

# Latam Daily Flash

5 March 2013  
Economic Analysis

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*Manufacturing confidence data for February was in line with our view that the Mexican economy has been losing some momentum, although it has continued to expand lately. Today, in addition to more confidence indicators in Mexico, we will be watching out for the release of activity data in Chile, expected to reveal strong momentum in domestic demand-related sectors, and inflation in Colombia, which should continue to decelerate.*

## Mexico - February's manufacturing confidence improved but with reduced momentum

According to the IMEF Index (a proxy for PMI), manufacturing confidence slid smoothly from 51.7 points in January to 51.5 in February. By components, the biggest increase was in inventories (from 50.6 to 53.2 respectively), whilst the new order component dropped from 53.5 to 52.5 points and employment from 51.9 to 51.5 points. The non-manufacturing index fell to 51.1 in February (vs. 51.9 in January). Overall, the IMEF Index indicates reduced momentum in manufacturing in the 1Q13.

## What to watch today

### Chile - Monthly Economic Activity Index (January, 6:30 hrs NYT)

We expect the Monthly Economic Activity Index (Imacec) to increase 6.4% YoY (0.1% MoM) supported by strong momentum in sectors related to domestic demand (mainly, retail sales and services) and a recovery in mining and manufacturing production.

### Mexico - Consumer confidence (February, 9:00 hrs NYT)

We expect reduced momentum in February. By components, we expect the possibility of buying durable goods and purchasing power to fall, whilst future conditions could rise.

### Colombia - Consumer inflation (February, 19:00 hrs NYT)

We expect inflation to continue decelerating to 1.92% YoY (0.54% MoM), standing slightly below the inflation target band. Even though we anticipate a larger monthly variation in food and regulated prices, we expect high base prices from a year ago will contribute to a temporary deviation from the inflation target band.

## 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	04-Mar	Feb	0.33%		0.22%	1.15%
Trade Balance (FOB) - Weekly	04-Mar	2-mar	--		179	--
PMI Services	05-Mar	Feb	--		--	54.5
FGV Inflation IGP-DI	06-Mar	Feb	0.35%		--	0.31%
Vehicle Sales (Anfavea)	06-Mar	Feb	--		--	311453
SELIC Target - Central Bank	06-Mar	2-mar	7.25%	7.25%	--	7.25%
Industrial Production sa (MoM)	07-Mar	Jan	1.55%	0.60%	--	0.00%
FGV Preview Inflation IGP-M	08-Mar	2-feb	0.38%		--	0.34%
FGV CPI IPC-S	08-Mar	2-mar	--		--	--
IBGE Inflation IPCA (MoM)	08-Mar	Feb	0.50%	0.40%	--	0.86%
CNI Capacity Utilization	08-Mar	Jan	81.00%		--	80.90%
<b>Chile</b>						
Economic Activity Indx YoY NSA	05-Mar	Jan	6.50%	6.40%	--	4.70%
Trade Balance in US\$ Million	07-Mar	Feb	\$500	\$300	--	\$244.0
Copper Exports	07-Mar	Feb	--	\$3600	--	\$3474.0
CPI (MoM)	08-Mar	Feb	0.30%	0.30%	--	0.20%
<b>Colombia</b>						
Producer Price Index (MoM)	04-Mar	Feb	--	--	0.17%	-0.05%
Consumer Price Index (MoM)	06-Mar	Feb	0.50%	0.54%	--	0.30%
<b>Mexico</b>						
IMEF Manufacturing Index	04-Mar	Feb	51.50%	--	51.5	52.1
IMEF Non Manufacturing Index	04-Mar	Feb	--	--	51.1	51.7
Consumer Confidence	05-Mar	Feb	98.6	98.1	--	100
International Reserves Weekly	05-Mar	2-mar	--	--	--	\$164715M
Consumer Prices (MoM)	07-Mar	Feb	0.53%	0.58%	--	0.40%
Consumer Prices Core (MoM)	07-Mar	Feb	0.53%	0.53%	--	0.42%
Bi-Weekly CPI	07-Mar	2-feb	0.22%	0.29%	--	0.24%
Bi-Weekly Core CPI	07-Mar	2-feb	0.12%	0.24%	--	0.24%
Gross Fixed Investment	08-Mar	Dec	-2.00%	3.00%	--	5.40%
Overnight Rate	08-Mar	2-mar	4.50%	4.50%	--	4.50%
Vehicle Production (AMIA)	08-15 MAR	Feb	--	--	--	242855
<b>Peru</b>						
Reference Rate	08-Mar	Mar	4.25%	4.25%	--	4.25%

## Most recent Latam reports

Date	Description
4-3-2013	<a href="#">➤ Brazil Economic Outlook. First Quarter 2013. (in Chinese)</a>
1-3-2013	<a href="#">➤ Mexico Real Estate Flash. Guidelines of the new Infonavit housing policy</a>
1-3-2013	<a href="#">➤ Flash Chile: Minutes of the February's meeting gives more weight to internal risks</a>
1-3-2013	<a href="#">➤ Peru Flash: Unexpected inflation decline in February</a>
1-3-2013	<a href="#">➤ Mexico Migration Flash: Remittances to Mexico starts 2013 decreasing</a>
1-3-2013	<a href="#">➤ Brazil Flash: Activity continued to recover, albeit slowly, at the end of the last year. GDP grew only 0.9% in 2012</a>
28-2-2013	<a href="#">➤ Chile Flash: Industrial activity regains momentum and unemployment rate reaches 6%</a>
22-2-2013	<a href="#">➤ Colombia Flash: Industrial production confirms delay of industrial recovery. Retail sales signal room for increased household spending</a>
22-2-2013	<a href="#">➤ Colombia Flash: BanRep cut policy rate by 25bps to 3.75%, in line with expectations</a>
22-2-2013	<a href="#">➤ Mexico Flash: February's biweekly inflation: inflation increases as mobile phone fees rise again</a>

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