

## LatAm Daily | In Brazil, credit stock declined 0.5% MoM in February

Enestor Dos Santos / Lorena Lechuga / Hugo Perea / Cecilia Posadas / Jorge Selaive / Carlos Serrano / Juana Téllez

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*February is the second consecutive month that total credit stock declines (0.6% MoM in January). These contractions are in line with the sharp moderation of domestic demand and the high level of uncertainty. Credit stock grew by only 5.3% YoY, way below the inflation rate (10.4%) YoY. NPL remained stable in February, but we expect an upward trend over the year.*

### Brazil - Credit stock declined for the second consecutive month in February

Total credit stock declined 0.5% MoM in nominal terms in February, after having contracted 0.6% MoM in January. This is in line with the sharp contraction of domestic demand and the abnormally-high level of uncertainty regarding the future. The reduction in total credit stock was observed in both public and private financial institutions (-0.3% MoM and -0.7% MoM, respectively). In annual terms, credit stock grew by only 5.3% YoY, well-below the inflation rate for the period (10.4% YoY). Somewhat surprisingly, given the overall economic deterioration, non-performing loans (NPL) remained stable at 3.5% in February. However, despite this resiliency, we expect NPL to trend upwards over the remainder of the year.

## What to watch today

### Brazil - Fiscal report (February, 9:30hrs NYT)

The BCB's fiscal report will likely show a deterioration of fiscal results in February. In particular, a primary deficit is expected, following a surprising surplus in January, which will reinforce the prospects for a further deterioration of fiscal indicators moving forward.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Outstanding Loans MoM	29-mar	Feb			-0.5	-0.006
FGV Inflation IGPM MoM	30-mar	Mar	0.46			1.3%
Primary Budget Balance	30-mar	Feb	-10.4			27.9b
Inflation Report	31-mar					
Industrial Production MoM	01-abr	Feb	-2.4	-1.5		0.40%
Trade Balance Monthly	01-abr	Mar	4307	4000		\$3043m
<b>Chile</b>						
Central Bank's Quarterly Report	28-mar					
Manufacturing Production YoY	30-mar	Feb	0	-1.0	-4.64	-4.6%
Retail Sales YoY	30-mar	Feb	3.2	4.4	3.35	3.4%
Industrial Production YoY	30-mar	Feb	0.55			-8.3%
Unemployment Rate	31-mar	Feb	5.9	5.9		5.8%
<b>Colombia</b>						
Industrial Confidence	28-mar	Feb			10.4	5.3
Retail Confidence	28-mar	Feb			25.4	19.5
National Unemployment Rate	31-mar	Feb				11.9%
Urban Unemployment Rate	31-mar	Feb	12.65			14.1%
Colombia Monetary Policy Minutes	01-abr					
Economic Activity Index SA YoY	01-abr	Jan	3.1			3.7%
<b>Mexico</b>						
Trade Balance	28-mar	Feb			-724.68	-3441.0m
Economic Activity IGAE YoY	29-mar	Jan	2.5		2.33	2.6%
Unemployment Rate SA	30-mar	Feb	4.3		4.26	4.3%
Unemployment Rate NSA	30-mar	Feb	4.15			4.2%
Remittances Total	01-abr	Feb	1966.3			\$1932.2m
Central Bank Monetary Policy Minutes	01-abr					
Central Bank Economist Survey	01-abr					
<b>Peru</b>						
CPI MoM	01-abr	Mar	0.72	0.78		0.2%
CPI YoY	01-abr	Mar	4.46	4.5		4.5%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
03.29.2016	<a href="#">Mexico: Bank deposits: loses ground due to less dynamism in its two components</a> (In Spanish)
03.29.2016	<a href="#">Peru: Exports fell nearly 9% YoY in February</a> (In Spanish)
03.28.2016	<a href="#">Chile: CB sharply adjusts downwards GDP growth expectations</a> (In Spanish)
03.18.2016	<a href="#">Chile: GDP increased 2.1% in 2015 but showing weakness in 4Q15</a> (In Spanish)
03.18.2016	<a href="#">Mexico Weekly: The peso appreciates to levels close to those at the beginning of the year</a> (In Spanish)
03.18.2016	<a href="#">Mexico: Fondeo is maintained at 3.75%. Cautious tone despite an environment less volatile</a> (In Spanish)
03.18.2016	<a href="#">Colombia: BanRep continues tightening</a> (In Spanish)
03.17.2016	<a href="#">Chile: The CB maintains the MPR at 3.5%</a> (In Spanish)
03.17.2016	<a href="#">Mexico: Fondeo rate unchanged at 3.75%</a>
03.16.2016	<a href="#">Chile: Labour aggregates, job search efforts and Google trends</a>
03.16.2016	<a href="#">Peru: Economic activity moderated in January</a> (In Spanish)
03.14.2016	<a href="#">Chile: Unemployment rate will rise in the medium term</a> (In Spanish)

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