

Latam Daily Flash

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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

Cecilia Posadas

c.posadas@bbva.com
Principal Economist 2, Latam
+34 913746279

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.serranoh@bbva.com
+ 5255 5621 4354

Javier Amador

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

Yesterday, as expected, the Chilean Central Bank kept its policy rate at 5% and maintained the dovish tone. Today, all eyes will be on Chile and Brazil. In the former, the Central Bank Financial Traders Survey should reveal expectations of a policy rate cut in September's meeting, and in the latter, Retail Sales should be in line with the recent deterioration in household consumption.

Chile - Central Bank keeps the policy rate at 5% but easing is on the cards for September

The CB kept its monetary policy rate at 5% in line with both, our expectations and those of the consensus. The main difference in this communiqué is that it referred to a greater slowdown in activity (supply side) than in demand. Nonetheless, the Board maintained the dovish tone that leads us to expect rate cuts in the coming months. All in all, we expect a first cut of 25bp in September's meeting (see our [Chile Flash](#) for details).

What to watch today

Brazil - Retail Sales (June, 8:00 hrs NYT)

The retail-sales indicator will provide further clues about 2Q13 GDP growth. We expect it will rise by 0.4% MoM, slightly better than the previous month (zero growth). Such growth rates are in line with household consumption, which has moderated as consumer inflation has grown more than expected.

Chile - CB Financial Traders Survey (1st half of August, 08:30hrs NYT)

We expect the survey to show inflation estimates at around 0.2% MoM for August and expectations of a 25bp cut in the monetary policy rate at September's meeting. We also anticipate exchange-rate estimates in the order of USDCLP 515 on a three-month horizon.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Retail Sales MoM	14 Aug	Jun	0.6%	0.4%	--	0.00%
Formal Job Creation Total	14-21 Aug	Jul	100000	--	--	123836
FGV Inflation IGP-10 MoM	15 Aug	Aug	0.15%	--	--	0.43%
Economic Activity MoM	15 Aug	Jun	1.2%	0.9%	--	-1.4%
Tax Collections	15-22 Aug	Jul	94500	--	--	85683M
FGV CPI IPC-S	16 Aug	Aug 15	0.07%	--	--	-0.02%
Chile						
Overnight Rate Target	14 Aug	Aug 13	4.88%	5.00%	--	5.00%
Central Bank's Traders Survey	14 Aug	--	--	--	--	--
Colombia						
Vehicle Sales	14 Aug	Jul	--	--	--	--
Consumer Confidence Index	13 Aug	Jul	25	25	25.1	27.4
Outstanding Loans	14-21 Aug	Jun	--	--	--	\$260.1T
Trade Balance	16 Aug	Jun	--	\$700	--	\$315.4
Mexico						
ANTAD Same-Store Sales (YoY%)	13 Aug	Jul	0.50%	--	2.30%	1.6%
Peru						
Unemployment Rate	15 Aug	Jul	--	--	--	5.8%
Economic Activity YoY	15 Aug	Jun	5.05%	--	--	5.00%

Most recent Latam reports

Date	Description
13-08-2013	▶ Colombia Economic Outlook 3Q13 (In Spanish)
13-08-2013	▶ Flash Chile: Central Bank kept policy rate at 5%, but easing should be materialize in September
9-08-2013	▶ Brazil Economic Outlook
8-08-2013	▶ 3Q13 Latin America Economic Outlook (in Spanish)
8-08-2013	▶ Peru Flash: Central Bank leaves open the possibility of further easing reserve requirements
8-08-2013	▶ Mexico Inflation Flash: Inflation continues falling in July, and the core inflation reaches its historical low
8-08-2013	▶ Chile Flash: CPI inflation increased 0.3% MoM in July
8-08-2013	▶ 3Q13 Mexico Economic Outlook (in Spanish)
7-08-2013	▶ Peru Economic Outlook 3Q13 (in Spanish)
7-08-2013	▶ Brazil Flash: Significant decline of inflation in July marks the beginning of a downward trend

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