

# Latam Daily Flash

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**Economic Analysis**

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*Activity expansion in Chile during August was in line with our expectation of a first cut in the MPR at November's meeting. In Colombia, energy demand confirms a downward bias in 3Q13. Today eyes will be on Chilean inflation during September.*

## Chile - Monthly activity expanded 4.1% YoY in August

The monthly activity index expanded 4.1% YoY in August (0.7% MoM sa), in line with both our and market expectations (BBVAe: 3.8%, consensus: 3.9%), mainly driven by retail sales and mining production. With this print we expect GDP growth at around 4.5% YoY for 3Q13e, which is still consistent with our growth forecast for the year as a whole (4.2%). In terms of monetary policy, we expect the central bank to maintain the monetary policy rate at 5% next week, and that a first 25bp cut will be introduced at November's meeting (see our [Chile Flash](#) for details).

## Chile - Trade deficit of USD220mn in September

The balance of trade registered the third consecutive monthly deficit in September, on this occasion amounting to USD220mn vs. our estimate of a surplus of USD150mn. The figure was driven by exports that amounted to USD5.9bn (+3.2% YoY) while imports reached USD6.1bn (+0.3% YoY). Copper exports came out at USD3.4bn (+2.3% YoY). In this context, trade figures anticipate monthly activity around 4.0% YoY in September.

## Colombia - Energy demand confirms a downward bias in 3Q13

In September, energy consumption grew 1.2% YoY, below the two previous months' figures (1.9% in August and 3.4% YoY in July). All in all, growth in energy demand in 3Q13 stood at 2.2% YoY, compared with a variation of 4.0% YoY in 2Q13, confirming the negative impact of supply shocks on activity in 3Q13. We expect this slowdown to be temporary, in line with our latest outlook, given that social protests appear to have ceased and national freight mobility has improved.

## What to watch today

### Chile - Consumer Price Index (September, 07:00hrs NYT)

We expect September CPI to come out at +0.5% (+1.9% YoY). This print should be mainly driven by seasonal increases in transportation fares and food prices.

### Peru - National Holiday

## Calendar: Indicators

<b>Brazil</b>	<b>Date</b>	<b>Period</b>	<b>Consensus</b>	<b>BBVAe</b>	<b>Actual</b>	<b>Prior</b>
FGV Inflation IGP-DI MoM	08 Oct	Sep	1.50%	--	--	0.46%
FGV CPI IPC-S	08 Oct	2-Oct	0.30%	--	--	0.30%
CNI Capacity Utilization (SA)	08 Oct	Aug	82.30%	--	--	82.20%
FIPE CPI - Weekly	09 Oct	2-Oct	0.29%	--	--	0.20%
IBGE Inflation IPCA MoM	09 Oct	Sep	0.35%	0.35%	--	0.24%
Selic Rate	09 Oct	2-Oct	9.50%	9.50%	--	9.00%
IGP-M Inflation 1st Preview	10 Oct	Oct	0.87%	--	--	1.02%
<b>Chile</b>						
Economic Activity YoY	07 Oct	Aug	3.80%	3.80%	4.10%	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	--	--	--	--	--
<b>Colombia</b>						
Exports FOB	09 Oct	Aug	\$4578.65	\$4054	--	\$4650.0
Consumer Confidence Index	10 Oct	Sep	--	18	--	13.4
Colombia Monetary Policy Minutes	11 Oct	--	--	--	--	--
<b>Mexico</b>						
Vehicle Production AMIA	07 Oct	Sep	--	--	241740	259106
Gross Fixed Investment	08 Oct	Jul	-2.00%	--	--	-3.10%
CPI MoM	09 Oct	Sep	0.44%	--	--	0.28%
Industrial Production MoM	11 Oct	Aug	0.10%	--	--	-0.10%
<b>Peru</b>						
Trade Balance	10 Oct	Aug	-\$118M	--	--	-\$486M
Reference Rate	11 Oct	Oct	4.25%	4.25%	--	4.25%

## Most recent Latam reports

<b>Date</b>	<b>Description</b>
07-10-2013	<a href="#">▶ Colombia Flash: September CPI inflation stood unchanged at 2.27% YoY above market expectations which anticipated an annual drop</a>
07-10-2013	<a href="#">▶ Chile Flash: Monthly activity expanded 4,1% YoY in August</a>
03-10-2013	<a href="#">▶ Mexico Real Estate Outlook</a>
01-10-2013	<a href="#">▶ Mexico Migration Flash: In august remittances to Mexico break negative streak</a>
30-09-2013	<a href="#">▶ Mexico Banking Flash</a>
30-09-2013	<a href="#">▶ Flash Chile: Retail sales expanded 12% YoY and we forecast Imacec around 3.8% in August</a>
30-09-2013	<a href="#">▶ Flash Brazil: Lower inflation in 2013, in spite of a weaker currency</a>
30-09-2013	<a href="#">▶ Flash Mexico: CESF assess the impact of the volatility of capital flows (In Spanish)</a>
27-09-2013	<a href="#">▶ Flash Colombia: BanRep kept by unanimity its policy rate at 3.25% and eases USD intervention program</a>
26-09-2013	<a href="#">▶ Mexico Flash: Recent Flood's economic effects (In Spanish)</a>

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