

# Latam Daily Flash

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**Economic Analysis**

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*Today financial traders survey in Chile should confirm our expectation of no changes in the monetary policy rate at April's meeting.*

## Mexico - IGAE was close to our below-consensus forecast in January

The IGAE index (a monthly GDP proxy) increased 0.09% MoM sa, close to our 0.2% estimate. In annual terms, the IGAE index expanded 0.9% YoY sa, broadly in line with our below-consensus forecast (BBVAe: 1.0%; consensus: 1.4%). The economy was dragged down in January by the services sector (-0.1% MoM sa), which declined for the second month in a row. This weakness was partially offset by the expansion in the industrial sector (0.5% MoM sa). Our 1Q14 GDP forecast of 0.8% QoQ. is now biased to the downside after this report.

## What to watch today

### Chile - Central Bank Financial Traders Survey (2nd fortnight in March, 06:30hrs, NYT)

We expect the survey to reveal inflation estimates of +0.7% MoM for March and expectation of no changes in the monetary policy rate at April's meeting. Long-term inflation expectations should remain anchored to the central bank's 3% target.

### Brazil - Unemployment rate (February, 08:00hrs NYT)

We expect the unemployment rate to increase from 4.8% in January to 5.1% in February (from 5.0% to 5.1%, stripping out seasonal issues) and real wages to moderate after growing 3.6% YoY in January.

## Calendar: Indicators

<b>Brazil</b>	<b>Date</b>	<b>Period</b>	<b>Consensus</b>	<b>BBVAe</b>	<b>Actual</b>	<b>Prior</b>
FGV CPI IPC-S	24 Mar	Mar	0.85%	--	0.83%	0.84%
Current Account Balance	24 Mar	Feb	-\$8000M	-\$8000M	-\$7445M	-\$11591M
FIPE CPI - Weekly	26 Mar	Mar	0.28%	--	0.76%	0.68%
FGV Consumer Confidence	26 Mar	Mar	--	--	--	107.1
FGV Construction Costs MoM	26 Mar	Mar	0.35%	--	--	0.44%
Outstanding Loans MoM	26 Mar	Feb	--	--	--	0.07%
Unemployment Rate	27 Mar	Feb	5.10%	5.3%	--	4.80%
FGV Inflation IGPM MoM	28 Mar	Mar	1.53%	--	--	0.38%
Net Debt % GDP	28 Mar	Feb	33.5%	--	--	33.3%
<b>Chile</b>						
PPI MoM	24 Mar	Feb	--	--	-0.30%	0.80%
<b>Colombia</b>						
Industrial Confidence	26 Mar	Feb	--	0	--	6.7
Retail Confidence	26 Mar	Feb	--	24.0	--	24.0
Current Account Balance	27 Mar	4Q	-\$3300M	--	--	-\$3580M
<b>Mexico</b>						
Unemployment Rate NSA	24 Mar	Feb	4.90%	4.9%	4.65%	5.05%
Bi-Weekly CPI	24 Mar	Mar	0.19%	0.18%	0.17%	0.15%
Economic Activity IGAE YoY sa	25 Mar	Jan	--	1%	0.9%	0.5%
International Reserves Weekly	25 Mar	Mar	--	--	\$180700M	\$181043M
Trade Balance	27 Mar	Feb	-200,0M	-440M	--	-3195.1M
Budget Balance YTD	28 Mar	Feb	--	--	--	-4.9B

## Most recent Latam reports

<b>Date</b>	<b>Description</b>
25-03-2014	<a href="#">➤ Chile Flash: March CPI would be at 0.66% MoM (in Spanish)</a>
24-03-2014	<a href="#">➤ Mexico Inflation Flash: Inflation is back to Banxico's tolerance interval</a>
21-03-2014	<a href="#">➤ Colombia Flash: BanRep decided to keep its policy rate unchanged at 3.25% and extend its international reserve purchase program</a>
21-03-2014	<a href="#">➤ Banxico Flash: FONDEO rate unchanged at 3.5%. Slightly dovish tone given the absence of a clear economic recovery</a>
20-03-2014	<a href="#">➤ Latam Economic Watch: Deterioration in Latin America's manufacturing competitive</a>
20-03-2014	<a href="#">➤ Brazil Economic Watch: The Brazilian manufacturing sector loses competitiveness</a>
20-03-2014	<a href="#">➤ Chile Flash: Exchange rate: beware of short-term reversals</a>
20-03-2014	<a href="#">➤ Colombia Flash: A good result of GDP growth in 2013</a>
20-03-2014	<a href="#">➤ Mexico Flash: Monetary rate unchanged at 3.5% as inflation tends towards the range around the target (in Spanish)</a>
19-03-2014	<a href="#">➤ Latam Economic Watch: Loss of manufacturing competitiveness in Latin America (in Spanish)</a>
19-03-2014	<a href="#">➤ Chile Flash: Exchange rate: Beware of short-term reversals (in Spanish)</a>

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