

# Latam Daily Flash

## 14 October 2013 Economic Analysis

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*In Colombia, monetary policy minutes revealed an optimistic BanRep anticipating a gradual recovery in activity led by private consumption and residential investment. In Mexico, industrial production shows signs of improvement.*

## Colombia - Small upturn in consumer confidence after social protests raises doubts on the economic recovery

In September, consumer confidence stood at 14.6 (between -100 and 100), slightly above the figure for August (13.4) when there were social protests during most of the month. Families made a different assessment of the economic situation for households and the country as a whole, and were more pessimistic regarding the latter. On the other hand, consumers remained very willing to purchase durable goods, reflecting the better performance of the labor market. The consumer confidence data reduced the probability of a rebound in September after social protests in August, but we will have to wait for other indicators to confirm the size of the downward bias, although this is already reflected in our July forecasts.

## Colombia - September minutes reveal a central bank with fewer concerns about the recovery

The minutes revealed a newly optimistic BanRep after the positive surprises in 2Q13 GDP growth and 3Q13 leading indicators. The optimism is backed by private consumption in a context of accelerating job-creation figures, robust consumer credit and growing retail sales. The minutes also show that at the time BanRep was already cautious about the debt ceiling debate and continuing volatility after the Federal Reserve postponed its tapering decision in September. There were no further insights into the drivers of the extension of the USD programme. All in all, BanRep's outlook is in line with our view, anticipating a gradual recovery in activity led by private consumption and residential investment.

## Mexico - Industrial production is showing initial signs of improvement

Industrial production came in at 0.5% MoM sa in August, closer to our above-consensus forecast (BBVAe: 0.6%; consensus: 0.1%), decreasing in seasonally-adjusted real annual terms to -0.7%, close to our below-consensus forecast (BBVAe: -0.8%; consensus: 0.1%). The positive result was mainly driven by an increase in construction (0.4% MoM sa), manufacturing (0.4% MoM sa) and mining (0.3% MoM sa).

## What to watch today

**No relevant economic data are expected for today**

## Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Formal Job Creation Total	14-Oct	Sep	154.396	--	--	127.642
Retail Sales MoM	15-Oct	Sep	0.10%	0.20%	--	1.90%
Tax Collections	15 Oct	Sep	--	--	--	83956M
FGV Inflation IGP-10 MoM	16 Oct	Oct	1.17%	--	--	1.05%
FGV CPI IPC-5	16 Oct	2-Oct	--	--	--	0.38%
Economic Activity MoM	16 Oct	Aug	-0.20%	0.00%	--	-0.33%
FIPE CPI - Weekly	17 Oct	2-Oct	0.29%	--	--	0.29%
COPOM Monetary Policy Meeting Minutes	17 Oct	1-Jan	0.00%	--	--	0.00%
IGP-M Inflation 2nd Preview	18 Oct	Oct	--	--	--	1.36%
IBGE Inflation IPCA-15 MoM	18 Oct	Oct	0.44%	0.4%	--	0.27%
<b>Chile</b>						
Overnight Rate Target	17 Oct	2-Oct	5.00%	5.00%	--	5.00%
<b>Colombia</b>						
Outstanding Loans	15 Oct	Aug	--	--	--	\$266.9T
Retail Sales YoY	18 Oct	Aug	5.50%	4.1%	--	5.40%
Industrial Production YoY	18 Oct	Aug	-0.30%	-1.8%	--	0.20%
<b>Mexico</b>						
Unemployment Rate	18 Oct	Sep	5.12%	--	--	5.17%
<b>Peru</b>						
Unemployment Rate	15 Oct	Sep	--	--	--	5.60%
Economic Activity YoY	15 Oct	Aug	0.05	4.3%	--	4.50%

## Most recent Latam reports

Date	Description
11-10-2013	<a href="#">➤ Flash Chile: We forecast Retails Sales in 7.5% YoY in September</a>
10-10-2013	<a href="#">➤ Flash Peru: Unchanged monetary policy stance</a>
10-10-2013	<a href="#">➤ Brazil Flash: COPOM: no surprises; no hints</a>
09-10-2013	<a href="#">➤ Mexico Inflation Flash: September's inflation: came in lower than our below-consensus expectation</a>
09-10-2013	<a href="#">➤ Brazil Flash: Inflation drops below 6% for the first time this year</a>
08-10-2013	<a href="#">➤ Chile Flash: CPI in September at 0.5% in line BBVA's forecast</a>
07-10-2013	<a href="#">➤ Colombia Flash: September CPI inflation stood unchanged at 2.27% YoY above market expectations which anticipated an annual drop</a>
07-10-2013	<a href="#">➤ Chile Flash: Monthly activity expanded 4,1% YoY in August</a>
03-10-2013	<a href="#">➤ Mexico Real Estate Outlook</a>
01-10-2013	<a href="#">➤ Mexico Migration Flash: In august remittances to Mexico break negative streak</a>

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