

LatAm Daily | In Colombia, activity data for March was below expectations

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

In Colombia, industrial output rose below expectations (1.4% YoY) and retail sales fell unexpectedly by 2.9%. In Peru, GDP grew by 3.7% YoY, supported by mining production (especially copper) and the improvement of public investment. Moreover, the name of the new BCB governor will be announced tomorrow in Brazil. In Chile, we expect another pause in policy rates at 3.5%.

Colombia - Industrial production grew below expectations

March output rose 1.4% YoY, below market expectations (BBVAe, 4.2%, consensus: 6.2%). The annual growth rate was affected negatively by a seasonal effect, given that the Holy Week holidays subtracted one working day in March. Additionally, March's power saving campaign could also have had an impact on this figure, as some industries reduced their energy consumption trying to avoid energy rationing.

Colombia - Retail sales tumbled 2.9% in March

Retail sales fell unexpectedly 2.9% YoY (BBVA and consensus: 3.4%). A drop in durable (cars) and semi-durable goods sales (home appliances and furniture) were the main drivers behind this decrease. Additionally, there was a deceleration across the other retail groups. All in all, the data signals a degree of pessimism among consumers at a time when unemployment is rising and could anticipate sluggish consumption.

Peru - GDP expansion supported by mining and public investment in March

In March, GDP grew 3.7% YoY. Similar to previous months, output growth was supported by mining production, in particular that of copper. In addition, public investment continued to improve, mainly at sub-national governments. This had a favourable impact on the construction sector (see our [Peru Flash](#) in Spanish for details).

What to watch today

Chile - Monetary policy meeting (May, 18:00hrs NYT)

We expect another pause in policy rates at 3.5% on the back of weak aggregate activity figures. Annual inflation figure above 4% in April will still weigh over the commitment to monetary normalisation, even though the market expects the timing of further hikes to be postponed to the end of 2016. In this context, our baseline scenario assumes a pause in the rate for the whole year, with the Central bank suppressing the hawkish tone and moving towards a neutral tone during 2H16.

Brazil - Appointment of the new BCB governor

According to the new Minister of Finance, Henrique Meirelles, today (not yesterday as previously announced) the name of the new BCB governor will be announced, who will replace Alexandre Tombini. In our view, the appointment of a new head of the monetary authority will be a hawkish event, as the commitment to low inflation will likely be strengthened by the new BCB board (for more on Brazil's monetary policy, see our [2Q 2016 Brazil Economic Outlook](#)).

Colombia - April consumer confidence

We expect consumer confidence to remain subdued (-14 in a [-100,100] scale) due to higher rates of inflation and unemployment.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	16-may	may-15			0.67	0.64%
FGV Inflation IGP-10 MoM	16-may	May			0.6	0.4%
Tax Collections	16-23 may	Apr	112800			95779m
Formal Job Creation Total	16-20 may	Apr	-53950			-118776
FIPE CPI - Weekly	18-may	may-15	0.4			0.38%
IGP-M Inflation 2nd Preview	18-may	May	0.68			0.3%
IBGE Inflation IPCA-15 MoM	20-may	May	0.76	0.55		0.51%
Chile						
Overnight Rate Target	17-may	may-17	3.5	3.5%		3.5%
GDP QoQ	18-may	1Q	1.18	1.0%		0.1%
GDP YoY	18-may	1Q	1.8	1.8%		1.3%
Current Account Balance	18-may	1Q	-34.9	-\$200		-2080
Colombia						
Retail Sales YoY	16-may	Mar	3.4	3.4	-2.87	4.6%
Industrial Production YoY	16-may	Mar	6.6	4.2	1.35	8.2%
Consumer Confidence Index	17-may	Apr	-15	-12		-20.1
Trade Balance	19-may	Mar	-1040.05	-\$1009		-\$1001.9
Mexico						
Central Bank Monetary Policy Minutes	19-may					
GDP NSA YoY	20-may	1Q F	2.6			2.7%
GDP SA QoQ	20-may	1Q F	0.7	0.8%		0.8%
Economic Activity IGAE YoY	20-may	Mar	1.2	2.5%		4.11%
GDP Nominal YoY	20-may	1Q	5			4.9%
Peru						
Economic Activity YoY	16-may	Mar	4.3	3.9	3.72	6.0%
Unemployment Rate	16-may	Apr				7.2%
Bloomberg May Peru Economic Survey	19-may					
GDP YoY	20-may	1Q	4.5	4.4		4.7%

Fuente: BBVA Research

Most recent Latam reports

Date	Description
05.16.2016	Peru: Mining and public investment continued to support economic growth in March (In Spanish)
05.13.2016	Mexico Weekly: Dollar strengthened due to higher than expected economic data in the US (In Spanish)
05.13.2016	Peru: More benign inflation outlook leads the Central Bank to keep its rate on hold (In Spanish)
05.12.2016	Brazil: Brazil Economic Outlook. Second Quarter 2016
05.06.2016	Mexico: Mexico Weekly: Concerns about the global cycle influence the peso depreciation (In Spanish)
05.06.2016	Brazil: Inflation eased less than expected in April
05.06.2016	Chile: April's CPI increased by 0.3% MoM in line with consensus (In Spanish)
05.06.2016	Chile: Chile economic outlook. Second quarter 2016 (In Spanish)
05.06.2016	Colombia: Inflation recedes slightly in April on lower utilities rates
05.05.2016	Mexico: Monetary policy rate stays at 3.75%. Cautious tone as global outlook impairs (In Spanish)

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