

Latam Daily Flash

18 July 2013
Economic Analysis

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Yesterday was a quiet day in Latam, with just trade figures in Colombia anticipating a recovery in consumption, but still sluggish manufacturing. Today markets will focus on the monetary policy minutes in Brazil, to confirm hints from the BCB of further rate hikes going forward.

Colombia - In May, imports suggest better private consumption

Imports fell 6.6% YoY, reaching USD5.2bn. CIF. Data pointed to a divergent performance between consumption of durable and non-durable goods. Non-durable goods grew 8.8%, while durable goods fell 2.3%. All in all, only imports of consumer goods grew (2.7%), with lower purchases of raw materials (-5.7%) and capital goods (-12.8%). This result anticipates a recovery in private consumption in 2Q13, but suggests a sluggish performance of mining and manufacturing, in line with our outlook. Meanwhile, the trade balance stood at USD0.3bn. FOB totalled USD0.9bn, YtD. The result is lower than the figure for January to May in 2012 (USD3.1bn). This implies a downward bias on the current account in 2013.

What to watch today

Brazil - Monetary policy minutes (07:30hrs NYT)

The minutes of last week's monetary policy meeting at which the BCB decided to raise the Selic rate by 50bp to 8.50% should signal another 50bp adjustment in August without committing to any specific strategy at the last two meetings in the year, in October and November. Anyway, we expect a final +25bp adjustment in October.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Tax Collections	18-22 Jul	Jun	--	--	--	87858M
CAGED Formal Job Creation	18-21 Jul	Jun	100000	--	--	72028
FGV Inflation IGP-10 (MoM)	16 Jul	Jul	0.60%	--	0.43%	0.63%
FGV CPI IPC-S	16 Jul	2-Jul	0.13%	--	0.07%	0.23%
IGP-M Inflation 2nd Preview	18 Jul	Jul	0.32%	--	--	0.74%
COPOM Monetary Policy Meeting Minutes	18 Jul	--	--	--	--	--
IBGE CPI IPCA-15 (MoM)	19 Jul	Jul	0.13%	0.10%	--	0.38%
Colombia						
Outstanding Loans	17-Jul	May	--	--	\$260.1B	\$256.1B
Trade Balance	17 Jul	May	--	\$522	\$315.4	\$36.8
Retail Sales (YoY)	19 Jul	May	3.50%	3.6%	--	5.70%
Industrial Production (YoY)	19 Jul	May	-1.90%	-2.5%	--	8.40%
Mexico						
ANTAD Same-Store Sales (YoY%)	15 Jul	Jun	--	--	1.6%	-0.30%
Unemployment Rate	18 Jul	Jun	4.97%	--	--	4.93%
Peru						
Unemployment	15 Jul	Jun	--	--	5.8%	5.70%
Economic Activity Indx YoY NSA	15 Jul	May	5.55%	5.1%	4.96%	7.70%

Most recent Latam reports

Date	Description
15-07-2013	➤ Mexico Real Estate Flash: Construction returns to negative terrain
15-07-2013	➤ Flash Peru: GDP slowed in May
15-07-2013	➤ Mexico Flash: Industrial production rebounded in May, partially offsetting the sharp decline in April. The trend remains of moderation.
12-07-2013	➤ Mexico Flash: In spite of a greater concern on domestic activity and a better inflation outlook, a rate cut seems to depend on a greater impairment of economic activity
11-07-2013	➤ Peru Flash: Central Bank somewhat more dovish
11-07-2013	➤ Chile Flash: CB kept the monetary policy rate at 5%, but explicitly delivered a dovish tone
11-07-2013	➤ Mexico Flash: Banxico: Fondeo rate at 4.0%. A dovish tone is expected as domestic activity impairs
11-07-2013	➤ Flash Brazil: The monetary tightening continues, at an unchanged pace
09-07-2013	➤ Mexico Inflation Flash: June's inflation: Inflation Approaches 4% Due To Lower Fruit And Vegetable Prices And Falling Core Inflation
08-07-2013	➤ Inflation jumped to 2.16% YoY in June, consolidating within the inflation target range

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