

## LatAm Daily | Inflation continues to lose steam in Peru

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*Today's is the last edition of our LatAm Daily Flash. For updated macroeconomic analysis of Latin America, please visit our webpage [bbvaresearch.com](http://bbvaresearch.com). For daily comments on Latin American markets, please see our report [Latin America Daily Update at bbvagmr.com](http://Latin America Daily Update at bbvagmr.com).*

### Peru - Inflation back to the target range

The CPI increased by 0.08% MoM in July (BBVA: 0.0% MoM; market consensus: 0.24%), explained by the seasonal increase in transport prices, which was offset by the fall in food prices. With this monthly result the annual rate of inflation reached 3.0% YoY and stood within the target range BCRP 2.0% +/- 1 percentage points. Furthermore, inflation trend indicators continue to show a decline, suggesting the absence of demand pressures. These more favourable price developments give the Central Bank room to possibly ease its monetary policy stance if private spending does not improve in the coming months.

### What to watch today

#### Brazil - Industrial production (June, 8:00hrs NYT)

We expect industrial production to have expanded somewhat in monthly terms in June (precisely, around 0.5% MoM), reinforcing the view that the worst in terms of growth is already over.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Markit Brazil PMI Manufacturing	01-ago	Jul			46	43.2
Trade Balance Monthly	01-ago	Jul	4900	4500	4578	\$3974m
CNI Capacity Utilization (SA)	01-ago	Jun			77.4	77.00%
Vehicle Sales Fenabrave	01ago - 03ago	Jul				171792
Industrial Production MoM	02-ago	Jun	1.1	0.5		0.00%
FIPE CPI - Monthly	03-ago	Jul	0.62			0.65%
Markit Brazil PMI Composite	03-ago	Jul				42.3
Markit Brazil PMI Services	03-ago	Jul				41.4
Vehicle Sales Anfavea	04-ago	Jul				171797
<b>Chile</b>						
Economic Activity YoY	05-ago	Jun	1.05	0.6		1.80%
Economic Activity MoM	05-ago	Jun	0.1	-0.2		0.70%
<b>Colombia</b>						
Economic Activity Index SA YoY	02-ago	May	1.5	2.0		0.60%
Exports FOB	02-ago	Jun	2568.5	2475		\$2683.5
Inflation (YoY)	05-ago	Jul		9.20%		8.60%
Inflation (MoM)	06-ago	Jul		0,57%		0,48%
PPI Domestic MoM	04-ago	Jul				0.60%
<b>Mexico</b>						
IMEF Manufacturing Index SA	01-ago	Jul	49.35		48.941	47.5
Remittances Total	01-ago	Jun	2320	\$2318.0m	2305.5	\$2477.8m
Markit Mexico PMI Mfg	01-ago	Jul			50.6	51.1
Leading Indicators (MoM)	02-ago	Jun				-0.05
Vehicle Domestic Sales AMIA	02ago - 04ago	Jul				134536
Gross Fixed Investment	03-ago	May	1.6	0.0146		1.60%
Consumer Confidence Index	04-ago	Jul	92.4	92.2		93.5
<b>Peru</b>						
CPI MoM	01-ago	Jul		0%	0.08	0.14%
CPI YoY	01-ago	Jul		2.87%	2.96	3.34%

Fuente: BBVA Research

## Most recent Latam reports

Date	Description
08.01.2016	<a href="#">Mexico: Credit to private sector maintained good growth, driven by consumer &amp; corporate</a> (In Spanish)
08.01.2016	<a href="#">Peru: Inflation continues to lose steam</a> (In Spanish)
08.01.2016	<a href="#">Mexico: Remittances keep growing (+8.9%)</a> (In Spanish)
07.29.2016	<a href="#">Colombia: BanRep increased its monetary policy rate 25bps up to 7.75%</a>
07.29.2016	<a href="#">Weekly Mexico: The timely estimate of 2Q GDP print downward bias in our forecast for 2016</a> (In Spanish)
07.29.2016	<a href="#">Mexico: Bank deposits: further growth driven by its demand component</a> (In Spanish)
07.29.2016	<a href="#">Chile: Another slap in the face: economic activity below 1% YoY in June</a> (In Spanish)
07.26.2016	<a href="#">Brazil: The COPOM is still concerned about inflation</a>
07.26.2016	<a href="#">Weekly Mexico: Annual growth rate moderation of GDP in the second quarter</a> (In Spanish)
07.15.2016	<a href="#">Weekly Mexico: Stock indexes reached new highs</a> (In Spanish)

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