

LatAm Daily | In Colombia, interest rate increased by 25 bps up to 7.25%

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During its May meeting the Central Bank's Board increased its MPR by 25 bps, taking the repo rate up to 7.25%. We believe that the monetary tightening cycle is close to an end, although some elements, such as 1Q16 GDP data and May's inflation print, could keep the BanRep's Board in a data-dependent mode. In Chile, data on activity by sector will be released today.

Colombia - BanRep increased its monetary policy rate to 7.25%

During its May meeting the Central Bank's Board increased its monetary policy rate 25 bp taking the repo rate up to 7.25% (Consensus: 7.25%; BBVAe: 7.5%). During the press conference, BanRep's Managing Director, Jose Dario Uribe, pointed out that the majority of the members voted for the 25bp interest rate hike. In addition, the Board announced the suspension of the auction program of call options. In our view, the end of the monetary policy hiking cycle is close to an end. Nonetheless, several elements could keep BanRep's Board in a data-dependent mode. Particularly, 1Q16 GDP data and May's inflation print will be important elements to assess in the next CB's meeting.

Mexico - IMF expanded and extended the Flexible Credit Line

The International Monetary Fund (IMF) has renewed and expanded to 88,000 billion the flexible credit line to Mexico for a period of two years. This credit line replaces the previous 67,000 million dollars, which was also granted for two years.

What to watch today

Chile - Activity data by sector (April, 9:00hrs NYT)

We expect manufacturing output to have decreased around 1.5% YoY in April, while retail sales are expected to show a +4.5% YoY increase over the month. Overall, figures should still point to weak aggregate economic activity.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV Inflation IGPM MoM	30-may	May	0.74			0.33%
FGV Inflation IGPM YoY	30-may	May	11.01			10.63%
CNI Consumer Confidence	30-may	May				97.5
National Unemployment Rate	31-may	Apr	11.10			10.90%
PPI Manufacturing MoM	31-may	Apr				-1.40%
BCB Fiscal Report	31-may	Apr				
FGV CPI IPC-S	01-jun	may-31	0.68			0.68%
GDP QoQ	01-jun	1Q	-0.70	-0.6		-1.40%
Trade Balance Monthly	01-jun	May	5600.00			\$4861m
Industrial Production MoM	02-jun	Apr	-0.90	-0.5		1.40%
FIPE CPI - Monthly	03-jun	May	0.55			0.46%
Chile						
Manufacturing Production YoY	30-may	Apr	-0.8	-1.5		2.70%
Retail Sales YoY	30-may	Apr	4.5	4.5		1.40%
Copper Production Total	30-may	Apr				488759
Industrial Production YoY	30-may	Apr	0			3.90%
Unemployment Rate	31-may	Apr	6.5	6.3		6.30%
Central Bank Meeting Minutes	01-jun					
Colombia						
National Unemployment Rate	31-may	Apr				10.10%
Urban Unemployment Rate	31-may	Apr	10.23	10.4		10.20%
GDP YoY	03-jun	1Q	2.7	1.8		3.30%
GDP QoQ	03-jun	1Q	0.3	-0.6		0.60%
Economic Activity Index SA YoY	03-jun	Mar	2.44	0		3.00%
Exports FOB	03-jun	Apr	2388	\$2393		\$2301.3
CPI MoM	04-jun	May		0.5		0.5
CPI YoY	04-jun	May		8.19		7.93
Mexico						
IMEF Manufacturing Index SA	01-jun	May	51.8			51.8
IMEF Non-Manufacturing Index SA	01-jun	May	50.75			50.5
Central Bank Economist Survey	01-jun					
Vehicle Domestic Sales AMIA	02 -06 jun	May				118407
Gross Fixed Investment	03-jun	Mar	-3	-3.0%		5.20%
Peru						
CPI MoM	01-jun	May	0.2	0.25		0.01%
CPI YoY	01-jun	May	3.51	3.58		3.91%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
05.27.2016	Colombia: BanRep increased its monetary policy rate up to 7.25% (In Spanish)
05.27.2016	Latin America Outlook. Second Quarter 2016 (In Spanish)
05.27.2016	Mexico Weekly: Differentiated movements in the markets given uncertainty about the US MP (In Spanish)
05.27.2016	Mexico: In March 2016 the bank mortgage lending grew 1% (In Spanish)
05.25.2016	Mexico: Less possibilities of a rate hike in an unscheduled meeting (In Spanish)
05.26.2016	Mexico: Certainty in employment figures, but not its characteristics (In Spanish)
05.25.2016	Peru: The dynamism of exports continues to increase (In Spanish)
05.23.2016	Chile Economic Outlook. Second Quarter 2016
05.20.2016	Mexico: Bank deposits: improved performance driven by its two components (In Spanish)
05.20.2016	Mexico Weekly: Increased likelihood of a Fed hike in June influences the peso devaluation (In Spanish)

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