

LatAm Daily | Positive bias in 3Q15 GDP growth in Colombia

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The industrial recovery seems to have started in Colombia as retail sales grew above expectations and the negative effects on industrial production of Ecopetrol's refinery are over. On the other hand, Brazilian economic activity contracted 0.8% MoM in August, reinforcing the view that GDP will decline again in 3Q15.

Colombia - The industrial recovery seems to have started at last. Retail sales surprise to the upside

In August, retail sales grew 5.4% YoY (BBVAe: 2.5%, Consensus: 2.6%) and 8.1% YoY excluding autos. Some groups of durable goods continue to increase at high rates, despite of the devaluation and the slowdown of the economy. Meanwhile, industrial production grew 2.6% YoY (BBVAe: 3.0%, Consensus: 1.0%). We would highlight two things: (i) the negative impact from the revamp of Ecopetrol's Cartagena refinery on industrial production is now over, and (ii) industrial sales increased 4.9% YoY, indicating a probable reduction in inventories. In conclusion, the third quarter data are surprising positively, putting an upward bias on 3Q15 GDP growth.

Brazil - Economic activity contracted 0.8% MoM in August

The BCB's economic activity indicator (the IBC-Br) declined 0.8% MoM in the second month of the third quarter, somewhat more than expected. The figure follows a stable reading in July. The reading reinforces the view that GDP will decline for the third quarter in a row in 3Q15. Recent data adds a negative bias to our -0.5% QoQ forecast for 3Q15 GDP (and therefore to our -2.5% forecast for 2015 GDP). In any case, we expect the contraction in activity to not be as sharp in this quarter as in 2Q15 when GDP dropped 1.9% QoQ.

What to watch today

No relevant news is expected for today.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Formal Job Creation Total	19-Oct	Sep	-60250			-86543
Tax Collections	19-Oct	Sep	94000			93738m
FIPE CPI - Weekly	20-Oct	Oct	8.10%			0.79%
IGP-M Inflation 2nd Preview	20-Oct	Oct	1.73%			0.65%
CNI Industrial Confidence	20-Oct	Oct				35.7
IBGE Inflation IPCA-15 MoM	21-Oct	Oct	0.68%	0.63%		0.39%
Selic Rate	21-Oct	Oct	14.25%	14.25%		14.25%
Unemployment Rate	22-Oct	Sep	7.80%	7.80%		7.60%
Current Account Balance	23-Oct	Sep	-2200			-\$2487m
Colombia						
Trade Balance	20-Oct	Aug	-1370	-\$1220		-\$1757.7
Retail Confidence	22-Oct	Sep		16		17.8
Industrial Confidence	22-Oct	Sep		4.1		2.9
Mexico						
Retail Sales YoY	21-Oct	Aug	4.80%			5.80%
Retail Sales MoM	21-Oct	Aug	0.60%			0.50%
Bi-Weekly CPI	22-Oct	Oct	0.50%	0.57%		0.00%
Bi-Weekly Core CPI	22-Oct	Oct	0.18%	0.17%		0.10%
Bi-Weekly CPI YoY	22-Oct	Oct	2.53%	2.58%		2.51%
Unemployment Rate NSA	23-Oct	Sep	4.64%			4.68%
Unemployment Rate SA	23-Oct	Sep	4.30%			4.32%

Fuente: BBVA Research

Most recent Latam reports

Date	Description
10.16.2015	Mexico: Weak US industrial prod. suggests that moderation in Mexico will continue
10.16.2015	Peru: Unsurprisingly, the central bank kept the policy rate at 3,50%
10.15.2015	Chile: Central bank increases the MPR to 3.25%, maintaining the contractionary bias (In Spanish)
10.15.2015	Peru: GDP growth in August was lower than expected (In Spanish)
10.14.2015	Chile: Complicated monetary policy decision (In Spanish)
10.12.2015	Peru: Transpacific agreement benefits still pose implementation challenges (In Spanish)
10.08.2015	Chile: CPI increased 0.5% MoM in September, below consensus expectations
10.07.2015	Brazil: Inflation: stable at high levels and ready to move further up
10.06.2015	Mexico: Credit to private sector grew 11.6% in August driven by consumer & firms credit
10.06.2015	Colombia: Sharply rise in food prices pushes inflation up
10.05.2015	Chile: Imacec weakened to 1.1% YoY in August, missing expectations
10.02.2015	Mexico: Weak employment data in the US reduces the chance of a rate hike soon (In Spanish)
10.02.2015	Colombia: In three decades the country's GDP per capita doubled (In Spanish)

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