

Latam Daily Flash

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Economic Analysis

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Today, besides the inflation report in Mexico we are also waiting for the inflation figures for the first half of May in Brazil where the reduced effect of drought and seasonal effects should be reflected in moderation.

No significant economic data were published yesterday

What to watch today

Brazil - Inflation: IPCA-15 (May, 8:00hrs NYT)

May's IPCA-15, which measures inflation from the middle of April until the middle of May, should show that inflation is losing steam in monthly terms due to the waning impact of the drought and positive seasonal effects. We forecast it will reach 0.56% MoM (vs. 0.78% MoM in the previous reading). This would reinforce our view that the BCB will leave the Selic rate unchanged at 11.0% next week.

Mexico - 1Q14 Inflation report (09:00hrs NYT)

In a context of a slow recovery in economic activity, with more sluggish than expected growth in the first quarter, we will be watching out for a possible cut in the 2014 growth outlook on the part of the central bank. This range currently stands between 3.0% and 4.0%.

Mexico - Retail sales (March, 09:00hrs NYT)

We expect retail sales to increase 0.4% YoY sa, equivalent to 2.2% MoM sa, supported by a slight recovery in employment and stable inflation. In February, retail sales decreased 1.7% YoY sa.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FIPE CPI - Weekly	19 May	May	0.40%	--	0.42%	0.45%
CNI Industrial Confidence	19 May	May	--	--	48.0	49.2
Formal Job Creation Total	21 May	Apr	160000	--	--	13117
IBGE Inflation IPCA-15 MoM	21 May	May	0.55%	0.56%	--	0.78%
Unemployment Rate	22 May	Apr	5.15%	5.1%	--	5.0%
FGV Consumer Confidence	23 May	May	--	--	--	106.3
FGV CPI IPC-S	23 May	May	--	--	--	0.78%
Current Account Balance	23 May	Apr	-\$6500M	--	--	-\$6248M
Foreign Investment	23 May	Apr	\$5450M	--	--	\$4995M
Chile						
GDP QoQ	19 May	1Q	0.60%	0.6%	0.70%	-0.10%
Current Account Balance	19 May	1Q	-\$150M	\$650M	-\$795M	-\$2430M
PPI MoM	23 May	Apr	--	--	--	-2.9%
Colombia						
Trade Balance	23 May	Mar	-\$322.1M	-\$68	--	-\$505.6M
Imports CIF Total	23 May	Mar	\$4937M	\$4693	--	\$5003.5M
Vehicle Sales	23 May	Apr	--	--	--	26418
Mexico						
Retail Sales YoY	21 May	Mar	-1.1%	-1.9%	--	-1.7%
Central Bank Inflation Report	21 May	--	--	--	--	--
Unemployment Rate NSA	22 May	Apr	4.82%	4.96%	--	4.80%
Bi-Weekly CPI	22 May	May	-0.38%	-0.37%	--	-0.05%
Bi-Weekly CPI YoY	22 May	May	3.44%	3.44%	--	3.47%
Economic Activity IGAE YoY	23 May	Mar	3.45%	2.93%	--	1.74%
GDP SA QoQ	23 May	1Q	0.6%	0.64%	--	0.2%
Current Account Balance	23 May	1Q	-\$5990M	-\$5300M	--	-\$4660M

Most recent Latam reports

Date	Description
20-05-2014	➤ Financial Inclusion Economic Watch: Analyzing the Uruguayan Law on Financial Inclusion (in Spanish)
19-05-2014	➤ Chile Flash: GDP grew 2.6% YoY in 1Q14 above market expectations
19-05-2014	➤ Mexico Insurance Observatory: Mexican insurance market is the second largest in Latin America (in Spanish)
19-05-2014	➤ Mexico Real Estate Flash: Mortgage banking grew 18.7% to the end of the first quarter
16-05-2014	➤ Mexico Economic Watch: The secondary legislation in the energy sector will bolster oil revenues if the private sector eagerly participates
16-05-2014	➤ Uruguay Economic Outlook: First Half 2014
15-05-2014	➤ Mexico Real Estate Flash: At the end of the first quarter, banks' mortgages grow 18.7% (in Spanish)
15-05-2014	➤ Chile Flash: Central Bank continues to wait for the appropriate moment to cut policy rates
15-05-2014	➤ Peru Flash: March GDP came weaker than expected
15-05-2014	➤ Mexico Banking Flash: Bank deposits: getting stronger, driven by demand deposits

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