

Latam Daily Flash

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Economic Analysis

Madrid

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In Colombia, consumer confidence showed the improved perceptions about the outlook of the economy. In Peru, November's GDP should show the pick-up in the last quarter of 2013 driven by primary sectors, commerce and services.

Colombia - Consumer confidence

In December, the consumer confidence index stood at 23.2 (in a range between -100 and 100), in line with our expectations and similar to the November figure (23.1). It highlights the improved perceptions about the outlook for the economy, related to reduced concerns about job-losses. However, households' willingness to buy durable goods and cars diminished. The data are in line with our outlook for 4Q13.

What to watch today

Brazil - Monetary policy meeting (unspecified announcement time)

We expect the BCB to announce an upward adjustment of the Selic rate after local financial markets close today. We continue to see the most likely outcome as a final 25bp hike. However, neither a 50bp hike nor a 25bp hike plus a signal that another +25bp adjustment will be made in February cannot be ruled out after 2013 inflation came in higher than expected (5.9% vs. 5.7%).

Peru - GDP (November, 12:00hrs NYT)

We estimate GDP grew 4.7% YoY in November (5.4% in October), driven by the momentum in primary sectors, commerce and services, which was partially offset by a contraction in manufacturing and deceleration in construction. This is in line with our view that GDP growth picked up in the last quarter of the year.

Colombia - Imports and trade balance (November, 16:00hrs NYT)

In November, we expect negative import growth of 8.0% YoY. This would leave the trade balance at c.USD435mn, breaking the downward trend of the two previous months and supporting a better performance of the current account in 4Q13e with respect to 3Q13.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGP-10 MoM	15 Jan	Jan	0.60%	--	--	0.44%
Selic Rate	15 Jan	--	10.25%	10.25%	--	10.00%
Formal Job Creation Total	15 Jan	Dec	-473000	--	--	47486
CNI Industrial Confidence	15 Jan	Jan	82.2	--	--	54.3
FGV CPI IPC-S	16 Jan	Jan	0.79%	--	--	0.73%
Retail Sales MoM	16 Jan	Nov	0.40%	0.30%	--	0.20%
IGP-M Inflation 2nd Preview	17 Jan	Jan	0.51%	--	--	0.54%
Economic Activity MoM	17 Jan	Nov	0%	0%	--	0.77%
CNI Capacity Utilization (SA)	17 Jan	Nov	--	--	--	82.1%
Chile						
Overnight Rate Target	16 Jan	--	4.50%	4.50%	--	4.50%
Colombia						
Consumer Confidence Index	13 Jan	Dec	--	23	23.2	23.1
Trade Balance	15 Jan	Nov	\$83,2	\$435.1	--	-\$264.0
Retail Sales YoY	17 Jan	Nov	4.00%	5.20%	--	6.60%
Industrial Production YoY	17 Jan	Nov	0%	-2.60%	--	-0.10%
Mexico						
ANTAD Same-Store Sales YoY	15 Jan	Dec	-0.40%	--	--	3.40%
Unemployment Rate	17 Jan	Dec	4.27%	4.44%	--	4.47%
Peru						
Economic Activity YoY	15 Jan	Nov	5.20%	4.70%	--	5.40%
Unemployment Rate	15 Jan	Dec	5.60%	--	--	5.80%

Most recent Latam reports

Date	Description
14-01-2014	➤ Mexico Banking Flash: Enacting the Financial Reform: a first step in the right direction albeit with several aspects still to be defined
14-01-2014	➤ Financial inclusion and the role of mobile banking in Colombia: developments and potential (in Spanish)
13-01-2014	➤ Mexico Real Estate Outlook: First Half 2014 (in Spanish)
13-01-2014	➤ Brazil Flash: Inflation closed 2013 within the target range, but the BCB's implicit goal was not met
13-01-2014	➤ Mexico Banking Flash: Enactment of Financial Reform: a first step in the right direction but several aspects still to be defined (in Spanish)
09-01-2014	➤ Mexico Inflation Flash: December's inflation
09-01-2014	➤ Peru Flash: Monetary policy: no surprises in January
08-01-2014	➤ Colombia Flash: December inflation in line with forecasts and places annual inflation slightly below target range
08-01-2014	➤ Chile Flash: December CPI at 0.6% MoM due to increases in transportation fares and fuels
06-01-2014	➤ Chile Flash: Monthly activity figures in November 2013 showed signs of stabilization

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