

## Index

<b>US</b>	Page 1
<b>Brazil:</b> Economic Indicators, Long Term	Page 4
<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

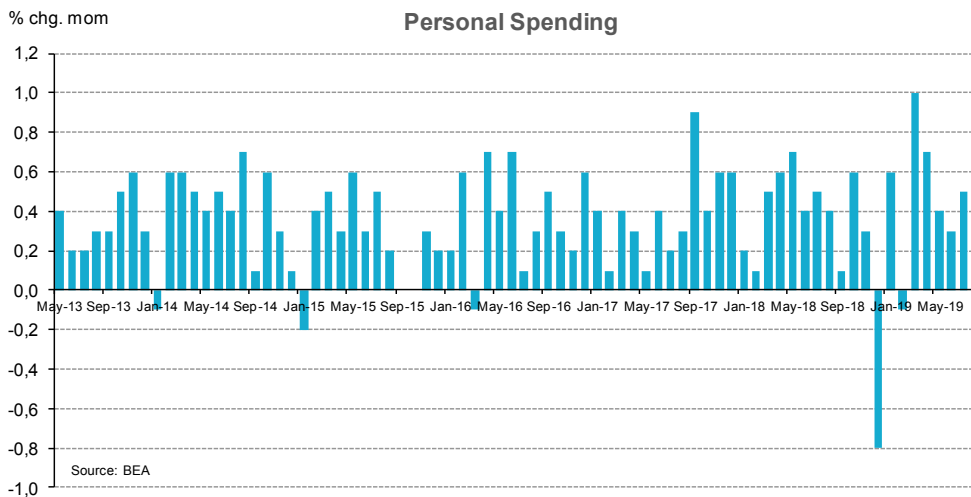
- **US:** Consumer spending weakened in August, signaling a possible GDP growth slowdown in the third quarter.
- **BRAZIL:** Gradually variables align, improving the scenario for a recovery.

## USA

### United States: Economic Indicators From September 23<sup>rd</sup> to September 27<sup>th</sup>

Date	Indicators	Period	Cons.	Prior	Actual	
Mon 23	Markit US Manufacturing PMI	Sep P	50.4	50.3	51.0	
	Markit US Services PMI	Sep P	51.4	50.7	50.9	
Tue 24	FHFA House Price Index MoM	Jul	0.3%	0.2%	0.4%	
	Conf. Board Consumer Confidence	Sep	133.0	135.1	125.1	
Wed 25	MBA Mortgage Applications	sep-20	--	-0.1%	-10.1%	
	New Home Sales MoM	Aug	3.2%	-12.8%	7.1%	
Thu 26	GDP Annualized QoQ	2Q T	2.0%	2.0%	2.0%	
	Personal Consumption	2Q T	4.7%	4.7%	4.6%	
	Advance Goods Trade Balance	Aug	-\$73.5b	-\$72.3b	-\$72.8b	
	Retail Inventories MoM	Aug	0.1%	0.8%	0.0%	
	Wholesale Inventories MoM	Aug P	0.1%	0.2%	0.4%	
	Initial Jobless Claims	sep-21	211k	208k	213k	
	Continuing Claims	sep-14	1666k	1661k	1650k	
	Pending Home Sales MoM	Aug	1.0%	-2.5%	1.6%	
	Pending Home Sales NSA YoY	Aug	1.4%	1.7%	1.1%	
	Fri 27	Personal Income	Aug	0.4%	0.1%	0.4%
		Durable Goods Orders	Aug P	-1.1%	2.0%	0.2%
		Personal Spending	Aug	0.3%	0.6%	0.1%
		Durables Ex Transportation	Aug P	0.2%	-0.4%	0.5%
		Real Personal Spending	Aug	0.2%	0.4%	0.1%
Cap Goods Orders Nondef Ex Air		Aug P	0.0%	0.2%	-0.2%	
PCE Deflator MoM		Aug	0.1%	0.2%	0.0%	
Cap Goods Ship Nondef Ex Air		Aug P	0.3%	-0.6%	0.4%	
PCE Deflator YoY		Aug	1.4%	1.4%	1.4%	
PCE Core Deflator MoM		Aug	0.2%	0.2%	0.1%	
PCE Core Deflator YoY	Aug	1.8%	1.6%	1.8%		
U. of Mich. Sentiment	Sep F	92.0	92.0	93.2		

- While consumers have driven growth during most of the year, August's spending slowed. Consumer spending grew 0.1% mom, below expectations and down from this year's 0.5% average monthly growth. Spending on services remained flat and non-durables slowed, while outlays on durable goods increased but not enough to offset weaker sectors. Recent increases on tariffs of Chinese consumer goods are likely hitting consumers, who now face higher costs.
- Additionally, consumer confidence dropped significantly in September but remains favorable. The Conference Board Confidence index fell to 125.1, from 135.1 in August. Confidence has seesawed most of the year, as trade related issues affected present conditions and expectations.
- August's advanced durable goods report was mixed, as new orders increased 0.2% mom but core capital goods orders, tracking fixed investment, fell 0.2% mom, following no growth in July. Uncertainty from traded tensions with China and slowing global demand remain main risks to economic growth.



## United States: Economic Indicators This week

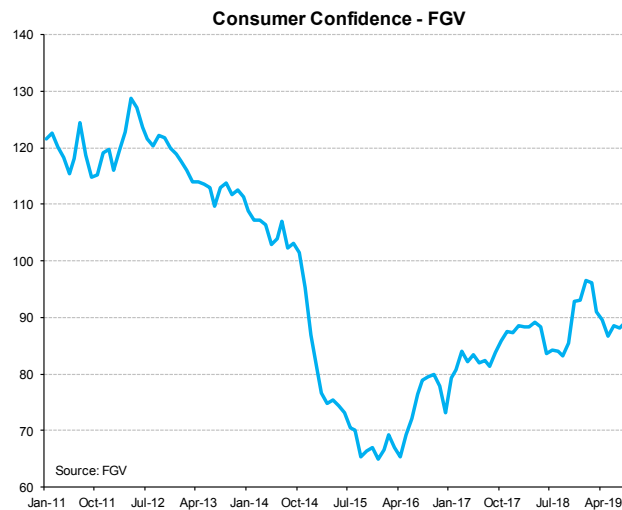
Date	Indicators	Period	Cons.	Prior
Tue 01	Markit US Manufacturing PMI	Sep F	--	51.0
	ISM Manufacturing	Sep	50.5	49.1
	Construction Spending MoM	Aug	0.4%	0.1%
	Wards Total Vehicle Sales	Sep	17.05m	16.97m
Wed 02	MBA Mortgage Applications	sep-27	--	-10.1%
Thu 03	Initial Jobless Claims	sep-28	--	213k
	Continuing Claims	sep-21	--	1650k
Fri 04	Markit US Services PMI	Sep F	--	50.9
	Factory Orders	Aug	-0.5%	1.4%
	Factory Orders Ex Trans	Aug	--	0.3%
	Durable Goods Orders	Aug F	--	--
	Durables Ex Transportation	Aug F	--	--
	Cap Goods Orders Nondef Ex Air	Aug F	--	--
	Cap Goods Ship Nondef Ex Air	Aug F	--	--
	ISM Non-Manufacturing Index	Sep	55.2	56.4
	Change in Nonfarm Payrolls	Sep	140k	130k
	Unemployment Rate	Sep	3.7%	3.7%
	Average Hourly Earnings MoM	Sep	0.3%	0.4%
	Average Hourly Earnings YoY	Sep	3.2%	3.2%
	Trade Balance	Aug	-\$54.9b	-\$54.0b

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

- As the pension reform is due to pass the first of two last Congress approvals, economic figures are finally showing signs of recovery. Monetary easing in the past months seems to be passing through.
- Consumer confidence (FGV) improved in September but remains below the 100- point threshold. The index rose to 89.7 from August's 89.2, the highest point in over 18 months, driven by a more favorable valuation of future economic situation. Similarly, business confidence (FGV) rose to 94 but is still in negative zone, while companies gradually assess a more favorable outlook.
- Fixed investment is expected to grow 1.5% yoy in 2019. Despite a negative first half, investments should rise helped by improving conditions. Foreign direct investment reached USD9.4b in August, achieving 78% mom growth.



27-Sep INDICATORS	BRAZIL					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	1,0% (2)	0,80%	2,40%		+	●
Industrial Production yoy	-2,5% (2)	-	-	+	-	●
Economic activity mom s.a.	-0,16% (2)	-	-	-	+	●
Unemployment	11,8% (2)	11,40%	10,20%	-	-	●
Inflation yoy	3,43% (2)	3,93%	4,03%	+	-	●
Inflation mom	0,11% (2)	-	-	-	-	●
Reference Interest Rate	5,50% (3)	-	-	-	-	●
BRL/USD	4,07 (3)	3,90	3,90		+	●
Country risk premium - Embi	232 (5)	-	-	-	-	●
International Reserves (USD\$b)	386,5 (3)	380,2	381,0	+	+	●
Current Account (% GDP)	-0,78% (1)	-1,60%	-1,70%	-	+	●
Budget Balance (% GDP)	-6,53% (2)	-7,10%	-7,30%	-	-	●
Government Net Debt (%GDP)	55,8% (2)	56,18%	58,74%	+	+	●

Source: (1)FMI (2)BGE (3)BCB (5)JP Morgan

## MEXICO

27-sep INDICATORS	MEXICO					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	-0,8% (3)	0,90%	1,90%		-	●
Industrial Production yoy	-1,7% (3)	-	-	-	-	●
Economic activity mom s.a.	-0,14% (3)	-	-	-	-	●
Unemployment	3,7% (3)	3,49% (1)	3,56%	=	+	●
Inflation yoy	3,2% (3)	3,60%	3,00%	-	-	●
Inflation mom	-0,02% (3)	-	-	-	-	●
Reference Interest Rate	7,75% (4)	-	-	-	+	●
MXN/USD	19,03 (4)	19,10	19,80	-	+	●
Country risk premium - Embi	206 (5)	-	-	-	+	●
International Reserves (USD\$b)	187,9 (4)	177,00	180,00	+	+	●

Source: (1) FMI (2)ITAM (3) INEGI (4) BM (5) JP Morgan

Mexico			
Long Run Economic Indicators			
Indicator	2018	2019E	2020E
Real GDP (% ch)	1,99%	0,90%	1,90%
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

## CHILE

27-sep INDICATORS	CHILE					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	1,90% (2)	3,40%	3,24%		+	●
Industrial Production yoy	2,6% (3)	-	-	+	+	●
Economic activity mom s.a.	0,2% (2)	-	-	+	+	●
Unemployment	7,2% (3)	6,49%	6,24%	+	-	●
Inflation yoy	2,3% (3)	2,65%	3,00%	+	-	●
Inflation mom	0,2% (3)	-	-	=	-	●
Reference Interest Rate	2,0% (2)	-	-	-	-	●
CLP/USD	701,13 (2)	650,00	650,00	+	+	●
Country risk premium - Embi	129 (5)	-	-	=	-	●
International Reserves (USDb)	39,5 (2)	39,3	39,8	-	+	●

Source: (1) FMI (2) BCC (3) INE (5) JP Morgan

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

## COLOMBIA

27-sep INDICATORS	COLOMBIA					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	3,0% (2)	3,54%	3,65%		+	●
Industrial Production yoy	3,5%* (2)	-	-	+	+	●
Economic activity mom s.a.	3,7%* (2)	-	-	+	+	●
Unemployment	10,7% (2)	9,70%	9,50%	+	+	●
Inflation yoy	3,75% (2)	3,19%	3,04%	=	+	●
Inflation mom	0,09% (2)	-	-	-	-	●
Reference Interest Rate	4,25% (3)	-	-	=	-	●
COP/USD	3320,99 (3)	3120,00	3135,00	=	+	●
Country risk premium - Embi	180 (5)	-	-	-	=	●
International Reserves (USDb)	52,99 (3)	49,9	51,3	+	+	●

Source: (1)FMI (2)DANE (3)BRC (5)JP Morgan

\*yoy NSA

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

## PERU

27-sep INDICATORS	PERU					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	1,2% (2)	3,93%	3,98%		-	●
Industrial Production yoy	-1,31% (2)	-	-	+	-	●
Economic activity mom s.a.	3,3%* (2)	-	-	+	+	●
Unemployment	6,0% (2)	6,58%	6,49%	-	-	●
Inflation yoy	2,04% (2)	2,17%	2,01%	-	+	●
Inflation mom	0,06% (2)	-	-	-	-	●
Reference Interest Rate	2,50% (3)	-	-	=	-	●
PEN/USD	3,26 (3)	3,35	3,30	=	+	●
Country risk premium - Embi	93 (5)	-	-	-	-	●
International Reserves (USD\$b)	63,15 (3)	60,8	61,7	+	+	●

Source: (1)FMI (2)INEI (3)BCRP (5)JP Morgan

\* yoy NSA

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

October 1, 2019

Capital  
Markets  
Argentina

**Graciela Cairoli**

Director

**Alejandro Quelch**

Head of Research Department  
aquelch@capitalmarkets.com.ar

**Jaime Krause**

Head of Asset Management  
Portfolio Manager

**Noelia Lucini, CFA**

Fixed Income Strategy.  
Portfolio Manager

**Nicolas Viveros**

Senior Analyst (Fixed Income)  
nviveros@capitalmarkets.com.ar

**Agustin Giannattasio, CFA**

Equity Senior Analyst  
agiannattasio@capitalmarkets.com.ar

**María Teresa Leiva**

Macroeconomic Analyst  
mleiva@capitalmarkets.com.ar

**Juan José Guma**

Analyst  
jguma @capitalmarkets.com.ar

**Valeria Flores**

Virtual Library Administrator.  
Assistant  
vflores@capitalmarkets.com.ar

**Dolores Jáuregui**

Communication with external Analysts  
Assistant  
djauregui@capitalmarkets.com.ar

\*\*\*\* Capital Markets Argentina S.A. – Non-Research Disclosures \*\*\*\*

## Legal and disclosure information

This material/information is not for retail clients or private individuals.

### Notice to U.S. investors

This material is not to be distributed in the United States, except to Major US institutional Investors as defined in SEC Rule 15a-6 ("Rule 15a-6"). Capital Markets Argentina (CMA) has entered into arrangements with Epic Capital Securities Corp. ("ECSC") a FINRA member broker-dealer which enables this material to be furnished to eligible U.S. recipients in reliance on Rule 15a-6 under the U.S. Securities Exchange Act of 1934, as amended.

Each U.S. recipient of this material represents and agrees, by virtue of its acceptance thereof, that it is such a "major U.S. institutional investor" (as such term is defined in Rule 15a-6) and that it understands the risks involved in executing transactions in any securities referenced in these materials. Any U.S. recipient of this information that wishes to discuss or receive additional information regarding any topic, security or other items herein, or engage in any transaction to purchase or sell or solicit or offer the purchase or sale of any securities referenced in this material, should contact a registered representative of ECSC, which maintains a chaperoning arrangement with CMA. ECSC is a broker-dealer registered with the SEC, Member of FINRA and SIPC. You can reach ECSC at 2000 Glades Road, Suite 210 Boca Raton, FL 33431, phone (561) 829-2173. Further information is also available at [www.epiccapitalfl.com](http://www.epiccapitalfl.com). You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC directly at 202-371-8300; website: <http://www.sipc.org>.

ECSC and CMA are under common control and ownership and maintain certain dually associated persons. CMA is a registered Futures Broker-Dealer in Argentina and was formed in 1990. The company is a member of the Rosario Futures Market approved to act as an agent and compensation member. CMA is regulated by the Rofex market and the Comisión Nacional de Valores. CMA also acts as investment advisor for local equity and fixed income products for individuals, corporations and institutional investors. CMA is located at Esmeralda 130, 8th. Floor, zip code: C1035ABD, Buenos Aires, Argentina. Further information is also available at: [www.capitalmarkets.com.ar](http://www.capitalmarkets.com.ar)

The information contained in this publication was obtained from various publicly available sources believed to be reliable, but has not been independently verified by CMA or ECSC. CMA and ECSC do not warrant the completeness or accuracy of such information and do not accept any liability with respect to the accuracy or completeness of such information, except to the extent required by applicable law. **This publication is a brief summary and does not purport to contain all available information on the subjects covered. Further information may be available on request. This material may not be reproduced for further publication unless the source is quoted. This publication is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any securities, or as an invitation, inducement or intermediation for the sale, subscription or purchase of any securities, or for engaging in any other transaction. This publication is not for private individuals.**

Any opinions, projections, forecasts or estimates in this material are those of the author and entity listed on the front page of this material only, who has acted with a high degree of expertise. They reflect only the current views of the author at the date of this publication and are subject to change without notice. CMA and ECSC have no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the event that any matter, opinion, projection, forecast or estimate contained herein, changes or subsequently becomes inaccurate. The analysis, opinions, projections, forecasts and estimates expressed in this material in no way affected or influenced by the issuer. The author of this material benefits financially from the overall success of CMA.

The investments referred to in this publication may not be suitable for all recipients. Recipients are urged to base their investment decisions upon their own appropriate investigations that they deem necessary. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor, CMA and ECSC do not accept any liability for any such loss or consequence. In the event of any doubt about any investment, recipients should contact their own investment, legal and/or tax advisers to seek advice regarding the appropriateness of investing. Some of the investments mentioned in this publication may not be readily liquid investments. Consequently it may be difficult to sell or realize such investments. The past is not necessarily a guide to future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk.

To the extent permitted by applicable law, no liability whatsoever is accepted for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of this publication or its contents.