

## LatAm Daily | Activity data remained weak in January in Chile

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*Urban unemployment higher than expected in Colombia, weak performance of the labour market is in line with the recent consumer confidence results. Today we will know inflation for February in Peru, where we expect the lowest result in 5 months, although still above the Central Bank's target range (2%, +/- 1 p.p.)*

### Chile - Activity data remained weak in January

Manufacturing output decreased by 4.6% YoY (BBVAe: -3.5%; consensus: -3.3%), while mining production declined a surprising 12.6% YoY due to the negative contribution from copper. Both figures were explained by higher comparison base and one less working day, in a context of weak external demand. Meanwhile, retail sales increased 3.4% YoY (BBVAe: 3.5%; consensus: 3.3%), explained by a positive contribution from car sales. All in all, aggregate activity figures remained weak and suggest that the Imacec will show no variation (+0.0% YoY) during January. With this figure, we do not rule out further downward correction in GDP growth expectations for this year (see our [Chile Flash](#) in Spanish for details).

### Chile - Unemployment rate steady at 5.8% in January

The jobless rate remained flat at 5.8% in January, driven by a surprising 2% YoY rise in job-creation (mainly self-employment) which compares to the 1.7% YoY growth of the labour force. Annual job-creation was driven by the dynamism in construction, hotels and restaurants and commerce, which was partially offset by the negative contribution from mining. Figures show that the public sector contributed less to salaried jobs at the beginning of the year (see our [Chile Flash](#) in Spanish for details).

### Colombia - Urban unemployment rate for January higher than expected

The urban unemployment rate for January stood at 14.1% (12.5% consensus), 2.2 p.p. higher than last year (see [unemployment flash](#)). The figure was driven by a decrease in the occupation rate (-1.5 p.p. YoY) and the stability of the participation rate (0.1 p.p. YoY). Job creation continued to decelerate in January, with a yearly reduction of 101,000 jobs (-1% YoY). At a city level, Bogotá was the worst performer, displaying a yearly drop on job creation. Although we expected to see a deterioration in the labour market, January unemployment was greater than forecast. In our view, the weak performance of the labour market is in line with recent consumer confidence results.

### Mexico - Details on budget cuts to Pemex released

Details on budget cuts totalling 100 billion pesos that will affect Pemex this year were announced. Two thirds of the cuts will be in diminishing project (or deferred) investment in terms of profitability and available resources. Current expenditure and operating will also be reduced to adjust those costs at an average price of \$25 per barrel in 2016. We do not anticipate any positive effect on the perception of credit risk, as Pemex cuts do not address medium-term financial problems. Pemex requires that the potential financial obligations involving the problem regarding labour liabilities be addressed (see [Mexico Flash](#) for details in Spanish).

## What to watch for today

### Peru - Consumer prices (February, 11:00hrs NYT)

We expect headline CPI to have increased by 0.06% MoM, the lowest result in five months. This takes into account the downward correction in some food prices (chicken, fruits and potatoes), lower fuel prices, the one-off correction in public services and the relative stability of core inflation. We expect to see YoY inflation drop to around 4.3%, but will remain above the target range (2%, +/- 1 p.p.) ceiling.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
FGV CPI IPC-S	1-mar	Feb	0.85			1.1%
Trade Balance Monthly	1-mar	Feb	2500.00			\$923m
Selic Rate	2-mar	Mar	14.25	14.25		14.25%
GDP QoQ	3-mar	4Q	-1.60	-1.1		-1.7%
GDP YoY	3-mar	4Q	-5.90			-4.5%
Industrial Production MoM	4-mar	Jan	-0.49	-0.3		-0.7%
Vehicle Production Anfavea	4-mar	Feb				145064.0
<b>Chile</b>						
Copper Production Total	29-feb	Jan			453638.00	495953.0
Retail Sales YoY	29-feb	Jan	3.25	3.5	3.35	1.9%
Manufacturing Production YoY	29-feb	Jan	-3.25	-3.5	-4.64	-2.8%
Unemployment Rate	29-feb	Jan	6.00	6.1	5.80	5.8%
Industrial Production YoY	29-feb	Jan	-3.50		-8.28	-3.3%
<b>Colombia</b>						
National Unemployment Rate	29-feb	Jan			11.91	8.6%
Urban Unemployment Rate	29-feb	Jan	12.50		14.07	9.8%
Exports FOB	3-mar	Jan	\$2223.0	\$2.015m		\$2543.0
PPI Domestic MoM	4-mar	Feb	7.79	7.77%		7.5%
PPI Total MoM	4-mar	Feb	1.45	1.50%		1.3%
<b>Mexico</b>						
Remittances Total	1-mar	Jan	1785.50	1748		\$2188.0m
IMEF Manufacturing Index SA	1-mar	Feb	51.10			51.5
IMEF Non-Manufacturing Index SA	1-mar	Feb	50.50			50.2
Central Bank Economist Survey	2-mar					
Vehicle Domestic Sales AMIA	2-mar al 4-mar	Feb				119693.0
Mexican Central Bank Releases Inflation Report	3-mar					
Gross Fixed Investment	4-mar	Dec	-1.40	-2.4		-0.4%
<b>Peru</b>						
CPI MoM	1-mar	Feb	0.20			0.4%
CPI YoY	1-mar	Feb	4.50			4.6%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
02.29.2016	<a href="#">Colombia: Worse labour results than expected</a>
02.29.2016	<a href="#">Brazil: Economic Outlook 1Q16 - Presentation</a>
02.29.2016	<a href="#">Brazil: Economic Outlook 1Q16</a>
02.29.2016	<a href="#">Chile: January's IMACEC could have grown among -0.25% - 0.25% YoY</a> (In Spanish)
02.24.2016	<a href="#">Latam: The business model of Spanish banks in Latin America</a> (In Spanish)
02.23.2016	<a href="#">Colombia: Economic Outlook 1Q16</a>
02.22.2016	<a href="#">Latam: Economic Outlook 1Q16 (Presentation)</a>
02.19.2016	<a href="#">Colombia: BanRep increased its monetary policy rate to 6.25% in line with expectations</a>
02.19.2016	<a href="#">Latam: Economic Outlook 1Q16</a> (In Spanish)
02.18.2016	<a href="#">Colombia: Economic Outlook 1Q16 - Presentation</a>
02.17.2016	<a href="#">Peru: Economic Outlook 1Q16</a> (In Spanish)
02.17.2016	<a href="#">Mexico: Monetary fiscal and exchange rate measures</a> (In Spanish)

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