

## Latam Daily | Survey in Chile show lower growth and higher inflation expected for 2015

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

---

*Surveyed analysts expect a pause at 3% in the MPR for the medium term, which is in line with our view. Industrial production in Mexico stagnated in March, below forecasts and due to lower output in the mining and manufacturing sectors. The result points to weak growth in 1Q15.*

### Chile - Both lower growth and higher inflation is expected for 2015

The central bank's economic expectations survey revealed a downward correction in 2015 GDP growth forecasts from 2.8% to 2.7% (BBVAe: 2.9%), while inflation was revised upwards from 3.4 to 3.5% for this year-end (BBVAe: 2.9% YoY). Long-term inflation expectations remain anchored to the central bank's target of 3% YoY. Monthly inflation estimates are for +0.2% in May, while aggregate economic activity forecasts reached a consensus of 2.0% YoY for April. Finally, surveyed analysts expect a pause at 3% in the policy rate for the medium term (in line with our view).

### Mexico - Industrial production stagnates with zero growth in March (-0.02% MoM, sa)

According to INEGI, Mexico's industrial production decreased 0.02% MoM sa in March, equivalent to 1.44% YoY sa. The weak monthly growth of industrial production, below market forecast (BBVAe: 0.35% MoM, sa, consensus: 0.40% MoM, sa), was mainly due to lower output in mining (-1.6% MoM, sa) and manufacturing (-1.0% MoM, sa). Meanwhile, construction increased (3.0% MoM, sa) and electricity, gas and water remained unchanged (0.0% MoM, sa). Those results confirm a weak 1Q15 ([See Mexico Flash](#)).

## What to watch today

### Chile - Financial traders' survey (fortnightly in May, 07:30hrs NYT)

We expect the traders' survey to show inflation estimates at around 0.2% MoM for May and pauses for policy rates in the short term. Finally, results should show a mild appreciation in forecasts for the exchange rate on a three-month horizon.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
IGP-M Inflation 1st Preview	11-May	May	0.52	--	0.51	1.03%
Retail Sales MoM	14-May	Mar	-0.4	-0.2%	--	-0.1%
Formal Job Creation Total	14-May	Apr	50000	--	--	19282
FGV Inflation IGP-10 MoM	15-May	May	0.72	--	--	1.27%
Economic Activity MoM	15-May	Mar	-0.4	-0.40%	--	0.36%
<b>Chile</b>						
Vehicle Sales Total	10-May	Apr	--	21859	23084	21469
Central Bank's Economist Survey	12-May	0	--	--	0	0
Central Bank's Traders Survey	13-May	0	--	--	0	0
Overnight Rate Target	14-May	41760	3.00	3.0%	--	3.00%
<b>Colombia</b>						
Retail Sales YoY	14-May	Mar	3.5	3.80%	--	4.3%
Industrial Production YoY	14-May	Mar	-1.00	-0.80%	--	-1.3%
Consumer Confidence Index	15-May	Apr	--	0.00%	--	2.3
<b>Mexico</b>						
Industrial Production YoY	12-May	Mar	1.9	1.9%	1.67	1.6%
Industrial Production MoM	12-May	Mar	0.35	0.35%	-0.02	0.2%
ANTAD Same-Store Sales YoY	12-May	Apr	4.6	--	4.9	5.2%
Central Bank Monetary Policy Minutes	14-May	0	--	--	0	0
<b>Peru</b>						
Trade Balance	10-May	Mar	--	--	-573	-\$280M
Reference Rate	15-May	May	3.25	--	--	3.25%
Unemployment Rate	15-May	Apr	6.6	--	--	7.0%
Economic Activity YoY	15-May	Mar	2.15	--	--	0.9%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
05.12.2015	<a href="#">Mexico: Industrial production in total pause. Had zero growth in March</a>
05.11.2015	<a href="#">Mexico: In March 2015 Mexico received USD2,257.9mn in remittances (+7.6% YoY)</a>
05.08.2015	<a href="#">Chile: CPI inflation increased 0.6% MoM in April, above expectations</a>
05.08.2015	<a href="#">Mexico: Evaluation of the effects of the EU-FTA on bilateral trade and investment</a>
05.08.2015	<a href="#">Brazil: Inflation moderates as pressure from administered prices ease</a>
05.07.2015	<a href="#">Peru Outlook (in Spanish)</a>
05.07.2015	<a href="#">Chile Outlook (in Spanish)</a>
05.07.2015	<a href="#">Colombia Outlook (in Spanish)</a>
05.07.2015	<a href="#">Brazil: We expect another Selic hike in June</a>
05.07.2015	<a href="#">Mexico: Subdued Inflation Outlook</a>

---

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.