

Latam Daily Flash

5 July 2013 Economic Analysis

Madrid

Juan Ruiz

Chief Economist, South America
juan.ruiz@bbva.com
+34 913745887

Enestor dos Santos

Principal Economist, Latam
enestor.dossantos@bbva.com
+34 639827211

With contributions from the BBVA
Research Latam Team:

Lima

Hugo Perea

Chief Economist, Peru
hugo.perea@bbva.com
+51 1 2112042

Bogota

Juana Tellez

Chief Economist, Colombia
juana.tellez@bbva.com
+571 3471600

Santiago

Jorge Selaive

Chief Economist, Chile
jselaive@bbva.com
+56 2 2939 10 92

Mexico City

Carlos Serrano

Chief Economist, Mexico
carlos.serrano@bbva.com
+ 5255 5621 4354

Javier Amador

Principal Economist
javier.amadord@bbva.com
+ 5255 5621 3095

Yesterday was a quiet day in Latam, with no important indicators released. Today all eyes will once again be on inflation in Colombia and - more particularly - Brazil, where we expect annual inflation to peak this month. In addition, the activity index in Chile will provide more clues about how steep the deceleration is there.

No important indicators released yesterday

What to watch today

Brazil - IPCA (June, 08:00hrs NYT)

After trending up during the first half of the year (from 5.84%YoY at the end of 2012 to 6.50%YoY in May), we expect inflation to peak in June at 6.76% YoY and then to lose some steam in the second half of the year, largely due to positive base effects (i.e. high inflation in 2H12).

Chile - Monthly Activity Index (May, 08:30hrs NYT)

We expect the monthly economic activity index (Imacec) to increase 3.8% YoY in May (0.5% MoM sa). The print will be mainly driven by retail sales and a recovery in mining output, offset by a contraction in manufacturing production. Overall, steeper deceleration than expected in aggregate activity data is putting a downward bias on our 5.0% GDP forecast for this year.

Colombia - Consumer inflation (June, 20:00 hrs NYT)

We expect a slight rebound to 2.14% YoY (2.00% in May), driven by stronger core inflation, oil prices and the low base prices of a year ago. Recent COP depreciation has had a limited pass-through effect over the year, although remains an upside risk factor.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
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	51
Commodity Price Index (MoM)	03 Jul	Jun	--	--	5.34%	0.55%
Vehicle Production (Anfavea)	04 Jul	Jun	--	--	320823	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	--	--	0.24%	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	--	93.3	95.2
Leading Indicators (MoM)	04 Jul	May	--	--	0.02	0.02
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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