

ECONOMIC ANALYSIS

The unemployment rate in Mexico came out in line with our expectations

Chile Unit / Colombia Unit / Latin America Unit / Mexico Unit / Peru Unit

The unemployment rate was 5.2% (4.9% in seasonally adjusted terms) of the EAP, meanwhile, the labour force stood at 58.2% in August, slightly below the figure registered a year ago

Mexico – Unemployment rate reached 5.2% in August

The unemployment rate came in at 5.2% in August 2014 (from 5.5% in July), in line with our below-consensus forecast (BBVA Research: 5.2%; Consensus: 5.4%). The result was mainly driven by a decrease in the Economically Active Population (EAP) from 59.3% in August 2013 to 58.2% in August 2014.

What to watch today

Mexico – Retail sales (July, 09:00hrs NYT)

We estimate that retail sales for July will register an increase of 1.2% YoY, sa. This result is related to the moderate performance of ANTAD sales (in July total store sales rose 1.4% YoY, sa) and the faster pace in generating formal employment in August (57,689 employees). It should be noted that in June retail sales posted a 1.4% annual growth, sa.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV CPI IPC-S	23 Sep	Sep	0.45%	--	--	0.39%
FGV Consumer Confidence	24 Sep	Sep	--	--	--	102.3
Current Account Balance	24 Sep	Aug	-\$5350M	-\$6000M	--	-\$6018M
FGV Construction Costs MoM	25 Sep	Sep	0.22%	--	--	0.19%
Unemployment Rate	25 Sep	Aug	4.9%	5.1%	--	--
PPI Manufacturing MoM	26 Sep	Aug	--	--	--	-0.29%
Outstanding Loans MoM	26 Sep	Aug	--	--	--	0.2%
Central Bank quarterly inflation report	27 Sep	--	--	--	--	--
Chile						
PPI MoM	24 Sep	Aug	--	--	--	2.6%
Colombia						
Industrial Confidence	23 Sep	Aug	--	--	--	9.3
Retail Confidence	23 Sep	Aug	--	--	--	25.0
Overnight Lending Rate	26 Sep	Sep	4.50%	4.50%	--	4.50%
Current Account Balance	26 Sep	2Q	-\$4100M	--	--	-\$4015M
Mexico						
Unemployment Rate SA	22 Sep	Aug	5.05%	5.2%	4.87%	5.15%
Banamex Survey of Economists	22 Sep	--	--	--	--	--
Retail Sales YoY	23 Sep	Jul	1.6%	1.2%	--	1.1%
Economic Activity IGAE YoY	24 Sep	Jul	2.30%	2.1%	--	2.73%
Bi-Weekly CPI	24 Sep	Sep	0.21%	0.27%	--	0.22%
Bi-Weekly Core CPI	24 Sep	Sep	0.20%	0.25%	--	0.08%
Bi-Weekly CPI YoY	24 Sep	Sep	4.13%	4.15%	--	4.23%
Trade Balance	26 Sep	Aug	-\$667.5M	--	--	-\$979.9M

Most recent Latam reports

Date	Description
09.22.2014	Chile Flash: Activity indicator would be between 1 and 1.5% in August (in Spanish)
09.16.2014	Uruguay Flash: Positive surprise in growth in 2Q14 (in Spanish)
09.16.2014	Colombia Flash: Activity moderation in 2Q14 was in line with expectations (in Spanish)
09.15.2014	Peru Flash: Output remains weak (in Spanish)
09.12.2014	Chile Flash: As expected CB cut rates by 25bp (in Spanish)
09.11.2014	Mexico Flash: In August formal employment continued to rise in the IMSS and the total number of registered workers was greater than 17 million (in Spanish)
09.11.2014	Mexico Banking Flash: Banking deposits: performance improves after a brief pause
09.11.2014	Peru Flash: Central Bank cuts policy rate in September by 25bp (in Spanish)

09.11.2014 [Chile Flash: The reasons for the fall in local long yields in 2014: the tipping point is close](#)

09.11.2014 [Brazil Flash: COPOM sees lower inflationary pressures in the short-term](#)

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