

LatAm Daily | In Colombia, June inflation surprised on the upside

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June inflation in Colombia surprised at 0.48% MoM (8.60% YoY) due to a higher-than-expected rise in food prices. We expect inflation of 6.2% at the end of 2016 but with an upside bias. In Chile, economic activity slowed down in May (1.8% YoY), losing what was gained at the beginning of the year. We expect growth of between 1% and 1.5% in June's Imacec.

Chile - Economic activity slows down in May losing what was gained earlier this year

The economy is not showing signs of recovery and is expanding by 1.8% YoY in May (consensus: 1.5%; BBVAe: 1.9%) with no variation with respect to the end of 2015; losing what was gained at the beginning of the year. We expect growth of between 1% and 1.5% in June's Imacec, while in 2017 we forecast a GDP expansion below 2% (see our [Chile Flash](#) in Spanish for details).

Colombia - Inflation surprises on the upside in June

Total inflation for June stood at 0.48% MoM (8.60% YoY), overshooting our own (0.20%) and the Bloomberg consensus forecast (0.25%). A higher-than-expected rise in food prices, mainly beef, led to the positive surprise. To a lesser extent, electricity tariffs and a slower deceleration in tradable inflation also contributed to this result. Going forward, we expect further corrections in perishable food inflation and a slowdown in utilities prices. We maintain our forecast of 6.2% year-end inflation in 2016 but with an upside bias due to the slow decline we see in tradable inflation.

What to watch today

No relevant news is expected for today.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FIPE CPI - Monthly	05-jul	Jun	0.45		0.65	0.57%
Vehicle Sales Anfavea	06-jul	Jun				167489
Commodity Price Index MoM	06 jul-13 jul	Jun				1.47%
FGV Inflation IGP-DI MoM	07-jul	Jun	1.67			1.13%
FGV CPI IPC-S	08-jul	Jul-07	0.38			
IBGE Inflation IPCA MoM	08-jul	Jun	0.36	0.35		0.78%
Chile						
Central Bank Meeting Minutes	04-jul					
Economic Activity YoY	05-jul	May	1.50	1.8	1.85	0.70%
Economic Activity MoM	05-jul	May	0.20		0.74	-1.30%
Trade Balance	07-jul	Jun	200.00			\$745
Exports Total	07-jul	Jun	4860.95			\$5050
Imports Total	07-jul	Jun	4669.50			\$4305
Copper Exports	07-jul	Jun				\$2274
Nominal Wage YoY	07-jul	May	5.15	5.3		5.30%
Vehicle Sales Total	07 jul-12 jul	Jun				24002
CPI YoY	08-jul	Jun	4.10	4.1		4.20%
CPI MoM	08-jul	Jun	0.30	0.4		0.20%
Colombia						
PPI Domestic MoM	05-jul	Jun			0.6	0.59%
CPI YoY	06-jul	Jun	8.36	8.30	8.6	8.20%
CPI MoM	06-jul	Jun	0.25	0.20	0.48	0.51%
CPI Core YoY	06-jul	Jun			6.31	6.07%
CPI Core MoM	06-jul	Jun			0.47	0.53%
Colombia Monetary Policy Minutes	08-jul					
Mexico						
Vehicle Domestic Sales AMIA	04 jul-06 jul	Jun			134536	121587
Gross Fixed Investment	05-jul	Apr	2.10			-3.0%
Vehicle Exports AMIA	06 jul-8 jul	Jun				226240
Vehicle Production AMIA	06 jul-8 jul	Jun				279508
CPI MoM	07-jul	Jun	0.16			-0.45%
CPI Core MoM	07-jul	Jun	0.27			0.21%
CPI YoY	07-jul	Jun	2.60			2.60%
Bi-Weekly CPI	07-jul	Jun-30	0.10			0.02%
Bi-Weekly Core CPI	07-jul	Jun-30	0.11			0.16%
Bi-Weekly CPI YoY	07-jul	Jun-30	2.62			2.55%
Consumer Confidence Index	08-jul	Jun	92.10			90.9
Peru						
Trade Balance	08jul-11jul	May	30			-\$40m

Fuente: BBVA Research

Most recent Latam reports

Date	Description
07.05.2016	Chile: Economic activity slows down in May losing what was gained earlier this year (In Spanish)
07.01.2016	Peru: Inflation remains downtrend (In Spanish)
07.01.2016	Mexico: Private sector credit, better growth in its three segments (In Spanish)
07.01.2016	Mexico: Remittances reach 2,477.8md (+13.1%), the best record for May since 2006 (In Spanish)
07.01.2016	Chile: Imacec with a ceiling of 2% YoY in May - Labor market depreciation surges (In Spanish)
06.30.2016	Mexico: 50bps hike in the MPR amid fears that inflation expectations increase (In Spanish)
06.29.2016	Mexico: Monetary policy rate unchanged at 3.75% (In Spanish)
06.27.2016	Mexico: Bank deposits: mixed performance in its components (In Spanish)
06.24.2016	Mexico: Brexit leads the dollar above 19ppd (In Spanish)
06.24.2016	Mexico: New cuts to public spending to support fundamentals before volatility from Brexit (In Spanish)

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