Scotiabank

GLOBAL ECONOMICS

LATAM WEEKLY

September 11, 2026

Latam Weekly: BCB Cut and Fed Hike?; Regional Economic Activity on Tap

HIGHLIGHTS

- **Brazil's own central bank decision ninety minutes after the Fed's is the main event in Latam next week, but while the Fed likely hikes 25bps, the BCB will likely cut by 25bps—to a still highly restrictive 13.75% level.**
- **Brazil, Colombia, and Peru, publish July economic activity data over the coming days. Brazil's economy likely slowed significantly from July, but Peru's likely strengthened with weather-related shocks acting as a smaller drag.**
- **In today's report, the team in Mexico analyses the latest inflation data, with headline not too far from target at 3.3%. Inflation is expected to accelerate towards the end of the year, however, keeping Banxico on hold while its rate differential to the Fed is narrowed by the latter's tightening.**

Contributors

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

THIS WEEK'S CONTRIBUTORS:

Rodolfo Mitchell, Director of Economic and Sectoral Analysis
+52.55.3977.4556 (Mexico)
mitchell.cervera@scotiabank.com.mx

Miguel Saldaña, Economist
+52.55.5123.1718 (Mexico)
msaldanab@scotiabank.com.mx

Martha Cordova, Economic Research Specialist
+52.55.5435.4824 (Mexico)
martha.cordovamendez@scotiabank.com.mx

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

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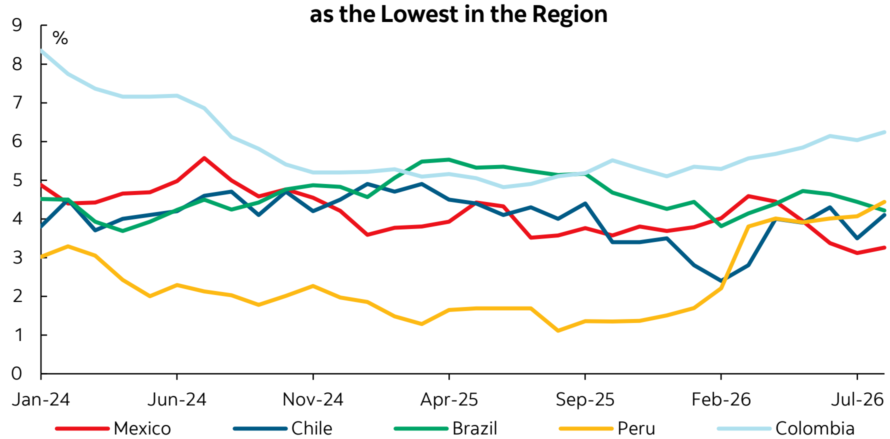
Chart of the Week

Gasoline Price Controls Keep Mexican Inflation Subdued as the Lowest in the Region



Sources: Scotiabank Economics, DANE, IBGE, INE, INEGI, INEI.

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

September 11, 2026

BCB Cut and Fed Hike?; Regional Economic Activity on Tap

CONTRIBUTORS

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

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It will be all eyes on the Fed's Wednesday decision next week, but there are a few bits and pieces in a relatively quiet Latam calendar that catch our eye. It's not all about the Fed of course, as always it's worth repeating that moves in global energy prices remain a key driver of market moves and expectations for inflation and growth, but Middle East developments have taken a leading market role in recent days as Brent and WTI oil trade around or above $100/bbl and markets brace for a prolonged conflict. News on this front could end up having a larger market impact than a now practically certain Fed hike (guidance notwithstanding).

Brazil's own central bank decision ninety minutes after the Fed's is the main event in Latam next week, but while the Fed hikes 25bps, the BCB will likely cut by 25bps (more on this later). Brazil, Colombia, and Peru, publish July economic activity data over the coming days, with Brazilian and Colombian July retail sales and Peruvian August unemployment rate data also on tap. There's not much to watch from Mexico and Chile, which have holidays on Wednesday and Friday, respectively, but at least Chile has the release of the BCCh's meeting minutes on tap on Wednesday, following the bank's **cautious rate hold** on the 8th as it balances depressed economic conditions against inflationary upside.

As for Mexico, it will be off-calendar U.S. trade negotiations news that will be in the spotlight, with the two parties **reportedly racing** to get a deal across the finish line before the U.S. midterms. But negotiations with the Trump White House are never easy, as Canada's experience with last minute changes showed. Mexico's 'friendlier' approach could help it reach an agreement with the U.S. sooner, it's simply a matter of the cost of this deal and whether the U.S.'s ask on U.S.-content requirements is too onerous or it only offers a minor reduction in tariffs.

In today's report, the team analyses the August inflation print, which saw a slight acceleration in headline terms to 3.3%, but a downtick in core inflation to 3.9%. Economic activity proved better than expected in the second quarter, but we're anticipating some temporary tailwinds to give way to more muted growth. Though growth is underwhelming and headline inflation is not too far from the 3% target midpoint, we expect it'll pick up to the high 3s at the close of the year, all the while underlying inflation is still fairly entrenched above the target band.

There's no room for cuts as things stand and how they're expected to evolve, and now the Fed's likely tightening campaign gives Banxico less leeway to ease policy. Bets on Fed hikes have had knock-on effects on market expectations for Banxico to also lift its overnight rate, but this is more of a 2027 story. Markets think Banxico would only hike until the first quarter of 2027, compared to expecting two hikes by the Fed before the end of 2026, and another in Q1-27.

The BCB will find itself in a now generally exclusive position to be announcing rate cuts, with markets and all economists polled by Bloomberg fully on board with a 25bps reduction to 13.75%. And that's where the difference lies, the BCB's policy rate is in highly restrictive territory, not near/around/below neutral as could be argued for other central banks like the Fed, the ECB, or even the BCRP. A 25bps marginally reduces restriction, but it very much maintains it. Now, the focus for next week's announcement will be whether the BCB hints that this would be the last rate cut before holding rates unchanged for a few months.

There is some room to go here given an elevated starting point, some signs that underlying inflation is cooling, and also that economic data haven't looked all that great of late. For July's economic activity reading, economists are expecting that economic growth more than halved from the 2.4% expansion recorded in June. Services activity slowed from 2.2% to 0.9% y/y (and was flat m/m) and industrial production contracted by 0.5% after a 1.7% rise (with a modest 0.2% monthly gain). It's unlikely that the BCB will shut the door on extra easing, but it may sound more cautious as it gets closer to the end of the easing cycle and external risks abound.

Peru's economy is expected to show an improvement in GDP growth in July of around 3% that is a closer reflecting of underlying demand and investment trends, in contrast to recent prints where El Niño has resulted depressed fishing (which impacts food processing manufacturing) and weakened agricultural output, amid other weather-related shocks. While real GDP grew by 2.6% y/y in the second quarter, domestic demand expanded by 5.2% y/y and should record a growth rate in the 5.5–6% range over the totality of 2026. It is no surprise then that the BCRP is taking a **more hawkish stance** given strong domestic demand and headline inflation around 4.5%, accompanied by increases in inflation expectations.

Outside of Latam, we expected that the Fed will hike by 25bps to 4.00% for the upper bound of the target range, but it remains unclear what it will do after that. U.S. retail sales data due on Wednesday morning will be of no importance for the afternoon's rate announcement. The U.K. has a packed schedule that includes jobs data on Tuesday, CPI figures on Wednesday, and the BoE's announcement on Thursday where a hold is the likelier option but markets are thinking the bank will announce a quarter-point increase in November. On Friday, the BoJ is expected to deliver a 25bps increase to 1.25%. Canadian CPI is out on Monday, and China releases key macro data for August on Tuesday.

Country Updates

Mexico—Inflation Accelerated in August, Although with Some Relief in the Core Component

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

In August, headline inflation accelerated, rising from 3.12% to 3.26%—a monthly increase of 0.20%—slightly below consensus expectations of 3.30%, remaining below 4% and within Banco de México's variability range for the fourth consecutive month. This rebound in headline inflation essentially stemmed from a more volatile backdrop in the non-core component rather than from an intensification in core inflation, although its components remain under pressure.

Core inflation continued to show favourable signs in August, moderating from 3.95% to 3.88% year-over-year, below the 3.92% consensus estimate, and posting a monthly increase of only 0.16%. Within core inflation, goods inflation declined from 3.52% to 3.41% year-over-year, supported mainly by non-food goods, whose variation stood at 2.32%; in contrast, food, beverages and tobacco continued to show stronger pressures, with inflation at 4.68%. Meanwhile, services inflation moderated more gradually, moving from 4.36% to 4.33% year-over-year. This performance was supported by the 'other services' component, whose monthly variation fell from 0.26% in July to 0.06% in August, helped, among other factors, by a 5.23% decline in airfares, bringing its annual inflation rate to 4.82%. Housing also moderated its monthly increase from 0.28% to 0.23%, standing at 3.57% year-over-year, despite a 0.22% increase in owner-occupied housing. In the opposite direction, education continued to exert pressure, with inflation of 6.04% year-over-year and a monthly increase of 1.09%, mainly associated with the seasonality of tuition fees. Overall, the August figure, together with the four previous readings, points to a gradual moderation in core inflation, more evident in goods, while services continue to show greater persistence.

Meanwhile, non-core inflation accelerated, rising from 0.29% to 1.13%. The agricultural component continued to decline for the third consecutive month, reaching -1.53%, driven by a 5.22% drop in livestock products and partially offset by the fruits and vegetables component at 4.10%. The monthly pressure had an important one-off component: onion prices rose 32.70%, while egg prices increased 8.91%; together, they added 0.139 percentage points to monthly incidence, although they were partially counterbalanced by declines in potatoes and other tubers (-10.66%; incidence of -0.048 points), chicken (-1.72%; -0.029), and avocado (-6.71%; -0.010). At the same time, energy prices and government-regulated tariffs stood at 3.33%, with limited monthly movements of 0.03%, largely due to the price stabilization policy for gasoline, diesel and LP gas, which recorded a monthly variation of -2.20% and an incidence of -0.030 points.

The result was slightly better than market expectations: the median Bloomberg survey forecast expected headline inflation of 3.30% year-over-year and core inflation of 3.92%, compared with observed figures of 3.26% and 3.88%, respectively; the Citi Survey had projected similar figures, at 3.31% and 3.93%. The subsequent reading was constructive regarding core inflation, but insufficient to substantially alter the monetary policy outlook, given the persistence of services and processed foods.

Looking ahead, the August reading should be interpreted as a combination of gradual core disinflation and an upward normalization of non-core inflation, rather than the beginning of broad-based pressure. Banco de México expects inflation to converge to 3% by the fourth quarter of 2027 and maintains an upward-skewed balance of risks due to core persistence, potential trade and geopolitical disruptions, climate-related effects, cost pressures and a possible exchange-rate depreciation; on the downside, weaker activity, lower cost pass-through and peso appreciation would contribute to easing inflation. For comparable year-end horizons, the Ministry of Finance, in the 2027 Economic Package published at the beginning of last week, assumes inflation of 3.5% in 2026 and 3.0% in 2027, while Banco de México's August survey of specialists placed the respective medians at 3.90% and 3.84%—and core inflation at 3.99% and 3.80%—highlighting a more cautious market outlook than the official one.

Market Events & Indicators for September 12–25

CHILE

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Sep-16	7:30	Central Bank Meeting Minutes		--	--	--	--
Sep-24	8:00	PPI m/m	Aug	--	--	1.9	--

MEXICO

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Sep 11-15		Nominal Wages	Aug	--	--	6.6	--
Sep 15-22		ANTAD Same-Store Sales y/y	Aug	--	--	1.0	--
Sep-22	8:00	Retail Sales m/m	Jul	--	--	-0.2	--
Sep-22	8:00	Retail Sales y/y	Jul	--	--	2.7	--
Sep-22		Citi Survey of Economists		--	--	--	--
Sep-24	8:00	Economic Activity IGAE y/y	Jul	--	--	2.8	--
Sep-24	8:00	Economic Activity IGAE m/m	Jul	--	--	-0.1	--
Sep-24	8:00	Bi-Weekly CPI y/y	Sep	--	3.4	3.3	--
Sep-24	8:00	Bi-Weekly CPI (%)	Sep	--	0.2	0.1	--
Sep-24	8:00	Bi-Weekly Core CPI y/y	Sep	--	3.9	3.8	--
Sep-24	8:00	Bi-Weekly Core CPI (%)	Sep	--	0.1	0.0	--
Sep-24	**15:00**	**Overnight Rate (%)**	**Sep**	**6.50**	**--**	**6.50**	**--**
Sep-25	8:00	Unemployment Rate NSA	Aug	--	--	2.9	--

PERU

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Sep-15	11:00	Lima Unemployment Rate	Aug	4.8	--	4.7	--
Sep-15	11:00	Economic Activity y/y	Jul	3.3	--	1.8	--

BRAZIL

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Sep-14	7:25	Central Bank Weekly Economist Survey		--	--	--	--
Sep-15	8:00	Retail Sales m/m	Jul	--	--	0.5	--
Sep-15	8:00	Retail Sales y/y	Jul	--	--	2.9	--
Sep-15	8:00	Retail Sales Broad m/m	Jul	--	--	-1.0	--
Sep-15	8:00	Retail Sales Broad y/y	Jul	--	--	4.9	--
Sep-16	8:00	Economic Activity m/m	Jul	--	--	-0.6	--
Sep-16	8:00	Economic Activity y/y	Jul	--	--	2.4	--
Sep-16	**17:30**	**Selic Rate (%)**	**Sep**	**13.75**	**13.75**	**14.00**	**--**
Sep-21	7:25	Central Bank Weekly Economist Survey		--	--	--	--
Sep-22	7:00	Central Bank Meeting Minutes		--	--	--	--
Sep-24	7:00	Central Bank Monetary Policy Report		--	--	--	--
Sep-24	7:00	FGV Consumer Confidence	Sep	--	--	84.7	--
Sep-25	8:00	IBGE Inflation IPCA-15 m/m	Sep	--	--	-0.4	--
Sep-25	8:00	IBGE Inflation IPCA-15 y/y	Sep	--	--	4.2	--

COLOMBIA

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Sep-16	11:00	Retail Sales y/y	Jul	--	--	14.7	--
Sep-16	11:00	Manufacturing Production y/y	Jul	--	--	4.1	--
Sep-16	11:00	Industrial Production y/y	Jul	--	--	3.9	--
Sep-16		Consumer Confidence Index	Aug	--	--	20.7	--
Sep-18	11:00	Economic Activity NSA y/y	Jul	--	--	3.5	--
Sep-21	11:00	Trade Balance (USD mn)	Jul	--	--	-2161	--
Sep-21	11:00	Imports CIF Total (USD mn)	Jul	--	--	6776	--

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

Forecast Updates

	2024	2025				2026				2027							
Chile	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**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	-0.3	-0.2	0.3	1.3	2.1	4.2	4.3	3.5	2.8	2.5	0.3	3.5
CPI (y/y %, eop)	4.5	4.9	4.1	4.4	3.4	2.8	4.3	4.2	4.5	4.2	3.3	2.8	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	9.4	9.4	9.0	8.6	8.2	8.0	7.6	8.1	8.1	9.2	8.1
Central bank policy rate (%, eop)	5.00	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.25	5.00	4.50	4.50	4.25
Foreign exchange (USDCLP, eop)	995	951	932	963	901	926	922	900	870	870	870	870	870	995	901	870	870

	2024	2025				2026				2027							
Mexico	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**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	2.1	0.7	0.9	1.7	1.2	0.4	0.5	1.5	0.5	1.0	1.0
CPI (y/y %, eop)	4.2	3.8	4.3	3.8	3.7	4.6	3.4	3.4	3.8	3.6	4.3	4.6	4.0	4.2	3.7	3.8	4.0
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	2.9	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	6.50	10.00	7.00	6.50	6.50
Foreign exchange (USDMXN, eop)	20.83	20.47	18.75	18.31	18.01	17.94	17.49	17.51	17.65	17.77	17.91	18.07	18.24	20.83	18.01	17.65	18.24

	2024	2025				2026				2027							
Peru	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025**	**2026f**	**2027f**
Real GDP (y/y % change)	4.4	4.0	2.7	3.7	3.3	3.6	2.6	3.7	3.9	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	4.4	4.2	3.0	3.0	2.7	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**	**Q2**	**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	2.0	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	4.4	4.8	4.6	4.1	4.3	4.2	4.8	4.3	4.8	4.2
Unemployment rate (%, avg)	6.2	7.0	5.8	5.6	5.1	6.1	5.4	5.5	5.4	6.3	6.1	5.9	5.9	6.2	5.9	5.6	6.0
Central bank policy rate (%, eop)	12.25	14.25	15.00	15.00	15.00	14.75	14.25	13.75	13.75	13.50	13.00	12.50	12.00	12.25	15.00	13.75	12.00
Foreign exchange (USDBRL, eop)	6.18	5.71	5.43	5.32	5.47	5.18	5.16	5.17	5.18	5.19	5.19	5.20	5.20	6.18	5.47	5.18	5.20

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics.
Changes in estimates and forecasts since previous *Latam Weekly* on August 28, 2026.

Forecast Updates—Changes Compared To Previous Latam Weekly

	2024	2025				2026				2027							
Chile	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025**	**2026f**	**2027f**
Real GDP (y/y % change)	-	-	-	-	-	-	-	-1.3	-0.5	-0.6	-0.3	0.5	0.3	-	-	-0.4	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	0.4	-	-	0.1	-0.4	-	-	-	-	-
Unemployment rate (%, avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	0.25	0.25	0.25	-	-	-	-	-
Foreign exchange (USDCLP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	2024	2025				2026				2027							
Mexico	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025**	**2026f**	**2027f**
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-0.1	-0.2	-0.2	0.4	0.4	-0.1	-	-	-0.2	-0.1
Unemployment rate (%, avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	2024	2025				2026				2027							
Peru	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025**	**2026f**	**2027f**
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	0.4	-	0.4	0.7	0.4	-	-	-	-	-
Unemployment rate (%, avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDPEN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	2024	2025				2026				2027							
Brazil	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025**	**2026f**	**2027f**
Real GDP (y/y % change)	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (%, avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (%, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics.
Changes in estimates and forecasts since previous *Latam Weekly* on August 28, 2026.

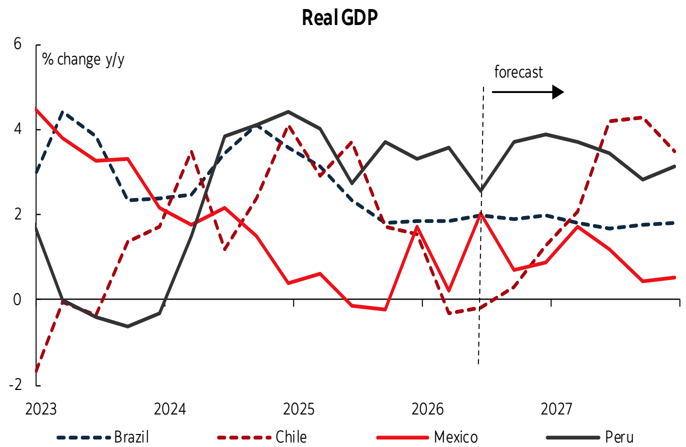
Forecast Updates: Central Bank Policy Rates and Outlook

		Next Scheduled Meeting		BNS Forecast		
	Current	**Date**	**BNS**	**End-2026**	**End-2027**	**BNS Guidance for Next Monetary Policy Meeting**
Chile, BCCh, TPM	4.50%	Oct-27	4.50%	4.50%	4.25%	We expect the Central Bank to hold the policy rate at 4.50%.
Mexico, Banxico, TO	6.50%	Sep-24	6.50%	6.50%	6.50%	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%	Oct-07	4.25%	4.25%	4.25%	We continue to see monthly inflation readings with no significant surprises since May. However, our year-end 2026 inflation forecast of 4.2% carries an upside bias, as fuel prices have remained elevated. With regard to the policy rate, we expect it to remain unchanged through the remainder of the year, although an escalation of tensions in the Middle East and the potential impact of El Niño pose upside risks.
Brazil, BCB, Selic	14.00%	Sep-16	13.75%	13.75%	12.00%	

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

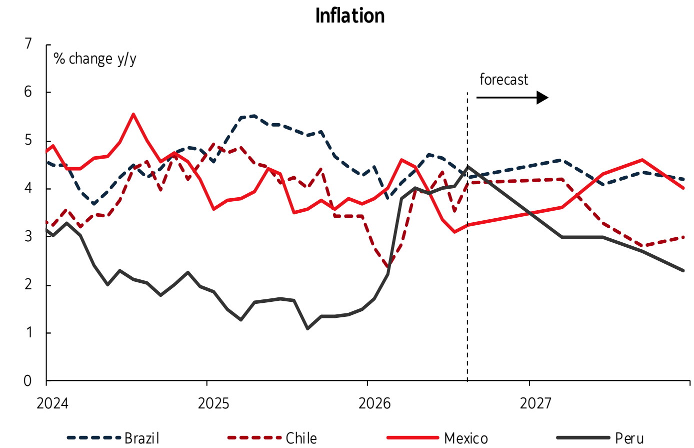
Key Economic Charts

Chart 1



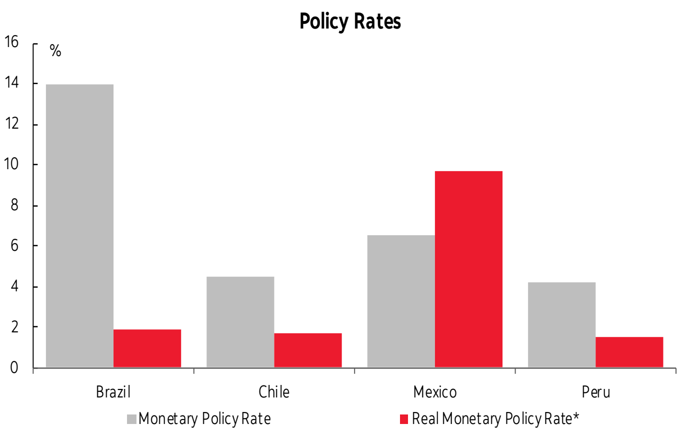
Sources: Scotiabank Economics, IBGE, BCCH, INEGI, BCRP.

Chart 2



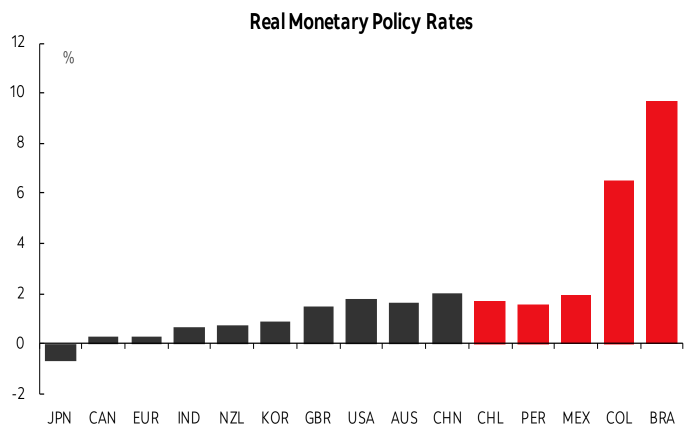
Sources: Scotiabank Economics, IBGE, BCCH, INEGI, BCRP.

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.

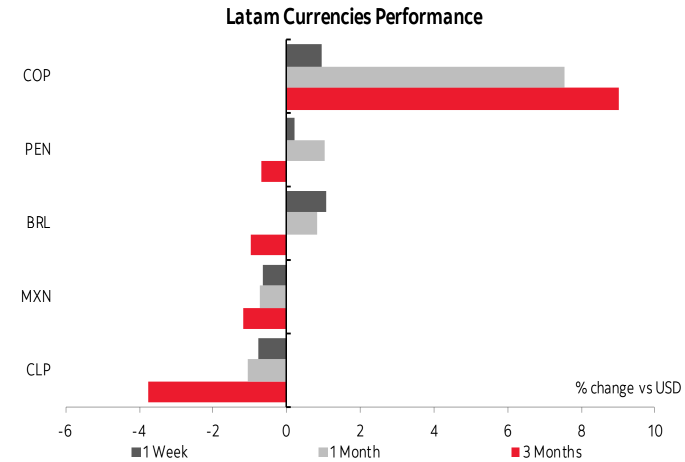
Chart 4



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

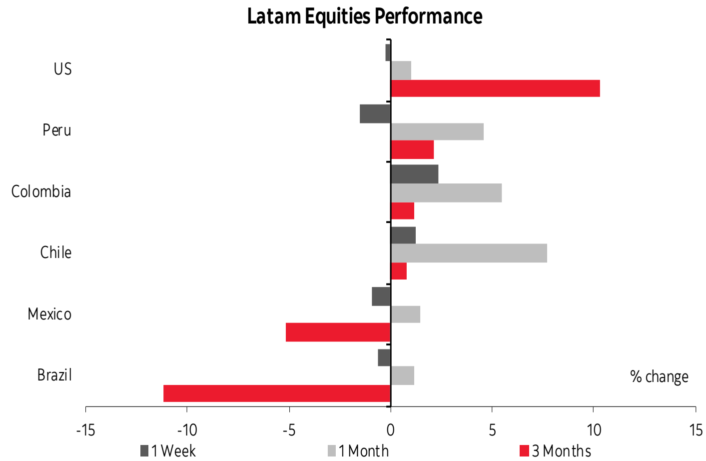
Key Market Charts

Chart 1



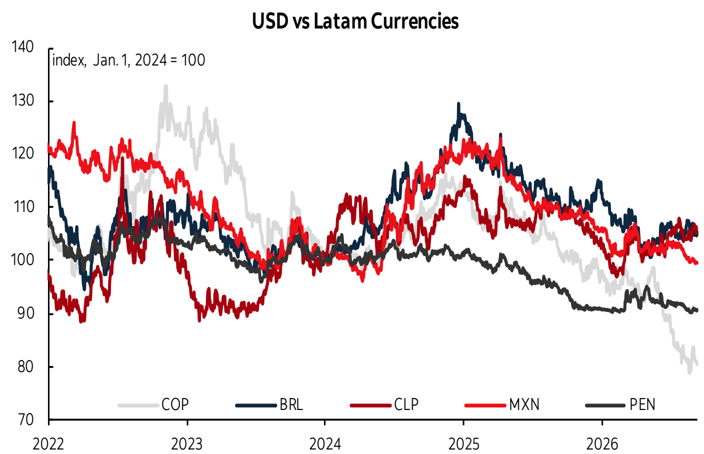
Sources: Scotiabank Economics, Bloomberg.

Chart 2



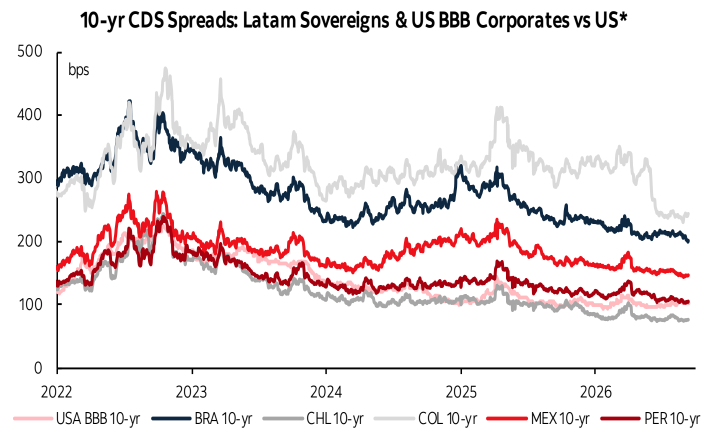
Sources: Scotiabank Economics, Bloomberg.

Chart 3



Sources: Scotiabank Economics, Bloomberg.

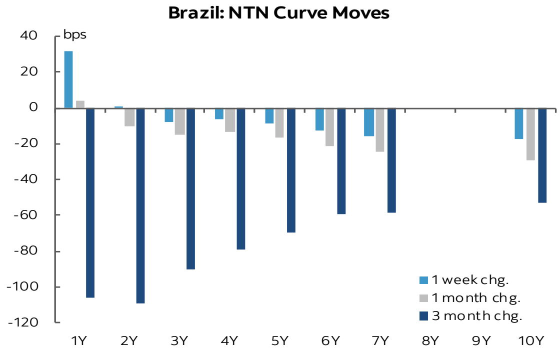
Chart 4



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

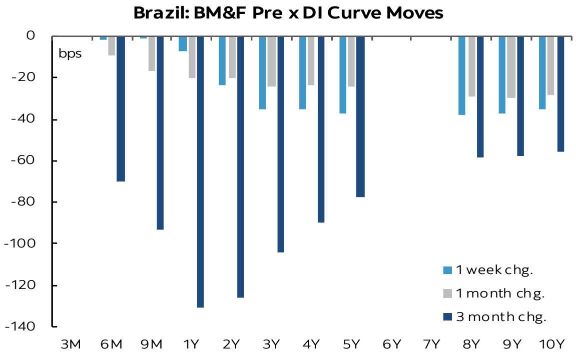
Yield Curves

Chart 1



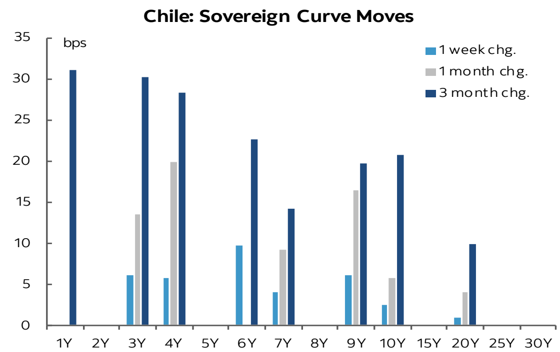
Sources: Scotiabank Economics, Bloomberg.

Chart 2



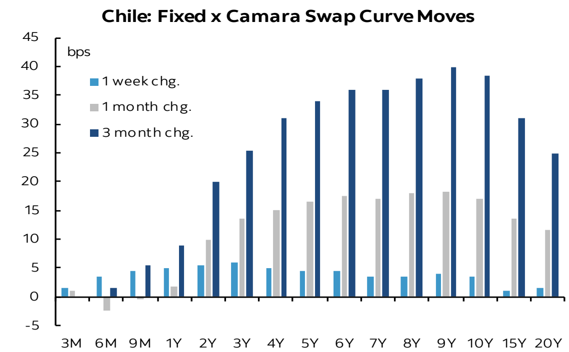
Sources: Scotiabank Economics, Bloomberg.

Chart 3



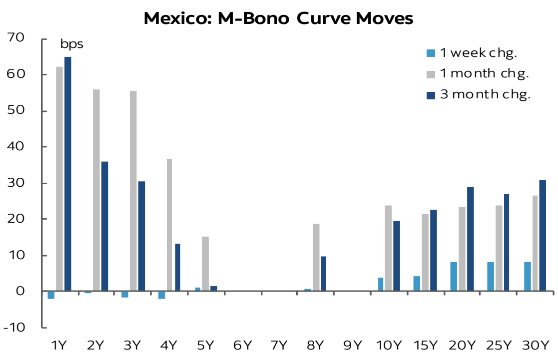
Sources: Scotiabank Economics, Bloomberg.

Chart 4



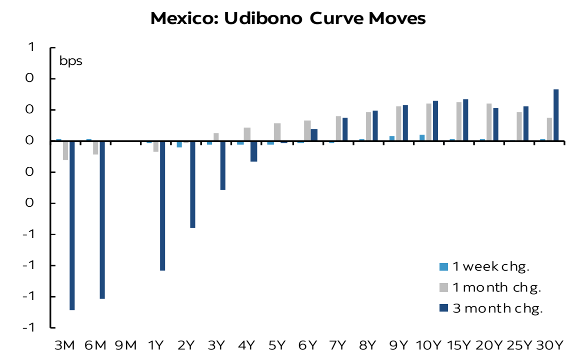
Sources: Scotiabank Economics, Bloomberg.

Chart 5



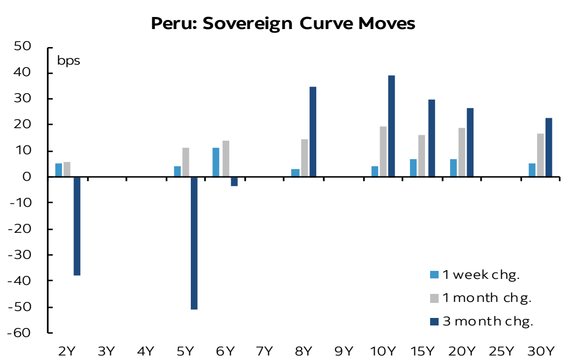
Sources: Scotiabank Economics, Bloomberg.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

Chart 7



Sources: Scotiabank Economics, Bloomberg.

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