

LatAm Daily | We forecast a 3.2% GDP growth in October driven by mining production in Peru

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Today, GDP growth will be released in Peru, which we forecast at 3.2% YoY driven by positive contributions from the mining and construction sectors. Also, we will see November's consumer confidence in Colombia, which is expected to increase up to 8, albeit still below its historical average of 16, thus supporting our view of a weaker private consumption for 4Q15 and 1H16.

No relevant news was published yesterday in the region.

What to watch today

Peru - GDP (October, 11:30hrs NYT)

We estimate output to have grown by 3.2% YoY (consensus: 3.1%), with the main driver being mining production (+16%YoY), in particular that of copper (35% YoY), as one of the big mines that was expected to begin operations in 2016 (Cerro Verde) has already done so. In addition, we expect Construction to have shown a more favourable performance than in previous months, with a milder YoY contraction or even a very slight expansion.

Colombia - Consumer confidence (November, Not specific time)

We expect consumer confidence index to have grown slightly from 6.8 in October (in a range between -100 and 100) to 8.0 in November. This figure is below the historical average of 16, and therefore is consistent with the weak private consumption we expect for 4Q15 and 1H16.

Calendar indicators

| | Date | Period | Consensus | BBVAe | Actual | Prior |
|----------------------------------|--------|--------|------------|--------|--------|------------|
| Brazil | | | | | | |
| Formal Job Creation Total | 14-Dec | Nov | -172550.00 | | | -169131.00 |
| CNI Consumer Confidence | 14-Dec | Dec | | | 96.30 | 97.60 |
| CNI Industrial Confidence | 15-Dec | Dec | | | | 36.40 |
| FGV Inflation IGP-10 MoM | 16-Dec | Dec | 0.82% | | | 1.64% |
| FGV CPI IPC-S | 16-Dec | Dec | 1.12% | | | 1.21% |
| Retail Sales MoM | 16-Dec | Oct | -1.40% | -0.70% | | -0.50% |
| Unemployment Rate | 17-Dec | Nov | 8.00% | 7.90% | | 7.90% |
| Economic Activity MoM | 17-Dec | Oct | -0.45% | -0.10% | | -0.50% |
| IBGE Inflation IPCA-15 MoM | 18-Dec | Dec | 1.11% | 0.93% | | 0.85% |
| Chile | | | | | | |
| Overnight Rate Target | 17-Dec | Dec | 3.25% | | | 3.25% |
| Colombia | | | | | | |
| Consumer Confidence Index | 15-Dec | Nov | 7.00 | 8.00 | | 6.80 |
| Retail Sales YoY | 16-Dec | Oct | 1.70% | 2.00% | | 2.80% |
| Industrial Production YoY | 16-Dec | Oct | 1.55% | 3.00% | | 2.00% |
| Retail Confidence | 18-Dec | Nov | | 18.00 | | 20.50 |
| Industrial Confidence | 18-Dec | Nov | | 4.00 | | 2.10 |
| Overnight Lending Rate | 18-Dec | Dec | 5.75% | | | 5.50% |
| Mexico | | | | | | |
| Overnight Rate | 17-Dec | Dec | 3.25% | | | 3.00% |
| Central Bank Economist Survey | 18-Dec | | | | | |
| Peru | | | | | | |
| Unemployment Rate | 15-Dec | Nov | 5.80% | | | |
| Economic Activity YoY | 15-Dec | Oct | 3.10% | 3.20% | | 3.00% |
| Central Bank 4Q Inflation Report | 18-Dec | | | | | |

Source: Bloomberg and BBVA Research

Most recent Latam reports

| Date | Description |
|------------|---|
| 12.14.2015 | <u>Mexico: The exchange rate reached new highs due to the collapse in oil prices (In Spanish)</u> |
| 12.11.2015 | <u>Peru: High inflation expectations lead the Central Bank to taper the monetary stimulus</u> |
| 12.10.2015 | <u>Colombia: The good GDP result in the third quarter will be temporary (In Spanish)</u> |
| 12.09.2015 | <u>Brazil: Double-digit inflation</u> |
| 12.07.2015 | <u>Chile: CPI with no monthly variation in November, while activity remain weak in October</u> |
| 12.07.2015 | <u>Colombia: November inflation climbs to 6.4%</u> |
| 12.04.2015 | <u>Peru: Exports fell nearly 14% yoy in October</u> |
| 12.04.2015 | <u>Mexico: The expectation for December interest rate hike is reinforced</u> |
| 12.03.2015 | <u>Chile: We expect null variation for November's CPI (4% YoY)</u> |
| 12.03.2015 | <u>Chile: Activity by sector data remained weak in October</u> |
| 12.03.2015 | <u>Brazil: The risk of further monetary tightening raises as the fiscal situation worsens</u> |
| 12.03.2015 | <u>Mexico: Credit to the private sector: maintained growth of 13.3%</u> |
| 12.02.2015 | <u>Peru: Inflation resumes upward trend in November</u> |
| 12.01.2015 | <u>Mexico: Remittances grow 1.7% in October with a flow of 2.075.9md (In Spanish)</u> |
| 11.30.2015 | <u>Chile: October's IMACEC would stand around 2% (In Spanish)</u> |
| 11.30.2015 | <u>Chile: Only a negative CPI in November would avoid further increase in the MPR this month (in Spanish)</u> |
| 11.28.2015 | <u>Colombia: BanRep increased the repo rate 25bp up to 5,50% as expected</u> |

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