

LatAm Daily | Inflation to break the 10% level in Brazil

Marina Conesa / Enestor Dos Santos / Hugo Perea / Cecilia Posadas / Jorge Selaive / Carlos Serrano / Juana Téllez

After a quiet day yesterday, today we will see inflation in Brazil, which is expected to reach 10.2% in November driven by food and administered prices. In Chile, the financial trader's survey may not rule out a 25bp hike in the MPR at December's meeting in view of the inflation expectations for this month. Civil works payments are expected to grow 4% in 3Q15 in Colombia.

No relevant data were published yesterday in the region.

What to watch today

Brazil - Inflation (November, 6:00hrs NYT)

We expect inflation to continue to trend up and to reach 10.2% YoY in November, above the 10% mark for the first time since 2003. As in previous readings, the main contributors to inflation should be food and administered prices.

Chile - Financial trader's survey (1st fortnight in December, 07:30hrs NYT)

We expect the survey to show inflation expectations at around +0.0%/+0.1% MoM for December and anchored long-term inflation expectations. Although our view considers that short-term inflation and activity data support another pause in the monetary policy normalization process, the survey results could show median expectations of a 25bp hike at December's meeting.

Colombia - Civil works payments (4:00 pm NYT)

We expect 3Q15 civil works to have grown 4%. Civil work payments will be an important element to assess the overall dynamics of economic activity during the third quarter, prior to the release of GDP figures on Thursday.

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

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.