

Latam Daily Flash

19 September 2013
Economic Analysis

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Data on GDP for 2Q13 in Colombia and Mexico should confirm sources of weakness (demand-side components) in Mexican activity while confirming better than originally expected numbers from Colombia.

What to watch today

Mexico - Aggregate supply and demand (2Q13, 09:00hrs NYT)

The GDP breakdown will be important for weighing up the slowdown in demand components. On the supply side, GDP fell 0.7% QoQ sa in 2Q13. Secondary activities declined 1.1% QoQ sa and tertiary fell back 0.4% QoQ sa, while primary activities increased by just 1.2% QoQ sa. Private consumption has been weakening over the last few months while gross fixed investment has remained weak, declining 1.1% MoM sa in June. Meanwhile, exports of both manufactured goods and oil have moderated, and thus we cannot rule out that 2Q13 figures will reveal a negative contribution to growth from net exports.

Colombia - GDP (2Q13, 12:00hrs NYT)

We expect 3.3% GDP growth (YoY) for 2Q13e with an upward bias due to a recent positive surprise in civil works disbursements (+5.3% YoY) for the quarter. We had anticipated a decrease in civil works for 2Q13 due to a high comparative base (last year's civil works growth was 12.1%). Some market analysts have adjusted their expectations upwards (consensus 3.4%), especially after President Juan Manuel Santos made a public statement highlighting he expects 2Q13 growth to be above 4.0% of GDP.

Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGP-10 MoM	16 Sep	Sep	0.91%	--	1.05%	0.15%
FGV CPI IPC-S	16 Sep	2-Sep	0.27%	--	0.27%	0.25%
Formal Job Creation Total	19-21 Sep	Aug	90000	--	--	41463
CNI Industrial Confidence	17 Sep	Aug	--	--	54.2	52.5
FIPE CPI - Weekly	18 Sep	2-Sep	0.24%	--	0.16%	0.21%
IGP-M Inflation 2nd Preview	18 Sep	Sep	1.15%	--	1.36%	0.11%
IBGE Inflation IPCA-15 MoM	20 Sep	Sep	0.30%	0.33%	--	0.16%
Colombia						
Vehicle Sales	19-30 Sep	Aug	--	--	--	25301
Outstanding Loans	19-20 Sep	Jul	--	--	--	\$265.0T
GDP QoQ	19 Sep	2Q	1.50%	1.6%	--	0.3%
GDP YoY	19 Sep	2Q	3.5%	3.3%	--	2.8%
Retail Sales YoY	20 Sep	Jul	5.5%	4.9%	--	4.1%
Industrial Production YoY	20 Sep	Jul	-4.0%	-1.4%	--	-5.5%
Mexico						
Aggregate Supply and Demand	19 Sep	2Q	1.80%	--	--	1.0%
Unemployment Rate	20 Sep	Aug	5.30%	--	--	5.12%
Central Bank Monetary Policy Minutes	20 Sep	--	--	--	--	--
Peru						
Unemployment Rate	16 Sep	Aug	6.15%	--	5.60%	6.0%
Economic Activity YoY	16 Sep	Jul	4.80%	4.80%	4.50%	4.4%
Central Bank Quarterly Inflation Report	20 Sep	--	--	--	--	--

Most recent Latam reports

Date	Description
16-09-2013	➤ Flash Peru: GDP growth kept moderate in July
12-09-2013	➤ Flash Chile: Central Bank kept the monetary policy rate at 5%. Even though, the downward bias for the MPR was ratified
12-09-2013	➤ Flash Peru: Monetary policy meeting: no news
11-09-2013	➤ Mexico Economic Watch: Fiscal Reform: in the right direction, but not enough
10-09-2013	➤ Colombia Economic Outlook 3Q13
06-09-2013	➤ Banxico Flash: As BBVA Bancomer called it, Banxico cuts the monetary interest rate. If the economic weakness continues, another cut cannot be dismissed
06-09-2013	➤ Brazil Flash: Inflation continues to ease
06-09-2013	➤ Flash Chile: CPI inflation increased 0.2% MoM in August
06-09-2013	➤ Flash Colombia: Consumer inflation stood at 2.27% YoY with a limited transmission of agricultural sector protests
05-09-2013	➤ Flash Brazil: COPOM minutes suggest that the monetary tightening will continue at an unchanged pace, at least in the short term

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