

Latam Daily Flash

17 June 2013 Economic Analysis

Madrid

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On Friday we learned that economic activity in both Peru and Brazil increased strongly in April. However, preliminary data in Brazil suggests a moderation in May whereas in Peru they suggest that a continuation of the robust trend is likely. Meanwhile, in Colombia, BanRep minutes revealed optimism about a rebound in activity in 2Q13 but were silent about a possible extension of the dollar purchase programme. Today will be a quiet day in Latam, with no major figures expected to be released.

Brazil - Robust increase in economic activity in April

The IBC-BR index released on Friday by the central bank showed an increase of 0.8% MoM in April. The figure for March was revised upwards to 1.1% MoM from 0.7% MoM. The reasons for the expansion of activity in the month included a dynamic auto sector (to some extent due to temporary incentives), and was in spite of the signs that inflation continues to erode private consumption. Preliminary data suggest that moderation is likely in May. Overall, 2Q13 activity indicators support forecasts of GDP growth slightly higher in this quarter than in 1Q13 (when GDP increased by 0.6% QoQ).

Peru - Strong rebound in output in April

GDP increased by 7.7% YoY, broadly in line with our forecast (7.5%), but surprising the market (consensus 7.1%). This outcome is partially explained by a higher number of working days in the month, in contrast to March, when output grew by just 3%. Excluding this positive effect, the underlying trend of economic activity remains robust, which the available indicators for May and June also suggest. Hence, we continue to expect GDP to accelerate in 2Q13 and grow above 6% YoY, close to potential (see our [Peru Flash](#)).

Colombia - Minutes reveal optimism about 2Q13 activity, with no additional information about the USD purchase programme

In the Board's opinion the few available indicators as of April (mainly energy demand and confidence levels) are suggesting a rebound vs. 1Q13, although in line with BanRep's economic outlook. The minutes did not reveal any additional information regarding the decision to slow the pace of the USD purchase programme, and just mentioned that the recent COP weakening should have a limited pass-through to inflation. The balance of risks behind the minutes is in line with our outlook, expecting a rebound in 2Q13 supported by an expansive monetary stance for the remainder of the year.

What to watch today

No major indicators expected to be published today

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
CAGED Formal Job Creation	17-21 Jun	May	155000	--	--	196913
Tax Collections	17-22 Jun	May	86024.5M	--	--	98713M
FGV CPI IPC-S	17 Jun	2-Jun	0.46%	--	--	0.48%
FIPE CPI - Weekly	18 Jun	2-Jun	0.18%	--	--	0.13%
IGP-M Inflation 2nd Preview	18 Jun	Jun	0.65%	--	--	0.01%
Unemployment Rate	20 Jun	May	5.8%	5.8%	--	5.8%
IBGE CPI IPCA-15 (MoM)	21 Jun	Jun	0.37%	0.36%	--	0.46%
Current Account - Monthly	21 Jun	May	-\$6400M	--	--	-\$8318M
Colombia						
Outstanding Loans	17-21 Jun	Apr	--	--	--	\$253.0B
Imports	18-Jun	Apr	--	\$5167	--	\$4488
Trade Balance	18 Jun	Apr	\$129	\$37	--	\$285.7
GDP (YoY)	20 Jun	1Q	2.8%	2.3%	--	3.1%
Retail Sales (YoY)	21 Jun	Apr	3.3%	0.2%	--	0.9%
Industrial Production (YoY)	21-Jun	Apr	1.6%	6.4%	--	-11.5%
Mexico						
Aggregate Supply & Demand	19 Jun	1Q	1%	2.8%	--	3.6%
Retail Sales (INEGI)	20 Jun	Apr	1.2%	-0.1%	--	-2.4%
Central Bank Monetary Policy Minutes	21 Jun	--	--	--	--	--
Peru						
Central Bank Quarterly Inflation Report	21 Jun	--	--	--	--	--

Most recent Latam reports

Date	Description
14-06-2013	➤ Flash Peru: April GDP and available indicators anticipate strong performance in the second quarter
13-06-2013	➤ Flash Peru: Unsurprisingly, the policy rate remains at 4,25%
11-06-2013	➤ Mexico Real Estate Flash: Some oxygen for the construction sector
11-06-2013	➤ Flash Colombia: It was confirmed the leadership of infrastructure in GDP growth in 2013
10-06-2013	➤ Mexico Real Estate Flash: Construction in energy, ahead on its own
10-06-2013	➤ Mexico Flash: Industrial production, with sharp drop in April. Confirms and amplifies the negative trend
7-06-2013	➤ Brazil Flash: Inflation: stable around the target ceiling for now, but moving up soon
7-06-2013	➤ Flash Chile: CPI had no variation in May but it may increase 0.5% MoM in June
7-06-2013	➤ Mexico Inflation Flash: Inflation in May: Supply Shocks Within Non Core Inflation Prevents Headline Inflation from Falling
7-06-2013	➤ Mexico Flash: A more dovish tone strengthens the rate cut perspectives, once inflation is below 4.0%

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