.68 by the end of the year.

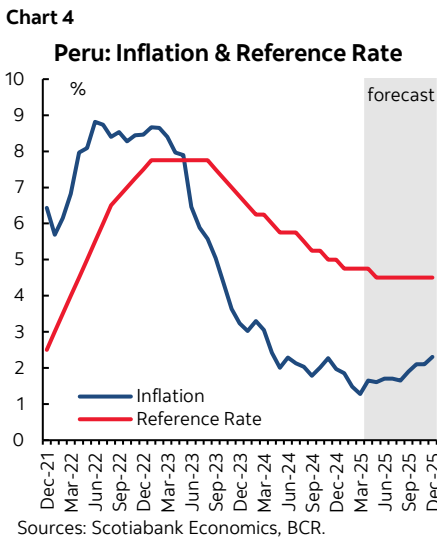
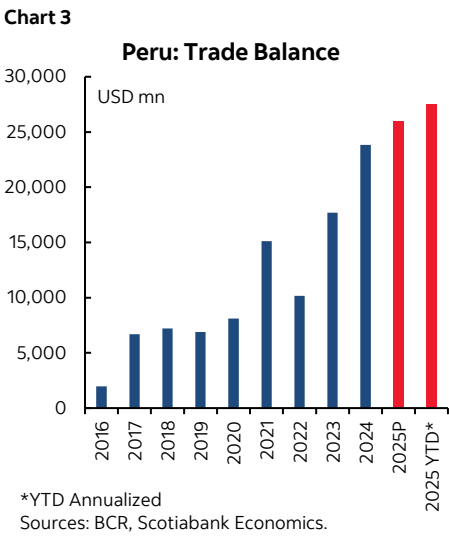
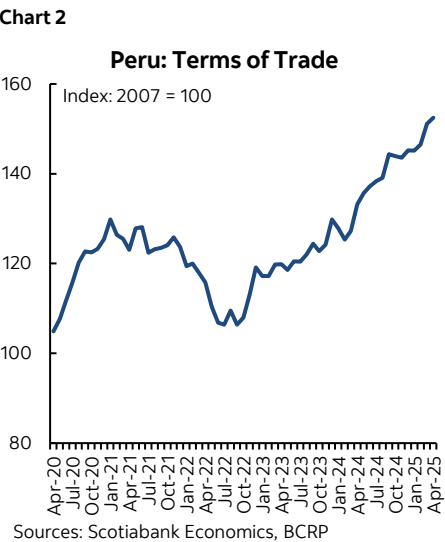
Chart 1



The risk is to the downside, however. There are two factors giving extraordinary support to the PEN: the weak USD globally, and the extremely strong external account fundamentals that Peru is enjoying. Peru’s terms of trade are at their strongest level since official measurements began in 1950 (chart 2). Peru’s trade surplus is soaring (chart 3). The trade surplus was a record USD23.8bn in 2024. That record will be broken in 2025. Our trade surplus forecast stands at USD26bn. However, the trend is stronger than this, and the annualized Q1 trade surplus comes to USD27.5bn.

These fundamentals are overwhelming political uncertainty issues. However, elections are still over nine months away, and, if past precedents hold, the PEN should begin to weaken somewhat by year-end. Only, it seems like this is a big “if” this time around. Peru has never entered a political elections cycle with external fundamentals as strong as they are now. So the real question might be, rather, how long will these external fundamentals last? Just how long will copper prices remain this strong, and at what point will the USD global trend soften and turn.

On another note, on Tuesday July 1<sup>st</sup>, the inflation figure for June will be released. We expect a monthly inflation figure of around 0.1%, which would hold the yearly inflation figure stable at 1.7% (chart 4). Note, however, that the Ministry of Agriculture is no longer providing key food and agricultural goods prices, thereby reducing the sample of key prices that we can follow. This means that our figures have a greater margin of error than in the past. Having said that, inflation does seem on trend to meet our full-year 2025 forecast of 2.3%.



## Forecast Updates

	2023	2024				2025				2026							
Chile	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	1.1	3.3	1.2	2.0	4.0	2.3	3.9	2.2	1.6	0.5	3.0	2.8	3.4	0.5	2.6	2.5	2.5
CPI (y/y %, eop)	3.4	3.2	3.8	4.0	4.5	4.9	4.2	4.1	3.5	2.4	2.9	2.8	3.0	3.4	4.5	3.5	3.0
Unemployment rate (% avg)	8.5	8.7	8.3	8.7	8.1	8.7	8.9	8.3	7.6	7.9	8.0	8.0	7.6	8.5	8.1	8.4	7.9
Central bank policy rate (% eop)	8.25	7.25	5.75	5.50	5.00	5.00	5.00	4.50	4.25	4.25	4.25	4.25	4.25	8.25	5.00	4.25	4.25
Foreign exchange (USDCLP, eop)	879	979	940	899	995	951	930	910	890	880	870	870	870	879	995	890	870
Colombia	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024	2025f	2026f
Real GDP (y/y % change)	0.6	0.3	1.7	1.8	2.5	2.7	2.6	2.4	2.8	2.8	2.9	2.8	3.0	0.7	1.6	2.6	2.8
CPI (y/y %, eop)	9.3	7.4	7.2	5.8	5.2	5.1	5.0	5.2	5.3	4.7	4.4	4.3	4.0	9.3	5.2	5.3	4.0
Unemployment rate (% avg)	9.4	11.9	10.4	9.6	8.8	10.5	9.1	9.6	9.4	11.3	9.9	10.2	9.6	10.2	10.2	9.7	10.2
Central bank policy rate (% eop)	13.00	12.25	11.25	10.25	9.50	9.50	9.25	9.00	9.00	8.50	8.00	7.50	7.50	13.00	9.50	9.00	7.50
Foreign exchange (USDCOP, eop)	3,855	3,852	4,153	4,207	4,406	4,183	4,294	4,310	4,367	4,339	4,350	4,361	4,364	3,855	4,406	4,367	4,364
Mexico	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024	2025f	2026f
Real GDP (y/y % change)	2.5	1.5	2.2	1.6	0.4	0.8	-1.5	-0.9	-0.1	0.6	0.5	0.7	0.5	3.4	1.4	-0.5	0.6
CPI (y/y %, eop)	4.7	4.4	5.0	4.6	4.2	3.8	4.4	4.1	4.0	3.8	3.8	3.9	3.7	4.7	4.2	4.0	3.7
Unemployment rate (% avg)	2.7	2.5	2.7	3.0	2.5	2.5	2.9	3.4	3.5	3.2	3.3	3.4	3.4	2.8	2.7	3.1	3.3
Central bank policy rate (% eop)	11.25	11.00	11.00	10.50	10.00	9.00	8.00	7.75	7.50	7.25	7.00	7.00	7.00	11.25	10.00	7.50	7.00
Foreign exchange (USDMXN, eop)	16.97	16.56	18.32	19.69	20.83	20.47	19.60	20.00	20.80	20.50	20.70	20.90	21.30	16.97	20.83	20.80	21.30
Peru	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024	2025f	2026f
Real GDP (y/y % change)	-0.3	1.4	3.7	3.9	4.2	3.9	3.5	3.0	2.6	3.0	2.2	2.5	2.8	-0.4	3.3	3.3	2.7
CPI (y/y %, eop)	3.2	3.0	2.3	1.8	2.0	1.3	1.7	2.0	2.3	2.0	2.2	2.2	2.2	3.2	2.0	2.3	2.2
Unemployment rate (% avg)	6.4	7.7	6.6	5.9	5.5	6.6	6.3	6.0	5.4	6.0	6.2	5.9	5.3	6.8	6.5	6.0	5.9
Central bank policy rate (% eop)	6.75	6.25	5.75	5.25	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50	6.75	5.00	4.50	4.50
Foreign exchange (USDPEN, eop)	3.70	3.72	3.84	3.70	3.74	3.68	3.59	3.62	3.68	3.77	3.73	3.70	3.70	3.70	3.74	3.68	3.70
Brazil	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	2.4	2.6	3.3	4.0	3.6	2.9	2.4	1.9	1.7	1.6	1.7	1.9	2.0	3.2	3.4	2.2	1.9
CPI (y/y %, eop)	4.6	3.9	4.2	4.4	4.8	5.5	5.4	5.5	5.3	4.7	4.7	4.5	4.5	4.6	4.8	5.3	4.5
Unemployment rate (% avg)	7.4	7.9	6.9	6.4	6.2	7.0	6.5	6.5	6.5	7.2	7.0	7.0	7.0	7.4	6.2	6.5	7.1
Central bank policy rate (% eop)	11.75	10.75	10.50	10.75	12.25	14.25	15.00	15.00	15.00	14.50	13.75	13.00	12.50	11.75	12.25	15.00	12.50
Foreign exchange (USDBRL, eop)	4.86	5.01	5.59	5.45	6.18	5.71	5.59	5.70	5.73	5.75	5.78	5.78	5.78	4.86	6.18	5.73	5.78
Canada	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024	2025f	2026f
Real GDP (y/y % change)	1.2	0.8	1.2	1.9	2.3	2.3	1.4	1.1	0.9	0.8	1.2	1.1	1.1	1.5	1.6	1.4	1.1
CPI (y/y %, eop)	3.2	2.8	2.7	2.0	1.9	2.3	1.9	2.1	1.9	1.8	2.1	2.0	2.2	3.2	1.9	1.9	2.2
Unemployment rate (% avg)	5.7	5.9	6.3	6.6	6.7	6.6	7.0	7.2	7.3	7.2	7.1	7.0	6.8	5.4	6.4	7.0	7.0
Central bank policy rate (% eop)	5.00	5.00	4.75	4.25	3.25	2.75	2.75	2.75	2.75	2.50	2.25	2.25	2.25	5.00	3.25	2.75	2.25
Foreign exchange (USDCAD, eop)	1.32	1.35	1.37	1.35	1.44	1.44	1.38	1.36	1.34	1.32	1.32	1.28	1.28	1.32	1.44	1.34	1.28
United States	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024	2025f	2026f
Real GDP (y/y % change)	3.2	2.9	3.0	2.7	2.5	2.0	1.9	1.4	0.8	1.0	0.6	0.7	1.2	2.9	2.8	1.5	0.9
CPI (y/y %, eop)	3.2	3.2	3.2	2.7	2.7	2.7	2.6	2.4	2.4	2.2	2.2	2.2	2.3	3.2	2.7	2.4	2.3
Unemployment rate (% avg)	3.8	3.8	4.0	4.2	4.1	4.1	4.2	4.5	4.8	4.9	4.9	4.9	4.9	3.6	4.0	4.7	4.9
Central bank policy rate (% eop)	5.50	5.50	5.50	5.00	4.50	4.50	4.50	4.50	4.50	4.25	4.00	3.75	3.50	5.50	4.50	4.50	3.50
Foreign exchange (EURUSD, eop)	1.10	1.08	1.07	1.11	1.04	1.08	1.14	1.16	1.16	1.18	1.18	1.22	1.22	1.10	1.04	1.16	1.22

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics, Focus Economics.

Red indicates changes in estimates and forecasts since previous *Latam Weekly* on June 13, 2025.

June 27, 2025

## Forecast Updates—Changes Compared To Previous Latam Weekly

	2023	2024				2025				2026							
Chile	Q4	Q1	Q2	Q3	Q4e	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	0.25	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCLP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2023	2024				2025				2026							
Colombia	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	0.25	0.25	0.25	-	-	-	-	-	-	0.25	-
Foreign exchange (USDCOP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2023	2024				2025				2026							
Mexico	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	0.3	0.1	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-0.2	-	-	-0.4	-0.4	-0.4	-0.4	-	-	-	-0.4
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2023	2024				2025				2026							
Peru	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDPEN, eop)	-	-	-	-	-	-	-0.08	-0.08	-0.07	-0.03	-0.05	-0.05	-0.05	-	-	-0.07	-0.05
	2023	2024				2025				2026							
Brazil	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	0.1
CPI (y/y %, eop)	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-0.2	-0.3	-0.2	-0.1	-0.2	-0.2	-	-	-	-0.3	-0.1
Central bank policy rate (% eop)	-	-	-	-	-	-	0.25	0.25	0.25	-	0.25	-	-	-	-	0.25	-
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-	-0.17	-0.09	-0.08	-0.08	-0.06	-0.06	-0.05	-	-	-0.08	-0.05
	2023	2024				2025				2026							
Canada	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCAD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2023	2024				2025				2026							
United States	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
Real GDP (y/y % change)	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (EURUSD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics, Focus Economics.  
Changes in estimates and forecasts since previous *Latam Weekly* on June 13, 2025.

## Forecast Updates: Central Bank Policy Rates and Outlook

## Latam Central Banks: Policy Rates and Outlook

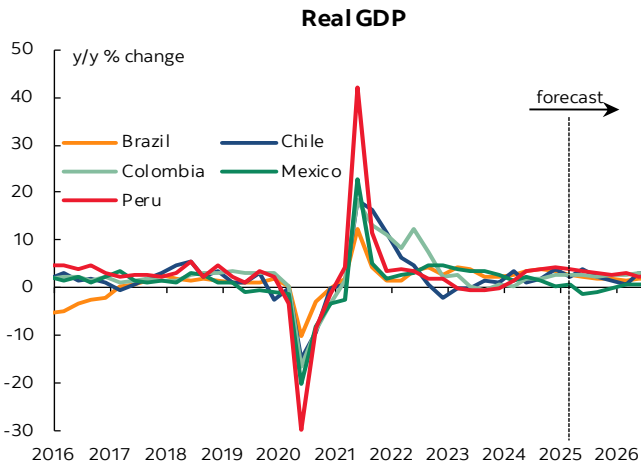
	Next Scheduled Meeting			BNS Forecast		BNS guidance for next monetary policy meeting
	Current	Date	BNS	End-2025	End-2026	
<b>Chile, BCCh, TPM</b>	5.00%	Jul-29	4.75%	4.25%	4.25%	We expect the BCCh to reduce its policy rate to 4.75% at its July 29 meeting.
<b>Colombia, BanRep, TII</b>	9.25%	Jul-31	9.00%	9.00%	7.50%	BanRep cut the interest rate by 25 bp in a unanimous decision. The minutes of the April 30 meeting revealed that board members initially had differing positions on whether to keep the rate unchanged or cut interest rates. The consensus to cut the interest rate was due to the trend in inflation in March, which fell to 5.09%, in addition to a downtrend in core inflation. However, the risks associated with the fiscal outlook and the international context continue to mean that the board will maintain a cautious approach and remain dependent on available information.
<b>Mexico, Banxico, TO</b>	8.00%	Aug-07	7.75%	7.50%	7.00%	The Governing Board of Banco de México cut the benchmark interest rate by 50 bps to 8.00%, in line with consensus expectations, though this time in a split vote—with Deputy Governor Heath voting to keep the rate unchanged. This marks the eighth consecutive rate cut—four 25 bp cuts last year and four 50 bp cuts so far in 2025—likely the last of this magnitude for the year. Notably, the Board revised upward its inflation expectations for headline inflation from Q2 2025 to Q1 2026, and for core inflation from Q2 2025 to Q2 2026, while maintaining its forecast for inflation to converge to the 3.0% target by Q3 2026. We maintain our year-end rate forecast at 7.50%, contingent on inflation showing signs of convergence to the target and the interest rate differential with the U.S. remaining above 350 bps.
<b>Peru, BCRP, TIR</b>	4.50%	Jul-10	4.50%	4.50%	4.50%	For the July 10 meeting, we expect the BCRP to keep the rate unchanged at 4.50%.
<b>Brazil, BCB, Selic</b>	15.00%	Jul-30	15.00%	15.00%	12.50%	

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.



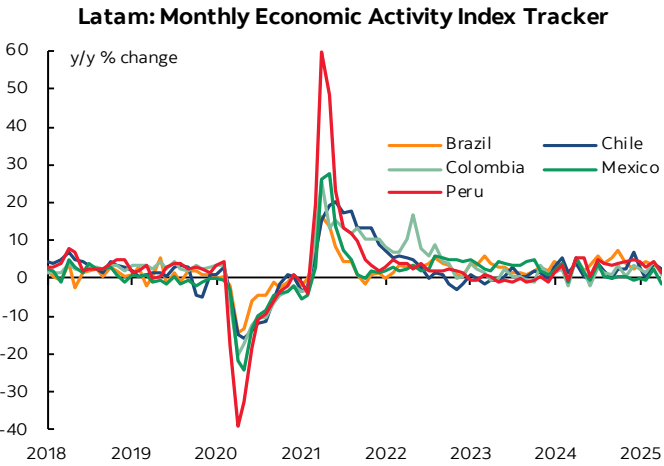
Key Economic Charts

Chart 1



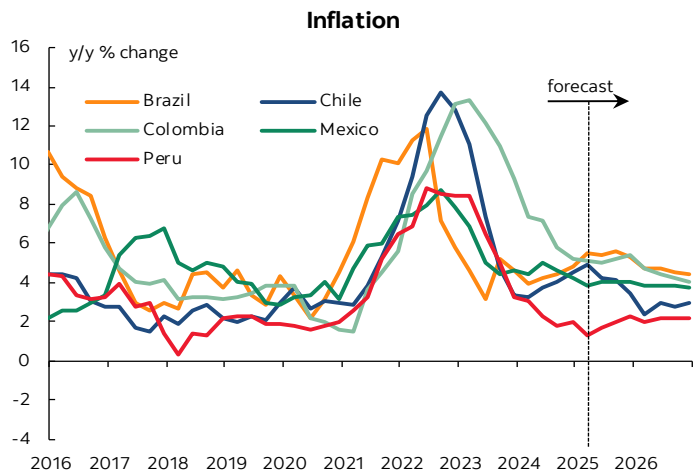
Sources: Scotiabank Economics, Bloomberg, Haver Analytics.

Chart 2



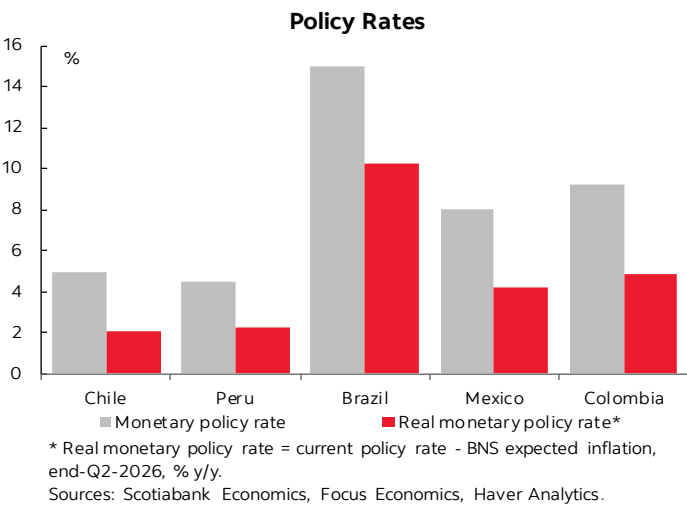
Sources: Scotiabank Economics, Haver Analytics.

Chart 3



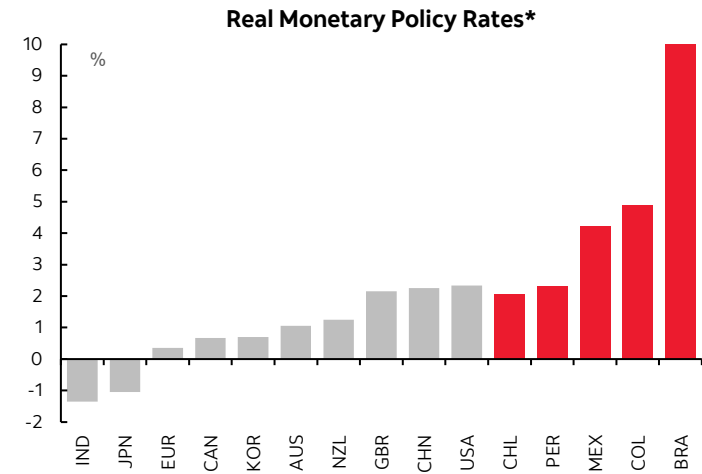
Sources: Scotiabank Economics, Focus Economics, Haver Analytics.

Chart 4



Sources: Scotiabank Economics, Focus Economics, Haver Analytics.

Chart 5



\* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q2-2026, % y/y. Sources: Scotiabank Economics, Bloomberg.

Key Market Charts

Chart 1

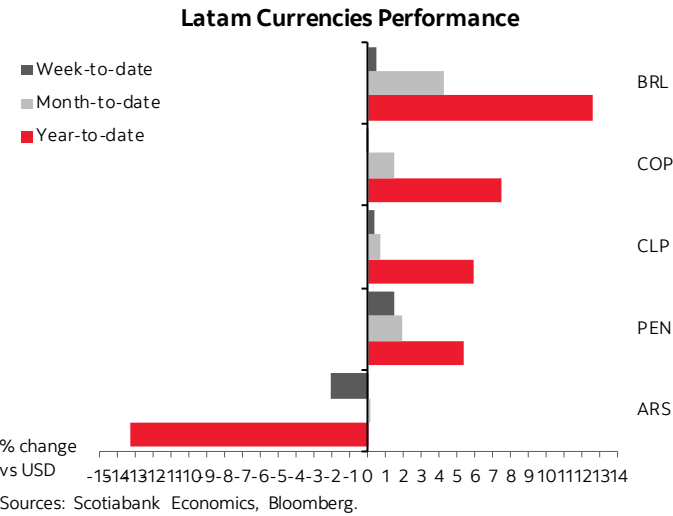


Chart 2

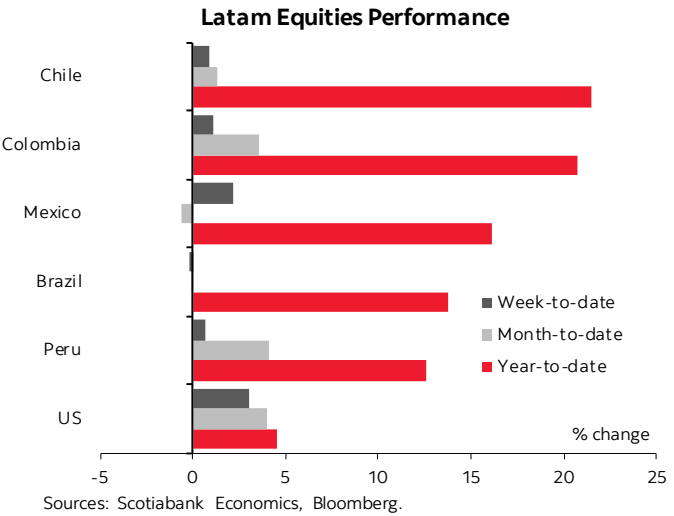


Chart 3

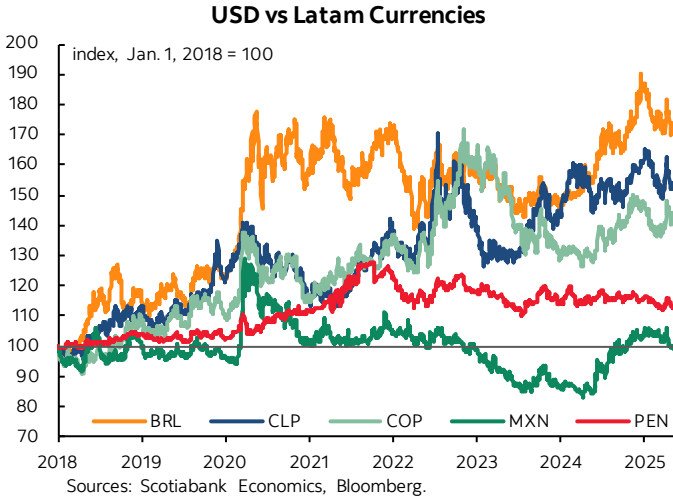
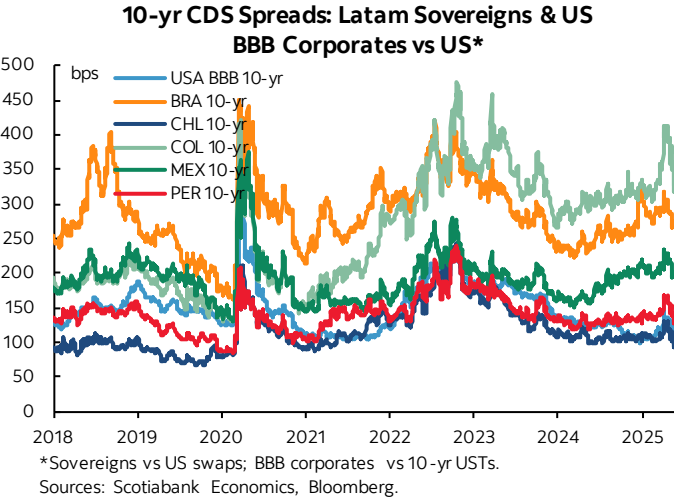


Chart 4



Yield Curves

Chart 1

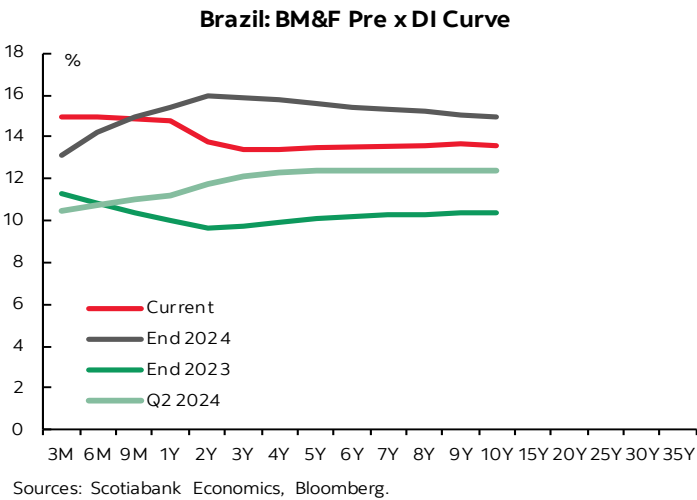


Chart 2

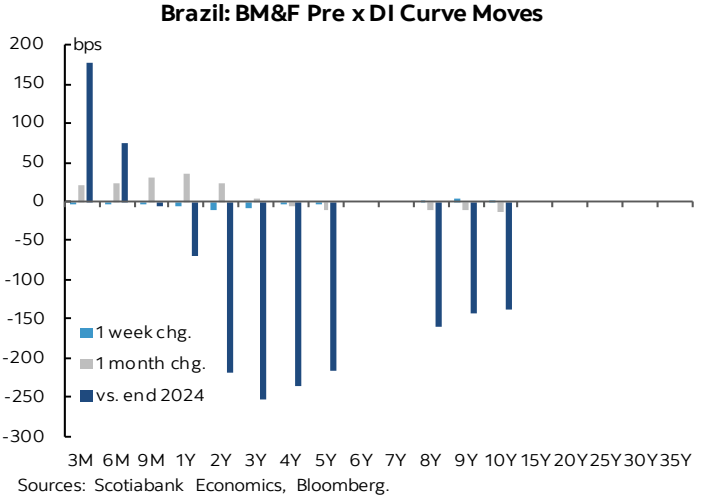


Chart 3

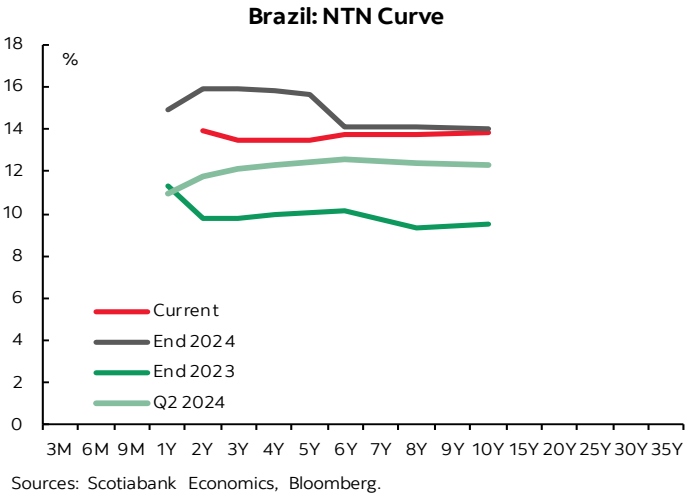


Chart 4

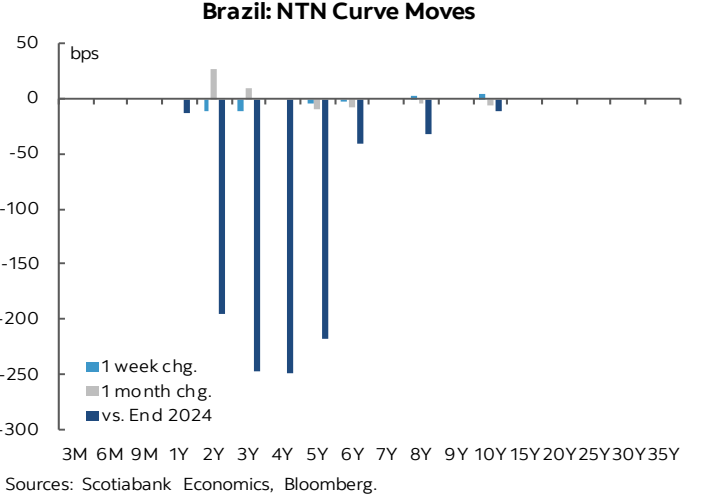


Chart 5

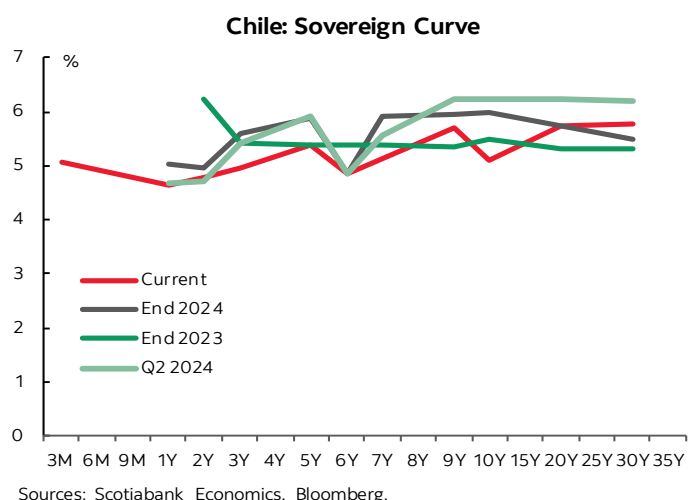
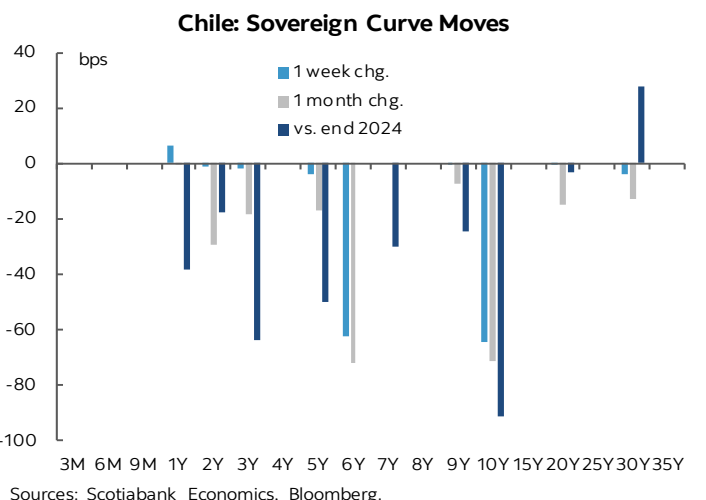


Chart 6



Yield Curves

Chart 7

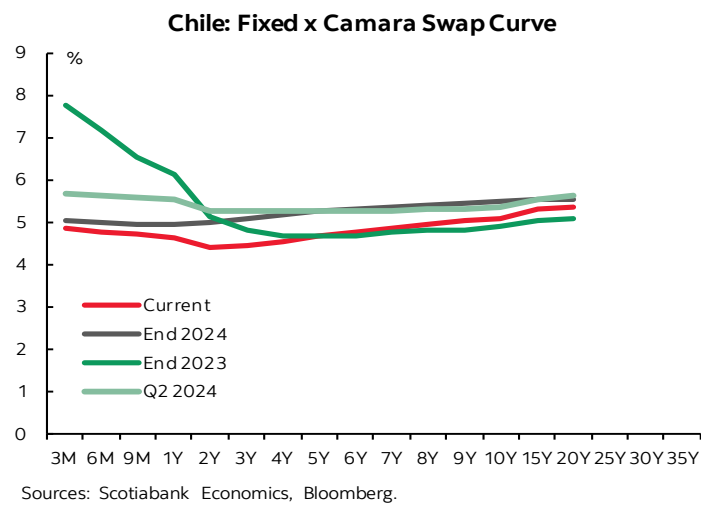


Chart 8

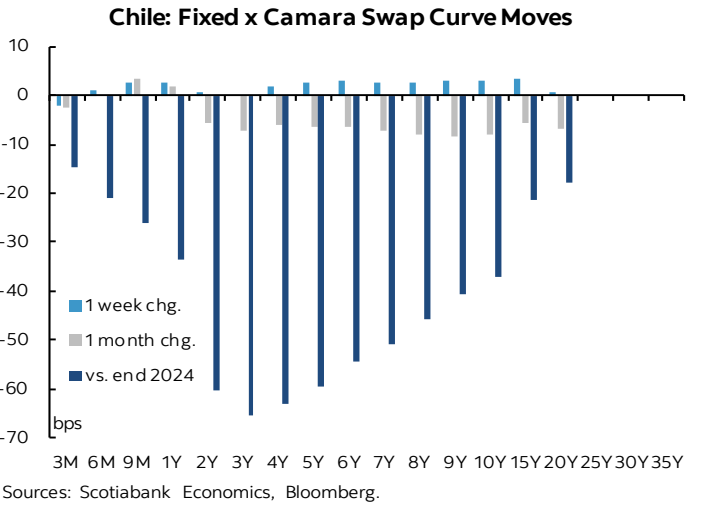


Chart 9

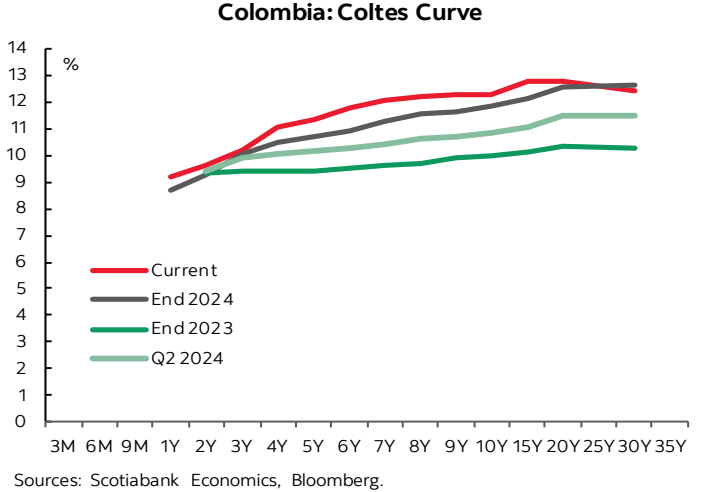


Chart 10

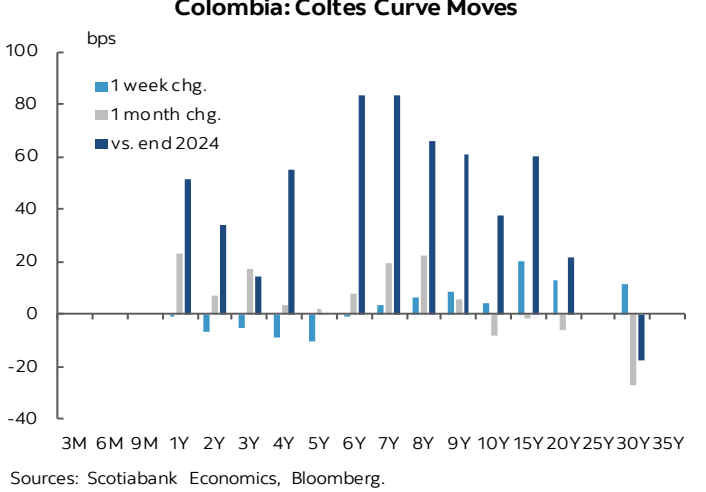


Chart 11

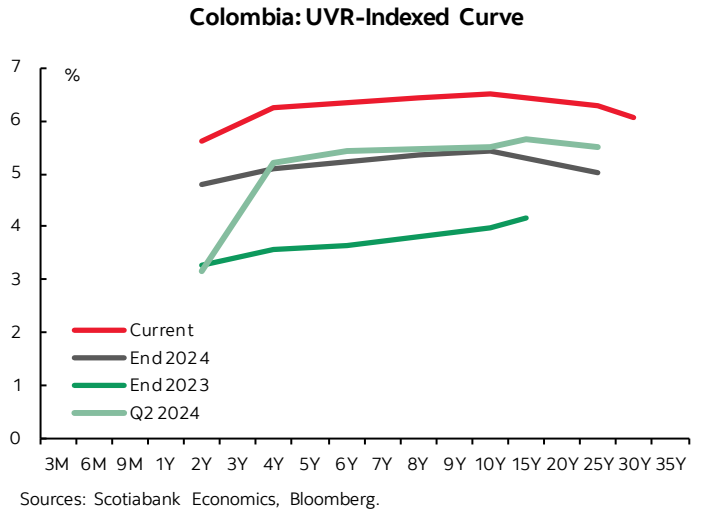
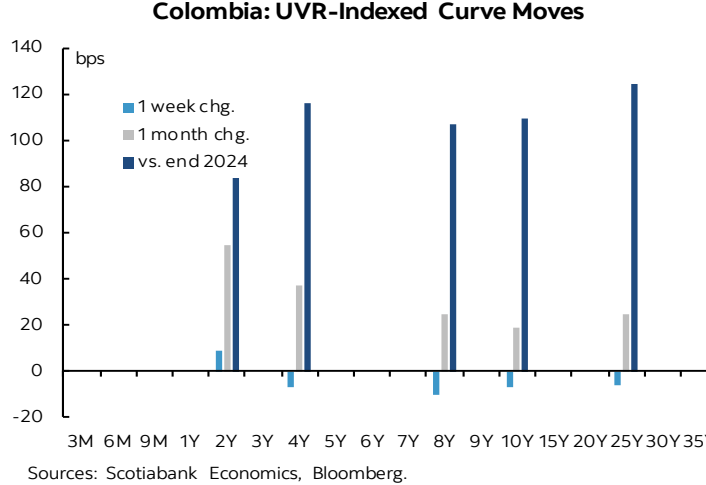


Chart 12



Yield Curves

Chart 13

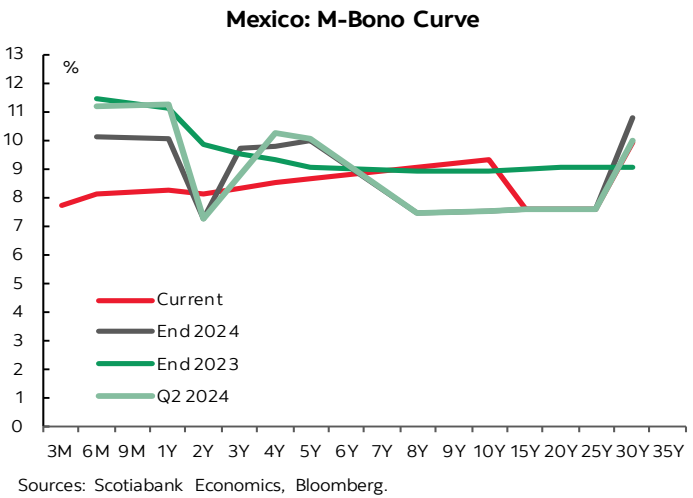


Chart 14

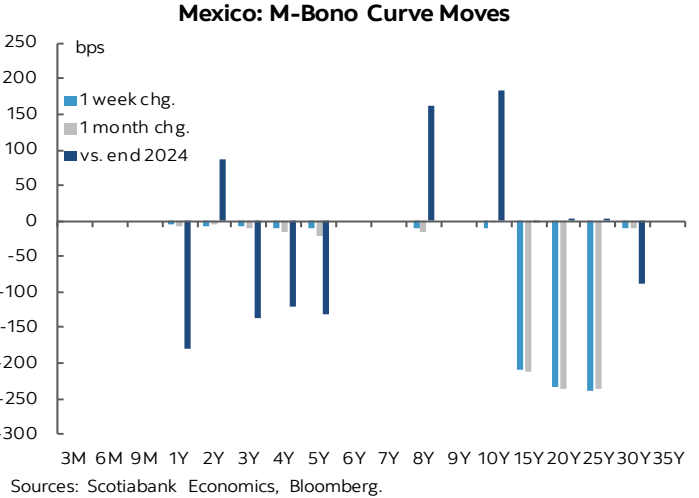


Chart 15

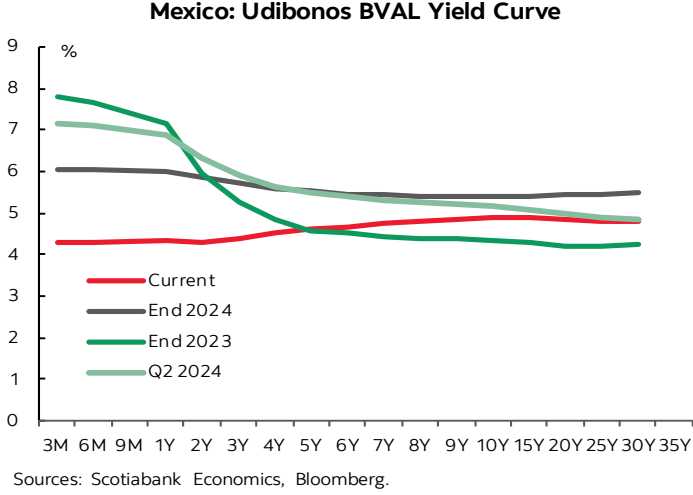


Chart 16

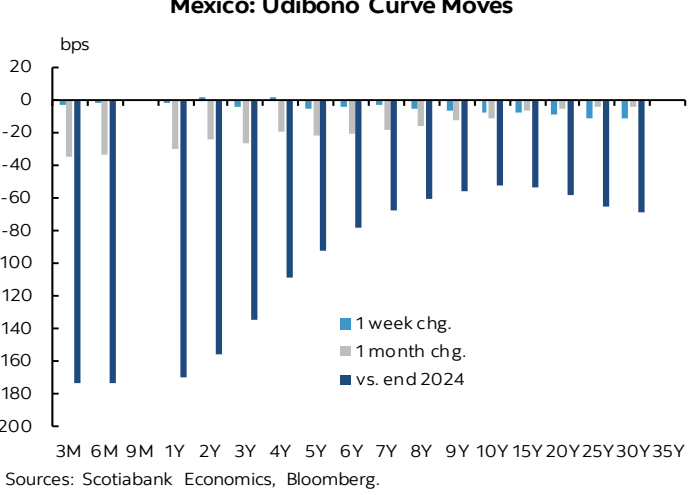


Chart 17

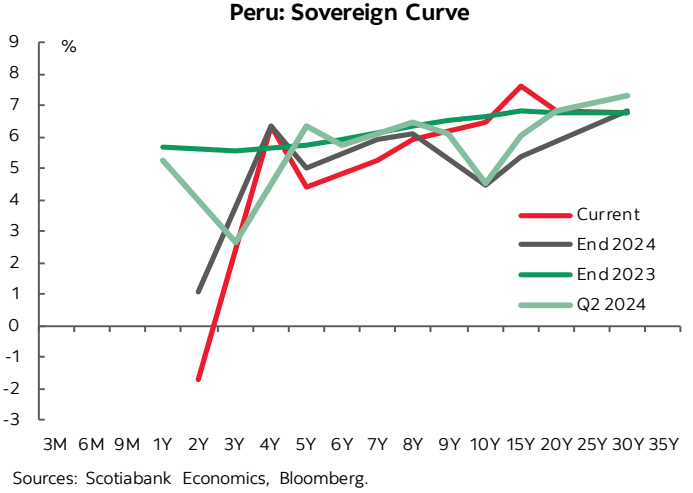
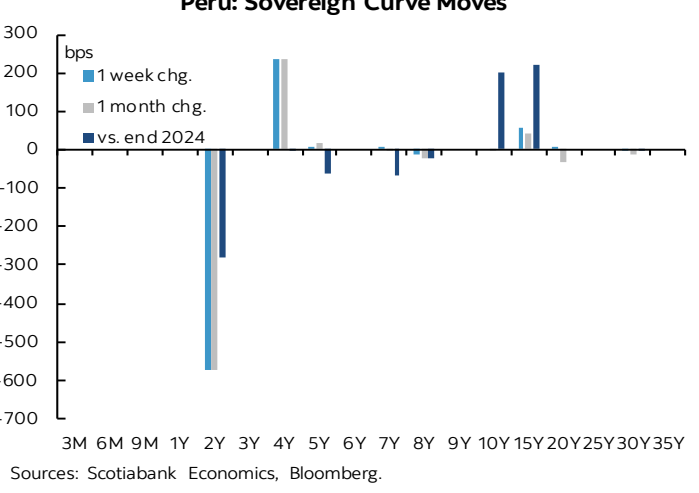


Chart 18



**Market Events & Indicators for June 28 - July 11**
**CHILE**

<u>Date</u>	<u>Time</u> <u>Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>	<u>BNS Comments</u>
Jun-30	9:00 Retail Sales y/y	May	6	7.63	4.5	Based on high-frequency indicators of receipts published by the Central Bank.
Jun-30	9:00 Commercial Activity y/y	May	--	--	3.1	
Jun-30	9:00 Unemployment Rate (%)	May	8.9	8.9	8.8	We project an increase in the unemployment rate driven by job losses and an expansion of the labour force in the quarter ending in May.
Jun-30	9:00 Industrial Production y/y	May	--	--	3.75	
Jun-30	9:00 Manufacturing Production y/y	May	--	4.2	0.03	463639
Jun-30	9:00 Copper Production Total (mt)	May	--	--	463639	
Jul-01	8:30 Economic Activity m/m	May	--	--	0.64	2.48
Jul-01	8:30 Economic Activity y/y	May	--	3.7	2.48	
Jul-03	8:30 Central Bank Meeting Minutes		--	--		24337
Jul 01-04	Vehicle Sales Total	Jun	--	--	24337	
Jul 01-07	IMCE Business Confidence	Jun	--	--	46.69	8490.33
Jul-07	8:30 Central Bank Traders Survey		--	--		
Jul-07	8:30 Exports Total USD mn	Jun	--	--	8490.33	6973.26
Jul-07	8:30 Imports Total USD mn	Jun	--	--	6973.26	
Jul-07	8:30 Trade Balance USD mn	Jun	--	--	1517.07	45779.92
Jul-07	8:30 International Reserves USD mn	Jun	--	--	45779.92	
Jul-07	8:30 Copper Exports USD mn	Jun	--	--	4475.88	8.26
Jul-07	9:00 Nominal Wage y/y	May	--	--	8.26	
Jul-08	8:00 CPI y/y Chained	Jun	--	--	4.4	0.2
Jul-08	8:00 CPI m/m	Jun	--	--	0.2	
Jul-10	8:30 Central Bank Economist Survey		--	--		

**COLOMBIA**

<u>Date</u>	<u>Time</u> <u>Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>	<u>BNS Comments</u>
Jul-01	11:00 Davivienda Colombia PMI Mfg	Jun	--	--	52.6	In May, inflation was lower than expected. Our monthly inflation expectation for June is higher than the market expected, primarily because we believe some tourism service prices may reverse the decline they experienced in May. We expect inflation to fall below 5% in June, but we continue to see increased pressure for the second half of the year, with inflation estimated to rebound to around 5.3% by year-end.
Jul-03	18:00 Colombia Monetary Policy Minutes		--	--		
Jul-04	11:00 Exports FOB USD mn	May	--	--	4121.6	
Jul-07	19:00 CPI m/m	Jun	0.24	--	0.32	
Jul-07	19:00 CPI y/y	Jun	4.97	--	5.05	
Jul-07	19:00 CPI Core m/m	Jun	0.24	--	0.25	
Jul-07	19:00 CPI Core y/y	Jun	5.04	--	5.13	

**MEXICO**

<u>Date</u>	<u>Time</u> <u>Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>	<u>BNS Comments</u>
Jun-30	11:00 Net Outstanding Loans MXN bn	May	--	--	6943.4	-105.1
Jun-30	Mexican Public Balance MXN bn	May	--	--	-105.1	
Jul-01	11:00 S&P Global Mexico Manufacturing PMI	Jun	--	--	46.7	241300
Jul-01	11:00 International Reserves Weekly USD mn	27-Jun	--	--	241300	
Jul-01	11:00 Remittances Total USD mn	May	--	5200	4761.2	119961
Jul-01	11:00 Central Bank Economist Survey		--	--		
Jul-01	14:00 IMEF Manufacturing Index SA	Jun	--	--	47.392	-0.2
Jul-01	14:00 IMEF Non-Manufacturing Index SA	Jun	--	--	49.428	
Jul-02	8:00 Vehicle Domestic Sales	Jun	--	--	119961	0.28
Jul-03	8:00 Gross Fixed Investment NSA y/y	Apr	--	-10.4	-0.2	
Jul-03	8:00 Gross Fixed Investment SA m/m	Apr	--	--	0.28	1.16
Jul-03	8:00 Private Consumption y/y	Apr	--	--	1.16	
Jul-04	8:00 Leading Indicators m/m	May	--	--	-0.05	46.67
Jul-04	8:00 Consumer Confidence	Jun	--	--	46.67	
Jul-07	8:00 Vehicle Production MXN	Jun	--	--	358209	301112
Jul-07	8:00 Vehicle Exports	Jun	--	--	301112	
Jul-07	Citi Survey of Economists		--	--		-45.62
Jul 03-07	Formal Job Creation Total (000's)	Jun	--	--	-45.62	
Jul-08	11:00 International Reserves Weekly USD mn	4-Jul	--	--	241300	0.3
Jul-09	8:00 CPI m/m	Jun	0.34	--	0.28	
Jul-09	8:00 CPI Core m/m	Jun	0.35	--	0.3	4.42
Jul-09	8:00 CPI y/y	Jun	4.37	--	4.42	
Jul-09	8:00 CPI Core y/y	Jun	4.2	--	4.06	0.1
Jul-09	8:00 Bi-Weekly CPI (%)	30-Jun	--	--	0.1	
Jul-09	8:00 Bi-Weekly Core CPI (%)	30-Jun	--	--	0.22	4.51
Jul-09	8:00 Bi-Weekly CPI y/y	30-Jun	--	--	4.51	
Jul-09	8:00 Bi-Weekly Core CPI y/y	30-Jun	--	--	4.2	-3.96
Jul-10	11:00 Central Bank Monetary Policy Minutes		--	--		
Jul-11	8:00 Industrial Production NSA y/y	May	--	--	-3.96	-2.58
Jul-11	8:00 Manuf. Production NSA y/y	May	--	--	-2.58	
Jul-11	8:00 Industrial Production SA m/m	May	--	--	0.09	8.59
Jul 10-14	Nominal Wages y/y	Jun	--	--	8.59	
Jul 09-15	ANTAD Same-Store Sales y/y	Jun	--	--	10.3	

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

## Market Events &amp; Indicators for June 28 - July 11

## PERU

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Jul-01	11:00 Lima CPI m/m	Jun	0.09	0.1	-0.06	
Jul-01	11:00 Lima CPI y/y	Jun	1.65	1.67	1.69	
Jul-10	19:00 Reference Rate (%)	10-Jul	4.50	--	4.50	

## BRAZIL

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Jun-30	7:25 Central Bank Weekly Economist Survey		--			
Jun-30	7:30 Nominal Budget Balance BRL bn	May	--	-112.2	-55.536	
Jun-30	7:30 Primary Budget Balance BRL bn	May	--	-42.7	14.15	
Jun-30	7:30 Net Debt % GDP	May	--	62.4	61.7	
Jun 27-30	Formal Job Creation Total	May	--	175500	257528	
Jul-01	7:00 FGV CPI IPC-S (%)	30-Jun	--	--	0.25	
Jul-01	9:00 S&P Global Brazil Manufacturing PMI	Jun	--	--	49.4	
Jul-02	4:00 FIPE CPI - Monthly (%)	Jun	--	--	0.27	
Jul-02	8:00 Industrial Production y/y	May	--	3.4	-0.3	
Jul-02	8:00 Industrial Production m/m	May	--	-0.6	0.1	
Jul-03	9:00 S&P Global Brazil Composite PMI	Jun F	--	--	49.1	
Jul-03	9:00 S&P Global Brazil Services PMI	Jun	--	--	49.6	
Jul-03	Vehicle Sales Fenabrave	Jun	--	--	225685	
Jul-04	14:00 Trade Balance Monthly USD mn	Jun	--	--	7238.53	
Jul-04	14:00 Exports Total USD mn	Jun	--	--	30156.18	
Jul-04	14:00 Imports Total USD mn	Jun	--	--	22917.66	
Jul-07	7:00 FGV Inflation IGP-DI y/y	Jun	--	--	6.27	
Jul-07	7:00 FGV Inflation IGP-DI m/m	Jun	--	--	-0.85	
Jul-07	7:25 Central Bank Weekly Economist Survey		--			
Jul-07	14:00 Trade Balance Weekly USD mn	6-Jul	--	--	1126.5	
Jul 04-07	Vehicle Sales Anfavea	Jun	--	--	225710	
Jul 04-07	Vehicle Exports Anfavea BRL	Jun	--	--	51534	
Jul 04-07	Vehicle Production Anfavea	Jun	--	--	214749	
Jul-08	7:00 FGV CPI IPC-S (%)	7-Jul	--	--	0.25	
Jul-08	8:00 Retail Sales m/m	May	--	--	-0.4	
Jul-08	8:00 Retail Sales Broad y/y	May	--	--	0.8	
Jul-08	8:00 Retail Sales y/y	May	--	--	4.8	
Jul-08	8:00 Retail Sales Broad m/m	May	--	--	-1.9	
Jul-10	8:00 IBGE Inflation IPCA y/y	Jun	--	--	5.32	
Jul-10	8:00 IBGE Inflation IPCA m/m	Jun	--	--	0.26	
Jul-11	8:00 IBGE Services Volume m/m SA	May	--	--	0.2	
Jul-11	8:00 IBGE Services Volume y/y NSA	May	--	--	1.8	
Jul 01-31	Tax Collections BRL mn	Jan	--	--	230152	

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage

Local Market Coverage

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