

ECONOMIC ANALYSIS

A slight recovery of activity in Mexico

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

Yesterday, we saw that retail sales increased 5.6% YoY in Mexico in October. As for today, also in Mexico, we expect the unemployment rate to drop to 4.66% in November.

Mexico – Retail sales increased 5.6% YoY in October

In line with our forecast, although above the consensus, the retail sales increased 5.6% YoY in October (BBVA Research: 5.9% YoY; Consensus: 4.3% YoY). In monthly terms they increased 6.1%. With the seasonally adjusted series retail sales increased 5.0% YoY. This indicates a slight recovery of the domestic market at the end of 2014.

What to watch today

Mexico – Unemployment rate (November, 9:00hrs NYT)

We forecast a drop in the unemployment rate to 4.66% in November. On 19 December the INEGI will publish the penultimate month of the year's unemployment rate. In view of the better recent performance in some sectors of economic activity and the rise of the working population in the formal economy in November (122,850 new workers registered with the IMSS), we expect the unemployment rate to fall slightly to 4.66% in November, from 4.78% in October 2014. In seasonally adjusted terms we estimate that the unemployment rate will reach 4.68% in November, vs. the 4.71% registered in the previous month.

Calendar indicators

	Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
BZ	FGV Inflation IGP-10 MoM	15-Dec	Dec	0.89%		0.98%	0.82%
BZ	Economic Activity MoM	15-Dec	Oct	0.20%	0.50%	-0.26%	0.40%
BZ	CNI Consumer Confidence	15-Dec	Dec	--		109.2	109.7
BZ	Tax Collections	15-Dec	Nov	98700M		106214.77M	106215M
BZ	Formal Job Creation Total	15-Dec	Nov	-30000		-30283	-30283
BZ	FGV CPI IPC-S	16-Dec	Dec 15	0.79%		0.77%	0.77%
BZ	IGP-M Inflation 2nd Preview	17-Dec	Dec	0.75%		0.65%	0.72%
Chile							
CL	Central Bank 4Q monetary policy report (IPOM)	15-Dec	0	--		--	0
Colombia							
CO	Consumer Confidence Index	15-Dec	Nov	--		24.7	21.6
CO	Retail Sales YoY	15-Dec	Oct	8%		11.30%	8.70%
CO	Industrial Production YoY	15-Dec	Oct	0.40%		0.32%	1.30%
Mexico							
MX	Retail Sales YoY	18-Dec	Oct	4.60%	5.95%	5.6%	4.50%
Peru							
PE	Economic Activity YoY	15-Dec	Oct	2.40%	2.60%	2.37%	2.70%
PE	Unemployment Rate	15-Dec	Nov	5.60%		5.40%	5.70%

Most recent Latam reports

Date	Description
12.18.2014	Brazil Economic Watch:2003 and 2015: similar adjustments, different times
12.16.2014	Peru. Output growth recovery is still incipient, as expected
12.15.2014	Colombia Flash: Not only construction grows, but it continues to be the fastest growing sector
12.11.2014	Chile: As expected, central bank kept policy rate at 3.00%
12.09.2014	Chile Flash: Chile: November's CPI inflation came at 0.0% MoM
12.09.2014	Colombia Flash:Colombian inflation rate reaches highest level in the year
12.09.2014	Mexico Inflation Flash:Annual inflation is on a downward trend and the outlook remains favorable
12.06.2014	Chile Flash: Null CPI in November and in the way to negative CPI in Dec (in Spanish)
12.05.2014	Peru Press Article: There is no free lunch (in Spanish)
12.05.2014	Mexico Flash: Banxico leaves fondeo rate unchanged (in Spanish)
12.05.2014	Chile Flash: Economy grows 1.5% YoY in October marginally above market expectations (in Spanish)
12.05.2014	Brazil Flash: inflation remains above the target ceiling in November

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