

## LatAm Daily | In Colombia, inflation should ease reaching the range target by 4Q15

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*Inflation fell in June as food inflation slipped 0.21% MoM, while electricity and gas tariffs also dropped. However, tradable-goods inflation, which had been in a declining trend since March, increased 0.48% MoM. We believe the evolution of prices should not be a concern for the monetary authority. In Mexico, fixed investment grew 5.3% YoY in April beating the consensus*

### Colombia - Inflation in June stood at 4.4% YoY, unchanged from a month earlier

In line with our expectations annual inflation in June stood at 4.42% (BBVAe: 4.39% Bloomberg: 4.45%). Food inflation continued to decline (-0.21% MoM, compared to -0.28% MoM a month earlier), thanks to the fall in the price of tuberous crops (potatoes), cereals (rice) and some fruits. Tradable inflation, which had been in a declining trend since March, rebounded in June registering a growth of 0.48% MoM, driven mainly by the rise in vehicle prices. Meanwhile, electricity and gas tariffs recorded a fall of 2.3% and 2.9% MoM respectively, mitigating the increase in fare rates and fuel prices. Non-food inflation remained stable at 3.72% YoY from a month earlier. Our forecasts indicate that inflation should continue to fall gradually for the remainder of the year, coming back to the target range in the last quarter of the year. As a result, the evolution of prices should not be a concern for the monetary authority, in our view.

### Mexico - In April fixed investment grew 5.3% YoY, sa

April's growth rate of fixed investment was above both our estimate (4.1%) and the consensus (4.4%). The most dynamic component was investment in machinery and equipment (7.2%), while investment in construction grew at a slower pace (4.2%).

## What to watch today

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

We expect the Imacec to have increased 1.6% YoY in May (+0.4% MoM), mainly driven by positive contributions from retail commerce and services but partially offset by declines in both manufacturing and mining output.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Vehicle Production Anfavea	6-July	Jun	--		--	210,086
FGV Inflation IGP-DI YoY	7-July	Jun	6.22%		--	4.83%
IBGE Inflation IPCA MoM	8-July	Jun	0.85%	0,77%	--	0.74%
National Unemployment Rate	9-July	May	--		--	8.0%
<b>Chile</b>						
Economic Activity YoY	6-July	May	1.50%	1.60%	--	1.70%
Economic Activity MoM	6-July	May	0.20%	0.40%	--	0.00%
Trade Balance	7-July	Jun	\$750.0M	\$1126.0M	--	\$981.7M
Nominal Wage YoY	7-July	May	--	--	--	6.40%
Nominal Wage MoM	7-July	May	--	--	--	-0.20%
Vehicle Sales Total	7-July - 10 July	Jun	--	--	--	21184
CPI MoM	8-July	Jun	0.30%	0.40%	--	0.20%
CPI YoY	8-July	Jun	4.20%	4.30%	--	4.00%
Central Bank's Economist Survey	10 July				--	
<b>Colombia</b>						
Exports FOB	7-July	May	\$3300M	\$3,120.00	--	\$3212.3M
Colombia Monetary Policy Minutes	9-July				--	
<b>Mexico</b>						
Vehicle Production AMIA	6-July	Jun	--		--	288,382
CPI MoM	9-July	Jun	0.20%	0.17%	--	-0.50%
CPI Core MoM	9-July	Jun	0.22%	0.20%	--	0.12%
CPI YoY	9-July	Jun	2.90%	2.87%	--	2.88%
Bi-Weekly CPI	9-July	Jun	0.10%	0.04%	--	0.13%
Bi-Weekly Core CPI	9-July	Jun	0.10%	0.06%	--	0.13%
Bi-Weekly CPI YoY	9-July	Jun	2.84%	2.88%	--	2.87%
ANTAD Same-Store Sales YoY	9-July	Jun	--		--	7.40%
Industrial Production YoY	10 July	May	0.50%	0.40%	--	1.10%
Industrial Production MoM	10 July	May	-0.10%	-0.30%	--	-0.10%
<b>Peru</b>						
Trade Balance	9-July - 10 July	May	-\$650M		--	-\$746M
Reference Rate			3.25%	3.25%	--	3.25%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
07.03.2015	<a href="#">Mexico: Industrial production could decrease 0.3</a>
07.01.2015	<a href="#">Chile: New challenge for fiscal authority, implementing USD 8 Bln through public investment</a>
07.01.2015	<a href="#">Peru: Inflation will make harder the CB's commitment</a>
07.01.2015	<a href="#">Mexico: private sector credit rose 10.4% in May</a>
07.01.2015	<a href="#">Mexico: Real estate outlook</a>
07.01.2015	<a href="#">Mexico: Remittances keep growing slightly to 2.4% YoY in May</a>
06.30.2015	<a href="#">Sectors that will benefit the most from the Pacific Alliance</a>
06.30.2015	<a href="#">Chile: weak sectorial data and rising unemployment in May</a>
06.30.2015	<a href="#">Colombia: external imbalance should have touched its peak in the 1Q15</a>
06.29.2015	<a href="#">Mexico: economic activity grew more than expected in April at 2.4% YoY</a>
06.29.2015	<a href="#">Chile: honing fiscal policy</a>
06.24.2015	<a href="#">Brasil: COPOM still sees 2016 inflation above 4.5%; monetary tightening to continue ahead</a>

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