

LatAm Daily | In Chile, activity and inflation figures support a MPR pause in December

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The weak increases in CPI and aggregate activity below expectations point to another pause at 3.25% in the policy rate in December. November's trade surplus was driven by exports, while imports still show weakness in domestic demand with yearly declines in consumption and capital goods.

Chile - As expected, CPI with no monthly variation in November

CPI showed a 0.0% MoM figure in November (+3.9% YoY; 4.4% YtD), in line with our view but below consensus (at +0.1% MoM). As expected, the print was driven by declines in food stuffs that were offset by increases in services. Nonetheless, the measure that excludes food stuffs and energy increased +0.2% MoM (+4.7% YoY). Initially, for December's CPI we forecast a range between 0.0% and +0.1% MoM (see our [Chile Flash](#) in Spanish for details).

Chile - Aggregate activity remain weak in October

Economic activity increased a poor 1.5% YoY (+0.0% MoM SA), below both our estimates and the consensus expectations (at +2.2% YoY and +1.7% YoY, respectively). The figure was driven by positive contributions from services but offset by declines in the value added of mining and manufacturing activities. All in all, activity figure remains weak and adds to a null monthly inflation figure in November that supports -at least in probabilities- the option for another pause at 3.25% in the policy rate during December (see our [Chile Flash](#) in Spanish for details).

Chile - Despite monthly surplus in trade balance, external sector remained sluggish

The trade figures posted a surplus of USD401mn in November -after three monthly deficits in a row- and showing a positive USD4.29bn YtD. The print was driven by exports at USD5.14bn (-10.4% YoY, again due to mining and manufacturing) and imports at USD4.74bn (-10.0% YoY). Imports are still showing weakness in domestic demand with yearly declines in consumption goods -both durable and non-durables- and capital goods. Overall figures remain sluggish.

What to watch today

No relevant news is expected for today.

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%	0.00%	0.40%
CPI YoY	7-Dec	Nov	4.01%	4.00%	3.90%	4.00%
Economic Activity YoY	7-Dec	Oct	1.70%	2.20%	1.54%	2.60%
Economic Activity MoM	7-Dec	Oct	-0.25%	0.20%	0.04%	1.10%
Trade Balance	7-Dec	Nov	\$400.0	\$300.0	\$400.64	-\$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			296338.00	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%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
12.07.2015	Chile: CPI with no monthly variation in November, while activity remain weak in October
12.07.2015	Colombia: November inflation climbs to 6.4%
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

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