

LatAm Daily | Colombian imports fall and business confidence offers mixed signals

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Weaker oil prices and domestic demand dragged down May imports. June business confidence data was mixed, with industrial confidence falling slightly on manufacturers' concerns about orders but retail confidence rising to 20.6. These figures confirm the slowdown in consumption and the recovery in industrial output. We expect Brazil's inflation to rise to 9.26% YoY in June

Colombia - Trade deficit continues to adjust

In May, imports fell 18.1% YoY, taking the monthly import figure to USD4.44bn. In line with the dynamics displayed up to April, the component with the most significant adjustment was fuel oil, driven by lower international prices. However, imports also signal a weak domestic demand as there were strong corrections in transportation equipment and construction machinery. On the other hand, the trade balance deficit stood at USD FOB 871mn, the lowest print in the year-to-date. These figures were in line with our expectations, reflecting slightly lower pressures on the current account deficit for 2Q15.

Colombia - Business confidence displayed mixed signals

In June, industrial confidence stood at 0.1 (in a range between -100 and 100), slightly below May's figure (0.9). According to the report, the main concern of manufacturers was related to order performance. However, they are optimistic about the three-month ahead production. On the other hand, retail confidence stood at 20.6, above May's print (18.7). In May's survey, retailers highlighted the demand dynamics and are optimistic about their situation six-months ahead. These results confirm a very gradual slowdown in private consumption and the slow recovery in industrial production.

What to watch today

Brazil - IPCA-15 (July, 8:00hrs NYT)

We expect July's IPCA-15, which measures inflation from mid-June to mid-July, to decelerate in monthly terms to 0.60% MoM from 0.99% in the previous reading, but to jump to 9.26% YoY from 8.80% YoY in June, driven by food and administered prices.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
IGP-M Inflation 2nd Preview	20 July	Jul	--		0.71%	0.59%
IBGE Inflation IPCA-15 MoM	22 July	Jul	0.48%	0.6%	--	0.99%
Current Account Balance	22 July	Jun	--		--	-\$3366M
FGV CPI IPC-S	23 July	22-jul	--		--	0.72%
Unemployment Rate	23 July	Jun	6.80%	6.9%	--	6.70%
FIPE CPI - Weekly	24 July	23-jul	--		--	--
FGV Consumer Confidence	24 July	Jul	--		--	83.90
Chile						
Central Bank's Traders Survey	22 July	--	--		--	--
Colombia						
Trade Balance	21 July	May	-\$790M	-\$672M	-\$870.9M	-\$1038.9M
Industrial Confidence	21 July	Jun	--	5	0.10	0.90
Mexico						
Retail Sales YoY	22 July	May	5.00%	5.0%	--	4.6%
Retail Sales MoM	22 July	May	0.20%	0.3%	--	-0.3%
Unemployment Rate SA	24 July	Jun	4.46%	4.4%	--	4.4%
Unemployment Rate NSA	24 July	Jun	4.42%	4.36%	--	4.45%
Economic Activity IGAE YoY	24 July	May	1.03%	2.0%	--	2.09%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
07.20.2015	Mexico: Home loan advances 20% in May
07.17.2015	Mexico: We expect services to have spurred the growth in activity in May
07.15.2015	Peru: Economic activity slows down in May
07.13.2015	Chile: Central Bank of Chile keeps MPR at 3% as expected
07.10.2015	Colombia: Client presentation on real estate in Santa Marta
07.10.2015	Mexico: Inflation touches record low; industrial production shows weakness
07.10.2015	Peru: Monetary dilemma remains; activity, exchange rate, inflation?
07.09.2015	Chile: Analyzing the new fiscal scenario
07.09.2015	Mexico: Inflation YoY reached its lowest level in June
07.08.2015	Chile: "One timers" drive inflation above expectations
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

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