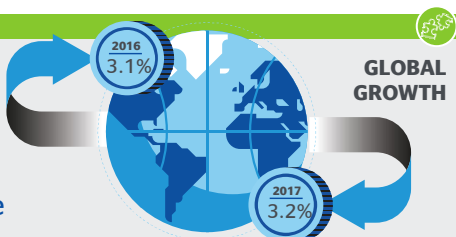


Latam Economic Outlook 3Q16

1

Volatility in the wake of **Brexit** was offset by the Fed's more accommodating tone



2

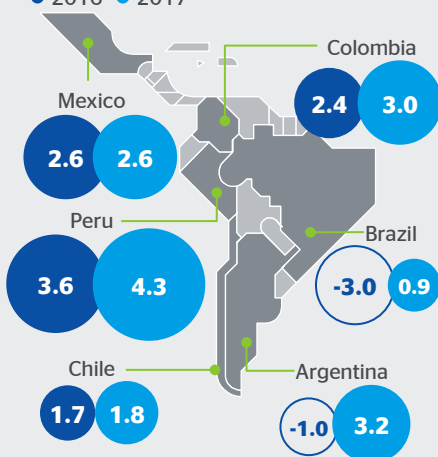
The **slowdown in Latin America** will bottom out in 2016

In 2017 GDP will again rise due to:

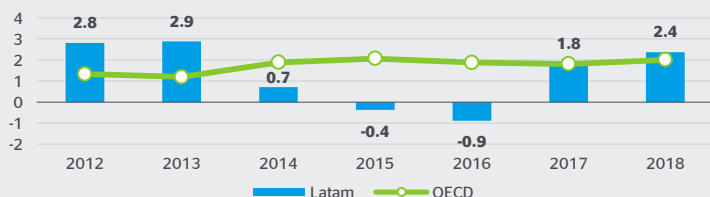
- + Dynamism in the **EXTERNAL SECTOR**
- + Public and private **INVESTMENT**

LATIN AMERICA: MOVING TOWARDS GRADUAL RECOVERY

● 2016 ● 2017



GDP GROWTH



3

Inflation, although high in **South America**, is starting to come down in the majority of countries

- Weak internal demand
- More stable exchange rate
- Idiosyncratic shocks fading

4

The **central banks** will adopt a more accommodating tone

- In line with prospects for moderating inflation and a weak activity cycle
- In contrast, rate hikes are expected in **Colombia** (due to high inflation) and **Mexico** (focus on the Fed)