

LatAm Daily | Chilean trade balance in line with sluggish investment in 1Q15

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Today we will be watching inflation in Brazil and Chile; in the former, we expect administered prices to continue to put upwards pressure on inflation, while in the latter we expect inflation to be come under pressure from education and foodstuffs. We are also waiting for consumer confidence data for March in Mexico, where we expect an improvement.

Chile - March trade balance broadly in line with expectations

The surplus reached USD999mn in March, with exports at USD6.17bn (-15.6% YoY; BBVAe: USD5.96bn) and imports of USD5.17bn (-6.3% YoY; BBVAe: USD5.19bn). Copper exports tumbled 20.8% YoY to USD2.86bn, while imports related to capital good continues to decline. The latter anticipates sluggish investment figures for 1Q15.

What to watch today

Chile - Inflation (March, 07:00hrs NYT)

We expect the CPI figure for March to have risen 0.8% MoM (+4.4% YoY), mainly driven by increases in education and foodstuff prices. Meanwhile, we anticipate that the core measure that exclude foods and energy will rise by 0.7% MoM (+4.6% YoY).

Brazil - Inflation (March, 08:00hrs NYT)

We expect administered price pressures to continue to drive inflation up. More specifically, we expect March's IPCA to reach 1.25% MoM, leaving the annual inflation figure above 8.0% YoY for the first time in ten years (our precise forecast for annual inflation is 8.05% YoY).

Mexico - Consumer confidence index (March, 09:00hrs NYT)

We expect the consumer confidence to show an improvement in March. In view of the positive formal job-creation during February (133,691 jobs registered through the Mexican Social Security Institute - IMSS -), we expect the CCI for March to reach 93.4 points, seasonally adjusted, compared to 92.7 points the month before. This would be equivalent to 92.0 points in the original series (without any seasonal adjustment).

Calendar indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Vehicle Production Anfavea	7-Apr	Mar	-		253622	200111
FGV Inflation IGP-DI MoM	8-Apr	Mar	1			0.53%
FGV CPI IPC-S	8-Apr	Apr 7	1.38			-
IBGE Inflation IPCA MoM	8-Apr	Mar	1.4	1.25%		1.22%
IGP-M Inflation 1st Preview	10-Apr	Apr	0.78			0.74%
Chile						
Central Bank Meeting Minutes	6-Apr	Jan-04	-		-	-
Economic Activity YoY	6-Apr	Feb	1.8		1.95%	-
Economic Activity MoM	6-Apr	Feb	-0.1		-0.62%	0.40%
Trade Balance	7-Apr	Mar	739		999	\$748.00
CPI MoM	8-Apr	Mar	0.8			0.40%
CPI Core MoM	8-Apr	Mar	0.6			0.60%
CPI YoY	8-Apr	Mar	4.4			4.40%
Central Bank's Economist Survey	10-Apr	Jan-04	-			-
Colombia						
Economic Activity Index SA YoY	7-Apr	Jan	-	2.70%	3%	-
Exports FOB	7-Apr	Feb	2957	3,100	2875	2,875.00
Mexico						
Vehicle Production AMIA	6-Apr	Mar	-		282856	282856
Consumer Confidence Index	8-Apr	Mar	92.2	92		90.3
CPI MoM	9-Apr	Mar	0.32	0.34%		0.19%
CPI Core MoM	9-Apr	Mar	0.25	0.25%		0.34%
CPI YoY	9-Apr	Mar	3.04	3.07%		3.00%
Bi-Weekly CPI	9-Apr	Mar	0.18	0.23%		0.18%
Bi-Weekly Core CPI	9-Apr	Mar	0.13	0.15%		0.15%
Bi-Weekly CPI YoY	9-Apr	Mar	3.08	3.16%		2.97%
Central Bank Monetary Policy Minutes	9-Apr	Jan-04	-			0.00%
Manufacturing Production YoY	10-Apr	Feb	3.5	3.36%		1.20%
Industrial Production YoY	10-Apr	Feb	1.65	1.22%		0.30%
Industrial Production MoM	10-Apr	Feb	0.35	0.36%		-0.40%
Peru						
Trade Balance	10-Apr	Feb	-			-\$454M
Reference Rate	10-Apr	Apr	3.25			3.25%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
04.06.2015	Chile: Imacec expanded 2.0% YoY in February, slightly above expectations
04.06.2015	Colombia: Inflation in March reaches maximum in 6 years driven by food costs (In Spanish)
04.01.2015	Peru: Inflation goes up in March, reducing the room for an eventual policy rate cut
30.03.2015	Mexico: IGAE and exports point to moderate economic performance in the first quarter
30.03.2015	Chile: Activity by sector anticipates an Imacec at around 2% YoY in February
03.27.2015	Mexico: Monetary rate unchanged at 3.0%. FED on the spotlight (In Spanish)
03.26.2015	Mexico: In January the IGAE shows a weak monthly performance (0.2% MoM, sa)
03.26.2015	Mexico: Banking deposits: outstanding performance in January
03.26.2015	Mexico: Monetary rate unchanged at 3.0%. The relative monetary stance is the key variable
03.24.2015	Chile: We expect March PCI to be 0.78% MoM (4.4% YoY) (In Spanish)

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