

Colombia | Inflation in June stood at 4.4% YoY, unchanged from a month earlier

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In line with our expectations annual inflation in June stood at 4.42% (BBVAe: 4.39% Bloomberg: 4.45%). Food inflation continued to decline (-0.21% MoM, compared to -0.28% MoM a month earlier), thanks to the fall in the price of tuberous crops (potatoes), cereals (rice) and some fruits. Tradable inflation, which had been in a declining trend since March, rebounded in June registering a growth of 0.48% MoM, driven mainly by the rise in vehicle prices. Meanwhile, electricity and gas tariffs recorded a fall of 2.3% and 2.9% MoM respectively, mitigating the increase in fare rates and fuel prices. Non-food inflation remained stable at 3.72% YoY from a month earlier. Our forecasts indicate that inflation should continue to fall gradually for the remainder of the year, coming back to the target range in the last quarter of the year. As a result, the evolution of prices should not be a concern for the monetary authority, in our view.