

ECONOMIC ANALYSIS

We expect the Mexican economy to have expanded 2.1% in annual terms in 2014

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

After a quiet day yesterday, today the Mexican activity data for the year end will be published. We expect an upturn in 4Q14 to 0.8% QoQ, from the 0.5% QoQ registered in 3Q14. For December we expect recovery in services in contrast to the performance from the manufacturing sector.

What to watch today

Mexico – GDP (4Q14, 09:00hrs NYT)

We expect the quarterly growth of GDP in 4Q14 to come in at 0.8%, with the seasonally adjusted series (sa), after the growth of 0.5% reported in the third quarter. The main components underpinning the growth are, on the one hand, the moderate increase in industrial production throughout October, November and December (0.4%, 0.3% and -0.3% MoM, sa, respectively), and the positive performance by services in October and November (0.7% and 0.3% MoM, sa, respectively); and on the other hand, the improvement in manufacturing exports over the same period (10.0%, -14.1% and 8.8% MoM respectively). If this increased economic activity is confirmed, we may see an annual growth rate for 2014 of nearly 2.1%, sa.

Mexico – Global Economic Activity Indicator (December, 09:00hrs NYT)

We anticipate that December's Global Economic Activity Indicator (IGAE) will show a YoY growth of 2.81%, seasonally adjusted (sa). We expect economic activity to have closed the year moderately well, thanks to the recovery in services, but taking on board industry's negative performance in December (-0.3 MoM, sa). We should bear in mind that in November the IGAE posted annual growth of 2.76%, sa, expressed in monthly terms as 0.49%.

Calendar indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Formal Job Creation Total	18-Feb	Jan	-15000	--	--	-555508
FIPE CPI - Weekly	19-Feb	Feb-18	1.65%	--	1.57%	1.78%
FGV CPI IPC-S	19-Feb	Feb-22	1.39%	--	1.27%	1.63%
Colombia						
Retail Sales YoY	17-Feb	Dec	9.70%	10.10%	9.56%	8.40%
Industrial Production YoY	17-Feb	Dec	-0.05%	0.80%	2.08%	-0.90%
Trade Balance	19-Feb	Dec	-1190	-692	-\$1452.7	-1285.50
Overnight Lending Rate	20-Feb	Feb-24	4.50%	4.50%	--	4.50%
Mexico						
GDP NSA YoY	20-Feb	4Q	2.60%	2.58%	--	2.20%
GDP SA QoQ	20-Feb	4Q	0.90%	0.80%	--	0.50%
Economic Activity IGAE YoY	20-Feb	Dec	3.10%	3%	--	2.04%
GDP Full Year YoY	20-Feb	Jul-09	--	2.10%	--	1.10%
Peru						
Unemployment Rate	16-Feb	Jan	6.10%	--	6.40%	5.60%
Economic Activity YoY	16-Feb	Dec	0.70%	0.50%	0.54%	0.30%

Most recent Latam reports

Date	Description
02.16.2015	Peru Flash: There was no economic recovery at the end of last year...
02.12.2015	Peru Flash: Key rate on hold in February, with no major news in the communiqué that accompanied the decision
02.12.2015	Perú Flash: Monetary pause in February (In Spanish)
02.12.2015	Chile Flash: Chile: No surprises in February's monetary policy meeting
02.11.2015	Mexico Flash: Industrial production decreased 0.3%, MoM, sa, in December
02.09.2015	Mexico Flash: Annual headline inflation is likely to remain close to 3.0% for most of the year
02.06.2015	Mexico Weekly Flash: We estimate that industrial production in December will grow by 2.7% annually
02.06.2015	Brazil Flash: Inflation jumps above 7%
02.06.2015	Chile Flash: January's CPI increased 0.1% MoM, above market consensus
02.06.2015	Colombia Flash: food prices bring the inflation near to the target ceiling

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