

ECONOMIC ANALYSIS

Analysts in Chile project MPR stability for the rest of the year

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

At BBVA Research we see room for further cuts in the MPR although we think these are unlikely in the short term. Today Brazil reports labour market data: we expect to see a rise in the unemployment rate consistent with the weakness of the economy at the beginning of the year.

Chile – Traders slightly reduce their forecast for CLP

The traders' survey came out with inflation estimates for February at 0.2% MoM (BBVAe: between 0.1/0.2% MoM). Medium-term inflation expectations (1 to 12 months ahead) were revised slightly upward, from 2.94% to 3.00%. The policy rate is projected at 3% for the rest of the year, but results revealed some dispersion 12 months ahead (BBVAe: MPR between 2-2.5% in 2015 eop). Finally, traders slightly reduced their forecast for CLP, from USDCLP 635 to USDCLP 630 at the end of the year (BBVAe: below USDCLP 600 in 2015 eop).

What to watch today

Brazil – Labour market report (January, 07:00hrs NYT)

We expect the unemployment rate to increase to 5.1% in January from 4.3% in December, mostly (but not only) due to seasonal factors. Overall, the report should reinforce the evidence that labour markets continue to lose steam at the beginning of the year.

Calendar indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV CPI IPC-S	23-Feb	Feb-26	1.08	--	1.08	--
IBGE Inflation IPCA-15 MoM	24-Feb	Feb	1.3	1.15%	1.33	0.9%
Current Account Balance	24-Feb	Jan	-2391	--	899.00	-\$10317M
Formal Job Creation Total	25-Feb	Jan	-19000	--	--	-555508
FGV Consumer Confidence	25-Feb	Feb	--	--	85.40	89.8
Outstanding Loans MoM	25-Feb	Jan	--	--	-	2.0%
FGV Inflation IGPM MoM	26-Feb	Feb	0.27	--	-	0.8%
Unemployment Rate	26-Feb	Jan	--	5.10%	-	4.3%
Primary Budget Balance	27-Feb	Jan	17	--	-	-12.9B
Chile						
Unemployment Rate	27-Feb	Jan	--	--	-	6.0%
Retail Sales YoY	27-Feb	Jan	2.3	--	-	1.9%
Manufacturing Index YoY	27-Feb	Jan	1.9	--	-	3.1%
Colombia						
Retail Confidence	23-Feb	Jan	--	22	22.70	22.1
Industrial Confidence	23-Feb	Jan	--	0	0.80	-2.1
Urban Unemployment Rate	27-Feb	Jan	11.8	11.80%	-	9.3%
National Unemployment Rate	27-Feb	Jan	--	--	-	8.7%
Mexico						
Retail Sales YoY	23-Feb	Dec	2.3	3.42%	2.40	1.2%
Retail Sales MoM	23-Feb	Dec	--	0.10%	0.90	0.8%
Bi-Weekly CPI	24-Feb	Feb-19	0.14	0.11	0.11	0.1%
Bi-Weekly Core CPI	24-Feb	Feb-19	0.16	0.14	0.28	0.1%
Bi-Weekly CPI YoY	24-Feb	Feb-19	3.07	3.04%	3.04	3.1%
Trade Balance	26-Feb	Jan	--	--	-	254.0M
Unemployment Rate SA	27-Feb	Jan	4.3	4.63%	-	4.4%
Unemployment Rate NSA	27-Feb	Jan	4.45	4.43%	-	3.8%
Net Outstanding Loans	27-Feb	Jan	--	--	-	2713B

Most recent Latam reports

Date	Description
02.23.2015	Mexico Weekly Flash: The quarterly GDP growth in the fourth quarter of 2014 was 0.7% (In Spanish)
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](#)
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