

Latam Daily | In Mexico Banxico keeps its MPR unchanged at 3.0%

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Banxico decided to keep its MPR unchanged, during its most recent meeting yesterday. Meanwhile, Banxico mentioned its concerns about a rise in the interest rates in the US, and its impact on the currency exchange rate remain the main risks to achieving and consolidating the convergence of inflation with the target of 3%

Mexico - Banxico monetary rate remains unchanged at 3.0% and the balance of risks shows no movement

The central bank emphasised that it not only seeks the convergence of inflation with the target of 3.0%, but also to consolidate it. At the moment, the beginning of the cycle of monetary rate is increasing in the US and its potential adverse effects on inflation pose the greatest risk to achieving the goal, as we believe that Banxico will change its monetary stance in sync with the Federal Reserve in the third quarter. The difference in the level of MPR between Mexico and the US, and the weak economic cycle in Mexico regarding US, could cause the rate of rises in the benchmark rates in Mexico to be lower than the US (See [Mexico Flash](#) in Spanish)

What to watch today

Chile - Monthly activity index (April, 7:30hrs NYT)

We expect Imacec to have increased 2.7% YoY in April, driven by positive contributions from manufacturing output and retail commerce but partially compensated by mining production.

Mexico - Consumer confidence index (May, 09:00hrs NYT)

We expect the consumer confidence indicator to have improved in May. Taking into account the job creation in the formal market in April (65,117 jobs registered with the IMSS), we see the CCI climbing to a level of 92.6 points (sa), compared to 91.3 points the previous month, in non-seasonally adjusted series.

Colombia - Inflation (May, 20:00hrs NYT)

We forecast a monthly increase of 0.29%, with food inflation showing signs of being tamed. As a result, headline inflation should post a growth of 4.4% YoY, a figure lower than April's inflation of 4.6%.

Colombia - BanRep's minutes (no set time)

BanRep will release the minutes for its last monetary policy meeting. In May, the Central Bank of Colombia kept its policy rate unchanged at 4.5%, in line with both market and our own in-house expectations. In our view, the minutes will provide additional insights regarding the economic outlook assessment made by the central bank's board.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	01-June	31-May	--		0.72%	0.68%
Trade Balance Monthly	01-June	May	--	\$2,500M	\$2761M	\$491M
Industrial Production MoM	02-June	Apr	-1.4%	-1%	-1.20%	-0.8%
Selic Rate	03-June	03-Jun	13.75%	13.75%	13.75%	13.25%
Chile						
Central Bank Meeting Minutes	01-June	--	--		--	--
Economic Activity YoY	05-June	Apr	--	2.70%	--	1.6%
Economic Activity MoM	05-June	Apr	--	0.80%	--	-0.3%
Colombia						
Exports FOB	04-June	Apr	--	\$3,326M	--	\$3,402M
Colombia Monetary Policy Minute	05-June	--	--		--	--
CPI YoY	06-June	May	4.48%	4.44%	--	4.64%
CPI MoM	06-June	May	0.33%	0.29%	--	0.54%
CPI Core YoY	06-June	May	--	0.19%	--	3.44%
CPI Core MoM	06-June	May	--	4.41%	--	0.34%
Mexico						
Remittances Total	01-June	Apr	--	\$2156M	\$2012.2M	\$2257.9M
Consumer Confidence Index	05-June	May	--	92.6	91.3	91.3
Gross Fixed Investment	03-June	Mar	--	6.10%	6.60%	1.3%
Overnight Rate	04-June	04-Jun	3.00%	3%	3%	3.00%
Vehicle Production AMIA	05-June to 10-June	May	--		--	283,392
Peru						
CPI YoY	01-June	May	3.00%	3.21%	3.37%	3.02%
CPI MoM	01-June	May	0.27%	0.41%	0.56%	0.39%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
06.04.2015	Mexico: Central Bank keeps its monetary policy unchanged at 3%
06.03.2015	Brazil Outlook 2015
06.03.2015	Latam Outlook 2Q15
06.03.2015	Mexico: Yearbook of migration and remittances 2015
06.03.2015	Chile: A dovish message consolidates in June's monetary policy report (in Spanish)
06.03.2015	Chile: Inflation in Chile and the rest of the world, what makes us different? (in Spanish)
06.02.2015	Mexico: Banxico won't change its monetary policy
06.02.2015	Mexico: Remittances rise moderately at 1.8% YoY in April
06.01.2015	Peru: Inflation increase reduces room for policy rate cut
06.01.2015	Peru: GDP acceleration at the beginning of the Q2 due to primary activities

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