

Latam Daily Flash

15 November 2013 Economic Analysis

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According to the BCB's economic indicator, economic activity contracted -0.1% QoQ in 3Q13, however other activity indicators show that a more significant GDP drop should not come as a surprise. Today we expect monthly activity figures from Peru to reflect a deceleration from previous readings as a result of a contraction in the primary sectors.

Brazil - Economic activity contracted 0.1% QoQ in 3Q13, according to the BCB's economic indicator

The IBC-BR, the BCB's monthly economic indicator that works as a proxy for GDP, remained stable in September (0.0% MoM), but it was lower than expected (BBVA: 0.3% MoM; consensus: 0.2% MoM). The stability in September follows a 0.3% contraction in July and a growth of 0.1% MoM in August. Overall, the indicator shows that economic activity declined 0.1% QoQ in 3Q13. This is in line with our 3Q13 GDP forecast (-0.1% QoQ). However, other activity indicators show that a more significant drop in GDP should not come as a surprise. Furthermore, the indicator released yesterday, as well as other recent evidence suggest that economic activity did not get off on the right foot in 4Q13.

What to watch today

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

We estimate a GDP growth of 3.7% YoY in September, a deceleration from previous readings (4.4% on average between June and August), as a result of a contraction in the primary sectors (mining and fishing) and construction. On the positive side, we expect a recovery in manufacturing thanks to a higher level of production of capital goods. Looking forward, we expect GDP to gain momentum in the last part of the year in line with our view of GDP convergence to potential output.

Calendar: Indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
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%	0.50%	0.90%
FGV Inflation IGP-10 MoM	14 Nov	Nov	0.45%	--	0.44%	1.11%
Economic Activity MoM	14 Nov	Sep	0.20%	0.30%	-0.01%	0.08%
Formal Job Creation Total	15 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	14 Nov	Oct	--	20	22.3	14.6
Mexico						
Industrial Production YoY	11 Nov	Sep	-0.45%	--	-1.60%	-0.70%
ANTAD Same-Store Sales YoY	12 Nov	Oct	-0.60%	--	-2.10%	-3.20%
Peru						
Trade Balance	12 Nov	Sep	-\$27M	--	\$32M	\$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
14-11-2013	➤ Working paper: Determinants of financial inclusion in Peru (in Spanish)
13-11-2013	➤ Latin America Economic Outlook: Fourth Quarter 2013 (in Spanish)
13-11-2013	➤ Uruguay Economic Outlook: Second Half 2013
12-11-2013	➤ Flash Chile: The incipient unanchoring of inflation gains momentum in Chile (in Spanish)
12-11-2013	➤ Colombia Economic Outlook: Fourth Quarter 2013 (in Spanish)
11-11-2013	➤ Economic Watch Pacific Alliance: Financial integration in the PA: High potential and major challenges to successful integration
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	➤ 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)

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