

## LatAm Daily | MP minutes revealed a unanimous vote for the MPR hike in Chile in December

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*The CB reflected its concerns regarding the convergence of the annual inflation figures to the target in its MP minutes. Both a 25bp hike and a pause were considered, but finally there was a unanimous decision in favour of the former. Today we will see November's industrial output in Brazil (expected to drop again), and the trade balance in Chile.*

### Chile - Monetary policy minutes revealed a unanimous vote in favour of the rate hike in Chile in December

The minutes revealed as policy options both an increase in rates of 25bp and a pause at 3.25%. Concerns about the convergence of annual inflation figures, now at around 4%, persist mainly due to second round effects related to past-inflation. The board highlighted the weak growth in economic activity due to the slack in both demand and confidence, but nonetheless it still pointed to the resilience of labour market figures and the low unemployment rate. All in all, to be consistent with the baseline scenario depicted in the latest Monetary Policy Report, the option for 25bp increase prevailed unanimously, maintaining a tightening bias for rates during 2016.

## What to watch today

### Brazil - Industrial balance (November, 06:00hrs NYT)

We believe Industrial production is likely to drop again in November. More specifically, we expect it to drop 0.7% MoM in the period, following a contraction of identical magnitude in October and contributing to the view that GDP will contract again in 4Q15.

### Chile - Trade balance (December 2015, 7:30hrs NYT)

We expect a trade deficit of around USD200mn in December 2015, reflecting the weakness in both domestic and external demand. With this figure, 2015 should close with an overall surplus of USD4.1bn that implies a downward bias to the slight current account surplus that we expected for 2015.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
FGV CPI IPC-S	4-Jan	Dec			0.88%	0.93%
Trade Balance Monthly	4-Jan	Dec	\$4237m	\$4000m	6240	\$1197m
Vehicle Sales Fenabrave	5-Jan	Dec			227789	195212
FIPE CPI - Weekly	7-Jan	Dec	0.90%			0.97%
FIPE CPI - Monthly	7-Jan	Dec				1.06%
FGV Inflation IGP-DI MoM	7-Jan	Dec	0.43%			1.19%
Industrial Production MoM	7-Jan	Nov	-1.10%	-0.70%		-0.70%
Vehicle Sales Anfavea	7-Jan	Dec				195176
FGV CPI IPC-S	8-Jan	Jan				--
PPI Manufacturing MoM	8-Jan	Nov				1.77%
IBGE Inflation IPCA MoM	8-Jan	Dec	1.01%	1.10%		1.01%
<b>Chile</b>						
Trade Balance	7-Jan	Dec	\$593.8			\$400.6
CPI MoM	6-Jan	Dec	0.10%		0.00%	0.00%
Economic Activity YoY	6-Jan	Nov	2.10%	2.50%	1.78%	1.50%
Vehicle Sales Total	8-Jan	Dec			29835	23727
<b>Colombia</b>						
PPI Domestic MoM	4-Jan	Dec			1.84%	0.62%
CPI MoM	5-Jan	Dec	0.65%	0.57%	0.01%	0.60%
Exports FOB	6-Jan	Nov	\$2820.0	\$2571	2362.32	\$2713.1
<b>Mexico</b>						
IMEF Manufacturing Index SA	4-Jan	Dec			50.70	52.1
CPI MoM	7-Jan	Dec		0.31%		0.55%
Consumer Confidence Index	8-Jan	Dec				92.5
<b>Peru</b>						
Trade Balance	8-Jan	Nov				-\$182m

Fuente: BBVA Research

## Most recent Latam reports

Date	Description
06.01.2015	<a href="#">Colombia: Inflation closed 2015 at 6.8% (In Spanish)</a>
05.01.2015	<a href="#">Chile: IMACEC growth in November disappoint again (In Spanish)</a>
04.01.2016	<a href="#">Peru: Inflation surprising on the upside in December</a>
04.01.2016	<a href="#">Chile: We forecast CPI for December at 0.1% MoM (4.5% YoY) (In Spanish)</a>
04.01.2016	<a href="#">Mexico: Remittances grow 6.3% in November with a flow of 1887.9md (In Spanish)</a>
12.30.2015	<a href="#">Chile: November IMACEC would be between 2.25% and 2.75% YoY (0.2% MoM) (In Spanish)</a>
12.23.2015	<a href="#">Brazil: BCB is concerned with the impact of fiscal uncertainty and "non-economic events"</a>
12.22.2015	<a href="#">Chile: An optimistic central bank baseline scenario for 2016</a>
12.21.2015	<a href="#">Chile: Monetary Policy Report: the optimism persists (In Spanish)</a>
12.18.2015	<a href="#">Mexico: Monetary hike that helps the peso in the range</a>
12.18.2015	<a href="#">Colombia: BanRep increased its monetary policy rate in 25bp to 5.75%</a>
12.18.2015	<a href="#">Chile: Central bank increases the policy rate to 3.50%, surprising part of the market</a>
12.17.2015	<a href="#">Chile: 25bp hike in the MPR that we consider preventive rather than aggressive (In Spanish)</a>
12.17.2015	<a href="#">Mexico: 0.25% rise in the monetary policy rate</a>
12.16.2015	<a href="#">Mexico: We expect a 25 basis point increase in the monetary policy rate</a>
12.15.2015	<a href="#">Mexico: A successful Phase 3 of Round 1 despite low oil prices</a>
12.15.2015	<a href="#">Peru: Mining continues to support growth, but non-primary sectors decelerated (In Spanish)</a>

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