

## Colombia | February CPI rises below expectations

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February CPI rose 1.28 % MoM, below market expectations (Bloomberg: 1.45%, BBVA 1.50%). The increase took the annual inflation rate to 7.6%, slightly above the previous reading of 7.5%. After several months of upward acceleration, Food and Tradeable prices showed a setback and their figure in February was lower than in the previous month. The two factors that boosted inflation in recent months, the devaluation of the exchange rate and El Niño, are withering and will help CPI not to accelerate in the rest of the year. This, coupled with the weakening of the labor market that appeared in January, will help inflation to converge to its target. We believe, however, that inflation will remain close to the figures recorded in the first months of the year and only from 2H16 we will see significant reversals