

## Latam Daily | Chilean Imacec reinforces downward bias in 2015 GDP forecast

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*Meanwhile, following the central bank of Colombia meeting, minutes showed that economic activity in 1Q15 was less dynamic than in the previous quarter. We expect the bank to keep its monetary policy on hold at 4.5% in 2015. Finally, Mexico's CCI increased to 92 points in May 2015, an improvement vs. the last reading.*

### Chile - Imacec grew 1.7% YoY in April falling short of expectations

Aggregate activity grew 1.7% YoY (0.0% MoM sa) in April, below both our and consensus expectations (at 2.7% and 2.3% YoY, respectively). This figure was principally explained by an improvement in services value-added, which in turn was partially offset by a decline in wholesale trade. All in all, we reinforce the downward bias to our GDP growth estimate for 2015 (see our Chile Flash in Spanish for details).

### Colombia - Inflation eases as food prices fall

Annual inflation eased to 4.41% in May from 4.64% in April thanks largely to food prices, which fell 0.28% between April and May. The remaining expenditure groups showed increases, particularly housing, where prices increased 0.68 % MoM driven by the rise in utility tariffs. Additionally, tradable goods' prices continue to slow, registering a variation of 0.31 % MoM (3.73 % YoY), the lowest monthly rate of the last six months. Non-food inflation, meanwhile, posted a slight acceleration from 3.44% to 3.72% YoY between April and May. In our view, the May print might be the start of a downward trend in consumer inflation, as food prices are expected to drop in the coming months.

### Colombia - BanRep Minutes

The Central Bank of Colombia published the minutes for last month's board meeting. According to the report, the new information for the first quarter of 2015 and April shows that economic activity in this period was less dynamic than the last quarter of 2014. In addition, the Board highlighted that the information on retail sales, consumer confidence, and the survey of economic expectations made by BanRep suggest a slowdown in consumption and private investment. That said, the bank's technical staff considers that 1Q15 GDP growth will reach 2.7% (2%-3.5% range). We expect the bank to keep its monetary policy rate on hold at 4.50% for the rest of the year.

### Mexico - May's consumer confidence index improves

Consumer confidence index (CCI) increased to 92 points in May 2015, an improvement when compared with its April 2015 level (91.7 points) and with the May 2014 index (90.7 points). Although we expected further improvement in the May CCI (92.6 points), the published figure shows a gradual and sustained improvement in this index since January 2015.

## What to watch today

### Chile - Consumer price index (May, 07:00hrs NYT)

We expect the CPI to have risen 0.2% MoM in May (+4.0% YoY), mainly driven by increases in transportation, housing and food prices. Also, we anticipate that the core measure that excludes foods and energy (CPI-SAE) will rise by around 0.2% MoM (+4.3% YoY).

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Vehicle Production Anvea	08-June	May	--		--	217,089
FGV Inflation IGP-DI MoM	09-June	May	0.34%		--	0.92%
IBGE Inflation IPCA MoM	10-June	May	0.57%		--	0.71%
COPOM Monetary Policy Meeting Minutes	11-June		0		--	--
<b>Chile</b>						
CPI YoY	08-June	May	4.0%	4.0%	--	4.1%
CPI MoM	08-June	May	0.2%	0.2%	--	0.6%
Copper Exports	08-June	May	--		--	\$2881.9
Trade Balance	08-June	May	\$1250.0		--	\$1150.5
	05-June to	May	--		--	23084
Vehicle Sales Total	10-June		--		--	
Central Bank's Economist Survey	10-June		--		--	
Central Bank's Traders Survey	10-June		--		--	
Overnight Rate Target	11-June	1-June	3.00%		--	3.00%
<b>Colombia</b>						
Civil Works Payments (YoY)	11-June	1Q	--	-5.2%	--	4.90%
GDP YoY	12-June	1Q	2.7%	2.1%	--	3.5%
GDP QoQ	12-June	1Q	0.3%	-0.1%	--	0.7%
<b>Mexico</b>						
Vehicle Production AMIA	08-June	May	--		--	283,392
Bi-Weekly CPI	09-June	1-May	0.08%	0.2%	--	-0.53%
Bi-Weekly Core CPI	09-June	1-May	0.09%	0.13%	--	0.03%
Bi-Weekly CPI YoY	09-June	1-May	2.86%	2.98%	--	2.93%
ANTAD Same-Store Sales YoY	09-June	May	--	4.7%	--	4.9%
CPI MoM	09-June	May	-0.47%	-0.42%	--	-0.26%
CPI Core MoM	09-June	May	0.12%	0.14%	--	0.16%
CPI YoY	09-June	May	2.91%	2.96%	--	3.06%
Nominal Wages	10-June	May	--		--	4.1%
Industrial Production MoM	11-June	Apr	--		--	0.0%
Industrial Production YoY	11-June	Apr	1.2%	1.9%	--	1.7%
Formal Job Creation Total	12-June	May	--	55.7K	--	65.1K
<b>Peru</b>						
Trade Balance	09-June	Apr	--		--	-\$573M
Reference Rate	12-June	1-jun	3.25%		--	3.25%

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
06.05.2015	<a href="#">Chile: Imacec falling short of expectations and wages slowing down</a>
06.05.2015	<a href="#">Mexico: Industrial production to improve at the beginning of 2Q15</a>
06.04.2015	<a href="#">Mexico: Central Bank keeps its monetary policy unchanged at 3%</a>
06.03.2015	<a href="#">Brazil Outlook 2015</a>
06.03.2015	<a href="#">Latam Outlook 2Q15</a>
06.03.2015	<a href="#">Mexico: Yearbook of migration and remittances 2015</a>
06.03.2015	<a href="#">Chile: A dovish message consolidates in June's monetary policy report (in Spanish)</a>
06.03.2015	<a href="#">Chile: Inflation in Chile and the rest of the world, what makes us different? (in Spanish)</a>
06.02.2015	<a href="#">Mexico: Banxico won't change its monetary policy</a>
06.02.2015	<a href="#">Mexico: Remittances rise moderately at 1.8% YoY in April</a>

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