

ECONOMIC ANALYSIS

Retail sales in Colombia suggest that domestic demand continued to be robust, while the recovery in manufacturing is slow

Chile Unit / Colombia Unit / Latin America Unit / Mexico Unit / Peru Unit

In Peru, President Humala reshuffles his cabinet, giving the government some breathing space. The reshuffled ministries are: Energy and Mining, Justice, Labour, Interior and Women's Affairs.

Colombia – Better than expected growth in industrial production

In December, industrial production grew 2.1% YoY (BBVAe 0.8%, consensus 0.1%). Chemicals, meat, automobiles and machinery were the best performing sectors. In contrast, oil refining, special equipment and non-metallic minerals contracted. Meanwhile, retail sales grew 9.6% YoY (BBVAe 9.6%, consensus 9.1%), boosted by durable goods sales, in particular. These prints reveal robust internal demand, which is having a positive impact on domestic production. However, the recovery of the manufacturing sector is weak, implying low investment by this sector during 1H15.

Peru – President Humala reshuffles his cabinet

Energy and Mining, Justice, Labour, Interior and Women's Affairs all have new ministers. This gives the government some breathing space at a time when the opposition was pushing hard for ministerial changes, especially in those sectors, and political noise had reached new peaks. This should help to contain populist measures at a time when, for example, raising the minimum wage had gone back on the table, which would completely negate the government's plans announced just a few weeks ago to boost job-creation for younger people.

What to watch today

Colombia – Exports (December, 17:00hrs NYT)

We expect exports to fall 17.6% YoY to settle at USD4.342mn. A slight recovery in manufacturing exports and a further decrease in oil shipments is expected.

Calendar indicators

| Brazil | Date | Period | Consensus | BBVAe | Actual | Prior |
|----------------------------|--------|--------|-----------|--------|--------|----------|
| Formal Job Creation Total | 18-Feb | Jan | -15000 | -- | -- | -555508 |
| FIPE CPI - Weekly | 19-Feb | Feb-18 | 1.65% | -- | -- | 1.78% |
| FGV CPI IPC-S | 19-Feb | Feb-22 | 1.39% | -- | -- | 1.63% |
| Colombia | | | | | | |
| Retail Sales YoY | 17-Feb | Dec | 9.70% | 10.10% | 9.56% | 8.40% |
| Industrial Production YoY | 17-Feb | Dec | -0.05% | 0.80% | 2.08% | -0.90% |
| Trade Balance | 19-Feb | Dec | -1190 | -692 | -- | -1285.50 |
| Overnight Lending Rate | 20-Feb | Feb-24 | 4.50% | 4.50% | -- | 4.50% |
| Mexico | | | | | | |
| GDP NSA YoY | 20-Feb | 4Q | 2.60% | 2.58% | -- | 2.20% |
| GDP SA QoQ | 20-Feb | 4Q | 0.90% | 0.80% | -- | 0.50% |
| Economic Activity IGAE YoY | 20-Feb | Dec | 3.10% | 3% | -- | 2.04% |
| GDP Full Year YoY | 20-Feb | Jul-09 | -- | 2.10% | -- | 1.10% |
| Peru | | | | | | |
| Unemployment Rate | 16-Feb | Jan | 6.10% | -- | 6.40% | 5.60% |
| Economic Activity YoY | 16-Feb | Dec | 0.70% | 0.50% | 0.54% | 0.30% |

Most recent Latam reports

| Date | Description |
|------------|--|
| 02.16.2015 | Peru Flash: There was no economic recovery at the end of last year... |
| 02.12.2015 | Peru Flash: Key rate on hold in February, with no major news in the communiqué that accompanied the decision |
| 02.12.2015 | Perú Flash: Monetary pause in February (In Spanish) |
| 02.12.2015 | Chile Flash: Chile: No surprises in February's monetary policy meeting |
| 02.11.2015 | Mexico Flash: Industrial production decreased 0.3%. MoM, sa. in December |
| 02.09.2015 | Mexico Flash: Annual headline inflation is likely to remain close to 3.0% for most of the year |
| 02.06.2015 | Mexico Weekly Flash: We estimate that industrial production in December will grow by 2.7% annually |

- 02.06.2015 [Brazil Flash: Inflation jumps above 7%](#)
- 02.06.2015 [Chile Flash: January's CPI increased 0.1% MoM, above market consensus](#)
- 02.06.2015 [Colombia Flash: food prices bring the inflation near to the target ceiling](#)
- 02.05.2015 [Chile Flash: Chile: Imacec at 2.9% YoY in December 2014, above market expectations](#)
- 02.04.2015 [Mexico Migration Flash: In 2014, Remittances to Mexico reached 23.6 billion dollars \(+7.8% y/y\)](#)
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