

LatAm Daily | Mexico's 2Q15 GDP growth slightly above consensus

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GDP grew 0.5% QoQ in 2Q15 owing to the services sector (+0.9%) which benefited from the government expenditure during the elections. GDP was dragged down by the primary sector, which fell 1.6%. GDP growth could decelerate further if there is no improvement in the primary and secondary sectors in future. Meanwhile, the jobless rate in Brazil topped consensus implying that private consumption may fall in 3Q15.

Mexico - 2Q15 GDP growth (QoQ, sa) reached 0.5%, above both our and consensus expectations of 0.4%

Mexico's 2Q15 GDP expanded 0.5%, mainly as the result of the growth of 0.9% QoQ sa of the tertiary sector (services) because there was no growth in the secondary sector (industry, 0.0% QoQ, sa), and the primary sector contracted by 1.6%. Note that part of the growth of the tertiary sector during 2Q15 is apparently explained by the expenditure effect of the federal elections that ended at the beginning of June. In the coming months this effect will disappear and GDP growth could decelerate if the primary and the secondary sectors continue to stagnate or to grow at low rates ([see our Flash here](#)).

Brazil - Brazilian unemployment rate hit its highest level since July 2009 while topping consensus in July

The unemployment rate came in higher than expected at 7.5% (consensus: 7.0%) and reached its highest level since July 2009 (8%). The jobless rate rose 2.9% YoY in July while real wages remained stable during the period. These figures reinforce our bearish view on private consumption in 3Q15.

What to watch today

Brazil - IBGE Inflation IPCA-15 MoM (August, 08:00hrs NYT)

Consensus expects inflation to moderate during the period. The monthly rate should rise at a slower pace than in July with consensus pointing at an increase of 0.43% MoM.

Colombia - Imports and trade balance (June, 17:00hrs NYT)

We expect imports to stand at USD4,233mn (-14% YoY), taking the trade deficit to USD833mn. All in all, the trade deficit for 2Q15 would stand at USD2,743 mn, below the 1Q15 figure: USD4,021mn. Hence, we anticipate an adjustment in the current account deficit for 2Q15 respect to the 7% of GDP observed in 1Q15.

Colombia - BanRep's monetary policy meeting (No set time)

BanRep's Board will hold its monthly monetary policy meeting today. We expect the central bank to keep the interest rate on hold, in line with consensus expectations. At its last meeting BanRep's Board kept its monetary policy rate unchanged in a split decision. While we do not expect major announcements today, it will be important to assess the tone of the communiqué and the Board's assessment regarding the recent exchange-rate dynamics.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Formal Job Creation Total	14 August - 21 August	Jul	-113,950		--	-111,199
CNI Industrial Confidence	19 August	Aug	--		37.1	37.2
Unemployment Rate	20 August	Jul	7.0%		7.50%	6.9%
IBGE Inflation IPCA-15 MoM	21 August	Aug	0.45%		--	0.59%
Chile						
GDP YoY	18 August	2Q	1.70%	1.70%	1.90%	2.40%
GDP QoQ	18 August	2Q	-0.18%	-0.10%	0.0%	1.00%
Current Account Balance	18 August	2Q	\$925M	\$450M	\$761M	\$1,203M
Colombia						
Consumer Confidence Index	19 August	Jul	15	12	2.6	14.7
Trade Balance	21 August	Jun	-\$900M	-\$833M	--	-\$870.9M
Imports CIF Total	21 August	Jun	\$4,343M	\$4,233M	--	\$4,439.6M
Overnight Lending Rate	21 August	Aug 21	4.50%	4.50%	--	4.50%
Mexico						
Economic Activity IGAE YoY	20 August	Jun	--	2.30%	3.10%	1.51%
GDP SAQoQ	20 August	2Q	--	0.40%	0.50%	0.4%
Retail Sales YoY	21 August	Jun	4.60%		--	4.1%
Retail Sales MoM	21 August	Jun	0.20%		--	0.2%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
08.20.2015	Mexico: GDP growth increased in 2Q15 slightly above than expected, 2.2% annual
08.19.2015	Mexico Economic Outlook
08.18.2015	Chile: Figures in national accounts in 2Q15 confirm slower activity
08.15.2015	Peru: GDP growth surprises positively
08.15.2015	Mexico: We expect the GDP to have grown 2% YoY in 2Q15
08.14.2015	Peru: CB raises concerns around inflation
08.13.2015	Chile: CB keeps MPR at 3% and expects inflation high
08.13.2015	Chile: With little room: public expenditure growth in 2016 around 4.6%
08.13.2015	Brazil Economic Outlook (Presentation)
08.13.2015	Brazil Economic Outlook
08.09.2015	LatAm Economic Outlook (Presentation)
08.09.2015	LatAm Economic Outlook
08.09.2015	Mexico: Inflation reaches historical low and Peso nears 16.1
08.06.2015	Colombia Economic Outlook (Presentation)
08.06.2015	Chile Economic Outlook (Presentation)
08.06.2015	Chile Economic Outlook
08.06.2015	Chile: Nominal wages increased by 0.2% MoM in June
08.06.2015	Colombia: Inflation in July surprises to the upside

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