Flash Brasil

La inflación de febrero pone al banco central contra la pared

La inflación alcanzó un 0,6% m/m (6,3% a/a) en febrero, por encima de la mayoría de predicciones (BBVA: 0,40% m/m y 6,1% a/a; consenso: 0,50% m/m y 6,2% a/a). Los recortes en la tarifa eléctrica descontaron 0,48 pb a la inflación mensual (lo que significa que la inflación habría estado por encima del 1% m/m sin tener en cuenta este factor). Estos datos incrementan las posibilidades de que se produzca un ajuste monetario a partir de abril.

February inflation pushes central bank up against the wall

Inflation reached 0.60% MoM (6.3% YoY) in February, topping most forecasts (BBVA: 0.40% MoM and 6.1% YoY; consensus: 0.50% MoM and 6.2% YoY). Electricity tariff cuts took 0.48bp off of monthly inflation, meaning that inflation would have been above 1% MoM if it was not by this factor. February inflation figures increase significantly the likelihood of a monetary tightening cycle from April onwards.

- **Food, education and transport prices pressured inflation in February**

  Food inflation was once more the main contributor to monthly inflation (the group contributed with 0.35bp out of 0.60bp), in spite of some moderation (in January it had contributed with 0.48bp). To a lesser extent, education and transport goods also contributed to drive prices up in February (the education contribution being explained by seasonal factors and the transport part by the adjustment in fuel prices). They contributed, respectively, with 0.24bp and 0.16bp to overall inflation in the period. Food, education and transports inflation offset the impact (-0.48bp) of the sharp reduction in electricity tariffs (-15%). The diffusion index, which measures the share of goods whose prices increased, declined from 75% in January to 72%, but continued to reveal that inflation pressures are widespread.

- **Room for the BCB to maintain the SELIC stable continues to decline**

  Inflation data released today increase significantly the likelihood of the BCB starting a tightening cycle as soon as in April. Although for now we maintain the call for a stable SELIC at 7.25%, the minutes of the last monetary meeting, which will be released next Thursday, should provide additional guidance and help us to shape our view on monetary conditions ahead. Moreover, we will also follow closely any news on a supposedly imminent new round of tax cuts (on food products, among others), which should take some pressure off inflation (at least in the short-term) and then could provide some room for the BCB to keep the SELIC unchanged at 7.25%.

Enestor Dos Santos
enestor.dossantos@bbva.com
+34 639 82 72 11

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