

# Latam Daily Flash

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**Economic Analysis**

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*The COPOM maintained the Selic rate unchanged but left the door open for a new dose of upwards adjustment in the medium term..*

## **Brazil - The Selic is left unchanged at 11%; the tightening cycle is over for the time being**

After having gradually increased the Selic rate by 375bp since April 2013, the Monetary Policy Committee (COPOM) decided to leave it at 11.0%, as we and most analysts foresaw. The accompanying statement signalled that a new dose of monetary tightening could be introduced not very far ahead, in line with our view that the Selic will start to be adjusted upwards again no later than at the beginning of 2015 (see our [Brazil Flash](#) for more details).

## What to watch today

### **Brazil - Credit market report (April, 9:30hrs NYT)**

April's credit report should show an increase in lending interest rates and a moderate expansion in the credit stock, in line with our view that credit markets are likely to continue not providing any significant support for domestic demand.

## Calendar: Indicators

Brazil	Date	Period	Consensus	BBVAe	Actual	Prior
Tax Collections	26 May	Apr	105400M	--	105884M	86621M
FIPE CPI - Weekly	27 May	May	0.40%	--	0.36%	0.42%
FGV Construction Costs MoM	27 May	May	1.39%	--	1.37%	0.67%
Serasa Business Credit Delinquencies	27 May	--	--	--	--	--
Federal Debt Total	27 May	Apr	--	--	2053B	2081B
PPI Manufacturing MoM	28 May	Apr	--	--	-0.38%	-0.22%
Selic Rate	28 May	May	11.00%	11.00%	11.00%	11.00%
FGV Inflation IGPM MoM	29 May	May	-0.01%	--	--	0.78%
Outstanding Loans MoM	29 May	Apr	--	--	--	1.0%
Total Outstanding Loans	29 May	Apr	--	--	--	2760B
CNI Consumer Confidence	29 May	May	--	--	--	108.7
GDP QoQ	30 May	1Q	0.2%	0.5%	--	0.7%
Primary Budget Balance	30 May	Apr	16.2B	--	--	3.6B
<b>Chile</b>						
Central Bank's Traders Survey	28 May	May	--	--	--	--
Manufacturing Index YoY	30 May	Apr	--	-3.1%	--	0.8%
Unemployment Rate	30 May	Apr	6.7%	6.7%	--	6.5%
Copper Production Total	30 May	Apr	--	481418	--	485614
Retail Sales YoY	30 May	Apr	--	3.0%	--	5.2%
<b>Colombia</b>						
Vehicle Sales	29 May	Apr	--	--	--	26418
National Unemployment Rate	30 May	Apr	--	--	--	9.7%
Overnight Lending Rate	30 May	May	3.75%	3.50%	--	3.50%
Budget Balance	30 May	Apr	--	--	--	-\$3048B
<b>Mexico</b>						
Trade Balance	26 May	Apr	-433.0M	-877.0M	509.6M	1026.6M
Budget Balance YTD	30 May	Apr	--	--	--	-61.9B
<b>Peru</b>						
GDP YoY	26 May	1Q	4.8%	4.8%	4.8%	5.2%
Peru to rebase GDP Indicators	26 May	--	--	--	--	--
CPI MoM	1 Jun	May	--	--	--	0.39%
Wholesale Price Index MoM	1 Jun	May	--	--	--	0.06%

## Most recent Latam reports

Date	Description
27-05-2014	<a href="#">➤ Chile Economic Outlook: Second Quarter 2014</a>
26-05-2014	<a href="#">➤ Mexico GDP Flash: BBVA Bancomer revises its 2014 growth forecast downwards to 2.5% and raises its 2015 estimate to 3.5%</a>
22-05-2014	<a href="#">➤ Brazil Economic Outlook: growth will be no higher than 2% in both 2014 and 2015</a>
22-05-2014	<a href="#">➤ Uruguay Automobile Market Outlook 2014 (in Spanish)</a>
22-05-2014	<a href="#">➤ Mexico Inflation Flash: Inflation remains under control</a>
21-05-2014	<a href="#">➤ Colombia Economic Outlook: Second Quarter 2014 (in Spanish)</a>
21-05-2014	<a href="#">➤ Paraguay Economic Outlook: First Half 2014 (in Spanish)</a>
21-05-2014	<a href="#">➤ Financial Inclusion Economic Watch: The Financial Inclusion Law in Uruguay</a>
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>

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