

Latam Daily Flash

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Economic Analysis

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Not much news yesterday in Latam, limited to consumer confidence figures in Chile and Colombia, both showing a slight decline but still in the optimistic range and supporting consumption. Today will also be a quiet day in the region, with balance of trade figures in Colombia, which should provide hints about a recovery in consumption and industrial investment.

Chile - Consumer confidence declined but remains optimistic

Although the consumer confidence index declined in May, for the twelfth consecutive month it remained in the optimistic range, reaching 55.2 points (April: 59.2). The decline was due to a lower assessment of the current personal situation, mainly as a reflection of higher fuel prices, lower activity data and uncertainty about the outcome of the Presidential Elections. All in all, we expect that employment and nominal wage increases should maintain confidence in the optimistic range for the rest of the year, supporting consumption in coming months.

Colombia - In May, consumer confidence remained above the average at the beginning of the year

Consumer confidence stood at 20.1 (in a range between -100 and 100), slightly below the April print (23.7). However, it remained above the 1Q13 average level, when it stood at an average of 17.6. In addition, households still consider this to be a good time to buy durable goods and housing. Data coincide with the economic recovery since the beginning of 2Q13, with a significant contribution from private consumption. The data also suggest that the building sector dynamics will be outstanding in the second half of the year.

What to watch today

Colombia - Imports and trade balance (April, 17:00hrs NYT)

We expect a 3.3% YoY growth in imports. This would imply a moderate rebound in consumer spending and industrial investment, and according to our estimates would take the balance of trade to USD37mn given the recovery in exports in April.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
CAGED Formal Job Creation	18-21 Jun	May	155000	--	--	196913
Tax Collections	18-22 Jun	May	86024.5M	--	--	98713M
FGV CPI IPC-S	17 Jun	2-Jun	0.46%	--	0.43%	0.48%
FIPE CPI - Weekly	18 Jun	2-Jun	0.18%	--	0.18%	0.13%
IGP-M Inflation 2nd Preview	18 Jun	Jun	0.65%	--	--	0.01%
Unemployment Rate	20 Jun	May	5.8%	5.8%	--	5.8%
IBGE CPI IPCA-15 (MoM)	21 Jun	Jun	0.37%	0.36%	--	0.46%
Current Account - Monthly	21 Jun	May	-\$6400M	--	--	-\$8318M
Colombia						
Outstanding Loans	18-21 Jun	Apr	--	--	--	\$253.0B
Imports	18-Jun	Apr	--	\$5167	--	\$4488
Trade Balance	18 Jun	Apr	\$129	\$37	--	\$285.7
GDP (YoY)	20 Jun	1Q	2.8%	2.3%	--	3.1%
Retail Sales (YoY)	21 Jun	Apr	3.3%	0.2%	--	0.9%
Industrial Production (YoY)	21-Jun	Apr	1.6%	6.4%	--	-11.5%
Mexico						
Aggregate Supply & Demand	19 Jun	1Q	1%	2.8%	--	3.6%
Retail Sales (INEGI)	20 Jun	Apr	1.2%	-0.1%	--	-2.4%
Central Bank Monetary Policy Minutes	21 Jun	--	--	--	--	--
Peru						
Central Bank Quarterly Inflation Report	21 Jun	--	--	--	--	--

Most recent Latam reports

Date	Description
17-06-2013	➤ Brazil Flash: Government takes steps toward the normalization of economic policies
14-06-2013	➤ Flash Peru: April GDP and available indicators anticipate strong performance in the second quarter
13-06-2013	➤ Flash Peru: Unsurprisingly, the policy rate remains at 4,25%
11-06-2013	➤ Mexico Real Estate Flash: Some oxygen for the construction sector
11-06-2013	➤ Flash Colombia: It was confirmed the leadership of infrastructure in GDP growth in 2013
10-06-2013	➤ Mexico Real Estate Flash: Construction in energy, ahead on its own
10-06-2013	➤ Mexico Flash: Industrial production, with sharp drop in April. Confirms and amplifies the negative trend
7-06-2013	➤ Brazil Flash: Inflation: stable around the target ceiling for now, but moving up soon
7-06-2013	➤ Flash Chile: CPI had no variation in May but it may increase 0.5% MoM in June
7-06-2013	➤ Mexico Inflation Flash: Inflation in May: Supply Shocks Within Non Core Inflation Prevents Headline Inflation from Falling

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