

Latam Daily Flash

20 February 2014 Economic Analysis

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Yesterday we released our [1Q14 Latam Economic Outlook](#). The region will grow 2.5% in 2014 and 2.6% in 2015 with increasing differentiation between countries. Pacific Alliance will grow 3.8% in 2014, while 1.5% will Mercosur. Most countries in the region have good shock absorbers to withstand Fed's tapering. See the report (in Spanish) for more details on our analysis and perspectives for the region.

Today we will be watching for Brazil's employment report, which we expect to show the labor markets gradually losing steam in 2014.

No significant indicators were released yesterday

What to watch today

Brazil - Labor market report (January, 07:00hrs NYT)

We expect the unemployment rate to move up from 4.3% in December to 5.1% in January, mostly due to seasonal factors. In spite of the resilience shown in 2013, we continue to expect labor markets to gradually lose steam over 2014. In particular, we are forecasting that the unemployment rate will rise vs. 2013 and wage growth should converge to levels more in line with improvement in labor productivity.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Formal Job Creation Total	20 Feb	Jan	50327	--	--	-449444
FGV Inflation IGP-10 MoM	17 Feb	Feb	0.34%	--	0.30%	0.58%
FGV CPI IPC-S	17 Feb	Feb	0.83%	--	0.78%	0.96%
FIPE CPI - Weekly	18 Feb	Feb	0.76%	--	0.73%	0.86%
CNI Industrial Confidence	17 Feb	Feb	--	--	52.4	53.1
IGP-M Inflation 2nd Preview	19 Feb	Feb	0.30%	--	0.24%	0.46%
Unemployment Rate	20 Feb	Jan	5.10%	5.10%	--	4.30%
IBGE Inflation IPCA-15 MoM	21 Feb	Feb	0.68%	0.58%	--	0.67%
Current Account Balance	21 Feb	Jan	-\$11663M	--	--	-\$8678M
Foreign Investment	21 Feb	Jan	\$4000M	--	--	\$6490M
Chile						
Overnight Rate Target	18 Feb	Feb	4.25%	4.25%	4.25%	4.50%
Colombia						
Retail Sales YoY	17 Feb	Dec	5.05%	7.00%	4.10%	5.30%
Industrial Production YoY	17 Feb	Dec	0.80%	0.40%	1.50%	-0.60%
Trade Balance	18 Feb	Dec	\$200	\$832	\$556.6	\$128
Mexico						
Economic Activity IGAE YoY	21 Feb	Dec	1.20%	1.00%	--	-0.04%
GDP SA QoQ	21 Feb	4Q	0.70%	0.50%	--	0.80%
GDP Full Year YoY	21 Feb	2013	--	1.20%	--	--
Peru						
GDP YoY	24 Feb	4Q	5.20%	--	--	4.40%

Most recent Latam reports

Date	Description
19-02-2014	➤ Chile Flash: We expect January Imacec between 1.5 and 2.5% YoY (in Spanish)
19-02-2014	➤ Latam Economic Outlook: First Quarter 2014 (in Spanish)
18-02-2014	➤ Chile Flash: Central bank cut policy rate by 25bp (at 4.25%) and kept dovish bias
17-02-2014	➤ Mexico Economic Outlook: First Quarter 2014 (in Spanish)
14-02-2014	➤ Peru Flash: GDP maintained good momentum in December
13-02-2014	➤ Peru Flash: The policy rate stayed in February at 4,0%, as expected
13-02-2014	➤ Peru Economic Outlook: First Quarter 2014 (in Spanish)
13-02-2014	➤ Colombia Economic Outlook: First Quarter 2014 (in Spanish)
13-02-2014	➤ Brazil Presentation: moderate growth and need for reforms (in Spanish)
12-02-2014	➤ Chile Economic Outlook: First Quarter 2014 (in Spanish)

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