

# Latam Daily Flash

## 6 February 2013 Economic Analysis

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*The slowdown in economic activity in Chile in December was only moderate, which should be reflected in GDP growth of 5.6% for 2012e. At the same time, manufacturing confidence rose in Mexico and inflation slowed in Colombia in January, leaving inflationary room for an interest rate cut. Today we await consumer confidence indicators in Mexico which we expect to continue to reveal an improvement.*

## Chile - The slowdown in economic activity at the end of 2012 was only moderate

The Monthly Economic Activity Index (Imacec) increased 4.7% YoY in December (1.2% MoM sa), led by retail sales and services. The figure was above our expectations, despite there being one less working day in the month. This print should take GDP growth for 2012 to 5.6% YoY. For January 2013, we expect the Imacec to remain very dynamic with an increase of 6.0% YoY. Finally, the balance of risks for monetary policy continues to lean towards more internal pressures on capacity utilization in the medium term (see our [Chile Flash](#) for details).

## Colombia - Consumer inflation fell to 2.0% YoY in January

Consumer prices fell 0.30% MoM in January, significantly below the same month in 2012 when they increased by 0.73% MoM. Despite high seasonal factors, lower variation in regulated prices (0.28% MoM vs. 1.5% MoM a year ago) and lower demand pressures contributed towards a moderation in headline inflation vs. the previous month (2.44% YoY). The moderation was in line with our call and gives a dovish BanRep more inflationary room for an interest rate cut in the coming months (see our [Colombia Flash](#) for details).

## Mexico - Manufacturing confidence rose in January

According to the IMEF Index (a proxy for PMI), manufacturing confidence rose from 51.4 points in December to 52.1 in January. By components, the biggest increase was in new orders (from 51.3 to 54.2 respectively), whilst the employment component decreased from 53.3 to 51.6 points. The non-manufacturing index fell to 51.7 in January (vs. 54.3 in December). Overall, the IMEF Index points to a slightly positive momentum in manufacturing at the beginning of 2013.

## What to watch today

### Mexico - Consumer confidence (January, 9:00 hrs, NYT)

We expect consumer confidence about the current economic situation to continue to improve. This sentiment is supported by higher employment levels and should help to explain the relative strength of household consumption in YE12e.

## Calendar: Indicators

<b>Brazil</b>	<b>Date</b>	<b>Period</b>	<b>Consensus</b>	<b>BBVAe</b>	<b>Actual</b>	<b>Prior</b>
FIPE CPI - Monthly	4-Feb	Jan	1,06%	--	1,15%	0.78%
FGV Inflation IGP-DI	5-Feb	Jan	0,26%	--	0,31%	0.66%
PMI Services	5-Feb	Jan	--	--	54,5	53.5
CNI Capacity Utilization	6-Feb	Dec	81,50%	--	--	81.4%
Vehicle Sales (Anfavea)	06-11 Feb	Jan	--	--	--	359355
FGV Preview Inflation IGP-M	7-Feb	Jan 31	0,20%	--	--	0.34%
IBGE Inflation IPCA (MoM)	7-Feb	Jan	0,84%	0,82%	--	0.79%
FGV CPI IPC-S	8-Feb	Feb 11	--	--	--	--
<b>Chile</b>						
Economic Activity Indx YoY NSA	5-Feb	Dec	3,70%	3,50%	4,70%	5.5%
Total Exports in US\$ Million	7-Feb	Jan	--	\$6700	--	\$7714.0
Total Imports in US\$ Million	7-Feb	Jan	--	\$6800	--	\$6208.0
CPI (MoM)	8-Feb	Jan	0,05%	0,10%	--	0.0%
<b>Colombia</b>						
Producer Price Index (MoM)	4-Feb	Jan	--	--	-0,05%	-0.74%
Consumer Price Index (MoM)	6-Feb	Jan	0,52%	0,52%	0,30%	0.09%
<b>Mexico</b>						
IMEF Manufacturing Index	5-Feb	Jan	--	--	52,1	52.8
Consumer Confidence	6-Feb	Jan	99,00	99,80	--	99.0
Consumer Prices (MoM)	7-Feb	Jan	0,32%	0,26%	--	0.23%
Consumer Prices Core (MoM)	7-Feb	Jan	0,30%	0,21%	--	0.12%
Bi-Weekly CPI	7-Feb	Jan 31	0,22%	0,11%	--	0.15%
Bi-Weekly Core CPI	7-Feb	Jan 31	0,20%	0,03%	--	0.18%
Gross Fixed Investment	8-Feb	Nov	4,90%	6,80%	--	9.5%
<b>Peru</b>						
Reference Rate	8-Feb	Feb	4,25%	4,25%	--	4.25%
Business Confidence	8-Feb	Feb	--	--	--	64,00%
Electricity production	04-09 Feb	Mar	--	--	--	5,88%

## Most recent Latam reports

Date	Description
5-2-2013	<a href="#">➤ Colombia Flash: Consumer inflation dropped to 2.0% YoY in January, standing at the lower bound of the inflation target band</a>
5-2-2013	<a href="#">➤ Chile Flash: Economic activity shows moderate slowdown at the end of 2012</a>
1-2-2013	<a href="#">➤ Banxico Watch: Banxico seems to be targeting a cut but the uncertainty remains: how to play it?</a>
1-2-2013	<a href="#">➤ Peru Flash: Annual inflation remained within the target range</a>
1-2-2013	<a href="#">➤ Chile Flash: Minutes of the January's meeting turn to a more hawkish view</a>
31-1-2013	<a href="#">➤ Working Paper: Expanding Credit and Savings in Peru</a>
31-1-2013	<a href="#">➤ Brazil Economic Watch: "The macro mix in Brazil: a new fiscal regime, to a new monetary policy"</a>
31-1-2013	<a href="#">➤ Chile Flash: Unemployment rate ends 2012 at 6.1%</a>
30-1-2013	<a href="#">➤ Chile Flash: Manufacturing production and mining fall, while retail sales remain strong</a>
28-1-2013	<a href="#">➤ Colombia Flash: BanRep cut policy rate by 25bps to 4.0% and enhanced FX intervention</a>

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