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Table of Contents

Overview	2-3
Country Updates	4-6
Market Events & Indicators	A7-A8
Forecast Updates	A9
Key Economic Charts	A10
Key Market Charts	A11
Yield Curves	A12

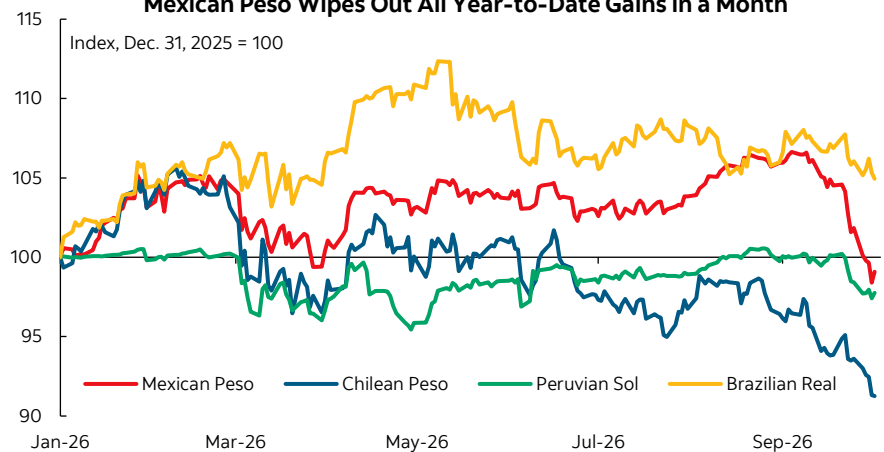
Latam Weekly: Brazil Election Results, Regional CPI, BCRP Decision

HIGHLIGHTS

- From the results of Brazil's general election to regional CPI releases and a tricky BCRP rate announcement, there is a lot on offer next week in Latin America.
- Brazilian markets open on Monday to the results of Sunday's election, with a focus on the gap between Lula and Bolsonaro as both candidates will almost certainly face off in a second-round presidential vote in late-October.
- Inflation is estimated to have accelerated in September by 0.1-0.3ppts in each of Chile, Colombia, Mexico, and Brazil. We expect a BCRP rate hold as recent monthly price gains have been in line with historical averages, but the bank is no stranger to surprises.
- In today's report, the team in Peru covers fiscal developments in the country with an expectation that the government will meet its fiscal deficit target of 1.8% for the second consecutive year, while our economists in Mexico go over the latest formal employment data that point to a cooling in hiring.

Chart of the Week

Mexican Peso Wipes Out All Year-to-Date Gains in a Month



Sources: Bloomberg, Scotiabank Economics.

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

Brazil Election Results, Regional CPI, BCRP Decision

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- **From the results of Brazil's general election to regional CPI releases and a tricky BCRP rate announcement, there is a lot on offer next week in Latin America.**
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From the results of Brazil's general election to CPI releases in Chile, Colombia, Mexico, and Brazil, and a tricky BCRP rate announcement, there is a lot on offer next week in Latin America. G10 schedules are a bit quieter than usual (Canadian employment and the Fed's minutes are the standouts), which should give local Latam markets more room to trade on local determinants on top of the broad global market mood that remains highly attentive to energy markets and steep increases in borrowing rates.

There's also some optimism among Mexican officials that they could soon reach an agreement with the U.S. that lowers duties on autos and steel, so we may see some developments on that front over the coming days with the White House seemingly wanting to get a deal across before the early-November midterms. Reports claim that the non-U.S. content of Mexican autos would face a 15% duty rate instead of the current 25%, which means that the effective tariff rate on the total value of the vehicle would reportedly be between 10 and 12%. This tariff cut is in line with the one the U.S. had agreed to with Canada before talks broke down in August, partly due to light trucks being excluded from this lower rate—and it is unclear whether these would be included in Mexico's agreement.

The Latam week opens to results from Brazil's Sunday election which should be available a few hours after polls close at 16ET, with ballots submitted almost exclusively on electronic voting machines allowing for a quick tally of results. Brazilians will cast votes for president and vice president, governors for all 26 states, both chambers of congress, and state legislatures. The presidency is, of course, the most closely watched race but one that is highly unlikely to deliver a winner as candidates require more than 50% of valid votes.

The vast majority of polls show incumbent Lula ahead by about 4–5ppts over his main contender, Flavio Bolsonaro, with both candidates obvious favourites to face off in a second-round vote on October 25th. The margin of victory for Lula or even a surprise first place result for Bolsonaro will be the main determinant of the market reaction on Monday. Several of our readers will already know the results if they first read this report on Monday morning, but a closer vote tally than that reflected in the latest polls would likely see a solid rally in Brazilian markets that adjust to higher odds of a pro-business presidency under Bolsonaro.

As for head-to-head polls, most of the major surveys show the two candidates in a statistical tie, but the latest survey from DataFolha showed Lula ahead of Bolsonaro by 3ppts. Thursday's presidential debate, which could have swayed last-minute undecided voters, was cancelled after Lula's withdrawal was followed by Bolsonaro's. Between the DataFolha poll and some accusations made by Lula against Bolsonaro (left to the reader), the latter's Polymarket victory odds have fallen to 57% from 62% a couple of days ago, but still up significantly from 25% at end-July.

Bolsonaro's improving odds have been a solid tailwind for Brazilian assets that have managed to resist or buck the global trends seen in recent weeks. The BRL has held up during the latest USD leg higher and the country's 10yr yield is down about 30bps since end-August (the last couple of days have not been as friendly) compared to ~50bps higher in the U.S. or +20bps and +30bps in the case of Mexico and Chile, respectively. We'll see whether this trend is continued or at least partly reversed next week.

Data-wise, Brazilian September inflation will likely end up being an afterthought or secondary consideration for markets. Economists expect that headline IPCA accelerated from 4.2% to 4.5% y/y in data due Friday, merely mirroring the increase in the mid-month IPCA-15 release. Brazilian S&P PMIs on Monday, and international trade data on Tuesday should come and go without much fanfare. At writing, markets are pricing in about toss-up odds that the BCB cuts one final time by 25bps at its November or December announcement. There may be a

wholesale reassessment by markets of the BCB's policy path on the other side of the elections with greater clarity on the risks ahead, but as things stand monetary policy remains highly restrictive and bound to continue to weigh Brazilian economic growth.

The other CPI releases from the region are clustered on Wednesday and Thursday, with Colombia first up, and then Chile and Mexico the following day. Starting with Colombia, economists are eyeing a modest increase in the headline inflation rate to 6.3% from 6.2% while core inflation holds at 6.3%, coming on the heels of this past Wednesday's somewhat unexpected 25bps BanRep hike to 12.25%—only 7 of the 29 polled by Bloomberg expected an increase, of which only 2 predicted the quarter-point move as the rest eyed a 50bps hike. The bank's hike suggests that further tightening is possible amid continuing inflation risks, while the degree of fiscal adjustments expected under Fin Min Gómez will also influence the upside for rates depending on how much these dampen domestic demand.

We estimate that Chilean CPI rose by 0.5% m/m in September (versus 0.6% m/m in August), translating into a 4.2% y/y rate that would mark a small rise from the 4.1% pace recorded in August and thus just about reaching its highest level since June's 4.3% level. As for the ex-volatiles basket, our economists anticipate a 0.3% m/m rise which would thus see the y/y rate ticking 0.1ppts lower to 3.2% from 3.3%. While headline inflation has recent from a cycle low of 2.4% in February to 4.2% as of August, ex-volatiles inflation has remained in a steady holding to slightly down-trending pattern in recent months.

Elevated headline inflation and better-behaved though still high underlying inflation stand in contrast to weak economic data out of Chile. Earlier this week (see our analysis here), the INE reported a 1% y/y decline in GDP in August and an increase in the unemployment rate to 9.6% in the three months to August. While the GDP loss was driven by a massive drop in mining activity (-17.4% y/y), non-mining activity growth has also been fairly weak this year—despite improving to 1.4% y/y after a 0.3% drop in July. However, the balance of risks in the coming months is pointing to a solid improvement in growth in 2027 as temporary headwinds fade and investment strengthens, which combined with inflationary risks suggest that the BCCCh should consider adopting a hawkish tone soon, as argued by our team last week.

Similarly to Brazil, the mid-month CPI release in Mexico means we already have a pretty good idea of where the full-month September CPI data will land at its Thursday release. Headline inflation is expected to pick up from 3.3% to 3.5% while core inflation is seen ticking lower to 3.8% from 3.9%. Given the balance of prices risks and the recent steep depreciation in the MXN amid risk-off trading and the divergence between the stances of Banxico and the Fed, a hotter than expected print could apply even greater pressure on Mexican officials to consider tighter policy settings.

In line with the central bank's messaging, our forecast remains that Banxico will stay put, but data and risks would favour tightening. A few hours after the CPI release, Banxico will publish the minutes to its latest rate meeting, which will be closely monitored for nuances around their assessment of how rate differentials vis-à-vis the U.S. or the behaviour of Mexican assets and financial flows could influence their own decision-making. Recall that Banxico surprisingly highlighted in its rate announcement last week that Mexican "monetary policy would not have to react mechanically to the anticipated adjustments to the federal funds rate."

On Monday, Mexico publishes July fixed investment data that may shed some light on the state of the domestic economy, with recent macroeconomic figures having surprised to the upside, thus also arguing for a tightening of monetary conditions—though we'll have to see how much of recent strength was temporary in relation to the FIFA World Cup or narrow-based amid a surge in imports and exports of technological goods. In today's note, the team covers the latest formal employment data that point to a cooling in hiring, with growth of only 1.5% y/y in August.

Peru's central bank's policy announcement on Wednesday is a tricky one to call but we expect that officials will hold their fire and keep the reference rate unchanged at 4.25% (at writing there are only four submissions to Bloomberg, three of which project a 25bps hike). September inflation data published yesterday (see here) showed inflation a touch below expectations on a y/y basis while the 0.1% m/m increase continued the trend of monthly price gains in line or even below historical averages observed over the past few months.

Aside from large above-average overshoots in monthly inflation from February to April, monthly price increases have been fairly well behaved. Meanwhile, core inflation ex. transportation (given that bus ticket prices are highly sensitive to gasoline prices) remains a touch below the 2% target mid-point, at 1.8% y/y in August. Yesterday's BCRP economists survey results for September also showed only a marginal rise in year-ahead inflation expectations to 3.09% from 3.05% in the August release, which should ease concerns about a runaway de-anchoring of inflation expectations in Peru.

In today's report, the team in Peru covers fiscal developments in the country with an expectation that the government will meet its fiscal deficit target of 1.8% for the second consecutive year. In the twelve months to August, the public deficit has totaled 1% of GDP in what is a clear improvement from the 2.2% level at which it closed 2025, backed by continued gains in fiscal revenues on the back of strong domestic demand and elevated metals prices while public spending has been lower than expected.

Country Updates

Mexico's Formal Labour Market Shows Signs of Cooling

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The formal employment outlook in Mexico has shown some signs of cooling. Job creation has been moderate: as of August 2026, Mexico's Social Security Institute (IMSS) reported 22,798,473 formal workers, a monthly increase of 38,319 jobs, equivalent to annual growth of 1.5%. At the same time, the number of employers registered with the IMSS fell 2.7% that month, a monthly decline of 1,815 employers, bringing the total to 1,011,239. However, since July 2024, the decline in employers has averaged 2.2%, remaining in negative territory for 26 months; over the same period, job creation has averaged 1.0%. This suggests that the labour market adjustment is being reflected both in hiring and in the number of firms providing formal employment.

A breakdown by activity of the change in employment between 2025 and 2026 for the January–August cumulative period reveals uneven performance across sectors. Sectors such as transportation recorded gains above the cumulative figures of the past five years, with an increase of 13 million workers. Trade and professional services posted gains of 9 million and 6 million employees, respectively; although high compared with other sectors, these increases slowed relative to previous years. Meanwhile, agriculture and manufacturing recorded the steepest declines, particularly manufacturing.

Manufacturing employment fell by only 205 workers in August and by 688 thousand jobs cumulatively from January through August, equivalent to a 1.4% decline. The sector has now posted 20 consecutive months of decline, with a total of 1.5 million jobs lost over this period. The Monthly Survey of the Manufacturing Industry (EMIM) supports this assessment. Total employment in manufacturing has been declining since March 2023, with annual decreases averaging 1.6%. The most prolonged declines have occurred in subsectors such as transportation equipment manufacturing, the textile industry and, more recently, furniture manufacturing. By contrast, in recent months—and potentially owing to the boom in artificial intelligence development—the electronic equipment manufacturing subsector has recorded the strongest growth, averaging 3.6% since the beginning of the year.

At the state level, excluding Mexico City, where 134,151 jobs were created in August, the states with the strongest job creation that month were Baja California, with 87.2 thousand; Mexico State, with 59.1 thousand; and Nuevo León, with 39.6 thousand new jobs. In Sinaloa, meanwhile, employment was 19.4 thousand lower than in August 2025, marking 25 months in negative territory (excluding January and September 2025). Tamaulipas also stood out, with a decline of 15 thousand jobs and 24 months of contracting employment.

Labour informality, meanwhile, remains very high. According to INEGI's National Survey of Occupation and Employment (ENOE), the labour informality rate reached 56.2% of the employed population in July before easing again to 55.5% in August, while the unemployment rate rose to 3.0% in August. Against this backdrop, the combination of sluggish formal job creation and a decline in the number of employers registered with the IMSS could push more workers into informal employment. In other words, with fewer firms and less formal hiring, people who lose their jobs or seek to enter the labour market have fewer opportunities in the formal sector, allowing informality to act as an absorption mechanism when alternatives are limited. This could lead not only to higher unemployment, but also to more precarious working conditions, characterized by lower incomes, no benefits and weaker social protection.

Peru on Track to Meet Fiscal Deficit Target for Second Consecutive Year

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- High mineral prices and robust domestic demand are driving tax revenues.
- Current expenditure is growing faster than public investment, driven by payroll costs.
- The fiscal deficit is expected to rise gradually in the final four months of the year but remain below the official target.

Fiscal accounts have shown a positive trend so far this year (chart 1). The accumulated fiscal deficit for the 12 months ending in August 2026 stood at 1.0% of GDP, marking a significant improvement over the 2.2% deficit recorded at the end of 2025, according to Central

Reserve Bank (BCR) figures. This better-than-expected performance was driven by a sustained rise in fiscal revenues—fueled by robust domestic demand and high mineral prices—and public spending that expanded less than anticipated (particularly regarding lower public investment by the national government).

We project that the fiscal deficit will stand at approximately 1.7% of GDP by the end of 2026, thereby meeting the official target of 1.8% of GDP for the second consecutive year. It should be noted that public spending—both current expenditure and public investment—is seasonally higher in the second half of the year. This factor, combined with a request for an S/ 8 billion supplementary budget from the Executive to Congress—intended for security and prevention works related to the El Niño event—is expected to drive a gradual increase in the fiscal deficit during the final four months of the year. For its part, we anticipate continued momentum in tax revenues, driven by high copper prices—thanks to the metal's key role in the energy transition, the expansion of data centers linked to artificial intelligence, and global supply constraints—as well as sustained momentum in domestic demand, underpinned by improved business and consumer expectations.

FISCAL REVENUES

General Government current revenues (charts 2 and 3) totaled S/ 181 billion between January and August 2026, a 16.8% increase compared to the same period in 2025. This performance was primarily driven by a rise in tax revenues (+18.0%), resulting from higher payments by mining companies (income tax and special mining tax), the expansion of domestic demand (reflected in increased IGV and ISC payments), and payments associated with sports betting and digital services. Meanwhile, non-tax revenues (+12.6%) were boosted by mining royalty payments, which doubled due to the rise in mineral prices.

Income Tax (IR) revenues (+18.7%) were driven mainly by corporate advance payments, which reached S/ 29 billion (+38.2%). Of this amount, S/ 9.9 billion (+129.3%) came from mining companies—reflecting higher profits linked to high metal prices—and S/ 17.8 billion (+17.7%) came from companies linked to domestic demand, particularly in the commerce and services sectors. Meanwhile, personal income tax payments totaled S/ 16.5 billion (+17.9%). Notable contributors included “fifth-category” taxes paid by formal salaried employees (+11.3%)—driven by rising employment and income—and “second-category” income (+42.0%), associated with increased dividend distributions.

IGV (General Sales Tax) collection (+13.6%) was driven primarily by higher domestic IGV revenue (+14.4%), reflecting trends in private consumption that boosted retail sales in sectors such as commerce and services. Additionally, revenue from IGV on imports (+12.4%) benefited from the increased value of imports, particularly consumer and capital goods.

Revenue from the Selective Consumption Tax (ISC) (+16.2%) was driven mainly by higher sales of beer, soft drinks, and imported goods, as well as the tax applied to remote gaming and sports betting—which rose from S/ 22.5 million in August 2025 to S/ 44.2 million in August 2026.

PUBLIC EXPENDITURE

General government non-financial expenditure reached S/ 160 billion (+7.9%) between January and August 2026. This increase was driven by higher current expenditure and, to a lesser extent, increased public investment execution (chart 4).

Chart 1

Peru: Mining and Non-Mining Collection

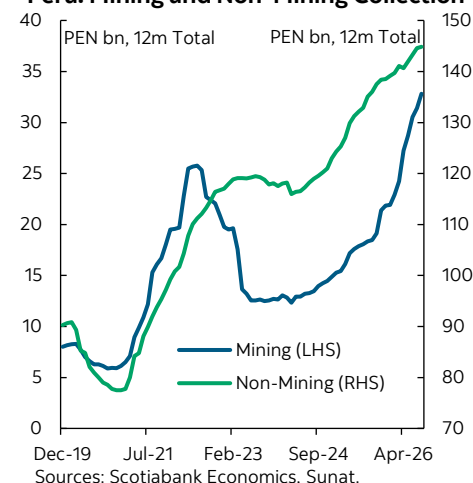


Chart 2

Peru: Current Expenditure and Public Investment

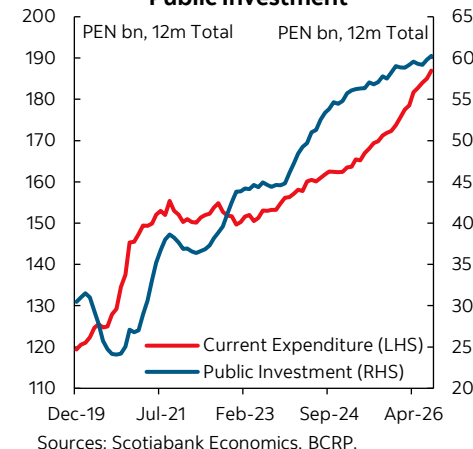
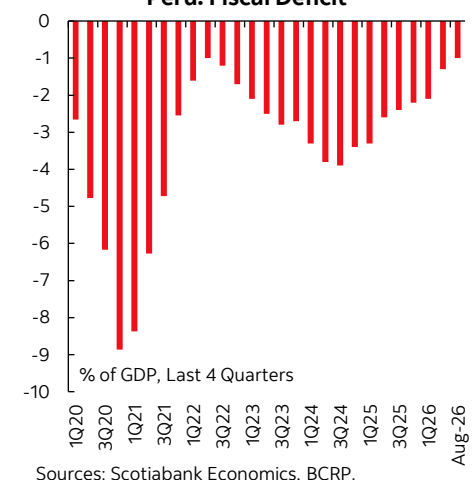


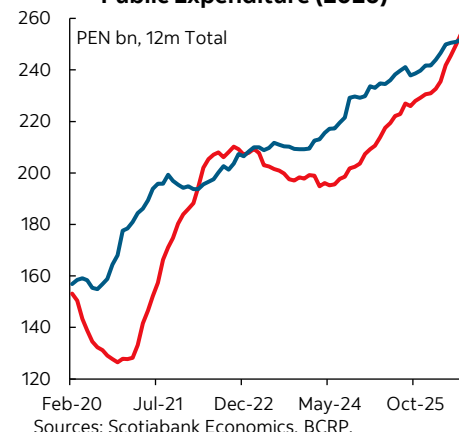
Chart 3

Peru: Fiscal Deficit



Current expenditure (+12.1%) expanded, driven primarily by higher wages and salaries payments (+11.6%), particularly for personnel in the interior, education, health, justice, and defense sectors. Higher outlays were also recorded for the purchase of goods and services (+13.0%)—especially by the National Government—notably regarding payments to personnel hired under service contracts and the procurement of medical supplies. Additionally, increased payments were made for fuel purchases. Meanwhile, the transfers category (+11.6%) grew partly due to the settlement of an arbitration award lost by the Peruvian State at ICSID against IC Power & Kenon Holdings Ltd., which entailed a payment of S/ 688 million.

Public investment (+10.4%) was driven by dynamic execution at the regional (+16.3%) and local (+13.2%) government levels, with notable contributions from projects financed via the “Works for Taxes” mechanism and projects with investment amounts exceeding S/ 10 million. This growth was partially offset by a decline in National Government investment (-13.4%), specifically regarding the Bicentennial Schools project—the first stage of which has concluded—and projects managed by the National Infrastructure Authority (ANIN). It is worth noting that, between January and August, S/ 3 billion in expenditure was accrued for disaster risk management projects and extraordinary interventions related to the El Niño event; this amount represents 58% of the Modified Institutional Budget (PIM), according to the Central Reserve Bank (BCR).

Chart 4
Peru: Fiscal Revenues and Public Expenditure (2026)


Market Events & Indicators for October 3–16

CHILE

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Sep 30-Oct 05	IMCE Business Confidence	Sep	--	--	49.4	--
Oct-07	7:30 Exports Total (USD mn)	Sep	--	--	9499.5	--
Oct-07	7:30 Imports Total (USD mn)	Sep	--	--	7811.3	--
Oct-07	7:30 Trade Balance (USD mn)	Sep	--	--	1688.2	--
Oct-07	7:30 International Reserves (USD mn)	Sep	--	--	53496.0	--
Oct-07	7:30 Copper Exports (USD mn)	Sep	--	--	4624.9	--
Oct-07	8:00 Nominal Wage y/y	Aug	--	--	7.8	--
Oct-08	7:00 CPI y/y Chained	Sep	4.2	--	4.1	--
Oct-08	7:00 CPI m/m	Sep	0.5	--	0.6	--
Oct-13	7:30 Central Bank Economist Survey					

MEXICO

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Oct-05	8:00 Gross Fixed Investment NSA y/y	Jul	--	--	7.7	--
Oct-05	8:00 Gross Fixed Investment SA m/m	Jul	--	--	1.4	--
Oct-05	8:00 Private Consumption y/y	Jul	--	2.0	2.8	--
Oct-06	8:00 Consumer Confidence	Sep	--	--	46.1	--
Oct-06	Citi Survey of Economists					
Oct-07	8:00 Vehicle Production	Sep	--	--	344940	--
Oct-07	8:00 Vehicle Exports	Sep	--	--	300475	--
Oct-08	8:00 CPI m/m	Sep	0.4	0.4	0.2	--
Oct-08	8:00 CPI y/y	Sep	3.4	3.4	3.3	--
Oct-08	8:00 CPI Core m/m	Sep	0.3	0.2	0.2	--
Oct-08	8:00 CPI Core y/y	Sep	3.8	3.8	3.9	--
Oct-08	8:00 Bi-Weekly CPI y/y	Sep	--	3.5	3.4	--
Oct-08	8:00 Bi-Weekly CPI (%)	Sep	--	0.3	0.3	--
Oct-08	8:00 Bi-Weekly Core CPI y/y	Sep	--	--	3.8	--
Oct-08	8:00 Bi-Weekly Core CPI (%)	Sep	--	--	0.2	--
Oct-08	11:00 Central Bank Monetary Policy Minutes					
Oct-12	8:00 Industrial Production NSA y/y	Aug	--	--	2.7	--
Oct-12	8:00 Manuf. Production NSA y/y	Aug	--	--	1.6	--
Oct-12	8:00 Industrial Production SA m/m	Aug	--	--	0.5	--
Oct 12-14	Nominal Wages	Sep	--	--	6.5	--
Oct 15-21	ANTAD Same-Store Sales y/y	Sep	--	--	1.7	--

PERU

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Oct-07	19:00 Reference Rate (%)	Oct	4.25	--	4.25	--
Oct-15	11:00 Lima Unemployment Rate	Sep	--	--	4.8	--
Oct-15	11:00 Economic Activity y/y	Aug	--	--	3.6	--

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for October 3–16

BRAZIL

<u>Date</u>	<u>Time</u> <u>Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>	<u>BNS Comments</u>
Oct-05	7:25 Central Bank Weekly Economist Survey					
Oct-05	9:00 S&P Global Brazil Composite PMI	Sep	--	--	49.1	--
Oct-05	9:00 S&P Global Brazil Services PMI	Sep	--	--	50.5	--
Oct-06	14:00 Trade Balance Monthly (USD mn)	Sep	--	--	7393.9	--
Oct-06	14:00 Exports Total (USD mn)	Sep	--	--	33157.8	--
Oct-06	14:00 Imports Total (USD mn)	Sep	--	--	25763.9	--
Oct-09	8:00 IBGE Inflation IPCA m/m	Sep	--	0.7	-0.3	--
Oct-09	8:00 IBGE Inflation IPCA y/y	Sep	--	4.5	4.2	--
Oct-13	7:25 Central Bank Weekly Economist Survey					
Oct-14	8:00 IBGE Services Volume m/m SA	Aug	--	--	0.0	--
Oct-14	8:00 IBGE Services Volume y/y NSA	Aug	--	--	0.9	--
Oct-15	8:00 Retail Sales m/m	Aug	--	--	-0.8	--
Oct-15	8:00 Retail Sales y/y	Aug	--	--	1.2	--
Oct-15	8:00 Retail Sales Broad m/m	Aug	--	--	0.4	--
Oct-15	8:00 Retail Sales Broad y/y	Aug	--	--	1.8	--
Oct-16	8:00 Economic Activity m/m	Aug	--	--	-0.2	--
Oct-16	8:00 Economic Activity y/y	Aug	--	--	1.1	--

COLOMBIA

<u>Date</u>	<u>Time</u> <u>Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest</u>	<u>BNS Comments</u>
Oct-05	6:00 Colombia Monetary Policy Minutes					
Oct-05	11:00 Exports FOB (USD mn)	Aug	--	--	4690.7	--
Oct-07	7:00 CPI m/m	Sep	--	0.4	0.4	--
Oct-07	7:00 CPI y/y	Sep	--	6.3	6.2	--
Oct-07	7:00 CPI Core m/m	Sep	--	0.3	0.3	--
Oct-07	7:00 CPI Core y/y	Sep	--	6.3	6.3	--
Oct-14	Consumer Confidence Index	Sep	--	--	15.5	--
Oct-16	11:00 Retail Sales y/y	Aug	--	--	5.3	--
Oct-16	11:00 Manufacturing Production y/y	Aug	--	--	-2.3	--
Oct-16	11:00 Industrial Production y/y	Aug	--	--	-0.4	--

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

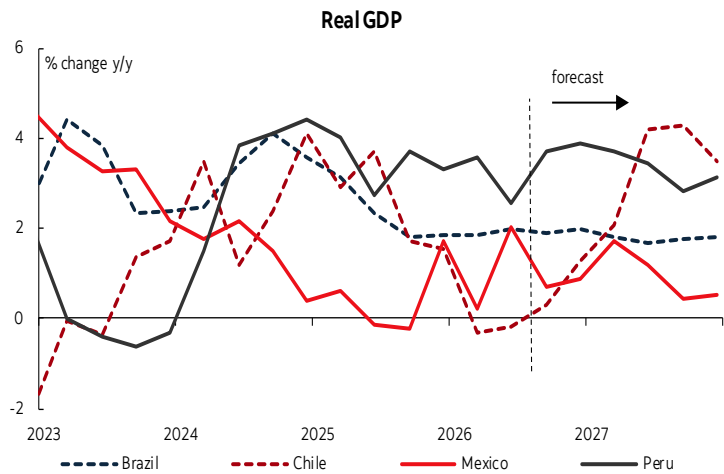
Forecast Updates: Central Bank Policy Rates and Outlook

	Next Scheduled Meeting			BNS Forecast		BNS Guidance for Next Monetary Policy Meeting
	Current	Date	BNS	End-2026	End-2027	
Chile, BCCh, TPM	4.50%	Oct-27	4.50%	4.50%	4.50%	We expect the Central Bank to leave the policy rate unchanged at 4.50%, although the likelihood of policy rate hikes in Q4-26 has risen markedly.
Mexico, Banxico, TO	6.50%	Nov-05	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 over the balance of 2026 and 2027.
Peru, BCRP, TIR	4.25%	Oct-07	4.25%	4.25%	4.25%	For end-2026, we have raised our inflation projection from 4.2% to 4.8% mainly for two reasons: the high international price of oil that impacts local fuel prices and the El Niño phenomenon that would reach an extraordinary intensity from 4Q26 and could temporarily affect the local food supply. However, inflation excluding food, energy and transportation stands at 1.8%, below the centre of the target range (1%-3%). Likewise, only about 40% of the products that make up the CPI register annual inflation above 3%, so significant second-round effects on inflation have not yet been observed. In addition, 12-month inflation expectations stand at 3.09%, close to the upper limit of the target range (3.0%). In this sense, we consider that the supply shock on prices is transitory so the BCRP should still maintain its reference rate in the absence of conclusive evidence of a sustained rise in the price level.
Brazil, BCB, Selic	13.75%	Nov-04	13.75%	13.75%	12.00%	

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

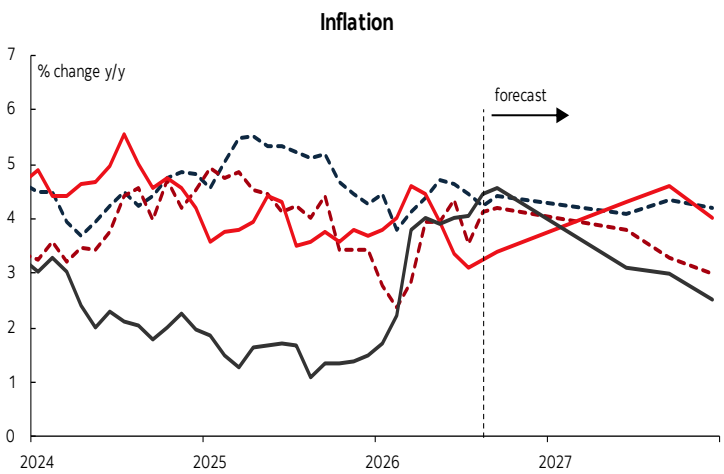
Key Economic Charts

Chart 1



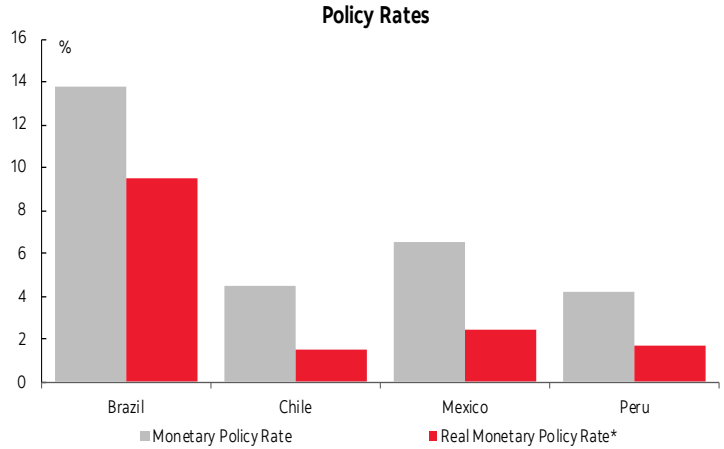
Sources: Scotiabank Economics, IBGE, BCCH, INEGI, BCRP.

Chart 2



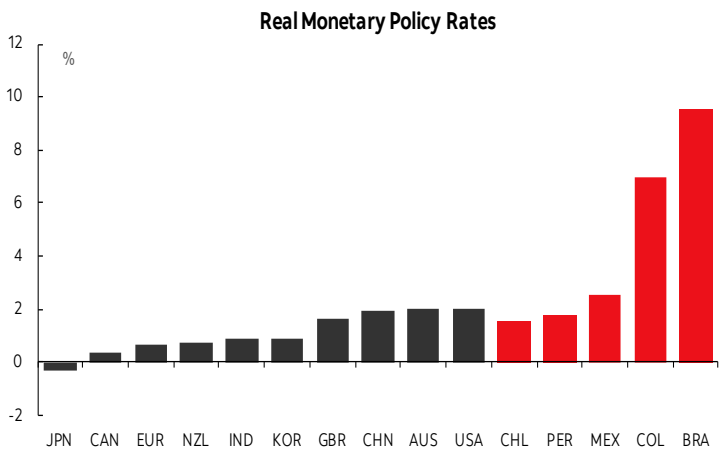
Sources: Scotiabank Economics, IBGE, BCCH, INEGI, BCRP.

Chart 3



Real monetary policy rate = current policy rate - BNS expected inflation, end-Q4-2027, % y/y.
Sources: Scotiabank Economics, BCCH, BCRP, BCB, Banxico, BanRep, Focus Economics.

Chart 4

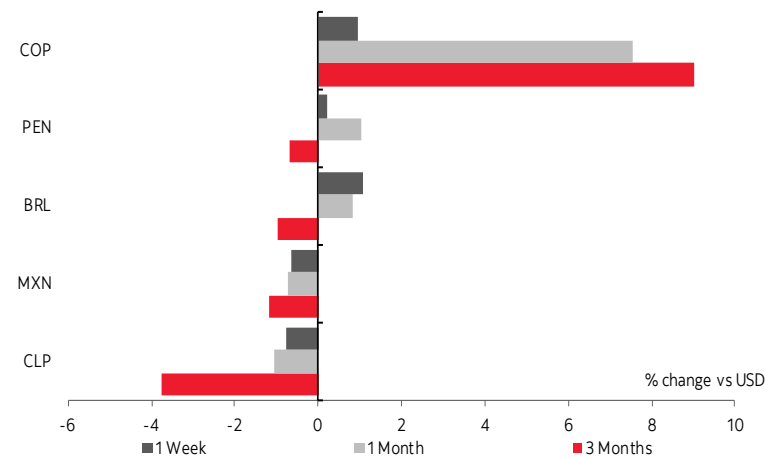


Real monetary policy rate = current policy rate - BNS expected inflation, end-Q4-2027, % y/y.
Sources: Scotiabank Economics, Bloomberg.

Key Market Charts

Chart 1

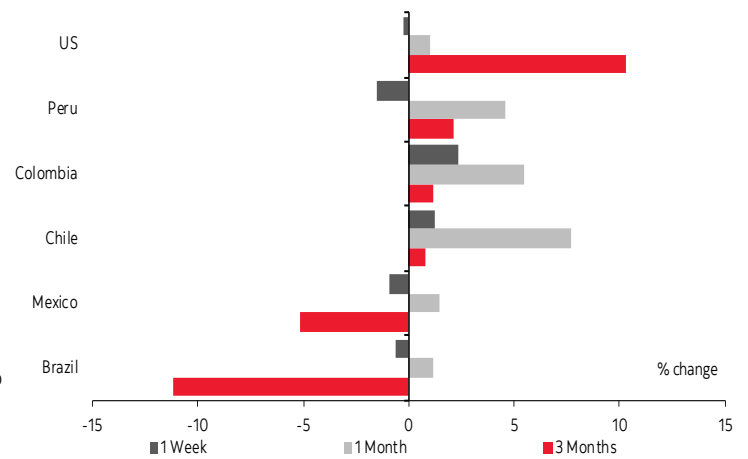
Latam Currencies Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 2

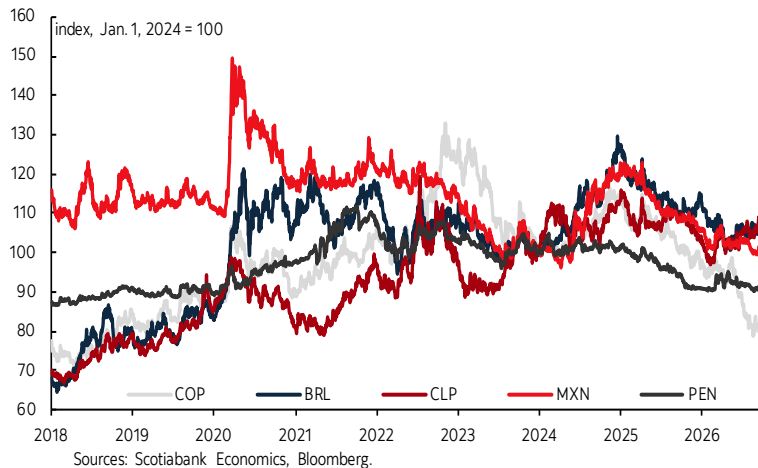
Latam Equities Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 3

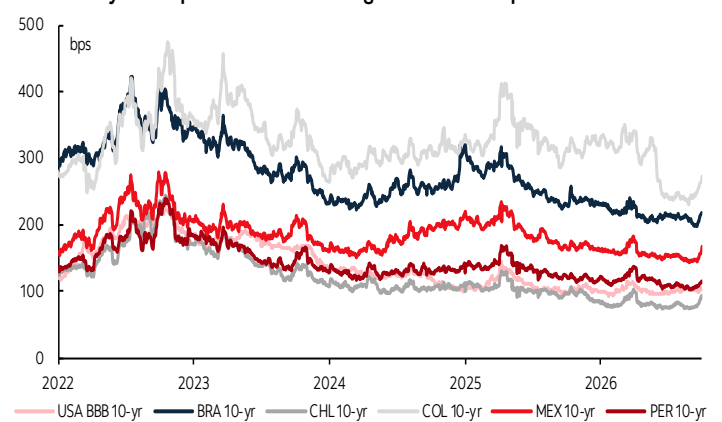
USD vs Latam Currencies



Sources: Scotiabank Economics, Bloomberg.

Chart 4

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

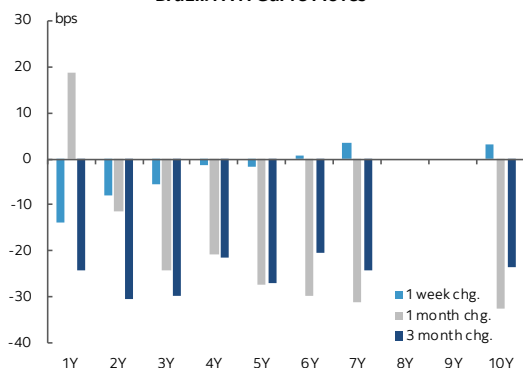


*Sovereigns vs US swaps; BBB corporates vs 10-yr USTs.

Sources: Scotiabank Economics, Bloomberg.

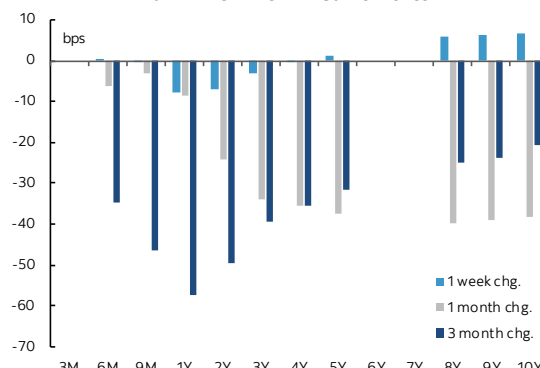
Yield Curves

Chart 1 Brazil: NTN Curve Moves



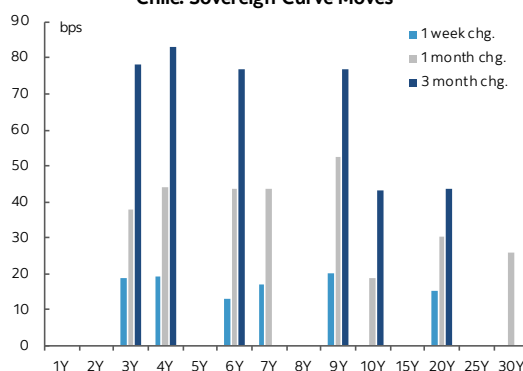
Sources: Scotiabank Economics, Bloomberg.

Chart 2 Brazil: BM&F Pre x DI Curve Moves



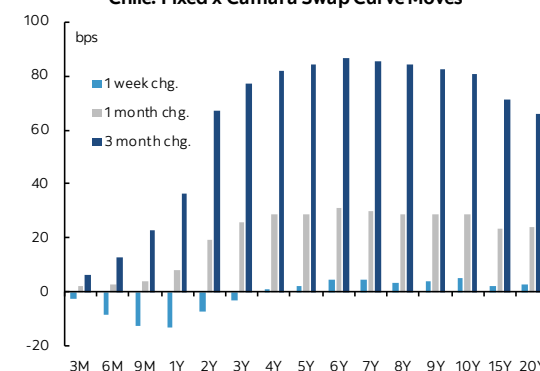
Sources: Scotiabank Economics, Bloomberg.

Chart 3 Chile: Sovereign Curve Moves



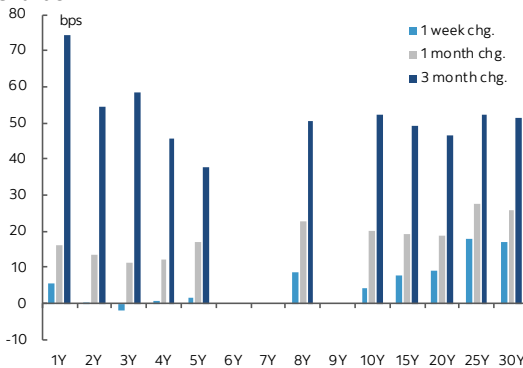
Sources: Scotiabank Economics, Bloomberg.

Chart 4 Chile: Fixed x Camara Swap Curve Moves



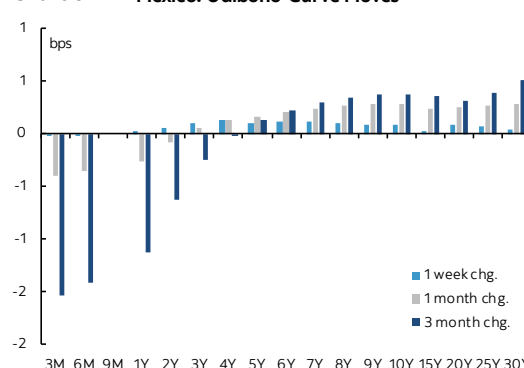
Sources: Scotiabank Economics, Bloomberg.

Chart 5 Mexico: M-Bono Curve Moves



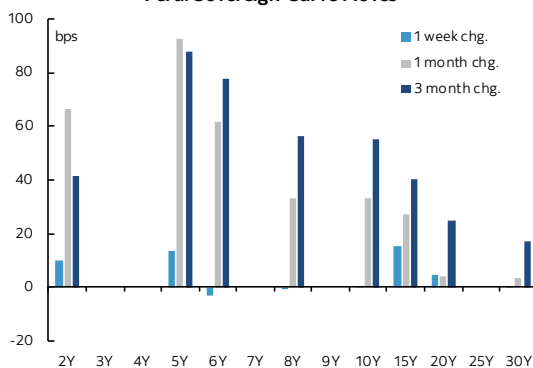
Sources: Scotiabank Economics, Bloomberg.

Chart 6 Mexico: Udibono Curve Moves



Sources: Scotiabank Economics, Bloomberg.

Chart 7 Peru: Sovereign Curve Moves



Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage

Local Market Coverage

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