

LatAm Daily | Peruvian GDP growth surprises to the downside

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Growth in Peru reached 1.2% YoY in May dragged down by non-primary activities. We expect GDP to grow around 1.5% YoY in June, below its potential growth rate. In Colombia, Industrial output fell 3.9% YoY in May mainly due to oil refining. Retail sales missed our estimate growing 2.7% YoY following a slight decline in April. These figures reinforce our downward bias for 2015.

Colombia - Industrial production disappoints in May

Industrial production contracted by 3.9% year-on-year during the month of May, according to the Office for National Statistics (DANE). Production dropped in 26 of the 39 industrial segments; with oil refining contributing the most to the decline. Despite having two fewer working days than a year ago, May's production is disappointing and reinforces our downward bias for 2015.

Colombia - Retail sales continue to cool in May

Consumer spending continued to cool as retail sales posted a growth of 2.7% YoY (BBVAe: 3,1%), a figure higher than April's -0.5%, but lower than the 1Q15 average of 5.5%. Vehicle sales were the main drag on growth as they declined 12.9%. Excluding vehicles and fuel, retail sales increased by 5.5%, a figure that is also lower than the 1Q15 average of 8.1%. All in all, these results show that the economy is slowing, though not as dramatically as implied by April's data.

Peru - Economic activity slowed down in May

Output growth surprised to the downside and reached 1.2%YoY in May (4.3% in April). Primary sectors such as Fishing and Mining were again the main drivers. In contrast, the weakness of non-primary activities has increased even more, in particular that of Construction. Available indicators point to a slightly higher print in June, perhaps above 1.5%YoY, but still well below potential.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Formal Job Creation Total	13 July to 20 July	Jun	--		--	-115,599
Retail Sales MoM	14 July	May	-0.2%	-0.50%	-0.9%	-0.4%
FGV CPI IPC-S	16 July	01-jul	--		--	0.82%
CNI Industrial Confidence	17 July	Jul	--		--	38.9
Economic Activity MoM	17 July	May	-0.60%	-0.80%	--	-0.84%
Chile						
Overnight Rate Target	14 July	--	3.00%	3.00%	3.0%	3.00%
Colombia						
Retail Sales YoY	15 July	May	2.9%	3.10%	2.7%	-1.0%
Industrial Production YoY	15 July	May	-2.2%	-4.0%	-3.9%	-3.6%
Consumer Confidence Index	15 July	Jun	--	10	14.7%	13.7
Vehicle Sales	15 July to 17 July	Jun	--		--	22,696
Peru						
Economic Activity YoY	15 July	May	2.5%	1.80%	1.2%	4.3%
Unemployment Rate	15 July	Jun	--		--	7.0%

Source: Bloomberg and BBVA Research

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