

Latam Daily Flash

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Economic Analysis

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Monday was a quiet day in Latam, and today should be another one as we are not expecting publication of any major indicators. Yesterday unemployment data was released in Mexico, coming in slightly better than expected.

Mexico - Unemployment rate decreased slowly in December

The recovery in the labor market at the end of 2012 was better than we expected. In seasonally adjusted series, the unemployment rate was 4.96% which was 0.15pp lower than in the previous month. The underemployment rate (that measures workers who need to work more hours) increased from 7.25% in November to 7.6% in December. The Employment Survey (of households) provided a mixed view about the labor market in Mexico: job-creation despite global uncertainty, but with a need to improve labor conditions. Informal employment remains relatively high: 27.89% in December vs. 29.34% at the same time last year.

What to watch today

Mexico - Economic Analysts Survey

We expect economists in the financial sector to revise downwards their headline inflation for 2013 (BBVAe 3.66% YE13), after the positive surprise in December's inflation (3.57% YoY vs. consensus 3.69%). Also, we estimate that some economists could be forecasting a lower monetary rate in the light of Banxico's dovish statement last week (we are still expecting a long monetary pause). In the previous survey, the economic outlook for 2013 was: GDP 3.45%, USDMXN 12.45, and the monetary rate at 4.5%.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Preview Inflation IGP-M	21-Jan	Jan 20	0.37%	--	0.34%	0.41%
Trade Balance (FOB) - Weekly	21-Jan	Jan 20	--	--	-\$1723M	-\$878M
CAGED Formal Job Creation	22-23 JAN	Dec	-401500	--	--	46095
FGV CPI IPC-S	23-Jan	Jan 22	0.81%	--	--	0.89%
IBGE CPI IPCA-15 (MoM)	23-Jan	Jan	0.81%	0.75%	--	0.69%
Current Account - Monthly	23-Jan	Dec	-\$6320M	--	--	-\$6265M
Foreign Investment	23-Jan	Dec	\$4100M	--	--	\$4587M
FGV Consumer Confidence	24-Jan	Jan	--	--	--	118.7
COPOM Monetary Policy Meeting Minutes	24-Jan	--	--	--	--	0.00%
Tax Collections	24-Jan	Dec	103300M	--	--	83707M
Outstanding Loans MoM%	25-Jan	Dec	--	--	--	1.5%
Chile						
Central Bank's Traders Survey	23-Jan	--	--	--	--	--
Mexico						
Unemployment Rate	21-Jan	Dec	4.80%	4.80%	4.47%	5.12%
Retail Sales (INEGI)	23-Jan	Nov	3.50%	2.30%	--	3.5%
Global Economic Indicator IGAE	24-Jan	Nov	3.00%	3.10%	--	4.33%
Bi-Weekly Core CPI	24-Jan	Jan 15	0.21%	0.36%	--	0.03%
Bi-Weekly CPI	24-Jan	Jan 15	0.32%	0.57%	--	0.10%
Trade Balance	25-Jan	Dec P	-967.95M	--	--	-1272.7M

Most recent Latam reports

Date	Description
18-1-2013	➤ Mexico Flash. No change in fondeo rate. Inflation slump leads to a dovish tone
17-1-2013	➤ Chile Flash: Central Bank kept the monetary policy rate at 5%
17-1-2013	➤ Banxico Watch: The significant improvement in the inflation balance of risks leads to a neutral tone and supports the monetary pause
17-1-2013	➤ Brazil Flash: Stability of monetary conditions amid higher inflation and lower growth
16-1-2013	➤ Brazil Flash: Economic activity grew more than expected in November
14-1-2013	➤ Peru Flash: Output keeps growing at a strong pace
14-1-2013	➤ Mexico Banking Flash: Private-sector credit: continues to grow at double-digit rates
14-1-2013	➤ Mexico Real Estate Flash: Negative growth for the first time in two years
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)

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