

## LatAm Daily | Economic activity in Brazil to contract again in May

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*We expect the indicator to contract 0.8% MoM in May, in line with a drop of more than 1% QoQ in the 2Q15 GDP.*

### What to watch today

#### Brazil - Economic activity indicator (May, 7:30 NYT)

We expect the IBC-Br, the BCB's economic activity indicator which works as a monthly proxy for GDP, to decline 0.8% MoM in May, following a contraction of an identical magnitude in April. The deterioration exhibited by confidence indicators, the sharp slowdown of the labour markets, the decline in retail sales, amongst other factors, support our view that economic activity suffered another downward correction in May. Taking this into account, we expect GDP to contract by more than 1% QoQ in 2Q15 (vs. -0.2% QoQ in 1Q15).

### Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Formal Job Creation Total	13 July to 20 July	Jun	--		--	-115,599
Retail Sales MoM	14 July	May	-0.2%	-0.50%	-0.9%	-0.4%
FGV CPI IPC-S	16 July	01-jul	--		0.72%	0.82%
CNI Industrial Confidence	17 July	Jul	--		--	38.9
Economic Activity MoM	17 July	May	-0.60%	-0.80%	--	-0.84%
<b>Chile</b>						
Overnight Rate Target	14 July	--	3.00%	3.00%	3.0%	3.00%
<b>Colombia</b>						
Retail Sales YoY	15 July	May	2.9%	3.10%	2.7%	-1.0%
Industrial Production YoY	15 July	May	-2.2%	-4.0%	-3.9%	-3.6%
Consumer Confidence Index	15 July	Jun	--	10	14.7%	13.7
Vehicle Sales	15 July to 17 July	Jun	--		--	22,696
<b>Peru</b>						
Economic Activity YoY	15 July	May	2.5%	1.80%	1.2%	4.3%
Unemployment Rate	15 July	Jun	--		6,8%	7.0%

Source: Bloomberg and BBVA Research

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