

# Latam Daily Flash

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Economic Analysis

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*A countercyclical set of incentives to stimulate the economy was announced yesterday in Colombia, where growth has moderated somewhat in the past few quarters. The government expects these incentives to add 1% to this year's GDP growth. In Peru, activity data showed that the economy continued to grow robustly in February, in line with our view that GDP will grow 6.5% this year. Finally, in Chile confidence data moderated somewhat in March, mostly due to seasonal factors.*

## Colombia - Counter-cyclical programme

The government presented a counter-cyclical programme with several policy measures designed to stimulate the economy. The government expects the programme to add 1% to GDP growth in FY13. Among the measures, we highlight the subsidized lending rates to the agriculture and commerce sectors, reductions in the cost of energy and subsidized rates for mortgage loans. In terms of FX measures, the government announced purchases of USD1bn (although it is unclear when these purchases will be made) aimed at diversifying public pension savings into overseas assets, and also expecting to enact regulatory changes to private pension savings that also introduce a bias towards investment in external assets. All in all, in our view the measures introduce a positive bias to 2H13 buildings construction and GDP growth.

## Peru - Output keeps growing at a strong pace

GDP increased by 5.0%YoY in February, in line with our expectations but below consensus (5.9%). At first glance, this suggests that the Peruvian economy may be losing steam (vs. 6.2% YoY in January). However, this is not actually the case because the leap year in 2012 has an important negative effect on this month's print. In fact, underlying economic activity is still robust, supported by dynamic private and public spending as the 1Q13 indicators suggest, which is coherent with our 2013e output growth forecast of 6.5% (see our [Peru Flash](#)).

## Chile - Consumer confidence dropped slightly in March

For the tenth consecutive month, the consumer confidence index remained in the optimistic range, reaching 56.8 in March (February: 58.1). The slight drop compared to previous prints was due to a less optimistic assessment of the current personal situation, mainly as a reflection of seasonal factors and the erosion of wages due to higher inflation during the month. Also, measures of future conditions in twelve months' time showed a small decline, but remain in the optimistic zone.

## What to watch today

**No major indicators expected today**

## Calendar: Indicators

<b>Brazil</b>	<b>Date</b>	<b>Period</b>	<b>Consensus</b>	<b>BBVAe</b>	<b>Actual</b>	<b>Prior</b>
CAGED Formal Job Creation	16-21 Apr	Mar	110000	--	--	123446
FGV Inflation IGP-10 (MoM)	16-Mar	Apr	0.35%	--	--	0.22%
FGV CPI IPC-S	16-Mar	Apr 15	0.67%	--	--	0.71%
FIPE CPI - Weekly	17-Mar	Apr 15	0.01%	--	--	-0.11%
SELIC Target - Central Bank	17-Mar	Apr 17	7.50%	7.50%	--	7.25%
IBGE CPI IPCA-15 (MoM)	19-Mar	Apr	0.46%	0.43%	--	0.49%
<b>Colombia</b>						
Outstanding Loans	16-19 Apr	Feb	--	--	--	\$248.2B
Trade Balance	18-Mar	Feb	-\$91	\$556	--	-\$213.3
Retail Sales (YoY)	19-Mar	Feb	1.70%	2.80%	--	1.30%
Industrial Production (YoY)	19-Mar	Feb	-3.00%	-4.50%	--	-1.70%
<b>Mexico</b>						
ANTAD Same-Store Sales (YoY%)	15-Mar	Mar	--	--	5.90%	0.20%
Unemployment Rate	19-Mar	Mar	4.67%	4.80%	--	4.85%
<b>Peru</b>						
Unemployment	15-Mar	Mar	6.60%	--	6.40%	6.40%
Economic Activity Indx YoY NSA	15-Mar	Feb	5.90%	5.00%	4.98%	6.20%

## Most recent Latam reports

<b>Date</b>	<b>Description</b>
11-04-2013	<a href="#">➤ Flash Peru: Output kept expanding at a strong pace in February</a>
11-04-2013	<a href="#">➤ Mexico Real Estate Flash: Construction activity a step back</a>
11-04-2013	<a href="#">➤ Flash Chile: Central Bank keeps interest rate at 5% and its neutral tone</a>
11-04-2013	<a href="#">➤ Flash Peru: No surprises in April monetary policy meeting</a>
10-04-2013	<a href="#">➤ Brazil Flash: Inflation breaches target ceiling in March</a>
10-04-2013	<a href="#">➤ Mexico Real Estate Flash: New drop in construction production</a>
10-04-2013	<a href="#">➤ Mexico Real Estate Flash: The hand that rocks the cradle in the mortgage market</a>
10-04-2013	<a href="#">➤ Mexico Banking Flash: Lending to private sector: double-digit growth persist</a>
09-04-2013	<a href="#">➤ Mexico Inflation Flash: March's CPI: Supply shocks push headline inflation upwards; However Core inflation remains bounded</a>
08-04-2013	<a href="#">➤ Flash Chile: Inflation reached 0.4% MoM in March due to increases in education and food prices</a>

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