

LatAm Daily | February's IGAE grew 0.2% MoM in Mexico

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The main driver of IGAE's growth was the Service Sector (0.5% MoM) while industrial sector decreased (-0.1% MoM). This modest growth can be linked to modest GDP growth rates. Also, trade balance figures showed a surplus of 155 USM due to an annual negative rate of growth of imports of -6.7%. In Brazil, we expect the BCB to leave the Selic rate unchanged at 14.25%.

Mexico - February's IGAE grew 0.2% MoM, sa

In February the IGAE, or Global Economic Index, grew 0.2% on a monthly basis, and the main driver behind this growth was the Service Sector (0.5% m/m, sa), while the Industrial Sector decreased (-0.1% m/m, sa), as did the Primary Sector (-1.7%, m/m, sa). We had forecasted that the monthly growth rate would be negative and of -0.1% because we expected that the Service Sector would grow at a lower rate. Note that IGAE's February monthly growth rate is modest and if it remains at this level in the following months, then GDP will also show a modest growth rate.

Mexico - March trade balance showed a surplus of 155 USM

We expected the March trade balance to register a deficit of 650 US million. The surplus that it registered in March is the outcome of an important annual negative rate of growth of total exports of -7.5% (oil products, -39.6%; non-oil exports, -5.4%). In this case, March's surplus balance of 155 USM came from a greater than expected negative annual rate of growth of total imports of -6.7%. Note that the negative growth of non-oil exports (and especially of manufacturing exports, which decreased -6.5%) in March shows the weakness of the Mexican foreign sector that has been present during the first quarter of the year.

What to watch today

Chile - Minutes of monetary policy meeting (March, 06:30hrs NYT)

A pause in rates at 3.5% probably prevailed in the Board's decision due to weak activity data, while CPI inflation figures were the negative surprise in March. Minutes should also reveal the elements behind the moderation in the restrictive tone.

Chile - Economic expectations and financial traders' survey (February, 07:30hrs NYT)

We expect the surveys to show inflation expectations of around +0.2% MoM for April and anchored to long-term inflation expectations. Short-term inflation and activity data will support expectations of a pause in the monetary policy normalisation process in coming months.

Brazil - Monetary policy decision (sometime after local markets close)

We expect the BCB to leave the Selic rate unchanged at 14.25%. On top of that, we think that the accompanying statement will not be changed to suggest that the beginning of a monetary easing cycle is imminent.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	25-abr	Apr 22	0.42		0.38	0.45%
Federal Debt Total	25-abr	Mar			2887	2819b
FGV Consumer Confidence	26-abr	Apr			64.4	67.1
FIPE CPI - Weekly	27-abr	Apr 22	0.64			0.75%
Selic Rate	27-abr	Apr 27	14.25	14.25		14.25%
FGV Inflation IGPM MoM	28-abr	Apr	0.36			0.51%
Outstanding Loans MoM	28-abr	Mar				-0.5%
Primary Budget Balance	29-abr	Mar	-10.9			-23.0b
CNI Consumer Confidence	29-abr	Apr				97.6
Chile						
Central Bank Meeting Minutes	27-abr	0				0.0%
Manufacturing Production YoY	29-abr	Mar	1.1	1.5%		1.3%
Retail Sales YoY	29-abr	Mar	3.9	5.5%		7.4%
Industrial Production YoY	29-abr	Mar	1.5			1.8%
Unemployment Rate	29-abr	Mar	6	6.1%		5.9%
Colombia						
Retail Confidence	25-abr	Mar		18.0	25.5	25.4
Industrial Confidence	25-abr	Mar		13.0	4.1	10.4
National Unemployment Rate	29-abr	Mar				10%
Urban Unemployment Rate	29-abr	Mar	10.3	10.3%		10.3%
Overnight Lending Rate	29-abr	Apr 29	6.75	6.75		6.5%
Mexico						
Retail Sales MoM	25-abr	Feb	0.1		0.2	2.7%
Retail Sales YoY	25-abr	Feb	5.1		9.6	5.2%
Trade Balance	26-abr	Mar	-100	-650 m	155	-724.7m
Economic Activity IGAE YoY	26-abr	Feb	3	2.9%	4.11	2.33%
Unemployment Rate SA	27-abr	Mar	4.3			4.28%
GDP NSA YoY	29-abr	1Q P	2.2			2.5%
GDP SA QoQ	29-abr	1Q P	0.45	0.40%		0.5%
Net Outstanding Loans	29-abr	Mar				3154b

Fuente: BBVA Research

Most recent Latam reports

Date	Description
04.26.2016	Peru: Value of total exports continues to shrink (In Spanish)
04.23.2016	Mexico: Bank deposits: loss of momentum driven by term deposits (In Spanish)
04.22.2016	Mexico Weekly: The sluggishness of investment and exports will limit GDP growth (In Spanish)
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

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