

# Latam Daily Flash

## 30 July 2013 Economic Analysis

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*After a quiet day yesterday, the week continues today with the minutes of the last monetary meeting and activity data in Chile. We expect the former to pave the way for a cut in September and the latter to reinforce a growth of slightly more than 3.0% YoY in June. Moreover, fiscal data will be released in Brazil and Mexico.*

## What to watch today

### Chile - Monetary policy minutes (July, 8:30 hrs NYT)

The minutes should continue to highlight the concerns about the domestic slowdown that could affect monetary policy decisions in coming months. In fact, the latest monetary policy communiqué has already mentioned this issue. Furthermore, the minutes will probably reveal signals about the timing of easing (our estimate is for the September meeting) and the Board's debate between the maintenance of rates and preventative cuts as policy options, in a context of latent inflationary pressures and with increasing current account imbalances on the horizon.

### Chile - Activity data by sector (June, 9:00hrs NYT)

We expect manufacturing production to have decreased by 1.0% YoY and retail sales to have surged 7.4% YoY in June. With these prints, we forecast the monthly aggregate activity index (Imacec), that is due to be released next week, should expand in a range of 3.1% to 3.6% YoY in the period.

### Brazil - Fiscal data (June, 09:30hrs NYT)

The fiscal report is expected to show a relatively low primary surplus, supporting the view that fiscal policy remains expansionary and that fiscal targets will not be reached this year.

### Mexico - Public finance (June, 10:00hrs NYT)

Given that public expenditure has been below the level approved in the budget from January to May (-4.6% vs. budget), the June print will be relevant in order to evaluate if public expenditure is already accelerating and is going to contribute to supporting economic growth in the second half of the year.

## Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGPM MoM	30 Jul	Jul	0.28%	--	--	0.75%
FGV Inflation IGPM YoY	30 Jul	Jul	5.18%	--	--	6.31%
Primary Budget Balance	30 Jul	Jun	2.95B	--	--	5.7B
PPI Manufacturing YoY	31 Jul	Jun	--	--	--	4.07%
FGV CPI IPC-S	01 Aug	2-jul	-0.15%	--	--	-0.11%
Industrial Production MoM	01 Aug	Jun	1.30%	0.80%	--	-2.00%
PMI Manufacturing	01 Aug	Jul	--	--	--	50.4
Trade Balance Monthly	01 Aug	Jul	\$450M	\$600	--	\$2394M
FIPE CPI - Monthly	02 Aug	Jul	-0.18%	--	--	0.32%
Vehicle Sales Fenabrave	02 Aug	Jul	--	--	--	318606
<b>Chile</b>						
Manufacturing Index YoY	30 Jul	Jun	-1.20%	-1.00%	--	-4.20%
Retail Sales YoY	30 Jul	Jun	8.00%	7.40%	--	13.20%
Copper Production Total	30 Jul	Jun	--	470798	--	475140
Central Bank Meeting Minutes	30 Jul	1-Jun	--	--	--	--
Unemployment Rate	31 Jul	Jun	6.50%	6.50%	--	6.40%
<b>Colombia</b>						
Vehicle Sales	30-31 Jul	Jun	--	--	--	24488
Budget Balance	30 Jul	Jun	--	--	--	-\$195B
Urban Unemployment Rate	31 Jul	Jun	10.50%	10.9%	--	10.40%
PPI MoM	02 Aug	Jul	--	--	--	0.24%
<b>Mexico</b>						
Budget Balance YTD	30 Jul	Jun	--	--	--	56.00B
Net Outstanding Loans	31 Jul	Jun	--	--	--	2351B
Remittances Total	01 Aug	Jun	2065.6	--	--	2033.9M
IMEF Manufacturing Index NSA	01 Aug	Jul	49.6	--	--	47.5
<b>Peru</b>						
CPI MoM	01 Aug	Jul	0.25%	0.42%	--	0.26%
Wholesale Prices (MoM)	01 Aug	Jul	--	--	--	0.82%

## Most recent Latam reports

Date	Description
29-07-2013	<a href="#">➤ Mexico Migration Outlook July 2013</a>
26-07-2013	<a href="#">➤ Central Bank in Colombia kept policy rate at 3.25% and revises downwards 2013FY GDP growth forecast from 4.3% to 4.0%</a>
24-07-2013	<a href="#">➤ Mexico Inflation Flash: July's biweekly inflation: Inflation Surprises to the Downside. Thanks to a Very Low Core Print</a>
18-07-2013	<a href="#">➤ Brazil Flash: For the COPOM, the exchange rate depreciation is a "natural and expected" transition to normality, but entails risks</a>
15-07-2013	<a href="#">➤ Mexico Real Estate Flash: Construction returns to negative terrain</a>
15-07-2013	<a href="#">➤ Flash Peru: GDP slowed in May</a>
15-07-2013	<a href="#">➤ Mexico Flash: Industrial production rebounded in May, partially offsetting the sharp decline in April. The trend remains of moderation.</a>
12-07-2013	<a href="#">➤ 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</a>
11-07-2013	<a href="#">➤ Peru Flash: Central Bank somewhat more dovish</a>
11-07-2013	<a href="#">➤ Chile Flash: CB kept the monetary policy rate at 5%, but explicitly delivered a dovish tone</a>

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