

Latam Daily Flash

10 December 2013 Economic Analysis

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In Colombia energy demand data reflect weak industrial recovery, in line with our view of a low contribution from non-residential investment to GDP in 2013e. Today the Chilean central bank survey should reveal forecasts of no change at the next monetary policy meeting.

Chile - Trade balance figures showed a surplus of USD202mn in November

The balance of trade reached a surplus of USD202mn in November (slightly above our USD189mn estimate), and an accumulated surplus of USD2,232mn in 2013. The figure was driven by exports at USD6,094mn (-7.3% YoY) while imports reached USD5,891mn (-5.5% YoY). Meanwhile, copper exports amounted to USD3,327mn (-12.1% YoY). These prints still point to a slowdown in economic activity, although the annual figures indicate that the deceleration is stabilizing to some extent.

Colombia - Energy demand growth below recent average

In November, energy demand grew 2.0% YoY, below the October figure (3.5% YoY). Since 2011, energy consumption has grown by 2.7% YoY on average. The data reflect a weak industrial recovery, confirming our outlook of a low contribution from non-residential investment to economic growth in 2013e.

Mexico - High headline inflation on food price pressures and low core inflation on core goods price deflation

Headline inflation came in pretty much in line with expectations, increasing 0.93% in November (BBVAe: 0.90%; consensus: 0.91%). Annual inflation reached 3.62%, increasing from 3.36% in October. Core inflation was 0.14% MoM, exactly in line with our below-consensus forecast (BBVAe: 0.14%; consensus: 0.16%). As expected, this positive reading was driven mainly by deflation in core goods prices (-0.02% MoM) in the second fortnight of the month (-0.06% FoF) due to the "Buen Fin" related price discounts that mark the start of holiday sales. In annual terms, core inflation increased to 2.56% from 2.48% in October (see our [Mexico Inflation Flash](#) for details).

What to watch today

Chile - Central bank Economic Expectations Survey (December, 07:30hrs NYT)

We expect the survey to reveal forecasts of no change in the monetary policy rate at this week's meeting. Nonetheless, we anticipate further cuts in policy rates of at least 50bp during 2014. Additionally, we think the results will point to an increase of around 3.0% YoY for the economic activity index (Imacec) in November and monthly inflation at around +0.3% MoM for December.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV CPI IPC-S	9 Dec	Dec	0.73%	--	0.72%	0.68%
IGP-M Inflation 1st Preview	10 Dec	Dec	0.38%	--	--	0.30%
FIPE CPI - Weekly	11 Dec	Dec	0.47%	--	--	0.52%
Retail Sales MoM	12 Dec	Oct	0.50%	0.30%	--	0.50%
Economic Activity MoM	13 Dec	Oct	0.50%	0.20%	--	-0.01%
Tax Collections	15 Dec	Nov	--	--	--	100999M
Chile						
Trade Balance	9 Dec	Nov	\$200M	\$189M	\$202M	\$241.0M
Copper Exports	9 Dec	Nov	--	\$3610M	\$3327M	\$3893M
Central Bank's Economist Survey	10 Dec	Dec	--	--	--	--
Central Bank's Traders Survey	11 Dec	Dec	--	--	--	--
Overnight Rate Target	12 Dec	Dec	4.50%	4.50%	--	4.50%
Colombia						
Consumer Confidence Index	10 Dec	Nov	--	25	--	22.3
Central Bank's Economists Survey	12 Dec	--	--	--	--	--
Colombia Monetary Policy Minutes	13 Dec	--	--	--	--	--
Mexico						
CPI MoM	9 Dec	Nov	0.92%	0.90%	0.93%	0.48%
Vehicle Production AMIA	9 Dec	Nov	--	--	255695	285230
November Nominal Wages	10 Dec	Nov	--	--	--	--
Industrial Production MoM	12 Dec	Oct	0.34%	0%	--	-1.2%
Peru						
Trade Balance	10 Dec	Oct	-\$254M	--	--	\$32M
Reference Rate	13 Dec	Dec	4.00%	--	--	4.00%

Most recent Latam reports

Date	Description
9-12-2013	➤ Mexico Inflation Flash: November's inflation
9-12-2013	➤ Mexico Energy Reform Flash: Deep reform that could attract significant investment and increase potential growth (in Spanish)
6-12-2013	➤ Banxico Flash: Fondo rate unchanged at 3.5%, as expected
6-12-2013	➤ Colombia Flash: November inflation surprised on the downside by falling 0,22% MoM and consolidates annual inflation (1,76%) below target range
6-12-2013	➤ Chile Flash: November CPI unexpectedly at +0.4% MoM due to increase in foods and services
6-12-2013	➤ Mexico Economic Outlook Fourth Quarter 2013
5-12-2013	➤ Colombia Real Estate Outlook 2013 (in Spanish)
5-12-2013	➤ Brazil Flash: COPOM warns about the lagged impact of monetary policy
5-12-2013	➤ Chile Flash: Monthly activity at 2.8% YoY in October compromises CB's baseline scenario
4-12-2013	➤ Chile Automobile Market Outlook 2013 (in Spanish)

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