

## LatAm Daily | Imports in Colombia fall leading to a trade deficit of USD14.5bn

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*The trade balance stood at -USD14.5bn driven by the decrease in imported fuel oil and capital goods. December's consumer confidence fell in line with lower retail sales, while industrial production recovered mainly thanks to the start of operations at the Cartagena refinery. We expect COPOM to keep the Selic rate on hold today in Brazil despite its recent hawkish tone.*

### Colombia - Trade balance stood at -USD14.5bn up to November 2015

The National Statistics Office (DANE) released import and trade balance figures for November. According to the report, total imports fell 20.8% YoY in the month driven by lower fuel oil (-26.4%) and capital goods (-26.3) imports. Meanwhile, the trade balance stood at USD1.689mn taking the year to date trade balance deficit to USD14.5bn.

### Colombia - Recent leading indicators suggest heterogeneous paths for consumption and investment going forward

In December, consumer confidence fell to 1.1 (from 7.7 in November in a range between -100 and 100). There was a deterioration in households' assessments regarding both the current situation and 12-month ahead expectations. In addition, November's retail sales fell 0.3% YoY (BBVAe: +0.5%, Consensus: +1.1%) explained by the sharp negative contribution of car sales (-4.0 percentage points). On the other hand, industrial production showed a recovery (4.8% YoY vs. BBVAe: 4.0% Consensus: 2.2), although the good performance was mostly explained by the start of the Cartagena Refinery.

## What to watch today

### Brazil - Monetary policy decision (to be announced after local markets close)

Even though the BCB has employed a more hawkish tone in some of its more recent communications, showing that an interest rate hike is not unlikely, we continue to think that the monetary authority will prefer to keep the Selic unchanged at 14.25% as the prospects regarding domestic demand continue to worsen. Yesterday's unusual comment by President Tombini, regarding as "significant" the IMF's downward revision of Brazil's growth forecasts (to -3.5% in 2016 and 0.0% in 2017), reinforces our view.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
CNI Industrial Confidence	18-Jan	Jan			36.50	36
FGV CPI IPC-S	18-Jan	Jan	1.23%		1.30%	0.99%
FIPE CPI - Weekly	19-Jan	Jan	0.98%		1.02%	0.88%
IGP-M Inflation 2nd Preview	19-Jan	Jan	0.69%		0.83%	0.50%
Selic Rate	20-Jan	Jan	14.75%	14.25%		14.25%
CNI Consumer Confidence	21-Jan	Jan				96.3
Federal Debt Total	21-Jan	Dec				2717b
IBGE Inflation IPCA-15 MoM	22-Jan	Jan	0.91%	0.93%		1.18%
Formal Job Creation Total	22-Jan	Dec	-650000			-130629
<b>Colombia</b>						
Retail Sales YoY	18-Jan	Nov	1.10%	0.50%	-0.30%	0.10%
Industrial Production YoY	18-Jan	Nov	2.15%	4.00%	4.83%	1.30%
Consumer Confidence Index	18-Jan	Dec	5.4	2	1.10	6.7
Trade Balance	19-Jan	Nov	-1638	-2358	-1689.1	-1595.1
<b>Mexico</b>						
Bi-Weekly CPI	22-Jan	Jan	0.10%	-0.07%		0.36%
Bi-Weekly Core CPI	22-Jan	Jan	0.19%	0.18%		0.09%
Bi-Weekly CPI YoY	22-Jan	Jan	2.55%	2.38%		2.26%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
01.15.2016	<a href="#">Mexico: Continuing decline in oil prices leads to the exchange rate to new highs</a>
01.15.2016	<a href="#">Peru: November growth surprised on the upside</a>
01.15.2016	<a href="#">Chile: Central bank maintained policy rate at 3.50%, in line with expectations</a>
01.15.2016	<a href="#">Peru: BCRP maintains its focus on containing inflation expectations (in Spanish)</a>
01.14.2016	<a href="#">Chile: Central Bank maintains the MPR at 3.5%, in line with expectations (in Spanish)</a>
01.08.2016	<a href="#">Mexico: Oil in lowest level since 2004 and dollar in record high</a>
01.08.2016	<a href="#">Brazil: Inflation peaked at 10.7% YoY in December</a>
01.08.2016	<a href="#">Peru: Exports continue to improve in November (In Spanish)</a>
01.08.2016	<a href="#">Chile: CPI closes 2015 with an increase of 4.4% YoY (In Spanish)</a>
01.07.2016	<a href="#">Chile: Emissions by a total of 11,000md are announced (In Spanish)</a>
01.06.2016	<a href="#">Colombia: Inflation closed 2015 at 6.8% (In Spanish)</a>
01.05.2016	<a href="#">Chile: IMACEC growth in November disappoint again (In Spanish)</a>
01.04.2016	<a href="#">Peru: Inflation surprising on the upside in December</a>
01.04.2016	<a href="#">Chile: We forecast CPI for December at 0.1% MoM (4.5% YoY) (In Spanish)</a>
01.04.2016	<a href="#">Mexico: Remittances grow 6.3% in November with a flow of 1887.9md (In Spanish)</a>
12.30.2015	<a href="#">Chile: November IMACEC would be between 2.25% and 2.75% YoY (0.2% MoM) (In Spanish)</a>
12.23.2015	<a href="#">Brazil: BCB is concerned with the impact of fiscal uncertainty and "non-economic events"</a>
12.22.2015	<a href="#">Chile: An optimistic central bank baseline scenario for 2016</a>
12.21.2015	<a href="#">Chile: Monetary Policy Report: the optimism persists (In Spanish)</a>

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