

Latam Daily Flash

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Economic Analysis

Madrid

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Economic activity in Chile in March slowed more than forecasted, but we expect it to recover in the short term. Meanwhile, in Mexico, consumer confidence surprised slightly to the upside in April, a good sign for the prospects for domestic demand. Today will be a relatively quiet day in Latam, with just the balance of trade figures to be published in Chile.

Chile - Economic activity increased 3.1% YoY in March, but we anticipate a rebound

The Monthly Economic Activity Index (Imacec) increased 3.1% YoY in March (0% MoM sa), below both our and market expectations, driven by increases in the mining and retail sectors. With this print, activity growth reached 4.4% YoY in 1Q13. For the short run, we anticipate an increase above 5% YoY for the Imacec in April, supported by the two additional working days. All in all, we expect the central bank to keep the monetary policy rate at 5% in the short term, especially given monthly inflation at -0.2% in April (see our [Chile Flash](#) for details).

Mexico - Consumer confidence improved slightly

Consumer confidence surprised slightly to the upside in April by increasing by 1.4% MoM sa (to 95.7). This improvement confirms that indicators related to domestic demand continue to perform more favorably than foreign demand indicators.

What to watch today

Chile - Trade Balance (April, 8:30 hrs NYT)

We expect a USD1.0bn surplus on the balance of trade in April. This surplus is explained by expectations of exports at USD7.8bn, while imports should reach USD6.7bn. Finally we estimate copper exports in the order of USD4.3bn.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Commodity Price Index (MoM)	01-08 May	Apr	--	--	-1.93%	-1.82%
Vehicle Sales (Anfavea)	06-09 May	Apr	--	--	--	283912
FGV Inflation IGP-DI	08-May	Apr	0,05%	--	--	0.31%
IBGE Inflation IPCA (MoM)	08-May	Apr	0.49%	0.45%	--	0.47%
FIPE CPI - Weekly	09-May	2-may	0,33%	--	--	0.17%
CNI Capacity Utilization	09-May	Mar	82,60%	--	--	82.6%
IGP-M Inflation 1st Preview	10-May	May	0,06%	--	--	0.42%
Chile						
Economic Activity Indx YoY NSA	06-May	Mar	4,65%	3.90%	3,1%	3.8%
Trade Balance in US\$ Million	07-May	Apr	\$550	\$1084	--	\$1134.0
Copper Exports	07-May	Apr	--	\$4345	--	\$3381.0
CPI (MoM)	08-May	Apr	-0.1%	-0.20%	--	0.4%
Central Bank's Economist Survey	10-May	May	--	--	--	--
Colombia						
Vehicle Sales	07-10 May	Apr	--	--	--	23551
Exports FOB - US\$ million	08-May	Mar	\$4958,64	\$4284	--	\$4667.8
Colombia Monetary Policy Minutes	10-May	May	--	--	--	--
Consumer Confidence	10-17 May	Apr	15,1	18	--	--
Mexico						
Consumer Confidence	06-May	Apr	95.84	--	95.7	95.4
Leading Indicators (MoM)	07-May	Mar	--	--	--	0.06
Gross Fixed Investment	08-May	Feb	-0.1%	2.50%	--	4.6%
Central Bank 1Q Inflation Report	08-May	May	--	--	--	--
Vehicle Production (AMIA)	08-15 May	Apr	--	--	--	238519
Consumer Prices (MoM)	09-May	Apr	0,1%	--	--	0.73%
Bi-Weekly CPI	09-May	Apr 30	0,05%	--	--	-0.09%
Trade Balance	09-May	Mar F	391.0M	--	--	1714.3M
Industrial Production (YoY)	10-May	Mar	-1,25%	1.80%	--	-1.2%
Manufacturing Production (YoY)	10-May	Mar	--	--	--	-0.9%
Central Bank Monetary Policy Minutes	10-May	May	--	--	--	--
Peru						
Reference Rate	10-May	May	4.25%	4.25%	--	4.25%
Trade Balance (INEI)	10-May	Mar	-\$110M	--	--	-\$88M

Most recent Latam reports

Date	Description
6-05-2013	➤ Flash Chile: Economic activity increased 3,1% YoY in March, but we anticipate growth above 5% YoY in April
6-05-2013	➤ Flash Colombia: Inflation reached 2.02% YoY in April, back into the inflation target range
2-05-2013	➤ Flash Peru: Annual inflation declined to 2.3% in April
2-05-2013	➤ Mexico Migration Flash: Holy week, exchange rate and Mexican immigrants' employment hit remittances in March
30-04-2013	➤ Mexico Migration Flash: In March, another sharp drop in remittances to Mexico
26-04-2013	➤ Mexico Flash: Results of the National Financial Inclusion Survey
26-04-2013	➤ Flash Colombia: BanRep kept policy rate unchanged at 3.25% in line with consensus, and revised upwards FY13 GDP growth to 4.3%
26-04-2013	➤ Flash Chile: Central Bank kept its neutral stance before preliminary slowdown
26-04-2013	➤ Banxico Flash: Banxico: Getting ready to pull the trigger if necessary
25-04-2013	➤ Brazil Flash: COPOM: "vigilant" and focused on 2014

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