

LatAm Daily | Rates on hold was the only option at the last MP meeting in Chile

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

The main risks for the economy come from abroad. The Board will be monitoring any significant deviation of inflation to its target rate. Today we expect May's Imacec, which could have risen by 1.9% YoY, driven by commerce and services. In Colombia we expect June's inflation at 0.2% MoM.

Chile - Rates on hold at 3.5% was the only policy option in June's monetary meeting

June's Minutes of the monetary policy meeting revealed that the only relevant option for this meeting was to keep rates on hold at 3.5%. The Minutes highlighted that the main risks come from abroad. In this context, any deterioration in the external scenario could lead to a depreciation of the peso, which would affect the velocity of the convergence of inflation. Overall, future MPR trajectory requires advancing in the process of monetary policy normalisation. However, any significant deviation in the convergence of inflation might affect said pace.

What to watch today

Chile - Monthly economic activity index (May, 08:30hrs NYT)

We expect the Imacec to have increased by around 1.9% YoY in May. This figure is likely to have been driven upwards by positive contributions in commerce and services, which were partially offset by declines in mining.

Colombia - June inflation (20:00 NYT)

Food and tradable inflation is falling in June as El Niño fades and the exchange rate gains some stability after a period of a sharp depreciation. As a result, we expect that the CPI will grow 0.2% MoM (8.30% YoY), slightly below market expectations (0.28% MoM).

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FIPE CPI - Monthly	05-jul	Jun	0.45		0.65	0.57%
Vehicle Sales Anfavea	06-jul	Jun				167489
Commodity Price Index MoM	06 jul-13 jul	Jun				1.47%
FGV Inflation IGP-DI MoM	07-jul	Jun	1.67			1.13%
FGV CPI IPC-S	08-jul	Jul-07	0.38			
IBGE Inflation IPCA MoM	08-jul	Jun	0.36	0.35		0.78%
Chile						
Central Bank Meeting Minutes	04-jul					
Economic Activity YoY	05-jul	May	1.50	1.8	0.74	0.70%
Economic Activity MoM	05-jul	May	0.20		-1.26	-1.30%
Trade Balance	07-jul	Jun	200.00			\$745
Exports Total	07-jul	Jun	4860.95			\$5050
Imports Total	07-jul	Jun	4669.50			\$4305
Copper Exports	07-jul	Jun				\$2274
Nominal Wage YoY	07-jul	May	5.15	5.3		5.30%
Vehicle Sales Total	07 jul-12 jul	Jun				24002
CPI YoY	08-jul	Jun	4.10	4.1		4.20%
CPI MoM	08-jul	Jun	0.30	0.4		0.20%
Colombia						
PPI Domestic MoM	05-jul	Jun				0.59%
CPI YoY	06-jul	Jun	8.36	8.30		8.20%
CPI MoM	06-jul	Jun	0.25	0.20		0.51%
CPI Core YoY	06-jul	Jun				6.07%
CPI Core MoM	06-jul	Jun				0.53%
Colombia Monetary Policy Minutes	08-jul					
Mexico						
Vehicle Domestic Sales AMIA	04 jul-06 jul	Jun			134536	121587
Gross Fixed Investment	05-jul	Apr	2.10			-3.0%
Vehicle Exports AMIA	06 jul-8 jul	Jun				226240
Vehicle Production AMIA	06 jul-8 jul	Jun				279508
CPI MoM	07-jul	Jun	0.16			-0.45%
CPI Core MoM	07-jul	Jun	0.27			0.21%
CPI YoY	07-jul	Jun	2.60			2.60%
Bi-Weekly CPI	07-jul	Jun-30	0.10			0.02%
Bi-Weekly Core CPI	07-jul	Jun-30	0.12			0.16%
Bi-Weekly CPI YoY	07-jul	Jun-30	2.62			2.55%
Consumer Confidence Index	08-jul	Jun	91.90			90.9
Peru						
Trade Balance	08jul-11jul	May	30			-\$40m

Fuente: BBVA Research

Most recent Latam reports

Date	Description
07.01.2016	Peru: Inflation remains downtrend (In Spanish)
07.01.2016	Mexico: Private sector credit, better growth in its three segments (In Spanish)
07.01.2016	Mexico: Remittances reach 2,477.8md (+13.1%), the best record for May since 2006 (In Spanish)
07.01.2016	Chile: Imacec with a ceiling of 2% YoY in May - Labor market depreciation surges (In Spanish)
06.30.2016	Mexico: 50bps hike in the MPR amid fears that inflation expectations increase (In Spanish)
06.29.2016	Mexico: Monetary policy rate unchanged at 3.75% (In Spanish)
06.27.2016	Mexico: Bank deposits: mixed performance in its components (In Spanish)
06.24.2016	Mexico: Brexit leads the dollar above 19ppd (In Spanish)
06.24.2016	Mexico: New cuts to public spending to support fundamentals before volatility from Brexit (In Spanish)
06.23.2016	Mexico: ENIF 2015: Advances in the scope of information but with comparability problems (In Spanish)
06.22.2016	Colombia: BanRep increased its monetary policy rate 25bps up to 7.5%

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