

## Latam Daily | Banxico lowers its growth forecasts for 2015 and 2016

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*The Mexican Central Bank downgraded its GDP forecasts for 2015 from a range of 2.5% - 3.5% to 2.0% - 3.0% and for 2016 from 2.9% - 3.9% to 2.5% - 3.5%.*

### Mexico - Banxico lowers its growth forecasts for 2015 and 2016

The Mexican central bank downgraded its GDP forecast for 2015 from a range of 2.5% - 3.5% to 2.0% - 3.0% and for 2016 from 2.9% - 3.9% to 2.5% - 3.5%. The CB mentioned that some of the downside risks to growth have materialised: i) a lower production platform, and uncertainty about its future, ii) lower activity than expected in 1Q15 in the US, and iii) downward revisions in the growth outlook for US GDP in the context of the USD's appreciation. Banxico mentioned that no inflationary pressures are anticipated since it is expected that the output gap will remain in negative territory for the year, in this context the forecast for annual inflation remained unchanged at around 3% for rest of the year although they highlighted the risk of a rise if the dollar continues to show a depreciation trend. Banxico will pay particular attention to the relative monetary position between Mexico and the US as well as the exchange rate situation for future MPR movements. Finally Banxico called on the SHCP to maintain "healthy public finances, in particular the debt as a proportion of GDP to stabilise and resume a downward trajectory."

### What to watch today

No relevant economic news is expected for today

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
FGV CPI IPC-S	18-May	may-21	0.6		0.65	0.70%
Formal Job Creation Total	18-May	Apr	48435		19282	19282
IGP-M Inflation 2nd Preview	19-May	May	0.44		0.41	1.16%
CNI Industrial Confidence	19-May	May	--		38.6	38.5
Economic Activity MoM	21-May	Mar	-0.5	-0.4	--	0.36%
Unemployment Rate	21-May	Apr	6.3		--	6.2%
IBGE Inflation IPCA-15 MoM	22-May	May	0.59	0.58	--	1.07%
<b>Chile</b>						
GDP YoY	18-May	1Q	2.2		2.4	1.80%
GDP QoQ	18-May	1Q	0.9		1	0.90%
Current Account Balance	18-May	1Q	1000		1203	-704.8
<b>Colombia</b>						
Trade Balance	21-May	Mar	-960	-960	--	-\$1245.6
Retail Confidence	22-May	Apr	--	20	--	--
Industrial Confidence	22-May	Apr	--	9	--	4.1
Overnight Lending Rate	22-May	may-26	4.5	4.50%	--	4.50%
<b>Mexico</b>						
Inflation Report	19-May	ene-04	--		0	0
GDP NSA YoY	21-May	1Q	2.4	2.50%	--	2.6%
GDP SA QoQ	21-May	1Q	0.25	0.25%	--	0.7%
Economic Activity IGAE YoY	21-May	Mar	2.6	2.66%	--	2.27%
Bi-Weekly CPI	22-May	may-19	-0.45	-0.41%	--	0.02%
Bi-Weekly Core CPI	22-May	may-19	0.12	0.11%	--	0.08%
Bi-Weekly CPI YoY	22-May	may-19	3.02	3.06%	--	3.10%
<b>Peru</b>						
GDP YoY	20-May	1Q	1.7	1.70%	--	1.0%
Central Bank 2Q Inflation Report	22-May	ene-04	--		0	0

Fuente: BBVA Research

## Most recent Latam reports

Date	Description
05.19.2015	<a href="#">Mexico: In February, the number of mortgages exceeds the rate of 15%</a>
05.18.2015	<a href="#">Chile: GDP grew 2.4% y/y in 1Q15. We projected an IMACEC for April between 2.2% and 2.7% y/y</a>
05.15.2015	<a href="#">Peru: GDP showed better performance in March due to extractive sectors</a>
05.15.2015	<a href="#">Colombia: Colombian infrastructure: Where are we and where are we going?</a>
05.14.2015	<a href="#">Chile: Central Bank maintains the MPR at 3% for the seventh consecutive month</a>
05.14.2015	<a href="#">Peru: Central bank aims to normalize monetary conditions</a>
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>

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