

# Latam Daily Flash

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**Economic Analysis**

Madrid

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*Output growth in Peru was mostly linked to internal demand. In Colombia President Santos was optimistic about growth, driven by the agricultural sector, and said that BanRep should not renew its USD purchase programme.*

## Peru - GDP growth remained moderate in July

Output grew 4.5% YoY in July, slightly below market expectations (BBVAe and consensus: 4.8%). In sector terms, those most closely linked to domestic demand continued to post the best results (mainly construction and services), albeit at a slower pace than in previous months. Available indicators suggest that the August print may be slightly lower, and the latest readings for business and consumer confidence anticipate some caution in private spending. In this context, we do not discard an intensification of monetary policy easing, as well as a more pronounced countercyclical response on the fiscal side (see our [Peru Flash](#) for details).

## Colombia - President Santos expects 2Q13 GDP growth at 4% YoY or above

President Santos said that he expects 2Q13 GDP growth to reach 4% YoY or more (BBVAe and consensus: 3.3%), driven by the agricultural sector (in previous quarters the government has made an accurate assessment in the days before the official release). On the other hand, Santos said that BanRep should not renew its USD purchase programme, in contrast to market expectations of a renewal at September's meeting. The President's GDP expectations are above our estimates, although these now include a positive bias

## What to watch today

**No relevant information is expected today**

## Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGP-10 MoM	16 Sep	Sep	0.91%	--	1.05%	0.15%
FGV CPI IPC-S	16 Sep	2-Sep	0.27%	--	0.27%	0.25%
Formal Job Creation Total	17-21 Sep	Aug	90000	--	--	41463
CNI Industrial Confidence	17 Sep	Aug	--	--	--	52.5
FIPE CPI - Weekly	18 Sep	2-Sep	0.24%	--	--	0.21%
IGP-M Inflation 2nd Preview	18 Sep	Sep	1.15%	--	--	0.11%
IBGE Inflation IPCA-15 MoM	20 Sep	Sep	0.30%	0.33%	--	0.16%
<b>Colombia</b>						
Vehicle Sales	17-30 Sep	Aug	--	--	--	25301
Outstanding Loans	17-20 Sep	Jul	--	--	--	\$265.0T
GDP QoQ	19 Sep	2Q	1.50%	1.6%	--	0.3%
GDP YoY	19 Sep	2Q	3.5%	3.3%	--	2.8%
Retail Sales YoY	20 Sep	Jul	5.5%	4.9%	--	4.1%
Industrial Production YoY	20 Sep	Jul	-4.0%	-1.4%	--	-5.5%
<b>Mexico</b>						
Aggregate Supply and Demand	19 Sep	2Q	1.80%	--	--	1.0%
Unemployment Rate	20 Sep	Aug	5.30%	--	--	5.12%
Central Bank Monetary Policy Minutes	20 Sep	--	--	--	--	--
<b>Peru</b>						
Unemployment Rate	16 Sep	Aug	6.15%	--	5.60%	6.0%
Economic Activity YoY	16 Sep	Jul	4.80%	4.80%	4.50%	4.4%
Central Bank Quarterly Inflation Report	20 Sep	--	--	--	--	--

## Most recent Latam reports

Date	Description
16-09-2013	<a href="#">➤ Flash Peru: GDP growth kept moderate in July</a>
12-09-2013	<a href="#">➤ Flash Chile: Central Bank kept the monetary policy rate at 5%. Even though, the downward bias for the MPR was ratified</a>
12-09-2013	<a href="#">➤ Flash Peru: Monetary policy meeting: no news</a>
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>

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