

# Latam Daily Flash

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Economic Analysis

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*Mexican industrial production adds to the recent bout of weaker than expected 1Q14 economic indicators, biasing our Q1 GDP forecast to the downside. No relevant economic indicators are expected to be released today in Latam.*

## Mexico - Industrial production surprised on the downside despite a rebound in the construction sector

Industrial production expanded 0.3% MoM sa in February (BBVAe: 1.0%; consensus: 0.5%), much lower than our above-consensus forecast. The construction sector expanded 1.2% MoM sa, manufacturing production increased 0.2% MoM sa while mining activities grew 0.5% MoM sa, and utilities decreased 0.6% MoM sa. In annual terms, industrial production expanded 0.7% YoY, below consensus expectations (BBVAe: 1.0%, consensus: 1.0%). If, as we expect, the upturn in US industrial production leads to an acceleration in Mexican manufacturing production, industrial production should post better numbers going forward. A likely stabilisation in the construction sector would also help. Nonetheless, February's print adds to the recent bout of weaker than expected 1Q14 economic indicators, biasing our Q1 GDP forecast to the downside.

## What to watch today

No relevant indicators are planned to be released today

## Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
FGV Inflation IGP-10 MoM	14 Apr	Apr	1.10%	--	--	1.29%
Formal Job Creation Total	14 Apr	Mar	92000	--	--	260823
Retail Sales MoM	15 Apr	Feb	0.20%	0.3%	--	0.43%
CNI Industrial Confidence	15 Apr	Apr	--	--	--	52.5
IGP-M Inflation 2nd Preview	16 Apr	Apr	0.78%	--	--	1.41%
FGV CPI IPC-S	16 Apr	Apr	0.91%	--	--	0.96%
Economic Activity MoM	16 Apr	Feb	0.30%	0.4%	--	1.26%
FIPE CPI - Weekly	17 Apr	Apr	0.70%	--	--	0.73%
IBGE Inflation IPCA-15 MoM	17 Apr	Apr	0.85%	0.8%	--	0.73%
Unemployment Rate	17 Apr	Mar	5.35%	5.3%	--	5.1%
Tax Collections	17 Apr	Mar	90243M	--	--	83137M
<b>Chile</b>						
Overnight Rate Target	17 Apr	Apr	4.00%	3.75%	--	4.00%
<b>Colombia</b>						
Consumer Confidence Index	14 Apr	Mar	--	23	--	15.7
Retail Sales YoY	14 Apr	Feb	6.2%	6.5%	--	6.5%
Industrial Production YoY	14 Apr	Feb	1.5%	1.35%	--	0.1%
<b>Mexico</b>						
Formal Job Creation Total	16 Apr	Mar	--	69.25K	--	125.6K
<b>Peru</b>						
Economic Activity YoY	15 Apr	Feb	4.8%	--	--	5.4%
Unemployment Rate	15 Apr	Mar	7.1%	--	--	7.0%

## Most recent Latam reports

Date	Description
11-04-2014	<a href="#">➤ Working Paper No. 14/11: Competitiveness in the Latin American manufacturing sector: trends and determinants</a>
08-04-2014	<a href="#">➤ Brazil Flash: COPOM minutes suggest that the tightening cycle is over</a>
08-04-2014	<a href="#">➤ Peru Flash: Monetary policy meeting: no changes in the policy rate and a similar communiqué to that of last month's</a>
08-04-2014	<a href="#">➤ Brazil Flash: Inflation jumps in March and will soon breach the 6.5% target ceiling</a>
08-04-2014	<a href="#">➤ Mexico Inflation Flash: Inflation returned to Banxico's tolerance interval in March</a>
08-04-2014	<a href="#">➤ Mexico Economic Watch: Social Security reform (in Spanish)</a>
08-04-2014	<a href="#">➤ Financial Inclusion Economic Watch: Voluntary long-term savings in Chile (in Spanish)</a>
08-04-2014	<a href="#">➤ Brazil: Brazilian economy perspectives (video)</a>
08-04-2014	<a href="#">➤ Latam: Deterioration in Latin America's manufacturing competitiveness (video)</a>
08-04-2014	<a href="#">➤ Latam: Second generation reforms for Latin America (video)</a>

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