

## Latam | In Chile, traders expect stable MPR for the rest of the year

Cecilia Posadas / Enestor Dos Santos / Jorge Redondo / Jorge Selaive Carrasco / Juana Téllez Corredor / Carlos Serrano Herrera / Hugo Perea Flores

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*Today we will be waiting on the monetary policy meeting in Peru and monetary policy minutes in Brazil. We expect a pause in Peru in the context of high FX volatility; in Brazil we expect the board to leave the door open for an additional adjustment in the Selic rate.*

### Chile – Traders expect a stable policy rate for the rest of the year in a context of higher-than-expected monthly inflation figures

The Financial Trader's survey revealed both inflation estimates at around 0.7% MoM for March and a stable monetary policy rate at 3.00% for the rest of the year. Long-term inflation expectations remained in line with the central bank's 3% target. Finally, the forecast for the exchange-rate is for a mild depreciation towards the USDCLP 640 level at year-end.

### What to watch today

#### Brazil – Monetary policy minutes (06:30hrs NYT)

The minutes of last week's monetary policy meeting at which the Selic rate was hiked by 50bp to 12.75% will be released today. We expect them to leave all doors open, implying that the uncertainty regarding the duration and strength of the current tightening cycle is likely to continue. In our view, the most likely scenario is a final 25bp adjustment of the Selic rate in April. However, inflation has been surprising to the upside recently and the currency is depreciating faster than forecast, which could force the BCB to take the Selic above 13.0%.

#### Peru – Monetary policy meeting (March, 18:30hrs NYT)

We believe that the central bank will keep the benchmark rate at 3.25%. The high exchange rate volatility in recent days leads us to predict that the central bank will opt for maintaining the pause to avoid depreciation pressures on the local currency. We think this will be the deciding factor, even though activity remains weak and the future outlook for prices is milder.

## Calendar indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV CPI IPC-S	9-Mar	Mar-12	1.16	-	1.26%	0.97%
COPOM Monetary Policy Meeting Minutes	12-Mar	Jan-04	--	-	-	-
Retail Sales MoM	13-Mar	Jan	-0.5	-	-	-2.60%
<b>Chile</b>						
Vehicle Sales Total	9-Mar	Feb	--	-	23,891	23,891
Trade Balance	9-Mar	Feb	\$1,300.00	\$1,208.00	\$748.00	\$1,376.00
Copper Exports	9-Mar	Feb	--	\$2,975.00	\$2,480.00	\$2,870.00
<b>Colombia</b>						
Retail Sales YoY	13-Mar	Jan	7.9	-	-	9.60%
Industrial Production YoY	13-Mar	Jan	1.2	-	-	2.10%
Consumer Confidence Index	13-Mar	Feb	17.1	-	-	17.9
Vehicle Sales	13-Mar	Feb	--	-	-	-
<b>Mexico</b>						
CPI MoM	9-Mar	Feb	0.22	0.20%	0.19%	-0.1%
CPI Core MoM	9-Mar	Feb	0.37	0.37%	0.34%	0.0%
CPI YoY	9-Mar	Feb	3.03	3.01%	3%	3.1%
Vehicle Production AMIA	9-Mar	Feb	--	-	282,856	266,424
Vehicle Exports AMIA	9-Mar	Feb	--	-	222,351	204,907
ANTAD Same-Store Sales YoY	10-Mar	Feb	5.1	-	5.10%	5.50%
Formal Job Creation Total	12-Mar	Feb	129.85	117.6K	-	59.8K
Industrial Production YoY	13-Mar	Jan	2.1	3.31	-	3.00%
Industrial Production MoM	13-Mar	Jan	0.35	0.53	-	-0.30%
<b>Peru</b>						
Trade Balance	10-Mar	Jan	-500	-	-\$454	\$121M
Reference Rate	13-Mar	Mar	3.25	-	-	3.25%
Unemployment Rate	13-Mar	Feb	7	-	-	6.40%
Economic Activity YoY	13-Mar	Jan	1.7	-	-	0.50%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
03.09.2015	<a href="#">Mexico: Still little evidence of pass-through</a>
03.06.2015	<a href="#">Chile: Once again CPI inflation above expectations in February</a>
03.06.2015	<a href="#">Colombia: Monthly inflation in February stood at 1.15%, taking the annual print up to 4.36%.</a>
03.05.2015	<a href="#">Chile: Imacec at 2.7% YoY support additional upwards revision in GDP growth expectations of market consensus</a>
03.05.2015	<a href="#">Mexico: Remittances fell in January (-0.7% YoY) after 17 consecutive months of growth</a>
03.05.2015	<a href="#">Brazil Flash: Another 50bp adjustment of the SELIC rate</a>
02.27.2015	<a href="#">Mexico Weekly: All eyes on consumer and producer confidence as indicators of economic performance in the first quarter</a>
02.23.2015	<a href="#">Mexico Weekly Flash: The quarterly GDP growth in the fourth quarter of 2014 was 0.7% (In Spanish)</a>
02.16.2015	<a href="#">Peru Flash: There was no economic recovery at the end of last year...</a>

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