

LatAm Daily | Food prices and exchange rate pressures cause inflation to rise in Colombia

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In November, inflation increased above expectations up to 6.39% and we expect it to rise further until the first quarter of 2016 due to the effect of El Niño. Today we will see the release of the monthly indexes for CPI and Imacec in Chile, with the former expected to remain stable and the latter to rise.

Colombia - November inflation climbed to 6.4%

Inflation continued to rise in November and stood at 6.39% YoY (0.60% MoM), above market expectations, mainly due to the sustained rise in food prices and the pressures coming from the exchange rate. We believe inflation will continue in its upward trend until the first quarter of next year as a result of El Niño, although we believe the exchange rate pressures on prices in the coming months could abate.

What to watch today

Chile - Consumer price index (November, 07:00hrs NYT)

We expect a 0.0% MoM figure in November (+4.0 % YoY), driven by increases in services that should be offset by declines in foodstuffs.

Chile - Monthly economic activity index (October, 07:30hrs NYT)

We expect the Imacec to have grown around 2.2% YoY in October (near +0.2% MoM SA). The figure should be driven by positive contributions from retail sales and mining but partially offset by the declines in manufacturing output.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
IBGE Inflation IPCA MoM	9-Dec	Nov	0.95%	0.80%		0.82%
Chile						
CPI MoM	7-Dec	Nov	0.10%	0.00%		0.40%
CPI YoY	7-Dec	Nov	4.01%	4.00%		4.00%
Economic Activity YoY	7-Dec	Oct	1.70%	2.20%		2.60%
Economic Activity MoM	7-Dec	Oct	-0.25%	0.20%		1.10%
Trade Balance	7-Dec	Nov	\$400.0	\$300.0		-\$170.9
Colombia						
GDP QoQ	10-Dec	3Q	1.10%	0.50%		0.60%
GDP YoY	10-Dec	3Q	3.20%	2.50%		3.00%
Economic Activity Index SA YoY	10-Dec	Sep	3.80%	2.00%		4.00%
Colombia Monetary Policy Minutes	11-Dec					
Civil Works Payments (YoY)	11-Dec	3Q		4.00%		8.00%
Mexico						
Vehicle Production AMIA	7-Dec	Nov				326876.00
CPI MoM	9-Dec	Nov	0.60%	0.60%		0.51%
CPI Core MoM	9-Dec	Nov	0.07%	0.08%		0.25%
CPI YoY	9-Dec	Nov	2.28%			2.48%
ANTAD Same-Store Sales YoY	9-Dec	Nov	6.70%			9.80%
Industrial Production NSA YoY	11-Dec	Oct	1.00%			1.70%
Industrial Production SA MoM	11-Dec	Oct	0.12%	0.40%		0.40%
Peru						
Reference Rate	11-Dec	Dec	3.75%	3.75%		3.50%

Fuente: BBVA Research

Most recent Latam reports

Date	Description
12.04.2015	Peru: Exports fell nearly 14% yoy in October
12.04.2015	Mexico: The expectation for December interest rate hike is reinforced
12.03.2015	Chile: We expect null variation for November's CPI (4% YoY)
12.03.2015	Chile: Activity by sector data remained weak in October
12.03.2015	Brazil: The risk of further monetary tightening raises as the fiscal situation worsens
12.03.2015	Mexico: Credit to the private sector: maintained growth of 13.3%
12.02.2015	Peru: Inflation resumes upward trend in November
12.01.2015	Mexico: Remittances grow 1.7% in October with a flow of 2,075.9md (In Spanish)
11.30.2015	Chile: October's IMACEC would stand around 2% (In Spanish)
11.30.2015	Chile: Only a negative CPI in November would avoid further increase in the MPR this month (in Spanish)
11.28.2015	Colombia: BanRep increased the repo rate 25bp up to 5,50% as expected
11.27.2015	Mexico: Annual inflation below 2.3%. Next week watch for US jobs data
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

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