

Latam Daily Flash

3 July 2013 Economic Analysis

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Industrial production in Brazil declined more than expected in May, reinforcing our view that GDP growth in 2Q13 will not be significantly higher than the 0.6% QoQ registered in 1Q13. Today we await June consumer confidence numbers in Mexico, which we expect to remain more or less unchanged.

Brazil - Industrial production declined more than expected in May

Industrial output dropped 2.0% MoM in May, more than markets were expecting (BBVAe: -0.3% MoM; consensus: -1.1%). The production of capital and consumer goods declined 3.5% MoM and 1.8% MoM respectively, posing doubts about the rebound in investment and adding to evidence of a moderation in private consumption. The drop in industrial production in May offsets the growth recorded in April (+1.9% MoM) and reinforces our view that GDP will not accelerate sharply in May (implying that GDP growth will not be significantly higher than the 0.6% QoQ of 1Q13).

What to watch today

Mexico - Consumer confidence (June, 09:00hrs NYT)

We expect consumer confidence to remain more or less unchanged in June, increasing only slightly, to 95.4 from 95.2 in May in line with the moderate growth in job-creation (+0.3% MoM in May), as real wages have remained practically unchanged.

Calendar: Indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
FGV CPI IPC-S	01 Jul	2-jun	0.37%	--	0.35%	0.37%
PMI Manufacturing	01 Jul	Jun	--	--	50.4	50.4
Trade Balance (Mln) - Monthly	01 Jul	Jun	\$2050M	\$2000M	\$2394M	\$760M
Vehicle Sales (Fenabrave)	02 Jul	Jun	--	--	318606	316225
FIPE CPI - Monthly	02 Jul	Jun	0.365%	--	0.32%	0.1%
Industrial Production sa (MoM)	02 Jul	May	1.1%	--	-2%	1.8%
PMI Services	03 Jul	Jun	--	--	--	51
Commodity Price Index (MoM)	03-10 Jul	Jun	--	--	--	0.55%
Vehicle Production (Anfavea)	04 Jul	Jun	--	--	--	348070
FGV Inflation IGP-DI	05 Jul	Jun	0.68%	--	--	0.32%
IBGE Inflation IPCA (MoM)	05 Jul	Jun	0.34%	0.32%	--	0.37%
Chile						
Central Bank 2Q monetary policy report (IPOM)	01 Jul	--	--	--	--	--
Economic Activity Indx YoY NSA	05 Jul	May	4%	3.8%	--	4.4%
CPI MoM	06 Jul	Jun	0.4%	0.6%	--	0.00%
Colombia						
Producer Price Index (MoM)	04 Jul	Jun	--	--	--	0.19%
CPI MoM	06 Jul	Jun	0.17%	0.22%	--	0.28%
Mexico						
IMEF Manufacturing Index NSA	01 Jul	Jun	50	--	47.5	49
Consumer Confidence	03 Jul	Jun	95.4	--	--	95.2
Leading Indicators (MoM)	04 Jul	May	--	--	--	2.00%
Peru						
CPI MoM	01 Jul	Jun	0.22%	0.3%	0.26%	0.19%
Wholesale Prices (MoM)	01 Jul	Jun	--	--	0.82%	-0.3%

Most recent Latam reports

Date	Description
1-07-2013	➤ Mexico Migration Flash: Remittances to Mexico recorded 11 consecutive months with declines
1-07-2013	➤ Flash Peru: Annual inflation kept upward trend in June
28-06-2013	➤ Mexico Real Estate Flash: The rules arrive at last
28-06-2013	➤ Mexico Regional Sectorial Outlook
28-06-2013	➤ Colombia Flash: Central Bank kept policy rate at 3.25% and moderates concerns about local volatility
28-06-2013	➤ Flash Uruguay: Central Bank established a new monetary policy instrument which will have a slight tightening bias
28-06-2013	➤ Mexico Migration Flash: Do remittances recovered last May?
27-06-2013	➤ Brazil Flash: Central Bank expects higher inflation and lower growth; and we expect a higher SELIC
25-06-2013	➤ Mexico Banking Flash: The Ministry of Finance (SHCP) has published amendments to the Single Banking Circular ("Circular Única de Bancos", or CUB) to establish new rules for rating the commercial credit portfolio
25-06-2013	➤ Peru Economic Watch: International reserves in Peru: approaching the optimal level

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