

Contributors

Juan Manuel Herrera
Senior Economist/Strategist
Scotiabank GBM
+44.207.826.5654
juanmanuel.herrera@scotiabank.com

THIS WEEK'S CONTRIBUTORS:

Aníbal Alarcón, Senior Economist
+56.2.2619.5465 (Chile)
anibal.alarcon@scotiabank.cl

Sergio Olarte, Head Economist, Colombia
+57.601.745.6300 Ext. 9166 (Colombia)
sergio.olarte@scotiabankcolpatria.com

Jackeline Piraján, Senior Economist
+57.601.745.6300 Ext. 9400 (Colombia)
jackeline.pirajan@scotiabankcolpatria.com

Santiago Moreno, Economist
+57.601.745.6300 Ext. 1875 (Colombia)
santiago1.moreno@scotiabankcolpatria.com

Guillermo Arbe, Head Economist, Peru
+51.1.211.6052 (Peru)
guillermo.arbe@scotiabank.com.pe

Anthony Bambokian, Senior Economic Analyst
Scotiabank Economics
416.866.4211
anthony.bambokian@scotiabank.com

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Latam Weekly: Key Latam and G-20 Week

ECONOMIC OVERVIEW

- August is coming to an end with a full slate in Latam and key G-20 economies, amid global growth concerns and uncertainty over what September's central bank decisions will deliver.
- In Mexico, the breakdown of Q2 GDP by expenditure, Banxico's quarterly inflation report, and a collection of second-tier figures are on the docket, while polling for Morena's presidential candidacy race will take place in the background starting on Monday. Overall, data have supported an on-hold Banxico through late-2023 (and possibly into 2024), and next week's figures are unlikely to change this view.
- Chile's macro data flood in the second half of the week will go a long way in refining expectations for the BCCh's policy announcement on the 5th, with markets and economists still unsure about the size of the bank's next cut though recently eyeing a 75bps cut as more likely; we think 100bps.
- Our economists project that Peruvian inflation fell to the mid-5s in August, holding a downtrend that started most clearly in June and that in tandem with sluggish economic activity should prompt the first BCRP rate reduction of the cycle next month.
- Brazilian Q2 GDP should show a significant slowdown from Q1's quarterly expansion that was supported by agricultural output. Unemployment data for Brazil and Colombia are also on tap. In today's report, our Colombia team focuses on liquidity issues in the country that may be exacerbating the economic impact of BanRep's rate hikes.

PACIFIC ALLIANCE COUNTRY UPDATES

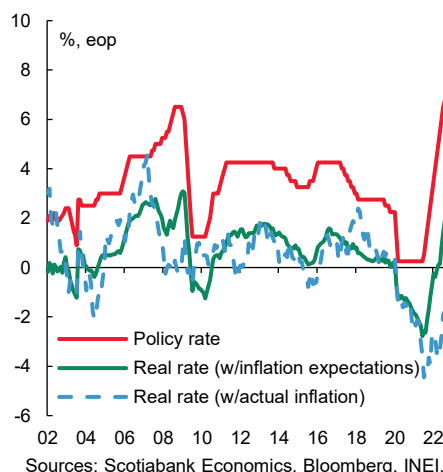
- We assess key insights from the last week, with highlights on the main issues to watch over the coming fortnight in the Pacific Alliance countries: Chile, Colombia, and Peru.

MARKET EVENTS & INDICATORS

- A comprehensive risk calendar with selected highlights for the period August 26–September 8 across the Pacific Alliance countries and Brazil.

Charts of the Week

Peru: Interest Rate-Nominal vs Real



Peru: Real GDP



Charts of the Week: Prepared by: Anthony Bambokian, Senior Economic Analyst.

Economic Overview: Key Latam and G-20 Week

- **August is coming to an end with a full slate in Latam and key G-20 economies, amid global growth concerns and uncertainty over what September's central bank decisions will deliver.**
- **In Mexico, the breakdown of Q2 GDP by expenditure, Banxico's quarterly inflation report, and a collection of second-tier figures are on the docket, while polling for Morena's presidential candidacy race will take place in the background starting on Monday. Overall, data have supported an on-hold Banxico through late-2023 (and possibly into 2024), and next week's figures are unlikely to change this view.**
- **Chile's macro data flood in the second half of the week will go a long way in refining expectations for the BCCh's policy announcement on the 5th, with markets and economists still unsure about the size of the bank's next cut though recently eyeing a 75bps cut as more likely; we think 100bps.**
- **Our economists project that Peruvian inflation fell to the mid-5s in August, holding a downtrend that started most clearly in June and that in tandem with sluggish economic activity should prompt the first BCRP rate reduction of the cycle next month.**
- **Brazilian Q2 GDP should show a significant slowdown from Q1's quarterly expansion that was supported by agricultural output. Unemployment data for Brazil and Colombia are also on tap. In today's report, our Colombia team focuses on liquidity issues in the country that may be exacerbating the economic impact of BanRep's rate hikes.**

It's a full slate next week in Latam and key G-20 countries as we head into a new month with elevated uncertainty regarding the state of the global economy and the next steps that central bankers will take. Recent survey data and worrying news out of China (e.g. property developers, local government debt) have supported the case of those expecting a global 'hard landing'.

So far, this remains mostly anecdotal and hard data have on the whole not yet shown a steep deceleration—or contraction—in economic activity, particularly in the US. The release of US nonfarm payrolls and PCE, Chinese PMIs, Eurozone CPIs, and Canadian GDP will be in focus from a global market standpoint next week, as we look ahead to September's rate decisions by the Fed, ECB, and BoC—and some hope for concrete stimulus measures in China.

Again, Mexico's schedule is among the busiest in our Latam coverage. Second quarter GDP revisions on Tuesday (3.7% y/y, 1% q/q) will now contain details on the breakdown for growth in the country. From Q4-19 pre-pandemic levels, private consumption is now 5.1% higher in data to Q1-23, helping support a 3.7% gain in aggregate GDP thanks to increased remittance flows but also a 7.5% increase in employment in the four years to July 2023. To boot, private investment has also risen to its highest levels since early-2019 and next week's data could push it just below or even above its peak in 2018. Public spending may leave a bit to be desired, but few people can complain about this mix of growth.

CONTRIBUTORS

Juan Manuel Herrera
Senior Economist/Strategist
Scotiabank GBM
+44.207.826.5654
juanmanuel.herrera@scotiabank.com

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On Wednesday, Banxico will publish its quarterly inflation report where it will lay out updated macroeconomic projections and views that will support its stance to not cut rates for a few more meetings (perhaps waiting until early-2024). With core inflation still seen ending the year above 5%, the bank is in no rush to change its tune on holding the policy rate at 11.25%. Banxico's economists' poll results out on Friday will likely show economists mostly aligned with this view.

July international trade, unemployment rate, and PMI data released over the week round out the data calendar. In the background, starting from the 28th until September 3rd, pollsters commissioned by the Morena alliance will survey voters on who should represent the bloc in next year's presidential elections. The winner of the (rather opaque) contest will be revealed on September 6th, with former Mexico City mayor Sheinbaum and former foreign affairs secretary Ebrard the most likely victors.

Chile's docket also presents a mountain of data to chew through to help us determine by how much the BCCh will cut its overnight rate the following week. On Wednesday, the appetizer. July's unemployment rate will likely remain on the uptrend it's held over the past year or so; in June, Chile's jobless rate sat at 8.5%, rising from 7.8% twelve months prior. On Thursday, the main course. All at once, we'll get retail sales, copper output, commercial activity, and industrial/manufacturing data, half an hour after the final BCCh pre-decision traders survey that last showed the median favouring a 75bps reduction—though the most common answer was a 100bps cut. Pushback from BCCh officials has somewhat increased the odds that officials do opt for a 75bps cut.

Thursday's Chilean data flood should give us a good sense of how the economy performed in July, with Friday's monthly economic activity figures the last data point to help us in our call for the BCCh's rate announcement, when we anticipate a 100bps cut. In today's weekly, the Santiago team discuss their read of Q2-GDP data that showed consumption remains sluggish at low levels, while their projected 0.5-1% y/y increase in monthly GDP in July mostly reflects a favourable base of comparison as the economy should still contract m/m.

In Peru, we forecast headline inflation falling to the mid-5s in August data due at the end of the week. After stubbornly remaining above and around 8% from April 2022 to as recently as May 2023, the last couple of prints have shown the clear deceleration that we had expected, coming in at 6.5% in June and 5.9% in July—from 8.7% in January. The path for core inflation has also clearly turned, from grazing the 6% level in March, to sit below 4% in July. With fast declines in inflation and in inflation expectations, our economists highlight in today's weekly that the real policy rate (using expectations) has now risen to 4%+ and should climb further in coming months as forecasts adjust. Policy settings becoming more restrictive and an economy that is sluggish should warrant a September meeting cut by the BCRP, while maintaining some caution ahead of El Niño. Note that Peruvian markets are closed on Wednesday.

GDP data for the second quarter in Brazil out on Friday are expected to show a slowdown in growth from Q1's agriculture-led expansion of 4%. The 2.7% pace of GDP growth projected by the median economist polled by Bloomberg is roughly in line with the 2.64% average year-on-year pace observed in April to June BCB economic activity data (4.2% y/y average in Q1). What may be more relevant for BCB-bet purposes is the q/q performance of the economy, where after a 1.9% q/q gain in Q1 economists now see a half-point-or-so quarterly increase in output amid weakness in retail sales and industrial production. The deceleration in Brazilian activity in combination with continued progress in inflation lines up with a steady path of rate cuts by the BCB over its remaining meetings of 2023.

Colombia's calendar next week has unemployment rate data, industrial/retail confidence, and current account figures on tap, alongside BanRep's non-rates-setting meeting on Thursday. Next week's releases should not move local markets all that much, and traders will likely take their cue from developments abroad. In today's Weekly, given the relatively quiet backdrop, our Bogota team centres its attention on liquidity conditions in the country as well as the lacklustre execution of public spending that are complicating the work of monetary policy; while BanRep is done hiking rates, since March, bank funding rates have continued their ascent, further dealing a blow to the economy.

Pacific Alliance Country Updates

Chile—Slight Y/Y GDP Growth Forecast for July But No Dynamism (Decline) at the Margin

Anibal Alarcón, Senior Economist
 +56.2.2619.5465 (Chile)
anibal.alarcon@scotiabank.cl

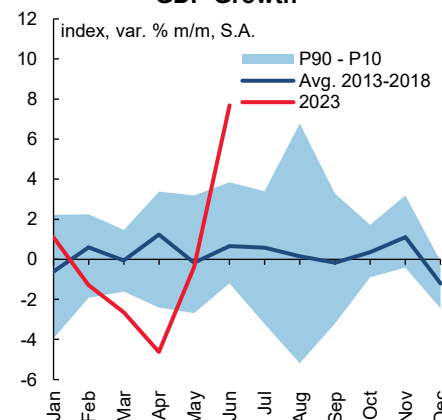
Recent BCCh GDP data for Q2-23 revealed a stabilization of consumption at low levels (see our [Latam Daily](#)), which was to be expected after the sharp drop observed in Q1, mainly in durable goods consumption. In Q2, durable goods consumption rebounded slightly from the previous quarter, although it remained at low levels. On the other hand, non-durable goods consumption (42% of total private consumption), continued to fall slowly, so private consumption did not show dynamism and stabilized at its lowest level since September 2020. Based on our high-frequency indicators, with information as of August 19th, goods consumption continues to show no dynamism, both at the durable and non-durable goods levels (chart 1).

Chart 1
Chile: Purchases With Debit Cards



*28d moving sum, up to August 19.
 Source: Scotiabank Economics.

Chart 2
Chile: Electricity, Gas and Water GDP Growth



Sources: Scotiabank Economics, BCCh.

On Friday, September 1st, the BCCh will publish July GDP, for which we project a y/y growth between 0.5% and 1%, favoured by the basis of comparison, as it would show a drop when compared to the previous month. In this sense, the electricity sector would lead the monthly drop due to a normalization in hydroelectric generation, which experienced a strong GDP growth in June thanks to the rains (chart 2). On the other hand, services would show a null advance as would commerce, in line with our high frequency of debit card purchases data. We project a 12% y/y decline for retail sales in July.

Finally, we project a seasonal increase in the unemployment rate to 8.7%, which would be explained by a drop in employment in the context of a stable labour force. In this sense, construction and commerce would continue to show weak employment figures, reflecting the adjustment that consumption and private investment are experiencing this year.

Colombia—Liquidity and Budget Execution

Sergio Olarte, Head Economist, Colombia
 +57.1.745.6300 Ext. 9166 (Colombia)
sergio.olarte@scotiabankcolpatria.com

Jackeline Piraján, Senior Economist
 +57.1.745.6300 Ext. 9400 (Colombia)
jackeline.pirajan@scotiabankcolpatria.com

Santiago Moreno, Economist
 +57.601.745.6300 Ext. 1875 (Colombia)
santiago1.moreno@scotiabankcolpatria.com

Although BanRep finished its hiking cycle in March, banking funding rates have continued pointing north. In fact, while in February one year, the time deposit rate was around 12%, currently, those rates are hovering at about 15%, making more difficult monetary policy and economic activity recovery. What is behind this extraordinary increment in liquidity rates? In our opinion, there are two main reasons.

The first one is related to the Colombian Financial System (CFS) transition to Basel III and the Net Stable Funding Ratio regulation, which caused the CFS to demand longer tenure deposits to comply with the new regulation and reduce the structural risk of lower deposit duration against higher credit loans duration. We think this new regulation increased time deposit rates structurally last year, making the spread with COLTES a bit higher than before the pandemic. In 2019, the regular spread between the short-run COLTES curve and time deposits was around 90bps, while after Basel III incorporation, this spread increased to around 120–150bps (chart 3).

The second reason behind the increment in funding rates is associated with the significant poor budget implementation from the government. Up to July, government budget execution was at 43.5% (payments/budget excluding debt service), below the average historical execution for a YTD up to July ~49%. At the same time, tax collection is above expectation, which results in a situation in which the MoF is collecting taxes but is not using those resources. Instead, this excess of liquidity is going to BanRep accounts. This dynamic

reduces the monetary base and the public multiplier, representing pressure on banking funding. In fact, treasury deposits in BanRep have been close to COP40tr since May this year, while historically, it should be half of this amount (chart 4).

This situation produces that permanent liquidity in the economy be lower than normal since BanRep replaces most of this structural liquidity with short-run liquidity that is not useful for economic activity due to the fact that banks cannot use repos to lend in the longer term. Therefore, banks feel a shortage in liquidity, which ends up in a higher funding cost. Only once the government speeds up budget execution, we think funding rates will not return to the new normal, which should be around 120bps above short-run COLTES rates (currently about 9.8% to 10.3%).

Chart 3

Colombia: Deposit Rate-ON, 180-Day & 1-Year vs Monetary Policy Rate

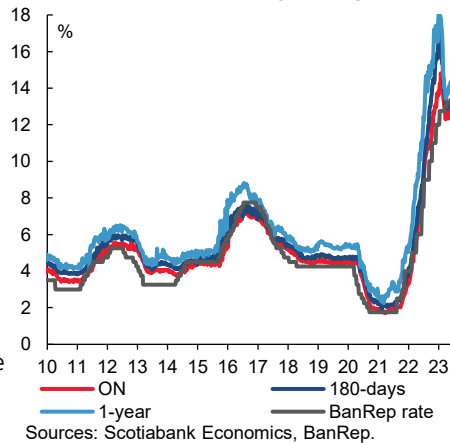
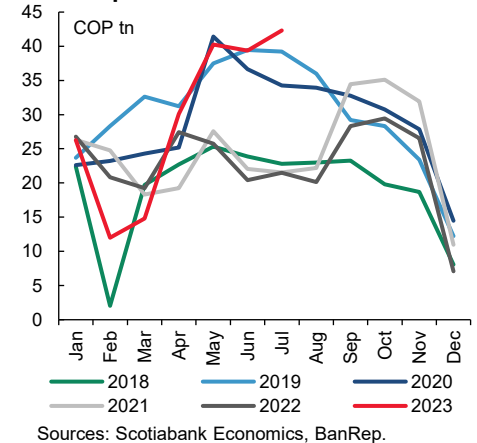


Chart 4

Colombia: National Treasury's Deposits in The Central Bank



All in all, despite the fact that we think CFS funding rates structurally can be a bit higher due to a healthier financing structure, in the short run, poor execution of the public budget has affected liquidity rates significantly (more than 300bps), which additionally is affecting corporate funding and private investment decisions, which can in the end, reduce potential output, or at least reduce 2023 growth. We expect 2H-2023 to have better executions due to regional elections and higher seasonality in terms of public expenditure.

Earlier this week, the country's banks asked that BanRep address liquidity issues in the system, proposing a series of measures out of which the body (Asobancaria) **highlights**: "(i) permitting foreigners to buy term deposit certificates (CDTs) in the primary market, (ii) the purchase of dollars in the spot market accompanied by sales in the forward market, (iii) offer repos guaranteed with private debt or portfolio with terms between 6 and 18 months and (iv) reducing bank reserves". We'll monitor whether in coming days, government officials and/or BanRep discuss possible solutions to this matter.

Peru—We Expect Inflation to Continue Declining in August

Guillermo Arbe, Head Economist, Peru
+51.1.211.6052 (Peru)
guillermo.arbe@scotiabank.com.pe

August inflation figures will be released on September 1st. We expect the downtrend that inflation has been following this year to continue. Inflation has fallen from 8.7% in January to 5.9% in July. The preliminary key prices data that we follow point to monthly inflation of 0.3% in August, which would take the twelve-month figure to 5.5% (chart 5).

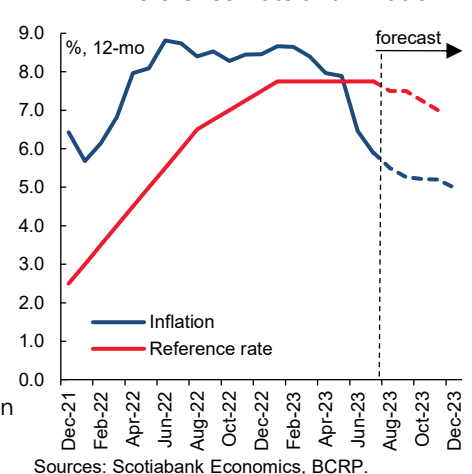
Inflation of 5.5% would be over two full percentage points below the BCRP reference rate for the first time in recent memory. The trend is also helpful. The decline in inflation since May has been precipitous. We expect inflation to continue declining in future months, if at a milder pace.

This, of course, bodes in favour of our expectation that the BCRP will lower its reference rate in September. The BCRP prefers to look at the real interest rates as measured against inflation expectations when deciding on policy. The latest real interest rate reading is 4.2%, which is high for an inflation that is trending down. Inflation expectations (twelve months out from July), are currently at 3.57% and likely to decline further when the August figure is released in September, making it ever more difficult for the BCRP to justify not lowering the reference rate.

There is really only one reason that the BCRP might hesitate in its intentions to begin lowering the reference rate, although it's a rather large one: El Niño. The likelihood is high that an El Niño event of at least moderate strength will emerge towards year-end. This is why we maintain our inflation figure for the year at 5.0%, despite the strong downward trend of recent months. This is also why we expect the BCRP to be rather slow and cautious in its policy rate decisions even after it takes the first step in reducing its reference rate.

Chart 5

BCRP Reference Rate and Inflation



Forecast Updates: Central Bank Policy Rates and Outlook

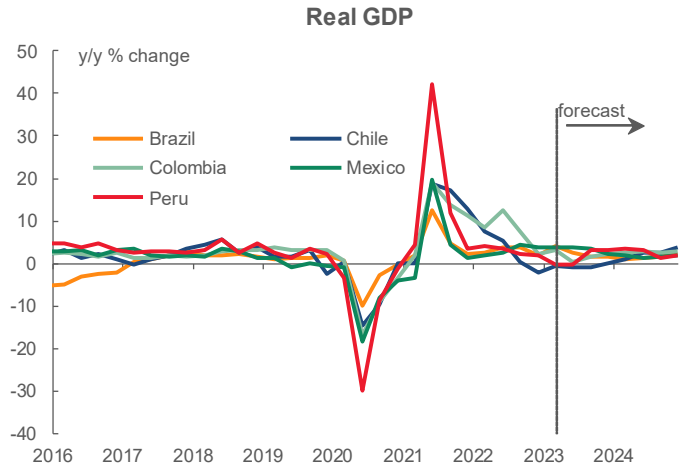
Latam Central Banks: Policy Rates and Outlook

| | Next Scheduled Meeting | | | | Market Pricing | | BNS Forecast | | BNS guidance for next monetary policy meeting |
|------------------------------|------------------------|--------|--------|--------|----------------|--------|--------------|----------|---|
| | Current | Date | Market | BNS | 12 mos | 24 mos | End-2023 | End-2024 | |
| Brazil, BCB, Selic | 13.25% | Sep-20 | n.a. | 12.75% | n.a. | n.a. | 12.00% | 9.25% | |
| Chile, BCCh, TPM | 10.25% | Sep-05 | n.a. | 9.25% | n.a. | n.a. | 7.50% | 4.00% | We anticipate a 100 bps cut in the benchmark rate at the September meeting. |
| Colombia, BanRep, TII | 13.25% | Sep-29 | n.a. | 13.25% | n.a. | n.a. | 12.25% | 5.75% | Economic indicators are providing mixed signals. Inflation was above expectations, while economic activity posted the lowest expansion since 2021. Either way, BanRep's main focus is on inflation, and despite the market speculating over rate cuts in September, we discard this possibility. Our base case scenario for rate cuts is October. However, it strongly depends on a more significant improvement in inflation. That said, we see a risk of having a later but probably more aggressive start of the easing cycle in December or January 2024. |
| Mexico, Banxico, TO | 11.25% | Sep-28 | n.a. | 11.25% | n.a. | n.a. | 11.00% | 8.25% | Banxico has signaled a more restrictive approach in the last policy meeting, as shown in its minutes. As for inflation, it remains with a high degree of uncertainty, despite latest prints coming out below consensus. Following the publication of the minutes, analysts are predicting a start to cuts in February 2024. |
| Peru, BCRP, TIR | 7.75% | Sep-14 | n.a. | 7.50% | n.a. | n.a. | 7.00% | 5.00% | The latest BCRP statement has a dovish bias, opening up the possibility of starting the interest rate cut cycle earlier than expected. |

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

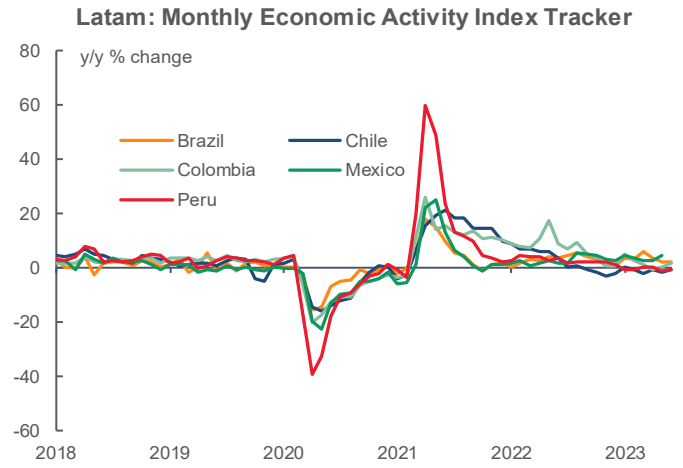
Key Economic Charts

Chart 1



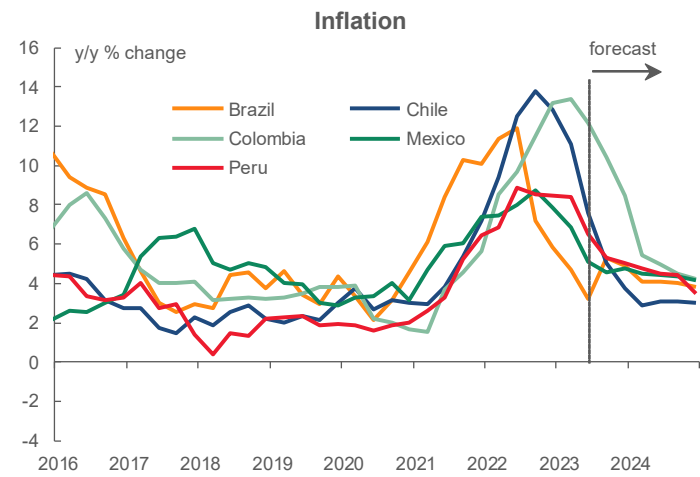
Sources: Scotiabank Economics, Bloomberg, Haver Analytics.

Chart 2



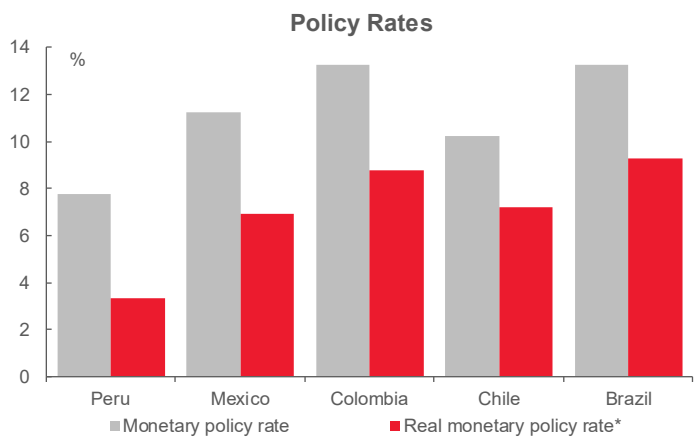
Sources: Scotiabank Economics, Haver Analytics.

Chart 3



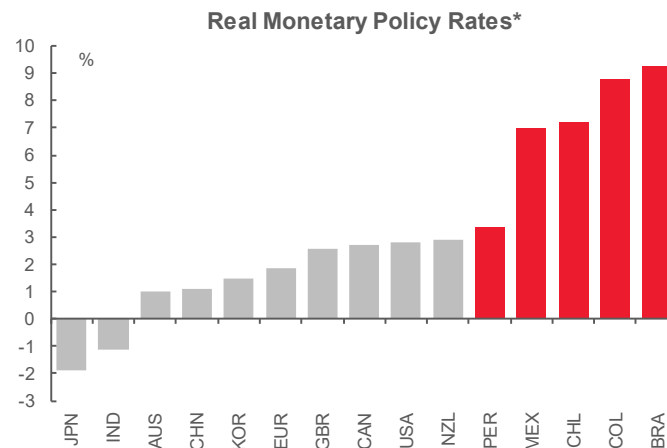
Sources: Scotiabank Economics, Focus Economics, Haver Analytics.

Chart 4



* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q3-2024, % y/y. Sources: Scotiabank Economics, Focus Economics, Haver Analytics.

Chart 5



* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q3-2024, % y/y. Sources: Scotiabank Economics, Bloomberg.

Key Market Charts

Chart 1

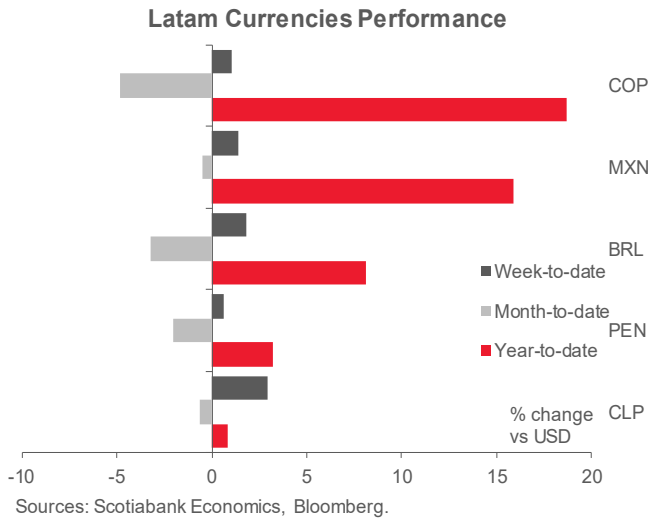


Chart 2

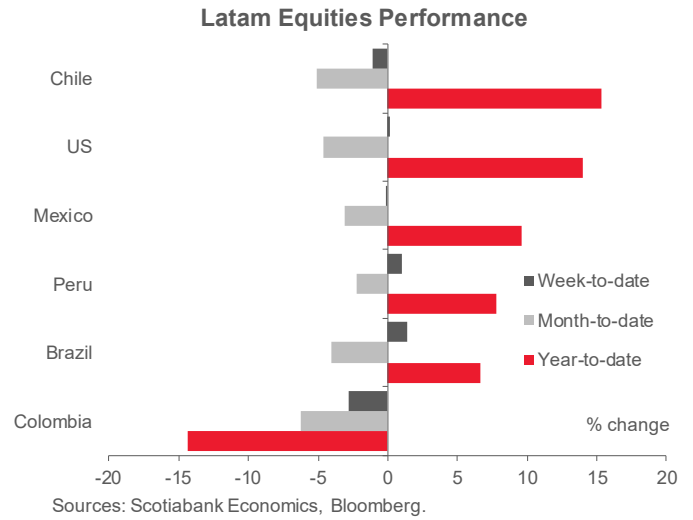


Chart 3

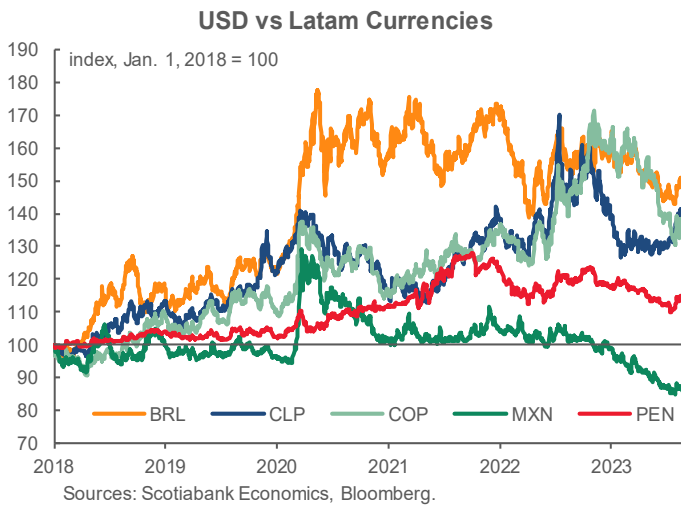
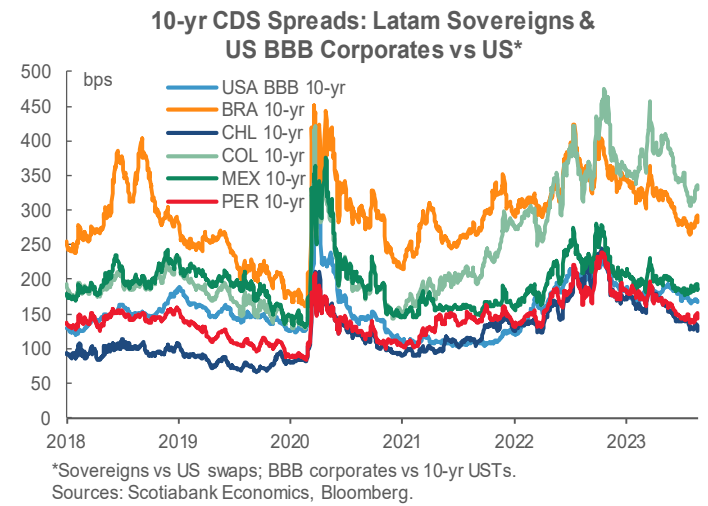
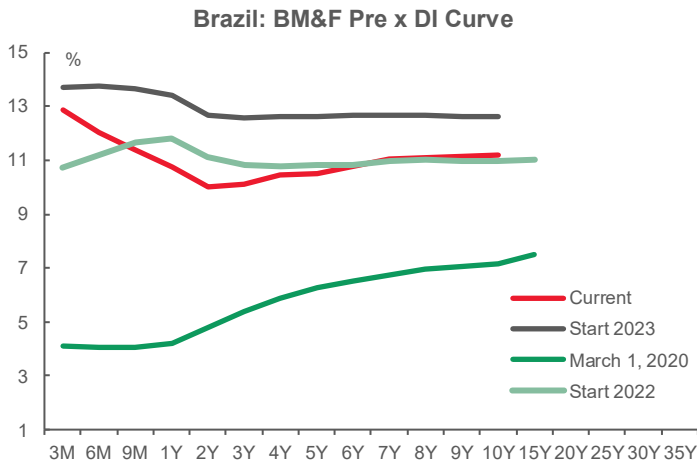


Chart 4



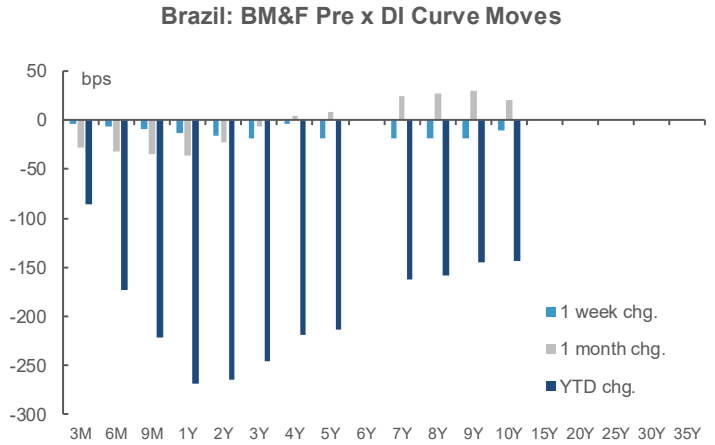
Yield Curves

Chart 1



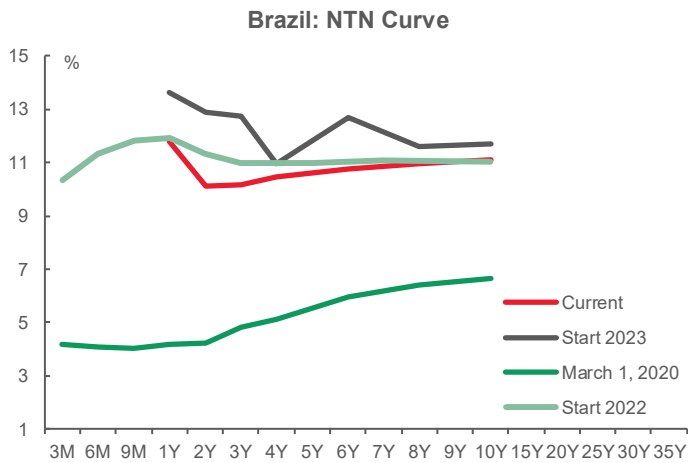
Sources: Scotiabank Economics, Bloomberg.

Chart 2



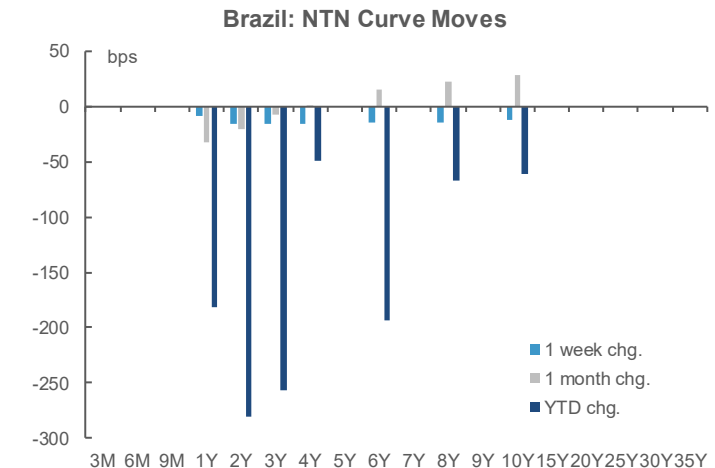
Sources: Scotiabank Economics, Bloomberg.

Chart 3



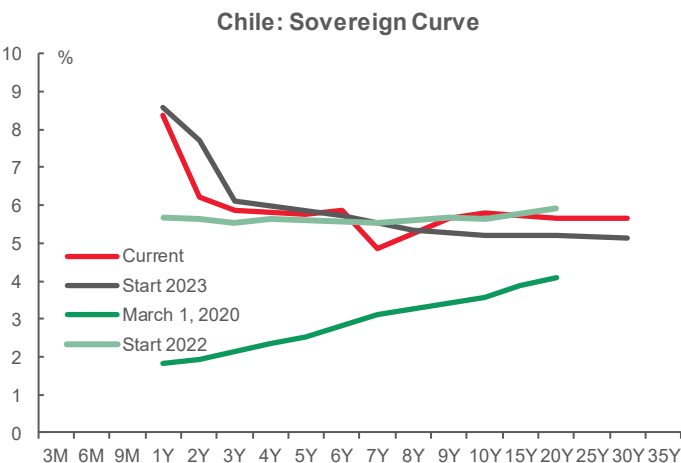
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Chart 4



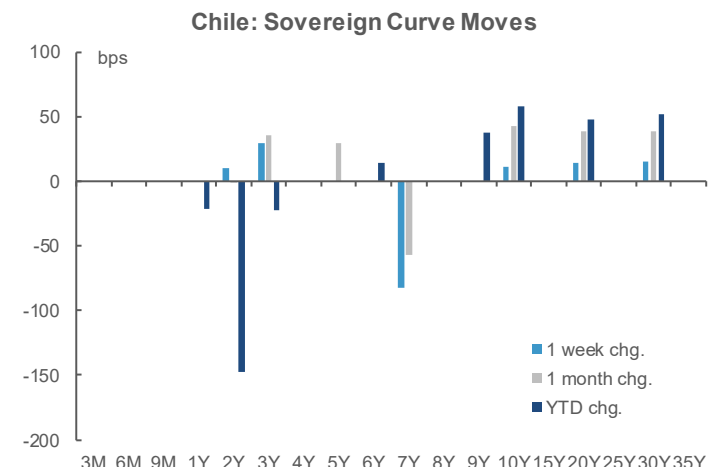
Sources: Scotiabank Economics, Bloomberg.

Chart 5



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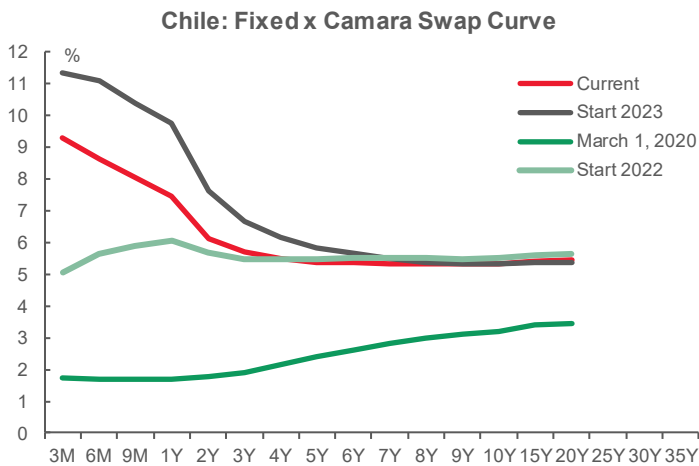
Chart 6



Sources: Scotiabank Economics, Bloomberg.

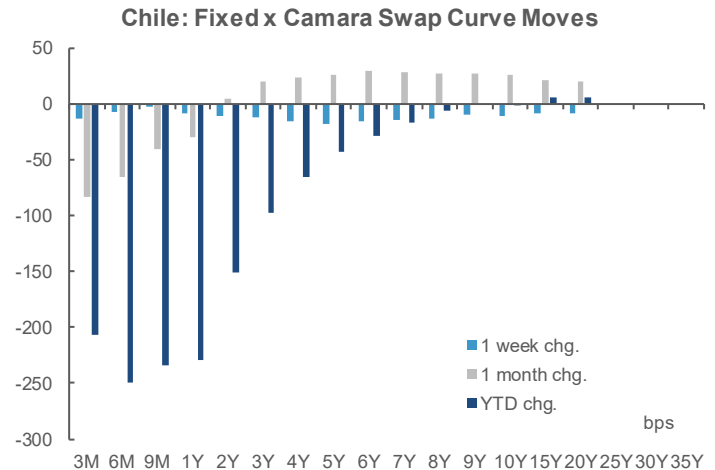
Yield Curves

Chart 7



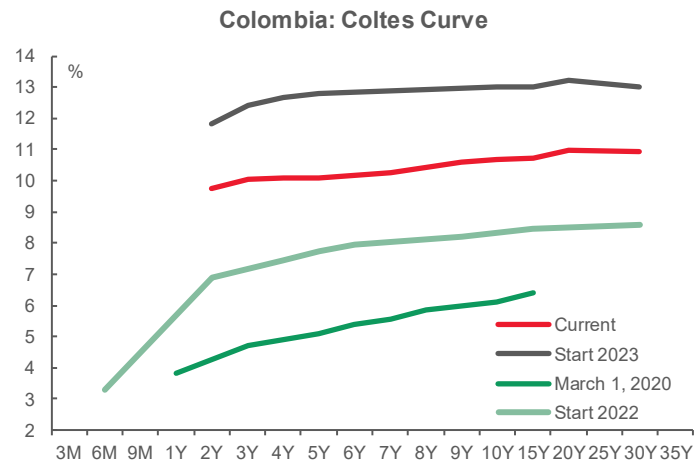
Sources: Scotiabank Economics, Bloomberg.

Chart 8



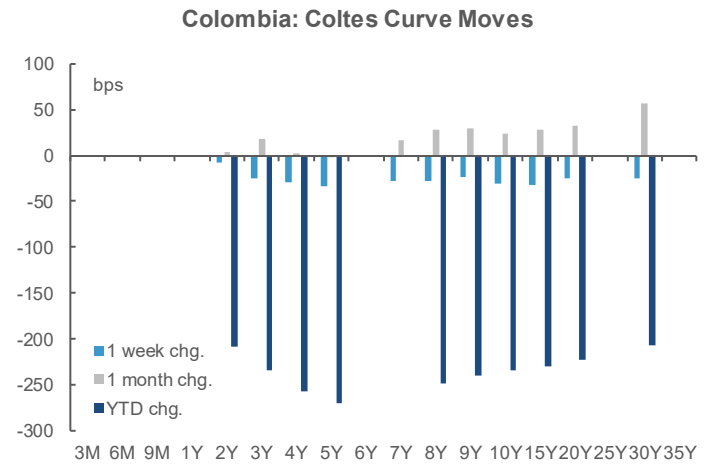
Sources: Scotiabank Economics, Bloomberg.

Chart 9



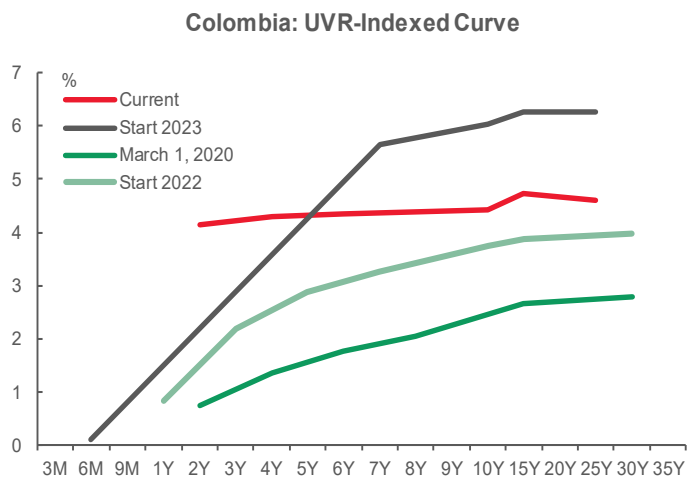
Sources: Scotiabank Economics, Bloomberg.

Chart 10



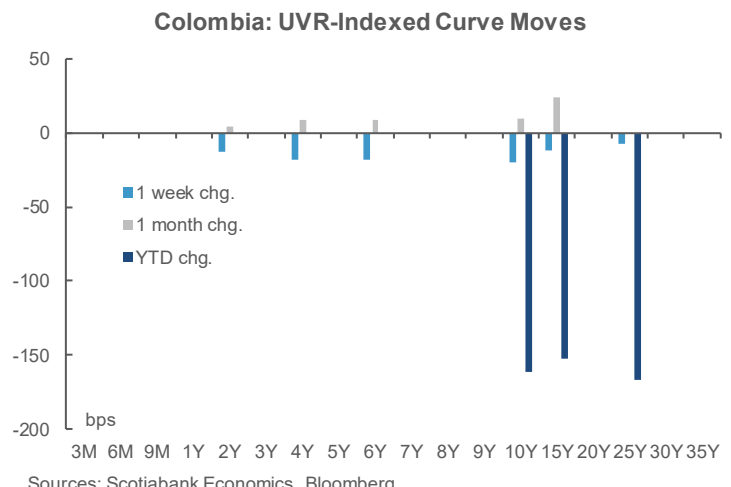
Sources: Scotiabank Economics, Bloomberg.

Chart 11



Sources: Scotiabank Economics, Bloomberg.

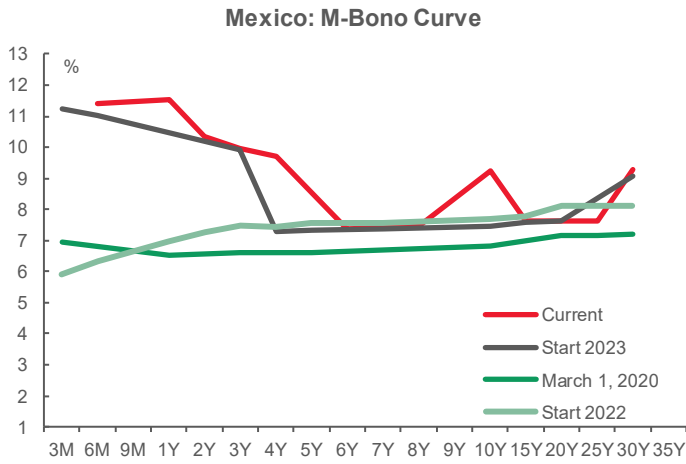
Chart 12



Sources: Scotiabank Economics, Bloomberg.

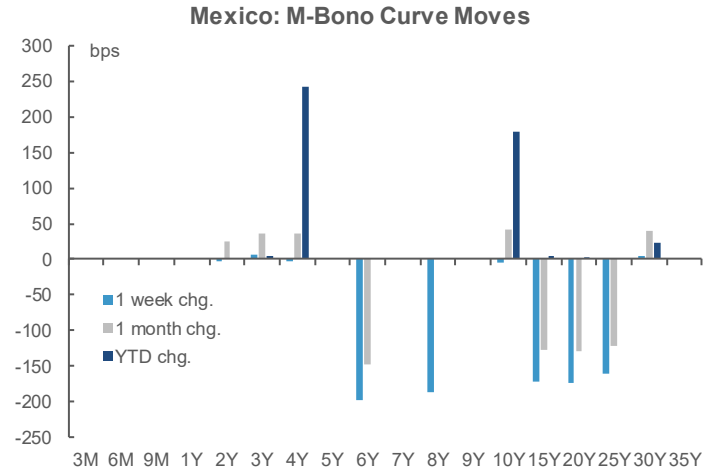
Yield Curves

Chart 13



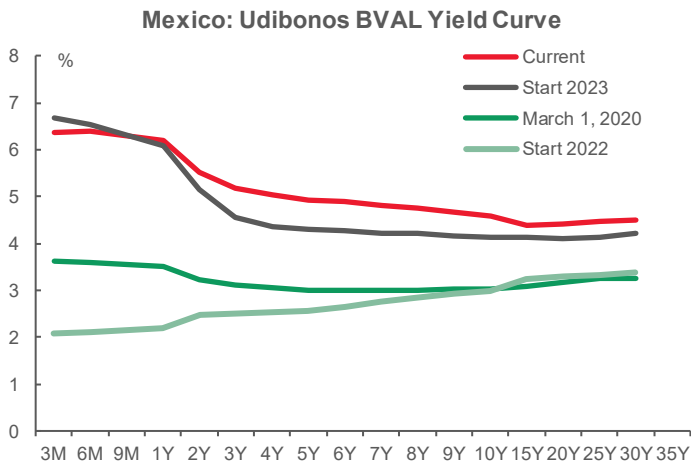
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Chart 14



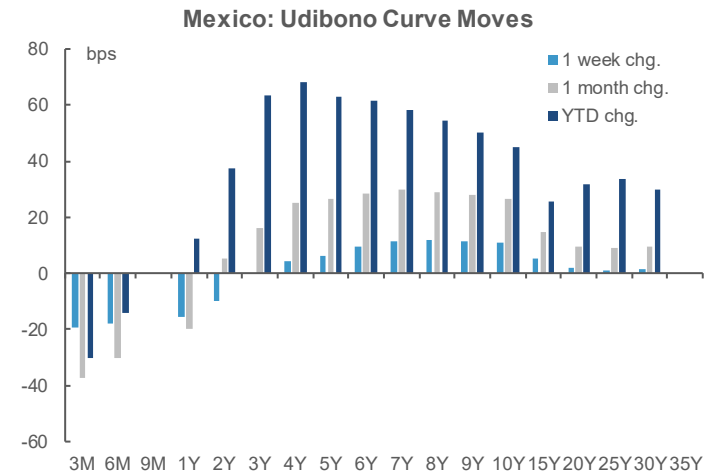
Sources: Scotiabank Economics, Bloomberg.

Chart 15



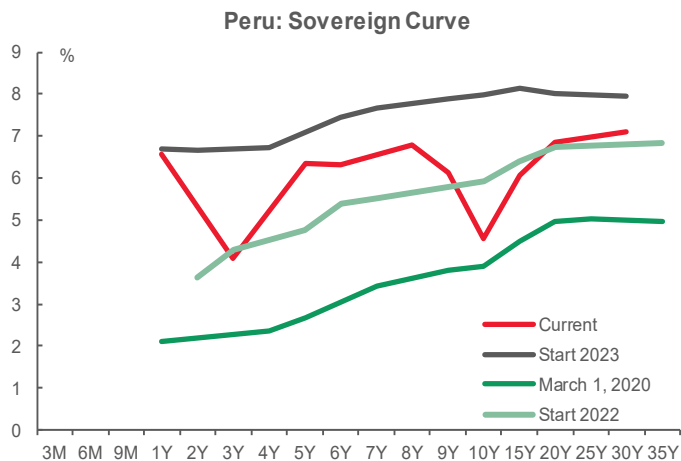
Sources: Scotiabank Economics, Bloomberg.

Chart 16



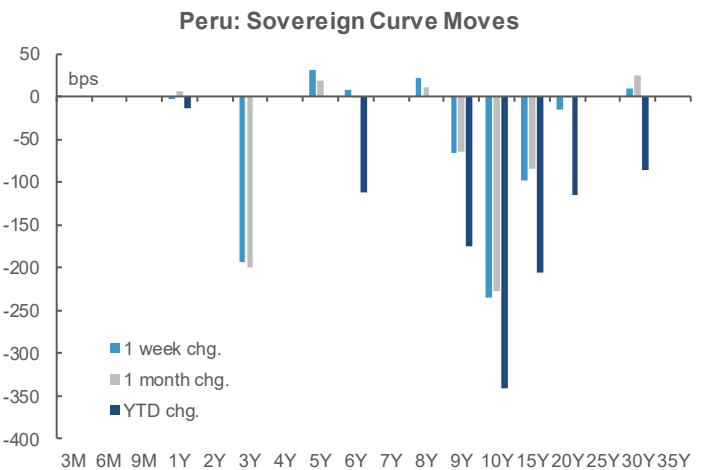
Sources: Scotiabank Economics, Bloomberg.

Chart 17



Sources: Scotiabank Economics, Bloomberg.

Chart 18



Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for August 26–September 8

BRAZIL

| <u>Date</u> | <u>Time Event</u> | <u>Period</u> | <u>BNS</u> | <u>Consensus</u> | <u>Latest</u> | <u>BNS Comments</u> |
|-------------|--|---------------|------------|------------------|---------------|---------------------|
| Aug-28 | 7:00 FGV Construction Costs m/m | Aug | -- | -- | 0.06 | |
| Aug-28 | 7:25 Central Bank Weekly Economist Survey | | -- | | | |
| Aug-28 | 7:30 Total Outstanding Loans (BRL bn) | Jul | -- | -- | 5401.5 | |
| Aug-28 | 7:30 Outstanding Loans m/m | Jul | -- | -- | 0.1 | |
| Aug-28 | 7:30 Personal Loan Default Rate (%) | Jul | -- | -- | 6.3 | |
| Aug-29 | 13:30 Federal Debt Total (BRL bn) | Jul | -- | -- | 6191 | |
| Aug-30 | 7:00 FGV Inflation IGPM y/y | Aug | -- | -- | -7.72 | |
| Aug-30 | 7:00 FGV Inflation IGPM m/m | Aug | -- | -- | -0.72 | |
| Aug-30 | 13:30 Central Govt Budget Balance (BRL bn) | Jul | -- | -12.2 | -45.2 | |
| Aug-30 | Formal Job Creation Total | Jul | -- | -- | 157198 | |
| Aug-31 | 7:30 Nominal Budget Balance (BRL bn) | Jul | -- | -- | -89.625 | |
| Aug-31 | 7:30 Primary Budget Balance (BRL bn) | Jul | -- | -- | -48.899 | |
| Aug-31 | 7:30 Net Debt % GDP | Jul | -- | -- | 59.1 | |
| Aug-31 | 8:00 National Unemployment Rate (%) | Jul | -- | -- | 8 | |
| Sep-01 | 7:00 FGV CPI IPC-S (%) | 25-Aug | -- | -- | -0.18 | |
| Sep-01 | 8:00 GDP y/y | 2Q | -- | 2.65 | 4.00 | |
| Sep-01 | 8:00 GDP 4Qtrs Accumulated (%) | 2Q | -- | 3.0 | 3.3 | |
| Sep-01 | 8:00 GDP q/q | 2Q | -- | 0.5 | 1.9 | |
| Sep-01 | 9:00 S&P Global Brazil Manufacturing PMI | Aug | -- | -- | 47.8 | |
| Sep-01 | 14:00 Trade Balance Monthly (USD mn) | Aug | -- | -- | 9035.4 | |
| Sep-01 | 14:00 Exports Total (USD mn) | Aug | -- | -- | 29062 | |
| Sep-01 | 14:00 Imports Total (USD mn) | Aug | -- | -- | 20027 | |
| Sep-04 | 4:00 FIPE CPI - Monthly (%) | Aug | -- | -- | -0.14 | |
| Sep-04 | 7:25 Central Bank Weekly Economist Survey | | -- | | | |
| Sep-05 | 8:00 Industrial Production m/m | Jul | -- | -- | 0.1 | |
| Sep-05 | 8:00 Industrial Production y/y | Jul | -- | -- | 0.3 | |
| Sep-05 | 9:00 S&P Global Brazil Composite PMI | Aug | -- | -- | 49.6 | |
| Sep-05 | 9:00 S&P Global Brazil Services PMI | Aug | -- | -- | 50.2 | |
| Sep-06 | 7:00 FGV Inflation IGP-DI m/m | Aug | -- | -- | -0.4 | |
| Sep-06 | 7:00 FGV Inflation IGP-DI y/y | Aug | -- | -- | -7.47 | |
| Sep 01-08 | Vehicle Sales Fenabrave | Aug | -- | -- | 225603 | |
| Sep 06-08 | Vehicle Sales Anfavea | Aug | -- | -- | 225594 | |
| Sep 06-08 | Vehicle Exports Anfavea | Aug | -- | -- | 30349 | |
| Sep 06-08 | Vehicle Production Anfavea | Aug | -- | -- | 183016 | |

CHILE

| <u>Date</u> | <u>Time Event</u> | <u>Period</u> | <u>BNS</u> | <u>Consensus</u> | <u>Latest</u> | <u>BNS Comments</u> |
|---------------|---|---------------|-------------|------------------|---------------|--|
| Aug-30 | 9:00 Unemployment Rate (%) | Jul | 8.7 | -- | 8.5 | We project a seasonal increase in the unemployment rate to 8.7%, which would be explained by a drop in employment in the context of a stable labour force. |
| Aug-31 | 8:30 Central Bank Traders Survey | | -- | | | |
| Aug-31 | 9:00 Manufacturing Production y/y | Jul | -- | -- | -5.21 | |
| Aug-31 | 9:00 Industrial Production y/y | Jul | -- | -- | -2.65 | |
| Aug-31 | 9:00 Copper Production Total (long ton) | Jul | -- | -- | 457921 | |
| Aug-31 | 9:00 Commercial Activity y/y | Jul | -- | -- | -7.89 | |
| Aug-31 | 9:00 Retail Sales y/y | Jul | -12.0 | -- | -13.0 | We project a 12% y/y decline for retail sales in July, in line with our high-frequency debit card purchases data. |
| Sep-01 | 8:30 Economic Activity y/y | Jul | 0.8 | -- | -1.0 | We project a y/y growth between 0.5% and 1%, favored by the basis of comparison, as it would show a drop when compared to the previous month. |
| Sep-01 | 8:30 Economic Activity m/m | Jul | -- | -- | 0.47 | |
| Sep-05 | 17:00 Overnight Rate Target (%) | 05-Sep | 9.25 | -- | 10.25 | We anticipate a 100 bps cut in the benchmark rate at the September meeting. |
| Sep 01-07 | IMCE Business Confidence | Aug | -- | -- | 41.05 | |
| Sep-07 | 7:30 Trade Balance (USD mn) | Aug | -- | -- | 813.73 | |
| Sep-07 | 7:30 Exports Total (USD mn) | Aug | -- | -- | 7393.66 | |
| Sep-07 | 7:30 Imports Total (USD mn) | Aug | -- | -- | 6579.93 | |
| Sep-07 | 7:30 Copper Exports (USD mn) | Aug | -- | -- | 3359.33 | |
| Sep-07 | 7:30 International Reserves (USD mn) | Aug | -- | -- | 40662 | |
| Sep-07 | 8:00 Nominal Wage y/y | Jul | -- | -- | 10.3 | |
| Sep-08 | 7:00 CPI m/m | Aug | -- | -- | 0.4 | |
| Sep-08 | 7:00 CPI y/y | Aug | -- | -- | 6.5 | |
| Sep-08 | 7:00 CPI Ex Volatile Items m/m | Aug | -- | -- | 0.3 | |
| Sep-08 | 7:00 CPI Ex Volatile Items y/y | Aug | -- | -- | 8.5 | |
| Sep 07-12 | Vehicle Sales Total | Aug | -- | -- | 23051 | |

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for August 26–September 8

COLOMBIA

| Date | Time | Event | Period | BNS | Consensus | Latest | BNS Comments |
|--------|-------|----------------------------------|--------|-------|-----------|---------|---|
| Aug-29 | | Industrial Confidence | Jul | -- | -- | -2.2 | |
| Aug-29 | | Retail Confidence | Jul | -- | -- | 17.8 | |
| Aug-31 | 11:00 | Urban Unemployment Rate (%) | Jul | 10.3 | -- | 8.8 | In June, employment creation surprised positively amid better hiring in the public sector. However, in July we expect to see more moderate job gains. |
| Aug-31 | 11:00 | National Unemployment Rate (%) | Jul | 10.4 | -- | 9.3 | |
| Aug-31 | | Central Bank Board Meeting | | -- | -- | | |
| Sep-01 | 11:00 | Davivienda Colombia PMI Mfg | Aug | -- | -- | 48.4 | |
| Sep-01 | | Current Account Balance (USD mn) | 2Q | 2500 | -- | -3422 | In the second quarter, the current account deficit probably will narrow as economic deceleration has been strongly reflected in lower imports. Financing is expected to be mainly from FDI. |
| Sep-05 | 11:00 | Exports FOB (USD mn) | Jul | -- | -- | 3985.98 | |
| Sep-07 | 19:00 | CPI y/y | Aug | 11.16 | -- | 11.78 | Housing and fuel prices will continue to be the major contributors to |
| Sep-07 | 19:00 | CPI Core y/y | Aug | 11.1 | -- | 11.4 | monthly inflation. Annual inflation is expected to fall due to statistical |
| Sep-07 | 19:00 | CPI m/m | Aug | 0.45 | -- | 0.50 | base effects in food and utility fees. Inflation will continue above the |
| Sep-07 | 19:00 | CPI Core m/m | Aug | 0.51 | -- | 0.57 | double-digit mark, which supports our call for rate stability in BanRep's |
| | | | | | | | September meeting. |

MEXICO

| Date | Time | Event | Period | BNS | Consensus | Latest | BNS Comments |
|-----------|-------|--|--------|-----|-----------|--------|--------------|
| Aug-28 | 8:00 | Imports (USD mn) | Jul | -- | -- | 51762 | |
| Aug-28 | 8:00 | Exports (USD mn) | Jul | -- | -- | 51800 | |
| Aug-28 | 8:00 | Trade Balance (USD mn) | Jul | -- | -- | 38.19 | |
| Aug-29 | 8:00 | Economic Activity IGAE m/m | Jun | -- | 0.5 | 0.88 | |
| Aug-29 | 8:00 | Economic Activity IGAE y/y | Jun | -- | 4.4 | 4.3 | |
| Aug-29 | 8:00 | GDP NSA y/y | 2Q F | 3.7 | 3.6 | 3.7 | |
| Aug-29 | 8:00 | GDP SA q/q | 2Q F | -- | 1.00 | 0.91 | |
| Aug-29 | 8:00 | GDP Nominal y/y | 2Q | -- | -- | 8.17 | |
| Aug-29 | 11:00 | International Reserves Weekly (USD mn) | 25-Aug | -- | -- | 203482 | |
| Aug-30 | 14:30 | Mexican Central Bank Releases Inflation Report | | -- | -- | | |
| Aug-30 | | Mexican Public Balance (MXN mn) | Jul | -- | -- | -420 | |
| Aug-31 | 8:00 | Unemployment Rate NSA (%) | Jul | -- | -- | 2.65 | |
| Aug-31 | 11:00 | Net Outstanding Loans (MXN bn) | Jul | -- | -- | 5672.5 | |
| Sep-01 | 11:00 | S&P Global Mexico Manufacturing PMI | Aug | -- | -- | 53.2 | |
| Sep-01 | 11:00 | Remittances Total (USD mn) | Jul | -- | -- | 5571.5 | |
| Sep-01 | 11:00 | Central Bank Economist Survey | | -- | -- | | |
| Sep-01 | 14:00 | IMEF Manufacturing Index SA | Aug | -- | -- | 51.8 | |
| Sep-01 | 14:00 | IMEF Non-Manufacturing Index SA | Aug | -- | -- | 51.7 | |
| Sep-04 | 8:00 | Leading Indicators m/m | Jul | -- | -- | 0.13 | |
| Sep-04 | 8:00 | Private Consumption y/y | Jun | -- | -- | 3.95 | |
| Sep-04 | 8:00 | Gross Fixed Investment SA m/m | Jun | -- | -- | 4.52 | |
| Sep-04 | 8:00 | Gross Fixed Investment NSA y/y | Jun | -- | -- | 17.4 | |
| Sep-05 | 8:00 | Vehicle Domestic Sales | Aug | -- | -- | 110843 | |
| Sep-05 | 8:00 | Consumer Confidence | Aug | -- | -- | 46.17 | |
| Sep-05 | 11:00 | International Reserves Weekly (USD mn) | 01-Sep | -- | -- | 203482 | |
| Sep-05 | | Banamex Survey of Economists | | -- | -- | | |
| Sep 01-07 | | Formal Job Creation Total | Aug | -- | -- | -2.17 | |
| Sep-07 | 8:00 | Vehicle Production | Aug | -- | -- | 294350 | |
| Sep-07 | 8:00 | Vehicle Exports | Aug | -- | -- | 275765 | |
| Sep-07 | 8:00 | CPI m/m | Aug | -- | -- | 0.48 | |
| Sep-07 | 8:00 | CPI Core m/m | Aug | -- | -- | 0.39 | |
| Sep-07 | 8:00 | CPI y/y | Aug | -- | -- | 4.79 | |
| Sep-07 | 8:00 | CPI Core y/y | Aug | -- | -- | 6.64 | |
| Sep-07 | 8:00 | Bi-Weekly CPI (%) | 31-Aug | -- | 0.31 | 0.32 | |
| Sep-07 | 8:00 | Bi-Weekly Core CPI (%) | 31-Aug | -- | 0.22 | 0.19 | |
| Sep-07 | 8:00 | Bi-Weekly CPI y/y | 31-Aug | -- | 4.66 | 4.67 | |
| Sep-07 | 8:00 | Bi-Weekly Core CPI y/y | 31-Aug | -- | 6.24 | 6.21 | |
| Sep 06-11 | | Nominal Wages | Aug | -- | -- | 8.93 | |

PERU

| Date | Time | Event | Period | BNS | Consensus | Latest | BNS Comments |
|--------|-------|--------------|--------|-----|-----------|--------|--|
| Sep-01 | 11:00 | Lima CPI m/m | Aug | 0.3 | -- | | 0.4 August inflation would be similar to July, due to increases in perishable foods and local fuel prices. |
| Sep-01 | 11:00 | Lima CPI y/y | Aug | 5.5 | -- | 5.9 | Declining inflation would continue in August, in line with official expectations. |

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage

Local Market Coverage

CHILE

| | |
|-------------------|--|
| Website: | Click here to be redirected |
| Subscribe: | anibal.alarcon@scotiabank.cl |
| Coverage: | Spanish and English |

COLOMBIA

| | |
|-------------------|--|
| Website: | Click here to be redirected |
| Subscribe: | jackeline.pirajan@scotiabankcolpatria.com |
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MEXICO

| | |
|-------------------|--|
| Website: | Click here to be redirected |
| Subscribe: | estudeco@scotiab.com.mx |
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PERU

| | |
|-------------------|--|
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