

# Latam Daily Flash

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**Economic Analysis**

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*Today, besides the inflation report in Mexico we are also waiting for the inflation figures for the first half of May in Brazil where the reduced effect of drought and seasonal effects should be reflected in moderation.*

**No significant economic data were published yesterday**

## What to watch today

### **Brazil - Inflation: IPCA-15 (May, 8:00hrs NYT)**

May's IPCA-15, which measures inflation from the middle of April until the middle of May, should show that inflation is losing steam in monthly terms due to the waning impact of the drought and positive seasonal effects. We forecast it will reach 0.56% MoM (vs. 0.78% MoM in the previous reading). This would reinforce our view that the BCB will leave the Selic rate unchanged at 11.0% next week.

### **Mexico - 1Q14 Inflation report (09:00hrs NYT)**

In a context of a slow recovery in economic activity, with more sluggish than expected growth in the first quarter, we will be watching out for a possible cut in the 2014 growth outlook on the part of the central bank. This range currently stands between 3.0% and 4.0%.

### **Mexico - Retail sales (March, 09:00hrs NYT)**

We expect retail sales to increase 0.4% YoY sa, equivalent to 2.2% MoM sa, supported by a slight recovery in employment and stable inflation. In February, retail sales decreased 1.7% YoY sa.

## Calendar: Indicators

| <b>Brazil</b>                 | <b>Date</b> | <b>Period</b> | <b>Consensus</b> | <b>BBVAe</b> | <b>Actual</b> | <b>Prior</b> |
|-------------------------------|-------------|---------------|------------------|--------------|---------------|--------------|
| FIPE CPI - Weekly             | 19 May      | May           | 0.40%            | --           | 0.42%         | 0.45%        |
| CNI Industrial Confidence     | 19 May      | May           | --               | --           | 48.0          | 49.2         |
| Formal Job Creation Total     | 21 May      | Apr           | 160000           | --           | --            | 13117        |
| IBGE Inflation IPCA-15 MoM    | 21 May      | May           | 0.55%            | 0.56%        | --            | 0.78%        |
| Unemployment Rate             | 22 May      | Apr           | 5.15%            | 5.1%         | --            | 5.0%         |
| FGV Consumer Confidence       | 23 May      | May           | --               | --           | --            | 106.3        |
| FGV CPI IPC-S                 | 23 May      | May           | --               | --           | --            | 0.78%        |
| Current Account Balance       | 23 May      | Apr           | -\$6500M         | --           | --            | -\$6248M     |
| Foreign Investment            | 23 May      | Apr           | \$5450M          | --           | --            | \$4995M      |
| <b>Chile</b>                  |             |               |                  |              |               |              |
| GDP QoQ                       | 19 May      | 1Q            | 0.60%            | 0.6%         | 0.70%         | -0.10%       |
| Current Account Balance       | 19 May      | 1Q            | -\$150M          | \$650M       | -\$795M       | -\$2430M     |
| PPI MoM                       | 23 May      | Apr           | --               | --           | --            | -2.9%        |
| <b>Colombia</b>               |             |               |                  |              |               |              |
| Trade Balance                 | 23 May      | Mar           | -\$322.1M        | -\$68        | --            | -\$505.6M    |
| Imports CIF Total             | 23 May      | Mar           | \$4937M          | \$4693       | --            | \$5003.5M    |
| Vehicle Sales                 | 23 May      | Apr           | --               | --           | --            | 26418        |
| <b>Mexico</b>                 |             |               |                  |              |               |              |
| Retail Sales YoY              | 21 May      | Mar           | -1.1%            | -1.9%        | --            | -1.7%        |
| Central Bank Inflation Report | 21 May      | --            | --               | --           | --            | --           |
| Unemployment Rate NSA         | 22 May      | Apr           | 4.82%            | 4.96%        | --            | 4.80%        |
| Bi-Weekly CPI                 | 22 May      | May           | -0.38%           | -0.37%       | --            | -0.05%       |
| Bi-Weekly CPI YoY             | 22 May      | May           | 3.44%            | 3.44%        | --            | 3.47%        |
| Economic Activity IGAE YoY    | 23 May      | Mar           | 3.45%            | 2.93%        | --            | 1.74%        |
| GDP SA QoQ                    | 23 May      | 1Q            | 0.6%             | 0.64%        | --            | 0.2%         |
| Current Account Balance       | 23 May      | 1Q            | -\$5990M         | -\$5300M     | --            | -\$4660M     |

## Most recent Latam reports

| <b>Date</b> | <b>Description</b>   |
|-------------|--|
| 20-05-2014  | <a href="#">➤ Financial Inclusion Economic Watch: Analyzing the Uruguayan Law on Financial Inclusion (in Spanish)</a>  |
| 19-05-2014  | <a href="#">➤ Chile Flash: GDP grew 2.6% YoY in 1Q14 above market expectations</a>   |
| 19-05-2014  | <a href="#">➤ Mexico Insurance Observatory: Mexican insurance market is the second largest in Latin America (in Spanish)</a>                                 |
| 19-05-2014  | <a href="#">➤ Mexico Real Estate Flash: Mortgage banking grew 18.7% to the end of the first quarter</a>  |
| 16-05-2014  | <a href="#">➤ Mexico Economic Watch: The secondary legislation in the energy sector will bolster oil revenues if the private sector eagerly participates</a> |
| 16-05-2014  | <a href="#">➤ Uruguay Economic Outlook: First Half 2014</a>  |
| 15-05-2014  | <a href="#">➤ Mexico Real Estate Flash: At the end of the first quarter, banks' mortgages grow 18.7% (in Spanish)</a>  |
| 15-05-2014  | <a href="#">➤ Chile Flash: Central Bank continues to wait for the appropriate moment to cut policy rates</a>   |
| 15-05-2014  | <a href="#">➤ Peru Flash: March GDP came weaker than expected</a>  |
| 15-05-2014  | <a href="#">➤ Mexico Banking Flash: Bank deposits: getting stronger, driven by demand deposits</a>   |

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