

## LatAm Daily | Rebound in May's GDP growth in Peru

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*In Peru, economic activity grew by 4.9% YoY in May due to a strong performance from extractive activities. We expect output growth to ease to between 3.0% and 3.5 % in June. In Colombia, private consumption confirms that it is slowing down, although the intensity is erratic; industrial production maintained a gradual recovery, only limited by a calendar effect in May.*

### Colombia - Private consumption is performing erratically

In May, retail sales fell 0.5% YoY (+0.4% excluding cars). The retail group with the greatest increase were auto parts, contributing 0.6 percentage points -pp- to the total variation and fuel with 0.2 pp. On the other hand, industrial production grew 4.5% YoY boosted by refining activity, which contributed 3.9 pp to the annual variation. Other groups with significant positive contributions were beverages (+0.7% pp), pharmaceuticals and medicinal chemicals (+0.4% pp), metal products (+0.4% pp) and food for animals (+0.3% pp). All in all, private consumption confirms that it is slowing down, although the intensity is erratic, as it was showing a softer deceleration up until April. Meanwhile, industrial production maintained its gradual recovery, only limited by a calendar effect due to the presence of less working days in May 2016.

### Peru - GDP rebounded in May, but the pace of growth will probably be more moderate in June

Economic activity grew 4.9% YoY in May, higher than in the previous month (April: 2.5% YoY), due to a strong performance from extractive activities, mainly copper production. Non-primary sectors, on the other hand, expanded at a similar pace to previous months. The composition of these sectors, however, begins to show an interesting change: the activities most linked to private consumption are moderating, while those which reflect investment are starting to gain traction. Based on available indicators and some reasonable assumptions, our preliminary estimate is that output growth will be in the vicinity of between 3.0% and 3.5 % in June (see our [Peru Flash](#) in Spanish for details).

## What to watch today

### Colombia - Imports and trade balance (May, 15:00hrs NYT)

We expect a reduction in the trade deficit to USD FOB 708 mn, from USD FOB 1,118 mn. in April. This result will be explained by a reduction in imports and a recovery in exports due to higher oil prices. Imports should stay at USD CIF 3,543 mn., below May's figure (USD 3,701 mn.). This data supports a narrower current account deficit during 2016 with respect to 2015 figures.

### Colombia - Consumer confidence (June, no specific time)

We expect consumer confidence to have settled at -7.0 (in a range between -100 and 100), slightly above May's figure (-12.5). The exchange rate devaluation and the country's political performance (low popularity of rulers) will remain as the main drivers behind this figure.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Formal Job Creation Total	18jul - 22 jul	Jun	-58700			-72615
FIPE CPI - Weekly	19-jul	jul-15	0.84			0.78%
Selic Rate	20-jul	jul-20	14.25	14.25		14.25%
IBGE Inflation IPCA-15 MoM	21-jul	Jul	0.46	0.55		0.40%
<b>Colombia</b>						
Trade Balance	18-jul	May	-800	-708		-\$1117.5
Imports CIF Total	18-jul	May	3539.07	3.543		\$3701.2
Consumer Confidence Index	18-jul	Jun	-7	-7		-12.5
Retail Confidence	21-jul	Jun		20		28.5
Industrial Confidence	21-jul	Jun		10		5.2
<b>Mexico</b>						
Bi-Weekly CPI	22-jul	jul-15	0.23			0.01%
Bi-Weekly Core CPI	22-jul	jul-15	0.14			0.08%
Bi-Weekly CPI YoY	22-jul	jul-15	2.68			2.53%

Fuente: BBVA Research

## Most recent Latam reports

Date	Description
07.15.2016	<a href="#">Weekly Mexico: Stock indexes reached new highs</a> (In Spanish)
07.15.2016	<a href="#">Peru: GDP rebounded in May, but its pace of growth will probably be more moderate in June</a> (In Spanish)
07.15.2016	<a href="#">Peru: No surprises regarding the decision of the Board of the Central Bank in July</a> (In Spanish)
07.15.2016	<a href="#">Chile: Central Bank stays alert: keeps interest rate and bias</a> (In Spanish)
07.12.2016	<a href="#">Chile: What does the update of fiscal forecasts of the finance authorities say?</a> (In Spanish)
07.11.2016	<a href="#">Peru: Public investment falls in June</a> (In Spanish)
07.08.2016	<a href="#">Mexico Weekly: Employment data better than expected in the U.S. supports the peso</a> (In Spanish)
07.08.2016	<a href="#">Chile: June's CPI rose 0.4% MoM above market expectations, caused by specific products</a> (In Spanish)
07.06.2016	<a href="#">Colombia: Inflation surprises on the upside in June</a> (In Spanish)
07.05.2016	<a href="#">Chile: Economic activity slows down in May losing what was gained earlier this year</a> (In Spanish)

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