

LatAm Daily | In Chile, GDP increased more than expected in 1Q16

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GDP growth reached 2.0% in 1Q16, above our and market expectations (both at +1.8% YoY). The net external sector provided the greatest contribution to growth, with exports increasing by 2.4% YoY and imports decreasing by 3.0%. This data supports our view of +1.7% GDP growth for this year.

Chile - GDP increased 2.0% YoY in 1Q16, slightly above expectations

GDP growth reached 2.0% in 1Q16 (1.3% QoQ sa), above our and market expectations (both at +1.8% YoY). Gross fixed capital formation increased 1.2% YoY, driven by construction (+1.5% YoY), while private consumption grew 1.6% YoY (mainly due to durables). Overall, domestic demand decelerates to +0.5% YoY, showing a decline in inventories (mainly in manufacture and mining). The net external sector provided the greatest contribution to growth in 1Q16, with exports increasing 2.4% YoY (showing high dynamism in services), while imports declined 3.0% YoY. Finally, despite the positive surprise this quarter, national accounts data still supports our view of +1.7% GDP growth for this year (see our [Chile Flash](#) in Spanish for details).

What to watch today

Colombia - Imports and trade balance

We expect imports to have fallen 25.1% YoY, settling at USD CIF 3,475 mn. The average of the first quarter in USD would thus be similar to the figure for 2010, reflecting the adjustment in internal demand and the gradual substitution of imports.

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		95778.54	95779m
Formal Job Creation Total	16-20 may	Apr	-53950		-118776	-118776
FIPE CPI - Weekly	18-may	may-15	0.4		0.41	0.38%
IGP-M Inflation 2nd Preview	18-may	May	0.68		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	3.5%
GDP QoQ	18-may	1Q	1.18	1.0%	1.3	0.1%
GDP YoY	18-may	1Q	1.8	1.8%	2	1.3%
Current Account Balance	18-may	1Q	-34.9	-\$200	514.6	-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	-13	-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	7.2%
Bloomberg May Peru Economic Survey	19-may					
GDP YoY	20-may	1Q	4.5	4.4		4.7%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
05.18.2016	Chile: GDP grows by 5.3% QoQ in 1Q16 annualized by factors that can be non-permanent (In Spanish)
05.18.2016	Chile: Central Bank kept policy rate at 3.5% as widely expected (In Spanish)
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

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