

Latam Daily Flash

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Economic Analysis

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Employment data in Peru for the first quarter of the year continued to support our view that private consumption will be one of the main triggers of GDP growth in 2013e. Today the attention will be on Brazil, where we expect the BCB to start to adjust the SELIC upwards to prevent inflation from running out of control.

Peru - Job-creation accelerated in the first quarter of 2013

Employment increased 3.1% YoY in the first quarter of 2013, the strongest pace in more than two years. The result is mainly linked to the inclusion of new entrants in the labor market, mostly youngsters. This supports our view that consumption will remain one of the main drivers of domestic demand growth this year.

What to watch today

Brazil - Monetary policy decision (unspecified time of announcement)

We expect the BCB to announce a 25bp hike in the SELIC rate to 7.50%. In our view, this will be the first move in a relatively soft monetary tightening which would take the SELIC to 8.25% in the months ahead and which aims at keeping inflation (especially inflation expectations) under control. The degree of uncertainty surrounding today's decision is relatively high, which means that we would not be surprised by either a more significant hike (+50bp) or even no adjustment at all.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
CAGED Formal Job Creation	17-21 Apr	Mar	110000	--	--	123446
FGV Inflation IGP-10 (MoM)	16-Mar	Apr	0.35%	--	0.18%	0.22%
FGV CPI IPC-S	16-Mar	Apr 15	0.66%	--	0.65%	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%
Colombia						
Outstanding Loans	17-19 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%
Mexico						
ANTAD Same-Store Sales (YoY%)	15-Mar	Mar	--	--	5.90%	0.20%
Unemployment Rate	19-Mar	Mar	4.67%	4.80%	--	4.85%
Peru						
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

Date	Description
16-04-2013	➤ Mexico Real Estate Flash: A helping hand for the housing industry
11-04-2013	➤ Flash Peru: Output kept expanding at a strong pace in February
11-04-2013	➤ Mexico Real Estate Flash: Construction activity a step back
11-04-2013	➤ Flash Chile: Central Bank keeps interest rate at 5% and its neutral tone
11-04-2013	➤ Flash Peru: No surprises in April monetary policy meeting
10-04-2013	➤ Brazil Flash: Inflation breaches target ceiling in March
10-04-2013	➤ Mexico Real Estate Flash: New drop in construction production
10-04-2013	➤ Mexico Real Estate Flash: The hand that rocks the cradle in the mortgage market
10-04-2013	➤ Mexico Banking Flash: Lending to private sector: double-digit growth persist
09-04-2013	➤ Mexico Inflation Flash: March's CPI: Supply shocks push headline inflation upwards; However Core inflation remains bounded

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