

## LatAm Daily | Inflationary surprise in March in Colombia

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*Consumer prices rose by 8.0%, way above expectations. Despite this, inflation is expected to suffer significant corrections in the second half of 2016. Also in Colombia, exports declined by 26.7% due to the drop of oil exports. In Chile, economic activity rose by 2.8% YoY driven by strong calendar effects; although prospects on GDP remain weak.*

### Chile - Imacec rose +2.8% YoY in February driven by strong calendar effects

Economic activity rose 2.8% YoY (0.8% MoM SA), above our forecast and market consensus (both at around +2.4% YoY). The figure was driven by positive contributions from commerce, services and mining, but also affected by strong calendar effects related to one additional working-day. Taking into account this transitory element in activity figures, for March we estimate a preliminary figure within the range 1.0%/2.0% YoY. All in all, further declines in GDP growth expectations for 2016-17 should ease, nonetheless economic activity data prospects remain weak (see our [Chile Flash](#) in Spanish for details).

### Colombia - Inflation reaches 15-year high on soaring food prices

Consumer prices rose 8.0% YoY (0.94% MoM) in March, topping the forecasts of all analysts (Bloomberg: 0.7% MoM, BBVA: 0.6% MoM). Food prices, especially those of perishable goods, were the main driver behind this increase (1.6% MoM). Additionally, tradable inflation grew 1.0% MoM, a 13-month high. March inflation came as a surprise, since we expected that tradable and food inflation would recede within the context of a weaker El Niño effect and stronger currency. However, the opposite happened. Despite this, we believe that inflation will have significant corrections in the second half of the year due to better weather conditions, higher fresh-food supply and a stronger Peso. Given March figures, we believe that year-end inflation could be a little higher than our forecast of 5.4%.

### Colombia - Exports declined 26.7% YoY in February

The National Statistics Department (DANE) released export figures for February. According to the report, external sales declined 26.7% on a yearly basis, standing at USD2.3 billion in February. The main driver of the result was oil exports with a 44.8% yearly drop during the month.

### Mexico - Fixed investment grew 0.1% YoY in January

The annual rate of growth of 0.1% of fixed investment is much lower than the 0.8% we estimated or the 1% that the market forecasted. January's observed annual growth rate of fixed investment of 0.1% is the outcome of a growth rate of 1.7% of its construction component and of a contraction of -2.5% of its Machinery and Equipment component. Note that January's observed growth rate makes reference to a stagnation of investment at the beginning of 2016.

## What to watch today

No relevant news are expected for today

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Vehicle Production Anfaeva	06-abr	Mar				131313
FGV Inflation IGP-DI MoM	07-abr	Mar	0,47			0,41%
FGV CPI IPC-S	08-abr	Apr	0,5			
IBGE Inflation IPCA MoM	08-abr	Mar	0,46	0,53		0,90%
<b>Chile</b>						
Central Bank Meeting Minutes	04-abr					
Economic Activity YoY	05-abr	Feb	2,35	2,1	0,52	0,30%
Economic Activity MoM	05-abr	Feb	1	0,9	-0,11	0,00%
Trade Balance	07-abr	Mar	650			
Nominal Wage YoY	07-abr	Feb		5,7		
Nominal Wage MoM	07-abr	Feb		0,1		
CPI MoM	08-abr	Mar	0,5	0,6		0,30%
CPI YoY	08-abr	Mar	4,6	4,7		4,70%
<b>Colombia</b>						
Exports FOB	05-abr	Feb	2200	2220	2297,43	\$1840.4
CPI YoY	06-abr	Mar	7,7	7,59	7,98	7,59%
CPI MoM	06-abr	Mar	0,7	0,58	0,94	1,28%
CPI Core MoM	06-abr	Mar			0,66	1,21%
CPI Core YoY	06-abr	Mar			6,2	5,88%
<b>Mexico</b>						
Gross Fixed Investment	05-abr	Jan	1	0,8%		1,10%
Vehicle Production AMIA	06-08 Apr	Mar				271278
CPI MoM	07-abr	Mar	0,17	0,17		0,28%
CPI Core MoM	07-abr	Mar	0,4	0,43		0,36%
CPI YoY	07-abr	Mar	2,62	2,63		2,73%
Bi-Weekly CPI	07-abr	Mar	0,18	0,2		0,40%
Bi-Weekly Core CPI	07-abr	Mar	0,08	0,14		0,12%
Bi-Weekly CPI YoY	07-abr	Mar	2,53	2,54		2,74%
Consumer Confidence Index	08-abr	Mar	91,5	92,1		88,7
Nominal Wages	08-abr	Mar				4,20%
<b>Peru</b>						
Trade Balance	08-11 Apr	Feb	-227,5	-\$211m		-\$519m

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
04.06.2016	<a href="#">Colombia: Inflation reaches 15-year high on soaring food prices</a>
04.05.2016	<a href="#">Colombia: Automobile Market Outlook 2016</a> (In Spanish)
04.05.2016	<a href="#">Chile: IMACEC in 2.8% YoY explained by calendar effects and increases in mining</a> (In Spanish)
04.04.2016	<a href="#">Mexico: Remittances up by 13.6% in February 2016, reaching US\$2,093.2m</a>
04.04.2016	<a href="#">Mexico: Fiscal plans for 2017 represent another step in the right direction</a> (In Spanish)
04.01.2016	<a href="#">Mexico Weekly: Investment &amp; confidence outlook suggest an expansion in economic activity</a> (In Spanish)
04.01.2016	<a href="#">Mexico: Credit to the private sector: continues its dynamism due to companies &amp; consumers</a> (In Spanish)
04.01.2016	<a href="#">Peru: Inflation surprised downwards and should tend to moderate from now on</a> (In Spanish)
03.31.2016	<a href="#">Chile: We forecast CPI for March: 0.6% MoM (4.7% YoY)</a>
03.31.2016	<a href="#">Chile: Despite significant creation of self-employment, unemployment rises to 5.9%</a> (In Spanish)
03.31.2016	<a href="#">Brasil: No time (yet) for a monetary easing</a>

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