

Latam Daily Flash

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Economic Analysis

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In December the trade balance in Chile was also positive while in Colombia exports recovered slowly in November. Today industrial production in Brazil should be in line with a weak GDP growth in 4Q13 and in Mexico consumer confidence could provide additional signs of economic recovery.

Chile - Trade balance closed 2013 with an accumulated surplus of USD2.4bn

The balance of trade was a positive USD146mn in December. The monthly figure was driven by exports at USD6,354mn (-12.7% YoY), while imports reached USD6,208mn (-0.2% YoY). Meanwhile, copper exports amounted to USD3,493mn (-18.2% YoY). With this print, the trade balance accumulated a surplus of USD2.4bn in 2013, with exports totalling USD77.3bn (-1.2% YoY) and imports USD74.9bn (+0.2% YoY).

Colombia - Slow recovery of coal exports in November

In November, exports stood at USD4934mn, +2.6% YoY. The figure is below our growth forecast (10.2% YoY) due to weak coal exports (USD574mn in November 2013 vs. USD700mn on average) as production levels have not recovered completely. Despite the poor performance of coal, fuel exports increased considerably (+11.5% YoY) and were the largest contributor to total exports. In contrast, industrial exports continued to decline (-11.3% YoY), in line with our forecast of a slow industrial recovery.

What to watch today

Brazil - Industrial production (November, 06:00hrs NYT)

Industrial output is expected to have declined by 0.5% MoM in November (consensus: -1.0% MoM), after expanding 0.6% MoM in October. This supports our view that GDP growth in 4Q13 will not be particularly strong (our preliminary forecast is 0.4% QoQ).

Chile - Consumer price index (December 2013, 07:00hrs NYT)

We expect December 2013 CPI to have increased 0.5% MoM, mainly driven by fuels, transportation fares and perishable foods. This would take headline inflation for YE13 to 2.9% YoY.

Mexico - Consumer confidence (December, 09:00hrs NYT)

December's consumer confidence could provide additional signs of economic recovery. Consumer-related indicators have recently surprised to the upside, particularly the labor market which unexpectedly improved, while retail sales came in stronger than expected.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FIPE CPI - Monthly	6 Jan	Dec	0.60%	--	0.65%	0.46%
FIPE CPI - Weekly	6 Jan	Dec	0.56%	--	0.61%	0.50%
PMI Services	6 Jan	Dec	--	--	51.7	52.3
PPI Manufacturing MoM	7 Jan	Nov	--	--	0.62%	-0.37%
Vehicle Sales Anfavea	7 Jan	Dec	--	--	353843	302939
FGV Inflation IGP-DI MoM	8 Jan	Dec	0.67%	--	--	0.28%
FGV CPI IPC-S	8 Jan	Jan	0.77%	--	--	0.69%
Industrial Production MoM	8 Jan	Nov	-1.00%	-0.50%	--	0.60%
CNI Capacity Utilization (SA)	8 Jan	Nov	--	--	--	82.1%
FIPE CPI - Weekly	10 Jan	Jan	--	--	--	0.61%
IGP-M Inflation 1st Preview	10 Jan	Jan	0.58%	--	--	0.32%
IBGE Inflation IPCA MoM	10 Jan	Dec	0.82	0.75%	--	0.54%
Chile						
Economic Activity YoY	6 Jan	Nov	3.10%	2.90%	2.80%	2.80%
Economic Activity MoM sa	6 Jan	Nov	0.60%	0.40%	0.50%	-0.10%
Trade Balance	7 Jan	Dec	\$225M	\$408M	\$146M	\$202M
CPI YoY	8 Jan	Dec	2.90%	2.90%	--	2.40%
CPI MoM	8 Jan	Dec	0.50%	0.50%	--	0.40%
Colombia						
CPI Core MoM	7 Jan	Dec	--	0.24%	0.24%	-0.09%
Exports FOB	7 Jan	Nov	\$4875M	\$5300M	\$4934	\$4835M
Mexico						
Vehicle Production AMIA	8 Jan	Dec	--	--	--	255695
Economic Activity IGAE YoY	9 Jan	Oct	1.40%	1.20%	--	0.79%
CPI MoM	9 Jan	Dec	0.48%	--	--	0.93%
Industrial Production YoY	10 Jan	Nov	0.04%	1.20%	--	0.10%
Gross Fixed Investment	10 Jan	Oct	-4.80%	--	--	-5.50%
Peru						
Trade Balance	10 Jan	Nov	-\$329M	--	--	-\$303M
Reference Rate	10 Jan	Jan	4.00%	4.00%	--	4.00%

Most recent Latam reports

Date	Description
06-01-2014	➤ Chile Flash: Monthly activity figures in November 2013 showed signs of stabilization
03-01-2014	➤ Mexico Migration Flash: Remittances accumulate four consecutive months of growth
03-01-2014	➤ Chile Automobile Market Outlook 2013
02-01-2014	➤ Chile Flash: changes in the CPI weights (in Spanish)
02-01-2014	➤ Peru Flash: Annual inflation closed 2013 within the target range
02-01-2014	➤ Chile Flash: Growth of fiscal expenditure could be higher than 5% in real terms in 2014, among the highest in recent years (in Spanish)
30-12-2013	➤ Chile Flash: Activity data by sector anticipates Imacec at 2.9% YoY in November
26-12-2013	➤ Peru 2013 Real Estate Outlook (in Spanish)
23-12-2013	➤ Chile Flash: December CPI should come in at 0.5% m/m (in Spanish)
20-12-2013	➤ Colombia Flash: BanRep decided unanimously to keep its policy rate unchanged at 3.25% and continue on accumulating international reserves

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