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GLOBAL ECONOMICS

LATAM WEEKLY

July 31, 2026

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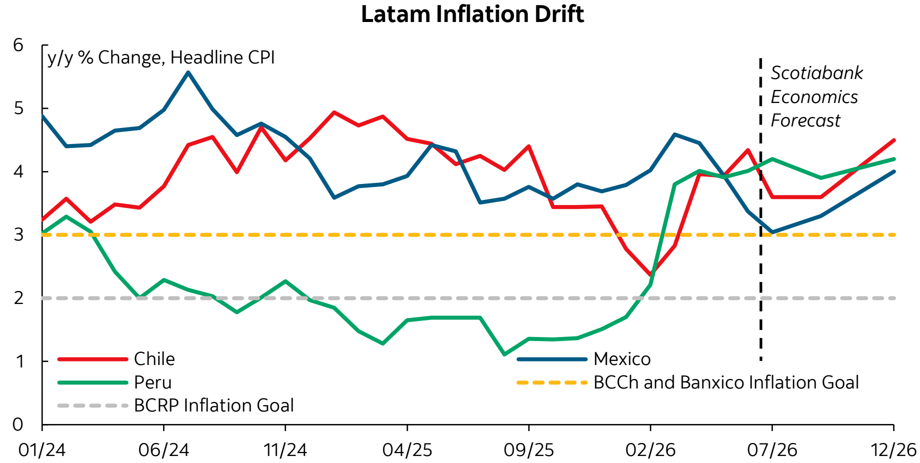
Table of Contents

Latam Weekly: Regional CPI, Banxico and BCB Decisions

HIGHLIGHTS

- **Peru, Mexico, and Chile, publish July CPI data over the next few days, with a full calendar ahead that also includes Banxico and BCB rate announcements and key U.S. data—all alongside ongoing risks geopolitical and market developments that are shaking trading.**
- **As covered by our Mexico team in today's report, we expect Banxico to leave its overnight rate unchanged at 6.50% while sticking to a cautious stance as declines in headline inflation contrast with sticky core services inflation.**
- **Our colleagues in Peru outline their expectation for a modest acceleration in inflation in July and go over leading industry indicators pointing to a strong June GDP print. In today's note they revise upwards their end-2026 inflation forecast based on a refreshed assessment of El Niño risks for the balance of the year.**

Chart of the Week



Sources: Scotiabank Economics, INEGI, INE, INEI.

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

July 31, 2026

Regional CPI, Banxico and BCB Decisions

- **Peru, Mexico, and Chile, publish July CPI data over the next few days, with a full calendar ahead that also includes Banxico and BCB rate announcements and key U.S. data—all alongside ongoing risks geopolitical and market developments that are shaking trading.**
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- **Our colleagues in Peru outline their expectation for a modest acceleration in inflation in July and go over leading industry indicators pointing to a strong June GDP print. In today's note they revise upwards their end-2026 inflation forecast based on a refreshed assessment of El Niño risks for the balance of the year.**

The busy global data and rate decisions period continues next week, with Latam CPI figures on tap accompanied by U.S. employment, and Banxico and BCB policy announcements. More company earnings, which have so far been fairly well-received albeit with some concerns over AI spending and when it may bear fruit, and ongoing geopolitical uncertainty, with continued energy price volatility, will combine with macro data and events to give markets plenty to trade on over the next few days.

Each of Peru, Mexico, and Chile, in that order, publish July CPI data between now and Friday. Mexico will also have remittances, investment, and formal jobs data ahead of Banxico's decision on Thursday (CPI is out on Friday) that are key in forming expectations for Mexico's economic performance. Chile starts out the week with June economic activity, and ends it with international trade data alongside the prices print. Peru, on the other hand, has its July CPI release over the weekend and nothing during the working week aside from the BCRP's macroeconomic expectations survey. In Brazil, international trade and industrial production data come out in the shadow of the BCB's announcement on Wednesday, while in Colombia the macro highlight is the release of BanRep's monetary policy report and the minutes to today's policy meeting, but the main event will be de la Espriella's presidential inauguration next Friday.

Mexico's week begins with June international remittances data which have now stabilized after declines through most of 2025—with an annual drop of ~4% representing its worst year since 2009, likely in relation to aggressive U.S. immigration policies. Remittances are now averaging a 2.7% y/y rise in January–May 2026 which would place the pace of growth around where it stood in 2024. These gains have been driven by a large increase in average transfer amounts (+5.1% y/y) compared to a contraction in the number of transactions (-2.3% y/y), mapping to falling or flat U.S. migration numbers.

July formal employment data on Tuesday could extend the growth uptrend that began around this time last year, coming from a 2% y/y rise in June. The bulk of the pickup in hiring on a year-over-year basis has been driven by temporary employment (seemingly in construction and the extraction sector), however, while the pace of permanent hiring at 1–1.5% remains soft. Manufacturing formal employment continues to shrink on a y/y basis and wholesale and retail trade employment is recently trending weaker. Negativity aside, the hiring trend does look better, we simply have to see whether this can be sustained to provide a much-needed boost to the Mexican economy.

Wednesday brings gross fixed investment data for May that will help in squaring Mexico's Q2-26 1.5% q/q expansion to its expenditure drivers; the flash estimate detailed that primary, secondary, and tertiary activities grew by 3.3%, 1.6%, and 1.5%, respectively. The 4% m/m rise in investment in April kicked off the quarter with a bang

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where even without growth in each of May and June, fixed investment would grow by 4.3% q/q. It's likely that investment corrected with a decline in May, however, as a jump in private residential construction in the previous month looks unsustainable. So, it may be too early to call the start of a rebound in Mexican investment trends, but data do suggest that at least private residential construction is in decent shape and machinery and equipment outlays may be turning the corner after 2025's 8.8% contraction.

On Thursday, we'll get Banxico's rate announcement, and there's really not much to expect from Mexican officials. The bank will hold its policy rate at 6.50% (where we expect it will remain for the next few quarters) and continue to provide loose guidance of policy stability. As argued by our team in today's report, Banxico should stick to a cautious stance, despite Mexico seeing limited impacts from the surge in global energy prices. While headline inflation fell to 3.4% in June (lowest since late-2020) and 3.1% in H1-Jul, this decline has mainly owed to a correction in the sharp rise in fruits and vegetables inflation earlier in the year. In H1-Mar, headline inflation sat at 4.6%. Against the volatility in non-core inflation, core services inflation remains relatively rangebound around the mid-4s since early-2026. Earlier this week, Banxico board member Cuadra even indicated that services inflation remaining high could prompt an upward adjustment to the bank's forecasts (one that we think is long overdue and would be more aligned with an on-hold stance). On Friday, we get H2-Jul CPI, which is expected to come in roughly unchanged from the 3.1% reading in the first half of the month.

Chilean economic activity out on Monday for June should show a solid improvement in year-on-year terms after May's 0.9% contraction. Sector-level data published this morning surprised to the upside, with retail sales up 5.1% y/y (vs 3% Bloomberg median), overall commercial activity up 4.8% (no median), and industrial production up 1.3% (vs -3.5% median). Based on these and other figures, our team in Chile forecasts that GDP expanded by 3.1% y/y, which would mark the country's best gain since September 2025. A big part of the jump from May's ~1% drop unfortunately owes to the fact that June 2026 had an additional working day compared to last year. Thus, this rise does not point to a clear amelioration of GDP growth, which averaged a 0.7% y/y drop in January–May, with mining activity falling by 6.4% and non-mining output only growing by 0.2% (both year-to-date averages). At least a decent gain in June GDP would help Chile avoid another quarterly contraction in Q2, thus avoiding the dreaded 'recession' label.

At the close of the week, July CPI data is scheduled for release. The print will include the effects of increases in household energy bills and a rebound in the price of ex-volatiles goods that usually follows Cyber Day discounts, to combine for around a 0.2% m/m increase in headline prices. Base effects will play a big role in terms of y/y figures, as a 0.2% monthly rise would translate into a 3.6% y/y CPI increase, well off the 4.3% recorded in June. In June 2025, prices fell by 0.4% m/m compared to unchanged in June 2026. Meanwhile, prices surged by 0.9% m/m in July 2025. We're thinking this base effect choppiness will give way to a return to mid-4s inflation at the close of the year, thus keeping the BCCh on guard in the near-term. The bank publishes the minutes to its July 28th decision on Wednesday.

On Saturday, Peru publishes July CPI readings that we expect to come in at 4.2% y/y and 0.4% m/m, as covered by our team in today's Weekly, thus about 0.2ppts higher in each of June's 4% y/y and 0.2% m/m prints. This would mark the fourth straight month of ~4% headline inflation in Peru. Local inflation has been impacted by a confluence of factors, from flu in poultry prices, to volatility in international energy prices due to the war in the Middle East, and weather effects. The team also provides an update to their inflation forecasts, expecting headline prices growth to clock in at 4.2% at end-2026 compared to their previous call of 3.7%, with El Niño exerting an important upward pressure on local food prices during the southern hemisphere's summer period. We also cover leading economic indicators for June that point to continued economic strength in the country driven by solid demand fundamentals, with the GDP expansion on a solid trajectory setting aside volatility in primary sectors (notably fishing) which caused growth to slow to 1.8% in May 2026.

Finally, the BCB is expected to announce a fourth consecutive 25bps rate reduction to 14% at its Wednesday decision that we think will represent the bank's last easing step for the year amid continued inflationary risks (which have also come alongside more upbeat economic data). Markets are generally of the same view, pricing in only a toss-up chance of an additional quarter-point reduction at the September announcement. This would still leave the BCB's policy stance at a highly restrictive 9–10% real policy rate, and there is a chance that the bank even opts for a hold next week. Meanwhile, local markets are anxious about Brazil's fiscal outlook with neither of the leading candidates for the October presidential election (Lula and Bolsonaro) showing a clear disposition, or plans, to curb the country's fiscal trajectory. The 100bps+ rise in Brazilian 10yr yields in the year-to-date is the biggest among the major economies that we cover (the next closest globally would be Japan's at ~75bps, while, in Latam, Chile's ~50bps rise follows).

Outside of Latin America, the U.S. and Canada (whose markets are shut on Monday) end the week with July employment reports, with various survey, employment, and productivity/labour costs data (ISM, JOLTS, ADP, Challenger job cuts, etc.) also due in the U.S. in the lead up to Friday's key print. Markets will also be paying close attention to Fed speakers, following Chair Warsh's puzzling post-FOMC decision press conference (see **here** for our recap). Elsewhere, European markets have a relatively quiet week on the data front, but have to contend with fears around energy supply and prices, with low water levels in key continental rivers and natural gas supply disruptions breeding anxiety. In Asia, Chinese international trade is the data standout, but moves in South Korean equity markets and Japanese yen intervention and price activity may remain the topics du-jour.

Country Updates

Mexico—Banxico Stands Apart from Other Central Banks

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The recent rebound in energy and other commodity prices has brought inflation back to the forefront of concerns for major central banks. Over the past month, the conflict between the United States and Iran drove oil prices sharply higher: WTI rose 19.8%, from US$70.75 to US$84.79 per barrel, while Brent increased 23.9%, from US$73.15 to US$90.66. Although both contracts partially corrected after reaching highs near US$92 and US$101 per barrel, the episode was enough to shift expectations for global monetary policy.

Markets have priced in a more restrictive rate path in advanced economies. OIS curves show that implied rates for the end of 2026 rose by 11.9 basis points for the Federal Reserve, 18.5 basis points for the European Central Bank, and 20.2 basis points for the Bank of England. The adjustment reflects the risk that higher energy prices could also raise production and transportation costs, complicate inflation convergence, and force central banks to maintain restrictive stances for longer. Even so, long-term inflation expectations remain relatively anchored, suggesting that markets interpret the episode as a temporary supply shock, albeit one with second-round risks.

Mexico presents a different situation. While in advanced economies the rebound in oil prices has led to upward revisions in inflation and expected interest rates, Mexican inflation has surprised favourably in recent months. A key reason is that the international increase in energy prices has not been fully passed through to consumers due to subsidies and fiscal incentives applied to fuels. In addition, Mexico is a net oil exporter, meaning that higher crude prices improve its terms of trade and strengthen public revenues, mitigating part of the impact observed in energy-importing countries.

At the same time, the Mexican economy is going through a phase of structural weakness, despite the rebound in GDP during the second quarter of 2026, while headline inflation has slowed from 4.59% in March to 3.37% in June, with the first half of July at 3.1%, its lowest level since 2020. Although these inflation surprises have provided some room for maneuvering, the market consensus is that Banco de México will keep the reference rate at 6.50% for the remainder of 2026, given that the current stance is already close to a neutral level in real terms.

Banxico's caution is mainly due to the persistence of services inflation above 4.5% and the Federal Reserve's more restrictive tone, which limits the room for further cuts without compressing the interest-rate differential even further, currently close to 275 basis points, its lowest level since 2015. A narrower differential could put pressure on the peso and eventually translate into higher inflationary pressures.

Recent statements from the Governing Board reinforce this view: Governor Victoria Rodríguez Ceja has noted that the pause does not have a predetermined duration, although the easing cycle is close to ending; while Jonathan Heath, Galia Borja, and Gabriel Cuadra have highlighted the inflationary risks associated with the conflict in the Middle East, energy prices, and the persistence of services inflation.

Consequently, while Mexico maintains a relatively more favourable position than advanced economies and an additional 25 basis point cut toward the end of the year cannot be ruled out if inflation continues to surprise to the downside and activity remains weak, the baseline scenario is for Banxico to keep the rate at 6.50% over the coming months. This contrasts with the United States, Europe, and the United Kingdom, where the energy rebound has led markets to price in a more restrictive and prolonged monetary path.

Peru—Inflation Would Continue Facing Upward Pressures, While Economic Activity Maintains a Solid Pace

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July inflation data will be released this Saturday, August 1st. We forecast that the monthly figure will be positive, around 0.4% (chart 1), which would increase annual headline inflation from 4.0% to 4.2%. The main factors we are observing are the following:

- **Seasonal factors:** The payment of bonuses, equivalent to an additional salary for Independence Day celebrations, boosts demand and generates temporary pressures on prices. Likewise, the celebration of Pollo a la Brasa Day increases demand for chicken, a product with significant weight in the basic consumption basket.

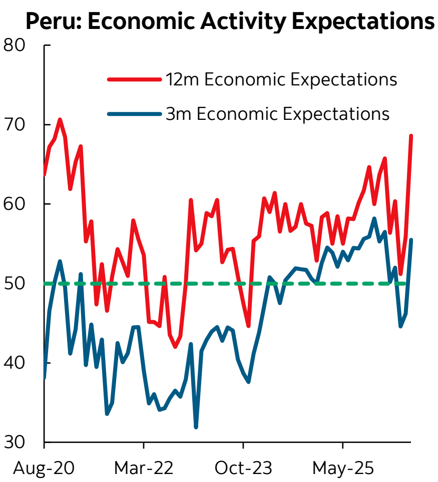
- **Chicken supply:** Avian flu and unusually high winter temperatures reduced the supply of chickens in July, leading to higher prices.
- **Fuels:** In June, fuel prices fell by 6% thanks to the peace agreement in the Middle East. However, in July, the resumption of attacks between the U.S. and Iran drove international oil prices higher, halting the decline in local prices and keeping fuel inflation stable.

On July 17th, ENFEN published its update on the Coastal El Niño. The probability of a strong El Niño event during the summer (December 2026–March 2027) stands at 38%, while the probability of an extraordinary event rose from 9% in June to 33% in July. This scenario could exert pressure on food prices during the local summer, which led us to revise our year-end inflation projection upward from 3.7% to 4.2%. In the first months of 2027, inflationary pressures would persist, but by March they should ease due to base effects (the interruption of natural gas supply and the onset of the Middle East conflict in 2026), allowing inflation to return to the target range and end 2027 at 2.3%.

Regarding economic activity, we continue to observe leading indicators that reflect solid dynamism (table 1). Domestic demand indicators we monitor, particularly those related to private investment and private consumption, continue to show strong growth, pointing to a favourable performance of the economy in the second quarter of 2026, with estimated growth of around 3.0%. In terms of private investment, we note that cement demand, sales of heavy vehicles, electricity demand, and commercial loans continue to accelerate. Regarding private consumption, investment fund assets, sales of light vehicles, and household loans continue to expand.

Finally, economic expectations remain quite optimistic (chart 2). It is worth recalling that in April they deteriorated somewhat following the unexpected results of the first round of elections, causing three-month expectations to enter the pessimistic range. However, once the second round was defined, we observed a significant improvement, with three-month expectations returning to the expansionary range and twelve-month expectations reaching their highest level since November 2020, that is, more than five and a half years. These expectations should continue improving in August, following President Keiko Fujimori's first address to the nation on July 28th, which had a favourable orientation toward private investment.

Chart 1



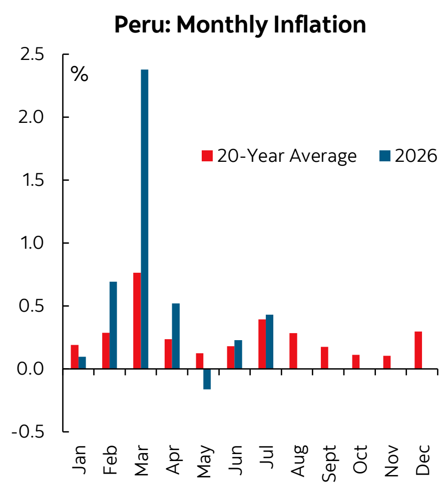
Sources: Scotiabank Economics, BCR.

Table 1: Peru—Leading Indicators y/y %

	Apr 2026	May-26	Jun-26
Motorcycle Sales	54	48	62
Automobile Sales	37	42	53
Heavy Vehicle Sales	42	35	51
Income Tax Revenue	6	26	41
Imports	12	23	30
Mutual Funds AUM	31	31	27
Cement Sales	11	5	12
Sales Tax Revenue	24	23	10
Personal Loans	9	10	10
Total Loans	8	9	8
Business Loans	8	8	7
Electricity Demand	5	6	7
Total Deposits	14	14	-

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

Chart 2



Sources: Scotiabank Economics, INEI.

Market Events & Indicators for August 1–14

CHILE

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-03	8:30	Economic Activity m/m	Jun	--	--	-0.2	--
Aug-03	8:30	Economic Activity y/y	Jun	--	--	-0.9	--
Aug-05	8:30	Central Bank Meeting Minutes		--	--	--	--
Jul 31-Aug 5		IMCE Business Confidence	Jul	--	--	46	--
Aug-06	9:00	Nominal Wage y/y	Jun	--	--	3.3	--
Aug-07	8:00	CPI y/y Chained	Jul	--	--	4.3	--
Aug-07	8:00	CPI m/m	Jul	--	--	--	--
Aug-07	8:30	Exports Total (USD mn)	Jul	--	--	10789	--
Aug-07	8:30	Imports Total (USD mn)	Jul	--	--	7471	--
Aug-07	8:30	Trade Balance (USD mn)	Jul	--	--	3318	--
Aug-07	8:30	International Reserves (USD mn)	Jul	--	--	51876	--
Aug-07	8:30	Copper Exports (USD mn)	Jul	--	--	5866	--
Aug-11	8:30	Central Bank Economist Survey		--	--	--	--
Aug-14	8:30	Central Bank Traders Survey		--	--	--	--

MEXICO

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-03	2:00	IMEF Manufacturing Index SA	Jul	--	--	48.3	--
Aug-03	2:00	IMEF Non-Manufacturing Index SA	Jul	--	--	49	--
Aug-03	11:00	Remittances Total (USD mn)	Jun	--	--	5611	--
Aug-03	11:00	S&P Global Mexico Manufacturing PMI	Jul	--	--	51.3	--
Aug-03	11:00	Central Bank Economist Survey		--	--	--	--
Aug-04	8:00	Vehicle Domestic Sales	Jul	--	--	126778	--
Aug-04	8:00	Consumer Confidence	Jul	--	--	43.8	--
Aug-05	8:00	Gross Fixed Investment NSA y/y	May	--	--	5.9	--
Aug-05	8:00	Gross Fixed Investment SA m/m	May	--	--	4.0	--
Aug-05	8:00	Private Consumption y/y	May	--	--	2.1	--
Aug-05		Citi Survey of Economists		--	--	--	--
Aug-06	**15:00**	**Overnight Rate (%)**	**Aug**	**6.50**	**6.50**	**6.50**	**We expect the policy rate to remain at 6.50% for the remaining of the year.**
Aug-07	8:00	CPI m/m	Jul	-0.1	--	-0.3	--
Aug-07	8:00	CPI y/y	Jul	3.0	--	3.4	--
Aug-07	8:00	CPI Core m/m	Jul	0.2	--	0.2	--
Aug-07	8:00	Bi-Weekly CPI (%)	Jul	--	--	0.1	--
Aug-07	8:00	CPI Core y/y	Jul	3.4	--	4.0	--
Aug-07	8:00	Bi-Weekly Core CPI (%)	Jul	--	--	0.2	--
Aug-07	8:00	Bi-Weekly CPI y/y	Jul	--	--	3.1	--
Aug-07	8:00	Bi-Weekly Core CPI y/y	Jul	--	--	4.0	--
Aug-07	8:00	Vehicle Production	Jul	--	--	354221	--
Aug-07	8:00	Vehicle Exports	Jul	--	--	301009	--
Aug 4-10		Formal Job Creation Total	Jul	--	--	61	--
Aug-11	8:00	Industrial Production NSA y/y	Jun	--	--	-0.7	--
Aug-11	8:00	Manuf. Production NSA y/y	Jun	--	--	-1.5	--
Aug-11	8:00	Industrial Production SA m/m	Jun	--	--	-0.8	--
Aug 12-14		Nominal Wages	Jul	--	--	7.2	--

PERU

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-01	11:00	Lima CPI y/y	Jul	4.2	--	4.0	--
Aug-01	11:00	Lima CPI m/m	Jul	0.4	--	0.2	--
Aug-13	**19:00**	**Reference Rate (%)**	**Aug**	**4.25**	**--**	**4.25**	**--**

Forecasts at time of publication.
Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for August 1–14

BRAZIL

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-03	7:25	Central Bank Weekly Economist Survey		--	--	--	--
Aug-03	9:00	S&P Global Brazil Manufacturing PMI	Jul	--	--	50.8	--
Aug-04	8:00	Industrial Production m/m	Jun	--	--	-0.2	--
Aug-04	8:00	Industrial Production y/y	Jun	--	--	0.2	--
Aug-05	**17:30**	**Selic Rate (%)**	**Aug**	**14.00**	**14.00**	**14.25**	**--**
Aug-05	9:00	S&P Global Brazil Composite PMI	Jul	--	--	50.7	--
Aug-05	9:00	S&P Global Brazil Services PMI	Jul	--	--	51.3	--
Aug-06	2:00	Trade Balance Monthly (USD mn)	Jul	--	--	9758	--
Aug-06	2:00	Exports Total (USD mn)	Jul	--	--	36277	--
Aug-06	2:00	Imports Total (USD mn)	Jul	--	--	26520	--
Aug-10	7:25	Central Bank Weekly Economist Survey		--	--	--	--
Aug-11	7:00	Central Bank Meeting Minutes		--	--	--	--
Aug-11	8:00	IBGE Inflation IPCA m/m	Jul	--	--	0.2	--
Aug-11	8:00	IBGE Inflation IPCA y/y	Jul	--	--	4.6	--
Aug-12	8:00	IBGE Services Volume m/m SA	Jun	--	--	-0.4	--
Aug-12	8:00	IBGE Services Volume y/y NSA	Jun	--	--	0.4	--
Aug-13	8:00	Retail Sales m/m	Jun	--	--	0.1	--
Aug-13	8:00	Retail Sales y/y	Jun	--	--	0.4	--
Aug-13	8:00	Retail Sales Broad m/m	Jun	--	--	-0.2	--
Aug-13	8:00	Retail Sales Broad y/y	Jun	--	--	-0.6	--

COLOMBIA

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-03	11:00	Davivienda Colombia PMI Mfg	Jul	--	--	53.7	--
Aug-04	11:00	Exports FOB (USD mn)	Jun	--	--	5193	--
Aug-04		Quarterly Monetary Policy Report		--	--	--	--
Aug-05	6:00	Colombia Monetary Policy Minutes		--	--	--	--
Aug-10	7:00	CPI m/m	Jul	--	--	0.4	--
Aug-10	7:00	CPI y/y	Jul	--	--	6.1	--
Aug-10	7:00	CPI Core m/m	Jul	--	--	0.3	--
Aug-10	7:00	CPI Core y/y	Jul	--	--	6.0	--
Aug-13		Consumer Confidence Index	Jul	--	--	24.3	--
Aug-14	11:00	Retail Sales y/y	Jun	--	--	11.7	--
Aug-14	11:00	Manufacturing Production y/y	Jun	--	--	-0.4	--
Aug-14	11:00	Industrial Production y/y	Jun	--	--	2.3	--

Forecasts at time of publication.
Sources: Scotiabank Economics, Bloomberg.

July 31, 2026

Forecast Updates

	2024	2025				2026				2027							
Chile	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2e**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025**	**2026f**	**2027f**
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	4.3	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

	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)	0.4	0.6	-0.1	-0.2	1.7	0.2	2.2	0.5	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	3.4	3.3	4.0	4.1	3.9	4.2	4.1	4.2	3.7	4.0	4.1
Unemployment rate (%, avg)	2.5	2.5	2.7	2.9	2.6	2.6	2.7	3.1	3.1	3.1	3.3	3.3	3.3	2.7	2.6	2.8	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	17.49	17.77	17.90	18.03	18.17	18.33	18.50	20.83	18.01	17.90	18.50

	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)	4.4	4.1	2.8	3.8	3.2	3.5	3.3	3.6	3.4	3.7	3.4	2.8	3.1	3.5	3.4	3.5	3.3
CPI (y/y %, eop)	2.0	1.3	1.7	1.4	1.5	3.8	4.0	3.9	4.2	2.7	2.3	2.6	2.3	2.0	1.5	4.2	2.3
Unemployment rate (%, avg)	5.5	6.6	6.4	5.7	5.0	6.8	4.9	5.2	5.0	6.5	5.0	5.0	4.8	6.5	5.9	5.5	5.3
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	3.36	3.40	3.40	3.74	3.36	3.35	3.40

	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)	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	1.9	1.8
CPI (y/y %, eop)	4.8	5.5	5.4	5.2	4.3	4.1	4.6	5.0	5.2	4.6	4.1	4.0	4.0	4.8	4.3	5.1	4.3
Unemployment rate (%, avg)	6.2	7.0	5.8	5.6	5.1	6.1	5.4	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	14.00	13.50	13.00	12.50	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	5.18	5.20	5.21	5.23	5.23	5.25	6.18	5.47	5.20	5.25

	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)	3.1	3.1	2.0	1.7	0.7	-0.1	0.9	1.0	1.9	2.5	2.1	2.1	1.9	2.0	1.9	0.9	2.2
CPI (y/y %, eop)	1.9	2.3	1.8	2.0	2.2	2.2	2.9	2.5	2.9	2.5	1.9	2.0	2.0	1.9	2.2	2.9	2.0
Unemployment rate (%, avg)	6.8	6.7	6.9	7.0	6.8	6.6	6.7	6.5	6.3	6.2	6.2	6.2	6.2	6.4	6.8	6.5	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	1.39	1.37	1.36	1.35	1.34	1.33	1.44	1.37	1.37	1.33

	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)	2.4	2.0	2.1	2.3	2.0	2.7	2.1	1.5	1.8	1.8	1.8	1.9	2.1	2.8	2.1	2.0	1.9
CPI (y/y %, eop)	2.7	2.7	2.5	2.9	2.8	2.7	3.8	3.3	3.2	3.2	2.5	2.2	2.3	2.7	2.8	3.2	2.3
Unemployment rate (%, avg)	4.1	4.1	4.2	4.3	4.5	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.0	4.3	4.3	4.3
Central bank policy rate (%, eop)	4.50	4.50	4.50	4.25	3.75	3.75	3.75	3.75	3.75	3.50	3.25	3.25	3.25	4.50	3.75	3.75	3.25
Foreign exchange (EURUSD, eop)	1.04	1.08	1.18	1.17	1.17	1.16	1.14	1.18	1.20	1.20	1.21	1.21	1.22	1.04	1.17	1.20	1.22

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics.
Changes in estimates and forecasts since previous *Latam Weekly* on July 17, 2026.

Forecast Updates—Changes Compared To Previous Latam Weekly

	2024	2025				2026				2027							
Chile	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 (USDCLP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	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)	-	-	-	-	-	-	1.3	-0.5	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (%, avg)	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-0.1	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	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	0.5	0.4	0.3	-	-	-	-	0.5	-
Unemployment rate (%, avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDPEN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	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)	-	-	-	-	-	-	-0.3	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	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)	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-	-
Unemployment rate (%, avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCAD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	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)	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-	-
Unemployment rate (%, avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (EURUSD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics.
Changes in estimates and forecasts since previous *Latam Weekly* on July 17, 2026.

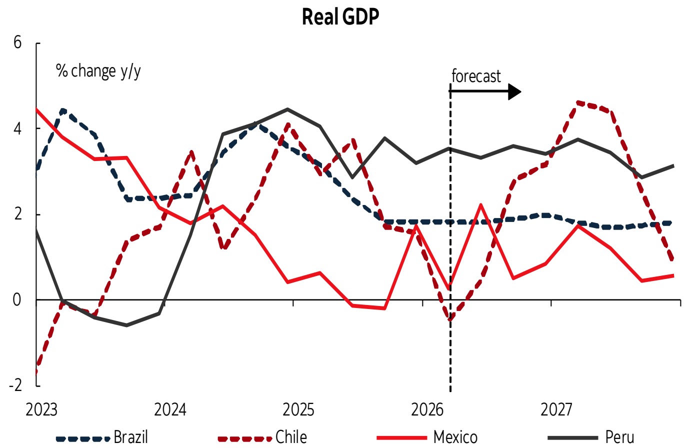
Forecast Updates: Central Bank Policy Rates and Outlook

		Next Scheduled Meeting		BNS Forecast		
	Current	**Date**	**BNS**	**End-2026**	**End-2027**	**BNS Guidance for Next Monetary Policy Meeting**
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%	Aug-13	4.25%	4.25%	4.25%	Our year-end inflation forecast stands at 4.2%. It was recently confirmed that the El Niño phenomenon will reach a strong intensity during the summer and the probability of it being extraordinary has increased significantly, which would generate upward pressures toward the end of the year. 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%	14.00%	12.00%	

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

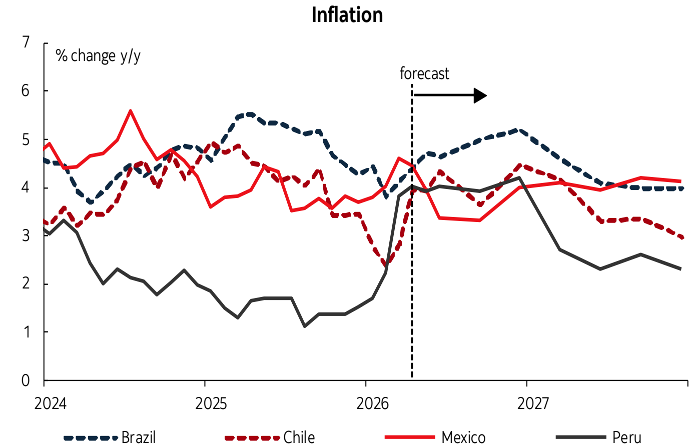
Key Economic Charts

Chart 1



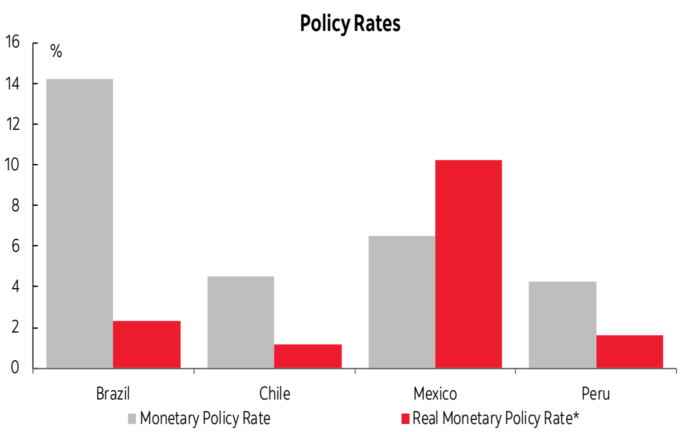
Sources: Scotiabank Economics, IBGE, BCCH, INEGI, BCRP.

Chart 2



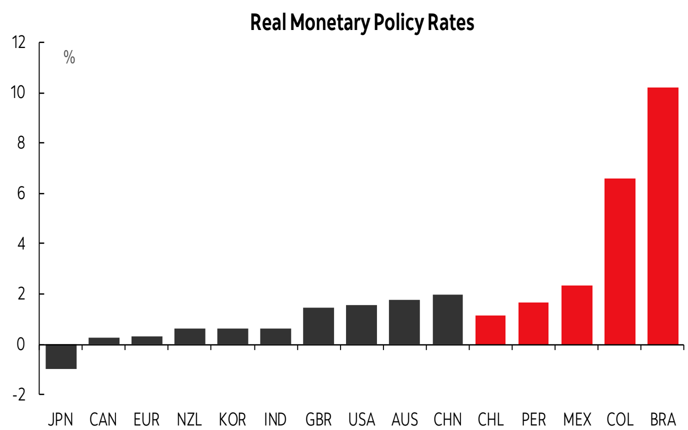
Sources: Scotiabank Economics, IBGE, BCCH, INEGI, BCRP.

Chart 3



Real monetary policy rate = current policy rate - BNS expected inflation, end-Q3-2027, % y/y.
Sources: Scotiabank Economics, BCCH, BCRP, BCB, Banxico, BanRep, Focus Economics.

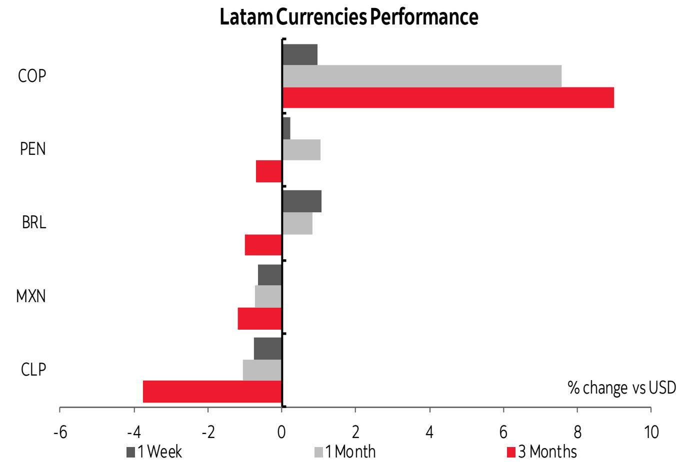
Chart 4



Real monetary policy rate = current policy rate - BNS expected inflation, end-Q3-2027, % y/y.
Sources: Scotiabank Economics, Bloomberg.

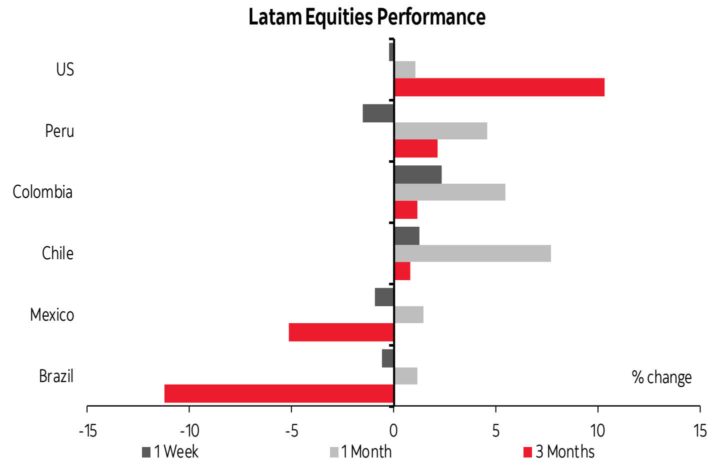
Key Market Charts

Chart 1



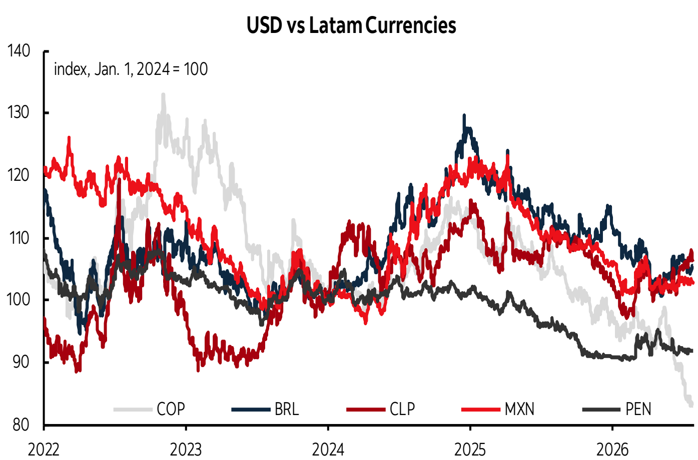
Sources: Scotiabank Economics, Bloomberg.

Chart 2



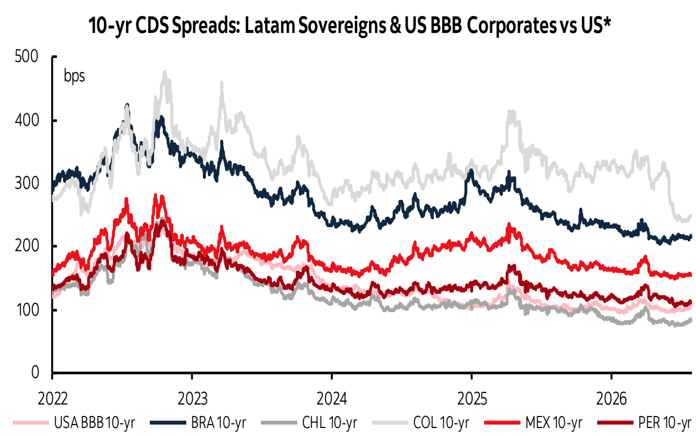
Sources: Scotiabank Economics, Bloomberg.

Chart 3



Sources: Scotiabank Economics, Bloomberg.

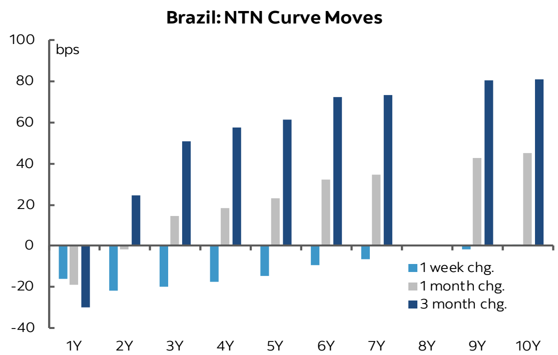
Chart 4



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

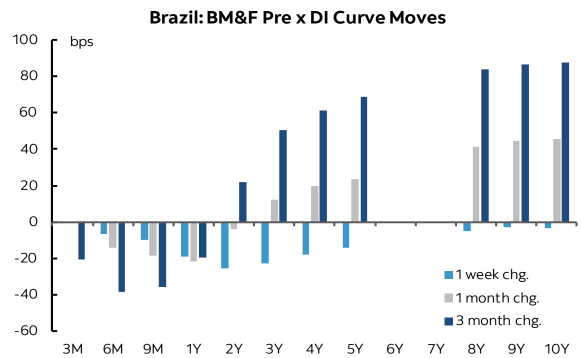
Yield Curves

Chart 1



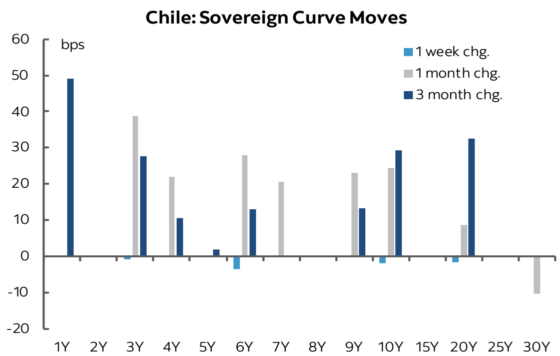
Sources: Scotiabank Economics, Bloomberg.

Chart 2



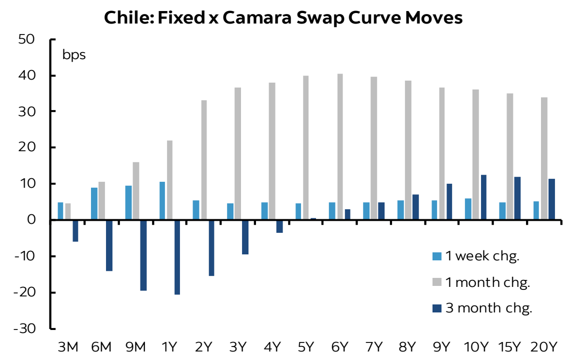
Sources: Scotiabank Economics, Bloomberg.

Chart 3



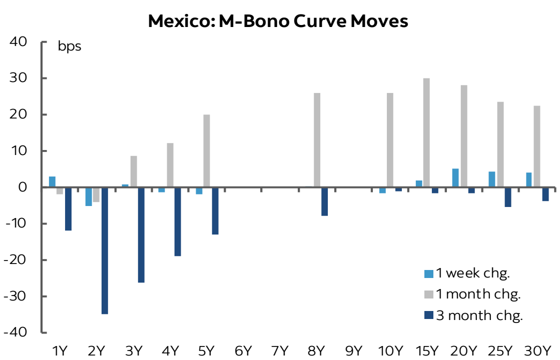
Sources: Scotiabank Economics, Bloomberg.

Chart 4



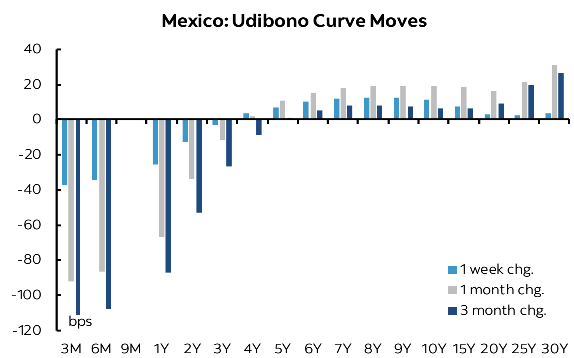
Sources: Scotiabank Economics, Bloomberg.

Chart 5



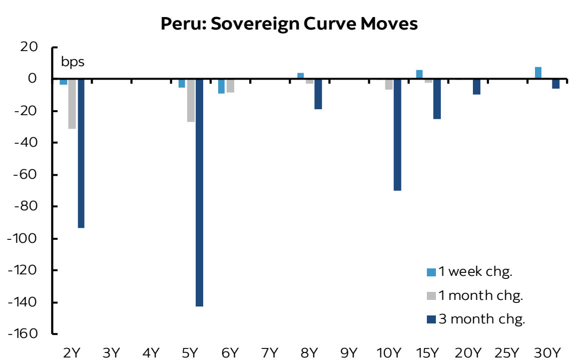
Sources: Scotiabank Economics, Bloomberg.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

Chart 7



Sources: Scotiabank Economics, Bloomberg.

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