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Table of Contents

Overview	2-3
Country Updates	4-6
Market Events & Indicators	7-8
Forecast Updates	9-11
Key Economic Charts	12
Key Market Charts	13
Yield Curves	14

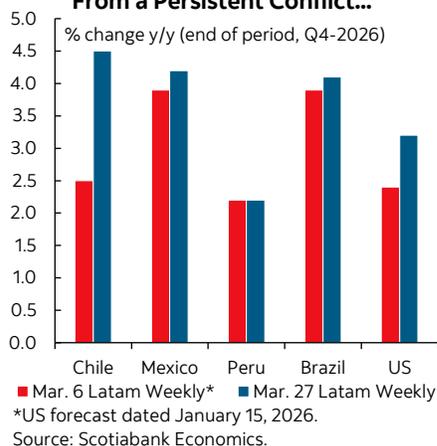
Latam Weekly: Global CPIs to Show Initial Conflict Shock; Latam Central Banks Views

HIGHLIGHTS

- Global CPI releases for March out over the coming week will give us the first official read into the (initial) inflationary impact of the Middle East conflict, with important implications for the April/May round of monetary policy decisions after the latest round saw the majority of central bankers take a hawkish stance. The U.S. releases a flood of macroeconomic data including March payrolls. Most countries' markets will be closed on Friday for holidays, with Mexico and Peru also shut on Thursday.
- In Latin America, Peruvian CPI is expected to jump to near 3%, following overshoots in mid-March inflation prints from Brazil and Mexico. The team discusses their projection in today's Weekly, with the jump not only reflecting the effect of international energy prices, but also the impact of the Camisea gas pipeline leak and its temporary suspension, with the latter also expected to drag on economic activity in March.
- Chile's inflation picture took a sharp turn this week after the government modified its fuel stabilization scheme, resulting in steep 40%+ increases in retail gasoline prices. Ahead of Wednesday's BCCCh meeting minutes, our colleagues go over the BCCCh's latest forecast revisions in its Monetary Policy Report, with the bank's staff lifting their end-2026 inflation forecast to 4% from 3.2% y/y.
- With a mostly empty release calendar in Mexico, we discuss how Banxico's 3-2 cut decision (and opening the door to more easing) clashes with rising inflation risks at a time when headline inflation (as of H1-Mar) is already over 1.5ppts above the 3% target. We think the room for additional cutting has narrowed significantly, although the majority of the board seems to be leaning towards another rate cut.

Chart of the Week

Heightened Inflation Expectations From a Persistent Conflict...



...But GDP Projections Largely Unchanged (For Now)

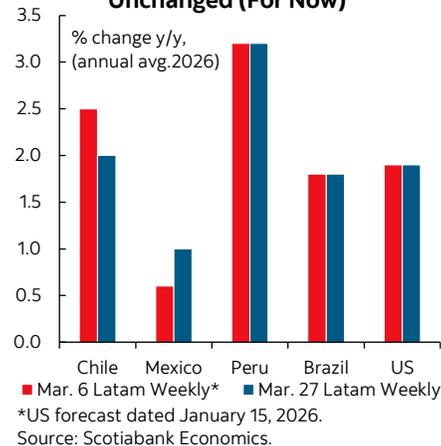


Chart of the Week: Prepared by: Anthony Bambokian, Senior Economic Analyst.

Global CPIs to Show Initial Conflict Shock; Latam Central Banks Views

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- **In Latin America, Peruvian CPI is expected to jump to near 3%, following overshoots in mid-March inflation prints from Brazil and Mexico. The team discusses their projection in today's Weekly, with the jump not only reflecting the effect of international energy prices, but also the impact of the Camisea gas pipeline leak and its temporary suspension, with the latter also expected to drag on economic activity in March.**
- **Chile's inflation picture took a sharp turn this week after the government modified its fuel stabilization scheme, resulting in steep 40%+ increases in retail gasoline prices. Ahead of Wednesday's BCCh meeting minutes, our colleagues go over the BCCh's latest forecast revisions in its Monetary Policy Report, with the bank's staff lifting their end-2026 inflation forecast to 4% from 3.2% y/y.**
- **With a mostly empty release calendar in Mexico, we discuss how Banxico's 3–2 cut decision (and opening the door to more easing) clashes with rising inflation risks at a time when headline inflation (as of H1-Mar) is already over 1.5ppts above the 3% target. We think the room for additional cutting has narrowed significantly, although the majority of the board seems to be leaning towards another rate cut.**

Global CPI releases for March out over the coming week will give us the first official read into the (initial) inflationary impact of the Middle East conflict, with important implications for the April/May round of monetary policy decisions after the latest round saw the majority of central bankers take a hawkish stance—with Banxico's being the clearest outlier, cutting 25bps and leaving the door open to more. At the very least, it will be a shorter week for most of the globe, with practically all markets closed on Friday (partial in the U.S.) and some others on Thursday (namely Mexico and Peru).

In Latin America, Peruvian CPI is expected to jump to near 3%, following overshoots in mid-March inflation prints from Brazil and Mexico. The Eurozone, Germany, France, Italy, the Netherlands, among others in the region, also publish preliminary HICP figures for the month, accompanied by Tokyo and South Korea readings. A Chilean macro flood of February activity data will be backward-looking but may show a recovery from March, while the focus will be on the BCCh's meeting minutes. In Colombia, BanRep's policy announcement is a call on how large of a hike they roll out (100bps median forecast). Mexico's and Brazil's calendars are relatively bare. In contrast, the U.S. also has nonfarm and ADP employment, JOLTS, retail sales, and ISM manufacturing data on tap.

Starting with Peru's March CPI release on Wednesday, our colleagues in the country outline their projection for headline inflation to clock in at 3% y/y from 2.2% in

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February, thus reaching the upper bound of the BCRP's 1–3% target range. The jump will not only reflect the effect of international energy prices, but also the impact of the Camisea gas pipeline leak and its temporary suspension. The latter is also expected to drag on economic activity in March, after an encouraging start to the year with ~3.5% y/y expansion in Monday and February—as the team also discusses today.

Chile's inflation picture took a sharp turn this week after the government modified its fuel stabilization scheme, resulting in steep 40%+ increases in retail gasoline prices from Thursday (26th). According to our economists, these adjustments would add 0.4ppts and 1.0ppts to March and April headline y/y inflation. In today's note, the team goes over the BCCh's latest forecast revisions in its Monetary Policy Report that followed its March 24th meeting, where officials held the overnight rate at 4.50%, as expected. The bank's staff lifted their end-2026 inflation forecast to 4% y/y, 0.5ppts below our own projection of 4.5%.

In the MPR, the BCCh also showed an implied policy path that includes one hike and then one cut later in the year, which would represent an unlikely scenario. The minutes to the meeting, due on Wednesday, may shed some light on how the board perceives risks to inflation and whether these may warrant a rate hike. As of today's close, markets are pricing in close to two full 25bps hikes by Chile's central bank this year, with the first adjustment coming at one of the June or July meetings followed by October/December, or early-2027. Markets are not, however, pricing in rate cuts thereafter.

There is little to get excited about regarding Mexico's week ahead, where the highlights are February remittances data and Banxico's economists survey results, both out on Tuesday. The latter will likely show higher inflation forecasts for the quarters ahead and possibly see some respondents tweak their Banxico rate forecasts lower following the bank's somewhat dovish rate cut announcement earlier this week. As the team argues in today's Weekly, the board's 3–2 decision in favour of lowering the overnight rate (and opening the door to more easing) clashes with rising inflation risks at a time when headline inflation (as of H1-Mar) is already over 1.5ppts above the 3% target. We think the room for additional cutting has narrowed significantly, although the majority of the board seems to be leaning towards another rate cut.

Country Updates

Chile—Central Bank Raises Inflation Outlook and Lowers GDP Growth Range

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In its March Monetary Policy Report (MPR), the Central Bank of Chile revised upward its inflation forecast for December this year, from 3.2% to 4.0% y/y, mainly reflecting higher oil prices and their derivatives, as well as the rapid pass-through to local prices following the recent increase in gasoline and diesel prices announced by ENAP (national petroleum company) this week, amid escalating tensions in the Middle East. As a result, the Central Bank now incorporates a direct impact on CPI prints for March and April which, according to our estimates, would total an additional 1.4 ppts of inflation across both months. The revised inflation outlook is broadly aligned with Scotia's view, where we recently adjusted our forecast to 4.5% in December 2026.

Within this context, the Board outlined a policy rate path that includes a 25 bp rate hike in the June meeting, followed by a cut of the same magnitude in October. We see this scenario as unlikely, as it would imply reversing the tightening decision shortly after its implementation, which appears inconsistent with recent communication by the Board's Chairwoman before the Senate. Instead, we continue to project that the policy rate will remain at 4.5% throughout this year, resuming its easing cycle toward its neutral level of 4.25% in early 2027.

As widely expected, the Board also revised its GDP growth forecast lower for 2026, narrowing the range from 2.0–3.0% to 1.5–2.5%, with a mid-point of 1.9%, broadly in line with our 2.0% growth projection. The downward revision reflects the negative impact on household disposable income stemming from higher fuel prices, which is expected to weigh on private consumption. In addition, the scenario incorporates the significant fiscal adjustment announced by the government, which will lead to a contraction in public spending this year, affecting both investment and public consumption (goods and services).

Among other relevant highlights of the MPR, the Central Bank introduced a slight upward revision to its estimate of potential GDP growth, with non-mining potential growth increasing from 2.0% to 2.1%, implying a negative output gap over the projection horizon. Finally, the Central Bank marginally revised its estimated long-term real exchange rate (RER) range to 94–106 points, with a mid-point of 100.

Regarding economic activity, we project a broad-based monthly acceleration across economic sectors, which should allow for a recovery in the year-over-year GDP growth rate in February, following the decline observed in the first month of the year. Nevertheless, we maintain our 2026 GDP growth forecast at 2%.

Mexico—Banxico's Rate Cut Contrasts with a Backdrop of Rising Inflation Risks

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Banxico cut its policy interest rate at a time when analysts were divided. While several had anticipated a cut at this week's meeting (including us), a slight majority expected the adjustment to occur at a later date. The decision nonetheless drew particular attention given that the inflation print for the first half of March, released just two days earlier, showed a sharp rebound in the non-core component, sufficient to push headline inflation to its highest level since October 2024. The print also underscored the increase in upside inflation risks stemming from the impact of the conflict in the Middle East.

Headline inflation reached 4.63% year-over-year in the first half of March, exceeding market expectations and further widening the gap relative to the 3.0% target. The increase was driven primarily by the non-core component, which exhibited significantly greater volatility than in the previous year. In particular, agricultural prices rose sharply, with fruit and vegetable prices posting annual increases close to 24%. These movements reflect meaningful supply-side shocks linked to both domestic and international disruptions, including security issues in key-producing regions and higher input costs amid heightened geopolitical tensions. Core inflation, by contrast, showed a modest deceleration, easing from 4.48% to 4.46% year-over-year, although it has remained above 4% since mid-2025. While there is still no clear evidence of second-round effects, inflationary pressures remain persistent and the balance of risks is tilted to the upside, especially if external shocks prove longer-lasting.

Against this backdrop, and despite headline inflation standing more than 1.5 percentage points above the target, Banxico’s Governing Board decided to cut the policy rate by 25 basis points to 6.75%, in a split decision, with three members voting in favour and two opting to keep rates unchanged. The divided vote was notable, particularly considering the recent inflation rebound.

At the same time, the policy statement acknowledged an upside-skewed inflation risk balance, driven by trade policy-related disruptions and the effects of geopolitical conflicts, while emphasizing that both external and domestic uncertainty remain elevated. In this context, the depth and duration of the Middle East conflict will be critical for upcoming inflation readings, given its potential impact on commodity markets.

Specifically, the destruction of key oil extraction infrastructure in the Persian Gulf region could prolong the normalization process in energy markets even after a potential ceasefire or negotiated settlement. Moreover, while production costs may rise immediately, increases in consumer prices tend to materialize with a lag of several months. As a result, recent communications from several central banks, including the Federal Reserve and the European Central Bank following meetings last week, have adopted a more cautious tone, explicitly conditioned on the conflict’s potential impact—particularly on energy prices.

In this environment, Banxico revised its forecasts for both headline and core inflation upward for the remainder of 2026, while still projecting convergence to the 3.0% target by the second quarter of 2027. Similarly, private-sector analysts have revised their year-end inflation expectations higher in recent months, now anticipating inflation to remain above 4.0% in December.

Looking ahead, the market’s attention will focus on the evolution of agricultural prices, the impact of the Middle East conflict on energy costs, and any additional signals from Banxico regarding the future course of monetary policy. In particular, March CPI and PPI releases will be key to assessing the extent to which higher commodity prices are filtering through the inflation pipeline. In addition, the publication of the meeting minutes on April 9th will be closely watched to gauge the degree of consensus within the Governing Board. Overall, recent developments reinforce the view that while a majority of the Board may still be considering an additional rate cut, the room for further monetary easing has narrowed significantly.

Peru—March: A Month of Temporary Economic Shifts

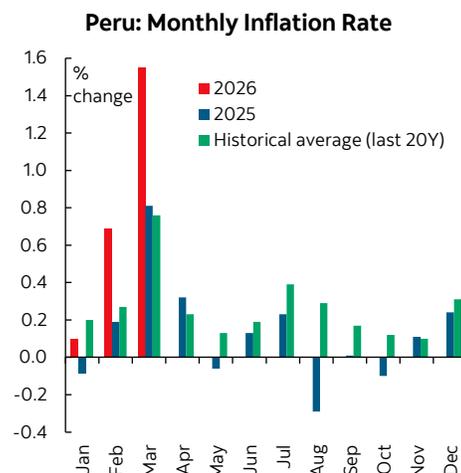
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March inflation will be released on April 1st. We expect monthly inflation to significantly exceed both the figure recorded in March 2025 (0.8%) and the 20-year historical average (0.8%) (chart 1). Our estimate places March inflation at 1.55% m/m, which would push annual inflation up to 3.0% y/y—the upper bound of the BCRP’s target range—from 2.2% in February. If confirmed, inflation would reach its highest level in two years (March 2024). We believe inflation will remain close to the upper bound of the target range for several more months, before easing during the third quarter of 2026.

Several factors are driving March inflation. First, seasonality: March typically records elevated inflation (0.8% on average), largely due to the education sector, as the school year begins in March. Energy is another important source of upside pressure, reflecting higher oil prices and the Camisea pipeline leak (and temporary suspension) incident, which restricted natural gas use during the first half of the month. Both factors have contributed to rising transportation costs. Finally, food prices continued to increase, driven by higher transportation costs and adverse weather conditions.

On the economic activity front, we updated our leading indicators related to domestic demand (table 1), which remain favourable and point to a solid start in 2026. Private investment continues to expand at a double-digit pace, supported by cement demand and heavy vehicle sales, while electricity demand and corporate lending are accelerating. Private consumption also shows strength, with mutual funds and vehicle sales growing at double digits, alongside steady growth in personal credit. Tax revenues—both corporate and individual—also rose at a double-digit rate. Taken together, we believe February’s economic dynamics were similar to January’s, and we estimate GDP growth at around 3.6%.

Chart 1



Sources: Scotiabank Economics, INEI.

Looking ahead, the Camisea pipeline incident in early March is expected to reduce hydrocarbon production, leading to a slowdown in March GDP—not only in that sector but also through indirect effects on transport and industry.

Nevertheless, we estimate that overall economic activity will expand by about 3.0% in the first quarter of 2026, broadly in line with potential output.

Separately, on March 20th the BCRP updated its projections for key economic variables in its Inflation Report for 1Q26, introducing significant changes compared with the 4Q25 report. GDP growth for 2026 was revised upward from 3.0% to 3.2%. While this adjustment may appear surprising given recent shocks, the Bank noted that absent external (weather, i.e. El Niño) and internal (natural gas disruption) factors, growth could have reached 3.6%. Moreover, sectors

such as construction, services, and commerce have started the year stronger than expected. Another major revision was in domestic demand, raised from 3.5% to 4.9% for 2026. This reflects a sharp upward adjustment in private investment, from 5.0% to 9.5%, close to the 10.0% growth recorded in 2025, as well as stronger private consumption, now projected at 3.4% versus the previous 3.0%. These revisions are supported by high metal prices and optimistic business expectations. Regarding inflation, the Bank noted that the impact of the Middle East conflict will be temporary, with inflation expected to hover near the upper bound of the target range (3.0%) in the short term. The year-end forecast was revised upward from 2.0% to 2.4%.

Table 1: Peru - Leading Indicators (% Change y/y)

Leading Indicators	Dec 2025	Jan 2026	Feb 2026
Heavy Vehicle Sales	51	28	55
Automobile Sales	48	24	52
Mutual Funds AUM	36	34	36
Motorcycle Sales	72	23	34
Income Tax Revenue	11	6	26
Sales Tax Revenue	9	6	12
Imports	15	1	12
Cement Sales	18	14	11
Total Deposits	9	9	9
Personal Loans	8	7	8
Total Loans	9	7	6
Business Loans	5	7	6
Electricity Demand	3	4	3
Public Investment	4	-9	-3

Sources: Scotiabank Economics, SBS, MEF, Sunat, COES, Asocem.

Market Events & Indicators for March 28–April 10

CHILE

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Mar-30	8:00 Unemployment Rate (%)	Feb	8.4	--	8.3	We estimate a slight increase in the unemployment rate in February, driven by a stronger expansion of the labour force, relative to the job creation we project for the moving quarter.
Mar-31	8:00 Retail Sales y/y	Feb	0.2	--	3.7	We project a slight year-on-year increase of 0.2% in retail sales, based on electronic receipt data from the Central Bank of Chile.
Mar-31	8:00 Commercial Activity y/y	Feb	--	--	3.2	
Mar-31	8:00 Industrial Production y/y	Feb	--	--	-1.6	
Mar-31	8:00 Manufacturing Production y/y	Feb	-0.9	--	-3.8	While we expect a year-on-year decline in manufacturing output, an acceleration in the seasonally adjusted monthly growth rate could be observed.
Mar-31	8:00 Copper Production Total (MT)	Feb	--	--	413712	
Apr-01	7:30 Economic Activity m/m	Feb	--	--	0.2	
Apr-01	7:30 Economic Activity y/y	Feb	--	--	-0.1	
Apr-01	8:30 Central Bank Meeting Minutes		--	--		
Mar 31-Apr 03	IMCE Business Confidence	Mar	--	--	52.3	
Apr-07	8:30 Central Bank Traders Survey		--	--		
Apr-07	8:30 Exports Total (USD mn)	Mar	--	--	9082.9	
Apr-07	8:30 Imports Total (USD mn)	Mar	--	--	6298.1	
Apr-07	8:30 Trade Balance (USD mn)	Mar	--	--	2784.8	
Apr-07	8:30 International Reserves (USD mn)	Mar	--	--	51036.2	
Apr-07	8:30 Copper Exports (USD mn)	Mar	--	--	4697.3	
Apr-07	9:00 Nominal Wage y/y	Feb	--	--	4.9	
Apr-08	8:00 CPI y/y Chained	Mar	--	--	2.4	
Apr-08	8:00 CPI m/m	Mar	--	--	0.0	
Apr-10	8:30 Central Bank Economist Survey		--	--	--	

MEXICO

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Mar-30	Mexican Public Balance (MXN mn)	Feb	--	--	-23.6	
Apr-01	11:00 Remittances Total (USD mn)	Feb	--	--	4594.1	
Apr-01	11:00 S&P Global Mexico Manufacturing PMI	Mar	--	--	47.1	
Apr-01	11:00 Central Bank Economist Survey		--	--	--	
Apr-01	14:00 IMEF Manufacturing Index SA	Mar	--	--	47.2	
Apr-01	14:00 IMEF Non-Manufacturing Index SA	Mar	--	--	50.0	
Apr-06	8:00 Gross Fixed Investment NSA y/y	Jan	--	--	0.0	
Apr-06	8:00 Gross Fixed Investment SA m/m	Jan	--	--	0.5	
Apr-06	8:00 Vehicle Domestic Sales	Mar	--	--	118297	
Apr-06	8:00 Private Consumption y/y	Jan	--	--	6.8	
Apr-07	Citi Survey of Economists		--	--	--	
Apr-08	8:00 Consumer Confidence	Mar	--	--	44.4	
Apr-09	8:00 CPI m/m	Mar	--	--	0.5	
Apr-09	8:00 CPI y/y	Mar	--	--	4.0	
Apr-09	8:00 CPI Core m/m	Mar	--	--	0.5	
Apr-09	8:00 CPI Core y/y	Mar	--	--	4.5	
Apr-09	8:00 Bi-Weekly CPI (%)	31-Mar	--	--	0.6	
Apr-09	8:00 Bi-Weekly Core CPI (%)	31-Mar	--	--	0.2	
Apr-09	8:00 Bi-Weekly CPI y/y	31-Mar	--	--	4.6	
Apr-09	8:00 Bi-Weekly Core CPI y/y	31-Mar	--	--	4.5	
Apr-09	8:00 Vehicle Production	Mar	--	--	311457	
Apr-09	8:00 Vehicle Exports	Mar	--	--	247945	
Apr-09	11:00 Central Bank Monetary Policy Minutes		--	--	--	
Apr-10	8:00 Industrial Production NSA y/y	Feb	--	--	-1.1	
Apr-10	8:00 Manuf. Production NSA y/y	Feb	--	--	-3.0	
Apr-10	8:00 Industrial Production SA m/m	Feb	--	--	-1.1	
Apr 6-10	Formal Job Creation Total	Mar	--	--	182.8	

PERU

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Apr-01	11:00 Lima CPI y/y	Mar	3.0	--	2.2	
Apr-01	11:00 Lima CPI m/m	Mar	1.6	--	0.7	
Apr-09	19:00 Reference Rate (%)	9-Apr	4.25	--	4.25	

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for March 28–April 10

BRAZIL

<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>
Mar-30	7:25 Central Bank Weekly Economist Survey		--	--	--	
Mar-30	7:30 Outstanding Loans m/m	Feb	--	--	-0.2	
Mar-30	7:30 Total Outstanding Loans (BRL bn)	Feb	--	--	7115.6	
Mar-30	Formal Job Creation Total	Feb	--	270065	112334	
Mar-30	Central Govt Budget Balance (BRL bn)	Feb	--	-31.7	86.9	
Mar-31	7:30 Net Debt % GDP	Feb	--	--	65.0	
Apr-01	9:00 S&P Global Brazil Manufacturing PMI	Mar	--	--	47.3	
Apr-02	8:00 Industrial Production m/m	Feb	--	--	1.8	
Apr-02	8:00 Industrial Production y/y	Feb	--	--	0.2	
Apr-06	7:25 Central Bank Weekly Economist Survey		--	--	--	
Apr-06	9:00 S&P Global Brazil Composite PMI	Mar	--	--	51.3	
Apr-06	9:00 S&P Global Brazil Services PMI	Mar	--	--	53.1	
Apr-07	14:00 Trade Balance Monthly (USD mn)	Mar	--	--	4207.9	
Apr-07	14:00 Exports Total (USD mn)	Mar	--	--	26306	
Apr-07	14:00 Imports Total (USD mn)	Mar	--	--	22098.1	
Apr-10	8:00 IBGE Inflation IPCA m/m	Mar	--	--	0.7	
Apr-10	8:00 IBGE Inflation IPCA y/y	Mar	--	--	3.81	

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>
Mar-31	11:00 National Unemployment Rate (%)	Feb	--	--	10.9	
Mar-31	11:00 Urban Unemployment Rate (%)	Feb	--	--	10.6	
Mar-31	14:00 Overnight Lending Rate (%)	31-Mar	--	11.25	10.25	
Apr-01	11:00 Davivienda Colombia PMI Mfg	Mar	--	--	51.6	
Apr-01	11:00 Exports FOB (USD mn)	Feb	--	--	4252.7	
Apr-07	18:00 Colombia Monetary Policy Minutes		--	--	--	
Apr-09	19:00 CPI m/m	Mar	--	--	1.1	
Apr-09	19:00 CPI y/y	Mar	--	--	5.3	
Apr-09	19:00 CPI Core m/m	Mar	--	--	1.0	
Apr-09	19:00 CPI Core y/y	Mar	--	--	5.2	

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Forecast Updates

	2024	2025				2026				2027							
	Q4	Q1	Q2	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Chile																	
Real GDP (y/y % change)	4.1	2.9	3.7	1.7	1.7	1.2	1.4	3.0	2.3	2.7	3.8	3.2	2.6	2.8	2.5	2.0	3.0
CPI (y/y %, eop)	4.5	4.9	4.1	4.4	3.4	2.6	4.8	4.1	4.5	4.2	2.7	2.9	3.0	4.5	3.4	4.5	3.0
Unemployment rate (% avg)	8.1	8.7	8.9	8.5	8.1	8.3	8.2	8.2	8.0	7.8	7.5	7.6	7.4	8.1	8.1	8.2	7.6
Central bank policy rate (% eop)	5.00	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.25	5.00	4.50	4.50	4.25
Foreign exchange (USDCLP, eop)	995	951	932	963	901	910	900	870	870	870	870	870	870	995	901	870	870
Mexico																	
Real GDP (y/y % change)	0.3	0.6	-0.1	-0.1	1.8	1.0	1.0	1.0	0.8	1.7	1.2	0.4	0.5	1.4	0.6	1.0	1.0
CPI (y/y %, eop)	4.2	3.8	4.3	3.8	3.7	4.2	4.1	4.4	4.2	4.1	3.9	4.2	4.1	4.2	3.7	4.2	4.1
Unemployment rate (% avg)	2.5	2.5	2.7	2.9	2.6	3.2	3.3	3.4	3.4	3.5	3.6	3.7	3.7	2.7	2.6	3.3	3.8
Central bank policy rate (% eop)	10.00	9.00	8.00	7.50	7.00	6.75	6.50	6.50	6.50	6.50	6.50	6.50	6.75	10.00	7.00	6.50	6.75
Foreign exchange (USDMXN, eop)	20.83	20.47	18.75	18.31	18.01	17.89	18.04	18.20	18.38	18.56	18.77	18.99	19.21	20.83	18.01	18.38	19.21
Peru																	
Real GDP (y/y % change)	4.4	4.0	2.8	3.8	3.2	3.0	3.1	3.1	3.3	3.5	3.2	2.9	2.5	3.5	3.4	3.2	3.0
CPI (y/y %, eop)	2.0	1.3	1.7	1.4	1.5	3.0	2.7	2.3	2.2	1.1	1.3	1.8	2.0	2.0	1.5	2.2	2.0
Unemployment rate (% avg)	5.5	6.6	6.4	5.7	5.0	6.0	6.2	5.8	5.2	5.8	5.7	5.6	5.1	6.5	5.9	5.8	5.6
Central bank policy rate (% eop)	5.00	4.75	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	5.00	4.25	4.25	4.25
Foreign exchange (USDPEN, eop)	3.74	3.68	3.54	3.47	3.36	3.46	3.32	3.35	3.35	3.40	3.37	3.42	3.45	3.74	3.36	3.35	3.45
Brazil																	
Real GDP (y/y % change)	3.6	3.1	2.4	1.8	1.8	1.7	1.7	1.8	2.0	1.9	1.9	1.8	1.8	3.4	2.3	1.8	1.8
CPI (y/y %, eop)	4.8	5.5	5.4	5.2	4.3	3.6	3.7	3.9	4.1	4.0	3.8	3.7	3.7	4.8	4.3	4.1	3.7
Unemployment rate (% avg)	6.2	7.0	5.8	5.6	5.1	6.0	5.7	5.7	5.6	6.4	6.2	6.2	6.2	6.2	5.1	5.8	6.3
Central bank policy rate (% eop)	12.25	14.25	15.00	15.00	15.00	14.75	14.25	13.75	13.00	12.50	12.00	11.50	11.25	12.25	15.00	13.00	11.25
Foreign exchange (USDBRL, eop)	6.18	5.71	5.43	5.32	5.47	5.25	5.30	5.33	5.40	5.43	5.45	5.48	5.50	6.18	5.47	5.40	5.50
Canada																	
Real GDP (y/y % change)	3.1	2.9	1.8	1.6	0.7	0.5	1.2	1.3	1.9	2.0	2.1	1.9	2.0	2.0	1.7	1.3	2.0
CPI (y/y %, eop)	1.9	2.3	1.8	2.0	2.2	2.1	3.2	3.1	3.3	2.9	2.1	2.0	1.9	1.9	2.2	3.3	1.9
Unemployment rate (% avg)	6.8	6.7	6.9	7.0	6.8	6.7	6.5	6.5	6.3	6.2	6.1	6.0	6.0	6.4	6.9	6.5	6.0
Central bank policy rate (% eop)	3.25	2.75	2.75	2.50	2.25	2.25	2.25	2.75	3.00	3.00	3.00	3.00	3.00	3.25	2.25	3.00	3.00
Foreign exchange (USDCAD, eop)	1.44	1.44	1.36	1.39	1.37	1.38	1.35	1.34	1.33	1.32	1.32	1.30	1.30	1.44	1.37	1.33	1.30
United States																	
Real GDP (y/y % change)	2.4	2.0	2.1	2.3	2.0	2.8	1.9	1.2	1.5	1.6	2.0	2.3	2.5	2.8	2.1	1.9	2.1
CPI (y/y %, eop)	2.7	2.7	2.5	2.9	2.8	2.9	2.7	2.9	3.2	3.3	2.8	2.3	2.2	2.7	2.8	3.2	2.2
Unemployment rate (% avg)	4.1	4.1	4.2	4.3	4.5	4.4	4.4	4.4	4.3	4.2	4.2	4.1	4.1	4.0	4.3	4.4	4.2
Central bank policy rate (% eop)	4.50	4.50	4.50	4.25	3.75	3.75	3.75	3.75	3.50	3.25	3.25	3.25	3.25	4.50	3.75	3.50	3.25
Foreign exchange (EURUSD, eop)	1.04	1.08	1.18	1.17	1.17	1.18	1.18	1.22	1.22	1.23	1.23	1.24	1.24	1.04	1.17	1.22	1.24

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics.
 Changes in estimates and forecasts since previous *Latam Weekly* on March 6, 2026.

Forecast Updates—Changes Compared To Previous Latam Weekly

	2024	2025				2026				2027							
	Q4	Q1	Q2	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Chile																	
Real GDP (y/y % change)	-	-	-	-	-	0.5	-2.4	0.2	-0.5	-0.2	1.7	0.6	0.4	-	0.2	-0.5	0.5
CPI (y/y %, eop)	-	-	-	-	-	0.1	1.9	1.7	2.0	1.9	0.1	0.3	-	-	-	2.0	-
Unemployment rate (% avg)	-	-	-	-	-	0.4	0.2	0.2	0.4	0.5	-	-	-	-	-	0.3	0.1
Central bank policy rate (% eop)	-	-	-	-	-	0.25	0.25	0.25	0.25	-	-	-	-	-	-	0.25	-
Foreign exchange (USDCLP, eop)	-	-	-	-	-	40.00	30.00	-	-	-	-	-	-	-	-	-	-
Mexico																	
Real GDP (y/y % change)	-	-	-	-	-	0.4	0.5	0.3	0.3	-	-	-	-	-	-	0.4	-
CPI (y/y %, eop)	-	-	-	-	-	0.1	0.3	0.3	0.3	0.2	0.2	0.2	0.2	-	-	0.3	0.2
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-0.25	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	0.37	0.36	0.36	0.37	0.37	0.38	0.41	0.44	-	-	0.37	0.44
Peru																	
Real GDP (y/y % change)	-	-	-	-	-	-0.2	-0.2	0.1	0.3	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	0.5	0.6	0.2	-	-0.4	-0.5	-0.2	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-	-	0.25	0.25
Foreign exchange (USDPEN, eop)	-	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-	-
Brazil																	
Real GDP (y/y % change)	-	-	-	-	-	0.2	-	-	-	-0.1	-	-	-	-	-	-	-0.1
CPI (y/y %, eop)	-	-	-	-	-	0.2	0.3	0.4	0.2	-	-	-	-	-	-	0.2	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	0.25	0.75	1.25	1.00	0.75	0.75	0.75	0.75	-	-	1.00	0.75
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-0.19	-0.17	-0.17	-0.10	-0.07	-0.05	-0.02	-	-	-	-0.10	-
Canada																	
Real GDP (y/y % change)	-	-	-	-	-	-0.2	-0.5	-0.2	-0.3	-0.1	0.1	-0.2	-	-	-	-0.2	-
CPI (y/y %, eop)	-	-	-	-	-	-0.2	0.9	1.0	1.1	0.8	-	-0.1	-0.1	-	-	1.1	-0.1
Unemployment rate (% avg)	-	-	-	-	-	-	-	0.2	0.2	0.2	0.2	0.1	0.2	-	-	0.1	0.1
Central bank policy rate (% eop)	-	-	-	-	-	-	-	0.50	0.25	-	-	-	-	-	-	0.25	-
Foreign exchange (USDCAD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United States																	
Real GDP (y/y % change)	-	-	-	-	-	-	-0.2	-0.1	-	0.1	0.2	0.1	0.1	-	-	-	0.1
CPI (y/y %, eop)	-	-	-	-	-	0.2	0.1	0.5	0.8	0.8	0.3	-0.3	-0.4	-	-	0.8	-0.4
Unemployment rate (% avg)	-	-	-	-	-	-0.1	-	0.1	0.1	-	0.1	-	-	-	-	-	0.1
Central bank policy rate (% eop)	-	-	-	-	-	0.25	0.50	0.75	0.50	0.25	0.25	0.25	0.25	-	-	0.50	0.25
Foreign exchange (EURUSD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics.
Changes in estimates and forecasts since previous *Latam Weekly* on March 6, 2026.

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-2026	End-2027	
Chile, BCCh, TPM	4.50%	Apr-28	4.50%	4.50%	4.25%	Amid the latest Middle East conflict shock, we expect the Central Bank to hold the policy rate at 4.50%.
Mexico, Banxico, TO	6.75%	May-07	6.75%	6.50%	6.75%	Banxico paused its easing cycle in its latest decision. However, the majority of the board members have acknowledged that, in spite of the recent volatility in the financial markets, there is room to restart the cutting cycle as early as March.
Peru, BCRP, TIR	4.25%	Apr-09	4.25%	4.25%	4.25%	The global environment has changed, putting upward pressure on local inflation and deteriorating economic expectations (although they remain in the optimistic range). The additional cut in the monetary policy interest rate that we had anticipated will no longer occur, and our terminal rate is now 4.25%. For the time being, we maintain our 2.2% inflation projection for the end of 2026, although we view it with an upward bias.
Brazil, BCB, Selic	14.75%	Apr-29	14.25%	13.00%	11.25%	

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

Key Economic Charts

Chart 1

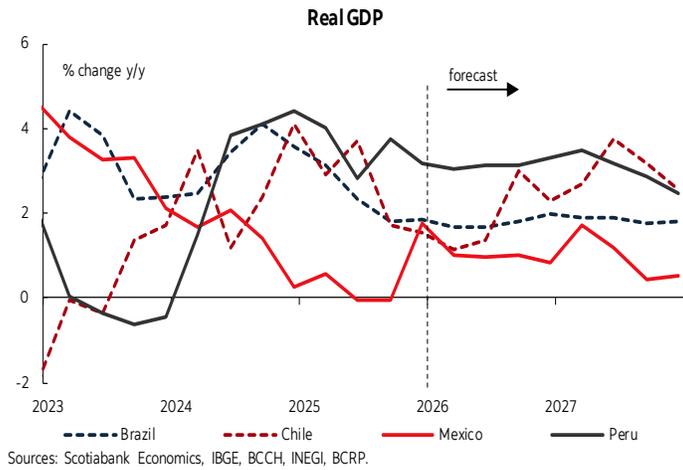


Chart 2

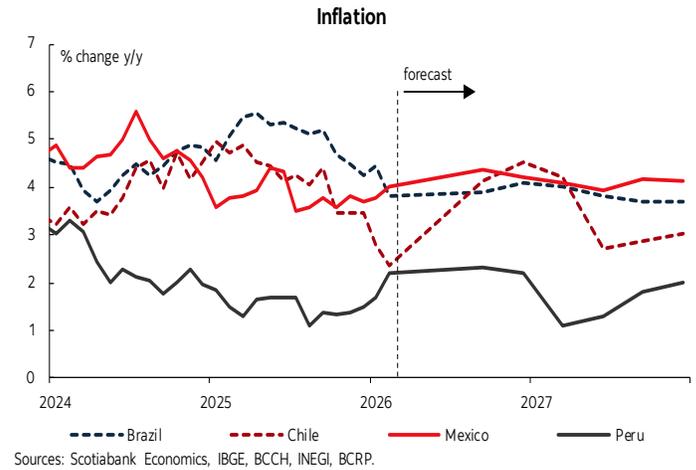


Chart 3

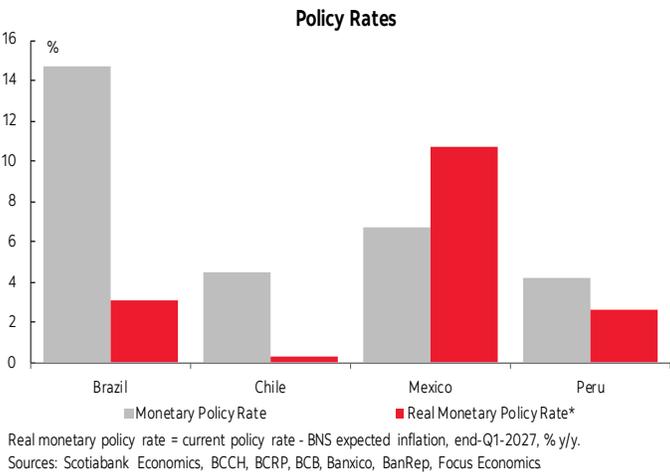
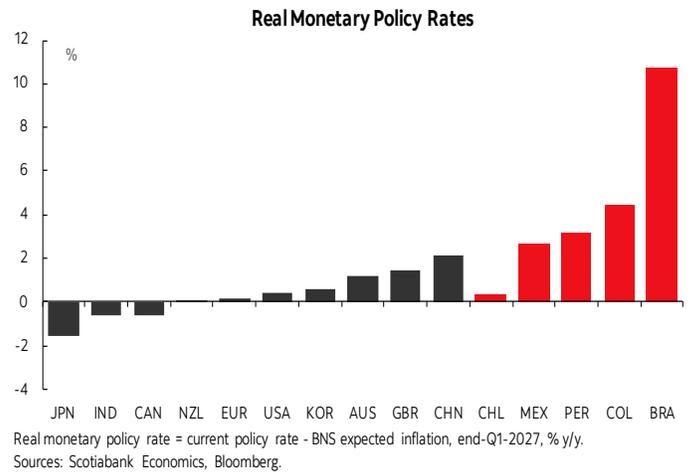


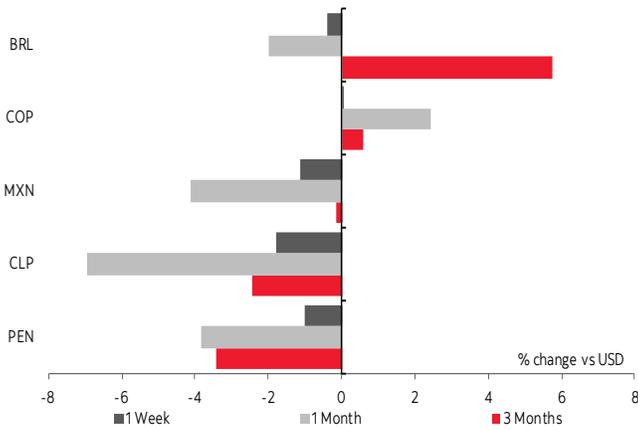
Chart 4



Key Market Charts

Chart 1

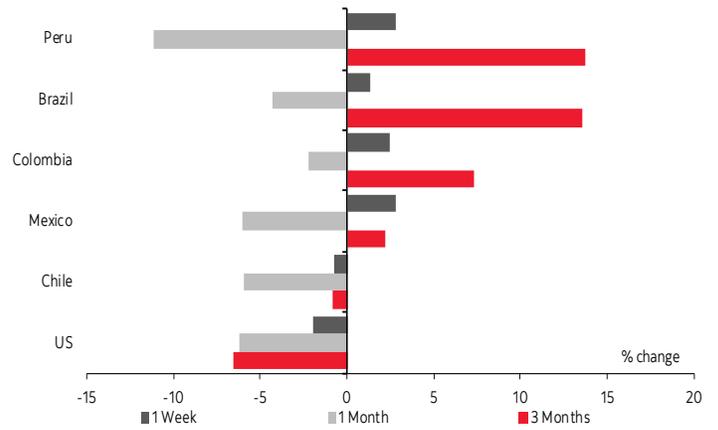
Latam Currencies Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 2

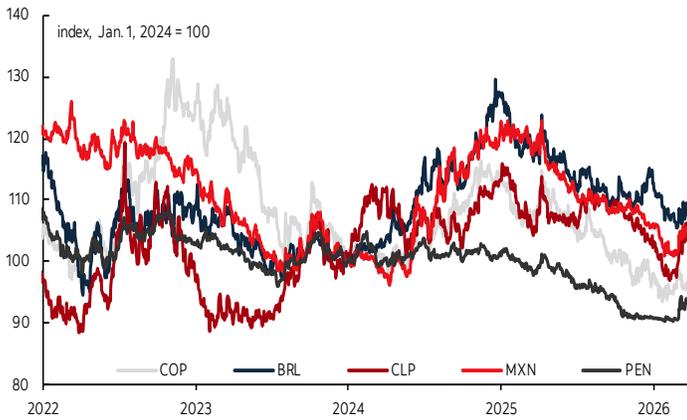
Latam Equities Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 3

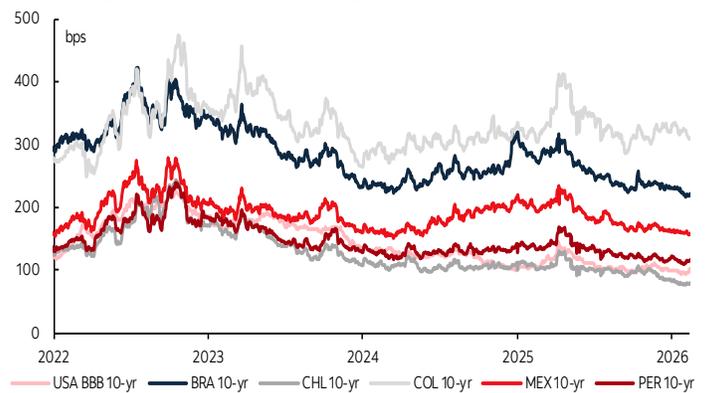
USD vs Latam Currencies



Sources: Scotiabank Economics, Bloomberg.

Chart 4

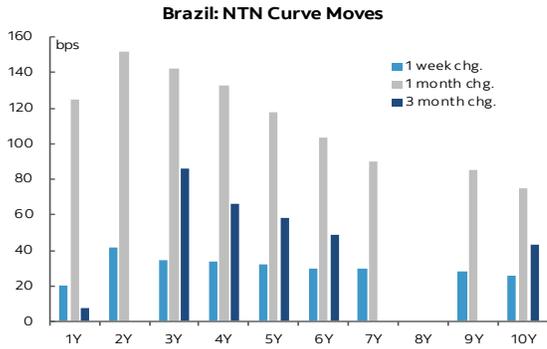
10-yr CDS Spreads: Latam Sovereigns & US BBB Corporates vs US*



*Sovereigns vs US swaps; BBB corporates vs 10-yr USTs.
Sources: Scotiabank Economics, Bloomberg.

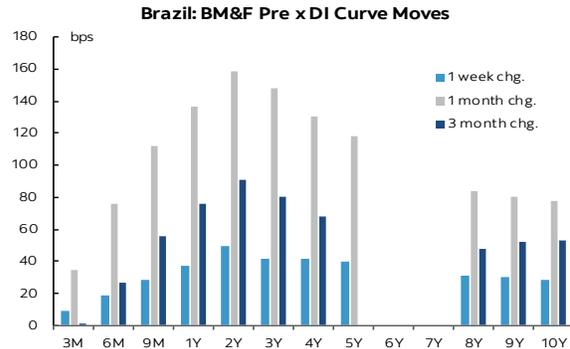
Yield Curves

Chart 1



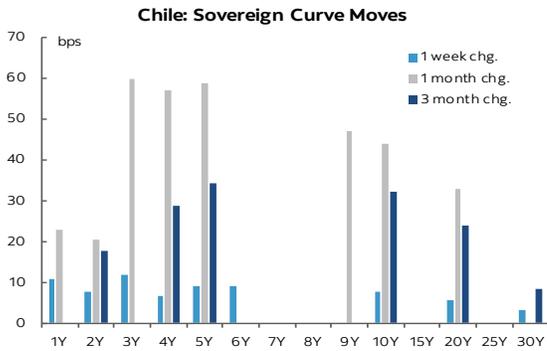
Sources: Scotiabank Economics, Bloomberg.

Chart 2



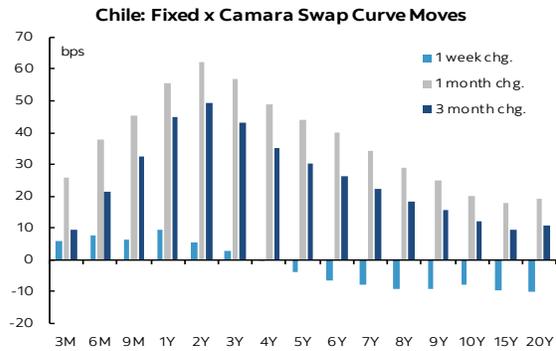
Sources: Scotiabank Economics, Bloomberg.

Chart 3



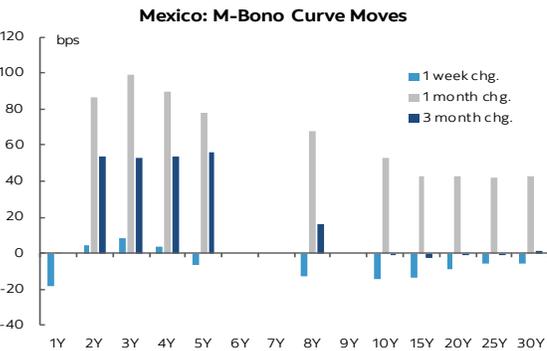
Sources: Scotiabank Economics, Bloomberg.

Chart 4



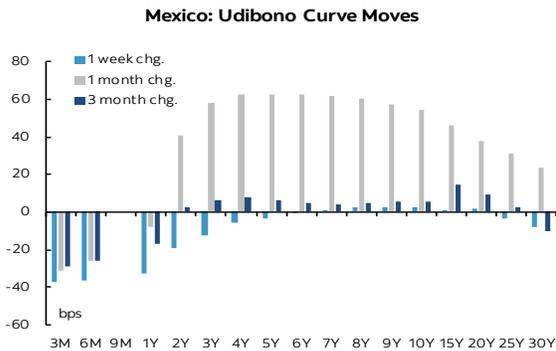
Sources: Scotiabank Economics, Bloomberg.

Chart 5



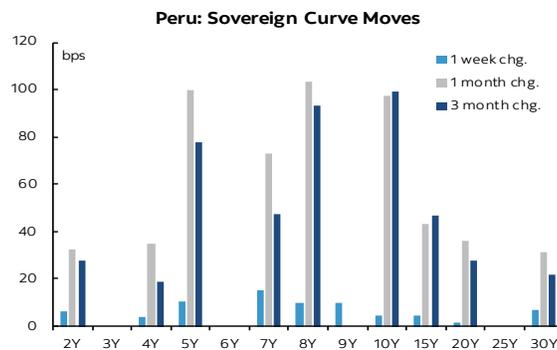
Sources: Scotiabank Economics, Bloomberg.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

Chart 7



Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage

Local Market Coverage

CHILE

Website:	Click here to be redirected
Subscribe:	anibal.alarcon@scotiabank.cl
Coverage:	Spanish and English

MEXICO

Website:	Click here to be redirected
Subscribe:	estudeco@scotiab.com.mx
Coverage:	Spanish

PERU

Website:	Click here to be redirected
Subscribe:	siee@scotiabank.com.pe
Coverage:	Spanish

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