

Latam Daily Flash

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Economic Analysis

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In Peru business confidence recovered for second consecutive month in October. Today we expect industrial production in Mexico to show signs of recovery on the back of the recent strengthening of the US industrial sector.

Chile - CPI in October at +0.1% MoM pushed by food prices

October's CPI rose 0.1% MoM (1.5% YoY), slightly above our forecasts (0% MoM) and mainly reflecting higher food prices, both processed and non-processed. Core inflation (CPI-X) outpaced the headline figure at 0.3% MoM, with higher diffusion. Our preliminary forecast range for November CPI is +0.1% to +0.3% MoM (with a downward bias), driven by further increases in potato and vegetable prices that should be partially offset by lower fuel prices. This figure, added to September's economic activity data and the recent CLP depreciation, confirm our call for a pause in the MPR at November's monetary policy meeting (see our [Chile Flash](#) for details).

Colombia - Exports fell 1.2% YoY in September due to significantly lower gold exports

September exports fell to USD4,850mn, a 1.2% YoY reduction, mainly due to a 50.5% YoY reduction in gold exports. Year to date, gold exports have fallen by USD671mn to USD1,823mn due to both lower extraction volumes and lower international prices. Agricultural, food and beverage exports expanded 1.7% YoY in September and fuel oil and mining exports also rose (+3.1% YoY), but these increases were not enough to compensate for the sharp fall in gold exports. Weak US demand for Colombian exports (-12.6% YoY) was the main driver of the overall fall during the first nine months of the year to USD44,933mn (-2.6% YoY). We expect exports to remain subdued for the next few months as consumption in both the US and the Eurozone remains weak.

Peru - Business confidence recovers for second consecutive month in October

The latest reading for this indicator was 55 points, higher than the previous reading (53 points in September). Meanwhile, a complementary indicator, reflecting businessmen's view of the expected demand for their own products, rose three points (to 63). Our assessment of these two results in combination is that private spending growth will improve in the coming months.

What to watch today

Mexico - Industrial production (September, 09:00hrs NYT)

Industrial production data at the end of the third quarter will be indicative of the pace of the recovery in economic activity. In August, industrial production continued to contract in annual terms but at a slower pace (-0.4% YoY sa) than in previous months, and with the main driver (manufacturing) in expansion territory (2.8% YoY sa). We expect manufacturing to continue to strengthen on the back of a stronger US recovery (US industrial production expanded 0.6% MoM sa in September). We thus expect a 0.6% MoM sa increase in Mexican industrial production for September.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FIPE CPI - Weekly	11 Nov	Nov	0.54%	--	0.55%	0.39%
Central Bank Weekly Economists Survey	11 Nov	--	--	--	--	--
Retail Sales MoM	13 Nov	Sep	0.70%	0.80%	--	0.90%
FGV Inflation IGP-10 MoM	14 Nov	Nov	0.45%	--	--	1.11%
Economic Activity MoM	14 Nov	Sep	0.20%	0.30%	--	0.08%
Formal Job Creation Total	14 Nov	Oct	113900	--	--	211068
Tax Collections	15 Nov	Oct	--	--	--	84212M
Chile						
Central Bank's Economist Survey	12 Nov	--	--	--	--	--
Central Bank's Traders Survey	13 Nov	--	--	--	--	--
Colombia						
Central Bank's Economists Survey	12 Nov	--	--	--	--	--
Consumer Confidence Index	12 Nov	Oct	--	20	--	14.6
Mexico						
Industrial Production YoY	11 Nov	Sep	-0.45%	--	--	-0.70%
ANTAD Same-Store Sales YoY	12 Nov	Oct	-0.60%	--	--	-3.20%
Peru						
Trade Balance	12 Nov	Sep	-\$27M	--	--	\$92M
Unemployment Rate	15 Nov	Oct	5.80%	--	--	5.90%
Economic Activity YoY	15 Nov	Sep	4.20%	--	--	4.30%

Most recent Latam reports

Date	Description
8-11-2013	➤ Flash Chile: CPI in October at +0.1% MoM pushed by food prices
7-11-2013	➤ Flash Peru: Central Bank surprised by cutting its policy rate
7-11-2013	➤ Uruguay Economic Outlook: Second Half 2013 (in Spanish)
7-11-2013	➤ Mexico Inflation Flash: Core inflation remains subdued while non-core inflation was driven higher by electricity tariffs
7-11-2013	➤ Peru Economic Outlook: Fourth Quarter 2013 (in Spanish)
6-11-2013	➤ Chile Economic Outlook: Fourth Quarter 2013 (in Spanish)
6-11-2013	➤ Colombia Flash: October inflation surprised on the downside by falling 0,26% MoM and reducing annual inflation (1,84%) below the target range
5-11-2013	➤ Flash Chile: Monthly activity reached 3.9% YoY in September (in Spanish)
5-11-2013	➤ Chile Economic Watch: 3Q13 Budget Execution: More revenue and less expenditure
4-11-2013	➤ Flash Peru: October Inflation was in line with market expectations

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