

## LatAm Daily | Colombia's BanRep unanimously raises MPR by 25bp

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*BanRep's Board decided to increase its MPR by 25bp after some concerns regarding inflation and inflation expectation risks in Colombia. Another 25bp hike is forecasted for 4Q15 in view of the MP stance and inflation dynamics. In Mexico, the trade balance recorded a deficit far beyond our expectations driven by contraction of exports (oil and manufacturing).*

### Colombia - BanRep increased its monetary policy rate by 25bp to 4.75%

In September's meeting, BanRep's Board hiked its monetary policy rate 25bp to 4.75%, despite some public comments made by Board members reported in the local media that pointed in a different direction. This is the first movement in the monetary policy rate since the August 2014 meeting. During the press conference, the central bank's managing director, José Dario Uribe, mentioned that the decision was taken unanimously. According to the communiqué, some concerns regarding inflation and inflation expectation risks are the main drivers behind this decision. Given the change in the monetary policy stance along with the expected persistence in inflation dynamics for the rest of the year, we now anticipate an additional 25bp increase during 4Q15 (up to 5.0%).

### Mexico - Trade deficit of USD2,800mn in August

The trade deficit for August was far beyond what both we and the market expected (USD1,800mn and USD1,927mn, respectively). The factors underlying this performance was the significant annual contraction of total exports (-6.8%) while imports contracted to a lesser extent (-1.9%). Note that the unfavorable performance of exports was driven by the substantial annual contraction of oil exports (-48.3%) and of total non-oil exports (-1.6%), especially manufacturing exports (-2.2%).

### What to watch today

No relevant news is expected for today.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
FGV Inflation IGPM MoM	29-sep	Sep	0.80			0.28
National Unemployment Rate	29-sep	Jul	8.50			8.3
Primary Budget Balance	30-sep	Aug	-12.40			-10.019
FGV CPI IPC-S	1-oct	Sep	0.45			0.35
Trade Balance Monthly	1-oct	Sep	2450			2689
CNI Capacity Utilization (SA)	1-oct	Aug				78.6
Industrial Production MoM	2-oct	Aug	-1.60	-0.5		-1.5
CNI Consumer Confidence	2-oct	Sep				98.9
<b>Chile</b>						
Unemployment Rate	30-sep	Aug	6.70	6.8		6.6
Manufacturing Production YoY	30-sep	Aug	0.50	1.2		0.72
Retail Sales YoY	30-sep	Aug	2.40	2		2.9
Copper Production Total	30-sep	Aug				455083
Industrial Production YoY	30-sep	Aug	-0.15			-1.68
<b>Colombia</b>						
Vehicle Sales	29-sep	Aug				22192
Urban Unemployment Rate	30-sep	Aug	8.98	8.9		9.01
National Unemployment Rate	30-sep	Aug				8.84
Economic Activity Index SA YoY	1-oct	Jul	2.75	2.9		3.1
<b>Mexico</b>						
Unemployment Rate SA	28-sep	Aug	4.30			4.31
Net Outstanding Loans	30-sep	Aug				2859.2
Leading Indicators (MoM)	1-oct	Aug				-0.09
Remittances Total	1-oct	Aug	2182	2185		2231.8
IMEF Manufacturing Index SA	1-oct	Sep	51.50			51.794
IMEF Non-Manufacturing Index SA	1-oct	Sep	50			49.489
Vehicle Domestic Sales AMIA	2-oct	Sep				112038
Gross Fixed Investment	2-oct	Jul	4.50	4.4		8.6
<b>Peru</b>						
CPI YoY	1-oct	Sep	4.13			4.04
CPI MoM	1-oct	Sep	0.25			0.38

Fuente: BBVA Research

## Most recent Latam reports

Date	Description
09.26.2015	<a href="#">Mexico: The IGAE shows weakness at the start of the third quarter</a>
09.26.2015	<a href="#">Colombia: BanRep increased its monetary policy rate by 25bp to 4.75% (In Spanish)</a>
09.24.2015	<a href="#">Brazil: The BCB's plan is still to keep interest rates unchanged</a>
09.24.2015	<a href="#">Mexico: Banking deposits moderate growth was maintained in July</a>
09.23.2015	<a href="#">Peru: Output growth forecast for 2016 is revised downwards because of a stronger El Niño</a>
09.22.2015	<a href="#">Chile: Probability of error of monetary policy increases (In Spanish)</a>
09.22.2015	<a href="#">Mexico: Monetary pause continues. Banxico keeps an eye on the Fed movements</a>
09.19.2015	<a href="#">Mexico: Banxico will maintain the monetary pause to await the decision of the Fed (In Spanish)</a>
09.19.2015	<a href="#">Mexico: We estimate the monetary rate hike will be postponed until later this year</a>
09.17.2015	<a href="#">Brazil: A more negative outlook</a>
09.16.2015	<a href="#">Peru: Growth in July showed a better sector balance (In Spanish)</a>
09.16.2015	<a href="#">Chile: Central Bank maintains the MPR at 3% and introduces contractionary bias (In Spanish)</a>
09.12.2015	<a href="#">Mexico: Financial markets are pending the decision of the Federal Reserve (In Spanish)</a>

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