

Latam Daily Flash

3 April 2014
Economic Analysis

Madrid

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Also in Brazil, expansion in industrial production erases the losses observed at the end of 2013, and showed a small but widespread sector expansion.

Brazil - COPOM reveals its intention of bringing the tightening cycle to an end

The Monetary Policy Committee (COPOM) decided to hike the Selic rate by 25bp to 11.0%, in line with expectations. The accompanying statement signalled that the tightening cycle that has already taken reference interest rates up by 375bp since April of 2013 is over, at least if forthcoming inflation figures do not surprise to the upside (see our [Brazil Flash](#) for more details).

Brazil - Industrial production expanded in line with expectations in February

After growing 3.8% MoM in January, industrial output expanded 0.4% MoM in February, broadly in line with forecasts (BBVAe: 0.5% MoM; consensus: 0.5% MoM). The expansion at the beginning of the year erases most of the losses observed at the end of 2013 (industrial production is now 0.2% lower than in October 2013). From a different perspective, growth in industrial production in the first two months of 2014 is a natural correction after the declines accumulated in the last two months of 2013. Production increased in 19 out of 27 sectors in February, showing that the expansion was small but relatively widespread. Taking into account yesterday's industrial production data, we still see a small downward bias to our 0.7% QoQ forecast for 1Q14 GDP growth.

What to watch today

No relevant indicators are planned to be released today

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
CNI Consumer Confidence	31 Mar	Mar	--	--	108.8	108.8
FGV CPI IPC-S	1 Apr	Mar	0.81%	--	0.85%	0.83%
PPI Manufacturing MoM	1 Apr	Feb	--	--	0.51%	1.43%
Trade Balance Monthly	1 Apr	Mar	\$100M	--	\$112M	-\$2125M
FIPE CPI - Monthly	2 Apr	Mar	0.78%	--	0.74%	0.52%
Industrial Production MoM	2 Apr	Feb	0.45%	0.5%	0.4%	3.8%
Selic Rate	2 Apr	--	11.00%	11.00%	11.00%	10.75%
Vehicle Production Anfavea	4 Apr	Mar	--	--	--	281452
Chile						
Manufacturing Index YoY	31 Mar	Feb	-0.50%	-1.5%	-1.97%	-1.44%
Unemployment Rate	31 Mar	Feb	6.3%	6.3%	6.1%	6.1%
Retail Sales YoY	31 Mar	Feb	5.4%	0.9%	5.3%	6.8%
Colombia						
Urban Unemployment Rate	31 Mar	Feb	11.5%	11.5%	11.2%	12.3%
Budget Balance	2 Apr	Feb	--	--	-\$2703B	\$6926B
Colombia Monetary Policy Minutes	4 Apr	--	--	--	--	--
CPI MoM	5 Apr	Mar	0.32%	0.16%	--	0.63%
Mexico						
Remittances Total	1 Apr	Feb	1709.6M	1662M	1677.3M	1578.3M
IMEF Manufacturing Index SA	1 Apr	Mar	51.3	--	52.7	50.8
Consumer Confidence Index	3 Apr	Mar	85.5	85.6	--	84.5
Central Bank Monetary Policy Minutes	4 Apr	--	--	--	--	--
Peru						
CPI MoM	1 Apr	Mar	0.53%	0.5%	0.52%	0.60%

Most recent Latam reports

Date	Description
1-04-2014	➤ Uruguay Flash: 2013 finished with good growth but high external deficit (in Spanish)
1-04-2014	➤ Peru Flash: Annual inflation was lower in March but remained outside the range
1-04-2014	➤ Mexico Migration Flash: Remittances stay on growth path: increased 5.7% in February
31-03-2014	➤ Chile Flash: Activity data by sector anticipates Imacec at 2.4% YoY in February
31-03-2014	➤ Chile Flash: As expected, once again Central Bank reduced forecast growth range for 2014
31-03-2014	➤ Chile Flash: Public expenditure grows 6.1% YoY in February and execution in the first two months of 2014 is the largest of the last four years (in Spanish)
27-03-2014	➤ Mexico Real Estate Flash: Banks' mortgages start 2014 with a growth of 9.7% (in Spanish)
26-03-2014	➤ EAGLEs Economic Outlook: Annual Report 2014
25-03-2014	➤ Chile Flash: March CPI would be at 0.66% MoM (in Spanish)
24-03-2014	➤ Mexico Inflation Flash: Inflation is back to Banxico's tolerance interval

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