

## LatAm Daily | Inflation to start to decelerate in Brazil

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*Even though data for the first half of January is likely to point to inflation losing steam at the beginning of the year after peaking in December, it will remain at very high levels, above the 6.5% target ceiling, for a prolonged period, at least until the end of the year.*

No relevant news was published yesterday.

### What to watch today

#### Brazil - IPCA-15 (January, 06:00hrs NYT)

January's IPCA-15, which measures inflation from mid-December to mid-January, is likely to decelerate somewhat, to around 0.9% MoM from 1.2% MoM in the previous reading. That would support the view that inflation will lose steam after having peaked at the end of 2015. Anyway, annual inflation will remain high, still close to 10.0% YoY in January and February, and above the 6.5% YoY target ceiling until the last quarter of 2016. Both a moderate adjustment in administered prices and the impact of the contraction in domestic demand will be the main drivers of the expected downward trend of inflation this year.

## 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%	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
01.21.2016	<a href="#">Brazil: Copom refrains from beginning a new tightening cycle</a>
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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