

## LatAm Daily | Chilean activity could imply downward bias in growth consensus

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*The negative surprise extended to all sectors, particularly mining and manufacturing, influenced by lower external demand and transitory factors. Retail trade was also lower than expected. We estimate an IMACEC contraction in July, implying a downward bias to our baseline scenario.*

### Chile - Activity data by sector came out below expectations for July

Manufacturing output increased by 0.7% YoY (BBVAe: 2.5%; consensus: 1.3%) mainly driven by foods and chemicals and partially offset by declines in metals. Mining output decreased 4.4% YoY due to the negative contributions from copper and iron, in part due to transitory supply disruptions. Meanwhile, retail sales increased 2.9% YoY explained by positive contributions from non-durable consumption. This figure was below both our expectations and those of the market (both at +3.4%). All in all, aggregate activity figures anticipate a rate of growth in the Imacec of between 1.8% and 2.3% YoY during July (see our [Chile Flash](#) in Spanish for details).

### Chile - Unemployment increased slightly in July

The jobless rate increased to 6.6% in July (from 6.5% in June), driven by a 1.8% rise in job-creation YoY (mainly salaried jobs) and a 1.9% YoY growth of the labour force. Annual job-creation was driven by construction, transportation, public administration and hotels and restaurants. Finally, public-sector jobs are still supporting employment growth, although making a smaller contribution than in previous months (see our [Chile Flash](#) in Spanish for details).

### Colombia - Urban unemployment rate for July stood at 9%

The urban unemployment rate for July was 9%, lower than a year before (-0.9pp YoY). The reduction in the urban unemployment rate was explained by an occupation rate growing more (0.7 percentage points YoY) than the growth in the participation rate (0.1 percentage points YoY), which is still growing at a slow rate. Urban job-creation was higher than expected (2.6% YoY). Retail was surprised with a contribution of 1pp in job-creation (last month retail did not create employment YoY). Real estate is still the sector that contributes the most to job-creation (1.2pp) and construction is the third most important sector in terms of creating jobs (0.6pp YoY). It is worth noting that the government's contribution to job-creation was negative (-0.6pp).

## What to watch today

### Chile - Monetary policy report (September, 10:00hrs NYT)

Today we expect the Monetary Policy Report, which will reveal the Chilean monetary authorities' assessment of the economy and their new estimates of potential GDP. We see the option of an increase in the MPR as a communication mechanism on the part of the monetary authorities to tackle short-term inflation risks related to persistent exchange-rate depreciation and as a less costly alternative tool for active exchange-rate policy (see our [Chile Flash](#) in Spanish for details).

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
GDP QoQ	28-Aug	2Q	-1.800		-1.90	-0.20%
FGV CPI IPC-S	1-Sep	Aug 31	0.220		0.00	0.27%
Trade Balance Monthly	1-Sep	Aug	2900		--	\$2379M
CNI Capacity Utilization (SA)	1-Sep	Jul			--	80.1%
Industrial Production MoM	2-Sep	Jul	-0.1	-0.30	--	-0.30%
Selic Rate	2-Sep	37500	14.25	14.25	--	14.25%
FIPE CPI - Monthly	3-Sep	Aug	0.55		--	0.85%
FGV Inflation IGP-DI MoM	4-Sep	Aug	0.32		--	0.58%
<b>Chile</b>						
Unemployment Rate	31-Aug	Jul		6.50	6.6	6.50%
Manufacturing Production YoY	31-Aug	Jul		2.50	0.72	1.70%
Retail Sales YoY	31-Aug	Jul		3.40	2.9	4.10%
Industrial Production YoY	31-Aug	Jul		--	-1.68	1.60%
<b>Colombia</b>						
Urban Unemployment Rate	31-Aug	Jul		9.70	9	9.70%
National Unemployment Rate	31-Aug	Jul			8.8	8.20%
Colombia Monetary Policy Minutes	4-Sep	--			0	--
Exports FOB	4-Sep	Jul	3290	\$3,099.00	--	\$3218.1
CPI YoY	5-Sep	Aug	4.46	4.53	--	4.46%
CPI MoM	5-Sep	Aug	0.20	0.27	--	0.19%
CPI Core YoY	5-Sep	Aug		4.09	--	3.98%
CPI Core MoM	5-Sep	Aug		0.25	--	0.32%
<b>Mexico</b>						
Net Outstanding Loans	31-Aug	Jul			2859.2	2832B
Remittances Total	1-Sep	Jul	2100	2083	--	\$2168.3M
IMEF Manufacturing Index SA	1-Sep	Aug	53.0		--	52.7
IMEF Non-Manufacturing Index SA	1-Sep	Aug	51.6		--	51.3
Vehicle Domestic Sales AMIA	1-Sep	Aug			--	111,714
Leading Indicators (MoM)	2-Sep	Aug			--	-0.05
Gross Fixed Investment	3-Sep	Jun	6.5	6.5	--	2.30%
<b>Peru</b>						
CPI YoY	1-Sep	Aug		3.92		3.56%
CPI MoM	1-Sep	Aug		0.26	4.04	0.45%
Consumer Confidence Index	4-Sep	Aug	92.2		0.38	92.2

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
08.31.2015	<a href="#">Chile: Transitory factors could lead the IMACEC below 2% in July</a>
08.31.2015	<a href="#">Chile: Investment in non-mining exporting sectors</a>
08.28.2015	<a href="#">Peru: Private expenditures maintained fragile in 2Q15</a>
08.28.2015	<a href="#">Chile: MPR Minutes CB considers sorpresive option of rise in MPR</a>
08.25.2015	<a href="#">Chile: And if there were a central bank intervention, what form would it take?</a>
08.24.2015	<a href="#">Chile: We expect inflation to grow 0.4% MoM in August</a>
08.21.2015	<a href="#">Colombia: BanRep kept rates on hold on a majority vote</a>
08.21.2015	<a href="#">Mexico: Exchange rate at all-time highs</a>
08.20.2015	<a href="#">Mexico: GDP growth increased in 2Q15 slightly above than expected, 2.2% annual</a>
08.19.2015	<a href="#">Mexico Economic Outlook</a>
08.18.2015	<a href="#">Chile: Figures in national accounts in 2Q15 confirm slower activity</a>
08.15.2015	<a href="#">Peru: GDP gorwth surprises positively</a>
08.15.2015	<a href="#">Mexico: We expect the GDP to have grown 2% YoY in 2Q15</a>

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