

LatAm Daily | Imports in Colombia fell 24.5% YoY in February

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

The worst performer was manufactured goods' external purchases (-32.0% YoY), reflecting a gradual process of import substitution. Also, the trade deficit fell to its lowest figure since September 2014. In Brazil, today we expect the IBC-Br economic activity index to have contracted by 0.3% MoM in February.

Colombia - Imports adjustment pointing to import substitution

In February, imports fell 24.5% YoY, settling at USD CIF 3,464.2 mn. (BBVAe: 3,373; Consensus: 3,455). Manufactured goods' external purchases was the worst performer (-32.0% YoY), reflecting a gradual process of import substitution. This decrease in imports (boosted by real exchange rate devaluation) allowed industrial production to increase by close to 8.0% YoY to February, as internal retail sales are growing at rates of 5.0% or more. By destination, imports of durable consumption goods and investment goods suffered the biggest fall, in line with our GDP growth outlook for 1Q16. On the other hand, the trade deficit stood at USD FOB 1,002 mn. (BBVAe: 918; Consensus: -1.010). This figure is the lowest since September 2014, in line with the anticipated progressive correction in the current account deficit during 2016.

What to watch today

Brazil - Economic activity (February, 7:30hrs NYT)

We expect the IBC-Br economic activity index to have contracted in February. More precisely, we expect it to decrease by around 0.3% MoM after having decreased 0.6% MoM in the first month of the year.

Calendar indicators

| | Date | Period | Consensus | BBVAe | Actual | Prior |
|----------------------------|-----------|--------|-----------|--------|----------|-----------|
| Brazil | | | | | | |
| Tax Collections | 15-22 abr | Mar | 94660.07 | | 95778.54 | 87851m |
| FGV CPI IPC-S | 18-abr | Apr 15 | 0.46 | | 0.45 | 0.48% |
| Formal Job Creation Total | 18-22 abr | Mar | -89236 | | | -104582 |
| Economic Activity MoM | 18-22 abr | Feb | -0.5 | -0.30% | | -0.61% |
| National Unemployment Rate | 20-abr | Feb | 10.1 | | 10.2 | 9.50% |
| IBGE Inflation IPCA-15 MoM | 20-abr | Apr | 0.48 | 0.49 | 0.51 | 0.43% |
| Current Account Balance | 20-abr | Mar | -1050 | | -855 | -\$1919m |
| Colombia | | | | | | |
| Trade Balance | 21-abr | Feb | -1035 | -918 | -1001.9 | -\$1521.0 |
| Mexico | | | | | | |
| Bi-Weekly CPI | 22-abr | Apr 15 | -0.23 | -0.27 | | 0.15% |
| Bi-Weekly Core CPI | 22-abr | Apr 15 | 0.12 | 0.13 | | -0.01% |
| Bi-Weekly CPI YoY | 22-abr | Apr 15 | 2.74 | 2.68 | | 2.49% |

Sources: Bloomberg and BBVA Research

Most recent Latam reports

| Date | Description |
|------------|---|
| 04.15.2016 | Mexico Weekly: Government measures alleviate the liquidity problems of PEMEX (In Spanish) |
| 04.15.2016 | Peru: GDP growth accelerated in February (In Spanish) |
| 04.15.2016 | Peru: Central Bank: MPR unchanged (In Spanish) |
| 04.13.2016 | Mexico: Federal Government support allows Pemex to improve its financial situation in 2016 (In Spanish) |
| 04.12.2016 | Chile: Policy rate keeps at 3.5%, but the restrictive tone is moderated (In Spanish) |
| 04.08.2016 | Mexico Weekly: An unfavorable industrial performance corroborates moderate growth outlook (In Spanish) |
| 04.08.2016 | Brasil: Times of two-digit inflation are over |
| 04.08.2016 | Chile: Surprises in CPI inflation (In Spanish) |
| 04.06.2016 | Colombia: Inflation reaches 15-year high on soaring food prices |
| 04.05.2016 | Colombia: Automobile Market Outlook 2016 (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.