Flash Brasil

El COPOM refuerza los mensajes de “estabilidad por un periodo de tiempo prolongado” y “convergencia no-lineal”

El acta de la última reunión de política monetaria mantuvo prácticamente inalterados los principales mensajes incluidos en los comunicados oficiales anteriores. Notamos, sin embargo, un tono ligeramente más acomodaticio, el cual podría ser reforzado en los próximos meses dadas las crecientes preocupaciones con respecto al bajo crecimiento. En nuestra visión, una dosis extra de pesimismo con respecto al crecimiento generaría un apoyo adicional a nuestra previsión de que el SELIC se mantenga estable no solo en 2013, pero también a lo largo de 2014.

COPOM reinforces messages of “stability for a prolonged period of time” and “non-linear convergence”

The monetary policy minutes released today maintained practically unchanged the main messages included in previous official communication. We noted, however, a slightly dovish tone, which could be reinforced in the months ahead given increasing concerns on weak growth. In our view, an extra dose of dovishness would provide extra support to our call for a stable SELIC, not only over 2013, but also throughout 2014.

- **COPOM sees inflation above the 4.5% target in 2013 and around this level in 2014**

  The monetary authority revised upwards its inflation forecasts for the year, but maintained its figures for 2013 stable and cut estimates for 2014, when inflation would finally converge to the 4.5% target (at BBVA Research we expect inflation to remain above 5% during the whole forecast horizon). We expect the BCB to increasingly focus on 2013 and 2014 inflation, which downplays the importance of 2012 upward revision. For the COPOM, “the inflation outlook presents favourable signs”. On the external front, the Committee referred to a “decline in the probability of an extreme event in international financial markets” and “a moderation in the prices of agricultural commodities”. Regarding the domestic environment, the COPOM continued to talk about “a more intense growth pace” in this semester and in 2013 (a more cautious tone was taken, even though Q312 GDP data was not known when the meeting was held) and included a reference about “the moderation in the prices of real and financial assets”. As expected, and highlighted in the title of this report, the messages of “stability of monetary conditions for a sufficiently prolonged period of time” and “inflation’s non-linear convergence to target” were maintained.

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- **In our view, increasing concerns on weak growth would imply stability for a longer period and not a new SELIC cut**

  Today’s minutes clearly support the “stability view”. In our view, the extra dose of dovishness that could be created by the recent release of Q312 GDP data would not trigger a SELIC downward adjustment as inflation remains well above target, expectations are not anchored and also because that would imply a reputational cost for a central bank that has very recently started to talk about stability for a prolonged period. All in all, we stick to the view that the SELIC will remain unchanged over the next two years.

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