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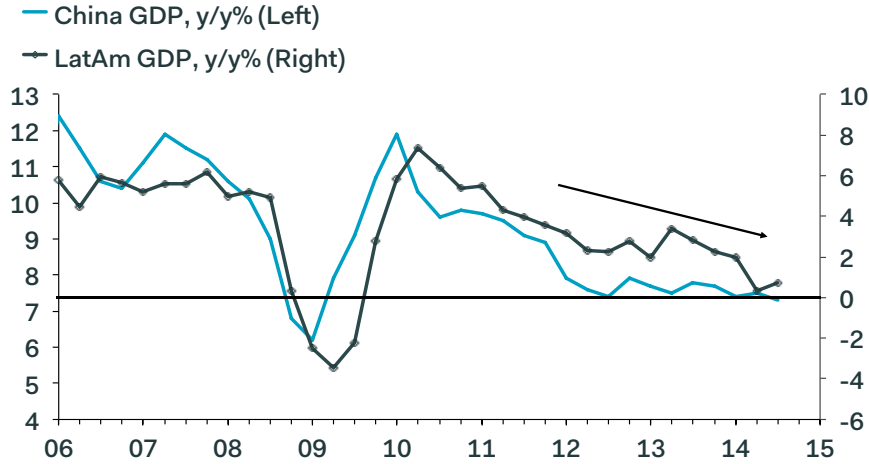
LATIN AMERICA IS NOT A MONOLITH: ECONOMIES DIVERGE AS OIL DROPS AND U.S. ACCELERATES

LATIN AMERICA ECONOMIC CHARTBOOK, JANUARY 2015

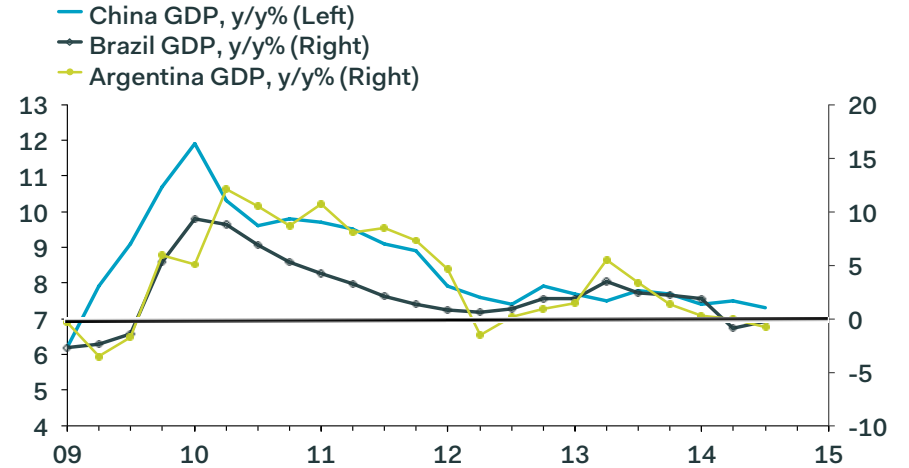
DATA AS AT JANUARY 22 | ANDRES ABADIA, SENIOR ECONOMIST
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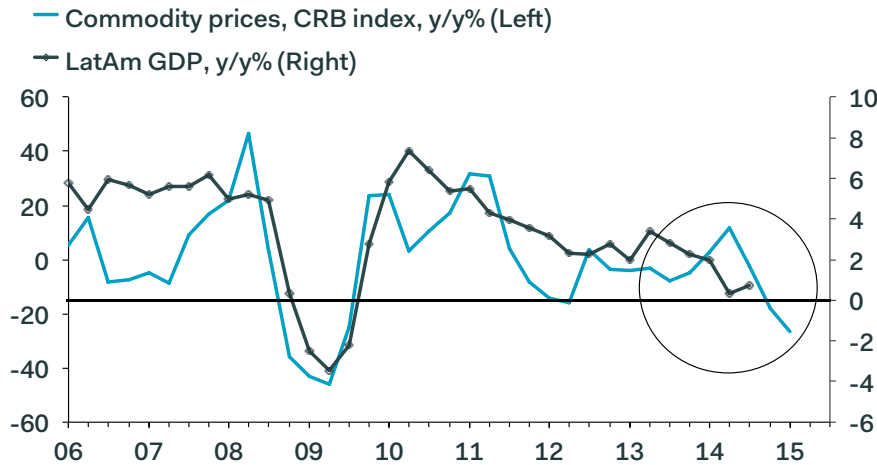
1. SLOWER GROWTH IS DUE PARTLY TO REDUCED CHINA DEMAND...



3. WORST HIT ARE BRAZIL, ARGENTINA AND VENEZUELA



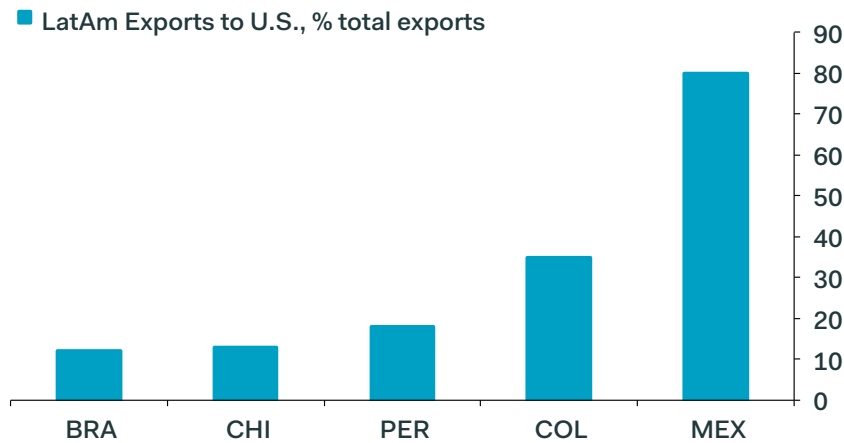
2. ...AND DECLINING COMMODITY PRICES



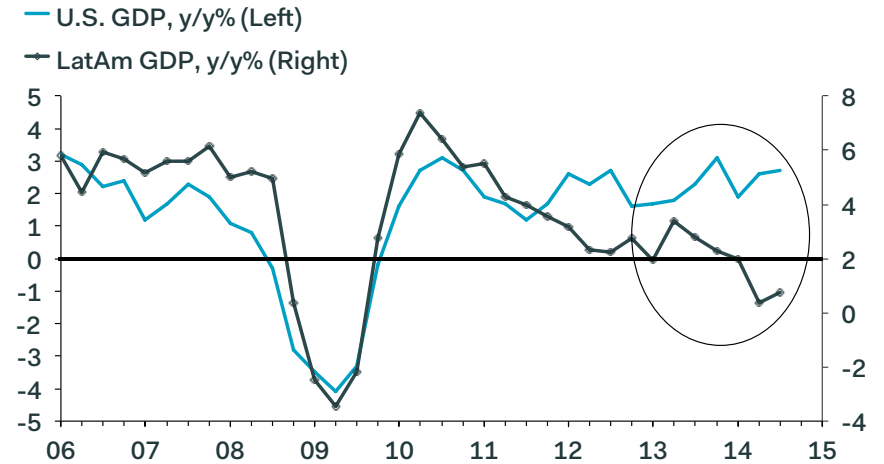
4. THREE-SPEED ECONOMIC GROWTH IN LATAM; GAPS WILL WIDEN



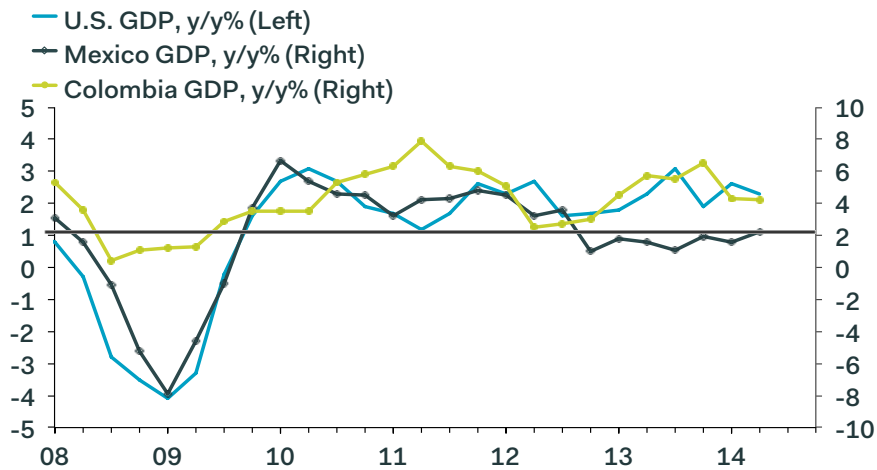
5. MEXICO AND COLOMBIA BEST PLACED FOR U.S. RECOVERY



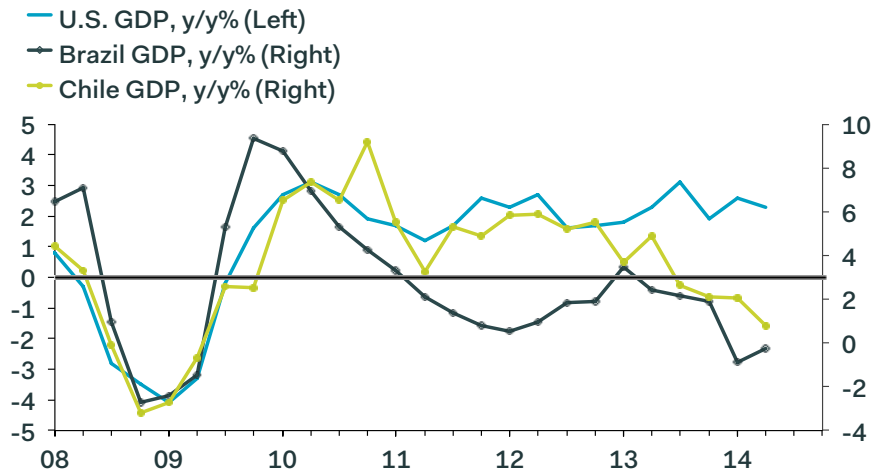
7. BUT OTHER COUNTRIES WILL BENEFIT MUCH LESS



6. STRONGER U.S. GROWTH IS GREAT FOR MEXICO AND COLOMBIA

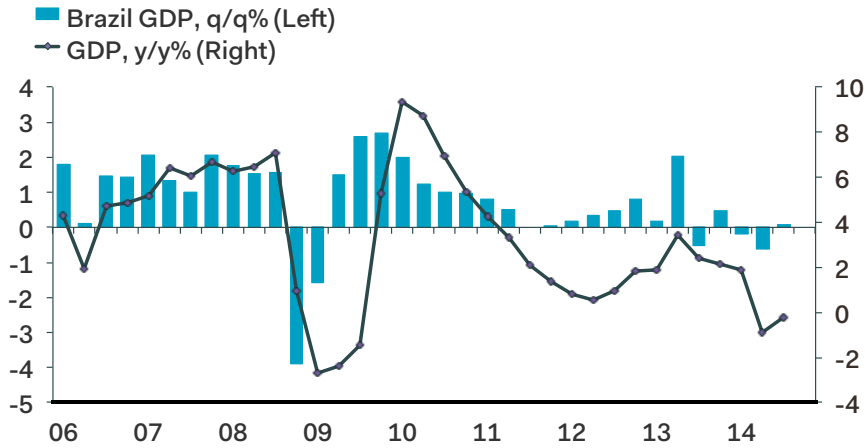


8. A STRONG US MEANS LITTLE FOR BRAZIL AND CHILE

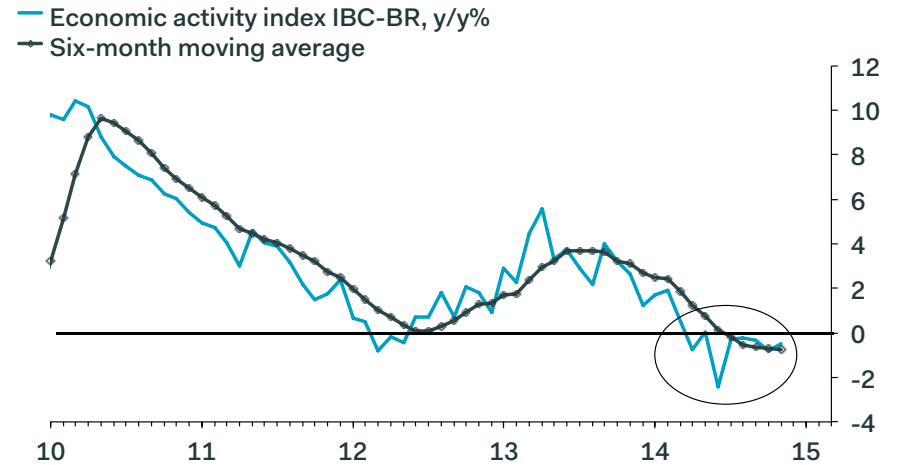




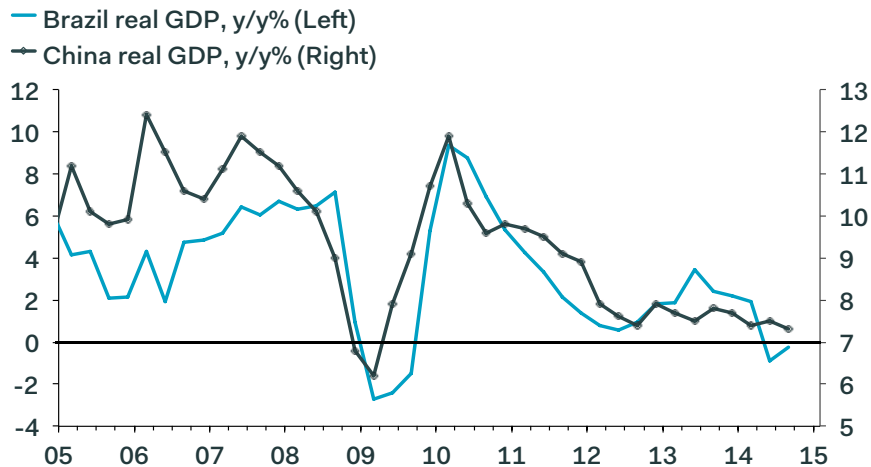
9. BRAZIL: 2014 YEAR WAS ANOTHER YEAR TO FORGET



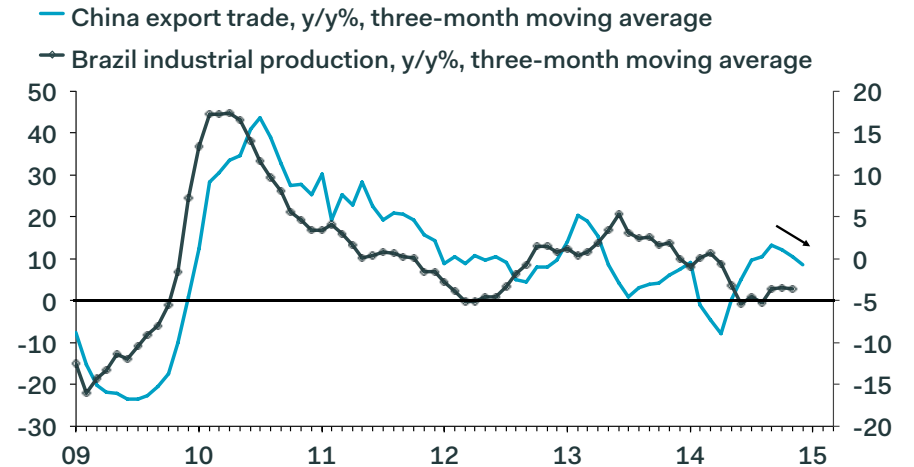
11. NO SOLID SIGNS OF RECOVERY, BUT NO FURTHER DETERIORATION?



10. CHINA'S SLOWDOWN IS HURTING

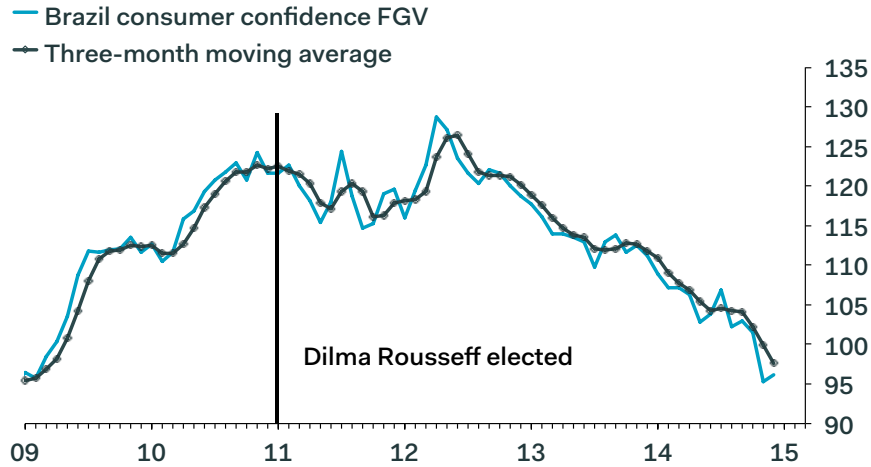


12. INDUSTRIAL SECTOR REFLECTS THE WEAKNESS OF THE ECONOMY

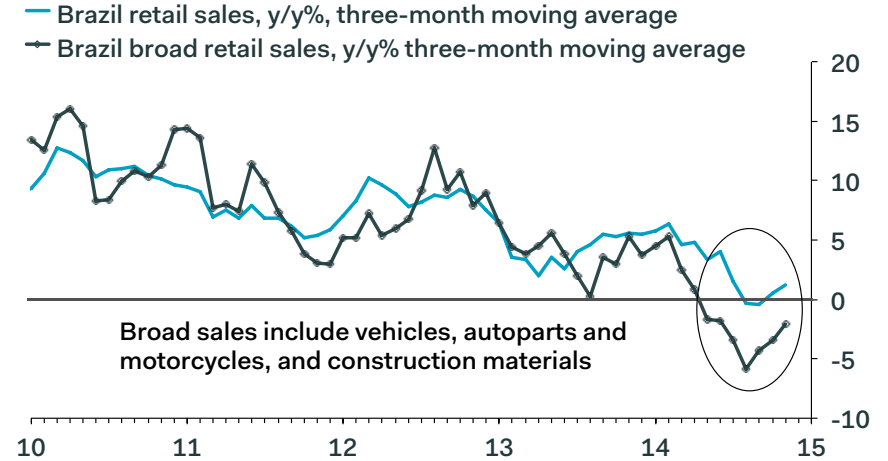




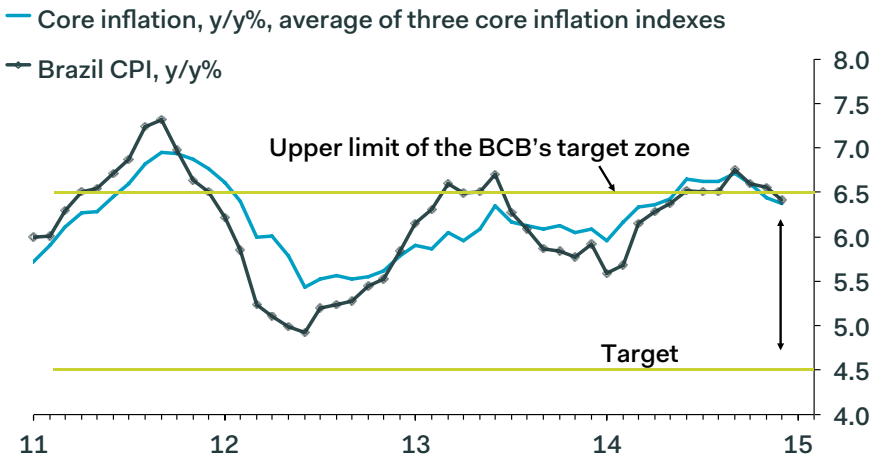
13. CONFIDENCE INDICATORS CONTINUE TO DETERIORATE



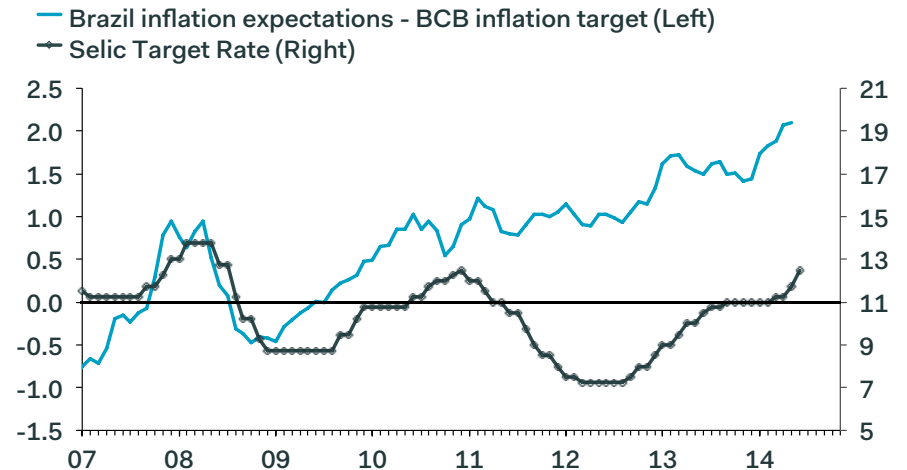
15. CONSUMPTION HAS PICKED UP, BUT IT WILL BE TEMPORARY



14. ...MAINLY DUE TO STUBBORNLY HIGH INFLATION

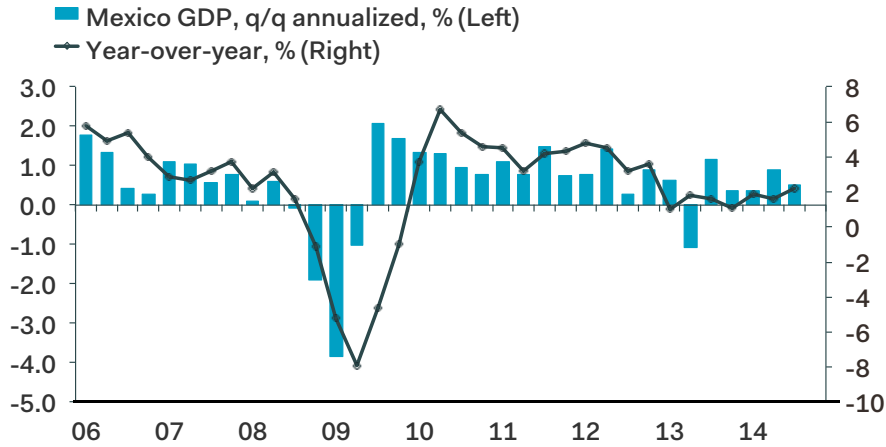


16. RISING INTEREST RATES WILL DEPRESS SENTIMENT

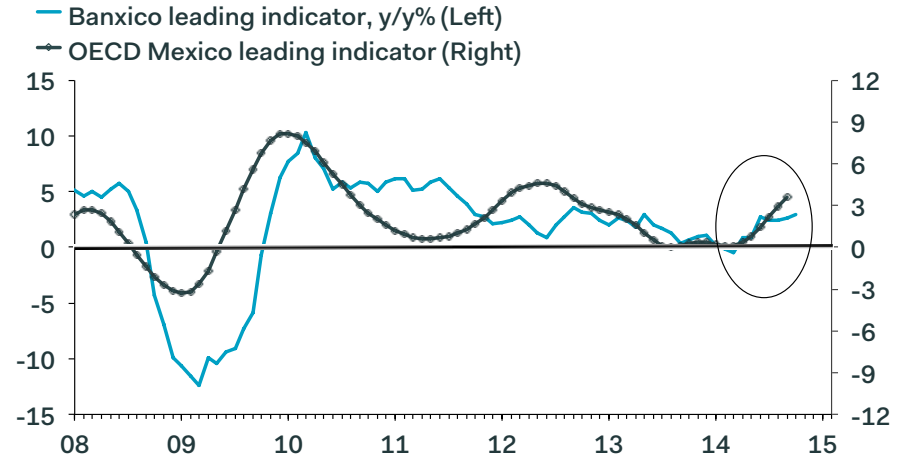




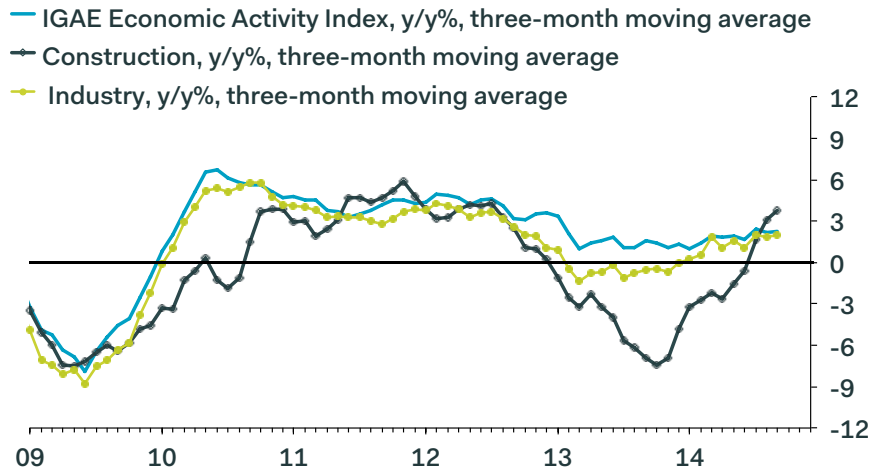
17. MEXICO: ECONOMIC GROWTH REMAINS WELL BELOW POTENTIAL...



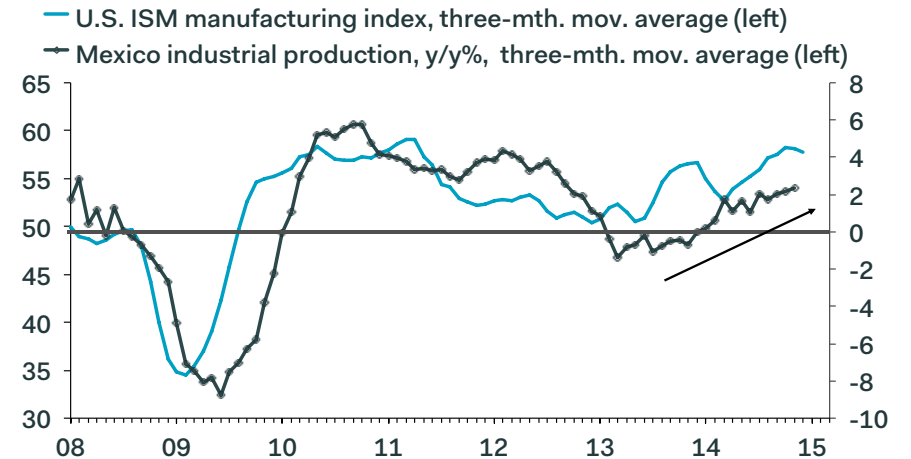
19. ...AND LEADING INDICATORS POINT TO CONTINUED GROWTH



18. ...BUT MANUFACTURING IS REBOUNDING

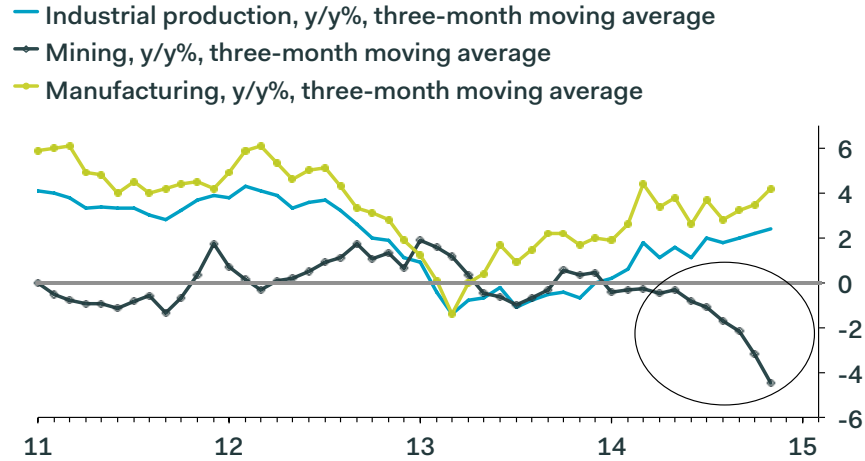


20. MEXICO WILL BENEFIT FROM THE STRENGTHENING U.S. RECOVERY

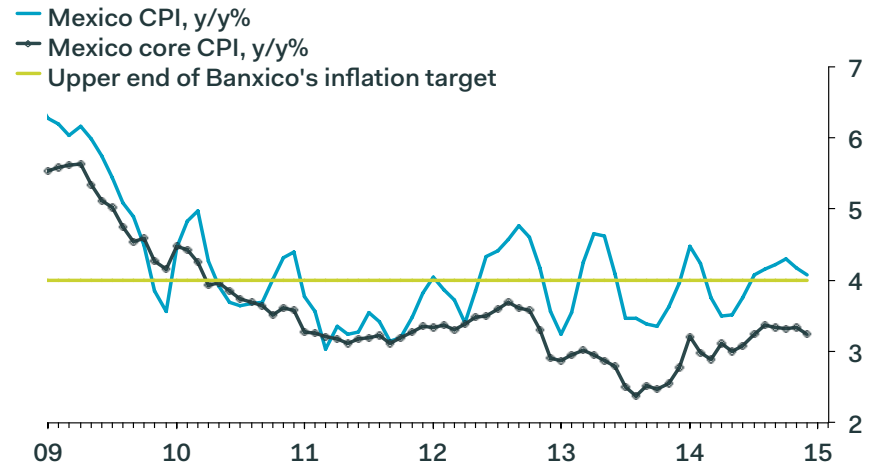




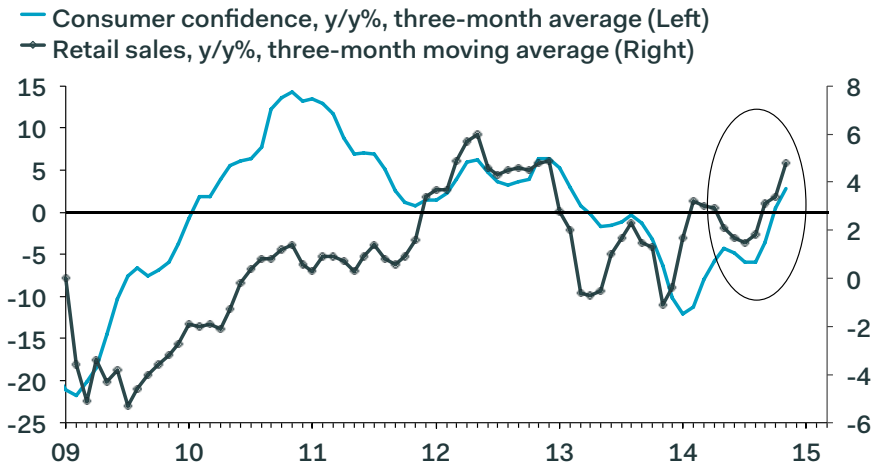
21. ...BUT MINING DOWNTURN REMAINS THE MAJOR RISK AHEAD



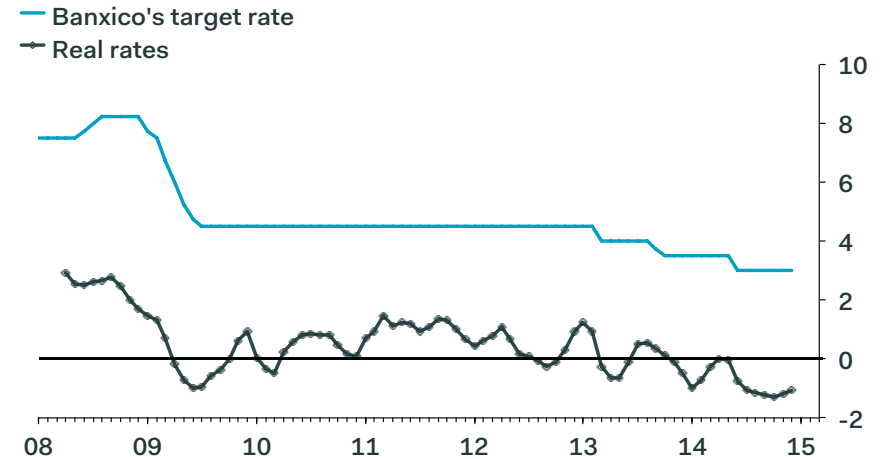
23. ...AND INFLATION IS STARTING TO SLOW



22. CONSUMPTION AND CONFIDENCE ARE RECOVERING...

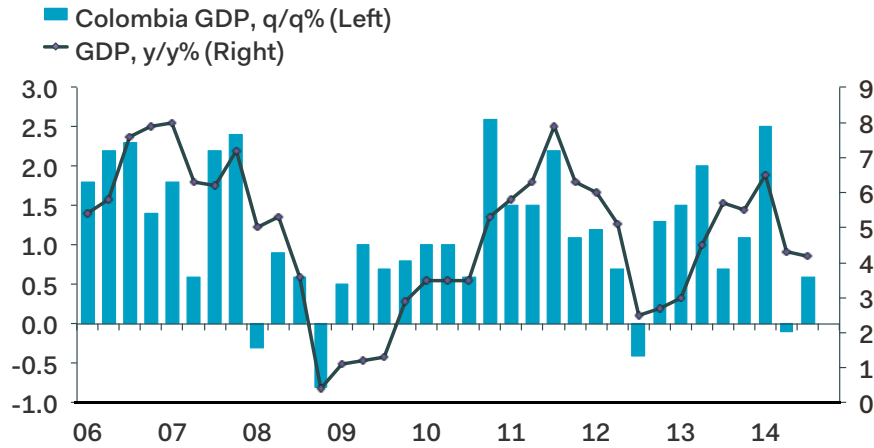


24. WITH INFLATION UNDER CONTROL, BANXICO WILL REMAIN ON HOLD

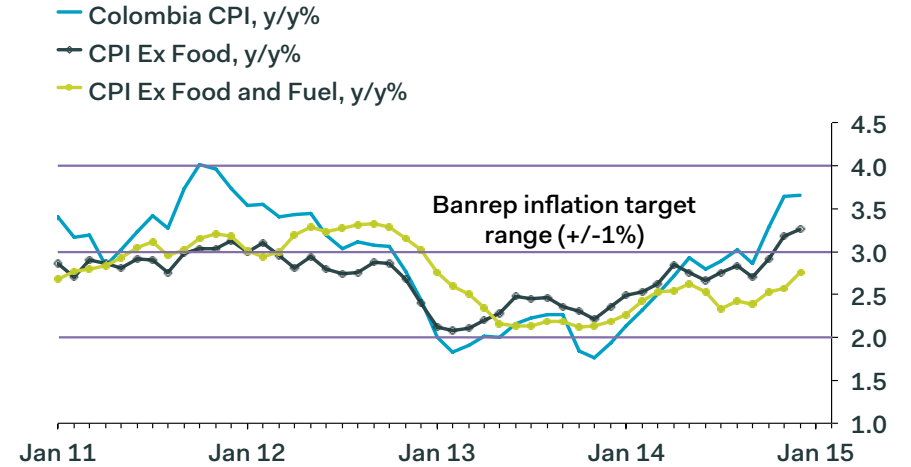




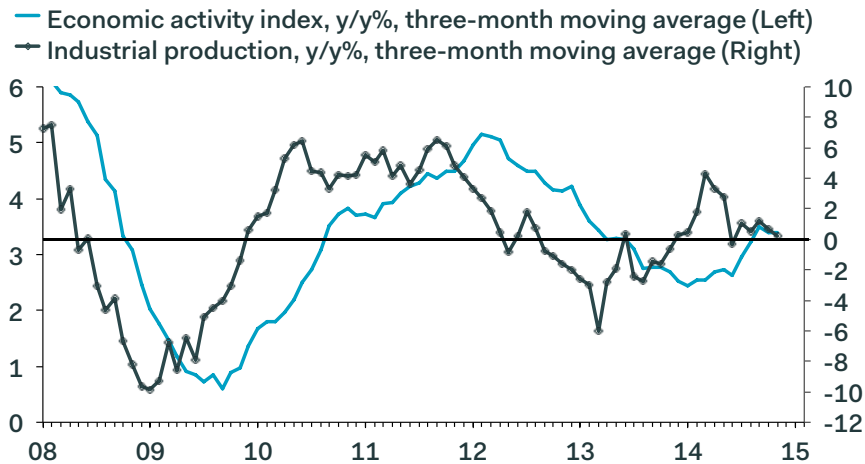
25. COLOMBIA: GDP SLOWING SHARPLY



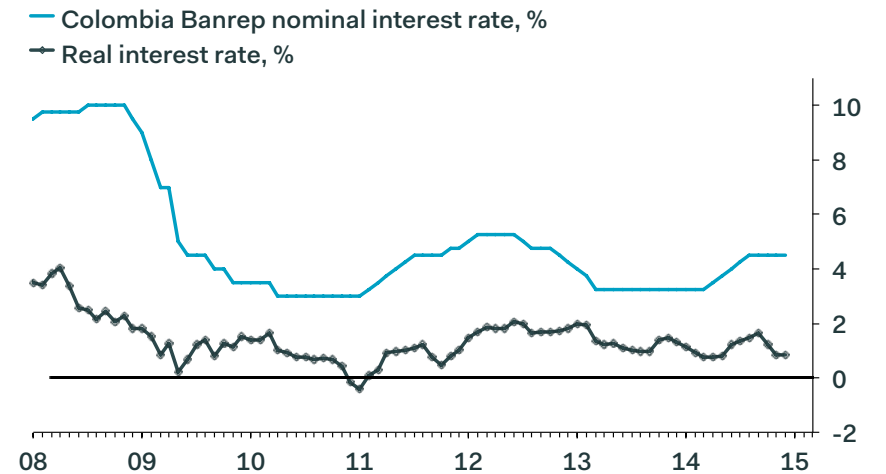
27. INFLATION IN THE TARGET ZONE, BUT PICKING UP



26. LOWER OIL PRICES ARE HURTING INDUSTRIAL ACTIVITY

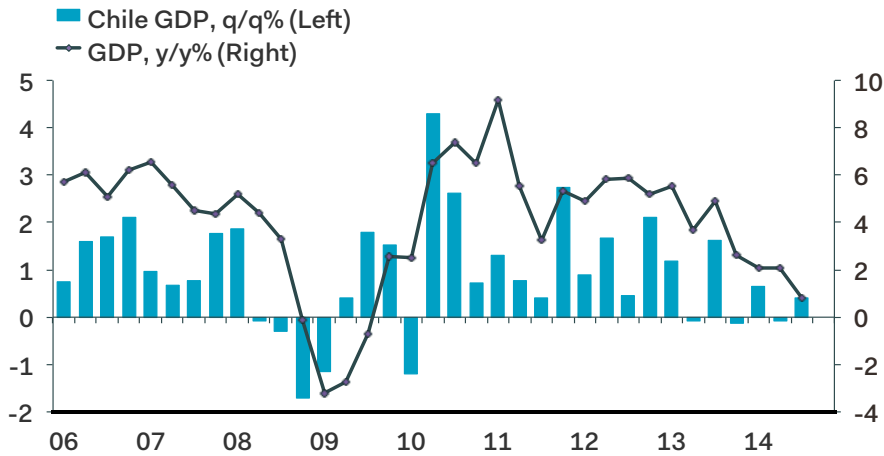


28. ...SO BANREP HAS LITTLE SCOPE FOR FURTHER EASING

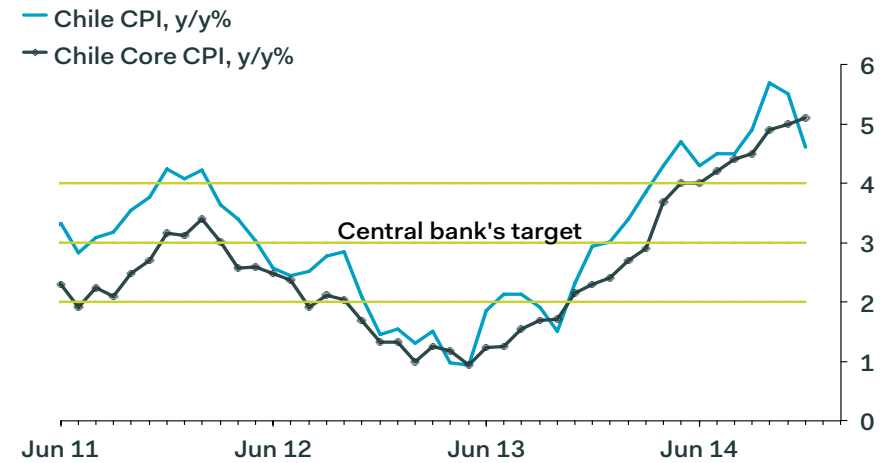




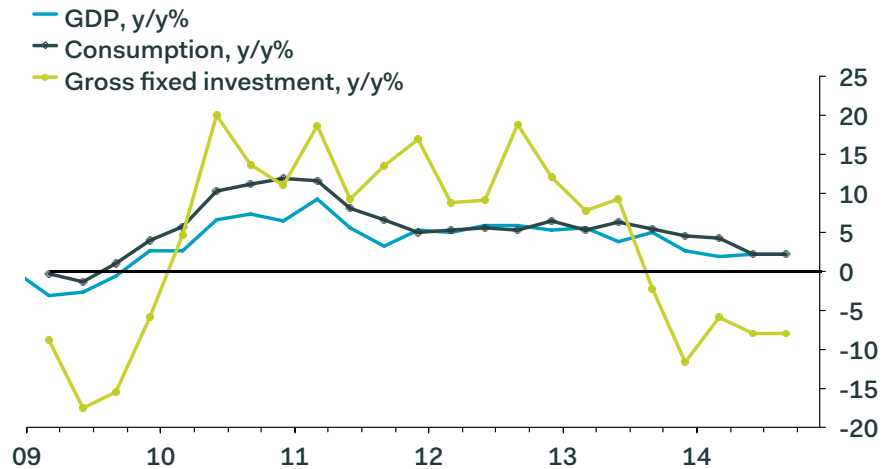
29. CHILE'S ECONOMY SLOWED SUBSTANTIALLY IN 2014



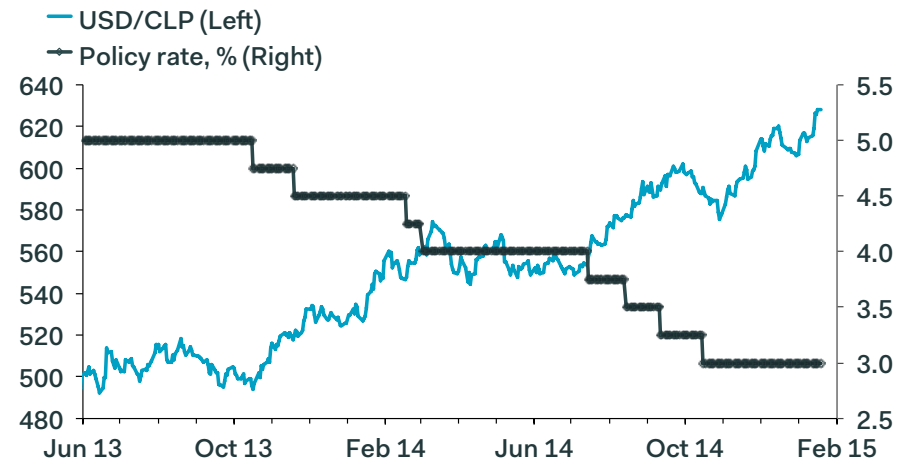
31. INFLATION IS STARTING TO SLOW, BUT IT IS STILL HIGH



30. PLUNGING COPPER PRICES DEPRESSED INVESTMENT

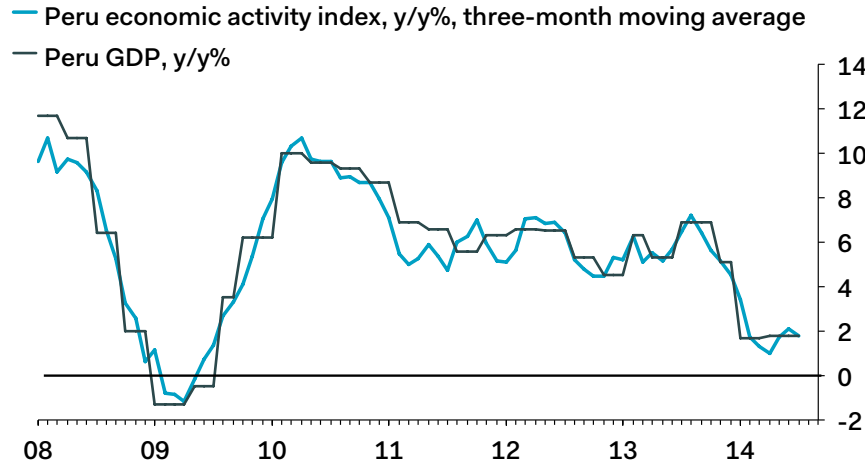


32. IN PART DUE TO THE DEPRECIATION OF THE CLP

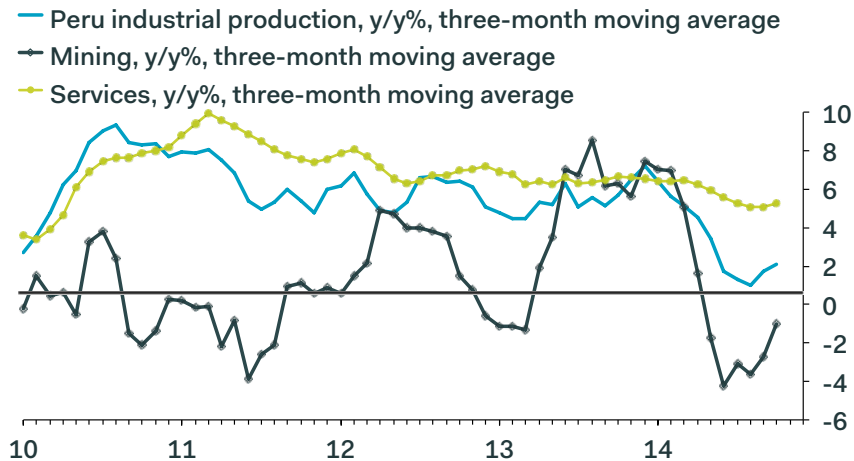




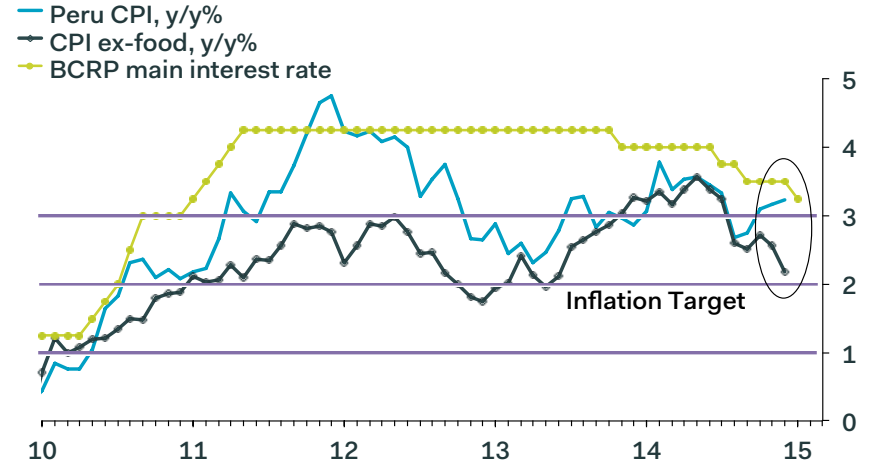
33. PERU: FALLING METALS PRICES HAVE HURT



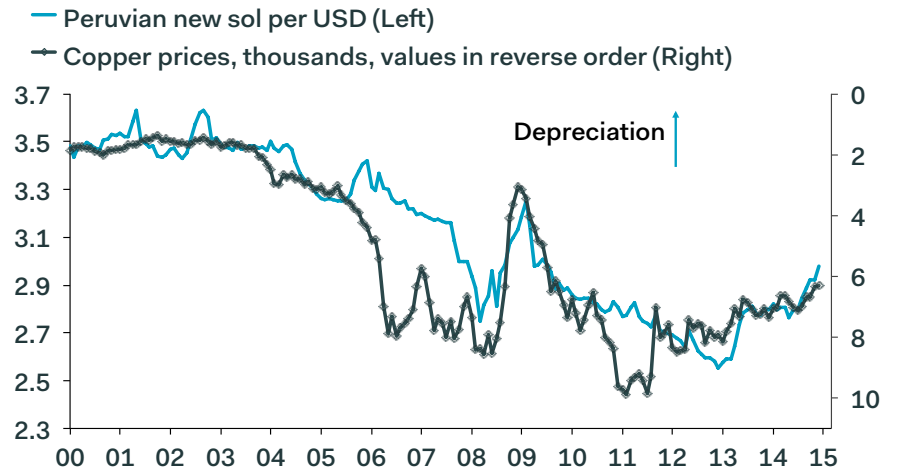
34. THE SLOWDOWN IS MAINLY IN THE MINING AND FISHING INDUSTRIES



35. THE BCRP HAS TAKEN ADVANTAGE OF SLOWING CORE INFLATION...

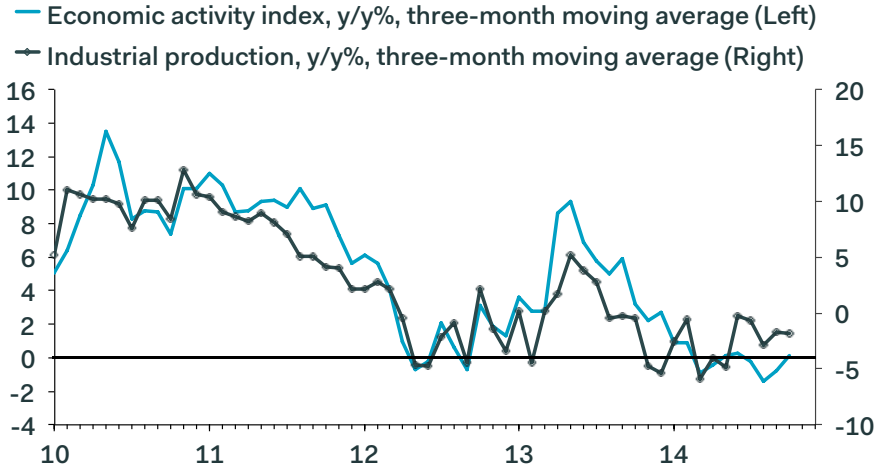


36. ...BUT THE SOL DEPRECIATION LIMITS ROOM FOR FURTHER EASING

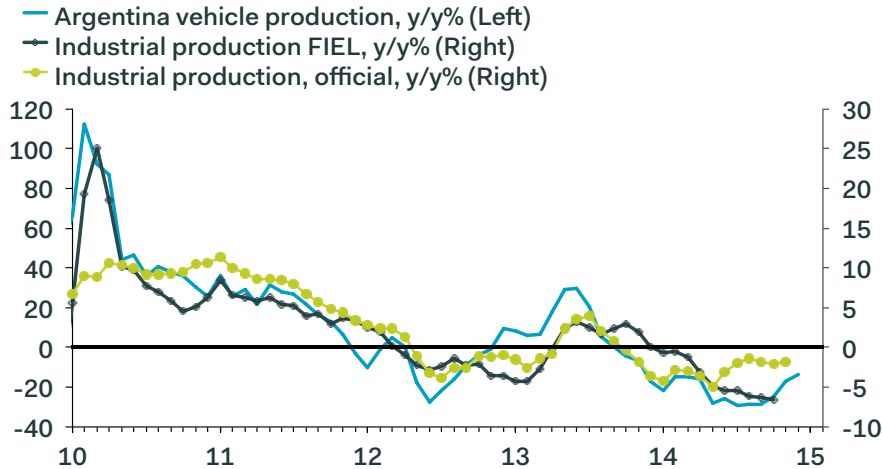




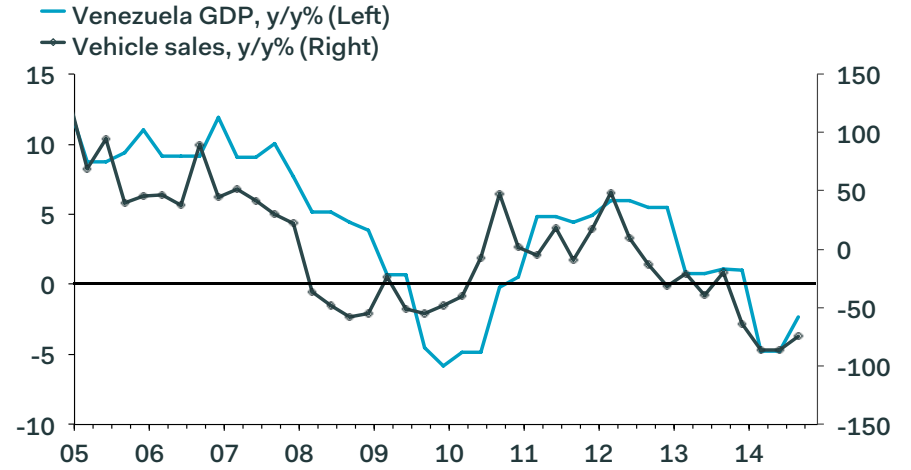
37. THE ARGENTINIAN ECONOMY STILL IN VERY BAD SHAPE...



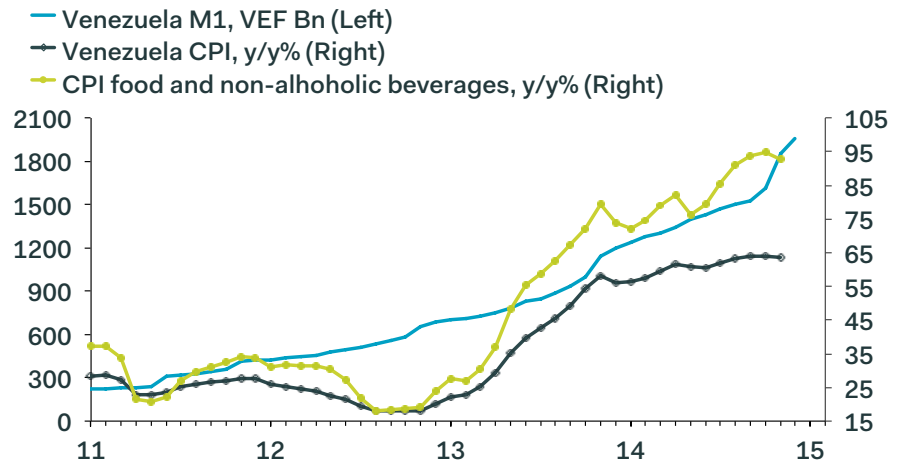
38. ...WE ARE PESSIMISTIC ABOUT THE ECONOMY IN 2015



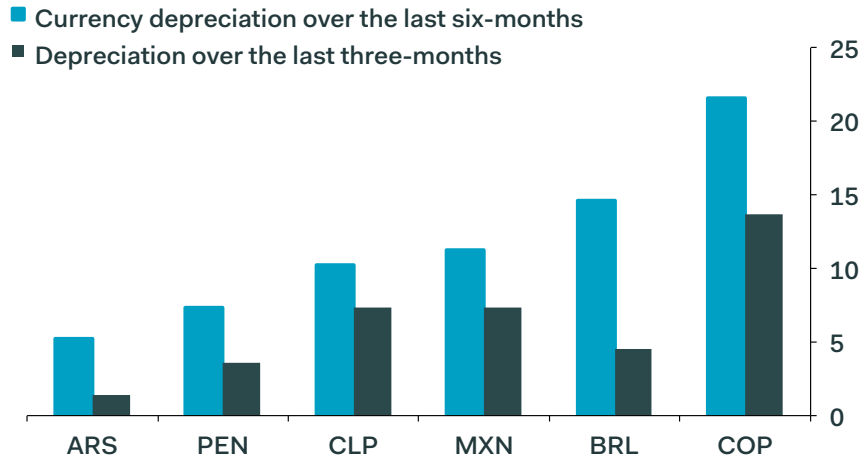
39. VENEZUELA'S ECONOMY HAS COLLAPSED OVER THE LAST YEAR



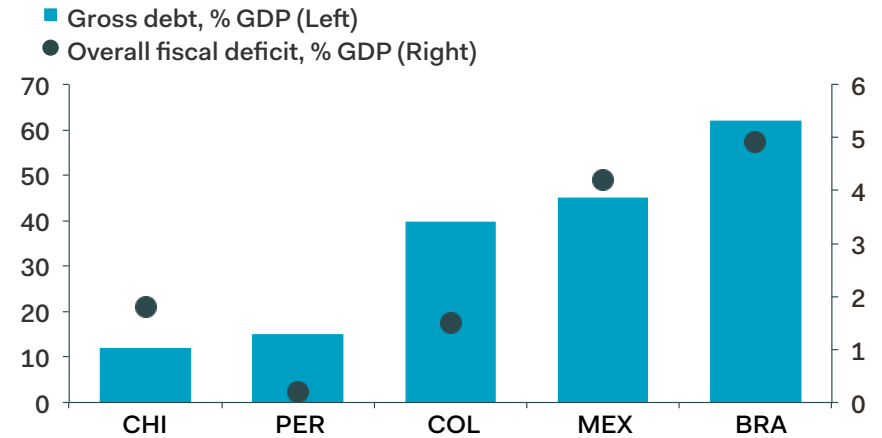
40. ...AND IS NOW FLIRTING WITH HYPERINFLATION



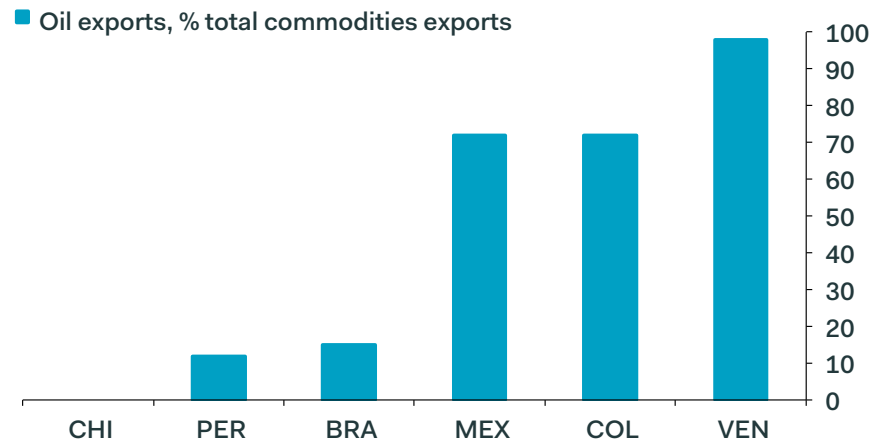
41. A DIFFICULT YEAR AHEAD FOR LATIN AMERICAN CURRENCIES



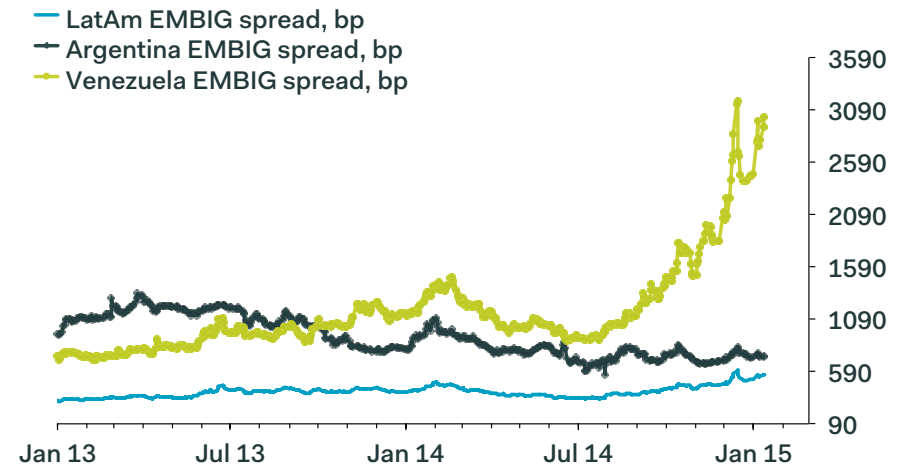
43. CORE ECONOMIES HAVE DECENT PUBLIC FINANCES, EXCEPT BRAZIL



42. ...MAINLY DUE TO THEIR RELIANCE ON OIL EXPORTS



44. VENEZUELA IS CLOSE TO COLLAPSE





GDP (year-over-year, %)	2012	2013	2014	2015	2016
Argentina	1.1	2.9	-1.8	-1.5	-1.0
Brazil	1.0	2.5	0.2	0.7	1.0
Chile	5.4	4.1	1.7	2.6	3.4
Colombia	4.0	4.7	4.9	3.8	4.2
Mexico	3.9	1.1	2.2	3.5	3.9
Peru	6.0	5.6	2.7	4.1	4.5
Venezuela	5.7	0.9	-3.5	-2.8	0.1
<i>Latin America</i>	2.6	2.6	0.9	1.7	2.5

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

Argentina	10.0	10.6	25.0	23.0	26.0
Brazil	5.4	6.2	6.3	6.4	6.0
Chile	2.9	1.8	4.4	3.4	3.1
Colombia	3.2	2.0	2.9	3.2	3.0
Mexico	4.1	3.8	4.0	3.6	3.5
Peru	3.7	2.8	3.3	2.8	2.7
Venezuela	21.3	38.0	63.0	75.0	70.0
<i>Latin America ex-Venezuela</i>	6.2	6.8	5.1	9.7	9.1

Central Bank Rate (end of year)

Argentina	10.50	14.50	29.50	--	--
Brazil	7.25	10.00	11.75	12.25	12.25
Chile	5.00	4.50	3.00	3.00	3.25
Colombia	4.25	3.25	4.50	4.50	4.50
Mexico	4.50	3.50	3.00	3.50	3.50
Peru	4.25	4.00	3.50	3.75	3.75
Venezuela	15.23	15.66	18.73	--	--
<i>Latin America</i>	7.25	8.00	10.50	5.50	8.50