

## Daily LatAm | In line with expectations the Chilean CB keeps the MPR unchanged

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*The monetary authority stated its concerns on the persistence of CPI inflation but acknowledged a weaker global outlook. Today we expect (amongst other news) the monetary policy decision in Colombia with no movement expected in the reference rate*

### Chile – Central bank keeps policy rate at 3.00% in March's meeting

As expected by both our and the market expectations, the central bank kept rates at 3.00% and also maintained the neutral tone. The communiqué highlighted the persistence of CPI annual inflation above the tolerance range, but acknowledged a weaker global outlook. All in all, we do not expect any changes to the policy rate in the short term (see our Chile Flash in Spanish for details).

## What to watch today

### Brazil – IPCA-15 (March, 7:00hrs NYT)

March's IPCA-15, which measures inflation from mid-February until mid-March, is expected to come in at 1.18% MoM, mainly pressured by the adjustment in administered prices such as electricity and public transport tariffs. In annual terms, the IPCA-15 is expected to continue to trend upwards and reach 7.84% YoY (vs. 7.36% YoY in February).

### Colombia – Imports and trade balance (January, 16:00hrs NYT)

We expect imports to fall 18.3% YoY in January, to USD3,960 mn. This slowdown is in line with our expected lower growth in domestic demand in 2015. That said, we anticipate the trade deficit to come in at USD880mn in January.

### Colombia – Monetary policy (March, No set time)

We expect BanRep's Board to hold its monetary policy rate at 4.50% in line with consensus. In its previous communiqué, Banrep's board highlighted that inflation could temporarily deviate from the target range and ratified its GDP growth expectation. Nevertheless, it is important to make a detailed evaluation of March's communiqué to further assess the Board's perception on inflation expectations, exchange rate pass-through, and economic activity.

### Mexico – Retail sales (January, 9:00hrs NYT)

We estimate that January retail sales will grow by 2.9% YoY, seasonally adjusted (sa). This information will be published on 20 March by the INEGI. The result will be related to the performance of ANTAD sales, which by total stores rose in January by 5.6% YoY, sa, and to the increase in formal employment in January (59,784 jobs registered through the IMSS). We should recall that in December retail sales grew by an annual 1.9%, sa.

## Calendar indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV CPI IPC-S	16-Mar	Mar-19	1.42%	--	1.49%	1.3%
Economic Activity MoM	16-Mar	Jan	0.02%	0.20%	-0.11%	-0.6%
Formal Job Creation Total	16-Mar	Feb	26500	--	-81774	-81774
Tax Collections	16-Mar	Feb	85800M	--	125281M	125282M
FGV Inflation IGP-10 MoM	17-Mar	Mar	0.81%	--	0.83%	0.4%
CNI Industrial Confidence	17-Mar	Mar		--	37.5	40.2
FIPE CPI - Weekly	19-Mar	Mar-19	0.91%	--	0.96%	1.0%
IBGE Inflation IPCA-15 MoM	20-Mar	Mar	1.24%	1.18	--	1.3%
<b>Chile</b>						
GDP QoQ	18-Mar	4Q	0.92%	0.93%	--	0.4%
Overnight Rate Target	19-Mar	Mar-23	3.0%	3.0%	3%	3.0%
<b>Colombia</b>						
GDP YoY	17-Mar	4Q	4%	--	3.50%	4.2%
Trade Balance	20-Mar	Jan	-1660	--	--	-1452.7
Retail Confidence	20-Mar	Feb		--	--	22.7
Industrial Confidence	20-Mar	Feb		--	--	80.0%
Overnight Lending Rate	20-Mar	Mar-24	4.50%	--	--	4.5%
<b>México</b>						
Retail Sales YoY	20-Mar	Jan	3%	2.91%	--	2.4%
<b>Perú</b>						
Unemployment Rate	16-Mar	Feb	7%	--	6.90%	6.4%
Economic Activity YoY	16-Mar	Jan	1.80%	2.10%	1.68%	0.5%

Fuente: BBVA Research

## Most recent Latam reports

Date	Description
03.19.2015	<a href="#">Chile: Central bank kept policy rate at 3.00% in March's meeting</a>
03.18.2015	<a href="#">Chile: GDP grew 1.9% in 2014, gaining momentum due to countercyclical fiscal policy</a>
03.17.2015	<a href="#">Peru: The cyclical slowdown is not over yet...</a>
03.13.2015	<a href="#">Mexico: Industrial production fell in January 0.4% MoM, sa</a>
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>

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