

LatAm Daily | In Brazil, retail sales figures in line with shrinking consumption in 4Q15

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Retail sales in line with contracted private consumption for the fourth consecutive time. We estimate GDP 4Q15 at -1.1% QoQ. The rating agency S&P revised the outlook on Colombia's debt rating to negative; the decision was influenced by the impact that lower oil prices may have on the economy.

Brazil - Retail sales declined sharply in December

After having expanded almost 2% since September, retail sales contracted 2.7% MoM in December. Also, December's broad retail sales (-0.9% MoM), which include vehicles and construction material, erased the gains accumulated in the previous months (0.4% since September). The decline in retail sales in December reached six out of the ten sectors. The weakness of retail sales at the end of 2015 was in line with a scenario characterized by high uncertainty, still rising inflation, and deteriorating labor and credit market conditions. Yesterday's figures support our view that private consumption will contract for the fourth consecutive quarter in 4Q15 but that this contraction will not be as strong as in previous quarters. Taking this into account, we expect 4Q15 GDP to decline 1.1% QoQ after dropping 1.7% QoQ in 3Q15.

Colombia - Consumer confidence fell to -21.3

Local think tank Fedesarrollo published its consumer confidence index for January. According to Fedesarrollo's report, consumer confidence stood at -21.3, falling 22.4 on a monthly basis and 39.2 points year on year. The two components of the consumer confidence index, consumer expectations and economic conditions, fell to -16.8 and -28.1. These indices range from +100 to -100.

Colombia - Standard & Poor's revises Colombia's outlook

S&P ratings service affirmed its 'BBB' long-term foreign currency sovereign credit rating for Colombia, but the outlook was revised to negative. According to the report, the rationale for this action was driven by the ongoing weakness in global oil prices and their impact on Colombia's economy.

Colombia - A USD260 million private bond was issued to finance the Pacific 3 project

A private issuance of USD 260 million in bonds has been made to finance "Pacific 3". This is a project in the Government's infrastructure plan known as 4G, which uses public-private partnerships. According to the report, the bonds will mature in 2035 and have a coupon of 8.25%.

What to watch for today

Colombia - Industrial production and retail sales (2pm NYT)

The National Statistics Department will publish industrial production and retail sales data for December. We expect industrial production to stand at 5.1% YoY (consensus: 4.4%). For retail sales, we anticipate a decline of 1% on a yearly basis (Consensus: 0%).

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Tax Collections	15-Feb al 19-Feb	Jan	--			121502m
Formal Job Creation Total	15-Feb al 19-Feb	Jan	-144416			-596208
Retail Sales MoM	16-Feb	Dec	-2.50%	-1.30%	-2.7	1.50%
FIPE CPI - Weekly	17-Feb		--			1.34%
FGV Inflation IGP-10 MoM	17-Feb	Feb	1.48%			0.69%
Economic Activity MoM	17-Feb	Dec	-0.63%	-0.20%		-0.52%
CNI Industrial Confidence	18-Feb	Feb	--			36.5
IGP-M Inflation 2nd Preview	19-Feb	Feb	1.25%			0.83%
National Unemployment Rate	19-Feb	Nov	--			9.00
Colombia						
Consumer Confidence Index	16-Feb	Jan	2.60%	2.00%		1.10%
Retail Sales YoY	17-Feb	Dec	0.80%	-1.00%		-0.30%
Industrial Production YoY	17-Feb	Dec	4.10%	5.10%		4.80%
Trade Balance	19-Feb	Dec	--	-\$1380		-\$1689.1
Overnight Lending Rate	19-Feb		6.25%	6.25%		6.00%
México						
Central Bank Monetary Policy Minutes	18-Feb					
Peru						
Unemployment Rate	15-Feb	Jan	6.40%		6.6	5.70%
Economic Activity YoY	15-Feb al 19-Feb	Dec	5.30%	5.30%	6.39	4.00%
GDP YoY	15-Feb al 19-Feb	4Q	--	4.10		2.90

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
02.16.2016	Colombia: Outlook 1Q16, infographic (In Spanish)
02.16.2016	Colombia: Outlook 1Q16 (In Spanish)
02.16.2016	Chile: January would mark the turning point in the annual growth (In Spanish)
02.15.2016	Peru: Strong GDP growth in December, its fastest in two years
02.11.2016	Peru: CB adjust MPR again and is more energetic with expectations (In Spanish)
02.11.2016	Chile: CB mantains MPR unchanged. (In Spanish)
02.10.2016	Chile: Outlook 1Q16 (In Spanish)
02.09.2016	Colombia: Trends and Long-term Outlook for Energy Supply and Demand
02.08.2016	Chile: January's CPI grows 0.5% mom influenced by public fees and cigarettes
02.05.2016	Colombia: El Niño drives up inflation
02.05.2016	Chile: GDP grows 2% in 2015 with an Imacec above expectations (In Spanish)
02.05.2016	Brazil: Inflation surprises strongly to the upside
02.04.2016	Mexico: No change in fondeo rate. The tone turned restrictive (In Spanish)
02.03.2016	Mexico: Fondeo rate unchanged at 3.25% (In Spanish)
02.02.2016	Peru: Inflation keeps rising, as expected

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