

LatAm Daily | In Brazil, we expect a more hawkish tone in the monetary policy minutes

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Today we will see the MP minutes where we believe further monetary tightening at the beginning of 2016 should not be ruled out, however we expect the Selic to hold unchanged at least until the middle of 2016. September's fixed investment will be released in Mexico, expected to grow 5.2% YoY driven by machinery & equipment and construction.

No relevant data was published yesterday in the region.

What to watch today

Brazil - Monetary policy minutes (5:30hrs NYT)

We expect [last week's monetary policy minutes](#) that are due to be released today to exhibit a more hawkish tone and signal that another dose of monetary tightening at the beginning of the next year should not be ruled. In any case, in our view the most likely outcome is that the Selic rate will end up being left unchanged for a prolonged period, at least until the middle of the year.

Brazil - Industrial production (October, 6:00hrs NYT)

We believe Industrial output should decline again in the first month of the fourth quarter, suggesting that, [after contracting in the previous three quarters](#), economic activity could continue to contract in the period.

Mexico - Fixed Investment Index (September, 9:00hrs NYT)

INEGI will release the data of September's fixed investment index, and the annual growth rate of 5.2% that we expect relies to a greater extent on a dynamic annual growth in investment in machinery and equipment of 11.4% and to a lesser extent on the moderate growth of investment in construction of 1.8%.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Primary Budget Balance	30-Nov	Oct	-12.85		-11.53	-7.3b
FGV CPI IPC-S	1-Dec	Nov	1.02%		1.00%	0.94%
GDP QoQ	1-Dec	3Q	-1.20%	-0.50%	-1.71%	-1.90%
Trade Balance Monthly	1-Dec	Nov	1300.00		\$1197m	\$1996m
COPOM Monetary Policy Meeting Minutes	3-Dec					
Industrial Production MoM	3-Dec	Oct	-0.15%	-0.40%		-1.30%
Chile						
Unemployment Rate	30-Nov	Oct	6.40%	6.30%	6.30%	6.40%
Retail Sales YoY	30-Nov	Oct	2.40%	2.00%	1.71%	3.10%
Industrial Production YoY	30-Nov	Oct	-1.05%	-1.00%	-0.57%	0.40%
Nominal Wage YoY	4-Dec	Oct				5.90%
Colombia						
Urban Unemployment Rate	30-Nov	Oct	9.45%	9.40%	8.85%	9.70%
National Unemployment Rate	30-Nov	Oct			8.19%	9.00%
Exports FOB	4-Dec	Oct	2956.50	3150		\$2867.1
CPI MoM	5-Dec	Nov	0.47%	0.26%		0.68%
Mexico						
Remittances Total	1-Dec	Oct	\$2140.0m	\$2107.0m	\$2075.90m	\$2060.0m
Central Bank Economist Survey	1-Dec					
Gross Fixed Investment	3-Dec	Sep	5.10%	5.20%		2.90%
Consumer Confidence Index	4-Dec	Nov	92.10	91.7		91.3
Vehicle Production AMIA	4-Dec	Nov				326876
Peru						
CPI MoM	1-Dec	Nov	0.20%	0.20%	0.34%	0.14%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
12.03.2015	Mexico: Credit to the private sector: maintained growth of 13.3%
12.02.2015	Peru: Inflation resumes upward trend in November
12.01.2015	Mexico: Remittances grow 1.7% in October with a flow of 2,075.9md (In Spanish)
11.30.2015	Chile: October's IMACEC would stand around 2% (In Spanish)
11.30.2015	Chile: Only a negative CPI in November would avoid further increase in the MPR this month (in Spanish)
11.28.2015	Colombia: BanRep increased the repo rate 25bp up to 5.50% as expected
11.27.2015	Mexico: Annual inflation below 2.3%. Next week watch for US jobs data
11.24.2015	Mexico: Bank deposits: continues catching up driven by its two components
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

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