

LatAm Daily | Chilean inflation surprises to the upside in August

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The Chilean CPI increased above expectations 0.7% MoM (BBVA: 0.4% MoM; consensus: 0.5% MoM). The surprise came from food and telecom tariffs. We do not rule out the possibility of a more hawkish tone from monetary authority in this month's meeting. Today the financial trader's survey in Chile and the CPI in Mexico will be released.

Chile - CPI surprisingly increased 0.7% MoM in August

CPI increased 0.7% MoM in August (+5.0% YoY), well above expectations (BBVA: +0.4% MoM; consensus: +0.5% MoM). The print was driven by increases in foodstuffs, apparel and fuel as expected; however surprises came mainly in foods -due to both supply problems in some perishables and exchange-rate pass through in some manufactured foods- and telecom tariffs. In this context, the measure that excludes foods and energy increased only +0.4% MoM (+4.9% YoY). Initially, for September's CPI we forecast an increase in a range between +0.7% and +0.8% MoM and we do not rule out the possibility of a more hawkish message at this month's monetary policy meeting (see or [Chile Flash](#) in Spanish for details).

What to watch today

Chile - Financial trader's survey (1st Fortnight in September, 07:30hrs NYT)

We believe the survey should come with inflation expectations at around +0.7% MoM for September. Although 12 months ahead inflation estimates could be revised upwards, long-term expectations should remain anchored to the central bank's 3% target.

Mexico - Consumer price index (August, 09:00hrs NYT)

We expect the CPI to have risen 0.24% MoM in August (+2.62% YoY), mainly driven by an increase in tuition fees and durable goods but compensated by a reduction in tourism services.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	8-sep	1-sep	0,24		0,21	0,22%
COPOM Monetary Policy Meeting Minutes	10-sep					
IBGE Inflation IPCA MoM	10-sep	Aug	0,25	0,30		0,62%
Chile						
Economic Activity YoY	7-sep	Jul	2,00	2,00	2,54	2,56%
Economic Activity MoM	7-sep	Jul	-0,30	-0,40	0,13	0,75%
Trade Balance	7-sep	Aug	100,00		-61,51	10,87
Nominal Wage MoM	7-sep	Jul			1	0,20%
Vehicle Sales Total	7-sep	Aug				22247
CPI MoM	8-sep	Aug	0,50	0,40	0,7	0,40%
CPI YoY	8-sep	Aug	4,80	4,70	5	4,60%
Central Bank's Traders Survey	9-sep			--		
Central Bank's Economist Survey	10-sep			--		
Colombia						
Civil Works Payments (YoY)	10-sep	2Q		8,40		6,90%
GDP QoQ	11-sep	2Q	0,50	1,00		0,80%
GDP YoY	11-sep	2Q	2,90	3,50		2,80%
Mexico						
Vehicle Production AMIA	7-sep	Aug			292271	254312
CPI MoM	9-sep	Aug	0,24	0,24		0,15%
CPI Core MoM	9-sep	Aug	0,20	0,18		0,17%
CPI YoY	9-sep	Aug	2,62	2,62		2,74%
ANTAD Same-Store Sales YoY	9-sep	Aug	6,00			6,80%
Nominal Wages	10-sep	Aug				4,78%
Industrial Production NSA YoY	11-sep	Jul	0,50			1,35%
Industrial Production SA MoM	11-sep	Jul	-0,10			0,23%
Peru						
Trade Balance	9-sep	Jul	-389,00			23M
Reference Rate	11-sep		3,25			3,25%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
09.08.2015	Chile: CPI inflation surprisingly increased 0.7% MoM in August
09.07.2015	Chile: July IMACEC (2.5% YoY) in line with stabilization of growth (In Spanish)
09.07.2015	Colombia: An upward surprise in food prices removes inflation from its target (In Spanish)
09.02.2015	Mexico: Private sector credit increased 10.7% in July
09.01.2015	Peru: Inflation continued to accelerate in August
09.01.2015	Chile: Public expenditure increased by 8.9% in July
09.01.2015	Mexico: Remittances reached the highest growth rate of the year in July (11.7%)
08.31.2015	Chile: Transitory factors could lead the IMACEC below 2% in July
08.31.2015	Chile: Investment in non-mining exporting sectors
08.28.2015	Peru: Private expenditures maintained fragile in 2Q15
08.28.2015	Chile: MPR Minutes CB considers sorpresive option of rise in MPR
08.25.2015	Chile: And if there were a central bank intervention, what form would it take?
08.24.2015	Chile: We expect inflation to grow 0.4% MoM in August

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