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HIGHLIGHTS

- **US:** Markets increase expectations of another rate cut amid a slowing service sector.
- **BRAZIL:** Activity is set to end the third quarter in positive terrain.

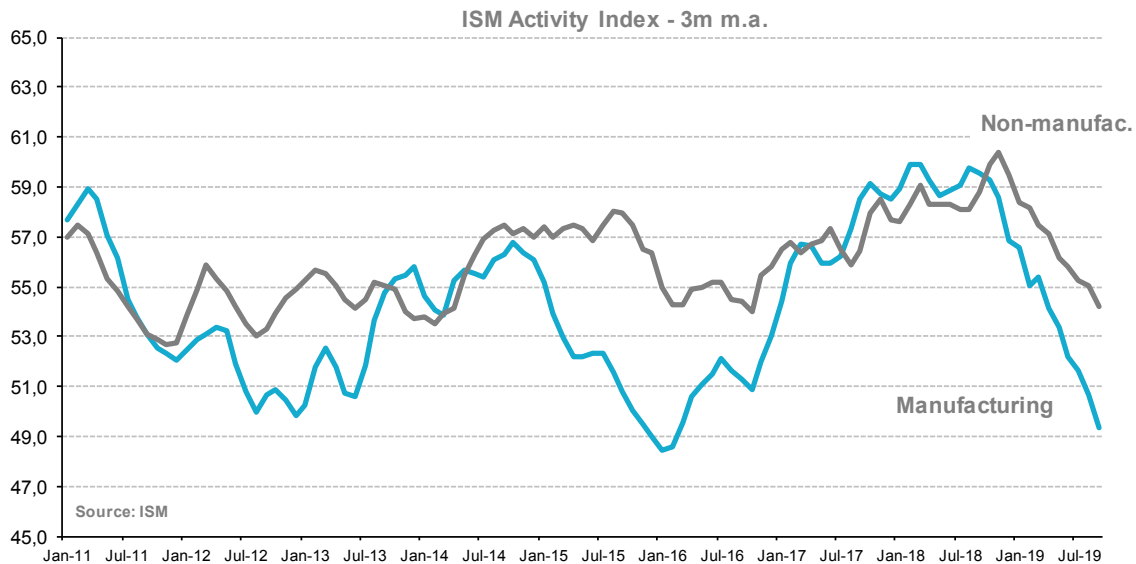
USA

United States: Economic Indicators From September 30th to October 4th

Date	Indicators	Period	Cons.	Prior	Actual
Tue 01	Markit US Manufacturing PMI	Sep F	--	51.0	51.1
	ISM Manufacturing	Sep	50.5	49.1	47.8
	Construction Spending MoM	Aug	0.4%	0.1%	0.1%
	Wards Total Vehicle Sales	Sep	17.05m	16.97m	17.19m
Wed 02	MBA Mortgage Applications	sep-27	--	-10.1%	8.1%
Thu 03	Initial Jobless Claims	sep-28	--	213k	219k
	Continuing Claims	sep-21	--	1650k	1651k
Fri 04	Markit US Services PMI	Sep F	--	50.9	50.9
	Factory Orders	Aug	-0.5%	1.4%	-0.1%
	Factory Orders Ex Trans	Aug	--	0.3%	0.0%
	Durable Goods Orders	Aug F	--	--	0.2%
	Durables Ex Transportation	Aug F	--	--	0.5%
	Cap Goods Orders Nondef Ex Air	Aug F	--	--	-0.4%
	Cap Goods Ship Nondef Ex Air	Aug F	--	--	0.3%
	ISM Non-Manufacturing Index	Sep	55.2	56.4	52.6
	Change in Nonfarm Payrolls	Sep	140k	130k	136k
	Unemployment Rate	Sep	3.7%	3.7%	3.5%
	Average Hourly Earnings MoM	Sep	0.3%	0.4%	0.0%
	Average Hourly Earnings YoY	Sep	3.2%	3.2%	2.9%
	Trade Balance	Aug	-\$54.9b	-\$54.0b	-\$54.9b

- No doubt the trade war has hit hard the manufacturing sector. The latest ISM survey signaled factory activity contracted again in September. The index fell to 47.8 from 49.1 in August, the second straight month in contraction zone. Production and employment dropped again, while new orders remained flat, all well below the 50% threshold.
- However, the ISM non-manufacturing index also fell in September, increasing worries that the slowdown is gradually translating to other sectors. The index dropped 3.8 percentage points to 52.6, signaling a lower expansion pace as companies are mostly concerned about tariffs, labor resources and the direction of the economy.

- Despite unemployment reached a 50-year low in September (3.5%), job creation fell below the 12-month average while wage growth decelerated to 2.9% yoy. Overall, the economy has been appraised as healthy by the Fed, but members remain divided as to whether more rate cuts are necessary. Markets however, expect another rate cut at this month's Monetary Policy Meeting.



United States: Economic Indicators This week

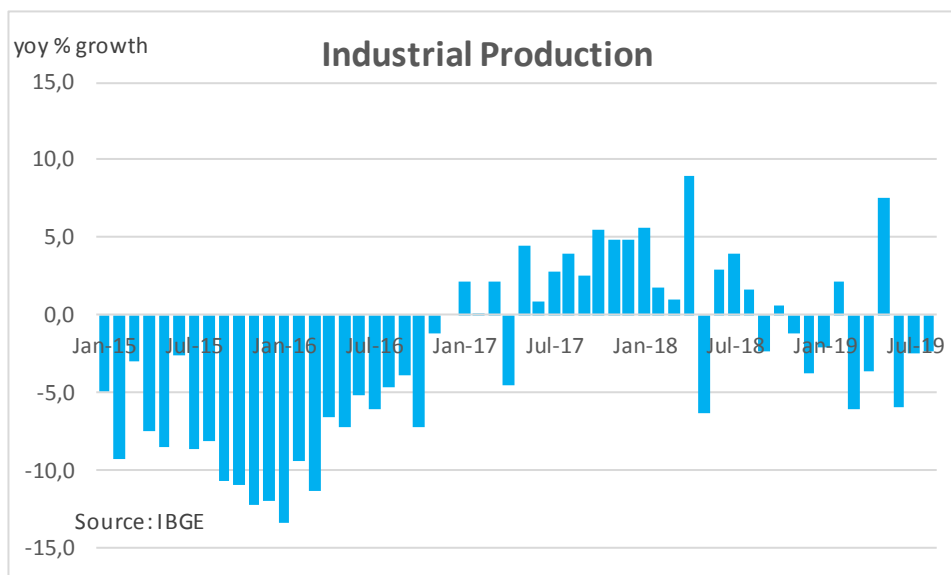
Date	Indicators	Period	Cons.	Prior
Mon 07	Monthly Budget Statement	Sep	\$96.5b	\$119.1b
Tue 08	NFIB Small Business Optimism	Sep	102.0	103.1
Wed 09	MBA Mortgage Applications	oct-04	--	8.1%
	Wholesale Trade Sales MoM	Aug	--	0.3%
	Wholesale Inventories MoM	Aug F	0.4%	0.4%
Thu 10	FOMC Meeting Minutes	sep-18	--	--
	CPI MoM	Sep	0.1%	0.1%
	CPI Ex Food and Energy MoM	Sep	0.2%	0.3%
	CPI YoY	Sep	1.8%	1.7%
	CPI Ex Food and Energy YoY	Sep	2.4%	2.4%
Fri 11	Initial Jobless Claims	oct-05	220k	219k
	Continuing Claims	sep-28	1651k	1651k
	U. of Mich. Sentiment	Oct P	92.0	93.2

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

- While industrial production contracted 2.3% yoy during August, it surprised advancing 0.8% mom seasonally adjusted, the highest pace since mid-2018. While less than half of surveyed sectors attained positive growth, driven by mining, energy and food, the outlook remains positive for the second half
- Furthermore, September's Markit surveys also signaled expansion. The manufacturing index rose to 53.4, the highest since February, as orders and production increased driven by rising local demand. Additionally, the services index improved slightly to 51.8, boosted by new orders and employment



4-Oct INDICATORS	BRAZIL					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	1,0% (2)	0,80%	2,40%		+	●
Industrial Production yoy	-2,3% (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	3,98 (3)	3,90	3,90	-	+	●
Country risk premium - Embi	264 (5)	-	-	+	+	●
International Reserves (USDb)	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)	54,8% (2)	56,18%	58,74%	+	+	●

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

Brazil			
Long Run Economic Indicators			
Indicator	2018	2019E	2020E
Real GDP (% ch)	1,11%	0,80%	2,40%
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

CHILE

4-oct INDICATORS	CHILE					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	1,90% (2)	3,40%	3,24%		+	●
Industrial Production yoy	1,4% (3)	-	-	+	+	●
Economic activity mom s.a.	0,9% (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	697,82 (2)	650,00	650,00	+	+	●
Country risk premium - Embi	148 (5)	-	-	=	-	●
International Reserves (USDb)	38,9 (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

4-oct 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	10,8% (2)	9,70%	9,50%	+	+	●
Inflation yoy	3,82% (2)	3,19%	3,04%	=	+	●
Inflation mom	0,23% (2)	-	-	-	-	●
Reference Interest Rate	4,25% (3)	-	-	=	-	●
COP/USD	3336,89 (3)	3120,00	3135,00	=	+	●
Country risk premium - Embi	189 (5)	-	-	-	=	●
International Reserves (USD\$b)	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

MEXICO

4-oct 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	19,17 (4)	19,10	19,80	-	+	●
Country risk premium - Embi	215 (5)	-	-	-	+	●
International Reserves (USDb)	180,2 (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

PERU

4-oct INDICATORS	PERU					
	LAST	2019E (1)	2020E (1)	MONTH	YEAR	OUTLOOK
GDP yoy	1,2% (2)	3,93%	3,98%		-	●
Industrial Production yoy	0,3% (2)	-	-	+	-	●
Economic activity mom s.a.	3,3%* (2)	-	-	+	+	●
Unemployment	5,8% (2)	6,58%	6,49%	-	-	●
Inflation yoy	1,85% (2)	2,17%	2,01%	-	+	●
Inflation mom	0,01% (2)	-	-	-	-	●
Reference Interest Rate	2,50% (3)	-	-	=	-	●
PEN/USD	3,28(3)	3,35	3,30	=	+	●
Country risk premium - Embi	110 (5)	-	-	+	-	●
International Reserves (USDb)	68,4 (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

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