

Latam Daily Flash

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Economic Analysis

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In Peru business confidence rebounded in line with the view of convergence with potential growth in the coming months. In Colombia, inflation remained stable at 2.27% YoY in September, above market expectations.

Colombia - Consumer inflation stood at 2.27% YoY in September (0.29% MoM)

Consumer inflation remained unchanged in September at 2.27% YoY (2.27% in August), driven by a large increase in energy prices (4.33% MoM) and food prices (0.38% MoM). Most core price indicators slowed compared to a month ago, although when comparing quarterly averages, 3Q13 core prices still rose more than in 1Q13 and 2Q13, suggesting a continuing rise. The increase was above market expectations (2.15% YoY; BBVAe: 2.20%), which was anticipating a smaller seasonal increase in energy prices. We expect the surprise to drive year-end expectations upwards (at present consensus is anticipating an annual increase of 2.56% YoY by December; BBVAe: 2.68%).

Peru - Business confidence rebounded to the optimistic zone in September

The latest reading for this indicator was 53, a five-point jump from the previous result (August). The survey also reflected an improvement in the expected demand for the businessman's company's own products and increased confidence in the evolution of the company's sector. This is in line with our view that the trend of private spending will stabilize and output growth will converge with potential in the coming months.

What to watch today

Chile - Monthly Activity Index (August, 7:30 hrs, NYT)

We expect the monthly economic activity index (Imacec) to have increased 3.8% YoY in August (+0.4% MoM sa). The print should be mainly driven by dynamic retail sales and mining output. Overall, we think this figure should still favor the policy rate being maintained in October. Nonetheless, we still subscribe to the expectation that the Chilean central bank is on the verge of monetary easing, with a first cut of 25bp at November's meeting.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGP-DI MoM	08 Oct	Sep	1.50%	--	--	0.46%
FGV CPI IPC-S	08 Oct	2-Oct	--	--	--	0.30%
CNI Capacity Utilization (SA)	08 Oct	Aug	--	--	--	82.20%
FIPE CPI - Weekly	09 Oct	2-Oct	--	--	--	0.20%
IBGE Inflation IPCA MoM	09 Oct	Sep	0.33%	0.35%	--	0.24%
Selic Rate	09 Oct	2-Oct	9.50%	9.50%	--	9.00%
IGP-M Inflation 1st Preview	10 Oct	Oct	--	--	--	1.02%
Chile						
Economic Activity YoY	07 Oct	Aug	3.80%	3.80%	--	5.30%
CPI MoM	08 Oct	Sep	0.50%	0.50%	--	0.20%
Central Bank's Traders Survey	09 Oct	--	--	--	--	--
Trade Balance	09 Oct	Sep	-\$100.0	\$150	--	-\$525.0
Central Bank's Economist Survey	10 Oct	--	--	--	--	--
Colombia						
Exports FOB	09 Oct	Aug	--	\$4054	--	\$4650.0
Consumer Confidence Index	10 Oct	Sep	--	18	--	13.4
Colombia Monetary Policy Minutes	11 Oct	--	--	--	--	--
Mexico						
Vehicle Production AMIA	07 Oct	Sep	--	--	--	259106
Gross Fixed Investment	08 Oct	Jul	-2.80%	--	--	-3.10%
CPI MoM	09 Oct	Sep	0.46%	--	--	0.28%
Industrial Production MoM	11 Oct	Aug	--	--	--	-0.10%
Peru						
Trade Balance	10 Oct	Aug	--	--	--	-\$486M
Reference Rate	11 Oct	Oct	--	4.25%	--	4.25%

Most recent Latam reports

Date	Description
03-10-2013	➤ Mexico Real Estate Outlook
01-10-2013	➤ Mexico Migration Flash: In august remittances to Mexico break negative streak
30-09-2013	➤ Mexico Banking Flash
30-09-2013	➤ Flash Chile: Retail sales expanded 12% YoY and we forecast Imacec around 3.8% in August
30-09-2013	➤ Flash Brazil: Lower inflation in 2013, in spite of a weaker currency
30-09-2013	➤ Flash Mexico: CESF assess the impact of the volatility of capital flows (In Spanish)
27-09-2013	➤ Flash Colombia: BanRep kept by unanimity its policy rate at 3.25% and eases USD intervention program
26-09-2013	➤ Mexico Flash: Recent Flood's economic effects (In Spanish)
25-09-2013	➤ Mexico Economic Outlook 3Q13
24-09-2013	➤ Chile Flash: CPI for September and October are moderated, but leave the door open for November and December

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