

Latam Daily Flash

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In Mexico, the Economic Activity Index pointed to an economic recovery. Meanwhile, the Financial Traders survey in Chile reveals that no change is expected from October's monetary policy meeting. Today we expect employment figures in Brazil to be in line with relatively weak private consumption in 3Q13.

Chile - Financial Traders Survey shows inflation expectations at 0.4% MoM for September, and no changes in the MPR

The survey revealed a monthly inflation rate forecast of 0.4% MoM for September (BBVAe: 0.5% MoM). In terms of monetary policy, the traders forecast that the monetary policy rate will be maintained at 5% at October's meeting.

Mexico - Economic activity appears to be recovering

The Economic Activity Index (IGAE) rose a stronger than expected 0.5% MoM sa in July, driven by a better performance of the services sector, which increased 0.6% MoM sa after declining 0.2% MoM in June. In annual terms, the IGAE expanded 1.6%, above our below-consensus forecast (BBVAe 1.0%; consensus 1.2%). In our view, this positive report suggests that the deceleration in economic activity has probably bottomed-out and confirms that the economy is off to a good start in 3Q13.

What to watch today

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

We expect the unemployment rate to reach 5.7%, practically unchanged in comparison to July and still close to all-time lows in spite of the deterioration observed in the last few months. Overall, we think employment and wage figures should support our view that private consumption will remain relatively weak in 3Q13.

Mexico - Balance of trade (August, 09:00hrs NYT)

We expect to see some growth in both exports and imports (7.2% YoY and 9.7% Yoy, respectively) as a reflection of the recent upswing in industrial output in the US. For example, in August manufacturing output in the US rose 2.7% YoY, up from 1.3% YoY in July. With regard to the trade balance, we are thus expecting to see a deficit for August as imports of intermediate and capital goods in July could point to an increase in manufacturing exports in the short term.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Tax Collections	23 Sep	Aug	84500M	--	83956M	94293M
FGV CPI IPC-S	23 Sep	2-Sep	0.27%	--	0.27%	0.27%
FGV Consumer Confidence	24 Sep	Sep	--	--	114.2	113.1
Current Account Balance	24 Sep	Aug	-\$5081M	--	-\$5505M	-\$9018M
FIPE CPI - Weekly	25 Sep	2-Sep	0.17%	--	0.20%	0.16%
PPI Manufacturing YoY	25 Sep	Aug	--	--	5.97%	4.96%
Unemployment Rate	26 Sep	Aug	5.60%	5.70%	--	5.60%
FGV Inflation IGPM MoM	27 Sep	Sep	1.42%	--	--	0.15%
Total Outstanding Loans	27 Sep	Aug	--	--	--	2546B
Central Govt Budget Balance	27 Sep	Aug	0.5B	--	--	3.7B
Colombia						
Outstanding Loans	23-Sep	Jul	--	--	--	\$265.0T
Trade Balance	23 Sep	Jul	\$118.7	-\$12,3	-\$221	\$717.8
Imports	23-Sep	Jul	--	\$4934	\$5111.8	\$4311
Industrial Confidence	24 Sep	Aug	--	--	--	-2
Retail Confidence	24 Sep	Aug	--	--	--	21.8
Current Account Balance	26 Sep	2Q	--	--	--	-\$3038M
Overnight Lending Rate	27 Sep	2-Sep	3.25%	3.25%	--	3.25%
Budget Balance	27 Sep	Aug	--	--	--	-\$3448B
Mexico						
Retail Sales YoY	23 Sep	Jul	0.50%	--	1.30%	-1.90%
Bi-Weekly CPI	24 Sep	2-Sep	0.23%	--	0.34%	0.07%
Bi-Weekly Core CPI	24 Sep	2-Sep	0.21%	--	0.30%	0.01%
Economic Activity IGAE YoY	25 Sep	Jul	1.30%	--	1.70%	-0.39%
Trade Balance	26 Sep	Aug P	-1500	--	--	-1436.7M

Most recent Latam reports

Date	Description
25-09-2013	➤ Mexico Economic Outlook 3Q13
24-09-2013	➤ Chile Flash: CPI for September and October are moderated, but leave the door open for November and December
24-09-2013	➤ September's biweekly inflation: core inflation surprised us on the upside
23-09-2013	➤ Mexico Flash: Banxico: rate cut decision passed by simple majority. FED in the spotlight
19-09-2013	➤ Flash Mexico: Private consumption and investment dragged down GDP in 2Q13 (In Spanish)
19-09-2013	➤ Flash Colombia: GDP surprised upwards in 2Q13 growing 4.2% YoY with a homogeneous path to recovery
16-09-2013	➤ Flash Peru: GDP growth kept moderate in July
12-09-2013	➤ Flash Chile: Central Bank kept the monetary policy rate at 5%. Even though, the downward bias for the MPR was ratified
12-09-2013	➤ Flash Peru: Monetary policy meeting: no news
11-09-2013	➤ Mexico Economic Watch: Fiscal Reform: in the right direction, but not enough

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