

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report  
July 16, 2019

## Index

<b>US</b>	Page 1
<b>Brazil:</b> Economic Indicators, Long Term	Page 3
<b>Mexico:</b> Economic Indicators, Long Term	Page 5
<b>Chile:</b> Economic Indicators, Long Term	Page 6
<b>Colombia:</b> Economic Indicators, Long Term	Page 7
<b>Perú:</b> Economic Indicators, Long Term	Page 8

## HIGHLIGHTS

- **US:** Industrial production was flat in June, despite a slight improvement in manufacturing activity.
- **BRASIL:** Economic activity increased in May, signaling what could be the start of the rebound.

## USA

### United States: Economic Indicators From July 8<sup>th</sup> to July 12<sup>th</sup>

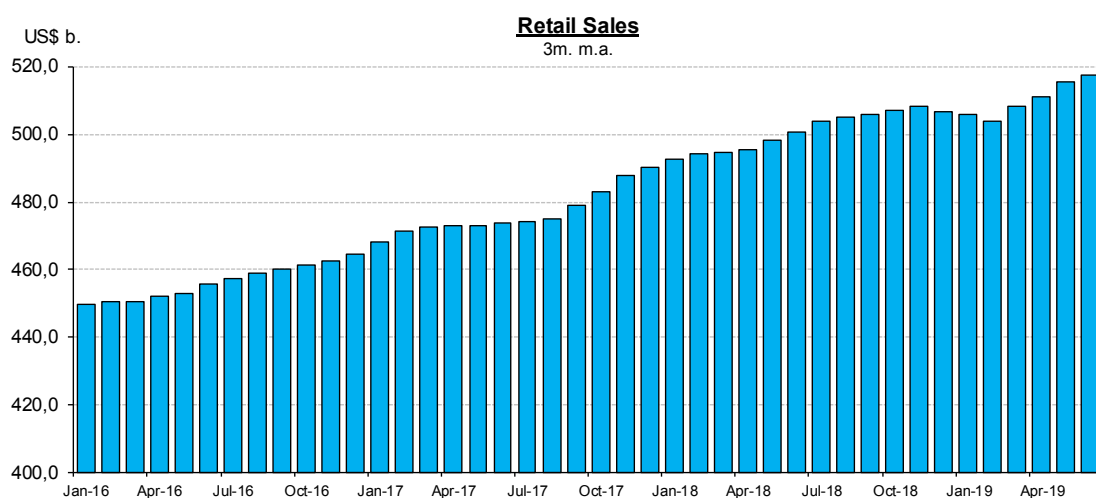
Date	Indicators	Period	Cons.	Prior	Actual
Tue 09	NFIB Small Business Optimism	Jun	--	105.0	103.3
Wed 10	MBA Mortgage Applications	jul-05	--	-0.1%	-2.4%
	Wholesale Inventories MoM	May F	0.4%	0.4%	0.4%
Thu 11	CPI MoM	Jun	0.0%	0.1%	0.1%
	CPI Ex Food and Energy MoM	Jun	0.2%	0.1%	0.3%
	CPI YoY	Jun	1.6%	1.8%	1.6%
	CPI Ex Food and Energy YoY	Jun	2.0%	2.0%	2.1%
	Initial Jobless Claims	jul-06	--	221k	209k
	Continuing Claims	jun-29	--	1686k	1723k
	Monthly Budget Statement	Jun	--	-\$74.9b	-\$8.5b

- Manufacturing output attained modest growth during June (+0.4% mom), driven by automotive and parts growth. However, a 3.6% drop in Utilities production offset the monthly gains. Manufacturing, which accounts for 75% of industrial output, has been negatively affected during the first half by slowing global demand and rising trade conflicts. Overall, industrial production fell 1.2% in 2Q, the second straight quarterly decline.
- However, retail sales grew 0.4% mom seasonally adjusted in June, boosted by e-commerce spending (+13.4%). Hence, signaling consumption remained solid during the second quarter, and buffering the economy from an external slowdown.

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019



Source: USCB

## United States: Economic Indicators This week

Date	Indicators	Period	Cons.	Prior
Mon 15	Empire Manufacturing	Jul	--	-8.6
Tue 16	Retail Sales Advance MoM	Jun	0.1%	0.5%
	Retail Sales Ex Auto MoM	Jun	0.1%	0.5%
	Retail Sales Ex Auto and Gas	Jun	--	0.5%
	Retail Sales Control Group	Jun	--	0.5%
	Industrial Production MoM	Jun	0.2%	0.4%
	Manufacturing (SIC) Production	Jun	--	0.2%
	NAHB Housing Market Index	Jul	--	64
Wed 17	MBA Mortgage Applications	Jul-12	--	--
	Housing Starts MoM	Jun	-0.7%	-0.9%
	Building Permits MoM	Jun	0.1%	0.3%
Thu 18	U.S. Federal Reserve Releases Beige Book	--	--	--
	Initial Jobless Claims	Jul-13	--	--
	Continuing Claims	Jul-06	--	--
	Leading Index	Jun	--	0.0%
Fri 19	U. of Mich. Sentiment	Jul P	--	98.2

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

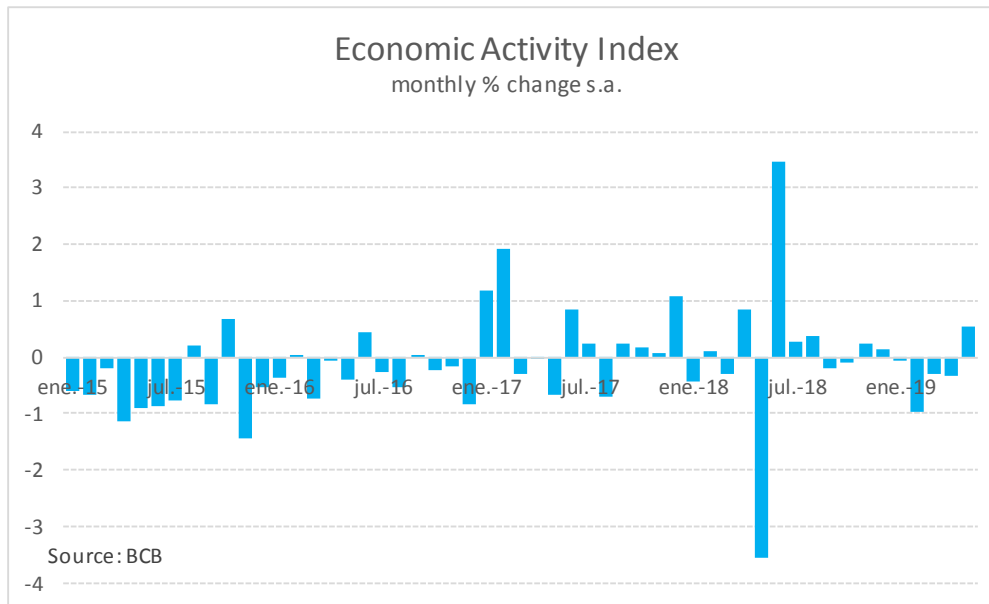
July 16, 2019

United States			
Long Run Economic Indicators			
Indicator	2018	2019E	2020E
Real GDP (% ch saar)	2,86%	2,33%	1,87%
Investment (% GDP)	21,12%	21,56%	21,55%
Exports (% ch saar)	3,94%	2,71%	2,63%
Imports (% ch saar)	4,59%	3,90%	2,96%
CPI annual chg	1,97%	2,67%	2,40%
Gross national savings rate (% GDP)	19,00%	19,16%	18,92%
Unemployment rate	3,89%	3,89%	3,71%
Primary Budget Balance (% GDP)	-2,64%	-2,87%	-2,38%
Government Net Debt (% GDP)	80,88%	83,35%	86,22%
Current Account (% GDP)	-2,29%	-2,41%	-2,63%

Source: IMF

## BRAZIL

- The economic activity index rose 0.5% mom seasonally adjusted in May, putting an end to four straight months of negative growth. In annual terms, the improvement was more evident, activity surged 4.4% yoy, recovering from April's 0.3% drop.
- Nonetheless, consumption continues to slow. Retail sales fell 0.1% mom in May, despite a modest 1% annual growth. Consumption is likely to improve as the pension reform's approval process accelerates, helping restore investor and consumer confidence. Furthermore, annual inflation dropped to 3.37% in June, below the Central Bank's target and to its lowest level in over a year.



# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019

## Brazil: Economic Indicators From July 8<sup>th</sup> to July 12<sup>th</sup>

Date	Indicators	Period	Cons.	Prior	Actual
Wed 10	IBGE Inflation IPCA m/m	Jun	0.01%	0.13%	0.01%
	IBGE Inflation IPCA y/y	Jun	3.38%	4.66%	3.37%
Thu 11	Retail Sales m/m	May	--	-0.6%	-0.1%
	Retail Sales y/y	May	--	1.7%	1.0%
Fri 12	Economic activity m/m	May	--	-0.47%	0.54%
	Economic activity y/y	May	--	-0.62%	4.40%

## Brazil: Economic Indicators This week

Date	Indicators	Period	Cons.	Prior
Mon 15	Tax collections	Jun	--	113278m
	Formal job creation total	Jun	--	32140
Thu 18	CNI industrial confidence	Jul	--	56.9

## Brazil

### Long Run Economic Indicators

Indicator	2018	2019E	2020E
Real GDP (% ch)	1,11%	2,06%	2,53%
Investment (% GDP)	15,40%	15,92%	16,47%
Exports (% ch)	7,09%	4,21%	3,89%
Imports (% ch)	6,79%	12,73%	3,93%
CPI annual chg	3,75%	3,93%	4,03%
Gross national savings rate (% GDP)	14,62%	14,22%	14,86%
Unemployment rate	12,26%	11,40%	10,20%
Primary Budget Balance (% GDP)	-1,68%	-1,81%	-1,03%
Government Net Debt (% GDP)	54,14%	56,18%	58,74%
Current Account (% GDP)	-0,78%	-1,69%	-1,61%
Exchange Rate BRL/USD	3,88	3,90	3,90

Source: IMF

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019

## MEXICO

**Mexico: Economic Indicators**  
From July 8<sup>th</sup> to July 12<sup>th</sup>

Date	Indicators	Period	Cons.	Prior	Actual
Mon 08	Vehicle production	Jun	--	349628	337253
	Vehicle exports	Jun	--	304867	320470
Tue 09	CPI y/y	Jun	3.94%	4.28%	3.95%
	CPI m/m	Jun	0.06%	-0.29%	0.06%
	CPI core m/m	Jun	0.32%	0.16%	0.30%
Fri 12	Industrial production y/y	May	--	-2.9%	-3.3%
	Industrial production m/m sa	May	--	1.5%	-2.1%
	Manufacturing production y/y	May	--	-0.4%	0.7%

**Mexico: Economic Indicators**  
This week

Date	Indicators	Period	Cons.	Prior
	NA			

Mexico			
Long Run Economic Indicators			
Indicator	2018	2019E	2020E
Real GDP (% ch)	1,99%	1,63%	1,94%
Investment (% GDP)	23,01%	22,96%	22,57%
Exports (% ch)	5,75%	3,31%	3,34%
Imports (% ch)	6,20%	2,97%	3,50%
CPI annual chg	4,83%	3,08%	3,00%
Gross national savings rate (% GDP)	21,19%	21,26%	20,67%
Unemployment rate	3,33%	3,49%	3,56%
Primary Budget Balance (% GDP)	1,79%	1,46%	1,36%
Government Net Debt (% GDP)	45,02%	45,57%	45,93%
Current Account (% GDP)	-1,81%	-1,70%	-1,90%
Exchange Rate MXN/USD	19,70	20,00	19,80

Source: IMF

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019

## CHILE

### Chile: Economic Indicators From July 8<sup>th</sup> to July 12<sup>th</sup>

Date	Indicators	Period	Cons.	Prior	Actual
Mon 08	CPI m/m	Jun	-0.0%	0.6%	0.0%
	CPI y/y	Jun	2.2%	2.3%	2.3%
	Trade balance	Jun	--	\$371m	\$317m
	Copper exports	Jun	--	\$3088m	\$2628m
	International Reserves	Jun	--	\$38231m	\$39457m

### Chile: Economic Indicators This week

Date	Indicators	Period	Cons.	Prior
Thu 18	Overnight target rate	31 jul	--	2.50%

### Chile

#### Long Run Economic Indicators

Indicator	2018	2019E	2020E
Real GDP (% ch)	4,02%	3,40%	3,24%
Investment (% GDP)	22,66%	23,16%	22,97%
Exports (% ch)	4,94%	1,67%	3,28%
Imports (% ch)	7,62%	1,61%	2,41%
CPI annual chg	2,14%	2,65%	3,00%
Gross national savings rate (% GDP)	19,50%	19,94%	20,20%
Unemployment rate	6,90%	6,49%	6,24%
Primary Budget Balance (% GDP)	-1,16%	-1,39%	-1,02%
Government Net Debt (% GDP)	6,06%	8,29%	10,03%
Current Account (% GDP)	-3,08%	-3,22%	-2,77%
Exchange Rate CLP/USD	660,00	650,00	650,00

Source: IMF

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019

## COLOMBIA

### Colombia: Economic Indicators From July 8<sup>th</sup> to July 12<sup>th</sup>

Date	Indicators	Period	Cons.	Prior	Actual
	NA				

### Colombia: Economic Indicators This week

Date	Indicators	Period	Cons.	Prior
Mon 15	Manufacturing Production y/y	May	--	-1.3%
	Retail sales y/y	May	--	4.0%
Wed 17	Industrial Production y/y	May	--	0.2%
	Consumer confidence index	Jun	--	-5.0%
Fri 19	Trade balance	May	--	-\$460.1m

### Colombia

#### Long Run Economic Indicators

Indicator	2018	2019E	2020E
Real GDP (% ch)	2,66%	3,54%	3,65%
Investment (% GDP)	21,00%	22,05%	21,56%
Exports (% ch)	-2,69%	4,15%	6,90%
Imports (% ch)	6,77%	4,51%	5,85%
CPI annual chg	3,18%	3,19%	3,04%
Gross national savings rate (% GDP)	17,20%	18,12%	17,80%
Unemployment rate	9,70%	9,70%	9,50%
Primary Budget Balance (% GDP)	0,55%	0,08%	1,56%
Government Net Debt (% GDP)	40,61%	40,78%	39,62%
Current Account (% GDP)	-3,80%	-3,93%	3,76%
Exchange Rate COP/USD	3,05	3,12	3,14

Source: IMF

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019

## PERU

### Peru: Economic Indicators From July 8<sup>th</sup> to July 12<sup>th</sup>

Date	Indicators	Period	Cons.	Prior	Actual
Tue 09	Trade balance	May	--	\$220m	\$2m
Thu 11	Reference rate	11 jul	--	2.75%	2.75%

### Peru: Economic Indicators This week

Date	Indicators	Period	Cons.	Prior
Mon 15	Economic activity y/y	May	--	0.0%
	Unemployment	Jun	--	6.7%

### Peru

#### Long Run Economic Indicators

Indicator	2018	2019E	2020E
Real GDP (% ch)	3,99%	3,93%	3,98%
Investment (% GDP)	21,83%	22,73%	23,34%
Exports (% ch)	1,49%	3,69%	3,30%
Imports (% ch)	1,57%	4,28%	5,27%
CPI annual chg	2,19%	2,17%	2,01%
Gross national savings rate (% GDP)	20,34%	21,32%	21,80%
Unemployment rate	6,70%	6,58%	6,49%
Primary Budget Balance (% GDP)	-0,99%	-0,59%	0,05%
Government Net Debt (% GDP)	10,36%	11,63%	12,28%
Current Account (% GDP)	-1,49%	-1,41%	-1,54%
Exchange Rate PEN/USD	3,30	3,35	3,30

Source: IMF

# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019

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# INTERNATIONAL MACROECONOMIC PERSPECTIVES

Weekly Market Strategy Report

July 16, 2019

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