

LatAm Daily | Inflation in Brazil expected to ease as impact of administered prices ends

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

Inflation in mid-April was higher than expected and the main driver was the upward revision of electricity tariffs.

Brazil – Inflation eased less than expected at the beginning of April

April's IPCA-15, which measures inflation from mid-March until mid-April, reached 1.07% MoM. The figure was lower than in the two previous months (1.33% in February and 1.24% MoM in March), but somewhat higher than expected (BBVAe: 1.0% MoM; consensus: 1.0% MoM). The impact of the upward revision of electricity tariffs in March was the main driver of April's IPCA-15. We expect monthly inflation to ease going forward as most of the adjustment in administered prices is now over. Anyway, annual inflation will remain abnormally high (April's IPCA-15: 8.22% YoY; BBVA forecast for the full-month IPCA in April: 8.1% YoY; BBVA forecasts for inflation at the end of the year: 7.6% YoY).

What to watch today

No relevant news is expected for today

Calendar indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Central Bank Weekly Economists Survey	20-Apr		-		-	
Current Account Balance	22-Apr	Mar	-\$5000M		-	-\$6879M
Foreign Direct Investment	22-Apr	Mar	\$3600M		-	\$2769M
FGV CPI IPC-S	23-Apr	Apr 22	0.76%		-	0.93%
Formal Job Creation Total	24-Apr	Mar	-20400		-	-2415
Tax Collections	24-Apr	Mar	96138,5M		-	89982M
Chile						
Central Bank's Traders Survey	22-Apr		-		-	
PPI MoM	24-Apr	Mar	-		-	-0.011
Colombia						
Retail Confidence	21-Apr	Mar	-	14	-	21.4
Industrial Confidence	21-Apr	Mar	-	2	-	7.3
Trade Balance	22-Apr	Feb	-\$1189,5	-955	-	-\$1797.6
Imports CIF Total	22-Apr	Feb	\$4,800	4,286	-	\$4885.0
Overnight Lending Rate	24-Apr	Apr 24	4.5%	4.50%	-	4.5%
Mexico						
Banamex Survey of Economists	21-Apr		-		-	
Economic Activity IGAE YoY	23-Apr	Feb	2.40%	2.34%	-	2.0%
Retail Sales YoY	24-Apr	Feb	4.50%	4.46%	-	4.7%
Retail Sales MoM	24-Apr	Feb	0.10%	-0.10%	-	2.1%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
04.16.2015	Chile: Central bank kept policy rate at 3%, as widely expected
04.13.2015	Mexico: Industrial production pushes down our growth expectations
04.10.2015	Peru: New monetary pause and the window of opportunity for rate cut is reduced (In Spanish)
04.08.2015	Brazil: Inflation jumps above 8%; pressure from administered prices to ease ahead
04.08.2015	Chile: March's CPI increased 0.6% MoM, below market expectations
04.06.2015	Chile: Imacec expanded 2.0% YoY in February, slightly above expectations
04.06.2015	Colombia: Inflation in March reaches maximum in 6 years driven by food costs (In Spanish)
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

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