Flash Brasil

COPOM: sin sorpresas; sin pistas

El Comité de Política Monetaria (COPOM) decidió por unanimidad, aumentar el SELIC a 9,50%, tal como se esperaba. El tipo de interés referencia es ahora 225bp mayor que en abril, cuando el endurecimiento de las condiciones monetarias comenzó (la inflación, que era de alrededor de 6.5%, entonces, ahora está por debajo de 6,0%). El comunicado de la decisión se mantuvo sin cambios, absteniéndose de señalar que el ciclo de ajuste en curso está cerca de su fin, algo que, sin embargo, sí debe sugerir el acta de la reunión de política monetaria, que se divulgará el próximo jueves. Seguimos previendo un ajuste final de 25 puntos base del SELIC en diciembre.

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COPOM: no surprises; no hints

As widely expected, the Monetary Policy Committee (COPOM) unanimously decided to hike the SELIC rate to 9.50%. The reference interest rate is now 225bp higher than in April when the tightening cycle started (inflation, which was around 6.5% then, is now running below 6.0%). The accompanying statement was kept unchanged, refraining from signalling that the ongoing tightening cycle is close to its end. However, we expect the minutes of this monetary policy meeting, that are due to be released next Thursday, to do so. We continue to foresee a final +25bp adjustment of the SELIC rate in November.

- **The monetary tightening cycle goes on, with another 50bp adjustment of the SELIC…**

  As in the last three monetary policy meetings, the SELIC rate was adjusted upward by 50bp and the accompanying statement went as follows: "The Committee evaluates that this decision will contribute to set inflation into decline and ensure that this trend persists in the upcoming year".

- **… but we see increasing barriers for it to continue.**

  The accompanying statement did not suggest the COPOM is preparing to put an end to the ongoing monetary tightening cycle. We, however, expect the minutes of this week's decision, that are due to be released on October 17, to reveal a more dovish tone and the monetary authority to announce a final 25bp adjustment of the SELIC rate in the last meeting of the year in November. The moderation of inflation, the recent reversal of most of the currency depreciation observed in the previous months, and the relative weakness of domestic activity (we expect 3Q13 GDP to decline 0.1% QoQ) should support this decision. Moreover, we think the COPOM faces important political costs to deliver a double-digit interest rate (not to say to bring the rates to 10.75% or more, as this was the prevailing rate when Dilma and Tombini started their mandates in January 2011).

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kind.

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