





Latam Week Ahead: Mexico/Brazil/Argentina CPI Inflation, Peru Rate Decision

After recent key monetary policy meetings, Mexico and Brazil CPI data will be in focus next week, while the latest interest rate decision is due in Peru. In Mexico, core CPI inflation pressures are expected to have remained elevated in January, with the annual rate stuck above the target range ceiling, reinforcing Banxico's decision to pause its easing cycle. Meanwhile, Brazil CPI inflation is expected to have remained within the BCB's target range in January, despite edging higher, keeping the door open to a start of the easing cycle next month. On the monetary policy front, the BCRP is widely expected to remain on hold as inflation continues to track close to target.

Monday 9th

-  **BCB Focus Survey**
-  **Chile January Trade Balance (Prior +\$3,594mn)**
-  **Mexico January Headline CPI Inflation (Est: +3.81% Y/Y; Prior: +3.69% Y/Y)**
-  **Mexico January Core CPI Inflation (Est: +4.51% Y/Y; Prior: +4.33% Y/Y)**

Mexico headline CPI inflation is expected to have ticked up to around 3.8% y/y in January, driven by higher energy prices. At the same time, core inflation is seen rising to 4.51% y/y on the back of higher goods prices following the recent increase in excise taxes and tariffs on some Asian imports. The data come after Banxico paused its easing cycle as expected at its February MPC meeting to give itself time to assess the impact of these measures, before considering a resumption of its easing cycle. Although the door to a March rate cut remains open, most analysts expect the next rate cut to come later in the year, perhaps at the May or June meetings.

Tuesday 10th

-  **BCCh Economist Survey**
-  **Brazil January IPCA Inflation (Est: +4.43% Y/Y; Prior: +4.26% Y/Y)**

Brazil IPCA inflation looks set to have risen to around 4.4% y/y in January, keeping it within the BCB's 3%+/-1.5% target range. The increase is set to have come on the back of a seasonal increase in food prices, although core price pressures are likely to have remained firm as well, with the annual rate there tracking near the 4.5% target range ceiling. The data come after the recent Copom minutes reiterated the dovish tone of the January monetary policy statement, confirming expectations for a March rate cut. However, the policy stance will remain restrictive for some time and the pace of rate cuts will be determined by incoming data, which given the persistence of core inflation, might skew risks slightly towards a 25bp move next month, rather than 50bp.

-  **Argentina January CPI Inflation (Prior: +2.8% M/M)**
-  **Argentina January CPI Inflation (Prior: +31.5% Y/Y)**

Argentina Economy Minister Luis Caputo said recently that he expects January monthly inflation to come in near to December's 2.8% m/m outturn, suggesting that price pressures remain sticky for now. His comments came following the recent resignation of the head of the statistics agency after Caputo and President Milei agreed not to change the CPI inflation methodology until the disinflation process is complete. Analyst inflation expectations have been creeping up, with the end-26 CPI estimate rising to 22.4% y/y, according to the latest BCRA survey, from 20.1% expected last month.

Wednesday 11th




-  **Mexico December Industrial Production (Est: +2.0% Y/Y; Prior: -0.8% Y/Y)**

Mexico industrial production growth is expected to pick up in December, supported by an increase in manufacturing and rebound in construction. Despite this, industrial production is still on course to have contracted by 1.5% over the year as a

whole, as uncertainty over the tariff and USMCA outlook has weighed on the manufacturing sector. As noted, the weak growth backdrop keeps the door open to a resumption of Banxico's easing cycle later this year.





-  **Colombia January Consumer Confidence (Prior: 19.9)**

Thursday 12th

-  **Brazil December Services Volume (Est: +3.3% Y/Y; Prior: +2.5% Y/Y)**
-  **Argentina December Wages (Prior: +1.8% M/M)**
-  **Peru Interest Rate Decision (Prior 4.25%)**

The BCRP is likely to leave its benchmark reference rate unchanged at 4.25% for a fifth consecutive meeting as inflation is converging to the 2% target and economic activity remains around its potential rate. The Board is likely to maintain a data dependent stance, keeping the door open to a further rate cut. However, with the policy rate already close to neutral, there is little urgency to move at this juncture. Furthermore, analysts believe the policy rate will not be used as an instrument to lean against PEN appreciation pressures, with the central bank continuing to resort to direct USD purchases instead.

Friday 13th

-  **BCCh Traders Survey**
-  **Brazil December Retail Sales (Est: +3.6% Y/Y; Prior: +1.3% Y/Y)**
-  **Colombia December Retail Sales (Prior: +7.5% Y/Y)**
-  **Colombia December Industrial Production (Prior: +1.7% Y/Y)**
-  **Colombia December Manufacturing Production (Prior: +0.7% Y/Y)**

Colombia retail sales growth has moderated from a double-digit pace recently, but it remains robust and is likely to have edged higher in December, as consumption remains supported by a tight labour market and rising wages. Industrial production remains subdued, however, amid weakness in mining. Overall, recent data have suggested some softening of domestic demand from its robust pace, although not enough to shift the central bank's concerns over the inflation outlook. Following the large minimum wage hike, BanRep has raised its year-end CPI forecast to 6.3%, suggesting further aggressive interest rate hikes to come.

N.B. All estimates via the Bloomberg analyst survey as of 06/02/26

Key Technical Levels:

USDMXN: Trend Structure Remains Bearish, Short-Term Gains Corrective

- RES 2: 17.7549 50-day EMA and key resistance
- RES 1: 17.4779 20-day EMA
- PRICE: 17.2912 @ 16:15GMT 06/02/26
- SUP 1: 16.9806 3.000 projection of the Nov 5 - 13 - 21 price swing

USDBRL: Bearish Theme Still Intact

- RES 2: 5.3438 50-day EMA and key resistance
- RES 1: 5.2886 20-day EMA
- PRICE: 5.2183 @ 16:15GMT 06/02/26
- SUP 1: 5.0787 76.4% retracement of the 2023 - 2024 bull leg

USDCLP: Trend Condition Remains Barish

- RES 2: 892.43 50-day EMA
- RES 1: 872.65 20-day EMA
- PRICE: 857.31 @ 16:15GMT 06/02/26
- SUP 1: 845.72 1.618 projection of the Apr 9 - Jul 2 - Jul 30 2025 price swing
- SUP 2: 833.73 76.4% retracement of the 2023 - 2025 bull phase

MNI Macro Insights

Mexico: MNI Banxico Review – February 2026

POV: On Hold, Dovish Bias Maintained (See the MNI review [here](#))

- Banxico's governing board left the overnight rate unchanged at 7.00% in a unanimous decision, as was widely expected.
- The decision to pause the easing cycle came as inflation has remained above expectations, prompting the Board to revise up its inflation forecasts and push back the projected convergence to target until Q2 2027.
- However, the statement maintained a dovish bias, with the forward guidance keeping the door open to renewed cuts this year, amid ongoing downside risks to growth.
- Analysts still see scope for a March rate cut, although most expect the next move later in the year, with year-end forecasts still at 6.25%-6.75%.

Mexico: Peso Maintains Bullish Tilt, Banxico Pause Supportive

- USDMXN has traded within a narrow range, consolidating a near 2% selloff from the week's highs. The more constructive price action for precious metals and stable backdrop for equities continues to foster a positive environment for EMFX. USDMXN spot remains in close proximity of the recent cycle lows at 17.1055.
- After pausing its easing cycle, the central bank wants to see whether inflationary pressures dissipate before resuming rate cuts, and it might not cut in the first half of the year, with some board members seeing room for possibly only one or two further 25bp reductions if the outlook allows, MNI understands.
- From a technical perspective, a dominant downtrend remains intact for USDMXN. On the downside, 16.8585 remains the next target (3.236 projection of the Nov 5 - 13 - 21 price swing), while 16.5282 remains a longer-term objective, the May 21 '24 low.
- Regarding US/Mex relations, an agreement has been reached for Mexico to send a minimum amount of water annually to the U.S. As a reminder, President Trump had threatened to raise tariffs on Mexican imports if more water wasn't delivered.

Colombia: MNI BanRep Review – January 2026

POV: 100bp Hike To Prevent Inflation Spiral (See the MNI review [here](#))

- The Colombian central bank hiked its overnight lending rate by 100bp to 10.25% in January, as it began its tightening cycle with a larger-than-expected move. Most analysts had expected a 50bp hike, with a small minority forecasting a 75bp move and a similar number looking for a smaller 25bp increase.
- Once again, the decision was split 4-1-2, with one member voting for a hold and two members voting for a 50bp cut.

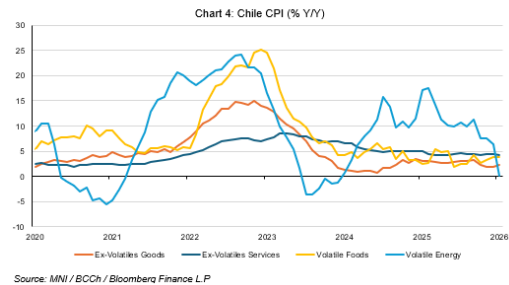
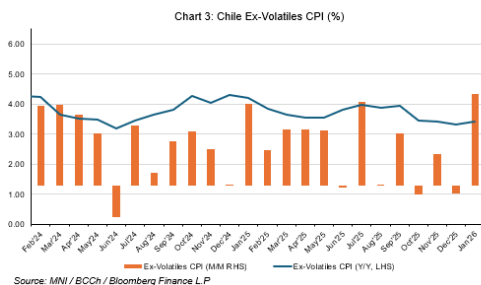
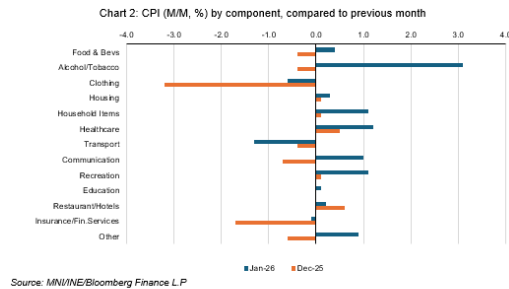
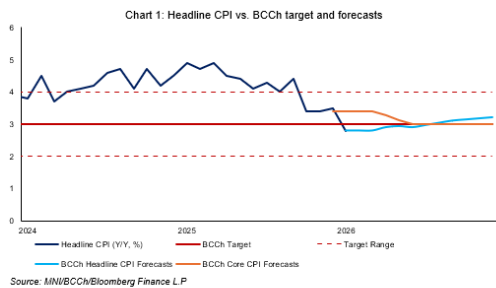
- The aggressive hike came on the back of the much-larger-than-expected minimum wage increase, which has resulted in a sharp rise in inflation expectations. In addition, the Board also noted the continuing strength of domestic demand and rising current account deficit.
- Analysts expect the Board to continue its aggressive hiking cycle ahead, with perhaps a 50bp move in March and 100-200bp of further tightening in total this year.

Chile: BCCh Minutes Suggest Little Scope To Take Policy Rate Below Neutral

- Despite a pullback later in the week, copper remains ~5% above Monday's pullback low and is consolidating close to record highs, reinforcing Chile very favourable terms of trade position. Along with optimism ahead of the new government taking office next month, and with BCCh's easing cycle nearing an end, this continues to provide a favourable backdrop for the peso. USDCLP remains just above last week's cycle low (851.4), with the pair down ~5% YTD.
- The trend condition in USDCLP remains bearish, with potential seen for an extension towards 845.72, the 1.618 projection of the Apr 9 - Jul 2 - Jul 30 2025 price swing, and 833.73, the 76.4% retracement of the 2023 - 2025 bull phase. Short-term gains are considered corrective.
- Wednesday's BCCh minutes offered few surprises and reiterated the slightly dovish tone of last week's policy statement, keeping the door open to a further 25bp near-term rate cut to neutral. However, concerns about medium-term inflation risks suggest there is little appetite to take the policy rate below neutral at this juncture.
- Goldman Sachs believes the minutes signal that the MPC will likely implement a final 25bp cut in forthcoming meetings, potentially in March, earlier than suggested in the December IPoM. However, they believe that the bar for the policy rate to drop below 4.25% is high as the outlook for economic activity remains strong. Meanwhile, Itaú believes the Board will favour a cautious approach after implementing a likely cut in March, evaluating inflation and activity dynamics during the start of the year. Jan CPI data cross on Friday.

Chile: Uptick In Core Inflation Reduces Imminent Rate Cut Prospects

- Despite the decline of headline inflation to a five-year low in January, the uptick in central bank's preferred core ex-volatiles measure will ease the central bank's concerns about the downside risks to inflation that it flagged at last week's MPC meeting. The door is still open to a further near-term rate cut, potentially as soon as next month, but the data reduce the pressure to move imminently.
- As expected, headline inflation fell below the BCCh's target to 2.8% y/y in Jan, from 3.5%, on the back of favourable base effects relating to last year's electricity hike. However, core ex-volatiles inflation ticked up to 3.4% y/y, from 3.3%, in line with the central bank's projection in the Dec IPoM. Although core services inflation ticked down to 4.3% y/y, this was offset by a 40bp increase in core goods inflation to 2.3%.
- At the Jan MPC meeting, the BCCh struck a slightly dovish tone, suggesting that inflation will be below its projections in the short-term after the softer-than-expected Dec data. The Board said it will assess the implications of the latest developments for monetary policy in the March monetary policy report.



Brazil: Copom Minutes Reiterate Dovish Tone of Jan MPC Meeting

- The BCB published the minutes to its January 28 Copom meeting [here](#).
- At that meeting, the Copom decided unanimously to keep the Selic rate unchanged at 15.00%, as expected. The statement struck a more dovish tone, however, and notably the committee removed the tightening reference from its forward guidance and signalled a likely start to the easing cycle at the next meeting in March.
- The Copom minutes reiterated the dovish tone of last week's policy statement, confirming expectations for a March rate cut. However, the policy stance will remain restrictive for some time and the pace of rate cuts will be determined by incoming data, leaving analysts split between prospects for a 25bp or 50bp cut next month.

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