

## LatAm Daily | Peruvian CB kept MPR at 4.25% as expected

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

*For the second month in a row, Peru's CB maintained MPR unchanged mainly because of moderation of inflation expectations. We expect MPR to be kept at 4.25% for the rest of the year. In Colombia, while industrial production and retail sales for February came up positively (8.2%; 4.6% YoY), consumer confidence continued displaying negative results in March (-20.1%).*

### Colombia - Industrial production and retail sales displayed positive results

The National Statistics Department (DANE) released February's prints for industrial production and retail sales. According to the report, industrial production displayed a better-than-expected print standing at 8.2% YoY (consensus: 7.9%; BBVAe: 6.1%). The main driver of this result was oil refining which expanded at a 21.7% annual rate. Similarly, retail sales displayed positive results standing at 4.6% (consensus: 2.7%; BBVAe: 2.3%). Excluding vehicles, retail sales expanded 5.7% on a yearly basis.

### Colombia - Consumer confidence continued in negative territory

Consumer confidence continued displaying negative results in March according to local think-tank Fedesarrollo. According to the report, consumer confidence stood at -20.1% (consensus -16.3%; BBVAe: -14%), mostly driven by consumers' economic expectations over the next 12 months and the willingness to buy durable goods.

### Peru - The Central Bank kept its policy rate at its current level

The Board of the Central Bank kept its monetary policy rate at 4.25% for second month in a row, in line with market expectations. A more positive outlook for inflation (due to the reversal of the supply shocks that hit food prices), a downward adjustment in inflation expectations and lower depreciation pressures on the local currency, were the main reasons behind this decision. We expect these trends to remain for the rest of the year, and thus the Central Bank will keep the monetary policy rate at its current level (For more details, see our [flash in Spanish](#)).

## What to watch today

### Peru - GDP (February 2016, 11:30hrs NYT)

We estimate a strong output increase of around 5.5%YoY (consensus: 5.1%). However, close to half this boost may have been just transitory, in the sense that in the YoY comparison February 2016 had an additional day due to the leap year. Mining production remains very strong, but it has probably peaked; from now on, its contribution to output growth will still be significant, but should tend to decline. In terms of non-primary activities, it is important to mention the positive print in Construction (after more than a year in red, except for last December), supported by the recovery in public investment, in particular that of subnational governments.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Retail Sales MoM	12-abr	Feb	-0.2	-0.3	1.2	-1.50%
Economic Activity MoM	14-abr	Feb	-0.61	-0.5	-0.61	-0.61%
FGV Inflation IGP-10 MoM	14-abr	Apr	0.37		0.4	0.58%
CNI Industrial Confidence	14-abr	Apr			36.2	37.4
Tax Collections	15-22 Apr	Mar	94000			87851m
<b>Chile</b>						
Central Bank's Economist Survey	12-abr					
Overnight Rate Target	12-abr	Apr 12	3.5	3.50%	3.5	3.50%
Central Bank's Traders Survey	13-abr					
<b>Colombia</b>						
Retail Sales YoY	14-abr	Feb	2.6	2.3	4.6	2.20%
Industrial Production YoY	14-abr	Feb	7.7	6.1	8.21	8.20%
Consumer Confidence Index	14-abr	Mar	-16.65	-14	-20.1	-21
<b>Mexico</b>						
Industrial Production NSA YoY	11-abr	Feb	1.4		2.6	1.10%
Industrial Production SA MoM	11-abr	Feb	-0.25		-0.1	1.20%
ANTAD Same-Store Sales YoY	11-abr	Mar	7		5.8	9.60%
Formal Job Creation Total	12-13 Apr	Mar	121.1k		59.41k	142.3k
<b>Peru</b>						
Trade Balance	08-11 Apr	Feb	-227.5		-249	-\$519m
Reference Rate	15-abr	Apr 14	4.25	4.25%	4.25	4.25%
Economic Activity YoY	15-abr	Feb	4.95	5.50%	6	3.40%
Unemployment Rate	15-abr	Mar	7		7.2	6.90%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
04.15.2016	<a href="#">Peru: Central Bank: MPR unchanged</a> (In Spanish)
04.13.2016	<a href="#">Mexico: Federal Government support allows Pemex to improve its financial situation in 2016</a> (In Spanish)
04.12.2016	<a href="#">Chile: Policy rate keeps at 3.5%, but the restrictive tone is moderated</a> (In Spanish)
04.08.2016	<a href="#">Mexico Weekly: An unfavorable industrial performance corroborates moderate growth outlook</a> (In Spanish)
04.08.2016	<a href="#">Brasil: Times of two-digit inflation are over</a>
04.08.2016	<a href="#">Chile: Surprises in CPI inflation</a> (In Spanish)
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>

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