

Latam Daily Flash

20 March 2013 Economic Analysis

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Yesterday GDP numbers for the fourth quarter came out in Mexico. Consumption grew higher than expected, but investment was hit by global uncertainty. Meanwhile, in Colombia, civil works recovered in 4Q12, supporting our call for a GDP growth forecast of 3% YoY in 4Q12. Today will be a quiet day in Latam, with no major indicators expected to be published.

Mexico - GDP grew 3.2% in 4Q12. Investment hit by global uncertainty

As expected, domestic demand and net exports contributed with 3.4pp and -0.2pp, respectively. Private consumption grew higher than expected (3.5% YoY vs. BBVAe 2.2%) backed by formal payroll and loans to households. In contrast, gross fixed investment was affected by global uncertainty and it continued decelerating to 4.1% YoY in 4Q12 (vs. BBVAe 7.6%) from 4.7% 3Q12. Fixed investment was driven by null growth in total construction (private construction fell 1.7% YoY) and 9.6% YoY growth in machinery.

Colombia - Civil engineering works recovered in 4Q12

Civil works fell 0.4% YoY in 4Q12 and grew 1.9% in 2012, slightly above our outlook. In 4Q12, we highlight the recovery of public and private disbursements for roads (+16.1% YoY) and mining infrastructure (+2.8% YoY), reflecting a high execution rate at the end of the year. However, the high statistical base of a year ago limited a more accelerated annual growth in mining. Civil works numbers come in line with our 4Q12e GDP forecast of 3.0%, to be released on March 21st.

What to watch today

No relevant data to be published today

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
CAGED Formal Job Creation	20-21 MAR	Feb	95295	--	--	28900
FGV CPI IPC-S	18-Mar	3-Mar	0.63%	--	0.63%	0.52%
FIPE CPI - Weekly	19-Mar	3-Mar	0.03%	--	-0.11%	0.06%
FGV Preview Inflation IGP-M	19-Mar	3-Mar	0.25%	--	0.24%	0.15%
IPCA-15	23-Mar	Mar	0.44%	0.45%	--	0.0068
Current Account - US\$ million	23-Mar	Feb	-\$4250M	--	--	-8400
Chile						
GDP (Annual Growth Rate)	18-Mar	5-Jul	5.60%	--	5.60%	5.99%
GDP (YoY)	18-Mar	4Q	5.60%	5.60%	5.70%	5.70%
Current Account	18-Mar	4Q	-2500.0	-2,330.0	-2880	-4783.0
Colombia						
Outstanding Loans (YoY)	18-Mar	Jan	--	--	15.39%	15.23%
Trade Balance	18-Mar	Jan	\$465.5	--	-\$213.3	\$677.3
Imports CIF - US\$ million	18-Mar	Jan	--	\$4,955	\$5200.9	\$4480.3
GDP (YoY)	21-Mar	4Q	2.9%	3.00%	--	2.1%
Overnight policy rate	23-Mar	Mar	3.50%	3.75%	--	3.75%
Retail sales	23-Mar	Jan	2.50%	3.80%	--	3.30%
Industrial production	23-Mar	Jan	0.20%	0.60%	--	-3.00%
Mexico						
Aggregate Supply & Demand	19-Mar	4Q	2.90%	--	3.60%	2.6%
Retail Sales (INEGI)	21-Mar	Jan	1.80%	--	--	-1.80%
Unemployment rate	23-Mar	Feb	5.40%	--	--	5.42%
Bi-weekly CPI	23-Mar	1-15 Mar	0.31%	0.28%	--	0.11%
Bi-weekly Core	23-Mar	1-15 Mar	0.19%	0.16%	--	0.07%
Central Bank Monetary Policy Minutes	23-Mar	--	--	--	--	--
Aggregate Supply & Demand	19-Mar	4Q	2.90%	--	3.60%	2.6%
Peru						
Central Bank Quarterly Inflation Report	23-Mar	--	--	--	--	--

Most recent Latam reports

Date	Description
18-3-2013	➤ Chile Flash: Domestic demand remains dynamic in line with current account worsening
15-3-2013	➤ Flash Peru: GDP Growth rebounded in January
14-3-2013	➤ Flash Chile: Central Bank keeps interest rate and shows some concern
14-3-2013	➤ Brazil Flash: A Cautious COPOM
12-3-2013	➤ Mexico Real Estate Flash: Construction activity remains flat
12-3-2013	➤ Mexico Flash. Industrial production rebounded in January, 1.1% m/m, positively highlights the construction industry
8-3-2013	➤ Mexico. Banxico Watch: Banxico Delivers
8-3-2013	➤ Chile Flash: Monthly inflation stood at 0.1% in February, below expectations
8-3-2013	➤ Brazil Flash: February inflation pushes central bank up against the wall
7-3-2013	➤ Mexico Real Estate Flash: The construction guarantee program: Is this what is needed?

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