

## LatAm Daily | Mexican industrial production increased 0.2% MoM in line with expectations

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*Industrial production increased 0.2% MoM and 0.7% annually in July. Decomposing this growth, mining and manufacturing performed worse than expected, in contrast to construction. In Peru, another 25bp hike in 4Q15 is expected due to the optimistic output growth outlook forecast by the CB after the latest increase in the MPR.*

### Mexico - The weak manufacturing growth continued in July

July industrial production registered a monthly growth of 0.2% in the seasonally adjusted series, in line with our forecast but above the level anticipated by the market (BBVAe: 0.2%; consensus: -0.1%). In annual terms the growth of this indicator in July was 0.7%. Within the components of industrial production, mining and manufacturing posted a somewhat lower performance than expected, in contrast, construction and industry showed some improvement. So far, the performance of the manufacturing sector remains weak, and this has not been compensated by the favorable performance of the automotive sector.

### Peru - Central Bank surprises in September by delivering a 25bp policy rate hike

The central bank surprisingly raised the policy rate in September to 3.50%. The risk of inflation expectations de-anchoring explained this decision. The optimistic output growth outlook forecast by the CB allowed this hike. The same line of reasoning leads us to anticipate that there will be another 25bp rate hike in 4Q15.

### What to watch today

No relevant news is expected for today.

## Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
<b>Brazil</b>						
Tax Collections	15-sep	Aug	99000.0			104868M
FGV CPI IPC-S	16-sep	1-sep	0.2			0.21%
Retail Sales MoM	16-sep	Jul	-1	-0.50%		-0.40%
IGP-M Inflation 2nd Preview	17-sep	Sep	0.7			0.17%
Economic Activity MoM	17-sep	Jul	-0.3	-0.30%		-0.58%
CNI Industrial Confidence	18-sep	Sep				37.10%
<b>Chile</b>						
Overnight Rate Target	15-sep	Sep	3.0	3%		3%
Bloomberg Sept. Chile Economic Survey	17-sep	Jan		--		
<b>Colombia</b>						
Retail Sales YoY	15-sep	Jul	3.0	3.50%		5.12%
Industrial Production YoY	15-sep	Jul	-0.4	1.20%		1.51%
Consumer Confidence Index	15-sep	Aug		5.1		2.60%
Trade Balance	18-sep	Jul	-916.0	-1.425		-814.4
Retail Confidence	18-sep	Aug		16.2		18.20%
Industrial Confidence	18-sep	Aug		2.5		0.10%
<b>Mexico</b>						
Formal Job Creation Total	14-sep	Aug		50.8		44.7K
Aggregate Supply and Demand	18-sep	2Q	3.1			3.50%
<b>Peru</b>						
Unemployment Rate	15-sep	Aug	6.4			6.80%
Economic Activity YoY	15-sep	Jul	3.3	3.30%		3.87%
Central Bank 3Q Inflation Report	18-sep	Jan				

Source: Bloomberg and BBVA Research

## Most recent Latam reports

Date	Description
09.12.2015	<a href="#">Mexico: Financial markets are pending the decision of the Federal Reserve (In Spanish)</a>
09.11.2015	<a href="#">Peru: Central Bank surprises in September by delivering a 25bp policy rate hike</a>
09.10.2015	<a href="#">Colombia: The slowdown of the Colombian economy remains orderly (In Spanish)</a>
09.10.2015	<a href="#">Brazil: Copom sees 2016 inflation converging to the target, but also important risks</a>
09.10.2015	<a href="#">Brazil: Inflation eased in August</a>
09.10.2015	<a href="#">Mexico: The 2016 budget package reduces spending and promotes savings (In Spanish)</a>
09.08.2015	<a href="#">Chile: CPI inflation surprisingly increased 0.7% MoM in August</a>
09.07.2015	<a href="#">Chile: July IMACEC (2.5% YoY) in line with stabilization of growth (In Spanish)</a>
09.07.2015	<a href="#">Colombia: An upward surprise in food prices removes inflation from its target (In Spanish)</a>
09.02.2015	<a href="#">Mexico: Private sector credit increased 10.7% in July</a>
09.01.2015	<a href="#">Peru: Inflation continued to accelerate in August</a>
09.01.2015	<a href="#">Chile: Public expenditure increased by 8.9% in July</a>
09.01.2015	<a href="#">Mexico: Remittances reached the highest growth rate of the year in July (11.7%)</a>

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