

Latam Daily Flash

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Economic Analysis

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In Colombia, consumption data suggest this component made a material contribution to activity by 4Q13, in contrast to private investment.

Brazil - Economic activity decelerated sharply in November

The IBC-Br, the BCB's economic activity indicator, showed that the economy contracted by 0.3% MoM in November after having expanded by 0.7% in October. The figure was somewhat lower than expected (BBVAe: 0.0% MoM; consensus 0.0% MoM). The contraction followed the sharp reduction in industrial production and occurred in spite of the sharper than expected growth in retail sales in the period. Available data for the quarter suggest that private consumption may contribute more to 4Q13 growth than we are currently forecasting, while other demand components such as investment and exports could end up contributing less than expected (although probably more than private consumption). Nonetheless, in spite of these sector biases, our overall GDP growth forecast for 4Q13e (0.5% QoQ) is consistent with the incoming data. At this juncture, we see no bias to this forecast.

Colombia - Continuing divergence between consumption and private investment

Industrial production, a very close variable for private investment, fell 0.6% YoY in November, driven by negative performances in the automobile and chemical goods sectors. This indicator confirms a slower recovery in non-residential investment than initially expected. On the other hand, retail sales grew 5.3% YoY thanks to a rebound in food and beverages and textiles. In line with our expectations, these data anticipate strong consumption in 4Q13e and 1Q14e.

What to watch today

No relevant indicators are planned to be released today

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Formal Job Creation Total	20 Jan	Dec	-473000	--	--	47486
FIPE CPI - Weekly	20 Jan	Jan	0.75%	--	0.83%	0.74%
Tax Collections	20 Jan	Dec	116000M	--	--	112517M
CNI Industrial Confidence	22 Jan	Jan	--	--	--	54.3
FGV CPI IPC-S	23 Jan	Jan	0.91%	--	--	0.85%
COPOM Monetary Policy Meeting Minutes	23 Jan	--	--	--	--	--
IBGE Inflation IPCA-15 MoM	23 Jan	Jan	0.79%	0.82%	--	0.75%
FGV Consumer Confidence	24 Jan	Jan	--	--	--	111.5
Current Account Balance	24 Jan	Dec	-\$6700M	--	--	-\$5145M
Chile						
Central Bank's Traders Survey	22 Jan	Jan	--	--	--	--
PPI MoM	24 Jan	Dec	--	--	--	-0.10%
Colombia						
Outstanding Loans	20 Jan	Nov	--	--	--	\$275.8T
Mexico						
ANTAD Same-Store Sales YoY	21 Jan	Dec	0.30%	--	--	3.40%
Banamex Survey of Economists	21 Jan	--	--	--	--	--
Bi-Weekly Core CPI	23 Jan	Jan	0.64%	--	--	0.08%
Bi-Weekly CPI	23 Jan	Jan	0.63%	--	--	0.32%
Retail Sales YoY	24 Jan	Nov	0.80%	0.87%	--	-1.10%

Most recent Latam reports

Date	Description
16-01-2014	➤ Chile Flash: Central bank kept policy rate at 4.5% but includes a dovish bias
16-01-2014	➤ Brazil Flash: Higher inflation and a weaker currency force the COPOM to maintain the tightening pace
15-01-2014	➤ Peru Flash: November GDP reflected momentum of trade and services
14-01-2014	➤ Mexico Banking Flash: Enacting the Financial Reform: a first step in the right direction albeit with several aspects still to be defined
14-01-2014	➤ Financial inclusion and the role of mobile banking in Colombia: developments and potential (in Spanish)
13-01-2014	➤ Mexico Real Estate Outlook: First Half 2014 (in Spanish)
13-01-2014	➤ Brazil Flash: Inflation closed 2013 within the target range, but the BCB's implicit goal was not met
13-01-2014	➤ Mexico Banking Flash: Enactment of Financial Reform: a first step in the right direction but several aspects still to be defined (in Spanish)
09-01-2014	➤ Mexico Inflation Flash: December's inflation
09-01-2014	➤ Peru Flash: Monetary policy: no surprises in January

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