

LatAm Daily | In Peru GDP grew 3.4% YoY in January, driven by primary sectors

Enestor Dos Santos / Hugo Perea / Cecilia Posadas / Jorge Selaive / Carlos Serrano / Juana Téllez

Non-primary manufacturing and construction continue low. By February growth should be around 6%, helped by the leap year effect. In Colombia, consumer confidence stood at -21.0, but retail sales' (without cars) performance has been positive (+5.4% YoY); this mismatch is less related with households' income and more with a sharp uncertainty in the country's performance.

Colombia - Consumer confidence remains low

In February, consumer confidence stood at -21.0, a similar level to January's figure (-21.3, in a range between -100 and 100). The assessment of the 12-month ahead household conditions improved, but it was offset by a deterioration in the willingness to buy durable goods. We are observing a disconnection between consumer confidence and retail sales, which have been more interrelated in the past. In fact, the performance of retail sales without cars was positive in January (+5.4% YoY). That is, it is possible that despite low confidence, the slowdown in private consumption shall be moderate, in line with the expectations of BBVA Research. The explanation for the latter is found in the source for this low confidence: a sharp uncertainty in the country's performance, more than a concern on the economic conditions of households. The first factor has a weaker relationship with consumption than the second.

Peru - More moderate output growth in January

GDP increased by 3.4% YoY in January. Not too many changes with respect to recent months: strong primary sectors (Mining and Fishing), while sluggish non-primary sectors, in particular Non-primary manufacturing and Construction. Available indicators and reasonable assumptions suggest that, considering 2016 is a leap-year, February's output growth should be close to 6% YoY (see our [Peru Flash](#) in Spanish for details).

What to watch for today

No relevant news is expected for today.

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			9.00	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		2.23	0.3%
Industrial Production YoY	14-Mar	Jan	3.35		8.17	3.9%
Consumer Confidence Index	15-Mar	Feb			-21.00	-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	3.41	6.4%
Unemployment Rate	15-Mar	Feb			6.90	6.6%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
03.16.2016	Peru: Economic activity moderated in January (In Spanish)
03.14.2016	Chile: Unemployment rate will rise in the medium term (In Spanish)
03.14.2016	Brazil: Crisis without expiration date
03.10.2016	Peru: A difficult to decipher Central Bank (In Spanish)
03.10.2016	Colombia: Positive performance of Colombian economy in 2015
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)

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.