

Latam Daily Flash

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Economic Analysis

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The unemployment rate in Mexico came in lower than expected in October, but details of the labor market report were not as encouraging and still do not point to a strong enough labor market recovery.

Mexico - Unemployment rate fell a touch more than anticipated, but the recovery in the labor market does not look strong enough yet

Labor market figures in Mexico came in stronger than expected in October. The unemployment rate stood at 4.9% in seasonally adjusted (sa) terms, slightly better than September's 5.0%. Considering the original series, the unemployment rate declined from 5.3% in September to 5.0% in October, below forecasts (BBVAe: 5.2%, consensus: 5.2%). However, the October level is the same as a year ago which reflects the lacklustre labor market performance during 2013. Besides, other labor market indicators in the report are less encouraging. Although the labor market participation rate is slightly higher than a year ago (59.6% vs. 59.2% in October 2012), the informal job rate stood at 28.2% in sa terms, a touch above the rate observed a year ago (28.1%), while the underemployment rate increased to 8.9% from 8.7% in the same month last year.

What to watch today

No relevant indicators are published today

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Consumer Confidence	25 Nov	Nov	--	--	112.8	111.7
FGV CPI IPC-S	25 Nov	Nov	0.66%	--	0.67%	0.64%
FIPE CPI - Weekly	27 Nov	Nov	0.54%	--	--	0.55%
Selic Rate	27 Nov	--	10%	10%	--	9.50%
FGV Inflation IGPM MoM	28 Nov	Nov	0.33%	--	--	0.86%
PPI Manufacturing MoM	28 Nov	Oct	--	--	--	0.62%
Total Outstanding Loans	28 Nov	Oct	--	--	--	2598B
Primary Budget Balance	29 Nov	Oct	10B	--	--	-9.0B
Chile						
Manufacturing Index YoY	29 Nov	Oct	-2.10%	-2.10%	--	-1.00%
Retail Sales YoY	29 Nov	Oct	7.10%	6.60%	--	7.00%
Unemployment Rate	29 Nov	Oct	5.70%	5.80%	--	5.70%
Colombia						
Outstanding Loans YoY	26 Nov	Sep	--	--	--	15.89%
Industrial Confidence	26 Nov	Oct	--	3	--	0.4
Retail Confidence	26 Nov	Oct	--	18	--	16.7
National Unemployment Rate	29 Nov	Oct	--	9.50%	--	9.00%
Overnight Lending Rate	29 Nov	--	3.25%	3.25%	--	3.25%
Mexico						
Unemployment Rate	25 Nov	Oct	5.15%	5.20%	5.01%	5.29%
Current Account Balance	25 Nov	3Q	-\$4000M	-\$3390M	-\$5457M	-\$6008M

Most recent Latam reports

Date	Description
25-11-2013	➤ Chile Flash: We expect November's CPI to increase 0.2% MoM. By the end of 2013 CPI will have increased at least 2.4% YoY (in Spanish)
25-11-2013	➤ Chile Flash: Chairman of the Central Bank attempts to moderate and align private expectations, anticipating a monetary policy report on the same line (in Spanish)
22-11-2013	➤ Latam Economic Outlook: Fourth Quarter 2013
22-11-2013	➤ Peru Economic Outlook: Fourth Quarter 2013
22-11-2013	➤ Chile Flash: Imacec should increase between 3.3% and 3.8% YoY in October
22-11-2013	➤ Mexico Inflation Flash: Inflation in the first fortnight of November
21-11-2013	➤ Mexico GDP Flash: In line with our forecast, the (seasonally adjusted) quarterly economic growth for the 3Q13 was 0.8%
20-11-2013	➤ Mexico Economic Outlook: Fourth Quarter 2013 (in Spanish)
20-11-2013	➤ Brazil Economic Outlook: Fourth Quarter 2013
20-11-2013	➤ Chile Economic Outlook: Fourth Quarter 2013

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