

Latam Daily Flash

14 January 2013
Economic Analysis

Madrid
Juan Ruiz
Chief Economist, South America
juan.ruiz@bbva.com
+34 913745887

Enestor dos Santos
Senior Economist, Latam
enestor.dossantos@bbva.com
+34 639827211

Mexico City
Octavio Gutierrez-Engelmann
Macro Latam Strategy
o.gutierrez3@bbva.com
+5255 5621 9245

With contributions from the BBVA
Research Latam Team:

Lima
Hugo Perea
Chief Economist, Peru
hugo.perea@bbva.com
+51 1 2112042

Bogota
Juana Tellez
Chief Economist, Colombia
juana.tellez@bbva.com
+571 3471600

Santiago
Alejandro Puente
Chief Economist, Chile
alejandro.puente@bbva.com
+56 2 2939 10 92

In Colombia, exports dropped in November despite the recovery in coal sales. We are still expecting a better performance in the mining sector in 4Q12e. Mexican industrial production recovered in November, but leading data points to a less dynamic December. In contrast, investment perspectives for Peru look positive for 4Q12e given the high reading for business confidence. Today we have the publication of the balance of trade figure in Colombia.

Colombia - Exports dropped 8.2% in November

The results confirmed the recovery of coal exports, albeit at a slower pace than expected after the negative supply shock in 3Q12, and the stabilization in oil shipments. In contrast, the data also show a slowdown in exports of light manufactured goods. The data support our expectations of a better performance of the mining sector in 4Q12e.

Mexico - Industrial production in line with forecasts

November's industrial production grew 0.92% MoM in sa series (vs. BBVAe 1.1% and consensus 1.2%). Industrial growth was driven by manufacturing (+1.08% MoM) and mining (3.38%), and was in spite of the monthly contraction in construction (-0.97%) and utilities (-0.29%). The strongest expansion was in activities related to US manufacturing (i.e. transport equipment, machinery and basic metals). We do not rule out a deceleration for the end of 2012e.

Peru - Business confidence remained high in December

As we expected, business confidence stood at 64 points in December for the third consecutive month, within the optimistic area (above 50 points). This should support private investment in the coming quarters, leading GDP growth rates to remain close to their potential and hence resulting in the central bank maintaining its policy rate unchanged.

What to watch today

Colombia - Imports and trade balance (November, 16:00 hrs NYT)

According to our forecasts, imports (0.0% annually) will continue to confirm the recovery of household consumption, while also confirming the slowdown in private non-residential investment. If this is the case, the November trade balance would be in equilibrium.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Economic Activity Indx MoM SA	11-16 Jan	Nov	0.13%	0.10%	--	0.36%
Trade Balance (FOB) - Weekly	14-Jan	Jan 13	--	--	--	-\$100M
CAGED Formal Job Creation	14-21 Jan	Dec	-420000	--	--	46095
Retail Sales (MoM)	15-Jan	Nov	0.10%	--	--	0.80%
FGV CPI IPC-S	16-Jan	Jan 15	0.82%	--	--	0.77%
SELIC Target - Central Bank	16-Jan	Jan 16	7.25%	7.25%	--	7.25%
FIPE CPI - Weekly	17-Jan	Jan 15	0.91%	--	--	0.86%
FGV Inflation IGP-10 (MoM)	17-Jan	Jan	0.57%	--	--	0.63%
CNI Capacity Utilization	17-Jan	Nov	81.10%	--	--	81.00%
Chile						
Nominal Overnight Rate Target	17-Jan	Jan 17	5.00%	5.00%	--	5.00%
Colombia						
Trade Balance	14-18 Jan	Nov	138	\$0	--	\$22.4
Industrial Production (YoY)	17-22 Jan	Nov	1.20%	-1.90%	--	1.20%
Retail Sales (YoY)	17-22 Jan	Nov	0.60%	3.40%	--	-0.30%
Overnight Lending Rate	18-25 Jan	Jan 18	4.00%	4.00%	--	4.25%
Mexico						
International Reserves Weekly	15-Jan	Jan 11	--	--	--	\$163226M
Overnight Rate	18-Jan	Jan 18	4.50%	4.50%	--	4.50%
Peru						
Economic Activity Indx YoY NSA	15-Jan	Nov	6.45%	6.30%	--	6.70%
Unemployment	15-Jan	Nov	--	--	--	6.20%

Most recent Latam reports

Date	Description
11-1-2013	➤ Mexico Flash: Industrial production in November rose 0.9% mom, good progress in manufacturing, construction setback
11-1-2013	➤ Colombia Automobile Market Outlook 2012 (in Spanish)
10-1-2013	➤ Peru Flash: January monetary policy meeting: no surprises
10-1-2013	➤ Brazil Flash: Inflation closes 2012 at 5.8%, well above target
9-1-2013	➤ Mexico Inflation Flash: December's Inflation: Inflation Reaches 3.6% and Ends 2012 In Line with Banxico's Expectation
8-1-2013	➤ Chile Flash: CPI shows no change in December and annual increase of 1.5% YoY in 2012
8-1-2013	➤ Colombia Flash: Consumer inflation in December stood at 2.44% explained by regulated and food prices and partly by demand effects
7-1-2013	➤ Chile Flash "Economic activity remains strong in November"
7-1-2013	➤ Peru "Real Estate Outlook - 2012" (in Spanish)
2-1-2013	➤ Mexico Migration Flash: Remittances to Mexico recorded 5 consecutive-months with decreases

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