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Latam Weekly: Another BCRP Cut, Colombia, Brazil, and US CPI

ECONOMIC OVERVIEW

- It's another big week in Latam and the G10, with the string of CPI figures in the Americas continuing, with Colombia, the US, and Brazil on tap and central bankers around the globe updating policy settings. The Fed is expected to hold and show fewer expected cuts. The BCRP will cut 25bps to match the upper bound of the Fed's target rate band, helped by on-target headline inflation.
- Colombian inflation is seen practically unchanged or even accelerating slightly as food prices pressure headline readings higher; services inflation is expected to slow, but not that much, and remain high. In Brazil, an expected acceleration in inflation in May could keep the BCB from cutting this month amid rising inflation expectations.
- A quiet data calendar in Mexico may contrast with a loud political backdrop as markets remain on edge after Morena's stronger than expected performance in the June 2nd election. Chile's data slate is also uneventful outside of the BCCh's economists and traders surveys.

PACIFIC ALLIANCE COUNTRY UPDATES

- We assess key insights from the last week, with highlights on the main issues to watch over the coming fortnight in Peru.

MARKET EVENTS & INDICATORS

- A comprehensive risk calendar with selected highlights for the period June 8–21 across the Pacific Alliance countries and Brazil.

Economic Overview: Another BCRP Cut, Colombia, Brazil, and US CPI

- **It's another big week in Latam and the G10, with the string of CPI figures in the Americas continuing, with Colombia, the US, and Brazil on tap and central bankers around the globe updating policy settings. The Fed is expected to hold and show fewer expected cuts. The BCRP will cut 25bps to match the upper bound of the Fed's target rate band, helped by on-target headline inflation.**
- **Colombian inflation is seen practically unchanged or even accelerating slightly as food prices pressure headline readings higher; services inflation is expected to slow, but not that much, and remain high. In Brazil, an expected acceleration in inflation in May could keep the BCB from cutting this month amid rising inflation expectations.**
- **A quiet data calendar in Mexico may contrast with a loud political backdrop as markets remain on edge after Morena's stronger than expected performance in the June 2nd election. Chile's data slate is also uneventful outside of the BCCh's economists and traders surveys.**

Here comes another big week in Latam and the G10, with the string of CPI figures in the Americas continuing and central bankers around the globe updating policy settings. On the topic of updates, we include in today's Latam Weekly our freshly-updated macroeconomic projections for the Pacific Alliance and Brazil (you can also see our global forecasts [here](#)). Outside of Chile's empty calendar (aside from surveys), the Latam week ahead is fairly busy, but the biggest driver of local markets may end up being the Fed's rate announcement on the 12th, with most expecting a hawkish decision with fewer cuts projected this year. The BoJ's decision, US CPI, and a UK data flood (including jobs and GDP) also figure as important market influences over the next few days.

Mexico's calendar is thankfully relatively quiet next week—with only industrial production on tap on Tuesday—after a hectic few days for Mexican markets that were surprised on Monday by election results that virtually tee up a Morena bloc supermajority in Congress. The risk of AMLO passing several constitutional reforms during the one-month overlap he will have with the new Congress sent the MXN to its weakest levels since Q3-23 (excluding pop in April 2024 on Israeli strikes on Iran) through the 18 pesos mark. Morena's intention to work these reforms through, and comments related to this, are the main local risk for Mexican assets over the next few days (and in a way could stay Banxico's hand at the June 18th decision). With uncertainty over whether Banxico may cut this month, we're also hoping to get some clarity from Gov Rodriguez Ceja at the release of the Financial Stability Report on Wednesday.

In contrast, Colombia's week has been quiet and now we have a few key data prints next week to practically finalize expectations for BanRep's June 28th rate announcement. On Wednesday, May inflation is seen awkwardly holding little changed in the low 7s by the median economist, but our Colombia team even expects a small acceleration to 7.3% (from 7.2% in April). It's important to highlight here that food prices are turning from a base effect inflation headwind to now a base effect tailwind to keep headline inflation little changed while we expect that core inflation will

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decelerate to 7.9% from 8.2%. Industrial production and retail sales data, and the BanRep economists survey result on Friday are also important to watch, as are developments on the pension reform front with lawmakers due to resume discussions on the matter on Monday—ahead of a June 20th deadline.

Peru's central bank is due for another 25bps cut at its rate announcement on Thursday night. Our local team discusses in today's report their expectations for next week's decision. There's no strong excuse not to cut. Inflation in May was right at the mid-point of the 1–3% target range and a slightly above target core reading (3.1%) is a bit stickier but not worthy of holding steady. The BCRP is probably reaching a point where it has to decide which meetings to skip, and whether it can build too much of a spread to Fed policy; with next week's cut to 5.50% it will match the upper bound of the Fed Funds target rate. We don't think that is really a concern (yet, at least) with the BCRP squarely focused on its domestic inflation dynamics—maybe even inflation expectations stuck in the mid-2s are of greater concern.

Brazilian IPCA data out on Tuesday will not sit well with the BCB as economists expect an acceleration in prices growth to 3.9% from 3.7% y/y with a high 0.4% m/m rise; again, food prices are challenging officials. BCB president Campos Neto is clearly not happy with worsening inflation expectations that he feels are becoming unanchored and certainly a near -4% reading doesn't help, and this has needed a looser stance of forward guidance than before where they laid out their intentions more clearly. The BCB shifted to a 25bps pace at its May meeting. The median official may end up preferring no cut at the June 19th announcement, to the objection of Lula-appointed board members that favoured a half-point cut last month. Economists polled by the BCB expect only one more cut by year-end, to 10.25%; as late as mid-April, the median projected an end-2024 Selic rate of 9.00%.

Pacific Alliance Country Updates

Peru—Differential Between BCRP and Fed Reference Rates to Disappear

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Inflation in Peru ended 2023 at 3.2%. It has since fallen to 2.0%, yearly to May. That is exactly the point the BCRP was looking for, right smack in the middle of the BCRP target range (if only it would stay put).

This figure is likely to be the main indicator that the BCRP will be looking at when it makes its monetary policy decision on June 13th. Considering that it is part of a downtrend in inflation, this 2.0% figure warrants another 25bps reduction in the BCRP reference rate next week, from 5.75% currently to 5.50%, which is what we expect.

There are other factors that are somewhat less conducive to a rate cut, although not so much so as to prevent it from happening, in our view. One caveat to a rate cut is that core inflation is stuck at 3.1%. This divergence with the headline trend makes sense, as the negative impact of El Niño 2023 on agriculture and fishing GDP fueled a rise in food prices that is reversing now that the weather is fine and sunny and raining only when it should be. The decline in food prices is registered in headline inflation, but not in core inflation. The divergence between headline and core inflation may continue, as the decline in food prices is likely to persist throughout much of the year.

Another caveat is that inflation expectations also seem stuck at 2.6%. This is a bit more surprising, as inflation expectations generally accompany the ongoing trend in headline inflation. It may be simply a question of there being a lag, however, inflation expectations could decline again soon.

However this may be, the real reference rate now stands at 3.1%. This compares with a neutral rate of 2.0%, which gives the BCRP plenty of room to reduce rates further. With inflation well-ensconced within the target range, and no domestic demand pressures to speak of, there is no reason for the BCRP not to close gap between the current and neutral real reference rate.

Except that there is one reason! The Fed policy rate. When, as we expect, the BCRP lowers its rate next week to 5.50%, it will have closed another gap, the gap between the BCRP and Fed reference rates. And, of course, the lower the Peru rate is, compared to the Fed rate, the more likely it is that this will trigger flows out of PEN assets and into USD assets, thereby weakening the PEN. Some analysts will point out that a PEN depreciation is mildly inflationary in itself, although past experience suggests that the pass-through is actually quite weak.

Is the BCRP prepared to live with a reference rate that matches the Fed rate? Yes. And more. We know this because BCRP president Julio Velarde has stated as much himself, suggesting that the BCRP rate could indeed fall below the Fed rate for a period. Our view is that Velarde was preparing the markets for something he has come around to viewing as pretty much unavoidable. Between responding to declining domestic inflation on the one hand and propping up the PEN on the other, the BCRP will favour the former.

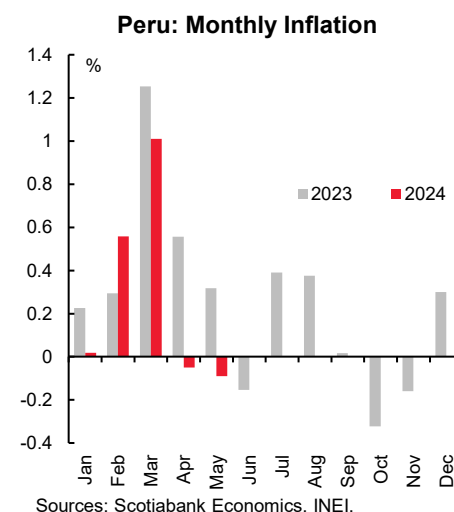
As long as inflation continues to decline. Will it? It depends on the time-frame. Inflation in June 2023 was a whopping... negative 0.15%. Despite monthly inflation in April–May 2024 being similarly negative, we might be pushing our luck to expect inflation in June to be as or more negative than June 2023. We do expect inflation to be low in June, but even if it is nil, this would take yearly inflation to June up to 2.2%.

So, looking a bit further forward, the June inflation figure will be known by the time of the BCRP's policy meeting in July, and could just maybe give the BCRP the excuse for a pause in reducing the rate, if only to reduce the period of time in which the BCRP rate falls below the Fed rate.

None of this modifies our year-end forecasts of 2.4% inflation and 4.50% reference rate, although we are tweaking the monthly trajectory. We expect inflation to increase mildly in June, then fall again, dipping briefly below the 2.0% mid-point, and then rise mildly once more in Q4, due to comparison with low-to-negative inflation in Q4-2023.

Similarly, we expect Peru's reference rate to be cut to 5.50% in June, with cuts afterwards in 2024 slowing to twice a quarter. That means a pause in one month per quarter. For Q3, July is a candidate for a pause month, given the slight rise in inflation in June. However, it is hard to presume beforehand which month will be a pause month for each quarter.

Chart 1



Forecast Updates

	2022	2023				2024				2025							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2022	2023	2024f	2025f
Brazil																	
Real GDP (y/y % change)	2.7	4.2	3.5	2.0	2.1	2.5	1.7	2.0	2.4	2.0	2.0	2.0	2.0	3.0	2.9	2.1	2.0
CPI (y/y % eop)	5.8	4.7	3.2	5.2	4.6	3.9	4.1	4.0	3.9	3.7	3.5	3.7	3.7	5.8	4.6	3.9	3.7
Unemployment rate (% avg)	7.9	8.8	8.0	7.7	7.4	7.9	7.6	7.6	7.4	8.0	7.9	7.8	7.8	7.9	7.4	7.5	7.9
Central bank policy rate (% eop)	13.75	13.75	13.75	12.75	11.75	10.75	10.25	10.25	10.25	10.00	9.50	9.25	9.25	13.75	11.75	10.25	9.25
Foreign exchange (USDBRL, eop)	5.28	5.06	4.79	5.03	4.86	5.01	5.09	5.07	5.05	5.03	5.02	5.05	5.07	5.28	4.86	5.05	5.07
Chile																	
Real GDP (y/y % change)	-2.3	0.3	-0.4	0.6	0.4	2.3	3.6	2.1	4.0	2.0	2.3	3.2	2.6	2.1	0.2	3.0	2.5
CPI (y/y % eop)	12.8	11.1	7.4	4.7	3.4	3.2	3.5	3.2	3.0	2.5	2.5	3.0	3.0	12.8	3.4	3.0	3.0
Unemployment rate (% avg)	7.9	8.8	8.5	8.9	8.5	8.7	8.3	7.8	7.3	7.9	8.2	7.9	7.2	7.9	8.5	8.0	7.8
Central bank policy rate (% eop)	11.25	11.25	11.25	9.50	8.25	7.25	5.50	4.75	4.50	4.25	4.25	4.25	4.25	11.25	8.25	4.50	4.25
Foreign exchange (USDCLP, eop)	851	795	802	892	879	979	940	900	870	870	870	870	870	851	879	870	870
Colombia																	
Real GDP (y/y % change)	2.2	2.7	0.3	-0.7	0.3	0.7	1.9	1.3	1.8	1.8	2.2	2.4	2.3	7.3	0.6	1.4	2.2
CPI (y/y % eop)	13.1	13.3	12.1	11.0	9.3	7.4	7.3	6.3	5.8	4.3	3.7	3.5	3.4	13.1	9.3	5.8	3.4
Unemployment rate (% avg)	9.8	11.7	10.2	9.4	9.4	11.9	10.8	10.6	10.4	12.3	10.9	11.0	10.7	11.2	10.2	10.9	11.2
Central bank policy rate (% eop)	12.00	13.00	13.25	13.25	13.00	12.25	11.25	9.75	8.25	6.75	5.50	5.50	5.50	12.00	13.00	8.25	5.50
Foreign exchange (USDCOP, eop)	4,853	4,623	4,172	4,068	3,855	3,852	4,078	4,102	4,116	4,120	4,125	4,140	4,150	4,853	3,855	4,116	4,150
Mexico																	
Real GDP (y/y % change)	4.4	3.6	3.5	3.4	2.3	1.6	3.0	2.6	2.4	1.8	1.5	1.6	1.4	3.7	3.2	2.4	1.6
CPI (y/y % eop)	7.8	6.8	5.1	4.5	4.7	4.4	4.6	4.6	4.5	4.0	3.8	3.8	3.7	7.8	4.7	4.5	3.7
Unemployment rate (% avg)	3.0	2.7	2.8	3.0	2.7	2.5	3.1	3.2	3.2	3.3	3.3	3.4	3.5	3.3	2.8	3.0	3.4
Central bank policy rate (% eop)	10.50	11.25	11.25	11.25	11.25	11.00	10.75	10.25	10.00	9.25	9.00	8.50	8.00	10.50	11.25	10.00	8.00
Foreign exchange (USDMXN, eop)	19.50	18.05	17.12	17.42	16.97	16.56	17.60	17.90	18.20	18.50	18.80	19.25	19.50	19.50	16.97	18.20	19.50
Peru																	
Real GDP (y/y % change)	1.8	-0.4	-0.5	-0.9	-0.4	1.4	3.2	3.3	2.7	3.2	2.9	1.9	2.1	2.7	-0.6	2.7	2.5
CPI (y/y % eop)	8.5	8.4	6.5	5.0	3.2	3.0	2.2	1.9	2.4	2.2	2.1	2.3	2.4	8.5	3.2	2.4	2.4
Unemployment rate (% avg)	7.1	7.5	6.6	6.7	6.4	7.7	7.5	7.5	7.1	7.3	6.9	6.6	6.3	7.7	6.8	7.4	6.8
Central bank policy rate (% eop)	7.50	7.75	7.75	7.50	6.75	6.25	5.50	5.00	4.50	4.50	4.00	4.00	4.00	7.50	6.75	4.50	4.00
Foreign exchange (USDPEN, eop)	3.81	3.76	3.63	3.78	3.70	3.72	3.75	3.80	3.75	3.75	3.75	3.80	3.75	3.81	3.70	3.75	3.75
Canada																	
Real GDP (y/y % change)	2.2	2.0	1.3	0.7	1.0	0.5	0.9	1.4	2.0	2.1	2.1	2.2	2.2	3.8	1.2	1.2	2.1
CPI (y/y % eop)	6.7	5.1	3.5	3.7	3.2	2.8	2.7	2.3	2.6	2.5	2.0	2.2	2.1	6.7	3.2	2.6	2.1
Unemployment rate (% avg)	5.1	5.1	5.3	5.5	5.8	5.9	6.2	6.3	6.4	6.5	6.5	6.5	6.4	5.3	5.4	6.2	6.5
Central bank policy rate (% eop)	4.25	4.50	4.75	5.00	5.00	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.25	4.25	5.00	4.00	3.25
Foreign exchange (USDCAD, eop)	1.36	1.35	1.32	1.36	1.32	1.35	1.38	1.38	1.36	1.34	1.32	1.32	1.30	1.36	1.32	1.36	1.30
United States																	
Real GDP (y/y % change)	0.7	1.7	2.4	2.9	3.1	2.9	2.8	1.9	1.5	1.7	1.7	1.9	1.9	1.9	2.5	2.3	1.8
CPI (y/y % eop)	7.1	5.7	4.0	3.6	3.2	3.2	3.3	2.9	2.9	2.9	2.5	2.2	2.2	7.1	3.2	2.9	2.2
Unemployment rate (% avg)	3.6	3.5	3.6	3.7	3.7	3.8	4.0	4.0	4.1	4.1	4.1	4.1	4.1	3.6	3.6	4.0	4.1
Central bank policy rate (% eop)	4.50	5.00	5.25	5.50	5.50	5.50	5.50	5.25	5.00	4.50	4.00	3.50	3.50	4.50	5.50	5.00	3.50
Foreign exchange (EURUSD, eop)	1.07	1.08	1.09	1.06	1.10	1.08	1.07	1.07	1.09	1.11	1.11	1.15	1.15	1.07	1.10	1.09	1.15

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics, Focus Economics.
 Red indicates changes in estimates and forecasts since previous Latam Weekly on May 31, 2024.

Forecast Updates—Changes Compared To Previous Latam Weekly

	2022	2023				2024				2025							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2022	2023	2024f	2025f
Brazil																	
Real GDP (y/y % change)	-	-	-	-	-	0.3	-	-	-	-	-	-	-	-	-	0.1	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-0.1	-0.1	-0.1	-	-0.1	-0.1	-0.1	-	-	-	0.1
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	0.25	-	-	-	0.25	-	-	0.25	0.25
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-	-0.02	-0.01	-	0.01	-0.01	0.01	0.02	-	-	-	0.02
Chile																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCLP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Colombia																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCOP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mexico																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Peru																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	1.2	1.1	1.0	0.8	0.7	0.4	0.4	-	-	1.0	0.6
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDPEN, eop)	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-
Canada																	
Real GDP (y/y % change)	-	-	-	-	-	-	-0.3	-0.4	-	0.3	0.2	0.1	-0.1	-	-	-0.3	0.1
CPI (y/y %, eop)	-	-	-	-	-	-	-0.2	-0.2	-	0.3	-0.1	0.1	0.1	-	-	-	0.1
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-0.25	-0.50	-0.25	-	-	-	-	-	-	-0.25	-
Foreign exchange (USDCAD, eop)	-	-	-	-	-	-	0.02	0.02	0.03	0.02	-	0.02	-	-	-	0.03	-
United States																	
Real GDP (y/y % change)	-	-	-	-	-	-	-0.2	-0.1	-0.1	0.3	0.4	0.3	0.3	-	-	-0.1	0.3
CPI (y/y %, eop)	-	-	-	-	-	-	-	-0.3	-0.4	0.2	0.1	-	0.1	-	-	-0.4	0.1
Unemployment rate (% avg)	-	-	-	-	-	-	0.2	0.2	0.2	0.2	0.1	-	-0.1	-	-	0.2	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (EURUSD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics, Focus Economics.
Changes in estimates and forecasts since previous *Latam Weekly* on May 31, 2024.

Forecast Updates: Central Bank Policy Rates and Outlook

Latam Central Banks: Policy Rates and Outlook

	Current	Next Scheduled Meeting		BNS Forecast		BNS guidance for next monetary policy meeting
		Date	BNS	End-2024	End-2025	
Brazil, BCB, Selic	10.50%	Jun-19	10.25%	9.50%	9.00%	
Chile, BCCh, TPM	6.00%	Jun-18	5.50%	4.50%	4.25%	We anticipate a 50 bps cut to 5.50% at the June meeting.
Colombia, BanRep, TII	11.75%	Jun-28	11.25%	8.25%	5.50%	The central bank decided to maintain the pace of cuts, reducing the interest rate by 50 bps, maintaining the cautious approach of previous meetings. Among the reasons for remaining cautious were still-high inflation and concerns about tightening international financial conditions. The central bank revised up economic growth for 2024 to 1.4% y/y without going into detail. Inflation expectations are expected to remain stable, and the central bank is expected to continue the easing cycle at future meetings.
Mexico, Banxico, TO	11.00%	Jun-27	10.75%	10.00%	8.00%	The minutes of the last meeting and several recent communications signal that at least the Governor and 2 Deputy Governors are ready for another cut at the June meeting, in line with the consensus. However, we think any setback in inflation above expectations could increase the possibility of a more hawkish stance, as both headline and core inflation face significant uncertainty with mixed data.
Peru, BCRP, TIR	5.75%	Jun-13	5.50%	4.50%	4.00%	Inflation has fallen to the BCRP target mid-point. We expect it to stabilize within a band around the mid-point over future months. We expect the BCRP to lower its policy rate next week, equating it with the FED rate. Further cuts will be slower, twice a quarter rather than every month.

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

Key Economic Charts

Chart 1

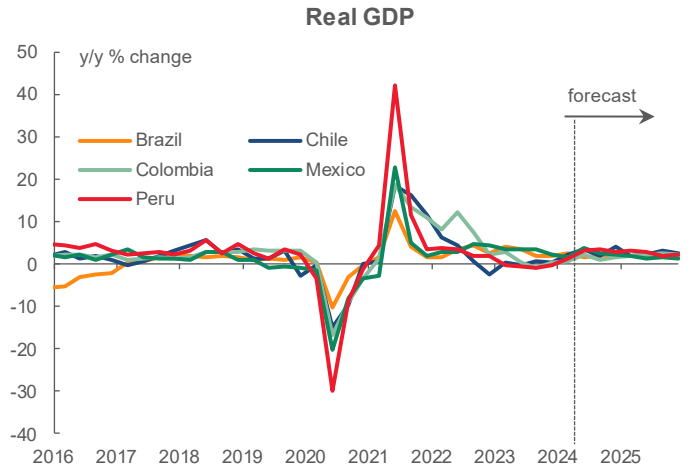


Chart 2

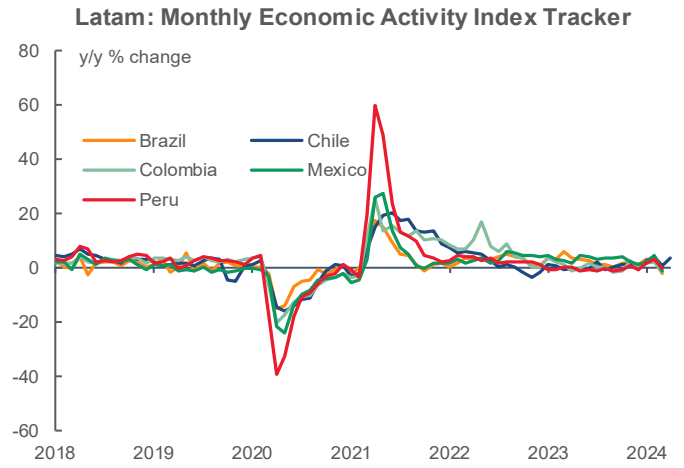


Chart 3

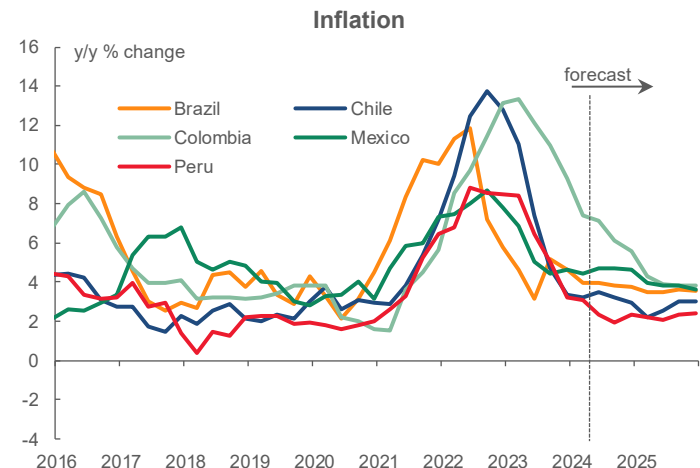


Chart 4

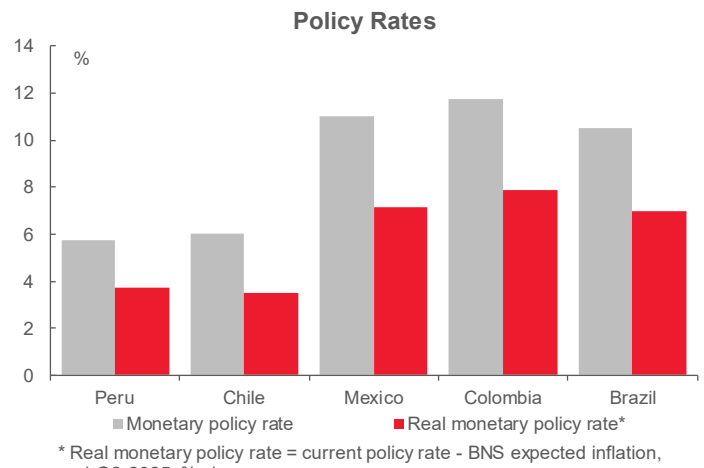
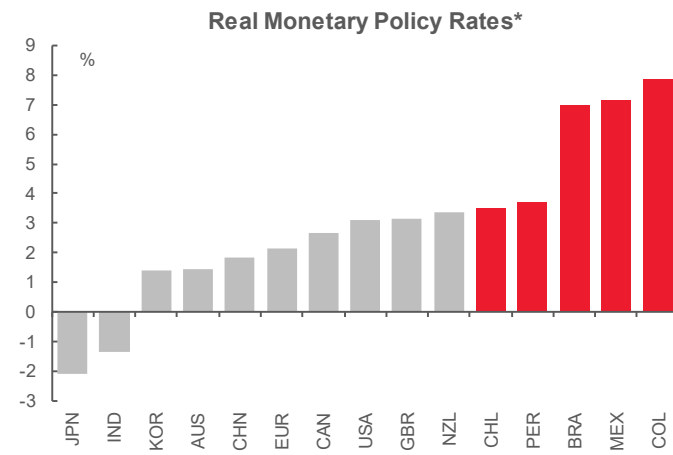


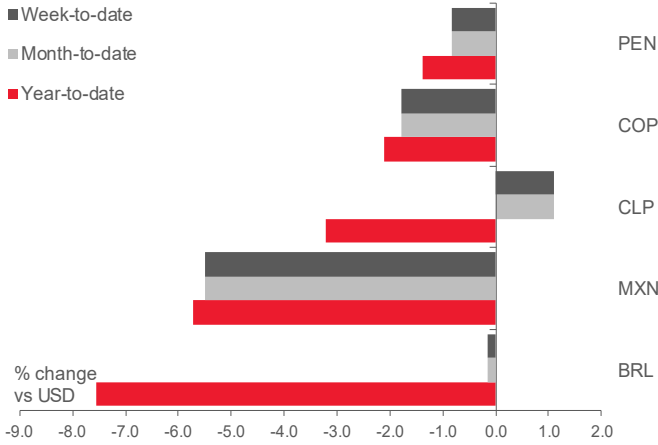
Chart 5



Key Market Charts

Chart 1

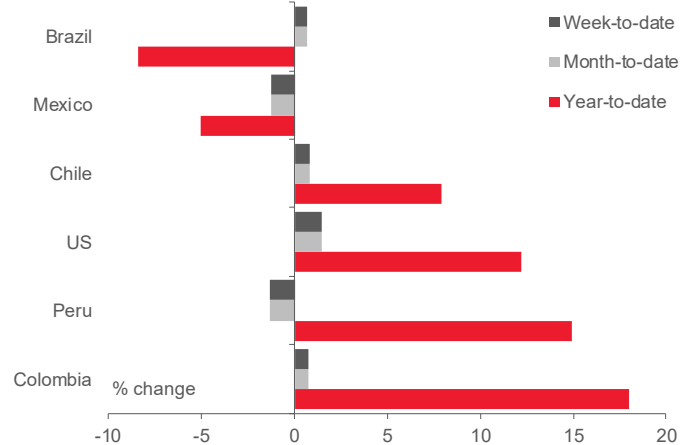
Latam Currencies Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 2

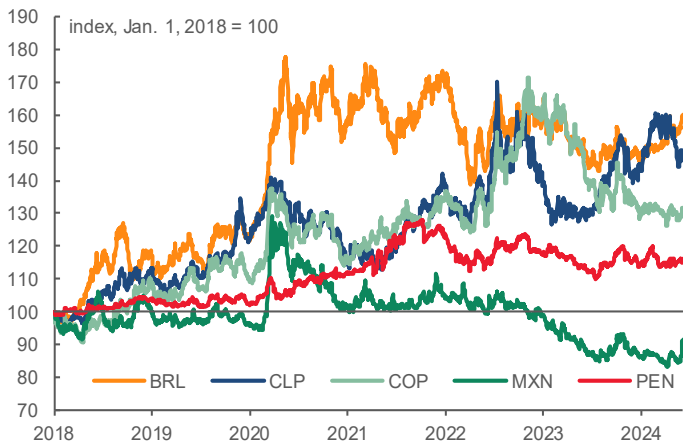
Latam Equities Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 3

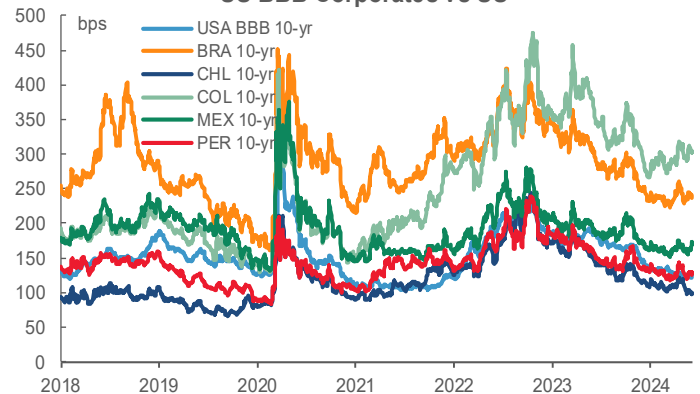
USD vs Latam Currencies



Sources: Scotiabank Economics, Bloomberg.

Chart 4

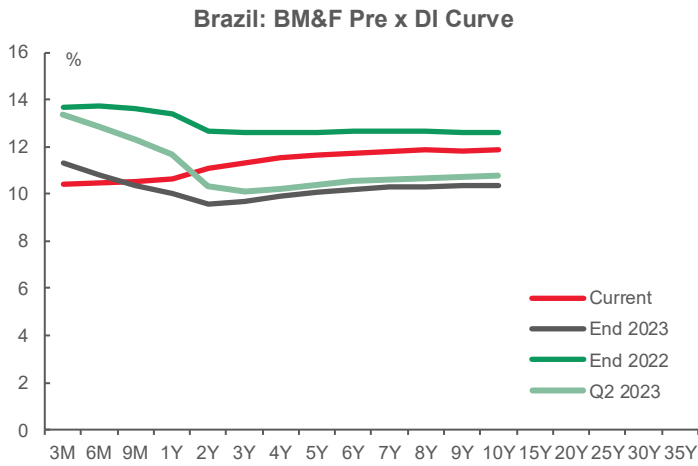
10-yr CDS Spreads: Latam Sovereigns & US BBB Corporates vs US*



*Sovereigns vs US swaps; BBB corporates vs 10-yr USTs.
Sources: Scotiabank Economics, Bloomberg.

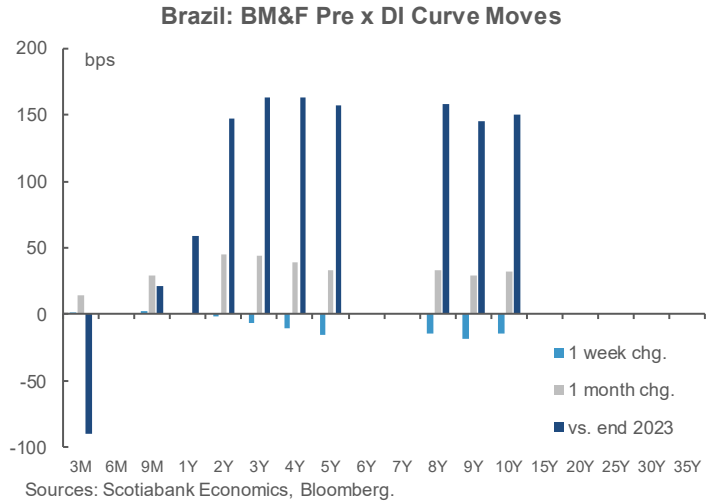
Yield Curves

Chart 1



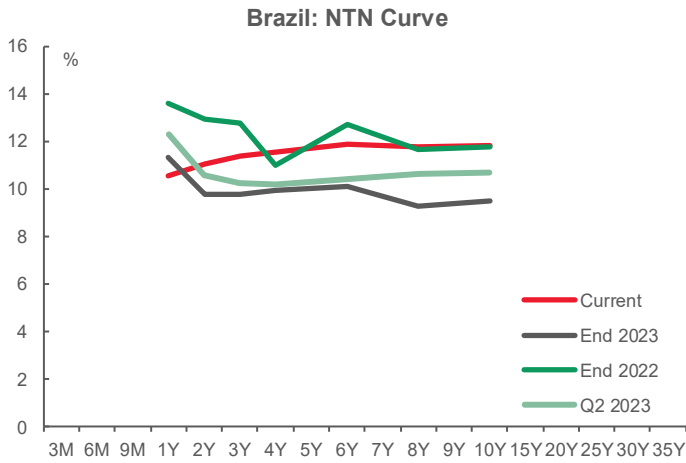
Sources: Scotiabank Economics, Bloomberg.

Chart 2



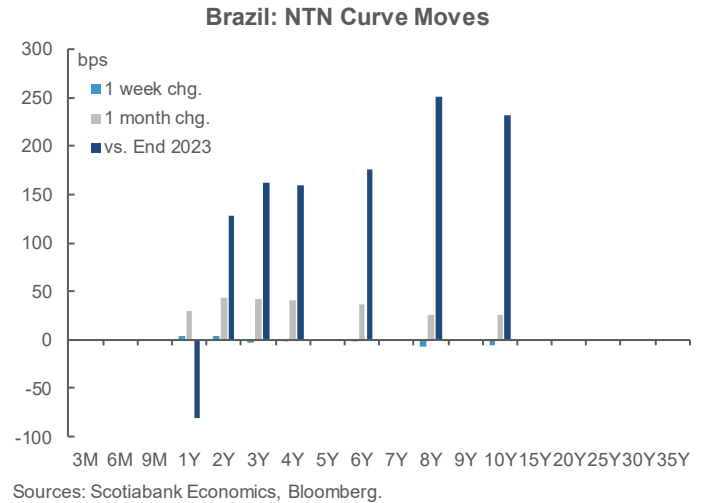
Sources: Scotiabank Economics, Bloomberg.

Chart 3



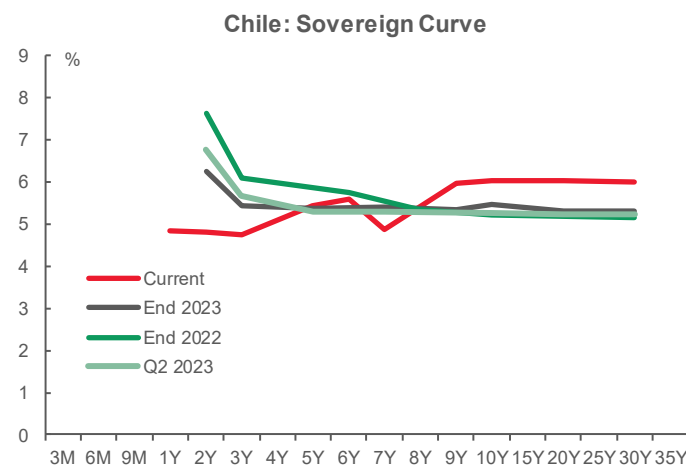
Sources: Scotiabank Economics, Bloomberg.

Chart 4



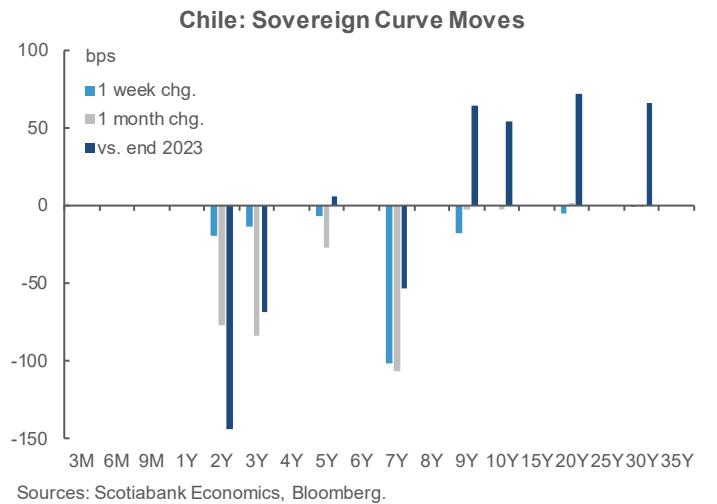
Sources: Scotiabank Economics, Bloomberg.

Chart 5



Sources: Scotiabank Economics, Bloomberg.

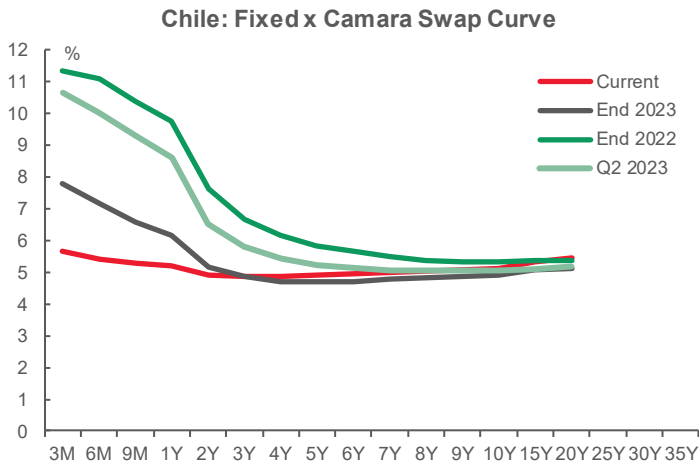
Chart 6



Sources: Scotiabank Economics, Bloomberg.

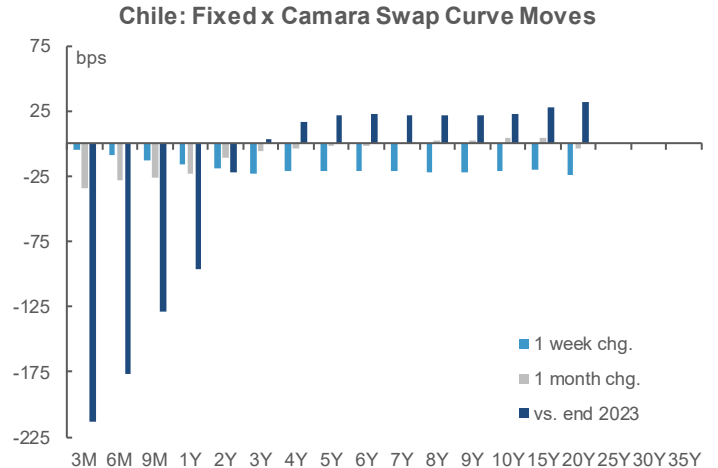
Yield Curves

Chart 7



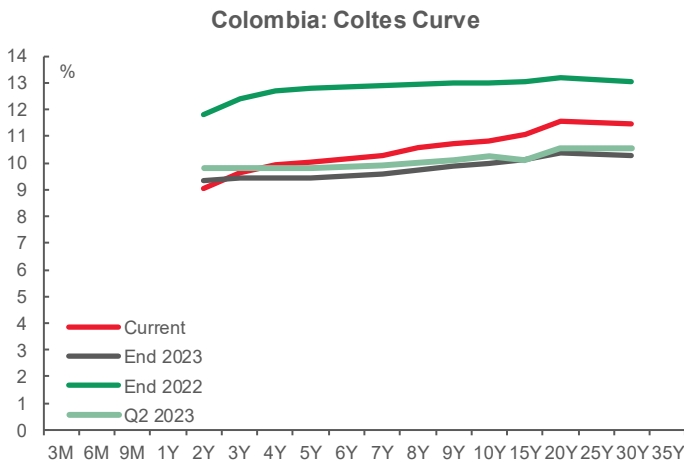
Sources: Scotiabank Economics, Bloomberg.

Chart 8



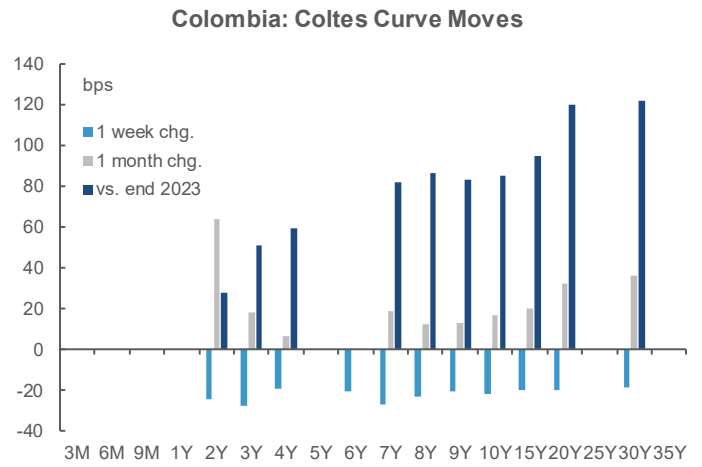
Sources: Scotiabank Economics, Bloomberg.

Chart 9



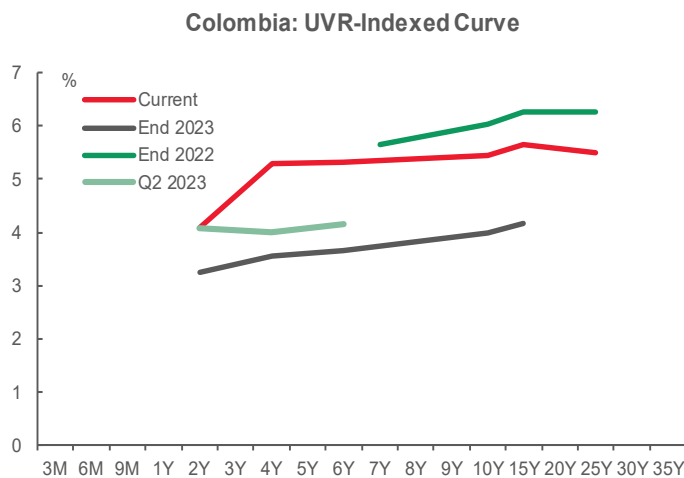
Sources: Scotiabank Economics, Bloomberg.

Chart 10



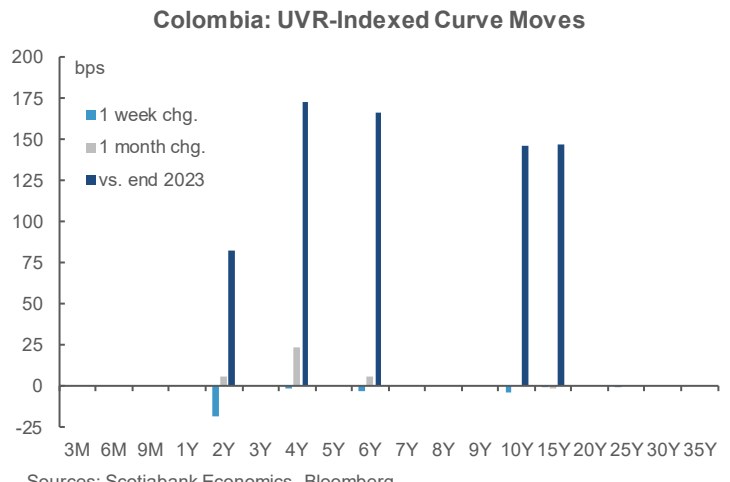
Sources: Scotiabank Economics, Bloomberg.

Chart 11



Sources: Scotiabank Economics, Bloomberg.

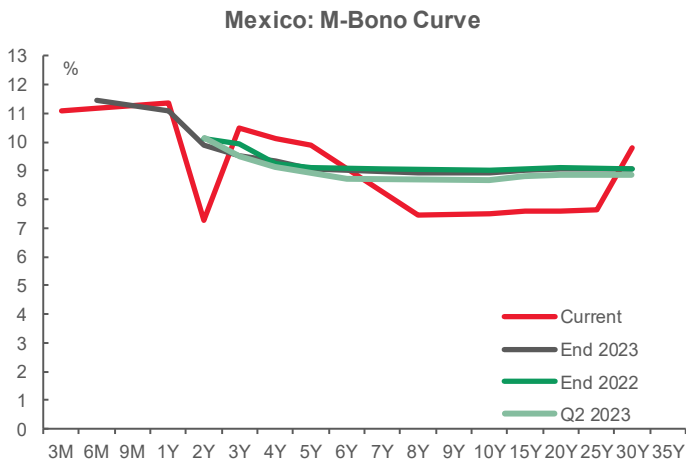
Chart 12



Sources: Scotiabank Economics, Bloomberg.

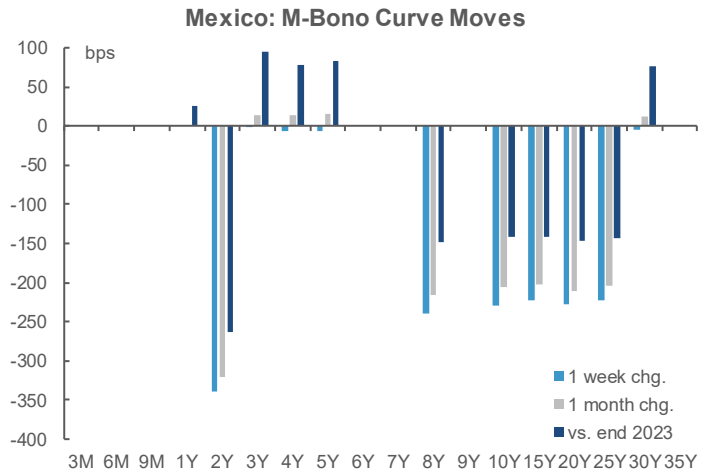
Yield Curves

Chart 13



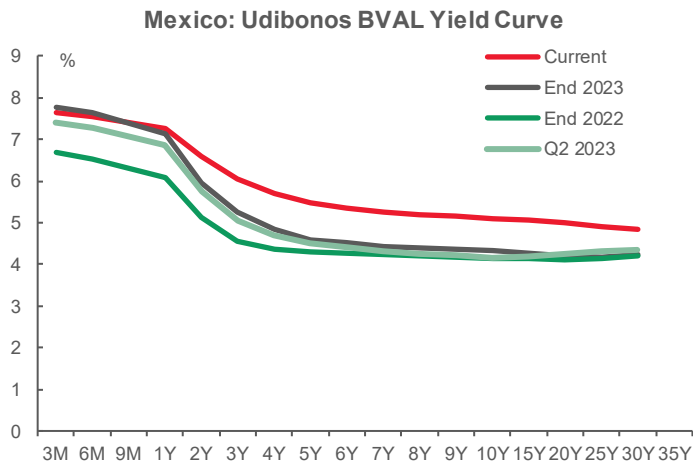
Sources: Scotiabank Economics, Bloomberg.

Chart 14



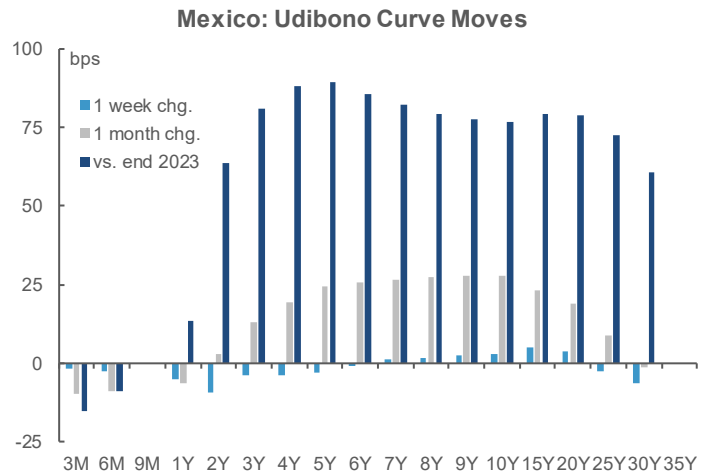
Sources: Scotiabank Economics, Bloomberg.

Chart 15



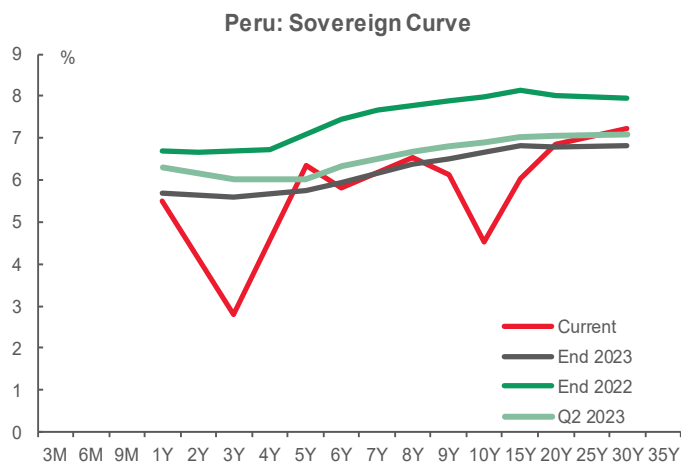
Sources: Scotiabank Economics, Bloomberg.

Chart 16



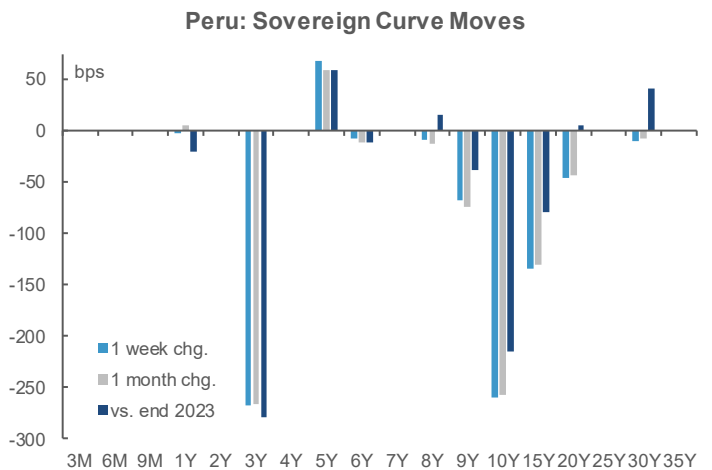
Sources: Scotiabank Economics, Bloomberg.

Chart 17



Sources: Scotiabank Economics, Bloomberg.

Chart 18



Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for June 8–21

BRAZIL					
<u>Date</u>	<u>Time Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest BNS Comments</u>
Jun-10	7:00 FGV CPI IPC-S (%)	07-Jun	--	--	0.5
Jun-10	7:25 Central Bank Weekly Economist Survey USD mn		--	--	
Jun-10	14:00 Trade Balance Weekly USD mn	09-Jun	--	--	2734
Jun-11	4:00 FIPE CPI - Weekly (%)	07-Jun	--	--	0.0
Jun-11	8:00 IBGE Inflation IPCA y/y (%)	May	--	3.9	3.7
Jun-11	8:00 IBGE Inflation IPCA m/m (%)	May	--	0.4	0.4
Jun-12	8:00 IBGE Services Volume m/m SA	Apr	--	--	0.4
Jun-12	8:00 IBGE Services Volume y/y NSA	Apr	--	--	-2.3
Jun-13	8:00 Retail Sales Broad y/y	Apr	--	--	-1.5
Jun-13	8:00 Retail Sales y/y	Apr	--	--	5.7
Jun-13	8:00 Retail Sales Broad m/m	Apr	--	--	-0.3
Jun-13	8:00 Retail Sales m/m	Apr	--	--	0.0
Jun-17	7:00 FGV Inflation IGP-10 m/m	Jun	--	--	1.1
Jun-17	7:00 FGV CPI IPC-S (%)	14-Jun	--	--	0.5
Jun-17	7:25 Central Bank Weekly Economist Survey		--	--	
Jun-17	14:00 Trade Balance Weekly USD mn	16-Jun	--	--	2734
Jun-18	4:00 FIPE CPI - Weekly (%)	15-Jun	--	--	0.0
Jun-19	17:30 Selic Rate (%)	19-Jun	10.25	--	10.5 We anticipate a 25 bps cut to 10.25% at the June meeting.
Jun 20-25	Tax Collections BRL mn	May	--	--	228873
CHILE					
<u>Date</u>	<u>Time Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest BNS Comments</u>
Jun-11	8:30 Central Bank Economist Survey		--	--	
Jun-13	8:30 Central Bank Traders Survey		--	--	
Jun-18	18:00 Overnight Rate Target (%)	18-Jun	5.50	--	6.00 We anticipate a 50 bps cut to 5.50% at the June meeting.
COLOMBIA					
<u>Date</u>	<u>Time Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest BNS Comments</u>
Jun-11	19:00 CPI m/m	May	--	0.4	0.6
Jun-11	19:00 CPI y/y	May	--	7.2	7.2
Jun-11	19:00 CPI Core m/m	May	--	0.4	0.5
Jun-11	19:00 CPI Core y/y	May	--	7.8	8.2
Jun-11	Consumer Confidence Index	May	--	--	-11.4
Jun-14	11:00 Industrial Production y/y	Apr	--	--	-6.7
Jun-14	11:00 Manufacturing Production y/y	Apr	--	--	-11.1
Jun-14	11:00 Retail Sales y/y	Apr	--	--	-5.6
Jun-14	Central Bank's Economists Survey		--	--	
Jun-18	12:00 Economic Activity NSA y/y	Apr	--	--	-1.5
Jun-20	11:00 Imports CIF Total USD mn	Apr	--	--	4757
Jun-20	11:00 Trade Balance USD mn	Apr	--	--	-687
MEXICO					
<u>Date</u>	<u>Time Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest BNS Comments</u>
Jun 05-10	Formal Job Creation Total (000's)	May	--	--	-25.2
Jun-11	8:00 Manuf. Production NSA y/y	Apr	--	--	-5.0
Jun-11	8:00 Industrial Production NSA y/y	Apr	--	--	-3.0
Jun-11	8:00 Industrial Production SA m/m	Apr	--	--	0.6
Jun-11	11:00 International Reserves Weekly USD mn	07-Jun	--	--	218726
Jun-11	ANTAD Same-Store Sales y/y	May	--	--	0.6
Jun 07-11	Nominal Wages m/m	May	--	--	7.6
Jun-18	8:00 Aggregate Supply and Demand (%)	1Q	--	--	2.6
Jun-18	11:00 International Reserves Weekly USD mn	14-Jun	--	--	218726
Jun-20	8:00 Retail Sales y/y	Apr	--	--	-1.7
Jun-20	8:00 Retail Sales m/m	Apr	--	--	-0.2
Jun-20	Banamex Survey of Economists		--	--	
Jun-21	8:00 Economic Activity IGAE m/m	Apr	--	--	0.3
Jun-21	8:00 Economic Activity IGAE y/y	Apr	--	--	-1.3
PERU					
<u>Date</u>	<u>Time Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest BNS Comments</u>
Jun-13	19:00 Reference Rate (%)	13-Jun	5.50	--	5.75 Inflation at 2.0% is a strong incentive to continue cutting rates.
Jun-15	11:00 Economic Activity y/y	Apr	3.4	--	-0.28 Robust post-Niño rebound, plus a positive 2-day calendar effect.
Jun-17	11:00 Lima Unemployment Rate (%)	May	7.6	--	7.7 The job market is stalling.

Forecasts at time of publication.
Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage

Local Market Coverage

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