

Latam Daily | Activity data due out today to show poor growth in Brazil and Mexico

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After a quiet day yesterday today we will be watching out for activity figures from Brazil and Mexico: in Brazil the monthly indicator should be in line with our view of a contraction of -0.60% QoQ in 1Q15, whereas in Mexico we expect a very low GDP growth in 1Q15, of 0.25% QoQ.

What to watch today

Brazil - Economic activity indicator (March, 7:30hrs NYT)

The IBC-Br, the BCB's monthly proxy for GDP, should contract around 0.4% MoM in March, reinforcing our view that 1Q15 GDP will contract around 0.6% QoQ.

Brazil - Labour market report (April, 8:00hrs NYT)

We expect the report to show that the labour markets continued to deteriorate at the beginning of 2Q15. Specifically, we expect the unemployment rate to continue to increase and to reach 6.3% (vs. 4.9% in the same month last year).

Mexico - GDP (1Q15, 09:00hrs NYT)

We expect GDP growth for 1Q15 to be 0.25% QoQ, sa. After a growth of 0.68% in 4Q14, we forecast that the Mexican economy will slow down sharply, which will be reflected in a GDP growth of around 0.25% QoQ in 1Q15. The main elements underlying this slowdown are: the fall in the oil price and production in Mexico, which led to a decrease in public revenues and a delay in infrastructure projects; the lacklustre performance of the US economy, caused by the adverse weather conditions in 1Q15 and the rising USD; and the weakness of the domestic market. If such a slowdown in economic activity in the first quarter is confirmed, the annual growth rate for GDP in 2015 would have to come down too.

Mexico - Global Economic Activity Indicator (March, 09:00hrs NYT)

We predict that the Global Economic Activity Indicator (IGAE) for March will show a YoY growth of 2.66%, sa. We expect the growth in economic activity to have ended the first quarter of the year modestly, due to the languid performance of services and industrial activity, as both of these started the year off slowly. We should recall that in February the IGAE grew 2.23% YoY, sa, which translated into a decrease of 0.03% MoM.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
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%
Chile						
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
Colombia						
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%
Mexico						
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%
Peru						
GDP YoY	20-May	1Q	1.7	1.70%	1.7	1.0%
Central Bank 2Q Inflation Report	22-May	ene-04	--		0	0

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
05.19.2015	Mexico: In February, the number of mortgages exceeds the rate of 15%
05.18.2015	Chile: GDP grew 2.4% y/y in 1Q15. We projected an IMACEC for April between 2.2% and 2.7% y/y
05.15.2015	Peru: GDP showed better performance in March due to extractive sectors
05.15.2015	Colombia: Colombian infrastructure: Where are we and where are we going?
05.14.2015	Chile: Central Bank maintains the MPR at 3% for the seventh consecutive month
05.14.2015	Peru: Central bank aims to normalize monetary conditions
05.12.2015	Mexico: Industrial production in total pause. Had zero growth in March
05.11.2015	Mexico: In March 2015 Mexico received USD2,257.9mn in remittances (+7.6% YoY)
05.08.2015	Chile: CPI inflation increased 0.6% MoM in April, above expectations
05.08.2015	Mexico: Evaluation of the effects of the EU-FTA on bilateral trade and investment

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