

## LatAm Daily | In Brazil, economic activity drops again in November

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*Economic activity is likely to continue its negative path of growth due to political and economic uncertainty, supporting our view of further GDP contraction in 4Q15. In contrast, Peruvian GDP grew 4% YoY (above expectations) thanks to mining and fishing. Today, consumer confidence will be released in Colombia and retail sales & industrial production in Mexico.*

### Brazil - Economic activity contracted 0.5% MoM in November

The IBC-Br, the BCB's economic activity, dropped 0.5% MoM in November, somewhat more than we expected (-0.3% MoM) but less than the market consensus (-0.9% MoM).

The contraction in November follows a similar downward adjustment in October (-0.6% MoM) and will likely precede another contraction in December as political and economic uncertainty, the deterioration of credit and especially labour markets, tighter economic policies and a non-supportive external environment continue to hit economic activity in Brazil. The IBC-Br figures released on Friday support the view that GDP will drop around 1.0% QoQ in 4Q15 after contracting 0.8% QoQ, 2.1% QoQ and 1.7% QoQ in 1Q15, 2Q15 and 3Q15 respectively.

### Peru - November growth surprised on the upside

Real GDP grew 4% YoY in November, above market expectations, boosted by mining output and the second fishing season (cancelled last year). Looking ahead, we expect domestic activity to continue to accelerate. (See our [Peru Flash](#) in Spanish for details).

## What to watch today

### Colombia - Consumer confidence (December, not specific time)

We expect a deterioration in household confidence to 2.0 in December (vs. 6.7 in November in a range between -100 and 100), because of the upcoming tax reform and the higher than expected inflation in 2015.

### Mexico - Retail sales and industrial production (November, 16:00hrs NYT)

We expect retail sales to have grown 0.5% YoY, despite the expected sharp negative contribution of car sales. Meanwhile, we believe industrial production could grow 4.0% YoY as operations at the Refinery of Cartagena started last November.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
CNI Industrial Confidence	18-Jan	Jan				36
FGV CPI IPC-S	18-Jan	Jan	1.23%			0.99%
FIPE CPI - Weekly	19-Jan	Jan	0.98%			0.88%
IGP-M Inflation 2nd Preview	19-Jan	Jan	0.69%			0.50%
Selic Rate	20-Jan	Jan	14.75%	14.75%		14.25%
CNI Consumer Confidence	21-Jan	Jan				96.3
Federal Debt Total	21-Jan	Dec				2717b
IBGE Inflation IPCA-15 MoM	22-Jan	Jan	0.91%	0.93%		1.18%
Formal Job Creation Total	22-Jan	Dec	-650000			-130629
<b>Colombia</b>						
Retail Sales YoY	18-Jan	Nov	1.10%	0.50%		0.10%
Industrial Production YoY	18-Jan	Nov	2.15%	4.00%		1.30%
Consumer Confidence Index	18-Jan	Dec	5.4	2		6.7
Trade Balance	19-Jan	Nov	-1638	-2358		-1595.1
<b>Mexico</b>						
Bi-Weekly CPI	22-Jan	Jan	0.10%	-0.07%		0.36%
Bi-Weekly Core CPI	22-Jan	Jan	0.19%	0.18%		0.09%
Bi-Weekly CPI YoY	22-Jan	Jan	2.55%	2.38%		2.26%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
01.15.2016	<a href="#">Mexico: Continuing decline in oil prices leads to the exchange rate to new highs</a>
01.15.2016	<a href="#">Peru: November growth surprised on the upside</a>
01.15.2016	<a href="#">Chile: Central bank maintained policy rate at 3.50%, in line with expectations</a>
01.15.2016	<a href="#">Peru: BCRP maintains its focus on containing inflation expectations (in Spanish)</a>
01.14.2016	<a href="#">Chile: Central Bank maintains the MPR at 3.5%, in line with expectations (in Spanish)</a>
01.08.2016	<a href="#">Mexico: Oil in lowest level since 2004 and dollar in record high</a>
01.08.2016	<a href="#">Brazil: Inflation peaked at 10.7% YoY in December</a>
01.08.2016	<a href="#">Peru: Exports continue to improve in November (In Spanish)</a>
01.08.2016	<a href="#">Chile: CPI closes 2015 with an increase of 4.4% YoY (In Spanish)</a>
01.07.2016	<a href="#">Chile: Emissions by a total of 11,000md are announced (In Spanish)</a>
01.06.2016	<a href="#">Colombia: Inflation closed 2015 at 6.8% (In Spanish)</a>
01.05.2016	<a href="#">Chile: IMACEC growth in November disappoint again (In Spanish)</a>
01.04.2016	<a href="#">Peru: Inflation surprising on the upside in December</a>
01.04.2016	<a href="#">Chile: We forecast CPI for December at 0.1% MoM (4.5% YoY) (In Spanish)</a>
01.04.2016	<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>

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