

Latam Daily Flash

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Madrid

Juan Ruiz

Chief Economist, South America
juan.ruiz@bbva.com
+34 913745887

Enestor dos Santos

Senior Economist, Latam
enestor.dossantos@bbva.com
+34 639827211

Mexico City

Octavio Gutierrez-Engelmann

Macro Latam Strategy
o.gutierrez3@bbva.com
+5255 5621 9245

With contributions from the BBVA
Research Latam Team:

Lima

Hugo Perea

Chief Economist, Peru
hugo.perea@bbva.com
+51 1 2112042

Bogota

Juana Tellez

Chief Economist, Colombia
juana.tellez@bbva.com
+571 3471600

Santiago

Alejandro Puente

Chief Economist, Chile
alejandropuente@bbva.com
+56 2 2939 10 92

Mexico City

Carlos Serrano

Chief Economist, Mexico
carlos.serrano@bbva.com
+ 5255 5621 4354

Yesterday in Chile, as expected, the Central Bank kept its rates unchanged but remarked that recent activity figures were above its latest baseline scenario. Today we are awaiting December GDP growth figures in Peru, where we anticipate growth in line with potential, thus confirming our call for unchanged policy rates going forward.

Chile - As expected the CB maintained its policy rate at 5% in February

The Central Bank, in today's meeting, decided to keep its interest rates at 5%, in line with market expectations, and maintained its neutral stance for monetary policy. From the external side, the CB mentioned that while financial conditions remained stable after the previous improvement, risks persist along with weak growth in the developed economies. Domestically, the CB highlighted that the latest activity figures were above those anticipated in the last Monetary Policy Report. Finally, it commented on the recent CLP appreciation. All in all, we expect the CB to keep the monetary policy rate unchanged at 5%.

What to watch today

Peru - GDP growth (December, 11:00 hrs NYT)

We expect economic activity to have grown by around 5.2% YoY in December (consensus: 6.0%), supported by the strength of domestic demand. This rate is lower than in November (6.8% YoY) due to transitory factors but otherwise the GDP remains close to its potential level, thus reinforcing our view of a steady policy rate in the coming months.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FIPE CPI - Weekly	14-Feb	Feb-11	1.07%	--	1.01%	1.04%
Economic Activity Indx MoM SA	14-20 FEB	Dec	--	--	--	0.40%
CAGED Formal Job Creation	14-21 FEB	Jan	30000	--	--	-496944
FGV Inflation IGP-10 (MoM)	15-Feb	Feb	0.37%	--	--	0.42%
Chile						
Economist's survey	12-Feb	Feb	--	--	--	--
Financial Trader's Survey	13-Feb	Feb	--	--	--	--
Nominal Overnight Rate Target	14-Feb	Feb-18	5.00%	5.00%	5.00%	5.00%
Colombia						
Consumer Confidence	12-Feb	Jan	24.30	21.5	23.1	21.5
Outstanding Loans	14-20 FEB	Dec	--	--	--	\$244.1B
Mexico						
Trade Balance	11-Feb	Dec F	961.7M	961.7M	961.7M	961.7M
Industrial Production (YoY)	11-Feb	Dec	2.00%	2.60%	-1.10%	2.80%
Central Bank 4Q Inflation Report	13-Feb	--	--	--	--	--
Peru						
Unemployment	15-Feb	Jan	6.00%	--	--	5.60%
Economic Activity Indx YoY NSA	15-Feb	Dec	6.05%	--	--	6.80%

Most recent Latam reports

Date	Description
14-2-2013	➤ Brazil Economic Outlook - First Quarter 2013
14-2-2013	➤ Colombia Economic Outlook - First Quarter 2013 (in Spanish)
14-2-2013	➤ Chile Economic Outlook - First Quarter 2013 (in Spanish)
13-2-2013	➤ Mexico Flash: Banxico confirms its dovish tone
11-2-2013	➤ Mexico Flash. Negative surprise in industrial production at the end of 2012 -2.1% mom, -1.1% yoy
8-2-2013	➤ Chile Flash: Monthly inflation stood at 0.2% in January, surprising to the upside
7-2-2013	➤ Peru Flash: Central Bank keeps neutral tone for its policy rate
7-2-2013	➤ Mexico Flash: January's inflation: Monthly Inflation Surprises Upwards due to Telephone Services; However Inflation keeps Easing Annually
7-2-2013	➤ Brazil Flash: Inflation at uncomfortably high levels
5-2-2013	➤ Colombia Flash: Consumer inflation dropped to 2.0% YoY in January, standing at the lower bound of the inflation target band

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