



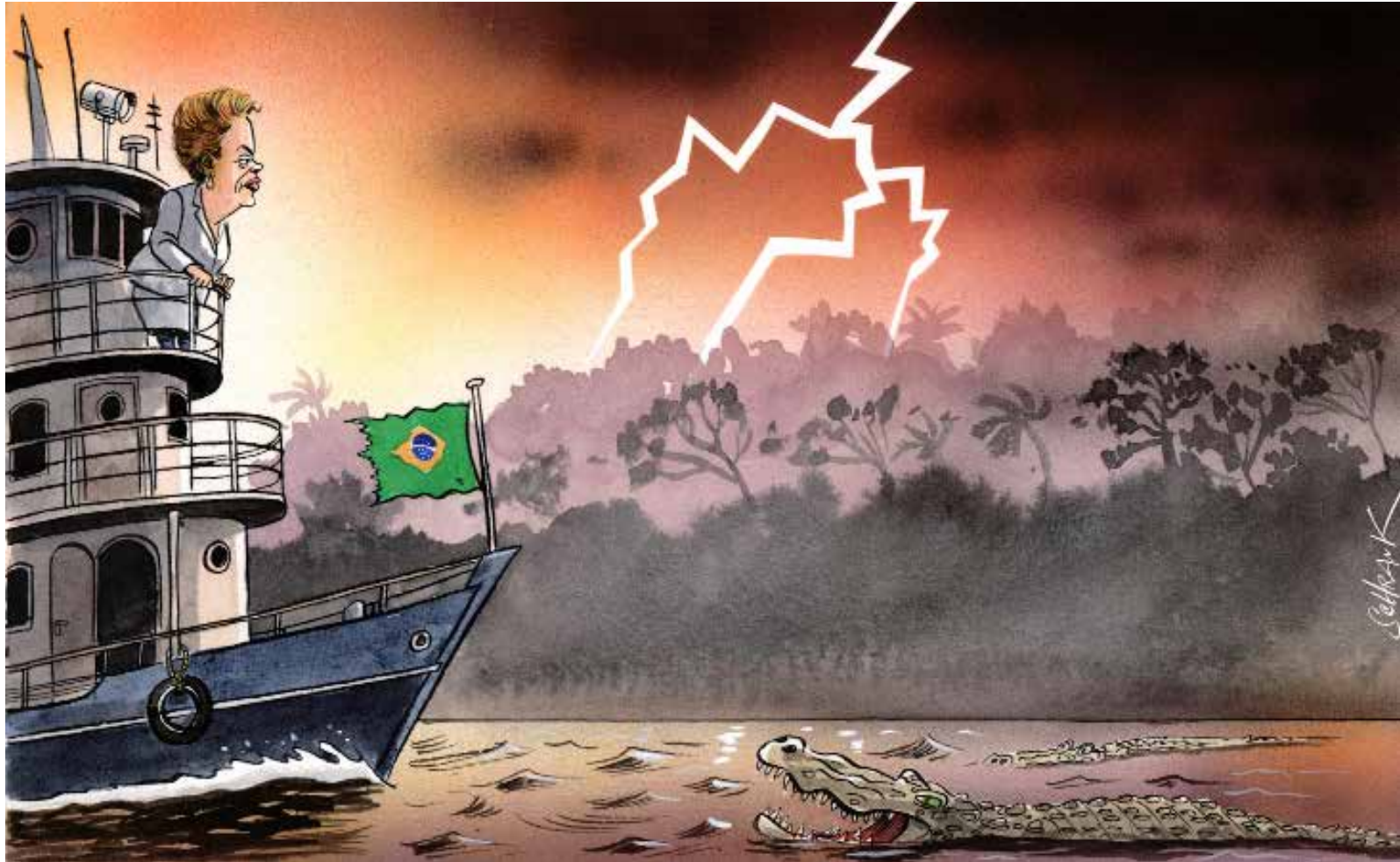
PANTHEON[™]
MACROECONOMICS

INDEPENDENT • INCISIVE • ILLUMINATING

TEMPORARY RELIEF FOR LATAM ECONOMIES: BUT BRAZIL IS THE BIG EXCEPTION

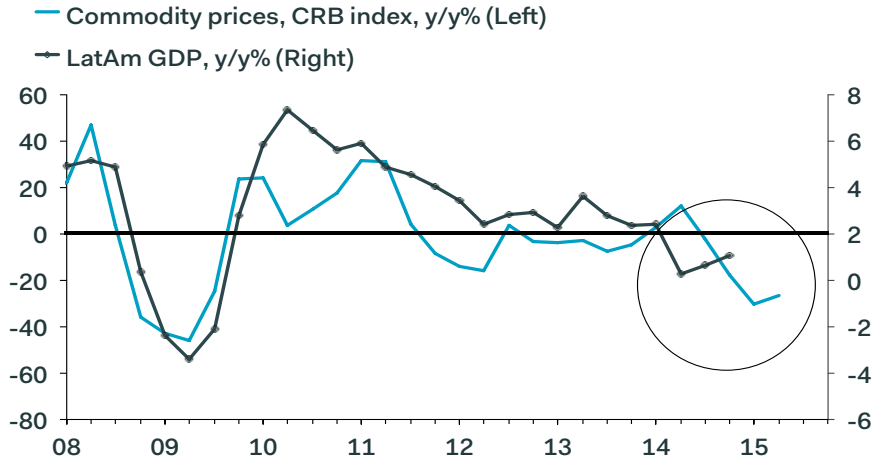
LATIN AMERICA ECONOMIC CHARTBOOK, MAY 2015

DATA AS AT MARCH 19 | ANDRES ABADIA, SENIOR ECONOMIST
WWW.PANTHEONMACRO.COM | +44 191 2600 309

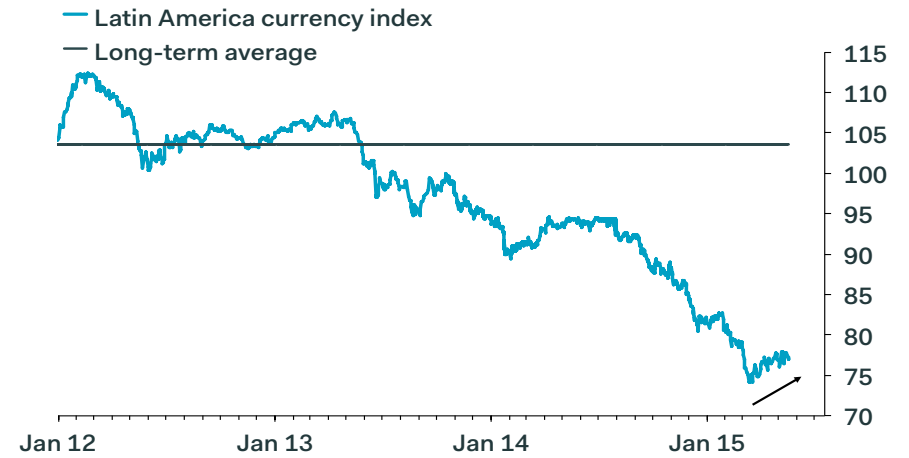




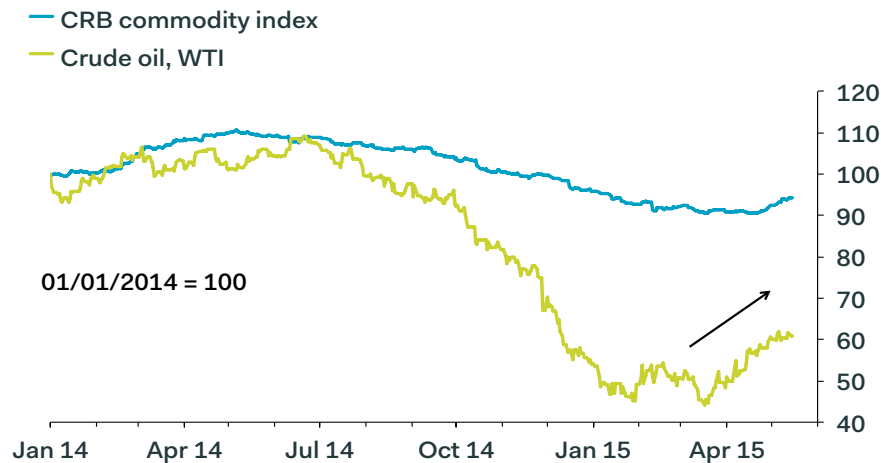
1. LOW COMMODITY PRICES WERE A SERIOUS DRAG ON LATAM IN Q1



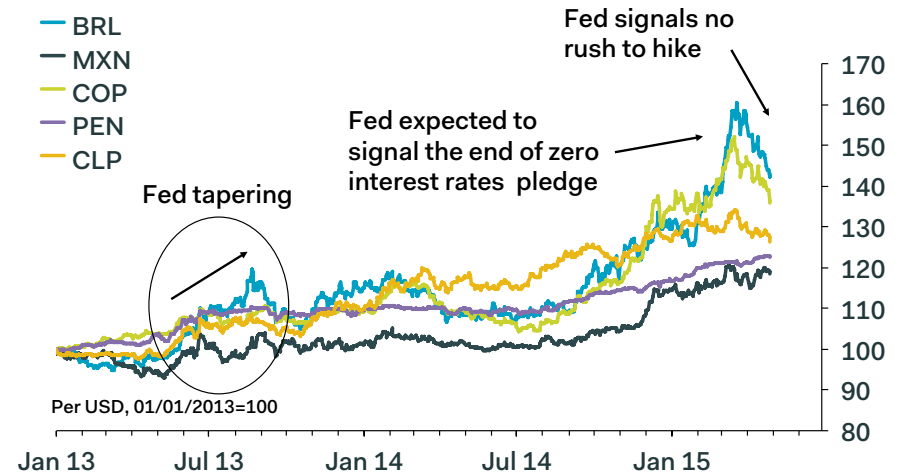
3. MOST LATAM CURRENCIES HAVE REBOUNDED, MODESTLY



2. ...BUT COMMODITIES HAVE RISEN RECENTLY ON A WEAK DOLLAR

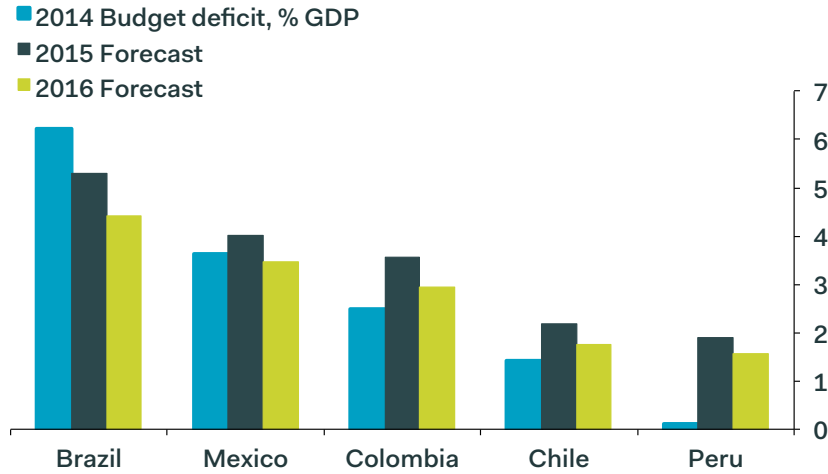


4. ...SOME RELIEF AFTER FED SIGNALS IT IS IN NO RUSH

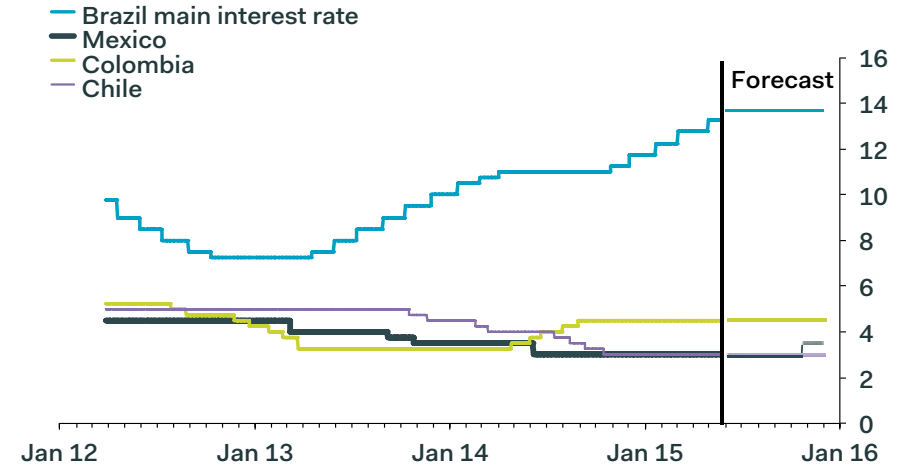




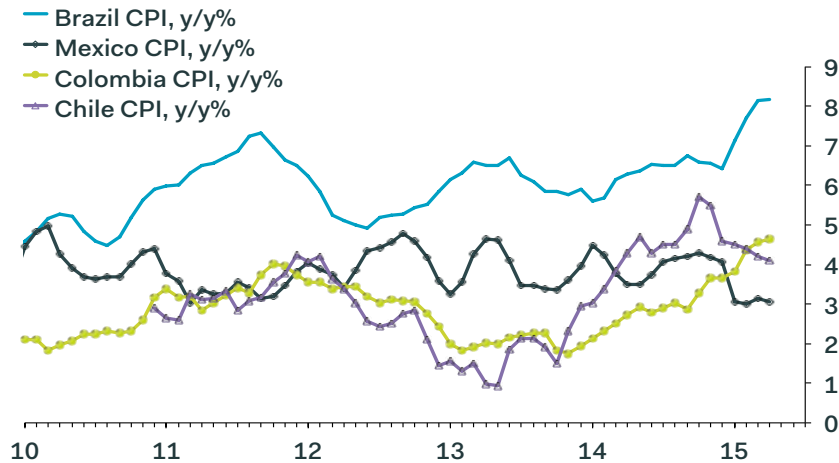
5. BUT FISCAL TIGHTENING WILL CURB GROWTH IN SOME COUNTRIES



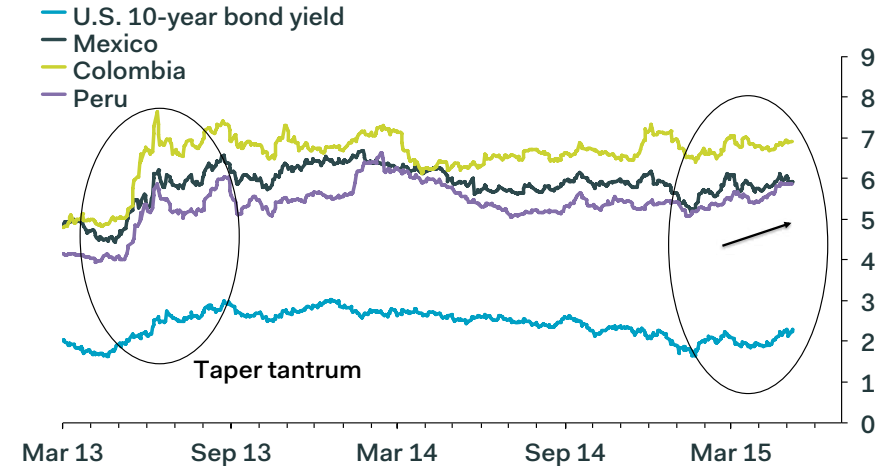
7. MOST ECONOMIES WILL LEAVE INTEREST RATES ON HOLD THIS YEAR



6. INFLATION WILL SLOW DUE TO SUBDUED ACTIVITY

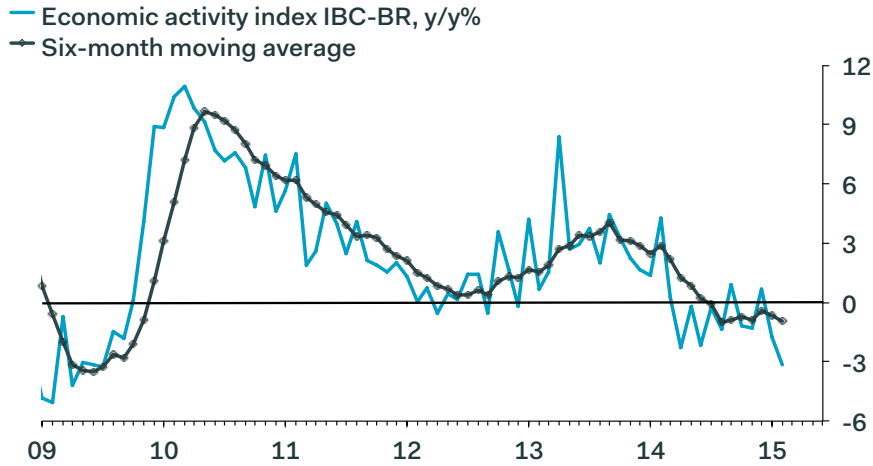


8. BONDS HAVE BEEN MUCH CALMER THAN CURRENCIES THIS TIME

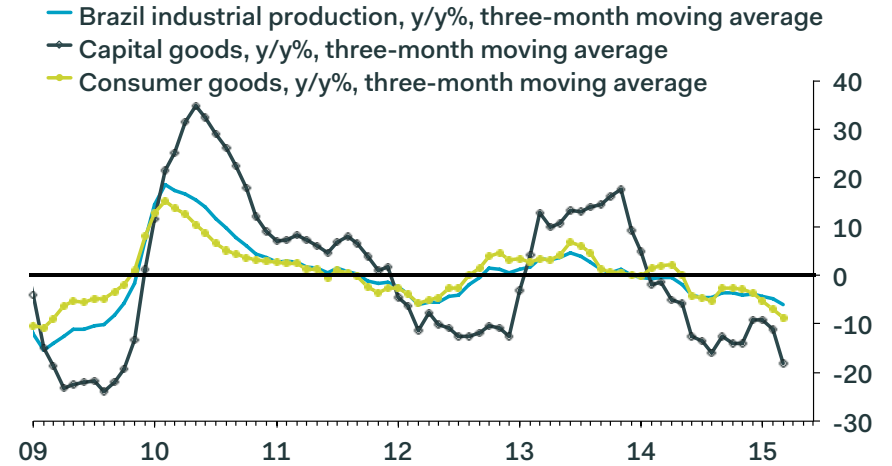




9. BRAZIL: GROWTH TO HIT BOTTOM IN THE SECOND QUARTER



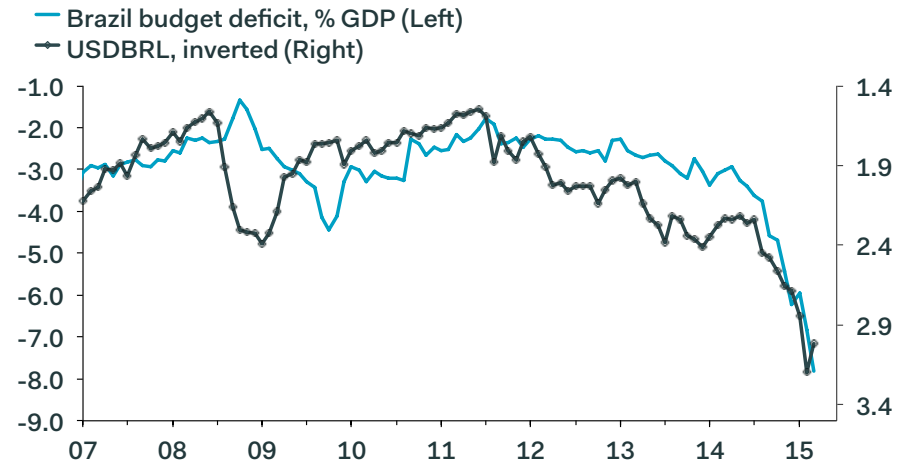
11. BROAD-BASED DETERIORATION IN INDUSTRIAL PRODUCTION



10. NO SIGNS OF A TURNAROUND YET...

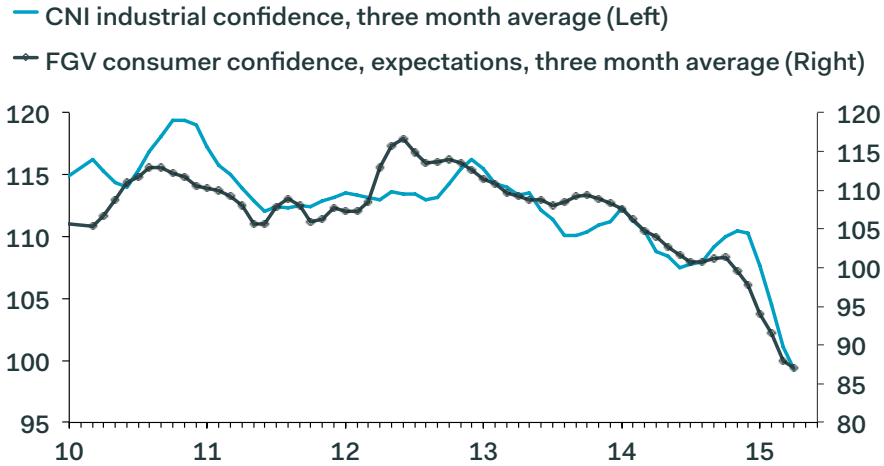


12. DRAMATIC FISCAL DETERIORATION HAS HURT THE BRL

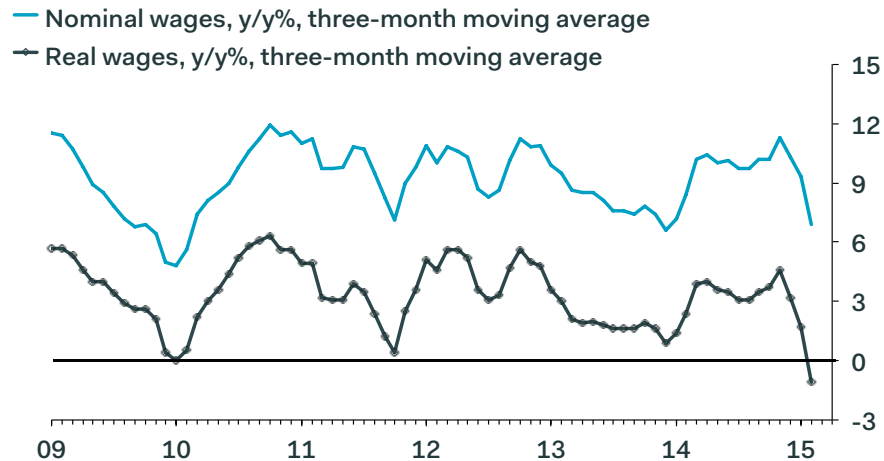




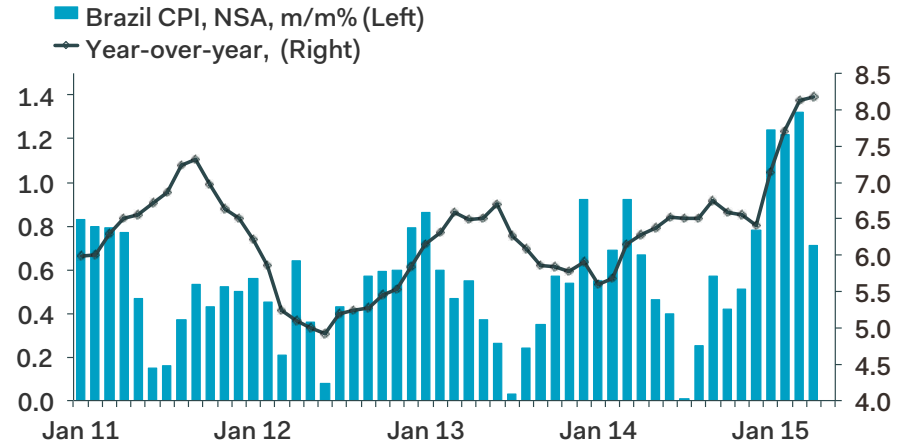
13. CONFIDENCE WILL REMAIN CLOSE TO HISTORIC LOWS THIS YEAR



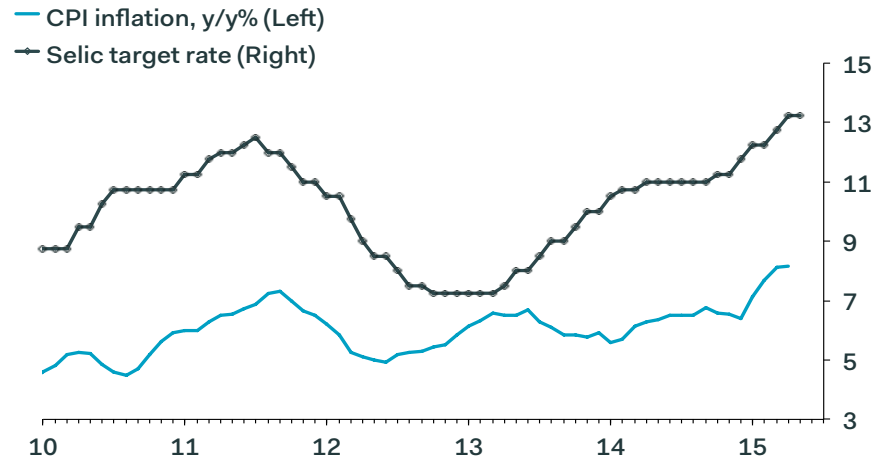
14. WAGE GAINS ARE COLLAPSING



15. THE HIGHEST INFLATION RATE IN OVER TEN YEARS IS HURTING

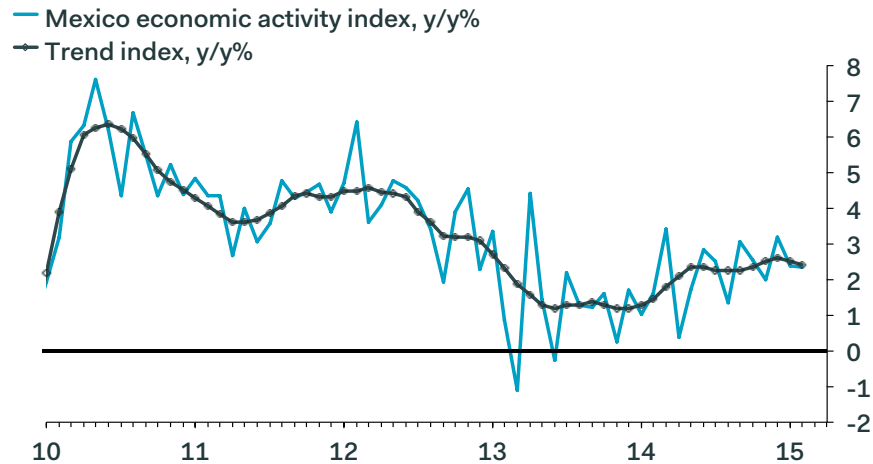


16. THE BCB IS NOT YET DONE HIKING RATES, BUT THE END IS CLOSE

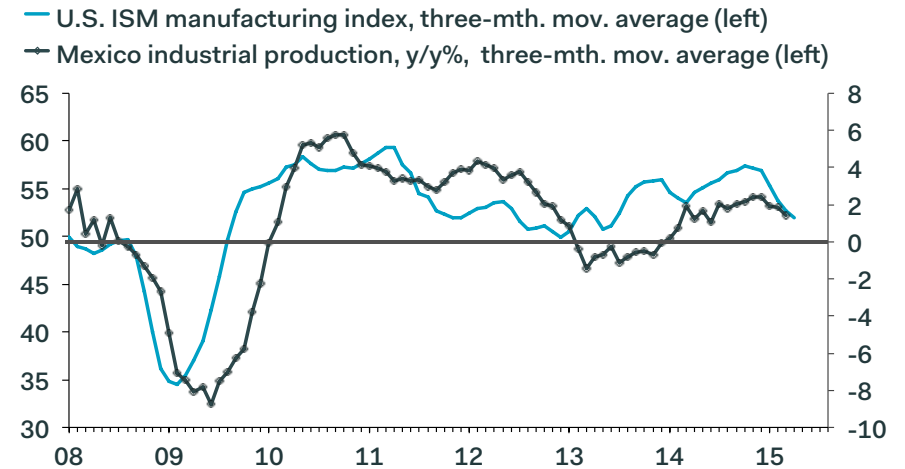




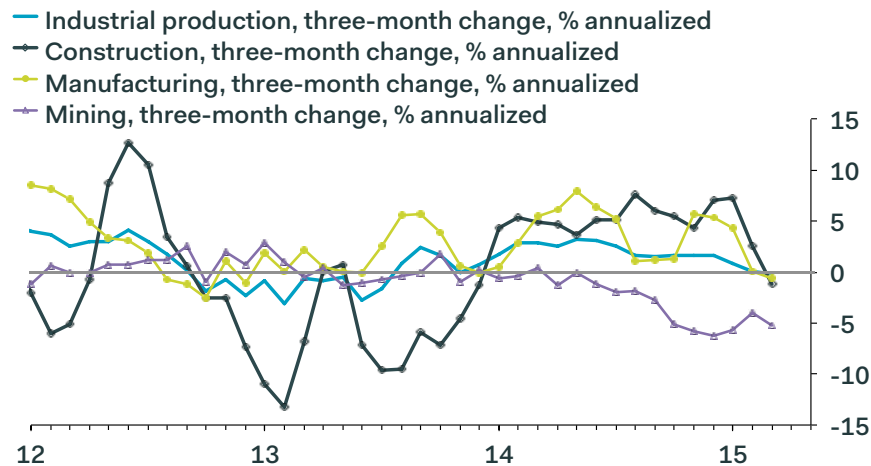
17. MEXICO: ECONOMIC GROWTH STALLED IN THE FIRST QUARTER



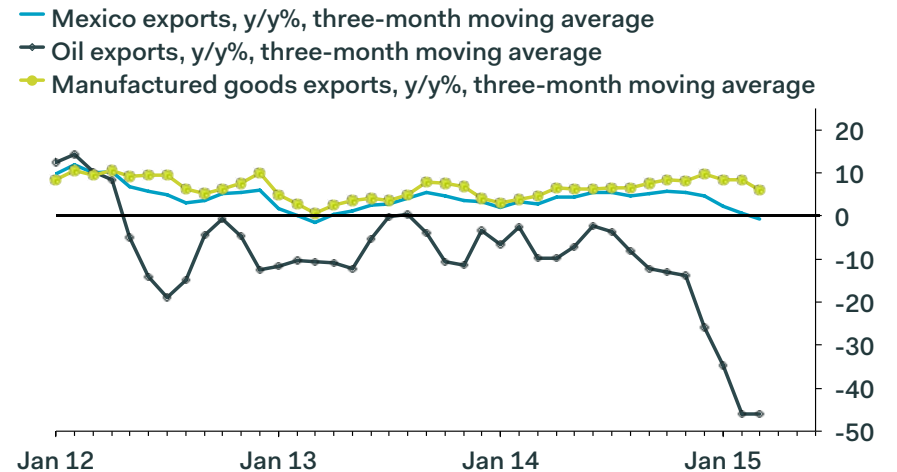
19. ...REFLECTING SOFTER GROWTH IN THE US, MEXICO'S KEY PARTNER



18. ...HIT BY THE SLOWDOWN IN INDUSTRIAL ACTIVITY

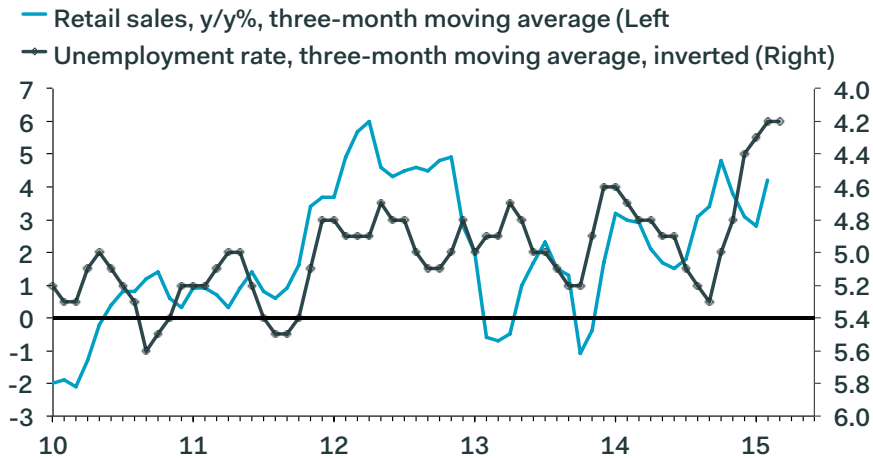


20. OIL EXPORTS HAVE COLLAPSED

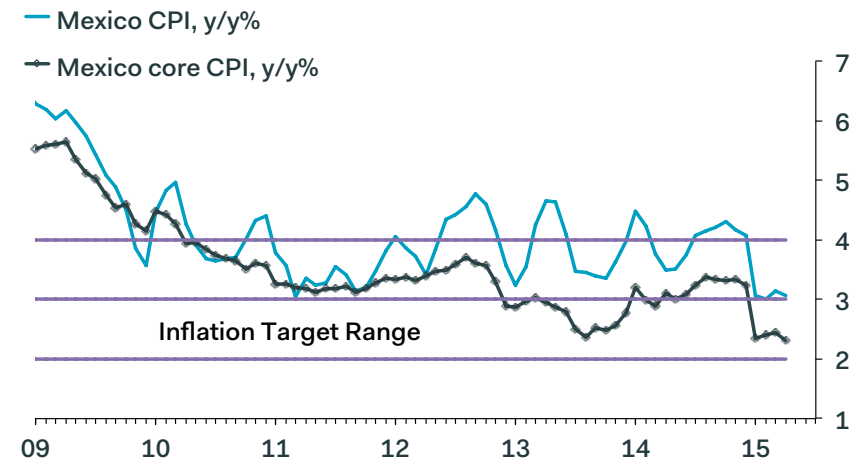




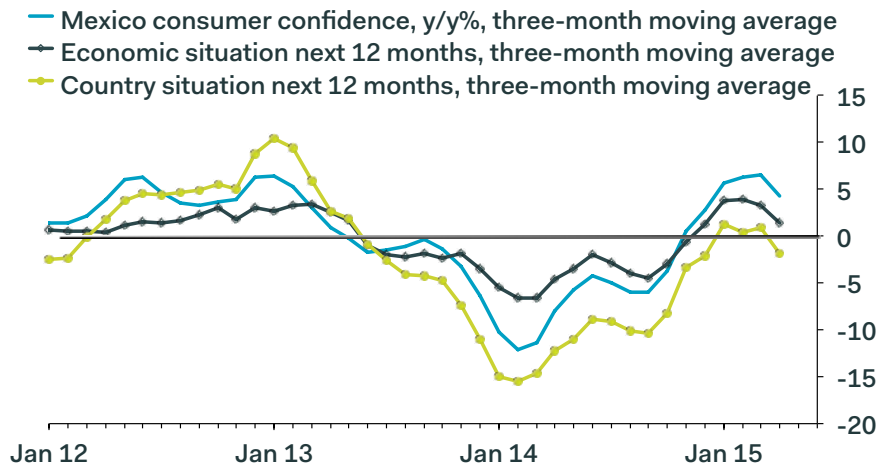
21. CONSUMPTION AND THE LABOR MARKET REMAIN RESILIENT



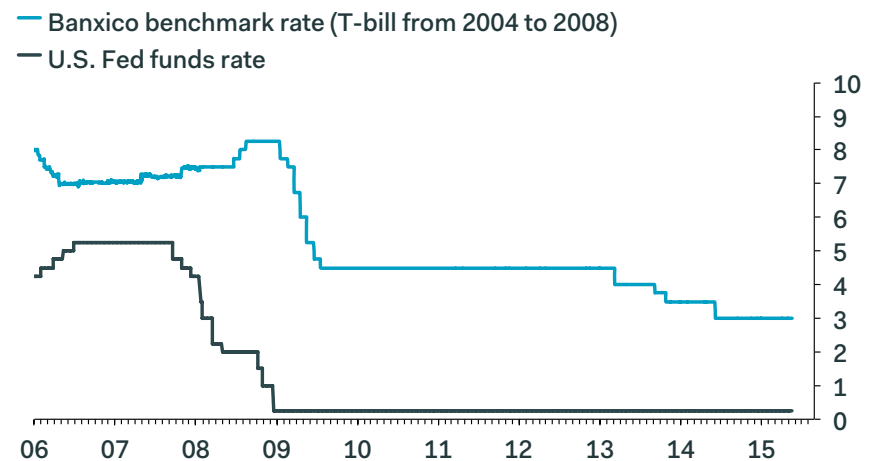
23. INFLATION IS ON TARGET; NOT A WORRY FOR POLICYMAKERS...



22. BUT SPENDING LIKELY WILL SLOW IN THE SECOND QUARTER

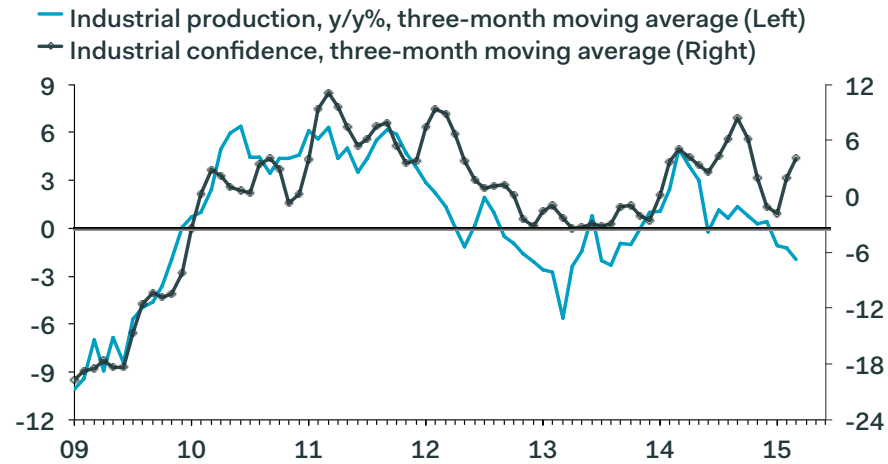


24. ...BANXICO CAN WAIT FOR THE FED TO MOVE

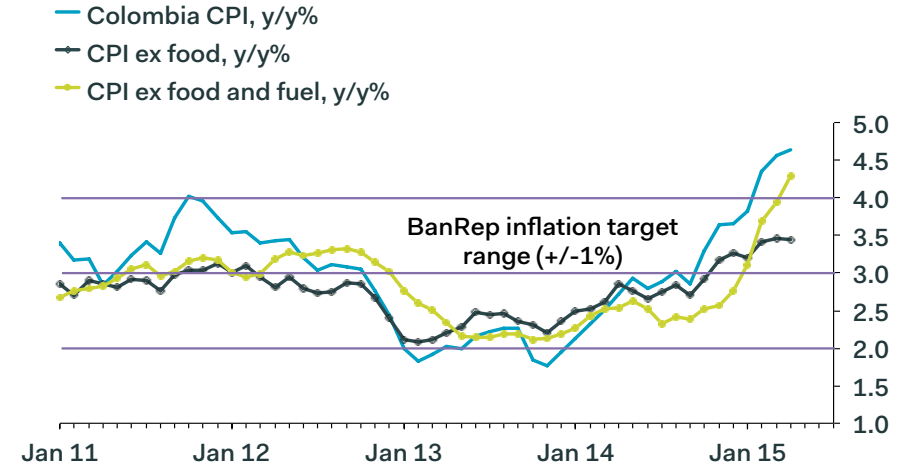




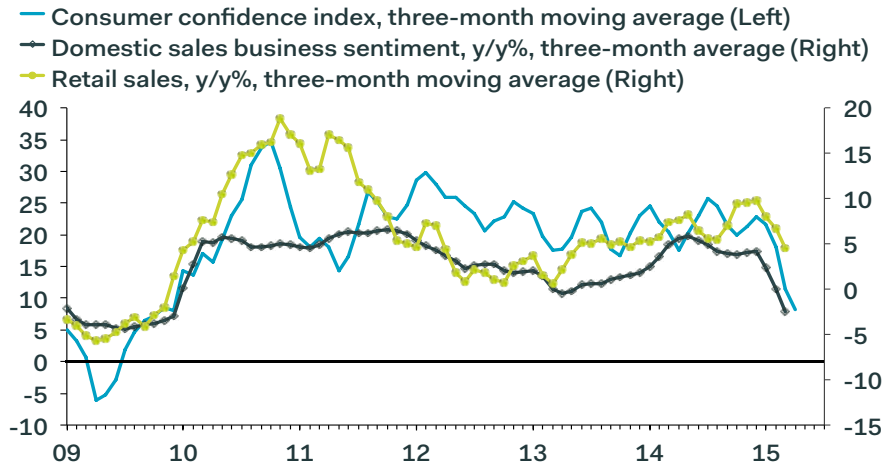
25. COLOMBIA: ECONOMIC ACTIVITY SLOWING DUE TO FALLING OIL PRICES



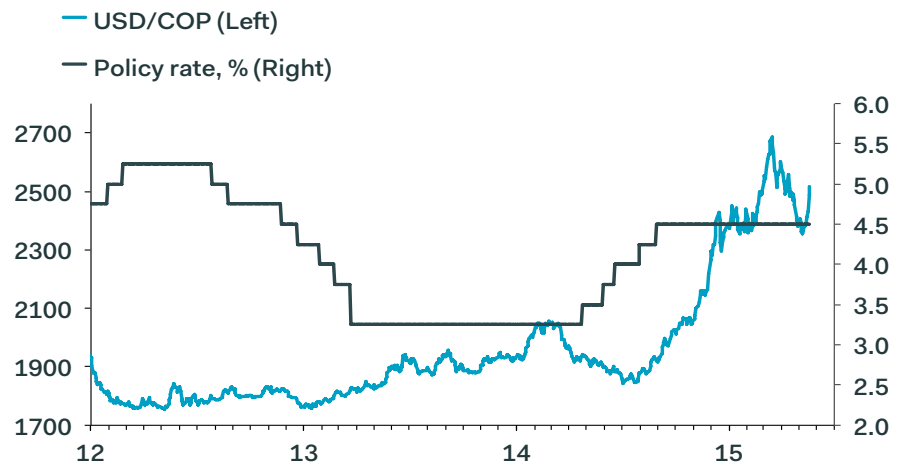
27. INFLATION IS NOW WELL ABOVE THE TARGET ZONE...



26. ...DOMESTIC ACTIVITY IS STARTING TO FEEL THE PAIN TOO

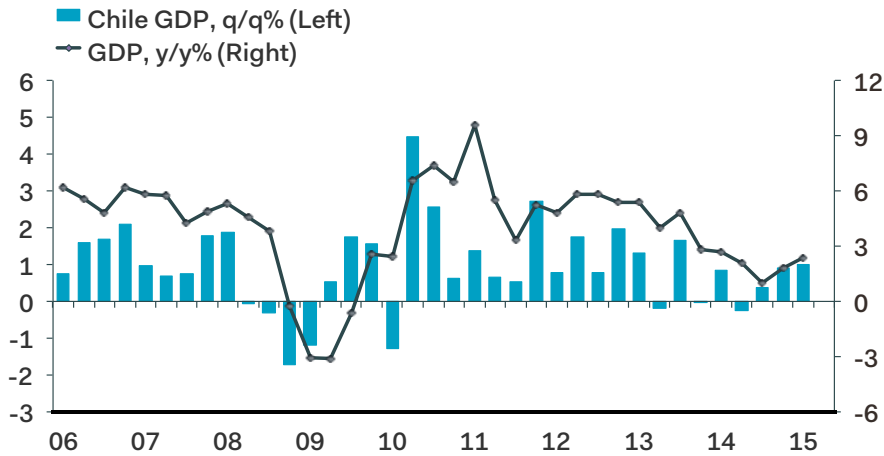


28. ...BUT BANREP WILL REMAIN ON HOLD FOR THE REST OF THE YEAR

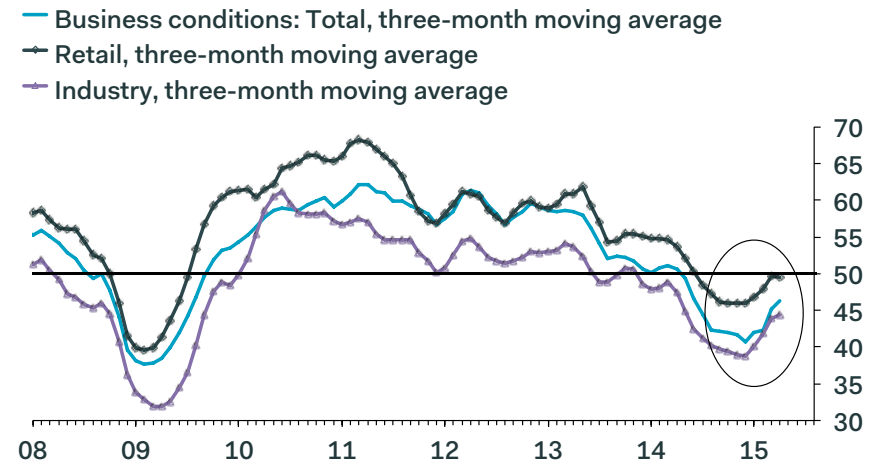




29. CHILE: PICKING UP, THANKS TO POLICY STIMULUS



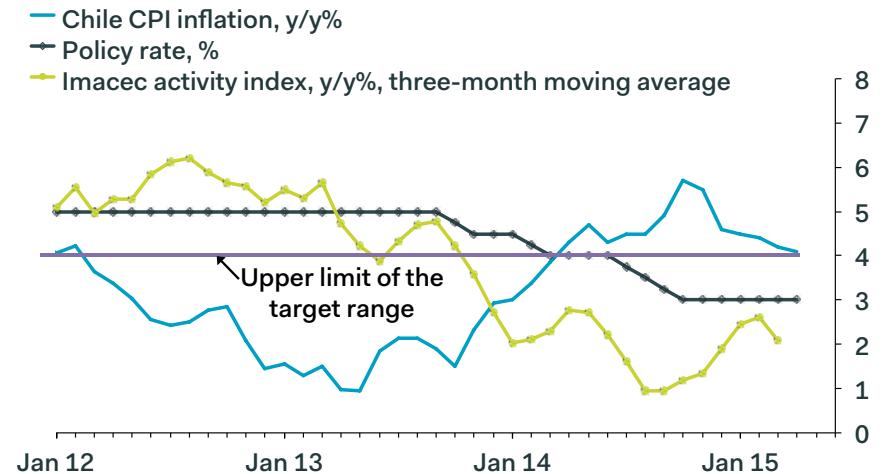
31. CONFIDENCE IS IMPROVING BUT REMAINS CONSTRAINED



30. BUT SUBDUED INVESTMENT IS STILL A RISK AHEAD

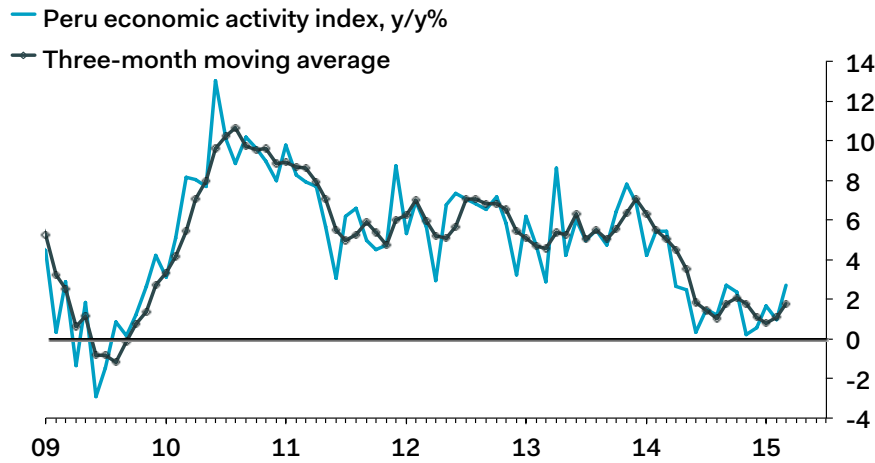


32. THE BCCH WILL REMAIN ON HOLD IN THE SHORT TERM

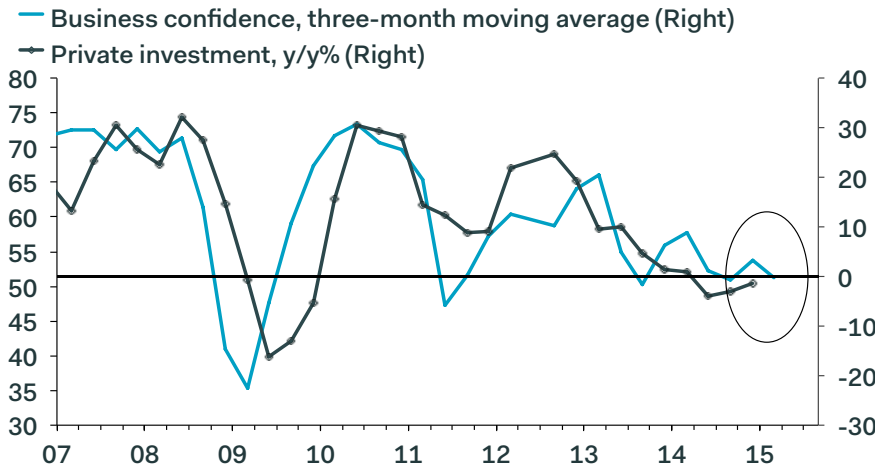




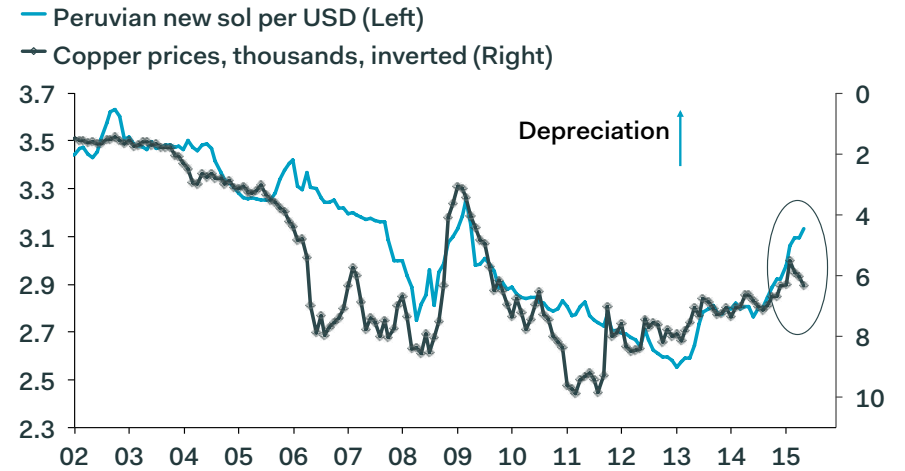
33. PERU: THE ECONOMY GATHERED PACE IN THE FIRST QUARTER



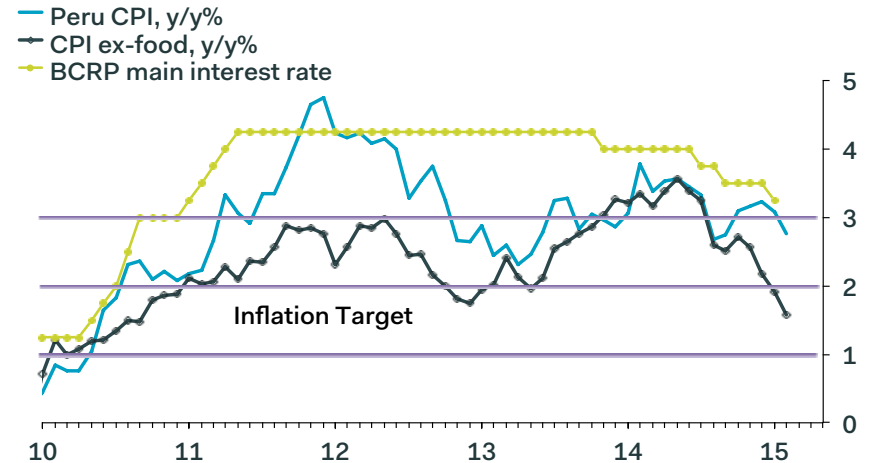
34. BUT PRIVATE INVESTMENT IS STRUGGLING TO GROW AGAIN



35. PEN STILL DEPRECIATING DESPITE RECENT COPPER PRICE REBOUND

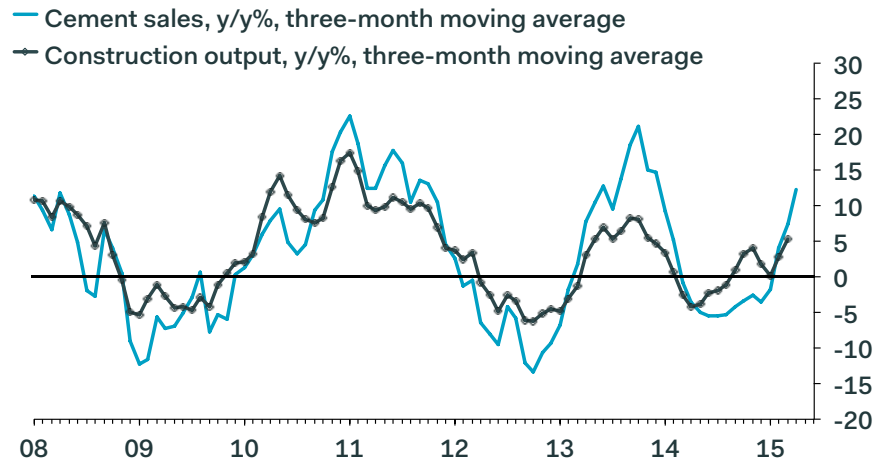


36. HIGH INFLATION LIMITS ROOM FOR FURTHER EASING

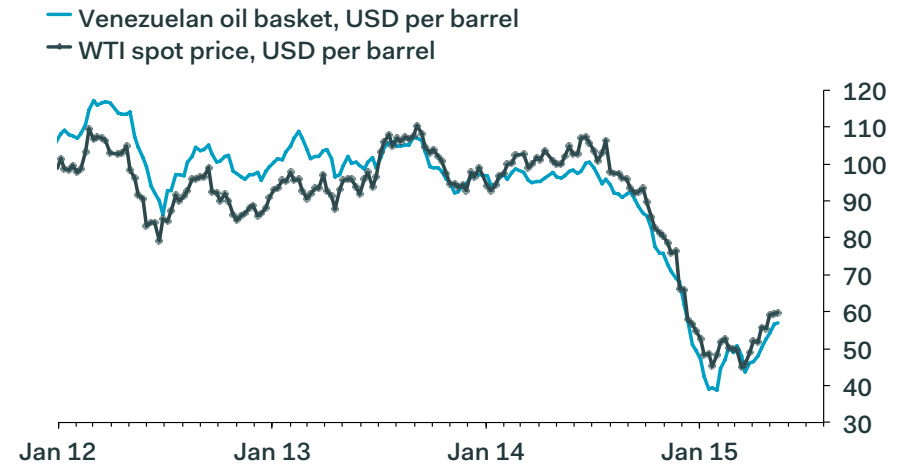




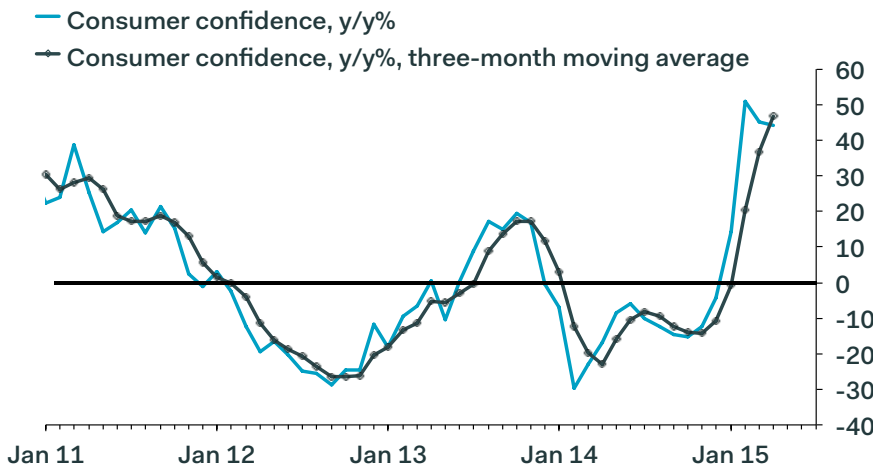
37. ARGENTINA: PUBLIC SPENDING SOARING AHEAD OF ELECTIONS



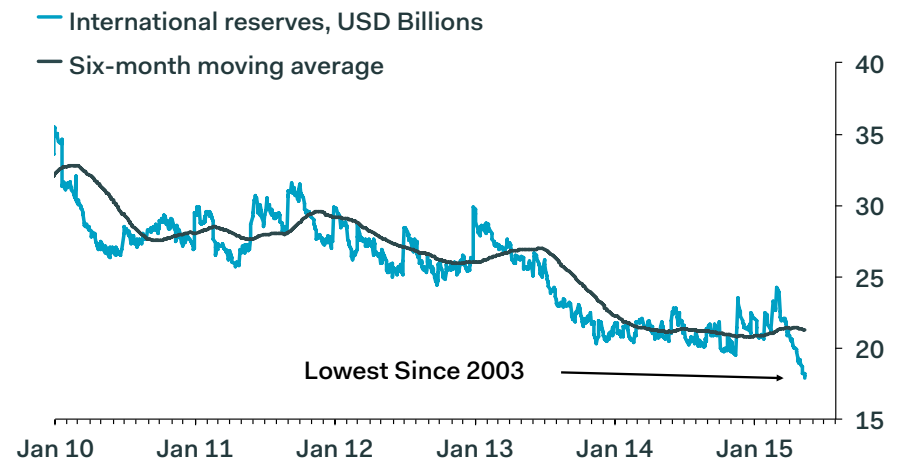
39. VENEZUELA: HIGHER OIL PRICES OFFER RELIEF, TEMPORARILY



38. ...AND RISING CONFIDENCE IS BOOSTING CONSUMPTION, FOR NOW

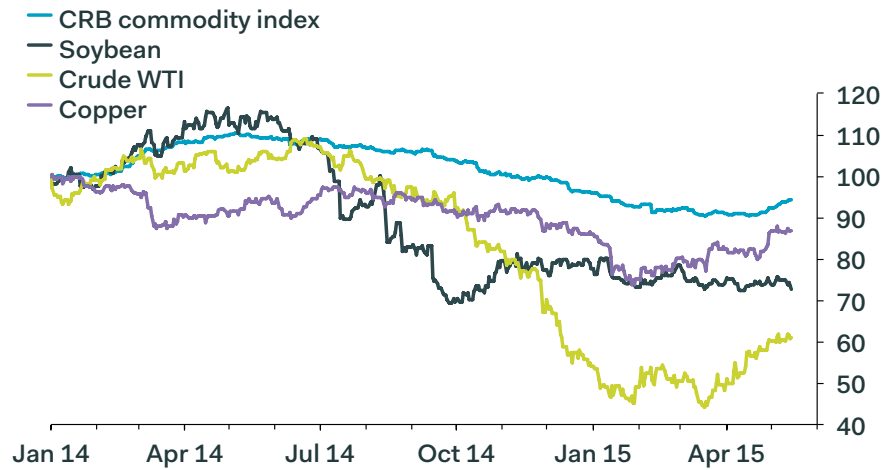


40. LOW OIL PRICES HAVE CRUSHED FOREIGN EXCHANGE RESERVES

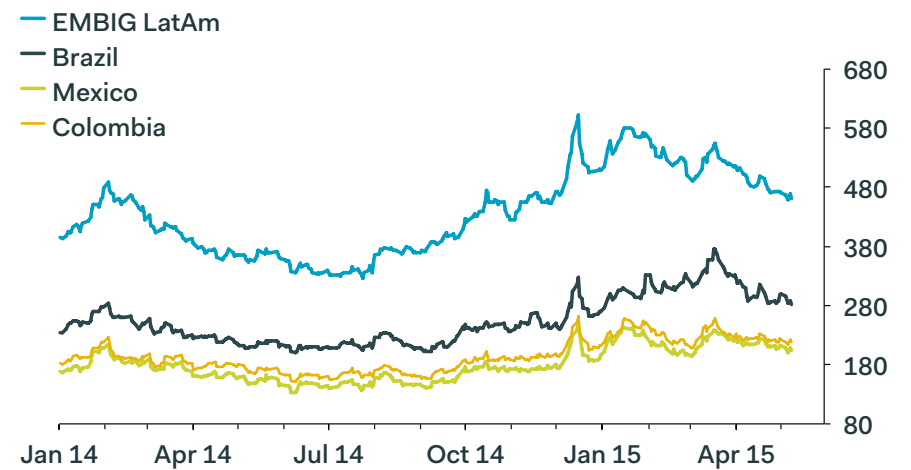




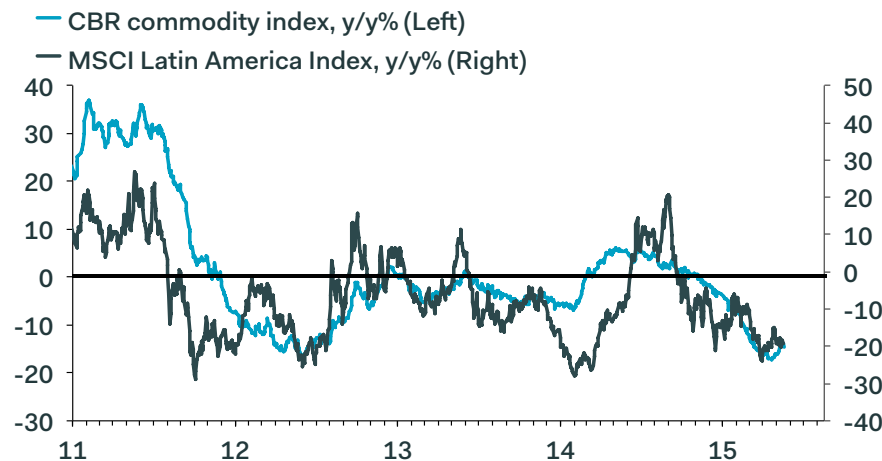
41. COMMODITY PRICES HAVE BOUNCED BACK. FOR NOW



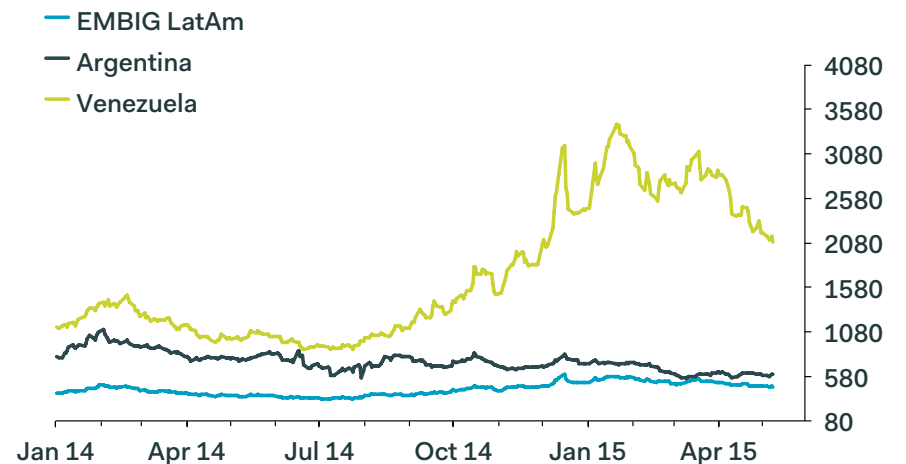
43. COUNTRY RISK PREMIUM HAS SUBSIDED IN THE LAST MONTH...



42. ...BUT THE IMPACT ON EQUITY MARKETS HAS BEEN LIMITED



44. ...EVEN IN VENEZUELA, THANKS TO THE REBOUND IN OIL PRICES





GDP (year-over-year, %)	2012	2013	2014	2015	2016
Argentina	0.9	2.9	0.5	-1.1	-0.2
Brazil	1.8	2.8	0.2	-1.2	0.9
Chile	5.5	4.3	1.9	2.6	3.5
Colombia	4.0	4.9	4.6	3.3	3.7
Mexico	4.0	1.4	2.1	2.8	3.4
Peru	6.0	5.8	2.4	3.5	4.3
Venezuela	5.7	0.9	-3.6	-4.5	0.1
<i>Latin America</i>	2.8	2.7	1.1	0.6	2.0

Prices, CPI (year-over-year, %, average)

Argentina	10.0	10.6	25.0	20.0	23.0
Brazil	5.4	6.2	6.3	8.4	6.0
Chile	2.9	1.8	4.4	3.4	3.3
Colombia	3.2	2.0	2.9	3.7	3.3
Mexico	4.1	3.8	4.0	3.1	3.5
Peru	3.7	2.8	3.3	2.6	2.5
Venezuela	21.3	38.0	63.0	75.0	80.0
<i>Latin America ex-Venezuela</i>	6.2	6.8	5.1	9.8	9.6

Central Bank Rate (end of year)

Argentina	10.50	14.50	29.50	--	--
Brazil	7.25	10.00	11.75	13.50	12.00
Chile	5.00	4.50	3.00	3.00	3.50
Colombia	4.25	3.25	4.50	4.50	4.75
Mexico	4.50	3.50	3.00	3.50	4.00
Peru	4.25	4.00	3.50	3.25	3.25
Venezuela	15.23	15.66	18.73	--	--
<i>Latin America</i>	7.25	8.00	10.50	5.50	6.00