

LatAm Daily | GDP in 3Q15 surprises to the upside in Mexico

Marina Conesa / Enestor Dos Santos / Hugo Perea / Cecilia Posadas / Jorge Selaive / Carlos Serrano / Juana Téllez

GDP grew above expectations in 3Q15 and the INEGI upwardly adjusted its GDP figures of the previous quarters, which would imply a better growth in 2015. In Colombia, the lower than expected decrease in imports resulted in a higher trade deficit in 3Q15 vs. 2Q15, pointing to a higher current account deficit in this period.

Mexico - Positive surprise in 3Q15 GDP

The 3Q15 GDP grew 0.75% QoQ, above expectations (BBVA Research 0.5% consensus 0.6% QoQ). The annual growth rate came in at 2.6%. Additionally INEGI revised the GDP series with an upward adjustment in the growth of the first two quarters of the year. With the statistical review and positive surprise, the annual GDP growth of 2015 would be 0.2pp higher, so that the annual growth in 2015 would stand at 2.5% instead of 2.2% previously considered. The favourable performance of the economy is mainly due to the dynamism shown by the domestic market (See [Mexico Flash](#) for details in Spanish).

Colombia - Imports anticipate a higher current account deficit in 3Q15

Imports fell 22.3% YoY (vs. BBVAe: -25.3% YoY), settling at USD CIF 4,498mn. The largest adjustment came from the fuels segment, but a decrease in demand for imports was also observed in industry and in agriculture. Meanwhile, the trade deficit stood at USD1,419mn during September, leaving the trade deficit for 3Q15 at USD4,600mn. (vs. USD2,733mn for 2Q15). These figures anticipate a higher current account deficit in 3Q15 compared to 2Q15's figure. In the coming months, we expect a lower trade deficit, as the slowdown in private consumption, in line with the recent increase in unemployment and lower confidence, would limit the growth in domestic demand.

What to watch today

No relevant news is expected for today

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	23-Nov	Nov	0.92%			0.86%
Formal Job Creation Total	23-Nov	Oct				-95602
National Unemployment Rate	24-Nov	Sep	8.90%			8.70%
Federal Debt Total	24-Nov	Oct				2735b
FGV Consumer Confidence	25-Nov	Nov				75.7
Selic Rate	25-Nov	Nov	14.25%	14.25%		14.25%
Current Account Balance	26-Nov	Oct	-3950	-4100		-\$3076m
CNI Consumer Confidence	26-Nov	Nov				97.3
FGV Inflation IGPM MoM	27-Nov	Nov	1.50%			1.89%
Outstanding Loans MoM	27-Nov	Oct				0.80%
Central Govt Budget Balance	27-Nov	Oct	-7.5			-6.9b
Chile						
Central Bank's Traders Survey	25-Nov					
Central Bank Meeting Minutes	27-Nov					
Colombia						
Retail Confidence	24-Nov	Oct		18		20.9
Industrial Confidence	24-Nov	Oct		7.5		6.3
Overnight Lending Rate	27-Nov	Nov	5.75%	5.50%		5.25%
Mexico						
Retail Sales YoY	23-Nov	Sep	7.00%			6.40%
Current Account Balance	25-Nov	3Q	-8120			-\$7980m
Trade Balance	27-Nov	Oct	-1735	-1680		-1419.9m
Unemployment Rate NSA	27-Nov	Oct	4.30%			4.50%
Unemployment Rate SA	27-Nov	Oct	4.18%			4.23%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
11.21.2015	Mexico: Positive surprise in the GDP for the better-than-expected growth in the 3Q
11.20.2015	Mexico: Upside surprise in the GDP due to a better than expected growth in the 3Q15
11.18.2015	Mexico: Mortgage financing accelerates and grows 17% in September
11.14.2015	Peru: Mining led growth, but non-primary sectors decelerated (In Spanish)
11.13.2015	Mexico: We estimate that GDP growth in 3Q15 will have been similar to the 2Q15
11.13.2015	Chile: Central Bank maintains MPR at 3.25% and contractionary bias (In Spanish)
11.13.2015	Peru: Unsurprisingly, the central bank keeps once again the policy rate on hold
11.11.2015	Mexico: Regional Sectorial Outlook Second Half 2015
11.10.2015	Colombia: Outlook 4Q15 (In Spanish)
11.10.2015	Chile: Outlook 4Q15 (In Spanish)
11.06.2015	Colombia: Automotive sector, recent developments and outlook
11.06.2015	Chile: Inflation in October surprised to the upside
11.06.2015	Colombia: Foodstuff inflation unstoppable
11.06.2015	Brazil: Inflation at 10%? Almost there
11.05.2015	Chile: Imacec surprised to the upside and eases the fears of a technical recession (In Spanish)
11.03.2015	Mexico: Credit to the private sector: grew 13.3% in September

This document has been prepared by BBVA Research Department, it is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance. This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

In regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions in the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. It is forbidden its reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process, except in cases where it is legally permitted or expressly authorized by BBVA.