

# Latam Daily Flash

## 11 September 2013 Economic Analysis

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*The poll of analysts in Chile does not anticipate movements in the policy rate at Thursday's meeting but do expect a cut before the end of the year. Today, industrial production in Mexico will provide clues about the degree of moderation of economic activity in early 3Q13.*

## Chile - Central Bank survey anticipates no cut in the policy rate at tomorrow's meeting

The bank's economic expectations survey revealed a growth forecast for the monthly economic activity index of 4.1% YoY in August (BBVAe range 3.2%-4.2% YoY) and inflation at +0.5% MoM in September (BBVAe range 0.5%-0.7% MoM). In terms of monetary policy, analysts do not expect any changes in the reference rate at tomorrow's meeting but for December anticipate a cut of 25bp.

## What to watch today

### Chile - CB Financial Traders Survey (1st half of September, 07:30hrs NYT)

We expect the central bank's survey to show inflation estimates at around 0.5% MoM for September and a maintenance of the monetary policy rate at tomorrow's meeting.

### Mexico - Industrial production (July, 09:00hrs NYT)

In June, industrial production fell to -1.5% seasonally-adjusted (sa) YoY, driven by a contraction in three of its four components: construction (-5.6% YoY sa), mining (-3.0% YoY sa), and electricity, gas and water (-0.2% YoY sa). Given the recent sluggish performance in US industrial output which nonetheless showed some improvement in July (0.2% and 0.0% MoM sa in June and July, respectively), industrial production in Mexico is likely to remain weak in July but could have recovered slightly. We expect a negative 0.7% annual rate for the month.

## Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV CPI IPC-S	09 Sep	2-Sep	--	--	0.25%	0.20%
CNI Capacity Utilization (SA)	09 Sep	Jul	--	--	82.20%	82.20%
IGP-M Inflation 1st Preview	10 Sep	Sep	--	--	0.13%	0.13%
FIPE CPI - Weekly	11 Sep	2-Sep	0.28%	--	--	0.23%
Retail Sales MoM	12 Sep	Jul	0.30%	0.5%	--	0.50%
Economic Activity MoM	13 Sep	Jul	-0.65%	-0.5%	--	1.13%
<b>Chile</b>						
Trade Balance	09 Sep	Aug	-\$725.0	-\$400	-\$525	-\$254.0
Central Bank's Economist Survey	10 Sep	--	--	--	--	--
Central Bank's Traders Survey	11 Sep	--	--	--	--	--
Overnight Rate Target	12 Sep	2-Sep	5.00%	5.00%	--	5.00%
<b>Colombia</b>						
Consumer Confidence Index	10-16 Sep	Aug	23	15	--	25.1
Colombia Monetary Policy Minutes	13 Sep	--	--	--	--	--
<b>Mexico</b>						
CPI Core MoM	09 Sep	Aug	0.34%	--	0.28%	-0.03%
Vehicle Production AMIA	09 Sep	Aug	0.12%	--	0.09%	0.03%
Industrial Production YoY	09-17 Sep	Aug	--	--	259106	234757
Industrial Production MoM	11 Sep	Jul	-1.10%	--	--	-2.40%
ANTAD Same-Store Sales YoY	11 Sep	Jul	0.40%	--	--	0.00%
CPI Core MoM	12 Sep	Aug	-1.10%	--	--	-2.30%
<b>Peru</b>						
Trade Balance	10 Sep	Jul	--	-	-\$486M	-\$78M
Reference Rate	12-Sep	Sep	4.25%	4.25%	--	4.25%

## Most recent Latam reports

Date	Description
10-09-2013	<a href="#">➤ Colombia Economic Outlook 3Q13</a>
06-09-2013	<a href="#">➤ Banxico Flash: As BBVA Bancomer called it, Banxico cuts the monetary interest rate. If the economic weakness continues, another cut cannot be dismissed</a>
06-09-2013	<a href="#">➤ Brazil Flash: Inflation continues to ease</a>
06-09-2013	<a href="#">➤ Flash Chile: CPI inflation increased 0.2% MoM in August</a>
06-09-2013	<a href="#">➤ Flash Colombia: Consumer inflation stood at 2.27% YoY with a limited transmission of agricultural sector protests</a>
05-09-2013	<a href="#">➤ Flash Brazil: COPOM minutes suggest that the monetary tightening will continue at an unchanged pace, at least in the short term</a>
05-09-2013	<a href="#">➤ Flash Chile: Economic activity increased 5,3% YoY in July, below expectations</a>
04-09-2013	<a href="#">➤ Mexico Banking Outlook</a>
04-09-2013	<a href="#">➤ Flash Chile: Monetary Policy Report kept the baseline scenario with the MPR reaching 4.5% during the next months</a>
02-09-2013	<a href="#">➤ Flash Peru: August inflation surprised to the upside</a>

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