

LatAm Daily | In Mexico construction offset the decline in manufacturing during January

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Industry growth was above expectations, driven primarily by the construction industry, which offset the decline in manufacturing. Today we expect industry data and retail sales in Colombia, the first driven by the Refinery of Cartagena, and retail sales moderated by car and durable goods sales.

Mexico - In January 2016 industrial production grew 1.2% MoM

In January 2016 the industrial production index grew 1.2% m/m sa, which was above market expectations (0.2%) or our expectations (-0.2%). The high monthly rate of growth of the construction industry (4.0%, m/m, sa), along with a good performance of the mining sector (1.2% m/m, sa), was enough to offset the contractionary effect of the negative monthly rate of growth of the manufacturing sector (-0.1%), as well as the negative growth of the utilities sector. It is highly probable that the behavior of the construction industry will not repeat itself throughout the year, with industrial production to show the same weak performance as the manufacturing sector already shows.

What to watch for today

Colombia - Industrial production and retail sales (January, 14:00 hrs NYT)

We expect industrial production to have grown 3.5% YoY. The Refinery of Cartagena will boost the result, offsetting the existence of one less working day with respects to January 2015. On the other hand, retail sales should fall 2.7% YoY because of the sharp slowdown in car sales and other durables goods. These results would be in line with the expected deceleration in private consumption during the first half of 2016 and the gradual recovery in non-residential investment.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Formal Job Creation Total	14-mar al 21-mar	Feb	-140000			-99694
National Unemployment Rate	15-Mar	Dec				9.0%
CNI Industrial Confidence	15-Mar	Mar				37.1
Tax Collections	15-mar al 22-mar	Feb				129385m
FGV Inflation IGP-10 MoM	16-Mar	Mar	0.57			1.6%
FGV CPI IPC-S	16-Mar	1-mar				0.7%
FIPE CPI - Weekly	18-Mar	1-mar				0.8%
IGP-M Inflation 2nd Preview	18-Mar	Mar				1.2%
Chile						
Overnight Rate Target	17-Mar		3.5	3.5		3.5%
Current Account Balance	18-Mar	4Q				-2595
GDP QoQ	18-Mar	4Q	0.35	0.35		0.4%
GDP YoY	18-Mar	4Q	1.6	1.6		2.2%
Colombia						
Retail Sales YoY	14-Mar	Jan	0			0.3%
Industrial Production YoY	14-Mar	Jan	3.35			3.9%
Consumer Confidence Index	15-Mar	Feb				-21.3
Trade Balance	17-Mar	Jan	-1631.5			-\$1429.0
Overnight Lending Rate	18-Mar		6.5			6.3%
Mexico						
Aggregate Supply and Demand	18-Mar	4Q				3.6%
Overnight Rate	18-Mar		3.75			3.8%
Peru						
Economic Activity YoY	15-Mar	Jan	4.5	3.6		6.4%
Unemployment Rate	15-Mar	Feb				6.6%

Source: Bloomberg and BBVA Research

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03.10.2016	Brazil: Copom in wait and see mode
03.09.2016	Peru: Economic Outlook (In Spanish)
03.09.2016	Brazil: Inflation (finally) starts to decline
03.08.2016	Chile: Without surprises, inflation in February stands at 0.3% mom (In Spanish)
03.07.2016	Colombia: February CPI rises below expectations (In Spanish)
03.07.2016	Chile: The challenge of improving medium-term projections (In Spanish)
03.07.2016	Chile: IMACEC recorded lower growth in activity since the earthquake of 27-F (In Spanish)
03.07.2016	Colombia: February inflation is below expectations (In Spanish)

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