

LatAm Daily | Colombian confidence decrease anticipating a slowdown of consumption

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Business confidence declined slightly while industrial confidence fell well below our expectations in October. Today the BCB will announce its monetary policy decision in Brazil, and reiterate that it is likely to keep the Selic on hold for some time.

Colombia - A decline in business confidence in October

The business confidence indicator stood at 20.5 (vs. BBVAe: 18.0, in a range between -100 and 100), slightly below the September figure (20.9). The assessment of the current economic situation was positive and improving, but the expectations of 6-months ahead deteriorated. Meanwhile, the industrial confidence index fell from 6.3 to 2.1 between September and October (vs. a slight increase to 7.5 BBVAe). Despite the fall in inventories, the expectation 3-months ahead showed a sharp deterioration. All in all, data anticipate a gradual slowdown of private consumption, albeit more moderate than we previously anticipated, and a slow recovery in industrial production excluding oil refining.

What to watch today

Brazil - Monetary policy decision (after financial markets close)

We anticipate that the Selic rate will remain unchanged at 14.25% and that the Monetary Policy Committee (COPOM) will once again suggest that it will remain on hold for some time.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	23-Nov	Nov	0.92%		0.94%	0.86%
Formal Job Creation Total	23-Nov	Oct			-169131	-95602
National Unemployment Rate	24-Nov	Sep	8.90%		8.90%	8.70%
Federal Debt Total	24-Nov	Oct			2646b	2735b
FGV Consumer Confidence	25-Nov	Nov				75.7
Selic Rate	25-Nov	Nov	14.25%	14.25%		14.25%
Current Account Balance	26-Nov	Oct	-3950	-4100		-\$3076m
CNI Consumer Confidence	26-Nov	Nov				97.3
FGV Inflation IGPM MoM	27-Nov	Nov	1.50%			1.89%
Outstanding Loans MoM	27-Nov	Oct				0.80%
Central Govt Budget Balance	27-Nov	Oct	-7.5			-6.9b
Chile						
Central Bank's Traders Survey	25-Nov					
Central Bank Meeting Minutes	27-Nov					
Colombia						
Retail Confidence	24-Nov	Oct		18	20.5	20.9
Industrial Confidence	24-Nov	Oct		7.5	2.1	6.3
Overnight Lending Rate	27-Nov	Nov	5.75%	5.50%		5.25%
Mexico						
Retail Sales YoY	23-Nov	Sep	7.00%		4.90%	6.40%
Current Account Balance	25-Nov	3Q	-8120			-\$7980m
Trade Balance	27-Nov	Oct	-1735	-1680		-1419.9m
Unemployment Rate NSA	27-Nov	Oct	4.30%			4.50%
Unemployment Rate SA	27-Nov	Oct	4.18%			4.23%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
11.24.2015	Mexico: Bank deposits: continues catching up driven by its two components
11.21.2015	Mexico: Positive surprise in the GDP for the better-than-expected growth in the 3Q
11.20.2015	Mexico: Upside surprise in the GDP due to a better than expected growth in the 3Q15
11.18.2015	Mexico: Mortgage financing accelerates and grows 17% in September
11.14.2015	Peru: Mining led growth, but non-primary sectors decelerated (In Spanish)
11.13.2015	Mexico: We estimate that GDP growth in 3Q15 will have been similar to the 2Q15
11.13.2015	Chile: Central Bank maintains MPR at 3.25% and contractionary bias (In Spanish)
11.13.2015	Peru: Unsurprisingly, the central bank keeps once again the policy rate on hold
11.11.2015	Mexico: Regional Sectorial Outlook Second Half 2015
11.10.2015	Colombia: Outlook 4Q15 (In Spanish)
11.10.2015	Chile: Outlook 4Q15 (In Spanish)
11.06.2015	Colombia: Automotive sector, recent developments and outlook
11.06.2015	Chile: Inflation in October surprised to the upside
11.06.2015	Colombia: Foodstuff inflation unstoppable
11.06.2015	Brazil: Inflation at 10%? Almost there
11.05.2015	Chile: Imacec surprised to the upside and eases the fears of a technical recession (In Spanish)

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