

LatAm Daily | Banxico is expected to keep the MPR at 3.25% in Mexico

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The central bank's communication suggests that US MP remains an important factor in its decisions, despite concerns arising on currency depreciation that could lead to high inflation. We expect the next rate hike in 2Q16 in line with the Fed, since risks to financial stability have not materialised. Exports are expected to fall in Colombia, pressuring the CA deficit.

No relevant news was released yesterday in the region.

What to watch today

Colombia - Exports (December, 14:00hrs NYT)

We expect exports to have fallen 37.5% YoY, settling at USD2,355mn. The slow recovery in industrial and agricultural exports will not be sufficient to offset the decline in oil shipments. Hence in 4Q15, there will continue to be strong pressure on the current account deficit from the negative trade balance.

Mexico - Monetary policy meeting (December, 14:00hrs NYT)

Recent central bank communication have made clear that US monetary policy remains one of the main drivers of its decisions. However, recent exchange rate depreciation and some recent comments from Banxico's governor have opened the door to the possibility of moving ahead of the Fed. At present we do not consider this as the main scenario given that the risks of high inflation stemming from exchange rate depreciation remain limited and the risks to financial stability have not materialised. In addition, according to recent minutes, several members of the board have expressed their opposition to moving ahead of the Fed (See our [Mexico Flash](#) in Spanish for more details).

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	1-Feb	Jan	1.70%		1.78%	1.55%
Trade Balance Monthly	1-Feb	Jan	500		923	\$6240m
Industrial Production MoM	2-Feb	Dec	0.00%	0.00%	-0.70%	-2.40%
FIPE CPI - Monthly	3-Feb	Jan	1.36%		1.37%	0.82%
FGV Inflation IGP-DI MoM	5-Feb	Jan	1.24%			0.44%
IBGE Inflation IPCA MoM	5-Feb	Jan	1.09%	0.95%		0.96%
CNI Consumer Confidence	5-Feb	Jan				96.3
Chile						
Economic Activity MoM	5-Feb	Dec	0.05%	0.10%		-0.50%
Economic Activity YoY	5-Feb	Dec	0.85%	0.90%		1.80%
Nominal Wage MoM	5-Feb	Dec		0.80%		0.40%
Vehicle Sales Total	5-Feb	Jan				29835
Colombia						
Economic Activity Index SA YoY	5-Feb	Nov	2.60%	2.50%		3.30%
Quarterly Inflation Report	5-Feb					
Exports FOB	5-Feb	Dec	2400	2355		\$2362.3
CPI MoM	5-Feb	Jan	0.90%	0.89%		0.62%
Mexico						
Central Bank Economist Survey	2-Feb					
Vehicle Domestic Sales AMIA	2-Feb	Jan			160663	160663
Overnight Rate	4-Feb	Feb	3.25%			3.25%
Consumer Confidence Index	5-Feb	Jan	90.6	90.8		93
ANTAD Same-Store Sales YoY	5-Feb	Jan				8.10%
Peru						
CPI MoM	1-Feb	Jan		0.33%	0.37%	0.45%
CPI YoY	1-Feb	Jan		4.60%	4.61%	4.40%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
02.03.2016	Mexico: Fondo rate unchanged at 3.25% (In Spanish)
02.02.2016	Peru: Inflation keeps rising, as expected
02.01.2016	Chile: We forecast CPI in January 2016 at 0.3% MoM (In Spanish)
02.01.2016	Chile: Although the fiscal deficit closed at 2.2% of GDP in 2015, the room for fiscal manoeuvre will narrow
01.29.2016	Mexico: The peso appreciated nearly 2.0% over the week due to rising oil prices
01.29.2016	Colombia: BanRep increased its monetary policy rate to 6% in line with expectations
01.29.2016	Chile: Sectoral figures disappoint, supporting maintenance of monetary stimulus
01.28.2016	Brazil: A more dovish Copom redirects its focus to the global environment
01.26.2016	Peru: Trade deficit was enlarged in 2015, but we anticipate an improvement in 2016
01.25.2016	Mexico: The IGAE grew 0.1% MoM in November 2015
01.22.2016	Mexico: Moderate recovery of the peso at end of the week after hitting record highs
01.21.2016	Brazil: Copom refrains from beginning a new tightening cycle
01.15.2016	Mexico: Continuing decline in oil prices leads to the exchange rate to new highs
01.15.2016	Peru: November growth surprised on the upside
01.15.2016	Chile: Central bank maintained policy rate at 3.50%, in line with expectations
01.15.2016	Peru: BCRP maintains its focus on containing inflation expectations (in Spanish)
01.14.2016	Chile: Central Bank maintains the MPR at 3.5%, in line with expectations (in Spanish)
01.08.2016	Mexico: Oil in lowest level since 2004 and dollar in record high
01.08.2016	Brazil: Inflation peaked at 10.7% YoY in December
01.08.2016	Peru: Exports continue to improve in November (In Spanish)
01.08.2016	Chile: CPI closes 2015 with an increase of 4.4% YoY (In Spanish)

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