

Latam Daily Flash

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Economic Analysis

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Last month manufacturing grew at the fastest rate in 10 months, suggesting an earlier recovery for the Colombian industrial sector. On the other hand, a strong retail sales growth eases concerns about the decline in consumer confidence on February.

Colombia - Industrial production ticks higher than expected

Industrial production topped expectations, rising 2.8% YoY instead of 1.4% (expected), bolstered by sugarcane industry (23.5% YoY), other food processing (6.2%), and beverages (8.2%). The data came after an increase in industrial confidence for two consecutive months. Although we expect a stronger industrial growth for 14S2, this result anticipates a robust and increasingly better-balanced growth for 2014.

Colombia - Retail sales continue to show a strong growth

Retail sales increased by 6.7% YoY in February, in line with our estimate (6.5% YoY). February's figure confirms the good performance of the sector, ending concerns about the poor results from February's consumer confidence. Growth was boosted by vehicle sales (contributing 2.5pp to the increase), other durable goods (electronics and furniture contributed with 0.9pp), and food and beverage (contributing with 1.1pp). Excluding vehicles, retail sales still showed a strong growth of 5.2%, fulfilling our expectations about robust consumption in 2014.

What to watch today

Brazil - Retail sales (February, 8:00hrs NYT)

After expanding 0.4% MoM in January, we expect retail sales to have grown 0.3% MoM in February. In our view, these figures are in line with a GDP growth of 0.5% QoQ in 1Q14, weaker than 4Q14 growth (0.7% QoQ) but higher than most analysts expected at the beginning of the year.

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

We estimate output growth in February was 5.4% YoY, a more positive print than the one in January (4.2%). Manufacturing and Fishing have recovered and we expect Construction to have shown a more healthy behaviour as well.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGP-10 MoM	14 Apr	Apr	1.10%	--	1.19%	1.29%
Formal Job Creation Total	15 Apr	Mar	92000	--	--	260823
Retail Sales MoM	15 Apr	Feb	0.20%	0.3%	--	0.43%
CNI Industrial Confidence	15 Apr	Apr	--	--	--	52.5
IGP-M Inflation 2nd Preview	16 Apr	Apr	0.78%	--	--	1.41%
FGV CPI IPC-S	16 Apr	Apr	0.91%	--	--	0.96%
Economic Activity MoM	16 Apr	Feb	0.30%	0.4%	--	1.26%
FIPE CPI - Weekly	17 Apr	Apr	0.70%	--	--	0.73%
IBGE Inflation IPCA-15 MoM	17 Apr	Apr	0.85%	0.8%	--	0.73%
Unemployment Rate	17 Apr	Mar	5.35%	5.3%	--	5.1%
Tax Collections	17 Apr	Mar	90243M	--	--	83137M
Chile						
Overnight Rate Target	17 Apr	Apr	4.00%	3.75%	--	4.00%
Colombia						
Consumer Confidence Index	15 Apr	Mar	--	23	--	15.7
Retail Sales YoY	14 Apr	Feb	6.2%	6.5%	6.7%	6.5%
Industrial Production YoY	14 Apr	Feb	1.5%	1.35%	2.78%	0.1%
Mexico						
Formal Job Creation Total	16 Apr	Mar	--	69.25K	--	125.6K
Peru						
Economic Activity YoY	15 Apr	Feb	4.8%	5.4%	--	5.4%
Unemployment Rate	15 Apr	Mar	7.1%	--	--	7.0%

Most recent Latam reports

Date	Description
14-04-2014	➤ Brazil Travel Report: Politics starts to take centre stage while pessimism about the performance of the economy continues
14-04-2014	➤ Colombia Economic Watch: Exchange rate pass-through to prices in Colombia (in Spanish)
14-04-2014	➤ Mexico Banking Flash: Bank Deposits: varied performance by components (in Spanish)
14-04-2014	➤ Mexico Economic Watch: Social Security Reform
11-04-2014	➤ Working Paper No. 14/11: Competitiveness in the Latin American manufacturing sector: trends and determinants
08-04-2014	➤ Brazil Flash: COPOM minutes suggest that the tightening cycle is over
08-04-2014	➤ Peru Flash: Monetary policy meeting: no changes in the policy rate and a similar communiqué to that of last month's
08-04-2014	➤ Brazil Flash: Inflation jumps in March and will soon breach the 6.5% target ceiling
08-04-2014	➤ Mexico Inflation Flash: Inflation returned to Banxico's tolerance interval in March
08-04-2014	➤ Mexico Economic Watch: Social Security reform (in Spanish)

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