

LatAm Daily | As expected, the industrial sector in Brazil rebounded in March (1.4% MoM)

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Production of consumption, intermediate and capital goods expanded. We expect forthcoming figures to not be as weak as in the past months. In Colombia, exports fell by 33.4% YoY: manufacturing and agricultural shipments failed to offset the sharp contraction in oil exports. Data shows a delay in the recovery of non-mining exports.

Brazil - Industrial output grew by 1.4% MoM in March, recovering part of the losses recorded in February

Industrial output increased 1.4% MoM in March, broadly in line with expectations (BBVAe: 1.0% MoM; consensus: 1.4% MoM). Therefore, the sector recovered in March part of the 2.7% losses recorded in the previous month. The recovery in the period was widespread, as the production of all consumption, intermediate and capital goods expanded (3.2% MoM, 0.1% MoM and 2.2% MoM, respectively). In comparison to the previous quarter, industrial production dropped 2.3% QoQ in 1Q16, less than in previous quarters (-4.1% QoQ in 4Q15 and -3.4% QoQ in 3Q15). Therefore, industrial production figures reinforce our view that GDP will contract in quarterly terms in 1Q16, but not as significantly as in previous periods. Moreover, even though we do not expect industrial production to trend upwards going forward, we see some reasons (lower inventories, weaker exchange rate, relatively stable confidence, etc.) to expect forthcoming figures to not be as weak as in the past months.

Colombia - Exchange rate devaluation has not yet boosted exports

Exports fell 33.4% YoY, settling at USD 2,301 mn. (BBVAe: 2,261, Consensus: 2,400). As we anticipated, manufacturing and agricultural shipments failed to offset the sharp contraction in oil exports (-51% YoY), as the main commercial partners for non-mining products are in a deceleration phase, among them some Latin American countries. Hence, recent data points to a pronounced delay in the recovery of non-mining exports, probably until 2017, in line with our outlook.

What to watch today

No news is expected for today.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	02-may	Apr 29			0.49	0.38%
Trade Balance Monthly	02-may	Apr			4861	\$4435m
FIPE CPI - Monthly	03-may	Apr	0.51		0.46	0.97%
Industrial Production MoM	03-may	Mar	1.5	1.0	1.4	-2.50%
COPOM Monetary Policy Meeting Minutes	05-may					
Serasa April Retail Activity	05-may					
FGV Inflation IGP-DI MoM	06-may	Apr	0.37			0.43%
IBGE Inflation IPCA MoM	06-may	Apr	0.54	0.52		0.43%
Chile						
Economic Activity YoY	05-may	Mar	2.1	2.4%		2.80%
Economic Activity MoM	05-may	Mar	0.05	0.6%		0.80%
Nominal Wage YoY	05-may	Mar	5.09			5.40%
CPI YoY	06-may	Apr	4.2	4.1%		4.50%
CPI MoM	06-may	Apr	0.3	0.2%		0.40%
Colombia						
Exports FOB	03-may	Mar	2402.3	2.261		\$2297.4
Economic Activity Index SA YoY	05-may	Feb		2.7		3.20%
CPI YoY	06-may	Apr	8.1	8		7.98%
CPI MoM	06-may	Apr	0.65	0.59		0.94%
CPI Core MoM	06-may	Apr		0.39		0.66%
CPI Core YoY	06-may	Apr		6.25		6.20%
Mexico						
Central Bank Economist Survey	02-may					
Vehicle Domestic Sales AMIA	02-04 abr	Apr				116863
IMEF Manufacturing Index SA	03-may	Apr			51.8	51.6
IMEF Non-Manufacturing Index SA	03-may	Apr			50.504	50.8
Gross Fixed Investment	04-may	Feb	4.3			0.10%
Leading Indicators (MoM)	04-may	Mar				-0.17
Overnight Rate	05-may	May 05	3.75			3.75%
Consumer Confidence Index	06-may	Apr	90.1			89.2

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
05.03.2016	Colombia: BanRep's Board continue increasing the monetary policy rate
05.02.2016	Mexico: Remittances growth spurt break and fall 2.4% and flow 222,8 md in March (In Spanish)
05.02.2016	Mexico: Credit to private sector moderates its progress and closes 1Q16 with 14.0% growth (In Spanish)
05.02.2016	Peru: Inflation kept falling in April (In Spanish)
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)

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