

## Latam Daily | In Chile, the trader's survey revealed expectations of pause in the MPR

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*Today's events include the monetary policy meetings in Chile and Peru; in both cases we expect no change in the MPR. In the field of economic activity, today the retail sales index in Brazil should point to a negative contribution from consumption in the 1Q15, while in Colombia retail sales could have moderated compared to February, mainly due to durable goods.*

### Chile - No surprises in financial trader's survey

Results showed expectations of a pause in the policy rate at 3% at least for the next six months. Monthly CPI inflation expectations are for +0.2% in May while long-term inflation expectations remain anchored to the central bank's target of 3%. Finally, exchange-rate forecasts considered a mild depreciation to USDCLP 615 levels on a three-month horizon.

## What to watch today

### Brazil - Retail sales (March, 08:00hrs NYT)

We expect retail sales to decline around 0.2% MoM in March, supporting our view that private consumption will make a negative contribution to GDP growth in 1Q15.

### Chile - Monetary policy meeting (May, 17:00hrs NYT)

We expect a pause in policy rates at 3% in today's meeting and a neutral stance. Aggregate activity continues to point to slack in private demand components, while annual inflation remains above the central bank's target.

### Colombia - Industrial production and retail sales (March, 17:00hrs NYT)

We expect industrial production to have fallen 0.8% YoY, mainly explained by a drop in oil refining (-13.0% YoY) and a slower than expected recovery in the remaining subsectors. Meanwhile, retail sales should grow 3.8% YoY, less than in February figure (4.3%). We expect a slowdown in car and other durable goods sales.

### Peru - Monetary policy meeting (May, 18:30hrs NYT)

We believe the central bank will keep the policy rate at 3.25%. Depreciation pressures on the local currency (in a context of still high credit dollarisation) suggest little room for a rate cut, in spite of the continuation of weak economic activity. In addition, YoY inflation has risen above the ceiling of the target range, and we expect it to remain relatively high in the coming months.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
IGP-M Inflation 1st Preview	11-May	May	0.52	--	0.51	1.03%
Retail Sales MoM	14-May	Mar	-0.4	-0.2%	-0.1	-0.1%
Formal Job Creation Total	14-May	Apr	50000	--	19282	19282
FGV Inflation IGP-10 MoM	15-May	May	0.72	--	--	1.27%
Economic Activity MoM	15-May	Mar	-0.4	-0.40%	--	0.36%
<b>Chile</b>						
Vehicle Sales Total	10-May	Apr	--	21859	23084	21469
Central Bank's Economist Survey	12-May	0	--	--		0
Central Bank's Traders Survey	13-May	0	--	--		0
Overnight Rate Target	14-May	41760	3.00	3.0%	3.0%	3.00%
<b>Colombia</b>						
Retail Sales YoY	14-May	Mar	3.5	3.80%	4.3	4.3%
Industrial Production YoY	14-May	Mar	-1.00	-0.80%	1.35	-1.3%
Consumer Confidence Index	15-May	Apr	--	0.00%	--	2.3
<b>Mexico</b>						
Industrial Production YoY	12-May	Mar	1.9	1.9%	1.67	1.6%
Industrial Production MoM	12-May	Mar	0.35	0.35%	-0.02	0.2%
ANTAD Same-Store Sales YoY	12-May	Apr	4.6	--	4.9	5.2%
Central Bank Monetary Policy Minutes	14-May	0	--	--		0
<b>Peru</b>						
Trade Balance	10-May	Mar	--	--	-573	-\$280M
Reference Rate	15-May	May	3.25	--	--	3.25%
Unemployment Rate	15-May	Apr	6.6	--	--	7.0%
Economic Activity YoY	15-May	Mar	2.15	--	--	0.9%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
05.12.2015	<a href="#">Mexico: Industrial production in total pause. Had zero growth in March</a>
05.11.2015	<a href="#">Mexico: In March 2015 Mexico received USD2,257.9mn in remittances (+7.6% YoY)</a>
05.08.2015	<a href="#">Chile: CPI inflation increased 0.6% MoM in April, above expectations</a>
05.08.2015	<a href="#">Mexico: Evaluation of the effects of the EU-FTA on bilateral trade and investment</a>
05.08.2015	<a href="#">Brazil: Inflation moderates as pressure from administered prices ease</a>
05.07.2015	<a href="#">Peru Outlook (in Spanish)</a>
05.07.2015	<a href="#">Chile Outlook (in Spanish)</a>
05.07.2015	<a href="#">Colombia Outlook (in Spanish)</a>
05.07.2015	<a href="#">Brazil: We expect another Selic hike in June</a>
05.07.2015	<a href="#">Mexico: Subdued Inflation Outlook</a>

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