

Contributors

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

THIS WEEK'S CONTRIBUTORS:

Aníbal Alarcón, Senior Economist
+56.2.2619.5465 (Chile)
anibal.alarcon@scotiabank.cl

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

Syed Hasnain Abbas, Economic Analyst
Scotiabank Economics
416.863.7307
syedhasnain.abbas@scotiabank.com

Table of Contents

Overview	2-3
Country Updates	4-5
Market Events & Indicators	6
Forecast Updates	7-9
Key Economic Charts	10
Key Market Charts	11
Yield Curves	12

Latam Weekly: Regional CPI and BCRP Decision

HIGHLIGHTS

- It's all about inflation data next week in Latam, with June CPI releases on tap from Brazil, Chile, Colombia, and Mexico, alongside the BCRP's rate decision where a rate hold is widely expected.
- Inflation is forecast to accelerate in Chile and Colombia, pick up less so in Brazil, and decelerate in Mexico as headline prices in the region dance to the tune of energy and food prices, impacted by external or weather developments.
- Mexican investment will likely break its long streak of year-on-year decline in April data due next week, but the overall investment backdrop remains depressed amid domestic and external headwinds. On the latter, the team in Mexico focuses on the latest CUSMA developments in today's report.
- The pickup in Chilean inflation stands in contrast to recent weakness in economic figures in the country that complicate the BCCh's stance. In today's Weekly, our economists in Chile cover the latest labour market data showing the unemployment rate currently around a five-year high, while economic activity extended its losses in May.

Chart of the Week

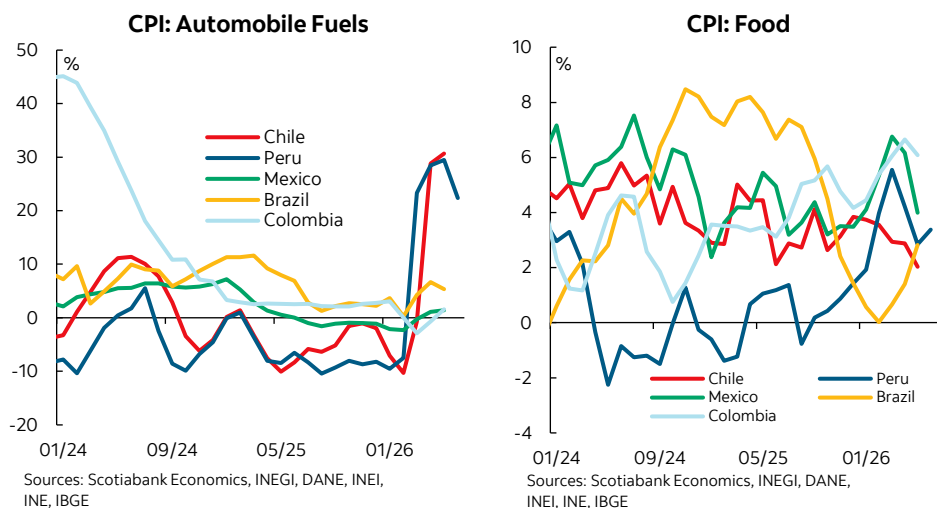


Chart of the Week: Prepared by: Syed Hasnain Abbas, Economic Analyst.

Regional CPI and BCRP Decision

- **It's all about inflation data next week in Latam, with June CPI releases on tap from Brazil, Chile, Colombia, and Mexico, alongside the BCRP's rate decision where a rate hold is widely expected.**
- **Inflation is forecast to accelerate in Chile and Colombia, pick up less so in Brazil, and decelerate in Mexico as headline prices in the region dance to the tune of energy and food prices, impacted by external or weather developments.**
- **Mexican investment will likely break its long streak of year-on-year decline in April data due next week, but the overall investment backdrop remains depressed amid domestic and external headwinds. On the latter, the team in Mexico focuses on the latest CUSMA developments in today's report.**
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It's all about inflation data next week in Latam, with June CPI releases on tap from Brazil, Chile, Colombia, and Mexico, alongside the BCRP's rate decision, all in contrast to a quieter calendar abroad, with global markets more liable to trade in reaction to Fed speakers, meeting minutes from the Fed and ECB, and whichever direction AI equities sentiment and Middle East risks shift toward. We'll also be keeping an eye on any possible developments on the CUSMA front after the U.S. declined to renew the trade deal earlier this week, thus setting up annual reviews of the agreement—though we think an arrangement will be reached over the next few months. OPEC+ is expected to announce another output hike at its weekend gathering, just as flows from the Middle East quickly ramp up with the Strait of Hormuz reopening.

Our economists in Chile project that inflation accelerated to 4.2% y/y in June from 3.9% y/y, nearly 2 ppts above the recent low of 2.4% y/y in February. Prices are expected to fall by about 0.2% m/m, or half of last June's 0.4% decline, as price gains in services and housing partly offset lower gasoline prices—in line with falling oil prices—and seasonal Cyber Day discounts. While energy price risks are fading, underlying inflation metrics remain relatively hot and CLP weakness is an important risk of 'imported' inflation, while El Niño will likely pressure food prices higher. All in all, we project that inflation will cool to 3.6% in Q3-26 but then pick up to 4.5% in Q4-26.

The BCCh may find a brief window to ease policy settings in the third quarter, given weak economic conditions—as seen with the 0.9% y/y decline in May economic activity data released earlier this week—although underlying inflation metrics and external factors would have to cooperate. In today's report, our team in Chile covers the latest employment data in the country, with the jobless rate sitting at its highest level since mid-2021, prompting a revision higher to our unemployment rate forecast amid fading economic momentum, with GDP expected to grow by only 1.5% this year (a full percentage point slower than last year's 2.5% expansion).

In Mexico, inflation should slow from the high 3s to the mid 3s in June data due on Thursday, in line with the downside surprise in H1-Jun CPI data released last week which came in at 3.55% versus 3.72% expected. All is fine and well (relatively) in

CONTRIBUTORS

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

July 3, 2026

headline inflation land as food inflation cools from steep 5%+ levels over the February to April period. The same cannot be said for core inflation, which continues to hang around the 4% mark and is only expected to marginally slow to 4.1% from 4.2% in May with core services caught around the 4.5% level since early-2025 and with no signs of easing.

The stickiness in core inflation currently rules out any possible downside policy adjustments by Banxico, with the bank guiding rate stability over the medium-term. The bank's meeting minutes out on Thursday should shed some light on the bank's assessment of risks. On the flip side of inflation risks, economic metrics remain weak. Most notably, investment has contracted in year-on-year terms every single month since November 2024 amid depressed business confidence due to domestic policy decisions (AMLO/Sheinbaum reforms) and external risks (U.S. tariffs and CUSMA renegotiation). Our economists in Mexico briefly go over what awaits following the U.S.'s decision on CUSMA this week.

We may, however, see investment data for April out on Tuesday break its long negative streak. Construction output, as per industrial production data, rose by 10.4% y/y in April in its best gain in about two years on the back of residential construction (rebounding from a weak March). The residential sector has generally been the sole positive performer in investment, with the help of public programs, while now-stable public works (after steep declines) and depressed machinery and equipment outlays pull in the opposite direction. The weakness in machinery and equipment investment is a clear reflection of the uncertain domestic and external environment which constrains the country's productive capacity over the coming quarters. So, while a positive y/y print for fixed investment is a positive, underlying details continue to paint a picture of muted sentiment and underperforming GDP growth.

On Friday, Brazilian inflation is seen slightly accelerating in June to 4.8% from 4.7% y/y, roughly in line with mid-month IPCA-15 results that showed a pickup in food inflation and a slight slowing in transportation inflation where higher airfares inflation counteracted most of the benefits from declining fuel inflation. Similarly to Banxico, the BCB is struggling with elevated underlying inflation metrics that are showing limited signs of letting up. An uptick in long-term inflation expectations that is drifting away from the 3% target (13–24 months at 3.9%) signals to the bank that economists believe settings may not be significantly restrictive or that would-be rate cuts would result in deviations from the inflation goal. With inflation elevated and the economy generally holding up—albeit at a soft pace as fiscal support is countered by restrictive policy conditions—there is little to motivate the BCB toward additional rate cuts. Currently, markets are pricing in an unchanged BCB rate of 14.25% at the close of 2026, compared to a 12–50–12.75% that was priced in at the beginning of the year.

There's not much for the BCRP to do as things stand. Domestic inflation is elevated, at 3.6% as of June, and there are important price risks from El Niño that are building alongside rising expectations for a stronger weather event. But crude oil prices have significantly corrected in recent weeks, in line with our team's expectations, and the BCRP will likely perceive the recent energy shock and the ongoing and future El Niño shocks on agricultural and fish prices as merely transitory, requiring a patient approach to policy settings. The policy rate may currently be somewhat accommodative considering the recent upward shift in inflation expectations, and the economy is running at a strong pace—more so when one sets aside El Niño headwinds and the impact of the Camisea gas pipeline leak. So, there may be a world at future meetings when the BCRP considers a hike if inflation (and expectations) fails to realign towards target quickly enough and the economy continues to exceed expectations, but that is not our baseline. For now, the BCRP remains in a data and weather dependent stance that would translate into rate stability were conditions to evolve in line with our forecasts.

Country Updates

Chile—Labour Market Weakens Further as Activity Loses Momentum

Anibal Alarcón, Senior Economist
 +56.2.2619.5465 (Chile)
anibal.alarcon@scotiabank.cl

The unemployment rate increased to 9.4% in the rolling quarter ending in May (9.2% SA), exceeding both market expectations and our forecast. The result was explained by the destruction of 11k jobs relative to the previous rolling quarter, coupled with an increase of 25k people in the labour force. Widening labour market slack is translating into a continued deceleration of the wage bill, raising downside risks for private consumption in the coming months.

Meanwhile, formal employment posted a third consecutive year-on-year contraction in May (chart 1). Formal employment fell by 43k jobs y/y, with losses concentrated in real estate-related activities and construction. Indeed, the construction sector alone shed more than 30k jobs compared with the previous rolling quarter, marking the second-largest decline observed over the past ten years, excluding the pandemic period. Similarly, real estate activities lost more than 10k jobs in May, reflecting a slowdown in sales momentum following the boost provided by the mortgage interest-rate subsidy program implemented several quarters ago.

These labour market developments are consistent with an economy that continues to lose momentum. GDP contracted 0.9% y/y in May, broadly in line with our year-on-year and seasonally adjusted forecast, but noticeably weaker-than-market expectations. Nearly all sectors recorded either flat or negative seasonally adjusted growth relative to the previous month, a result we had anticipated based on high-frequency indicators and which was subsequently confirmed by the sectoral data released by the INE.

We observe a genuine deterioration in annual growth. For the second consecutive month, seasonally adjusted GDP contracted on a year-on-year basis, suggesting that the recent weakness extends beyond temporary seasonal factors or calendar effects (chart 2). Following a 0.2% m/m SA decline, non-mining GDP has now accumulated three consecutive quarters of stagnation, reinforcing signs of a broad-based loss of momentum across domestic activity.

Consistent with our 1.5% GDP growth forecast for this year, we have revised our near-term unemployment rate projections higher, reflecting a labour market that is likely to remain under pressure in the coming quarters. The weak May GDP reading reinforces this assessment, confirming that economic growth remains subdued and that underlying activity continues to lose traction.

Chart 1

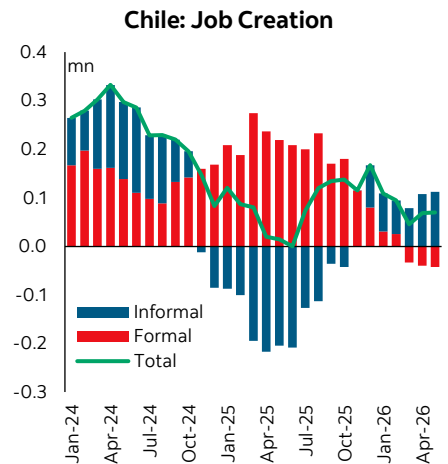
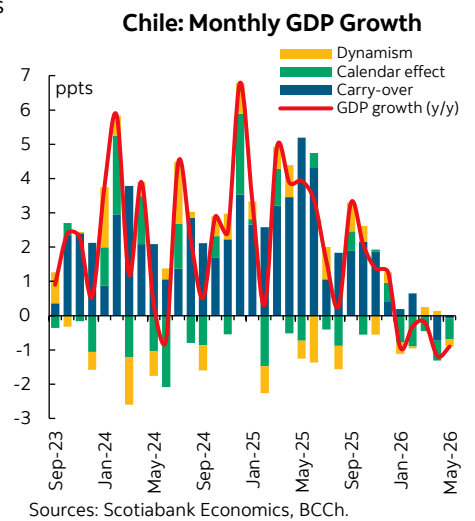


Chart 2



Mexico—CUSMA Review: A Critical Milestone, but Limited Risk to North American Integration

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

On July 1st, 2026, the joint review of the Canada-United States-Mexico Agreement (CUSMA) formally began. The agreement underpins nearly US\$2 trillion in annual trade and connects a market of more than 519 million consumers. While recent remarks by President Donald Trump have raised uncertainty over the agreement’s future, most analysts view a breakdown as unlikely, given the depth of economic integration already achieved across North America.

Since NAFTA came into force in 1994 and was later modernized through CUSMA in 2020, regional supply chains have become increasingly embedded in strategic sectors such as automotive, manufacturing, energy, and agrifood. Mexico and Canada now account

July 3, 2026

for nearly 28% of U.S. foreign trade, while China's share has declined significantly. This shift has positioned Mexico as the United States' leading trading partner and reinforced North America's role as an integrated production platform amid intensifying competition from Asia.

That said, trade tensions have intensified since 2025. The Trump administration has imposed several tariffs on Mexican and Canadian imports, particularly in steel, aluminum, and automotive products, citing national security concerns. Even so, most goods that comply with CUSMA rules of origin continue to benefit from tariff exemptions, underscoring the agreement's economic relevance for businesses and consumers across the three countries.

The review process opens three potential paths: extending the agreement for another 16 years through 2042, keeping it in force subject to annual reviews, or, in a less likely scenario, triggering a withdrawal process. Following last Wednesday's meeting, it became clear that the United States is not initially seeking an automatic renewal, arguing that trade imbalances and outstanding issues must first be addressed. Ebrard noted that this position had already been anticipated, adding that annual reviews could provide a framework to resolve differences among the three countries and reduce uncertainty around specific provisions of the agreement.

Negotiations are expected to focus on targeted adjustments rather than a broad renegotiation. The United States will likely push for stricter rules of origin to limit Chinese content in regional exports and increase U.S. content in manufactured goods. Mexico and Canada, in turn, will seek to preserve preferential access to the U.S. market and ease restrictions affecting strategic sectors.

For Mexico, the priority is to preserve the certainty that has supported its consolidation as the United States' top trading partner and to further strengthen its role within North American value chains. Mexican exports exempt from tariffs have consistently remained between 80% and 85%. Despite the political noise, the scale of regional trade, the depth of productive integration, and the need to enhance competitiveness vis-à-vis China suggest that the most likely outcome is continuity of the USMCA with gradual adjustments, rather than a structural overhaul or the agreement's eventual dissolution.

Market Events & Indicators for July 4–17

CHILE

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Jul 07	8:30 Exports Total (USD mns)	Jun	--	--	9539.9	--
Jul 07	8:30 Imports Total(USD mns)	Jun	--	--	7105.3	--
Jul 07	8:30 Trade Balance(USD mns)	Jun	--	--	2434.6	--
Jul 07	8:30 International Reserves (USD mns)	Jun	--	--	52237.4	--
Jul 07	8:30 Copper Exports (USD mns)	Jun	--	--	5143.8	--
Jul 07	9:00 Nominal Wage y/y	May	--	--	1.7	--
Jul 08	8:00 CPI y/y Chained	Jun	4.2	4.2	3.9	--
Jul 08	8:00 CPI m/m	Jun	-0.2	-0.3	0.2	We project a m/m drop in the CPI, mainly due to lower prices of ex-volatile goods and lower gasoline prices.
Jul 10	8:30 Central Bank Economist Survey					

MEXICO

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Jul 06	8:00 Gross Fixed Investment NSA y/y	Apr	--	--	-2.6	--
Jul 06	8:00 Gross Fixed Investment SA m/m	Apr	--	--	0.4	--
Jul 06	8:00 Private Consumption y/y	Apr	--	--	3.8	--
Jul 07	8:00 Vehicle Production	Jun	--	--	342926.0	--
Jul 07	8:00 Vehicle Exports	Jun	--	--	306288.0	--
Jul 07	Citi Survey of Economists		--	--		--
Jul 09	8:00 CPI m/m	Jun	0.0	-0.2	-0.2	--
Jul 09	8:00 CPI y/y	Jun	3.6	3.5	3.9	--
Jul 09	8:00 CPI Core m/m	Jun	0.3	0.3	0.2	--
Jul 09	8:00 CPI Core y/y	Jun	4.1	4.1	4.2	--
Jul 09	8:00 Bi-Weekly CPI	Jun	0.3	--	-0.1	--
Jul 09	8:00 Bi-Weekly Core CPI	Jun	0.2	--	0.2	--
Jul 09	8:00 Bi-Weekly CPI y/y	Jun	3.7	--	3.6	--
Jul 09	8:00 Bi-Weekly Core CPI y/y	Jun	4.1	--	4.1	--
Jul 09	11:00 Central Bank Monetary Policy Minutes		--	--		--
Jul 10	8:00 Industrial Production NSA y/y	May	--	--	2.3	--
Jul 10	8:00 Manuf. Production NSA y/y	May	--	--	0.0	--
Jul 10	8:00 Industrial Production SA m/m	May	--	--	2.1	--
Jul 06-10	Formal Job Creation Total	Jun	--	--	-29.9	--
Jul 13-15	Nominal Wages	Jun	--	--	3.6	--
Jul 15-21	ANTAD Same-Store Sales y/y	Jun	--	--	0.8	--

PERU

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Jul 09	7:00 Reference Rate (%)	Jul	4.25	4.25	4.25	--
Jul 15	11:00 Lima Unemployment Rate	Jun	5.0	--	5.0	--
Jul 15	11:00 Economic Activity y/y	May	3.0	--	3.7	--

BRAZIL

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Jul 06	7:25 Central Bank Weekly Economist Survey		--	--		--
Jul 06	2:00 Trade Balance Monthly (USD)	Jun	--	10950.0	7823.2	--
Jul 06	2:00 Exports Total (USD)	Jun	--	36396.5	31904.1	--
Jul 06	2:00 Imports Total (USD)	Jun	--	25737.5	24080.8	--
Jul 10	8:00 IBGE Inflation IPCA m/m	Jun	--	0.3	0.6	--
Jul 10	8:00 IBGE Inflation IPCA y/y	Jun	--	4.8	4.7	--
Jul 13	7:25 Central Bank Weekly Economist Survey		--	--		--
Jul 15	8:00 IBGE Services Volume m/m SA	May	--	--	1.2	--
Jul 15	8:00 IBGE Services Volume y/y NSA	May	--	--	1.9	--
Jul 16	8:00 Retail Sales m/m	May	--	--	-1.5	--
Jul 16	8:00 Retail Sales y/y	May	--	--	1.0	--
Jul 16	8:00 Retail Sales Broad m/m	May	--	--	-0.7	--
Jul 16	8:00 Retail Sales Broad y/y	May	--	--	1.4	--
Jul 17	8:00 Economic Activity m/m	May	--	--	0.5	--
Jul 17	8:00 Economic Activity y/y	May	--	--	0.9	--

COLOMBIA

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Jul 07	7:00 CPI m/m	Jun	--	0.4	0.5	--
Jul 07	7:00 CPI y/y	Jun	--	6.1	5.8	--
Jul 07	7:00 CPI Core m/m	Jun	--	0.4	0.6	--
Jul 07	7:00 CPI Core y/y	Jun	--	6.0	5.8	--
Jul 08	11:00 Exports FOB (USD)	May	--	--	4600.4	--
Jul 15	11:00 Retail Sales y/y	May	--	--	14.9	--
Jul 15	11:00 Manufacturing Production y/y	May	--	--	2.0	--
Jul 15	11:00 Industrial Production y/y	May	--	--	3.0	--
Jul 15	Consumer Confidence Index	Jun	--	--	17.8	--

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Forecast Updates

	2024	2025				2026				2027							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Chile																	
Real GDP (y/y % change)	4.1	2.9	3.7	1.7	1.6	-0.5	0.5	2.8	3.2	4.6	4.4	2.5	0.8	2.8	2.5	1.5	3.0
CPI (y/y % , eop)	4.5	4.9	4.1	4.4	3.4	2.8	4.2	3.6	4.5	4.2	3.3	3.4	3.0	4.5	3.4	4.5	3.0
Unemployment rate (% , avg)	8.1	8.7	8.9	8.5	8.1	8.9	9.6	8.8	7.6	7.8	7.5	7.6	7.4	8.1	8.1	8.7	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	926	922	870	870	870	870	870	870	995	901	870	870
Mexico																	
Real GDP (y/y % change)	0.4	0.6	-0.1	-0.2	1.7	0.2	0.9	1.0	0.8	1.7	1.2	0.4	0.5	1.5	0.5	0.7	1.0
CPI (y/y % , eop)	4.2	3.8	4.3	3.8	3.7	4.6	3.6	4.7	4.3	4.1	3.9	4.2	4.1	4.2	3.7	4.3	4.1
Unemployment rate (% , avg)	2.5	2.5	2.7	2.9	2.6	2.6	2.8	3.1	3.1	3.1	3.3	3.3	3.3	2.7	2.6	2.9	3.3
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	17.94	17.43	17.77	17.90	18.03	18.17	18.33	18.50	20.83	18.01	17.90	18.50
Peru																	
Real GDP (y/y % change)	4.4	4.1	2.8	3.8	3.2	3.5	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	3.8	4.0	3.5	3.2	1.0	1.2	1.7	2.0	2.0	1.5	3.2	2.0
Unemployment rate (% , avg)	5.5	6.6	6.4	5.7	5.0	6.8	6.2	5.8	5.2	5.8	5.7	5.6	5.1	6.5	5.9	6.0	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	3.48	3.41	3.38	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	1.8	1.8	1.9	2.0	1.8	1.7	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	4.1	4.8	5.0	5.2	4.6	4.1	4.0	4.0	4.8	4.3	5.2	3.7
Unemployment rate (% , avg)	6.2	7.0	5.8	5.6	5.1	6.1	5.7	5.7	5.6	6.2	6.2	6.0	6.0	6.2	5.1	5.8	6.1
Central bank policy rate (% , eop)	12.25	14.25	15.00	15.00	15.00	14.75	14.25	14.00	13.75	13.50	12.75	12.25	12.00	12.25	15.00	13.25	11.25
Foreign exchange (USDBRL , eop)	6.18	5.71	5.43	5.32	5.47	5.18	5.16	5.10	5.15	5.18	5.20	5.23	5.25	6.18	5.47	5.15	5.25
Canada																	
Real GDP (y/y % change)	3.1	3.1	2.0	1.7	0.7	-0.1	0.7	0.8	1.6	2.3	2.1	2.1	2.0	2.0	1.9	0.8	2.1
CPI (y/y % , eop)	1.9	2.3	1.8	2.0	2.2	2.2	2.8	2.6	3.0	2.7	2.0	1.9	1.8	1.9	2.2	3.0	1.8
Unemployment rate (% , avg)	6.8	6.7	6.9	7.0	6.8	6.6	6.8	6.6	6.4	6.3	6.3	6.2	6.2	6.4	6.9	6.6	6.2
Central bank policy rate (% , eop)	3.25	2.75	2.75	2.50	2.25	2.25	2.25	2.25	2.75	3.00	3.00	3.00	3.00	3.25	2.25	2.75	3.00
Foreign exchange (USDCAD , eop)	1.44	1.44	1.36	1.39	1.37	1.39	1.42	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	2.7	2.1	1.4	1.7	1.8	1.8	1.9	2.0	2.8	2.1	1.9	1.9
CPI (y/y % , eop)	2.7	2.7	2.5	2.9	2.8	2.7	3.9	3.4	3.4	3.4	2.8	2.3	2.1	2.7	2.8	3.4	2.1
Unemployment rate (% , avg)	4.1	4.1	4.2	4.3	4.5	4.3	4.3	4.4	4.3	4.2	4.2	4.1	4.1	4.0	4.3	4.3	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	1.16	1.14	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 June 05, 2026.

Forecast Updates—Changes Compared To Previous Latam Weekly

	2024	2025				2026				2027							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Chile																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-0.1	-	-	-	0.1	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	1.3	0.8	-	-	-	-	-	-	-	0.5	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCLP, eop)	-	-	-	-	-	-	22.00	-	-	-	-	-	-	-	-	-	-
	2024	2025				2026				2027							
Mexico	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-0.7	0.3	0.1	-	-	-	-	-	-	0.1	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	-	-0.61	-0.43	-0.48	-0.53	-0.60	-0.66	-0.71	-	-	-0.48	-0.71
	2024	2025				2026				2027							
Peru	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	0.4	0.1	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDPEN, eop)	-	-	-	-	-	-	0.01	0.03	-	-	-	-	-	-	-	-	-
	2024	2025				2026				2027							
Brazil	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-
	2024	2025				2026				2027							
Canada	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCAD, eop)	-	-	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-
	2024	2025				2026				2027							
United States	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025	2026f	2027f
Real GDP (y/y % change)	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (EURUSD, eop)	-	-	-	-	-	-	-0.04	-	-	-	-	-	-	-	-	-	-

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics.
Changes in estimates and forecasts since previous *Latam Weekly* on June 03, 2026.

Forecast Updates: Central Bank Policy Rates and Outlook

	Current	Next Scheduled Meeting		BNS Forecast		BNS Guidance for Next Monetary Policy Meeting
		Date	BNS	End-2026	End-2027	
Chile, BCCh, TPM	4.50%	Jul-28	4.50%	4.50%	4.25%	We expect the Central Bank to hold the policy rate at 4.50%.
Mexico, Banxico, TO	6.50%	Aug-06	6.50%	6.50%	6.75%	In Banxico's latest monetary policy decision, the governing Board unanimously voted to maintain the policy rate at 6.50% after concluding the easing cycle that started in 2024. We expect there to be no changes until late next year.
Peru, BCRP, TIR	4.25%	Jul-09	4.25%	4.25%	4.25%	Our end-year forecast stands at 3.2%, under the assumption that oil prices correct from June-onward (as is currently occurring). However, it was recently confirmed that the El Niño phenomenon will reach a strong intensity during the summer, which would generate upward pressures toward the end of the year. As a result, we will revise our projection upward. For the time being, we expect the policy interest rate to remain at 4.25% throughout the year, provided that price fluctuations continue to be transitory.
Brazil, BCB, Selic	14.25%	Aug-05	14.00%	13.75%	12.00%	

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

Key Economic Charts

Chart 1

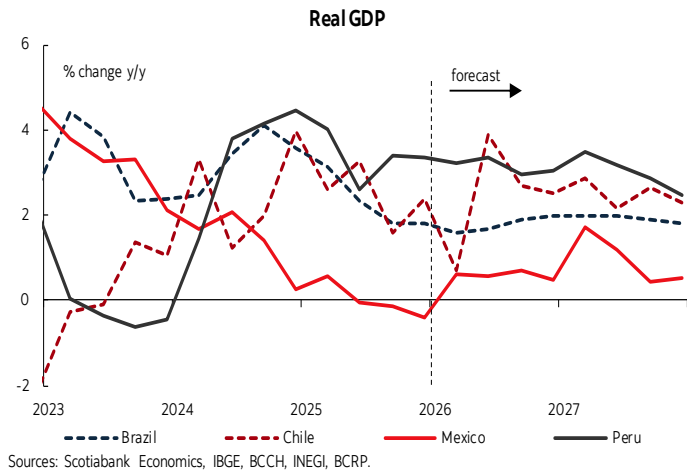


Chart 2

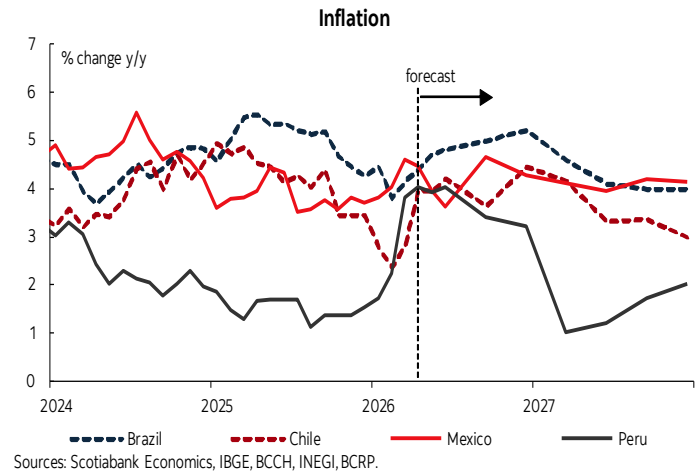


Chart 3

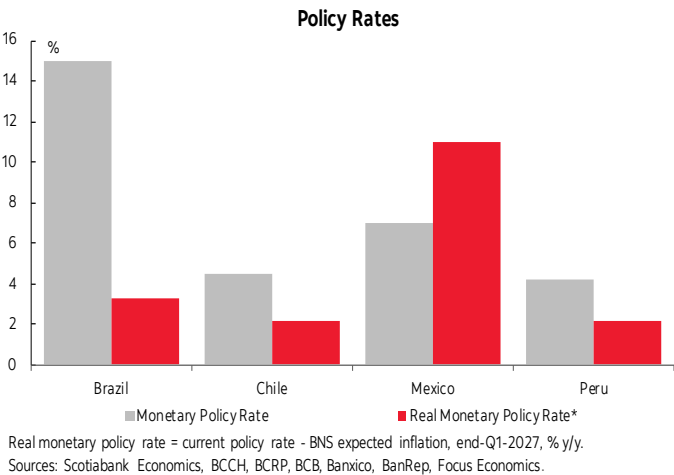
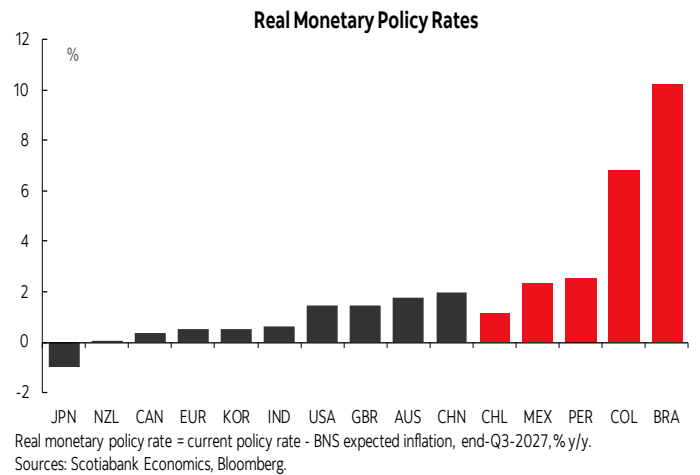


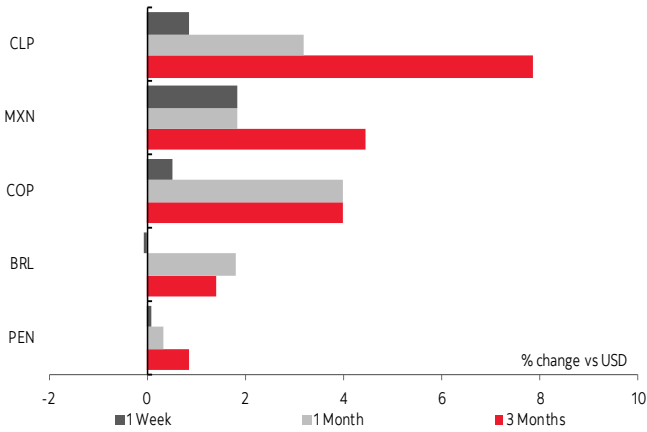
Chart 4



Key Market Charts

Chart 1

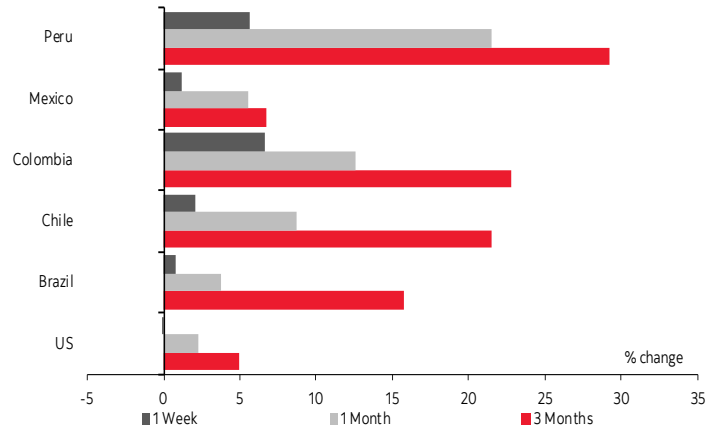
Latam Currencies Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 2

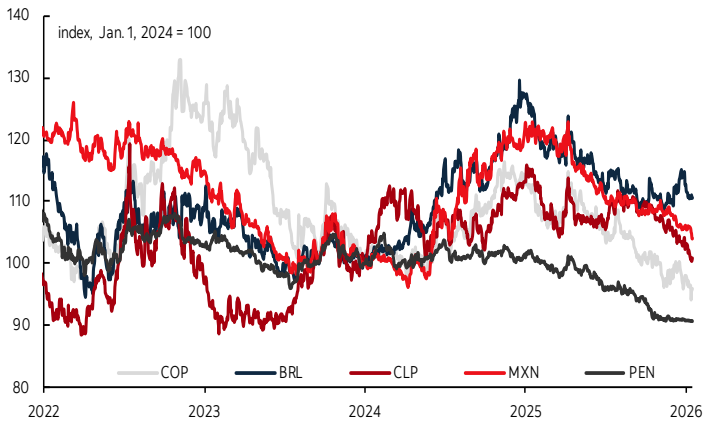
Latam Equities Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 3

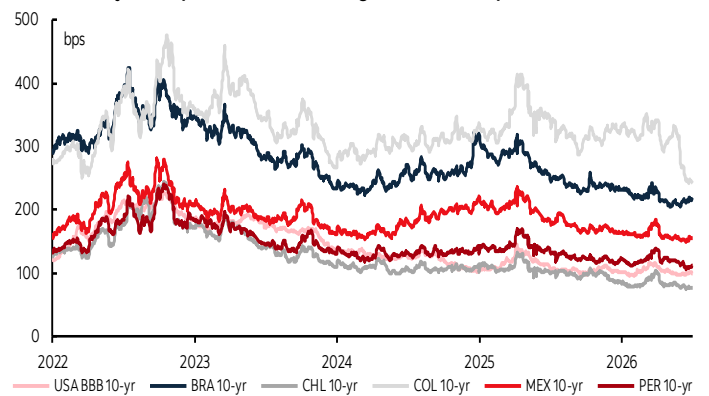
USD vs Latam Currencies



Sources: Scotiabank Economics, Bloomberg.

Chart 4

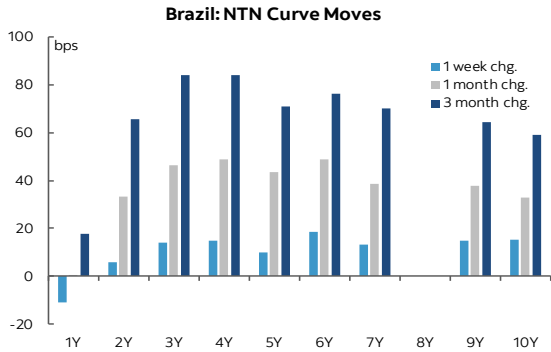
10-yr CDS Spreads: Latam Sovereigns & US BBB Corporates vs US*



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

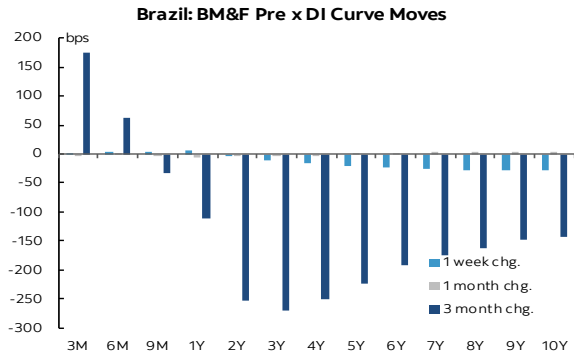
Yield Curves

Chart 1



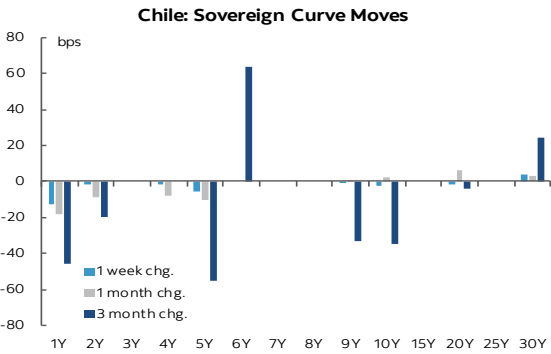
Sources: Scotiabank Economics, Bloomberg.

Chart 2



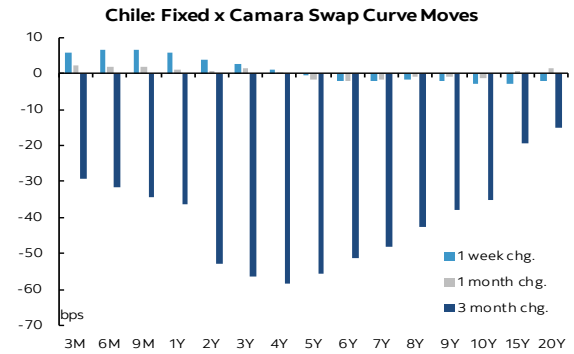
Sources: Scotiabank Economics, Bloomberg.

Chart 3



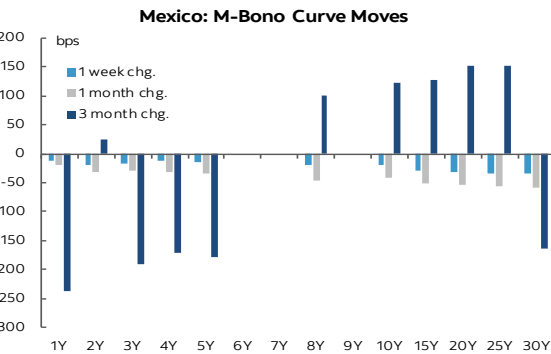
Sources: Scotiabank Economics, Bloomberg.

Chart 4



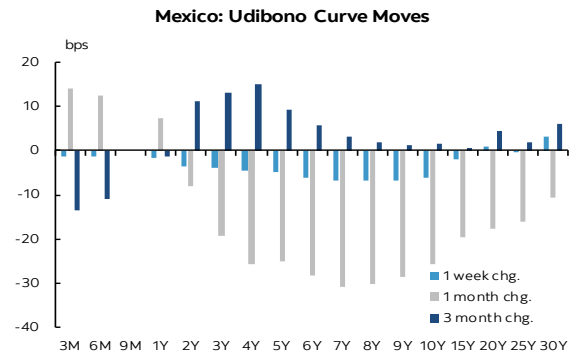
Sources: Scotiabank Economics, Bloomberg.

Chart 5



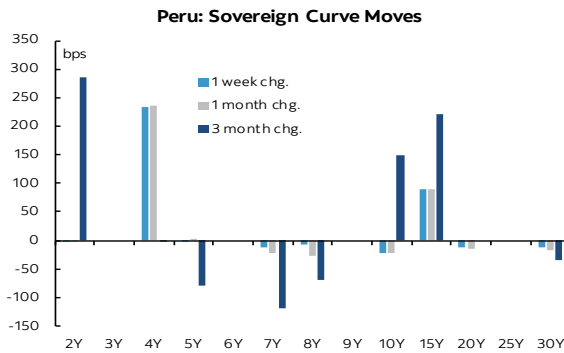
Sources: Scotiabank Economics, Bloomberg.

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

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