

Latam Daily | Weak external figures in Chile and Colombia

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

In Chile, the trade balance remained weak, reaching a surplus of USD783mn in June. Figures indicate slack in both domestic and external demand. Meanwhile in Colombia, exports dropped 38.9% YoY in May owing to a steep decline in fuel sales, as well as manufactured and agricultural goods. On the other hand, non-basic goods exports have not yet picked up.

Chile - Trade balance figures remained weak during June

The balance of trade reached a surplus of USD783mn in June (and a surplus of USD5.64bn YtD), driven by exports at USD5.72bn (-6.2% YoY; BBVAe: +2.7% YoY) and imports at USD4.94bn (-10.7% YoY; BBVAe: -7.1% YoY). All in all, figures still show slack in both domestic and external demand.

Colombia - Exports fell 39% on the back of low oil prices

Exports in May fell 38.9% YoY (BBVAe: -43%), as mineral fuel sales declined 48.4% due to lower oil prices. Yet manufactured and agricultural goods also posted negative figures (-9.6% and -20.6% YoY, respectively). The rebound of exports of non-basic goods are taking longer than expected, suggesting that the adjustment of the trade balance will rely more on the imports side of the balance.

What to watch today

Chile - Consumer price index (June, 07:00hrs NYT)

We expect a monthly increase of 0.4% in the CPI during June (+4.3% YoY), driven by positive contributions from housing, foodstuff and transportation that will be only partially offset by declines in apparel.

Chile - Financial trader's survey (fortnightly in July, 07:30hrs NYT)

We expect the results to reveal expectations of a stable policy rate during the year, and CPI inflations estimates at around 0.2% MoM for July.

Brazil - Inflation (June, 08:00hrs NYT)

We expect inflation to continue to rise. More precisely, we forecast it will reach 0.77% MoM / 8.87% YoY in June, after coming in at 0.74% MoM / 8.47% YoY in May. Administered and food prices should be the main drivers of inflation pressures in June.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Vehicle Production Anfaeva	6-July	Jun	--		184,015	210,086
FGV Inflation IGP-DI YoY	7-July	Jun	6.22%		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%
Chile						
Economic Activity YoY	6-July	May	1.50%	1.60%	0.8%	1.70%
Economic Activity MoM	6-July	May	0.20%	0.40%	0%	0.00%
Trade Balance	7-July	Jun	\$750.0M	\$1126.0M	\$783M	\$981.7M
Nominal Wage YoY	7-July	May	--	--	6.20%	6.40%
Nominal Wage MoM	7-July	May	--	--	0.10%	-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				--	
Colombia						
Exports FOB	7-July	May	\$3300M	\$3,120.00	\$3359.3M	\$3212.3M
Colombia Monetary Policy Minutes	9-July				--	
Mexico						
Vehicle Production AMIA	6-July	Jun	--		306,694	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%
Peru						
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
07.05.2015	Sectors that will benefit the most from the Pacific Alliance
07.04.2015	Chile: IMACEC grows 0.8% YoY in May: slowdown speeds up
07.04.2015	Colombia: Inflation in June stood at 4.4% YoY
07.03.2015	Mexico: Industrial production could decrease 0.3
07.01.2015	Chile: New challenge for fiscal authority, implementing USD 8 Bln through public investment
07.01.2015	Peru: Inflation will make harder the CB's commitment
07.01.2015	Mexico: private sector credit rose 10.4% in May
07.01.2015	Mexico: Real estate outlook
07.01.2015	Mexico: Remittances keep growing slightly to 2.4% YoY in May
06.30.2015	Chile: weak sectorial data and rising unemployment in May
06.30.2015	Colombia: external imbalance should have touched its peak in the 1Q15

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.