

Latam Daily Flash

21 May 2013 Economic Analysis

Madrid

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GDP growth in Chile came out at 4.1% for 1Q13, below expectations, but domestic demand is still growing very strongly. Meanwhile, the trade balance in Colombia for 1Q13 deteriorated sharply YoY, to a great extent due to the temporary negative supply shock in the mining sector. Today will be a quiet day in Latam, with no major indicators expected to be published.

Chile - GDP growth reached 4.1% YoY in 1Q13

GDP grew 4.1% YoY in 1Q13, below both our and market estimates. Meanwhile, domestic demand moderated but remains dynamic, increasing 6.8% YoY in the period. The latter was due to an expansion of private consumption of 6.2% YoY and a slowdown in gross fixed capital formation to 9.6% YoY (previously at 18.1% YoY). The external sector continued its negative contribution to GDP, with meagre growth in exports (1.0% YoY) outstripped by imports (8.2% YoY). Finally, the current account deteriorated less than we estimated to -2.4% of GDP, equivalent to a deficit of USD1,690 mn in 1Q13. All in all, recent data validate our assessment of a deceleration in economic activity although domestic demand is still growing above a sustainable path, putting pressure on domestic resources, prices and the current account balance.

Colombia - Trade balance deteriorated in 1Q13 despite a fall in imports

Imports fell 10.3% YoY in March, decelerating from -0.7% in February. All import groups fell YoY, with consumer goods dropping -6.0%, raw materials -15.2% and capital goods -6.7%. This was in contrast to the performance observed in previous months, when consumer goods offset the weak performance of raw materials and capital goods. This result coincides with a weak dynamic in manufacturing, but limits any recovery on consumption in 2Q13. Meanwhile, trade balance reached USD 285.7 mn, a severe deterioration vs. 1Q12 (USD 2,236mn) as a reflection of the temporary mining shock.

What to watch today

No major indicators expected to be released today

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
IGP-M Inflation 2nd Preview	20-May	May	--	--	0.01%	0.28%
CAGED Formal Job Creation	21-May	Apr	215000	--	--	112450
Tax Collections	21-May	Apr	95000M	--	--	79613M
IBGE CPI IPCA-15 (MoM)	22-May	May	0.49%	0.42%	--	0.51%
Current Account - Monthly	22-May	Apr	-7268.5	--	--	-\$6873M
FGV CPI IPC-S	23-May	2-May	0.33%	--	--	--
Unemployment Rate	23-May	Apr	5.55%	5.90%	--	5.7%
FGV Consumer Confidence	24-May	May	--	--	--	113.9
Total Outstanding Loans	24-May	Apr	--	--	--	2427B
Chile						
GDP (YoY)	20-May	1Q	4,5%	4.40%	4.1%	5.70%
Current Account	20-May	1Q	-1800	-2150	-1690	-2880.0
Central Bank's Traders Survey	22-May	1-Jan	-100.5	--	--	--
Colombia						
Trade Balance	20-May	Mar	-100.5	-\$115	\$285.7	\$386.4
Outstanding Loans (YoY)	21-24 May	Mar	--	--	--	--
Mexico						
Retail Sales (INEGI)	22-May	Mar	-0.2%	--	--	-2.6%
GDP Current \$ YoY	23-May	1Q	4.2%	--	--	3.9%
Bi-Weekly CPI	23-May	2-May	-0.35%	--	--	0.01%
Unemployment Rate	24-May	Apr	4.67%	--	--	4.51%
Current Account Balance	24-May	1Q	-4500	--	--	-\$6490M
Peru						
GDP YoY	23-May	1Q	4.8%	4.80%	--	5.9%

Most recent Latam reports

Date	Description
17-05-2013	➤ Peru Economic Outlook Second Quarter 2013
17-05-2013	➤ Mexico GDP Flash: Slightly higher than estimated, GDP grew 0.5% q/q in 1Q13. This is, however, the lowest annual growth since 2009
16-05-2013	➤ Chile Flash: Central Bank kept interest rate at 5% overshadowing dovish market positions
15-05-2013	➤ Peru Flash: Output surprises on the downside in March
15-05-2013	➤ Mexico Real Estate Flash: Activity in the construction sector declined in the first quarter
9-05-2103	➤ Mexico Flash: April's inflation: Headline Inflation Peaks as Core Inflation Falls Again Below 3%
9-05-2103	➤ Peru Flash: The Central Bank keeps a neutral bias for the policy rate
9-05-2103	➤ Chile Economic Outlook (in Spanish) - Second quarter, 2013
9-05-2103	➤ Peru Economic Outlook (in Spanish) - Second quarter, 2013
9-05-2103	➤ Colombia Economic Outlook (in Spanish) - Second quarter, 2013

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