

LatAm Daily | Sectoral indicators in Chile anticipate a slight monthly decline in February

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

Also in Chile, the central bank revised substantially upward its estimate of inflation for 2015: from 2.8% to 3.6%, as a result of the persistently high inflation. The expectation of GDP growth remained between 2.5% to 3.5%. The monetary position will remain in data-dependent mode, particularly on inflation figures.

Chile – Activity by sector anticipates an Imacec at around 2% YoY in February

Manufacturing decreased 0.1% YoY in February, while mining production decreased by 1.5% YoY due to lower copper extraction. Retail sales increased 2.9% YoY, in line with our expectations (BBVAe: +2.5% YoY). All in all, we estimate the Imacec to have grown by less than 2% YoY (-0.2% MoM sa) in February (see our Chile Flash in Spanish for details).

Chile – Central bank revised inflation estimates for 2015 upwards

As expected, the range of growth expectations in the latest Monetary Policy Report remained at 2.5% to 3.5% for 2015. The composition of this GDP growth expectation still reveals the slack in private expenditure, consistent with a downward revision to domestic demand growth from 3.0% to 2.5%. The expectation for inflation was revised substantially upwards, from 2.8% to 3.6%, showing the higher persistence in indexation of past inflation. Monetary policy perspectives showed a kind of hawkish tone in relation to the latest consensus surveys, but mainly for 2016. All in all, we believe that monetary policy will remain in a “wait and see” stance in the short term, while further initiatives will be highly dependent on annual inflation figures.

What to watch today

Chile – Unemployment rate (February, 07:00hrs NYT)

The jobless rate should show a slight rise from 6.2% to 6.3%. Job creation will not offset the labour force expansion, in a context where seasonal increases in employment should start to retreat.

Colombia – Unemployment rate (12:00 NY)

The urban unemployment rate will stand at 10.7% in February, a 0.5 percentage point reduction compared to last year. The figure is good since job creation remains dynamic.

Calendar indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGPM MoM	30-Mar	Mar	0.93%		0.98%	0.27%
Central Bank Weekly Economists Survey	30-Mar	Jan-04				
CNI Consumer Confidence	31-Mar	Mar				100
PPI Manufacturing MoM	31-Mar	Feb				-0.13%
FGV CPI IPC-S	1-Apr	Mar-35	1.44%			1.47%
Industrial Production MoM	1-Apr	Feb	-1.60%			2.00%
Trade Balance Monthly	1-Apr	Mar	-\$350M			-\$2842M
Chile						
Retail Sales YoY	30-Mar	Feb	2%	2.50%	2.90%	1.80%
Copper Production Total	30-Mar	Feb			447810	524296
Manufacturing Index YoY	30-Mar	Feb	1.70%	1.90%	-0.11%	1.00%
Central Bank 1Q monetary policy report (IPOM)	30-Mar	Jan-04				
Unemployment Rate	31-Mar	Feb	6.30%	6.30%		6.20%
Colombia						
Urban Unemployment Rate	31-Mar	Feb	11%			11.80%
National Unemployment Rate	31-Mar	Feb				10.80%
Colombia Monetary Policy Minutes	3-Apr	Jan-04				
PPI Total MoM	3-Apr	Mar				
CPI YoY	4-Apr	Mar	4.58%	4.48%		
CPI MoM	4-Apr	Mar	0.61%	0.51%		-1.98%
Mexico						
Gross Fixed Investment	1-Apr	Jan	6%	5.10%		5.50%
Remittances Total	1-Apr	Feb	1817	\$1892M		\$1630.7M
IMEF Manufacturing Index SA	1-Apr	Mar	50.95	50.9		50.7
IMEF Non-Manufacturing Index SA	1-Apr	Mar	50	50		49.6
Peru						
CPI YoY	1-Apr	Mar	2.84%	2.92%		2.77%
CPI MoM	1-Apr	Mar	0.58%	0.67%		0.30%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
30.03.2015	Mexico: IGAE and exports point to moderate economic performance in the first quarter
30.03.2015	Chile: Activity by sector anticipates an Imacec at around 2% YoY in February
03.27.2015	Mexico: Monetary rate unchanged at 3.0%. FED on the spotlight (In Spanish)
03.26.2015	Mexico: In January the IGAE shows a weak monthly performance (0.2% MoM, sa)
03.26.2015	Mexico: Banking deposits: outstanding performance in January
03.26.2015	Mexico: Monetary rate unchanged at 3.0%. The relative monetary stance is the key variable
03.24.2015	Chile: We expect March PCI to be 0.78% MoM (4.4% YoY) (In Spanish)
03.24.2015	Colombia: La equidad en el Plan (In Spanish)

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.