

Latam Daily Flash

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Economic Analysis

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In Chile, there was a robust expansion in retail sales in September while manufacturing output declined, in line with our GDP growth forecast for 2013. Today employment figures could indicate that the labor market gap is wider than in previous months.

Chile - Activity data by sector anticipates Imacec at 3.9% YoY in September

Retail sales - the central bank's main focus during recent months - expanded 7% YoY in September after reaching 12% YoY in August (averaging 9.5% YoY in the last two months). Meanwhile, manufacturing output declined 1% YoY affected by the contraction in external demand. All in all, we forecast that the monthly activity index (Imacec) will grow 3.9% YoY in September (-0.5% MoM sa) which would allow GDP to grow at 4.4% YoY in 3Q13e. The latter remains in line with our GDP growth forecast of 4.2% for FY13e (see our [Chile Flash](#) for details).

What to watch today

Chile - Unemployment rate (September, 8:00hrs NYT)

We expect the unemployment rate to increase slightly to 5.8% during the moving quarter July-September (5.7% previously), due to a mild annual decline in payroll growth that will be partially offset by stronger growth in self-employment. These figures should still point to a wider labor market gap than in previous months.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Construction Costs MoM	28 Oct	Oct	0.35%	--	0.33%	0.43%
Outstanding Loans MoM	29 Oct	Sep	--	--	0.80%	1.30%
FGV Inflation IGPM MoM	30 Oct	Oct	0.91%	--	--	1.50%
Primary Budget Balance	31 Oct	Sep	0.4B	--	--	-0.4B
FGV CPI IPC-S	1 Nov	31 Oct	0.51%	--	--	0.49%
Industrial Production MoM	1 Nov	Sep	1.30%	1.50%	--	0.00%
Trade Balance Monthly	1 Nov	Oct	\$1200M	\$2200M	--	\$2147M
Chile						
Manufacturing Index YoY	29 Oct	Sep	2.30%	1.90%	-1.00%	-2.00%
Retail Sales YoY	29 Oct	Sep	10.10%	9.10%	7.00%	12.00%
Copper Production Total	29 Oct	Sep	--	--	489170	492883
Unemployment Rate	30 Oct	Sep	5.80%	5.80%	--	5.70%
Colombia						
Budget Balance	30 Oct	Sep	--	--	--	-\$3678B
Urban Unemployment Rate	31 Oct	Sep	10.00%	10.4%	--	10.30%
PPI MoM	1 Nov	Oct	--	--	--	-0.16%
Mexico						
Budget Balance YTD	31 Oct	Sep	-115.81B	--	--	-113.90B
Net Outstanding Loans	31 Oct	Sep	--	--	--	2416B
Peru						
CPI MoM	1 Nov	Oct	0.03%	--	--	0.11%
Wholesale Price Index MoM	1 Nov	Oct	--	--	--	0.52%

Most recent Latam reports

Date	Description
29-10-2013	➤ Flash Chile: Imacec would expand at 3,9% YoY in September
28-10-2013	➤ Flash Chile: No cut of the MPR in November's meeting
28-10-2013	➤ Economic Watch: Financial integration in the Pacific Alliance (in Spanish)
28-10-2013	➤ Flash Chile: Fiscal implications of Bachelet's programme for Government (in Spanish)
25-10-2013	➤ Flash México: As BBVA Research anticipated, Banxico cut the monetary policy rate by 25 basis points and dismissed another rate cut
25-10-2013	➤ Flash Colombia: BanRep kept by unanimity its policy rate at 3.25% and narrowed its 2013 GDP growth forecast
24-10-2013	➤ Mexico Inflation Flash: Core inflation remains subdued while non-core inflation was lower than anticipated
17-10-2013	➤ Flash Chile: Central Bank cut the MPR by 25 bp contrary to consensus, but in line with our baseline
17-10-2013	➤ Brazil Flash: COPOM: still no sign of the end of the ongoing tightening cycle³
15-10-2013	➤ Peru Flash: August's GDP in line with market expectations

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