

LatAm Daily | Brazilian trade balance beats estimates in July

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Today, industrial output will be released in Brazil. We expect it to drop around 0.6% MoM.

Brazil - Trade balance in July records the largest surplus for the period since 2012

The trade balance surplus stood at USD2.739bn in July, with imports at USD16.147bn and exports at USD18.526bn. On the one hand, daily imports dropped 24.8% vs. a year earlier due to both a contraction in domestic demand and the exchange rate depreciation. On the other hand, daily exports declined 19.5% compared to July 2014, undermined by competitiveness problems in the manufacturing sector and declining commodities prices and in spite of the recent exchange rate depreciation. The cumulative surplus in the year to date reached USD4.599bn in comparison to a USD0.952 bn deficit in the same period last year.

Peru - Inflation to stay above target range for the rest of the year

July inflation was in line with estimates, rising 0.45%, mostly driven by public tariffs and transport (seasonal increase). All in all, inflation YoY stood at 3.56%, above the target and in line with our forecast of 3.70% for the year ([see our flash](#)).

What to watch today

Brazil - Industrial production (June, 8:00hrs NYT)

We expect industrial production to decline around 0.7% MoM in June, erasing the gains recorded in May (0.6% MoM) and reinforcing the view that economic activity contracted sharply in 2Q15.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	3 August	1-Jul	0.54%		0.53%	0.61%
Markit Brazil PMI Manufacturing	3 August	Jul	--		47.2	46.50
Trade Balance Monthly	3 August	Jul	\$2,300M	\$2,300M	\$2,379M	\$4,527M
Vehicle Sales Fenabrave	3 August - 5 August	Jul	--		227,621	212,535
FIPE CPI - Monthly	4 August	Jul	--		--	0.47%
Industrial Production MoM	4 August	Jun	-0.60%	-0.7%	--	0.80%
CNI Capacity Utilization (SA)	4 August	Jun	--		--	80.10%
COPOM Monetary Policy Meeting Minutes	6 August				--	
National Unemployment Rate	6 August	Jun	--		--	8.10%
Vehicle Production Anfavea	6 August	Jul	--		--	184,015
FGV Inflation IGP-DI MoM	7 August	Jul	--		--	0.88%
IBGE Inflation IPC-AMoM	7 August	Jul	--	0.50	--	0.79%
Chile						
Economic Activity YoY	5 August	Jun	2.30%		--	0.80%
CPI MoM	7 August	Jul	0.30%		--	0.50%
Trade Balance	7 August	Jul	--		--	\$783M
Colombia						
Colombian Central Bank Presents Quarterly Int	3 August				--	
Economic Activity Index SA YoY	3 August	May	--	3.5%	3.30%	3.80%
PPI Domestic MoM	4 August	Jul	--		--	0.89%
Exports FOB	5 August	Jun	--	\$3,272M	--	\$3359.3M
CPI MoM	6 August	Jul	0.07%	0.14%	--	0.10%
Mexico						
Markit Mexico PM Mfg	3 August	Jul	--		52.90	52.00
Vehicle Domestic Sales AMIA	3 August - 5 August	Jul	--		--	106,890
Gross Fixed Investment	4 August	May	--	2.50	--	5.30%
Consumer Confidence Index	6 August	Jul	--		--	94.70
Vehicle Production AMIA	6 August - 10 August	Jul	--		--	308,694
CPI MoM	7 August	Jul	0.16%	0.16%	--	0.17%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
08.03.2015	Mexico: Remittances grew 6.1% YoY in June
08.03.2015	Peru: Inflation to stand above target range for the rest of the year
08.03.2015	Chile: CLP must fall further to force agents to intervene
08.01.2015	Mexico: Peso back to 16 influenced by worse-than-expected data in the US
07.30.2015	Chile: IMACEC to grow between 2.2% and 2.7% YoY in June
07.30.2015	Mexico: Monetary policy rate on hold
07.30.2015	Mexico: Monetary policy rate on hold in July. Rate hike in September is still in the cards
07.24.2015	Chile: We expect inflation to reach 0.3% MoM (4.5% YoY) in July
07.24.2015	Mexico: Activity grows slightly; inflation and peso bottom out
07.23.2015	Colombia: Portfolio quality and economic cycle
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

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