

# Latam Daily Flash

## 5 February 2013 Economic Analysis

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*A quiet day in Latam yesterday, with no major indicators published. Today we await January CPI readings in Colombia - where we expect a slight deceleration - and the December monthly activity index in Chile, which should add credence to our estimated 5.5% GDP growth for 2012e.*

## Colombia - Largest oil company to finance 50% of its investments in COP

As one of the measures to deal with COP appreciation, the largest oil company in Colombia, Ecopetrol, has agreed to finance 50% of its 2013 investment plan in pesos (around USD1bn out of total debt issuance of EUR2bn). The Colombian government is the major shareholder in Ecopetrol. The measure was expected (although not the amount) after the Minister of Finance announced that he would propose a bias towards domestic funding to the board of Ecopetrol. The decision is in addition to total USD3bn purchases by the central bank between February and May.

## What to watch today

### Chile - Monthly economic activity index (December, 06:30 hrs, NYT)

We expect the monthly economic activity index (Imacec) to increase 3.5% YoY in December (0.7% MoM sa), below the November figure, mainly driven by a slowdown in manufacturing and mining production, while domestic demand sectors should make a positive contribution. If our forecast is correct, GDP would have grown 5.5% YoY in 2012.

### Mexico - IMEF Manufacturing index (January; 13:00 hrs NYT)

The manufacturing PMI index will provide news on the evolution of domestic and external demand, after the significant improvement observed in 4Q12.

### Colombia - Consumer Price Index (January; 19:00 hrs NYT)

We anticipate an annual variation of 2.22% (0.52% MoM), below December's number of 2.44% YoY. We expect the large seasonal increase to be offset by a smaller MoM change in regulated prices (mainly oil) and lower demand pressures compared to a year ago.

## Calendar: Indicators

<b>Brazil</b>	<b>Date</b>	<b>Period</b>	<b>Consensus</b>	<b>BBVAe</b>	<b>Actual</b>	<b>Prior</b>
FIPE CPI - Monthly	4-Feb	Jan	1.06%	--	1.15%	0.78%
FGV Inflation IGP-DI	5-Feb	Jan	0.26%	--	--	0.66%
PMI Services	5-Feb	Jan	--	--	--	53.5
CNI Capacity Utilization	6-Feb	Dec	81.50%	--	--	81.4%
Vehicle Sales (Anfavea)	06-11 Feb	Jan	--	--	--	359355
FGV Preview Inflation IGP-M	7-Feb	Jan 31	0.20%	--	--	0.34%
IBGE Inflation IPCA (MoM)	7-Feb	Jan	0.84%	0.82%	--	0.79%
FGV CPI IPC-S	8-Feb	Feb 11	--	--	--	--
<b>Chile</b>						
Economic Activity Indx YoY NSA	5-Feb	Dec	3.70%	3.50%	--	5.5%
Total Exports in US\$ Million	7-Feb	Jan	--	\$6700	--	\$7714.0
Total Imports in US\$ Million	7-Feb	Jan	--	\$6800	--	\$6208.0
CPI (MoM)	8-Feb	Jan	0.05%	0.10%	--	0.0%
<b>Colombia</b>						
Producer Price Index (MoM)	4-Feb	Jan	--	--	-0.05%	-0.74%
Consumer Price Index (MoM)	6-Feb	Jan	0.52%	0.52%	--	0.09%
<b>Mexico</b>						
IMEF Manufacturing Index	5-Feb	Jan	--	--	--	52.8
Consumer Confidence	6-Feb	Jan	99.00	99.80	--	99.0
Consumer Prices (MoM)	7-Feb	Jan	0.32%	0.26%	--	0.23%
Consumer Prices Core (MoM)	7-Feb	Jan	0.30%	0.21%	--	0.12%
Bi-Weekly CPI	7-Feb	Jan 31	0.22%	0.11%	--	0.15%
Bi-Weekly Core CPI	7-Feb	Jan 31	0.20%	0.03%	--	0.18%
Gross Fixed Investment	8-Feb	Nov	4.90%	6.80%	--	9.5%
<b>Peru</b>						
Reference Rate	8-Feb	Feb	4.25%	4.25%	--	4.25%
Business Confidence	8-Feb	Feb	--	--	--	64.00%
Electricity production	04-09 Feb	Mar	--	--	--	5.88%

## Most recent Latam reports

Date	Description
1-2-2013	<a href="#">➤ Banxico Watch: Banxico seems to be targeting a cut but the uncertainty remains: how to play it?</a>
1-2-2013	<a href="#">➤ Peru Flash: Annual inflation remained within the target range</a>
1-2-2013	<a href="#">➤ Chile Flash: Minutes of the January's meeting turn to a more hawkish view</a>
31-1-2013	<a href="#">➤ Working Paper: Expanding Credit and Savings in Peru</a>
31-1-2013	<a href="#">➤ Brazil Economic Watch: "The macro mix in Brazil: a new fiscal regime, to a new monetary policy"</a>
31-1-2013	<a href="#">➤ Chile Flash: Unemployment rate ends 2012 at 6.1%</a>
30-1-2013	<a href="#">➤ Chile Flash: Manufacturing production and mining fall, while retail sales remain strong</a>
28-1-2013	<a href="#">➤ Colombia Flash: BanRep cut policy rate by 25bps to 4.0% and enhanced FX intervention</a>
24-1-2013	<a href="#">➤ Mexico Inflation Flash: January biweekly inflation: Inflation Drops Again as Non-Core Prices Surprise Downwards</a>
24-1-2013	<a href="#">➤ Brazil Flash: Monetary policy minutes: a more hawkish tone, still in line with the stability of monetary conditions</a>

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