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GLOBAL ECONOMICS

LATAM CHARTS WEEKLY

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Contributors

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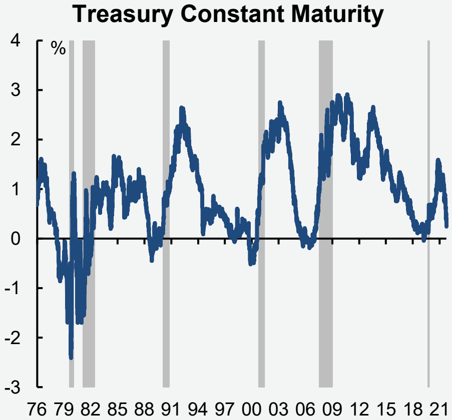
U.S.: 10-Year Minus 2-Year Treasury Constant Maturity



Sources: Scotiabank Economics, Federal Reserve Bank of St. Louis.

Latam Charts: Yield Curve Inversion?

- **Recent market commentary has focused on the possibility of yield curve inversion—long bond yields falling below rates on shorter-term maturities. The reason for this attention is the purported power of such episodes to predict subsequent recessions.**
- **For the Latam region, a recession in the US and other advanced countries that weakens external demand would reduce the impact of a positive terms-of-trade shock from higher global commodity prices. Countries for which higher commodity prices translate into a deterioration in the terms of trade would suffer from a twofold shock.**
- **The connection between yield curve inversion and recession may not be automatic, however. Past episodes of inversion preceding recession were accompanied by large exogenous shocks or an abrupt monetary policy tightening. Regardless, by stoking price pressures and increasing the potential for monetary policy error, the Russian invasion of Ukraine poses a clear and present risk to the global economy.**

Anyone following market commentary over the past week or so would have been struck by the increase in references to yield curve inversion. This is the phenomenon of yield curves, which normally slope upwards, reflecting higher interest rates at the long end of the maturity spectrum, reversing slope such that yields on long bonds fall below rates on shorter-term maturities. In the US, the proximate cause for this heightened interest in the slope of yield is the Fed Chair's recent comment that the Fed is prepared to move the policy rate higher, faster, should it be necessary to return inflation to target. To state the obvious, higher short-term rates would increase the likelihood of yield curve inversion.

But why the growing concern over the slope of the yield curve? The answer to that question is inverted yield curves are widely believed to be good predictors of forthcoming recessions. As the chart below illustrates, in the US data over the past 45 years, there indeed seems to be a pattern between periods of yield curve inversion, based on the 10-year Treasury yield minus two-year Treasury rate, and subsequent recessions (see adjacent chart). And while we aren't there yet, that spread is now getting perilously close to the negative threshold.

For the Latam region, a US recession would be—not to put too fine a point on it—unwelcome. As noted in the last edition of the **Latam Weekly**, recent increases in global commodity prices represent a positive terms-of-trade shock to some, but not all, Latam countries. But the positive effects of that shock would be eroded by weaker external demand from a recession in the advanced economies. In this respect, higher commodity price that plunge the global economy into recession are a mixed blessing. And countries not sharing in the positive commodity price shock would be hit by a double whammy—a deterioration in their terms of trade combined with weaker external demand.

These effects would introduce additional uncertainty with respect to the near-term outlook. As the Key Economic Charts below illustrate, Scotiabank economists in the region project growth to broadly return to pre-pandemic levels (chart 1), consistent with the recent evolution of monthly economic activity indicators (chart 2). Meanwhile, even with higher commodity prices, inflation is expected to return to target, though the timing of that convergence has been pushed back somewhat (chart 3). But reining in those price pressures would require key policy rates, which have already increased over the past year, to increase even further (chart 4). And weaker growth would hamper efforts to restore fiscal balances that had deteriorated in the pandemic (chart 6), while key indicators closely watched by investors, such as debt-to-GDP ratios (chart 7), external debt burdens (chart 8), current account balances (chart 9), and international reserves (chart 10), would weaken.

Before we get too despondent over recession risks, however, it is worth noting that the case for yield curve inversion as a recession predictor is not, as jurists would say, "settled law." Yes, there is a sound theoretical basis for the indicator (provided you accept the theory). And the intuition behind the hypothesis is compelling: inversion occurs, for example, when the central bank tightens sharply, driving short rates up, generating a sharp response in interest-sensitive sectors that leads to recession. This was clearly the case with respect to the Volcker disinflation of the early 1980s, which led to historically high interest rates in the US and around the globe. But yield curve inversion does not inescapably imply a recession is forthcoming.

Most important, while the historical record seems fairly straightforward, a closer inspection provides grounds for a more nuanced view.

To begin, consider episodes in which yield curve inversion was followed by a recession (table 1, top panel). In all six cases, the slope of the yield curve turned negative in advance of the onset of recession, in some cases, well before, consistent with the hypothesis that forward-looking financial markets anticipate the coming downturn. Going forward, that predictive property may indeed prevail. But the fact that the lead time from the start of yield curve inversion to subsequent recession varies between seven and 31 months should give pause. Moreover, each of these cases was accompanied by a major exogenous shock (e.g., oil price shock) and/or an unexpectedly severe tightening of Fed monetary policy, such as the "Great Disinflation" undertaken by then-Fed Chair, Paul Volcker, in the early 1980s. Though it is possible that a recession would have transpired even in the absence of those exogenous events and monetary policy shocks, these episodes suggest that the connection between inversion and recession may be less tight than would appear at first glance.

Table 1: US—Treasury Yield Curve Inversion/Near-Inversion Episodes and Recessions

Inversions with Recessions			
Inversion Start Date	**Recession Start Date**	**Exogenous Factors**	**Fed Tightening**
August 1978	January 1980	Oil Shock	..
September 1980	August 1981	..	Volcker Shock
January 1988	July 1990	..	1988-89*
February 2000	March 2001	Dot Com Bubble	..
August 2006	December 2007	Global Financial Crisis	2004-06
August 2019	March 2020	COVID-19	2015-18
Inversions without Recessions			
Inversion Start Date	**Recession Start Date**	**Exogenous Factors**	**Fed Tightening**
June 1998	..	..	1983-84
January 2006	..	..	..
Near-Inversions without Recessions			
Inversion Start Date	**Recession Start Date**	**Exogenous Factors**	**Fed Tightening**
August 1984 (25 bps)	..	..	1983-84*
February 1986 (42 bps)	..	..	..
December 1994 (15 bps)	..	..	1994-95

* Actual tightening greater than market expectation.
Sources: Scotiabank Economics, Federal Reserve Bank of St. Louis.

Next, consider two cases of yield curve inversion without recessions (table 1, middle panel). In both cases, the negative slope indicator flashed false positive.

Finally, there are three cases of "near inversions" in which the yield on the 10-year US Treasury bond approached, but did not fall below, the two-year yield (table 1, bottom panel). If the yield curve accurately predicts recessions, it is not unreasonable to infer that sharp declines in slope (curve flattening) might likewise signal increased risks of recession, even if the negative slope threshold isn't crossed. In all three cases, however, marked declines in slope were not accompanied by a subsequent downturn in the economy. Two episodes coincided with Fed tightening, one in which the Fed tightened by more than the market expected.

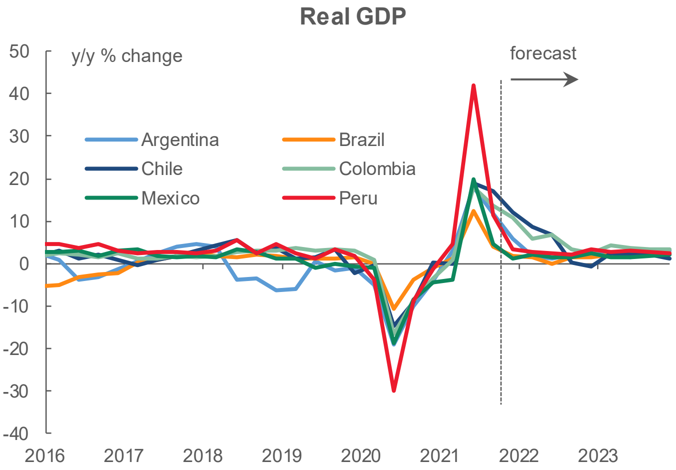
A possible takeaway from this discussion is that, while it may or may not be a good predictor of recession, yield curve inversion is an excellent indicator of the robustness of Fed tightening. And in a world subject to a range of exogenous shocks, the realization of an unexpected event, such as the outbreak of war that drives global commodity prices higher, can result in policy errors.

All of this reinforces the conclusion that Russia'a invasion of Ukraine is an unalloyed threat to the global economy through its effect on inflation, which increases the risks of possible miscalibration of monetary policy. That is, the risk that central banks around the globe fail to thread the needle between insufficient tightening, resulting in in a rise in inflation expectations, and "overshooting" on policy rates, pushing the economy into recession. In fact, **some prominent observers** now contend that the Fed may have no option but to drive the economy into recession to crush inflation expectations.

For Latam economies, the external financial and economic environment has become more difficult. Yield curve inversion in the US (or their own economies) would not necessarily signal an inevitable recession, but heightens risks of policy miscalculation. Such circumstances increase the importance of sound policy frameworks and strong, credible institutions. Governments in the region should therefore redouble efforts to implement such policies and strengthen these institutions.

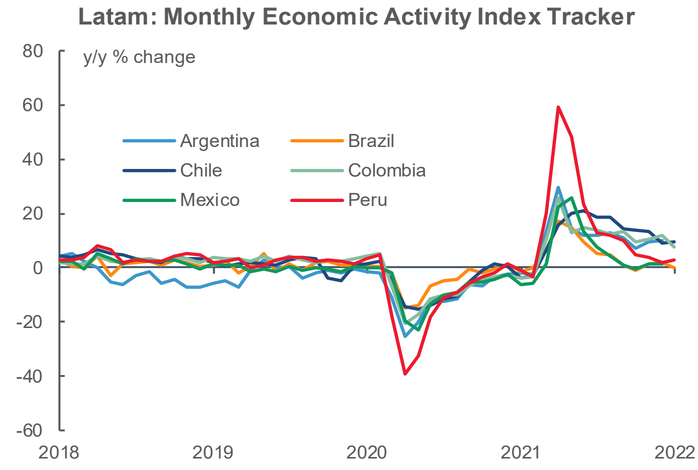
Key Economic Charts

Chart 1



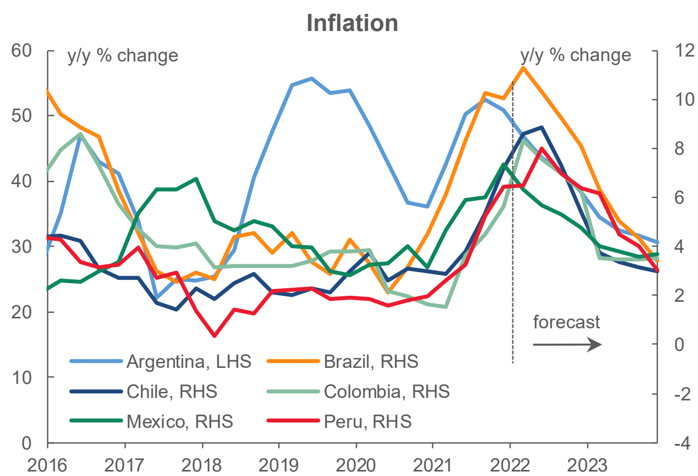
Sources: Scotiabank Economics, Haver Analytics.

Chart 2



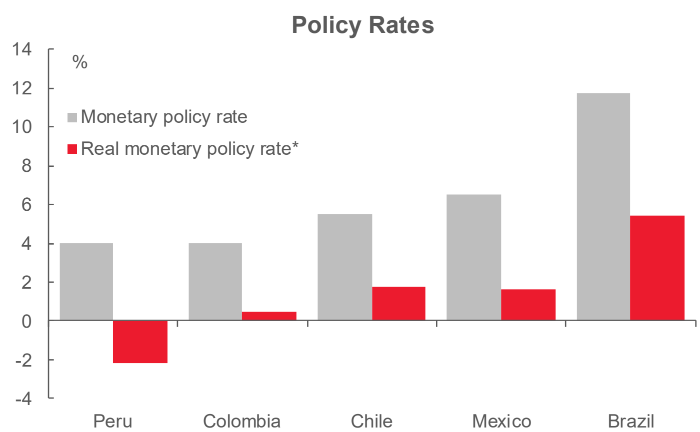
Sources: Scotiabank Economics, Haver Analytics.

Chart 3



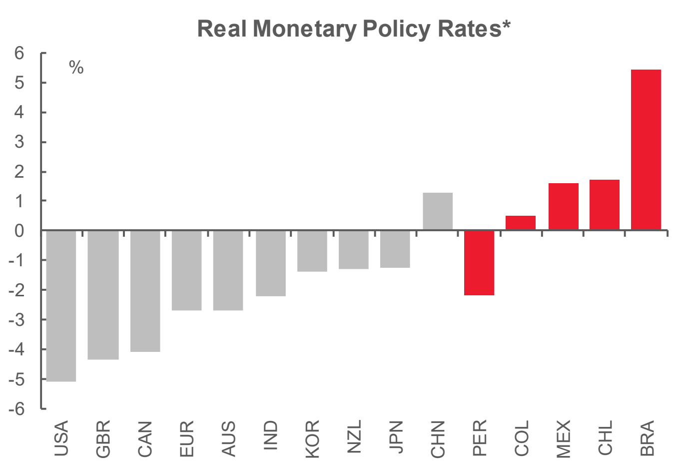
Sources: Scotiabank Economics, Haver Analytics.

Chart 4



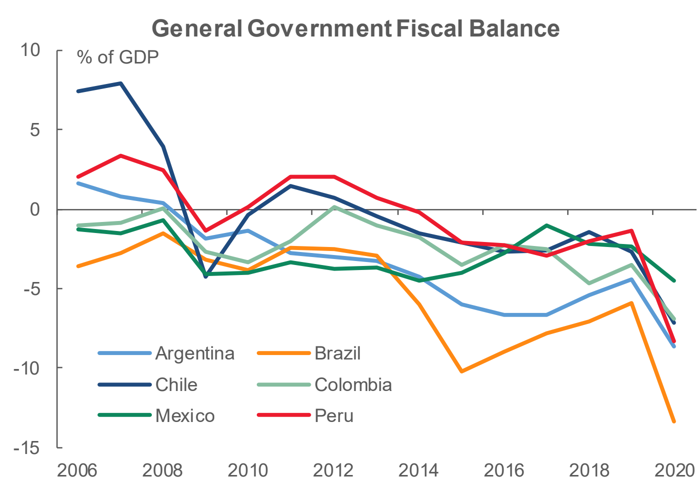
* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q1-2023, % y/y. Argentina: MPR = 42.5%; Real MPR = 8.0%.
Sources: Scotiabank Economics, Haver Analytics.

Chart 5



* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q1-2023, % y/y. Sources: Scotiabank Economics, Bloomberg.

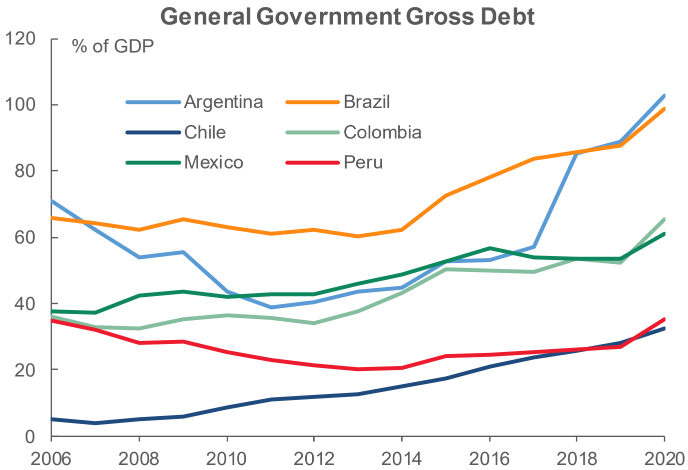
Chart 6



Sources: Scotiabank Economics, *IMF Fiscal Monitor*, Apr. 2021.

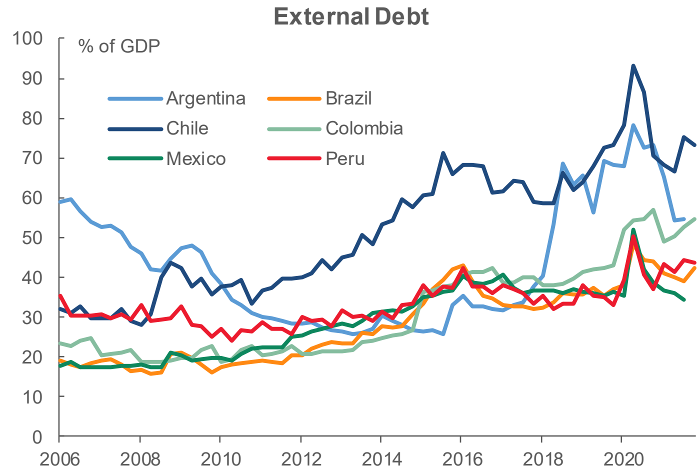
Key Economic Charts

Chart 7



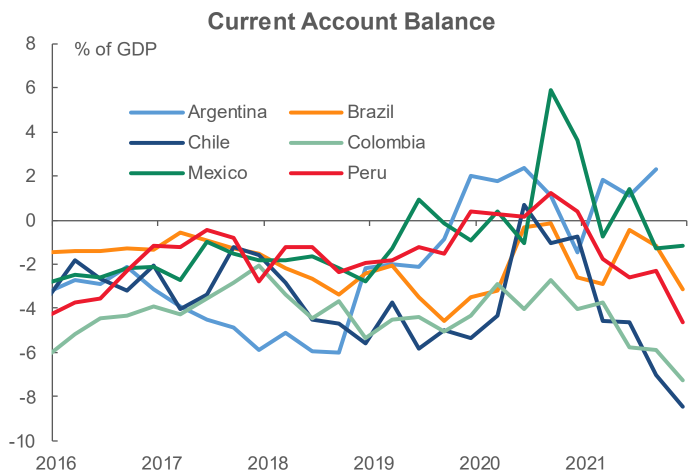
Sources: Scotiabank Economics, *IMF Fiscal Monitor*, Apr. 2021.

Chart 8



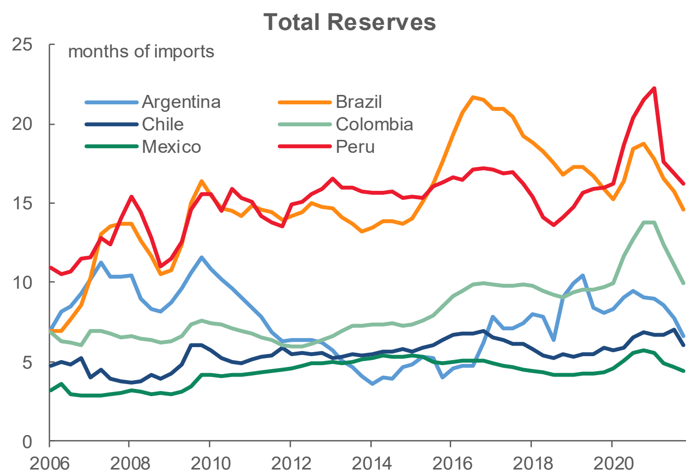
Sources: Scotiabank Economics, Haver Analytics.

Chart 9



Sources: Scotiabank Economics, Haver Analytics.

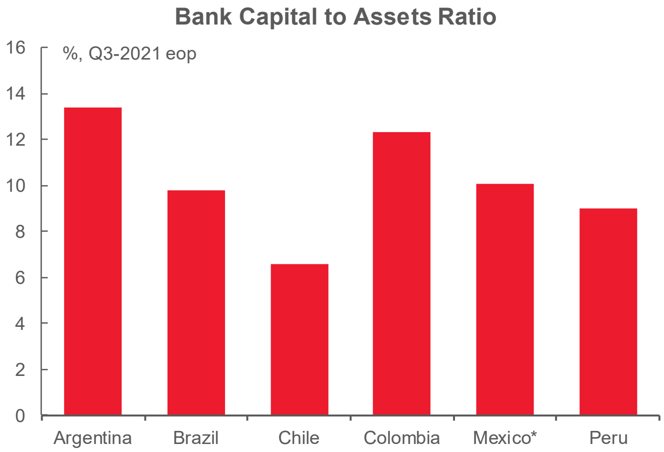
Chart 10



Sources: Scotiabank Economics, Haver Analytics.

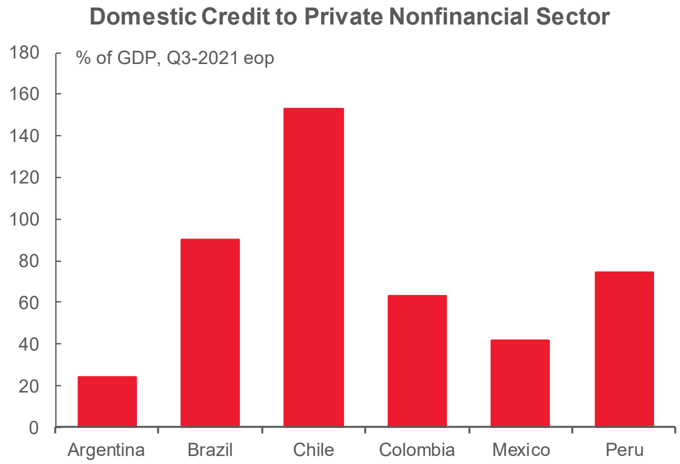
Key Market Charts

Chart 1



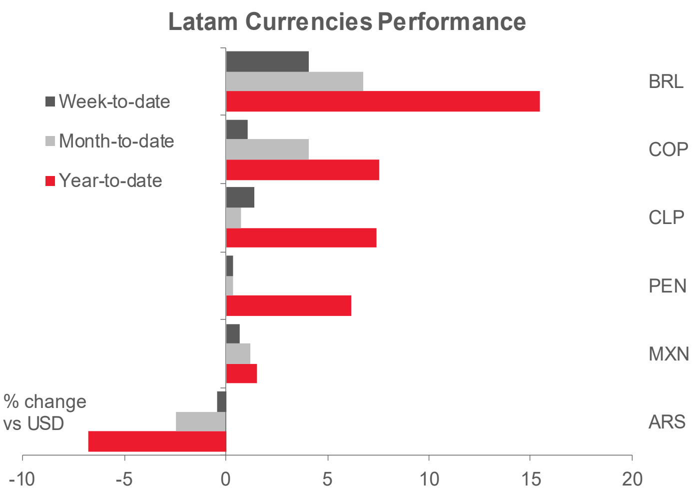
* Data to Q1-2021.
Sources: Scotiabank Economics, IMF.

Chart 2



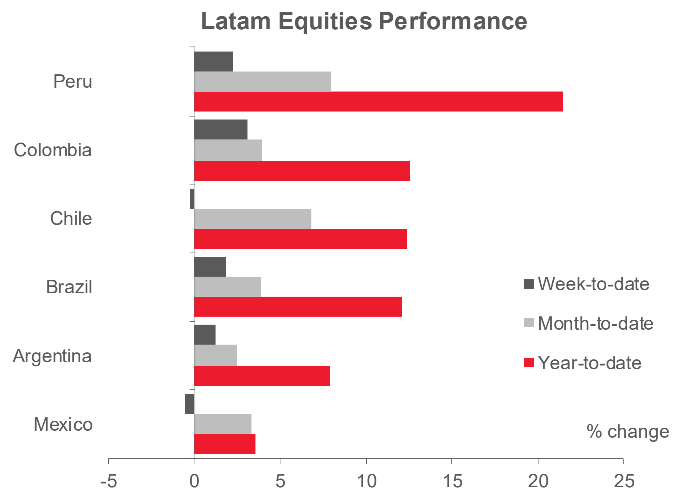
Sources: Scotiabank Economics, BIS, Haver Analytics.

Chart 3



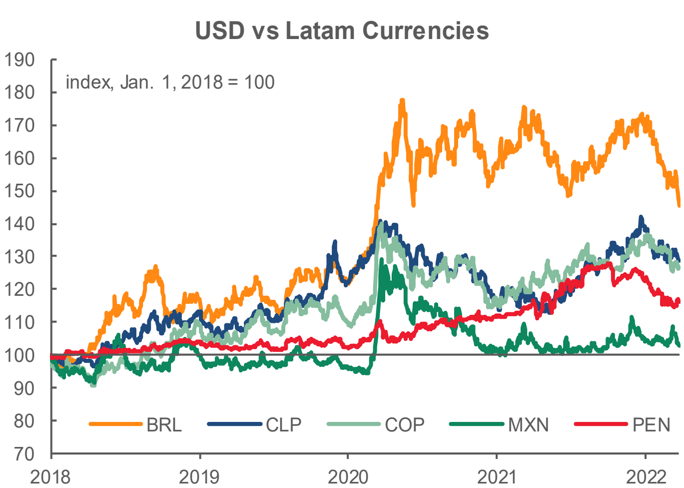
Sources: Scotiabank Economics, Bloomberg.

Chart 4



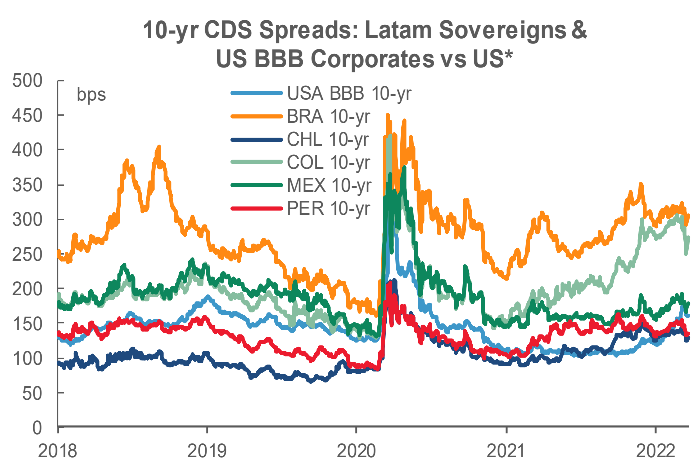
Sources: Scotiabank Economics, Bloomberg.

Chart 5



Sources: Scotiabank Economics, Bloomberg.

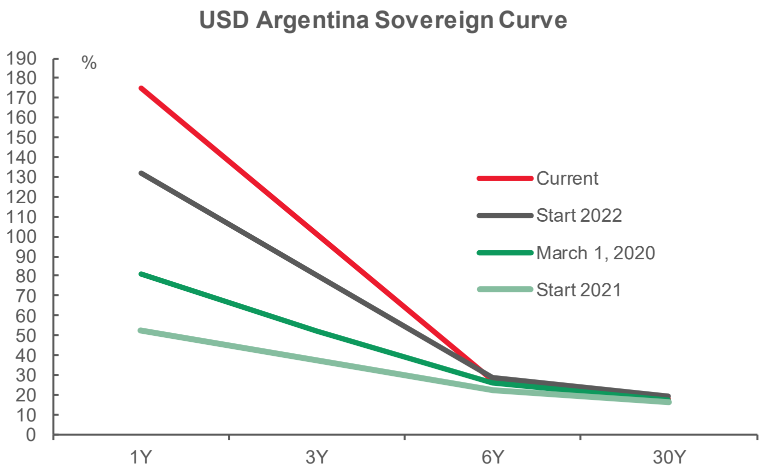
Chart 6



*Sovereigns vs US swaps; BBB corporates vs 10-yr USTs.
Sources: Scotiabank Economics, Bloomberg.

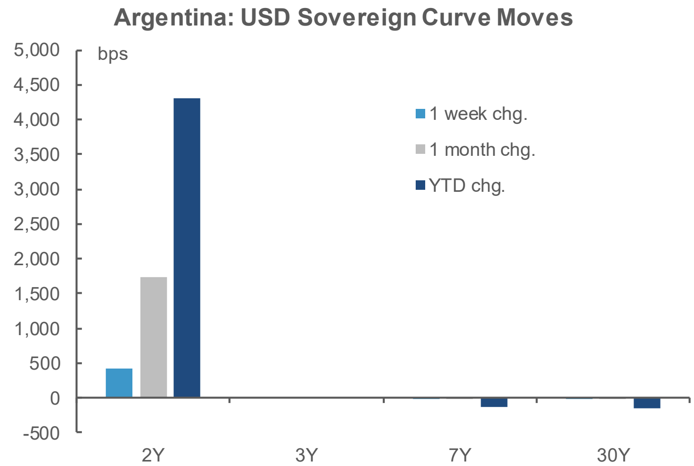
Yield Curves

Chart 1



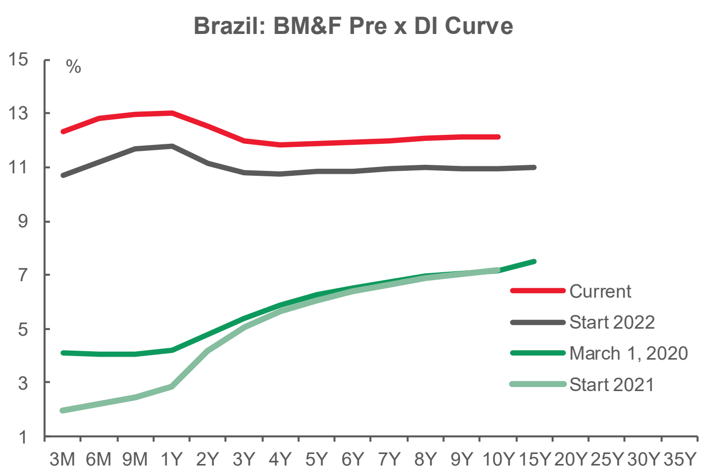
Sources: Scotiabank Economics, Bloomberg.

Chart 2



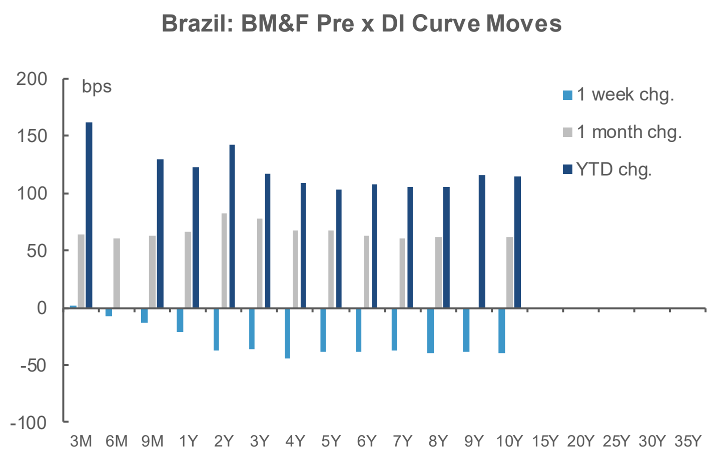
Sources: Scotiabank Economics, Bloomberg.

Chart 3



Sources: Scotiabank Economics, Bloomberg.

Chart 4



Sources: Scotiabank Economics, Bloomberg.

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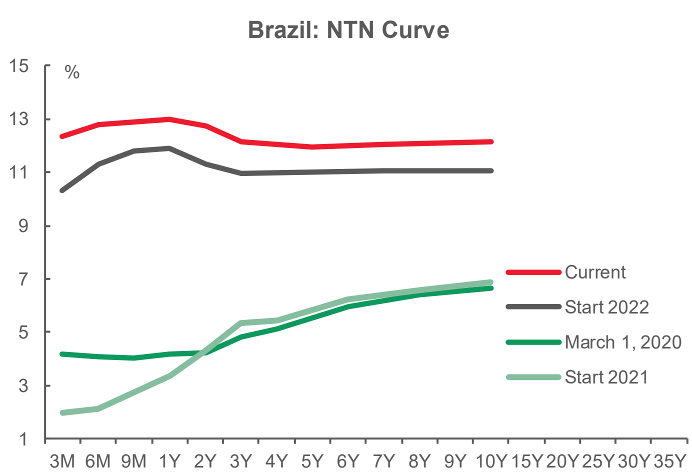
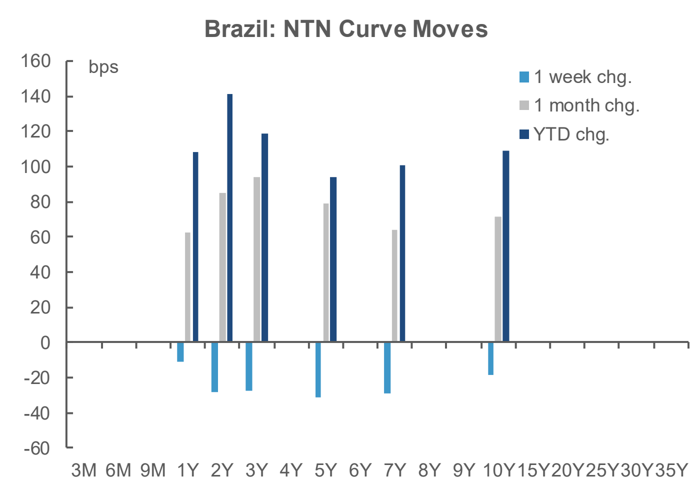


Sources: Scotiabank Economics, Bloomberg.

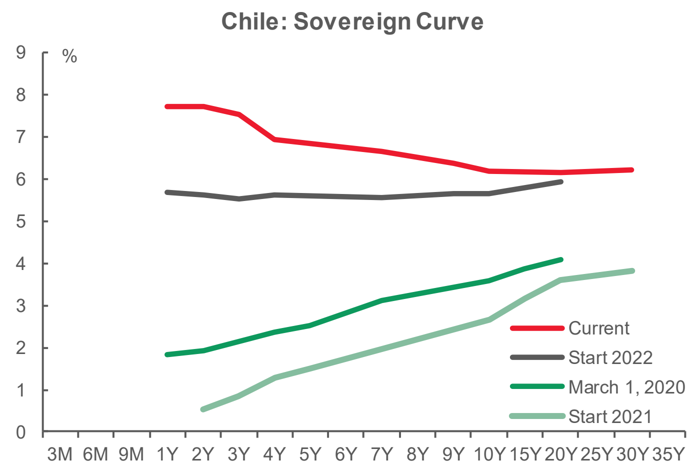
Chart 6



Sources: Scotiabank Economics, Bloomberg.

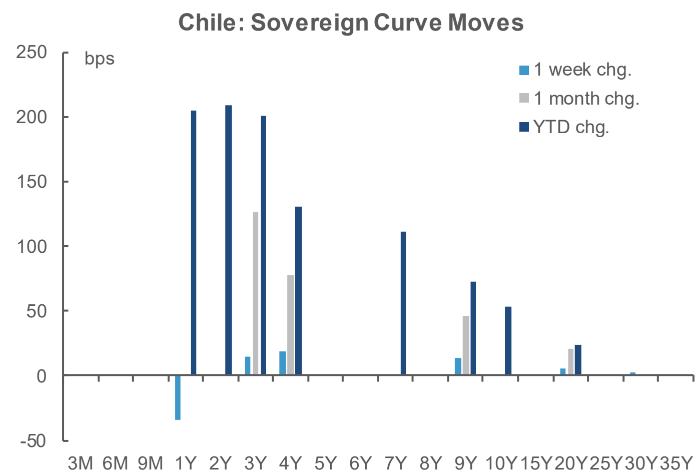
Yield Curves

Chart 7



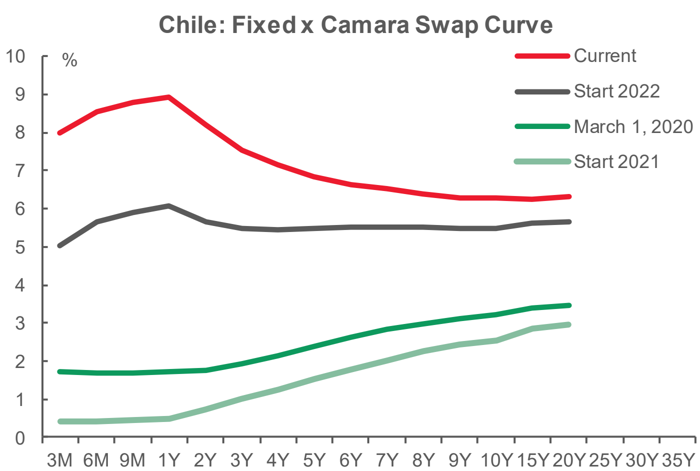
Sources: Scotiabank Economics, Bloomberg.

Chart 8



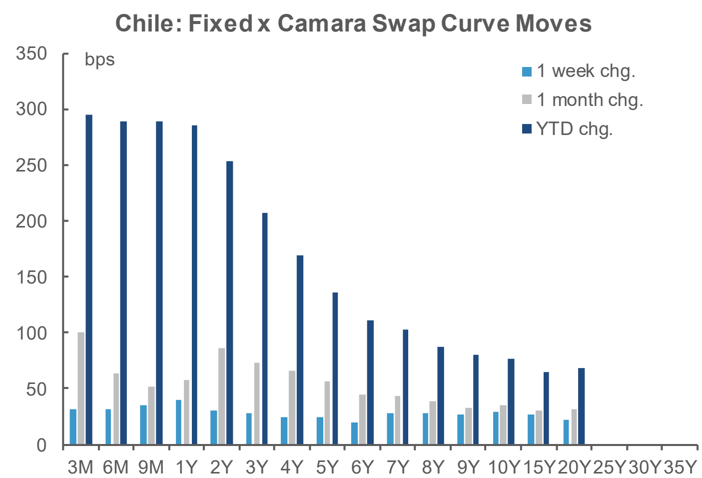
Sources: Scotiabank Economics, Bloomberg.

Chart 9



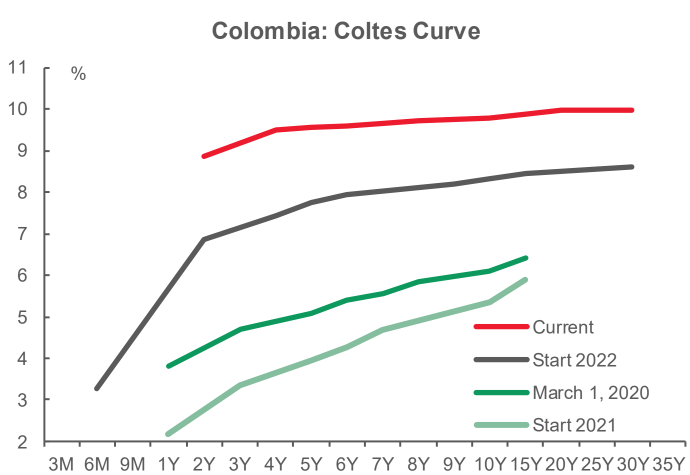
Sources: Scotiabank Economics, Bloomberg.

Chart 10



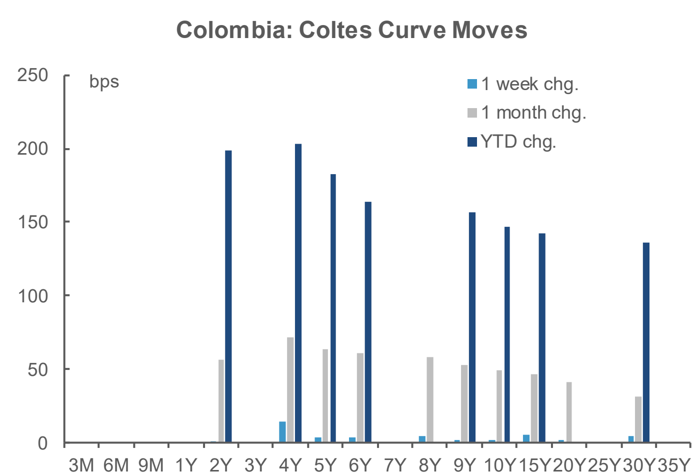
Sources: Scotiabank Economics, Bloomberg.

Chart 11



Sources: Scotiabank Economics, Bloomberg.

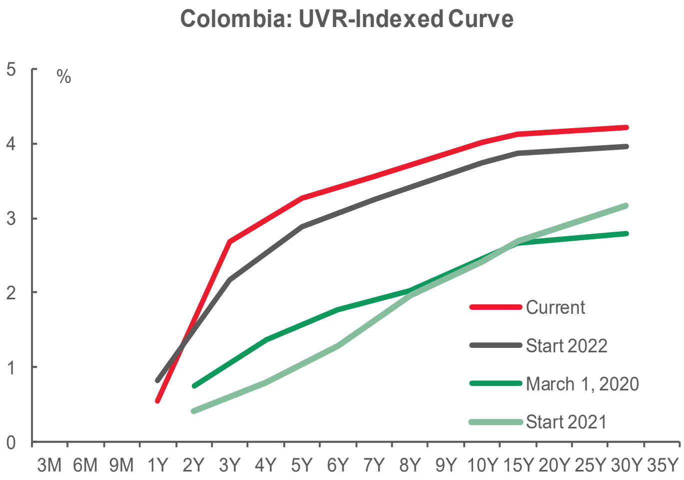
Chart 12



Sources: Scotiabank Economics, Bloomberg.

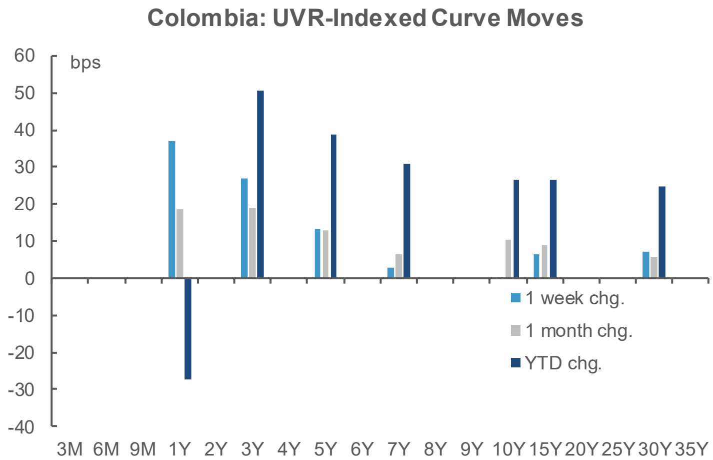
Yield Curves

Chart 13



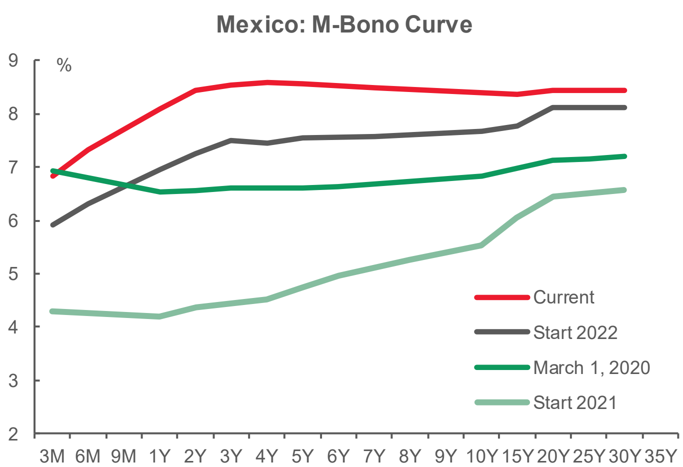
Sources: Scotiabank Economics, Bloomberg.

Chart 14



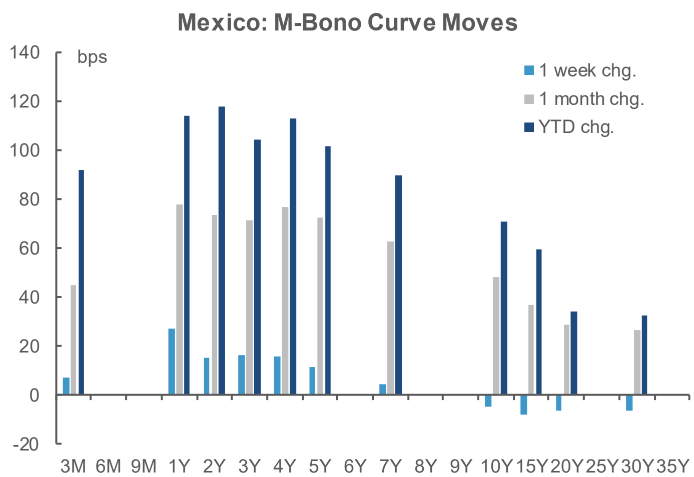
Sources: Scotiabank Economics, Bloomberg.

Chart 15



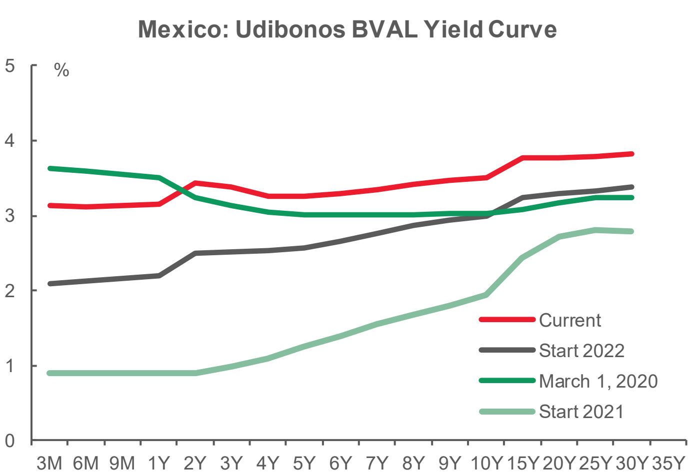
Sources: Scotiabank Economics, Bloomberg.

Chart 16



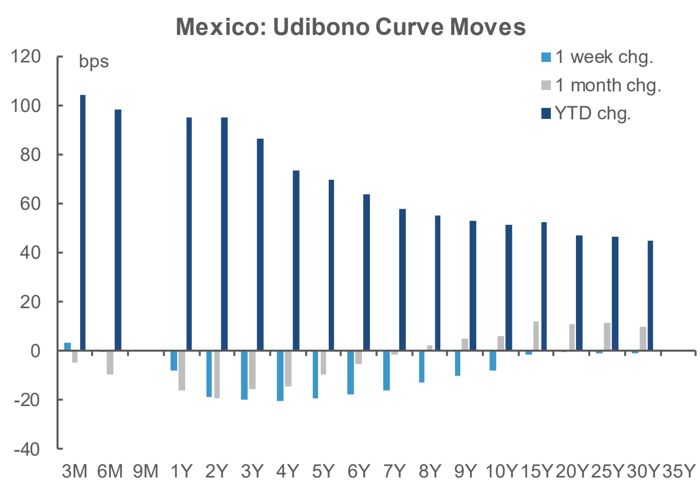
Sources: Scotiabank Economics, Bloomberg.

Chart 17



Sources: Scotiabank Economics, Bloomberg.

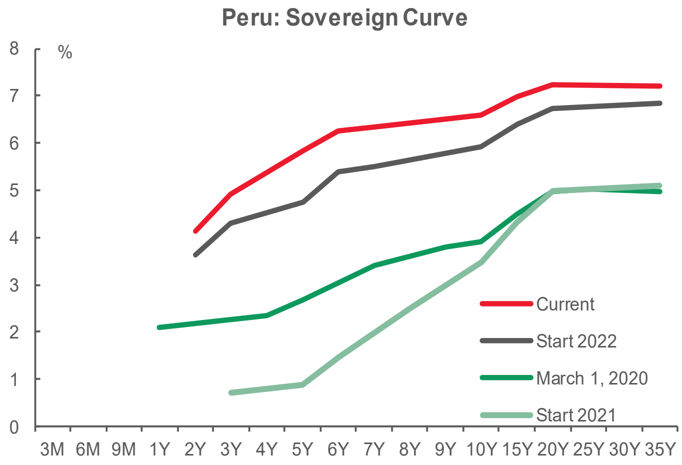
Chart 18



Sources: Scotiabank Economics, Bloomberg.

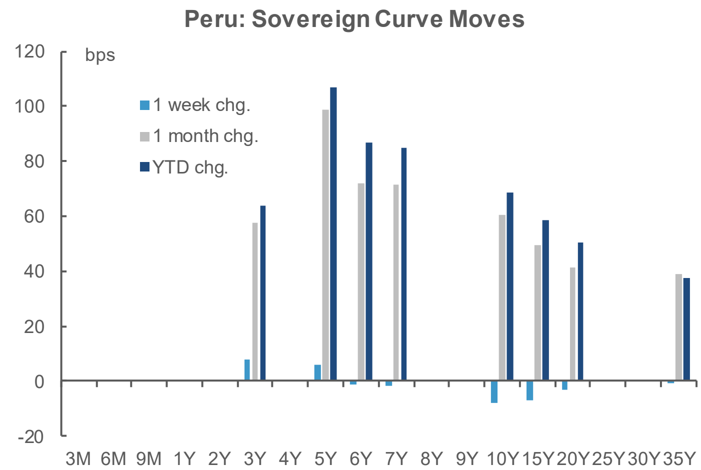
Yield Curves

Chart 19



Sources: Scotiabank Economics, Bloomberg.

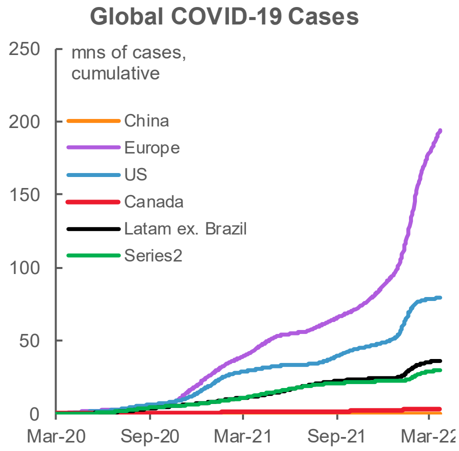
Chart 20



Sources: Scotiabank Economics, Bloomberg.

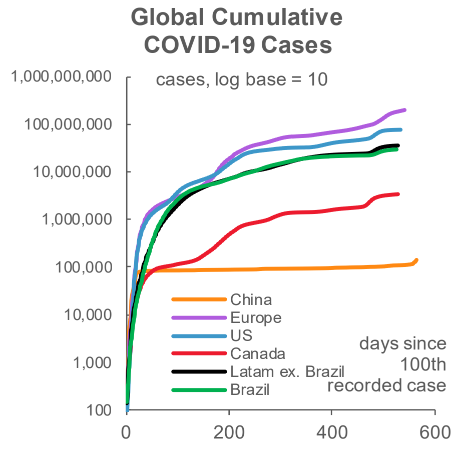
Key COVID-19 Charts

Chart 1



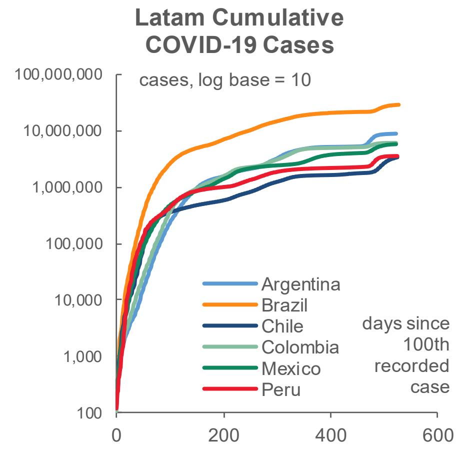
Sources: Scotiabank Economics, Johns Hopkins University, Oxford University.

Chart 2



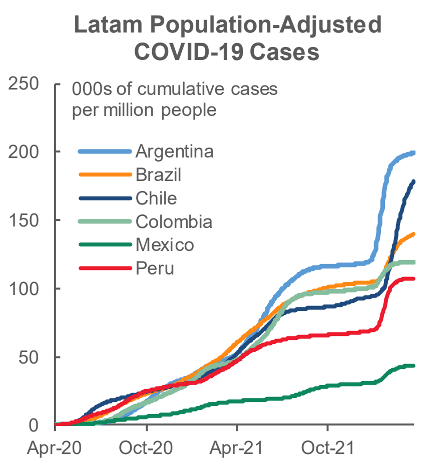
Sources: Scotiabank Economics, Johns Hopkins University.

Chart 3



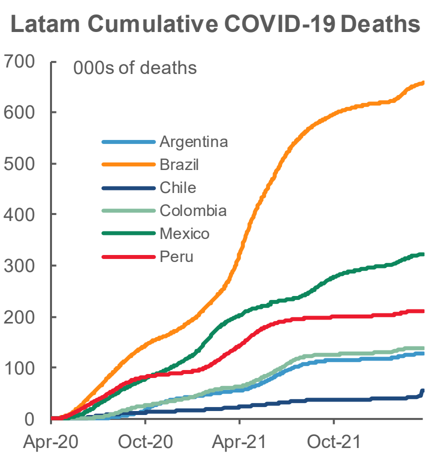
Sources: Scotiabank Economics, Johns Hopkins University.

Chart 4



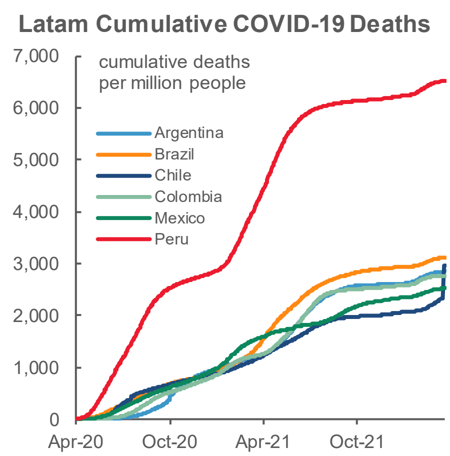
Sources: Scotiabank Economics, Johns Hopkins University, United Nations.

Chart 5



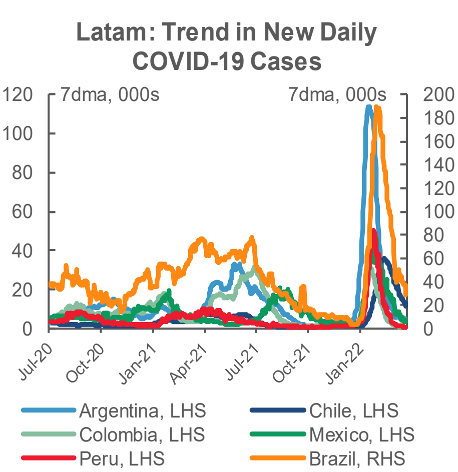
Sources: Scotiabank Economics, Johns Hopkins University.

Chart 6



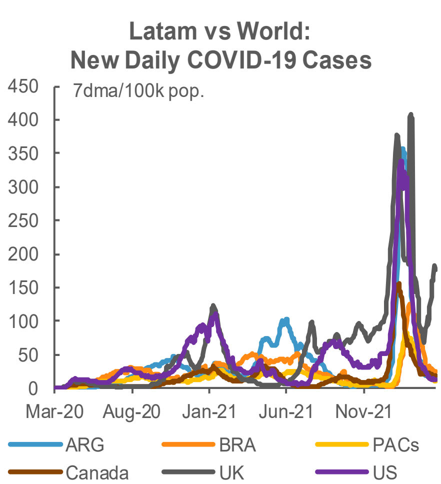
Sources: Scotiabank Economics, Johns Hopkins University.

Chart 7



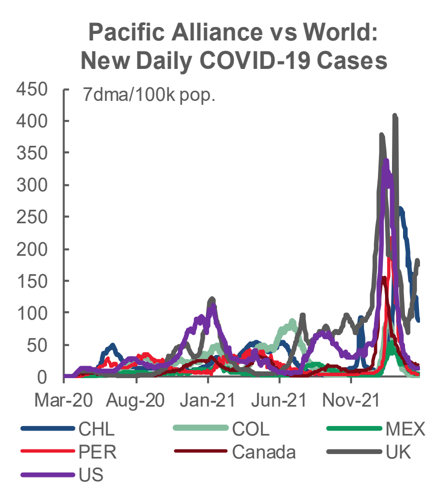
Sources: Scotiabank Economics, Johns Hopkins University.

Chart 8



Sources: Scotiabank Economics, JHU.

Chart 9

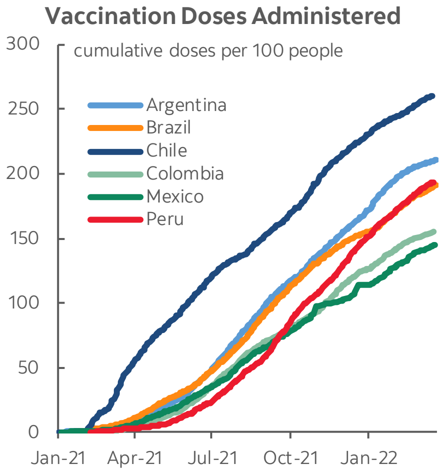


Sources: Scotiabank Economics, JHU.

March 24, 2022

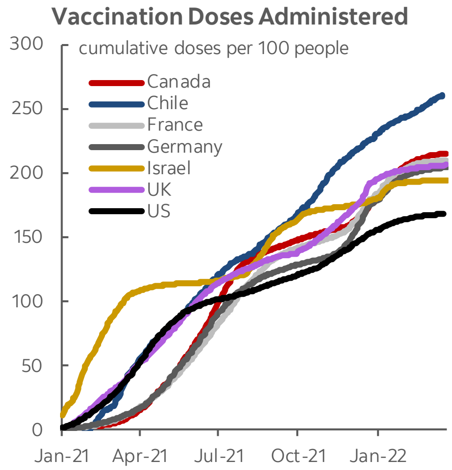
Key COVID-19 Charts

Chart 10



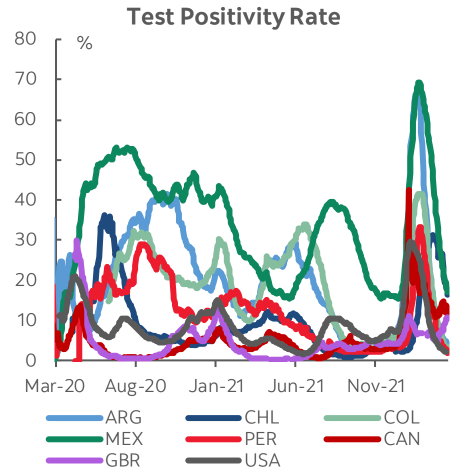
Sources: Scotiabank Economics, Oxford University.

Chart 11



Sources: Scotiabank Economics, Oxford University.

Chart 12



Sources: Scotiabank Economics, Oxford University.

Market Events & Indicators for March 24 – April 8

ARGENTINA

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Mar-28	15:00	Shop Center Sales (y/y)	Jan	--	--	29.76	
Mar-28	15:00	Supermarket Sales (y/y)	Jan	--	--	5.34	
Mar-29	15:00	Economic Activity Index (m/m)	Jan	-2.3	--	-0.5	Seasonal effects plus a broader trendline decline in post-pandemic
Mar-29	15:00	Economic Activity Index (y/y)	Jan	9.7	--	9.8	growth shall deepen in Q1.
Mar-31	15:00	Wages (m/m)	Jan	--	--	2.57	
Mar-31		Consumer Confidence Index (%)	Mar	--	--	39.43	
Apr-05		Vehicle Domestic Sales Adefa	Mar	--	--	25432	
Apr-05		Vehicle Exports Adefa	Mar	--	--	20024	
Apr-05		Vehicle Production Adefa	Mar	--	--	37661	
Apr 1-5		Government Tax Revenue (ARS bn)	Mar	--	--	1166.51428	
Apr-07	15:00	Construction Activity (y/y)	Feb	--	--	-5	
Apr-07	15:00	Industrial Production (y/y)	Feb	--	--	-0.32	
Apr-08		Central Bank Survey		--			

BRAZIL

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Mar-25	4:00	FIPE CPI - Weekly (%)	23-Mar	--	0.98	0.96	
Mar-25	7:00	FGV Consumer Confidence	Mar	--	--	77.9	
Mar-25	8:00	IBGE Inflation IPCA-15 (m/m)	Mar	--	0.85	0.99	
Mar-25	8:00	IBGE Inflation IPCA-15 (y/y)	Mar	--	10.68	10.76	
Mar 22-26		Tax Collections (BRL mn)	Feb	--	152150	235321	
Mar-28	7:00	FGV Construction Costs (m/m)	Mar	--	--	0.48	
Mar-28	8:30	Current Account Balance (USD mn)	Feb	--	--	-8145.9	
Mar-28	8:30	Foreign Direct Investment (USD mn)	Feb	--	--	4709	
Mar-29	13:30	Federal Debt Total (BRL bn)	Feb	--	--	5616	
Mar-30	7:00	FGV Inflation IGPM (m/m)	Mar	--	--	1.83	
Mar-30	7:00	FGV Inflation IGPM (y/y)	Mar	--	--	16.12	
Mar-30	8:30	Outstanding Loans (m/m)	Feb	--	--	0	
Mar-30	8:30	Personal Loan Default Rate (%)	Feb	--	--	4.61	
Mar-30	8:30	Total Outstanding Loans (BRL bn)	Feb	--	--	4670.5	
Mar-30		Central Govt Budget Balance (BRL bn)	Feb	--	--	76.539	
Mar-31	8:00	National Unemployment Rate (%)	Feb	--	--	11.2	
Mar-31	8:30	Net Debt % GDP	Feb	--	--	56.64	
Mar-31	8:30	Nominal Budget Balance (BRL bn)	Feb	--	--	84.061	
Mar-31	8:30	Primary Budget Balance (BRL bn)	Feb	--	--	101.833	
Mar 24-31		Formal Job Creation Total	Feb	--	220000	-265811	
Apr-01	7:00	FGV CPI IPC-S (%)	31-Mar	--	--	0.94	
Apr-01	8:00	Industrial Production (m/m)	Feb	--	--	-2.4	
Apr-01	8:00	Industrial Production (y/y)	Feb	--	--	-7.2	
Apr-01	9:00	S&P Global Brazil Manufacturing PMI	Mar	--	--	49.6	
Apr-01	14:00	Exports Total (USD mn)	Mar	--	--	22913	
Apr-01	14:00	Imports Total (USD mn)	Mar	--	--	18864	
Apr-01	14:00	Trade Balance Monthly (USD mn)	Mar	--	--	4049	
Apr-04	4:00	FIPE CPI - Monthly (%)	Mar	--	--	0.9	
Apr-05	9:00	S&P Global Brazil Composite PMI	Mar	--	--	53.5	
Apr-05	9:00	S&P Global Brazil Services PMI	Mar	--	--	54.7	
Apr 1-5		Vehicle Sales Fenabrave	Mar	--	--	129276	
Apr-06	7:00	FGV Inflation IGP-DI (m/m)	Mar	--	--	1.5	
Apr-06	7:00	FGV Inflation IGP-DI (y/y)	Mar	--	--	15.35	
Apr 6-7		Vehicle Exports Anfavea	Mar	--	--	41449	
Apr 6-7		Vehicle Production Anfavea	Mar	--	--	165935	
Apr 6-7		Vehicle Sales Anfavea	Mar	--	--	129275	
Apr-08	7:00	FGV CPI IPC-S (%)	07-Apr	--	--	0.94	
Apr-08	8:00	IBGE Inflation IPCA (m/m)	Mar	--	--	1.01	
Apr-08	8:00	IBGE Inflation IPCA (y/y)	Mar	--	--	10.54	

Forecasts at time of publication.
Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for March 24 – April 8

CHILE

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Mar-29	17:00	**Overnight Rate Target (%)**	**29-Mar**	**7.00**	**--**	**5.50**	We expect the BCCh to hike 150 bps in the March meeting, which will bring the monetary policy rate to 7.00%.
Mar-30	8:00	Unemployment Rate (%)	Feb	7.3	--	7.3	We forecast an unemployment rate without changes compared to the last quarter, due to similar fluctuations in both employment and work force.
Mar-31	8:00	Commercial Activity (y/y)	Feb	--	--	12.02	
Mar-31	8:00	Copper Production Total (Tons)	Feb	--	--	429923	
Mar-31	8:00	Industrial Production (y/y)	Feb	--	--	-1.1	
Mar-31	8:00	Manufacturing Production (y/y)	Feb	--	--	2.6	
Mar-31	8:00	Retail Sales (y/y)	Feb	10.0	--	14.22	We forecast an expansion around 10% y/y in February, based on our high frequency indicators of credit and debit cards, which showed a strong performance in services, mainly restaurants.
Apr-01	7:30	Economic Activity (m/m)	Feb	--	--	-0.97	
Apr-01	7:30	Economic Activity (y/y)	Feb	8.7	--	8.96	Our forecast for February is consistent with a monthly GDP growth between 0% and 0.5% m/m.
Apr-07	8:30	Copper Exports (USD mn)	Mar	--	--	3843.19	
Apr-07	8:30	Exports Total (USD mn)	Mar	--	--	7617.43	
Apr-07	8:30	Imports Total (USD mn)	Mar	--	--	7371.31	
Apr-07	8:30	International Reserves (USD mn)	Mar	--	--	50231	
Apr-07	8:30	Trade Balance (USD mn)	Mar	--	--	246.12	
Apr-07	9:00	Nominal Wage (y/y)	Feb	--	--	7.5	
Apr 1-7		IMCE Business Confidence	Mar	--	--	51.19	
Apr-08	8:00	CPI (m/m)	Mar	--	--	0.3	
Apr-08	8:00	CPI (y/y)	Mar	--	--	7.8	
Apr 7-12		Vehicle Sales Total	Mar	--	--	31745	

COLOMBIA

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Mar-31	11:00	National Unemployment Rate (%)	Feb	13.6	--	14.6	Employment would continue showing gains, especially in services-related sectors. However, the evolution of informality is a thing to keep an eye on.
Mar-31	11:00	Urban Unemployment Rate (%)	Feb	14.6	--	14.8	
Mar-31	14:00	**Overnight Lending Rate (%)**	**31-Mar**	**5.50**	**5.50**	**4.00**	The central bank will continue its hiking cycle at a accelerated pace as a reaction of increasing inflation expectation but also on still strong economic growth indicators. We expect 7.50% to be the end of the hiking cycle.
Apr-01	11:00	Davivienda Colombia PMI Mfg	Mar	--	--	52	
Apr-04	18:00	Colombia Monetary Policy Minutes		--			
Apr-05	20:00	CPI Core (m/m)	Mar	--	--	1.28	
Apr-05	20:00	CPI Core (y/y)	Mar	--	--	5.1	
Apr-05	20:00	CPI (m/m)	Mar	--	--	1.63	
Apr-05	20:00	CPI (y/y)	Mar	--	--	8.01	
Apr-06	11:00	Exports FOB (USD mn)	Feb	--	--	3781.63	

MEXICO

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Mar-25	8:00	Economic Activity IGAE (m/m)	Jan	--	0.4	0.8	
Mar-25	8:00	Economic Activity IGAE (y/y)	Jan	--	2.1	1.32	
Mar-28	8:00	Trade Balance (USD mn)	Feb	--	--	-6286.26	
Mar-29	11:00	International Reserves Weekly (USD mn)	25-Mar	--	--	200976	
Mar-30	8:00	Unemployment Rate NSA (%)	Feb	--	--	3.71	
Mar-30		Budget Balance YTD (MXN bn)	Feb	--	--	-58.84	
Mar-31	11:00	Net Outstanding Loans (MXN bn)	Feb	--	--	4825.8	

Forecasts at time of publication.
Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for March 24 – April 8

MEXICO

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Apr-01	11:00	Central Bank Economist Survey		--			
Apr-01	11:00	Remittances Total (USD mn)	Feb	--	--	3930.8	
Apr-01	11:30	S&P Global Mexico Manufacturing PMI	Mar	--	--	48	
Apr-01	14:00	IMEF Manufacturing Index SA	Mar	--	--	55	
Apr-01	14:00	IMEF Non-Manufacturing Index SA	Mar	--	--	50.514	
Apr-04	7:00	Consumer Confidence	Mar	--	--	43.44	
Apr-04	7:00	Leading Indicators (MoM)	Feb	--	--	-0.15	
Apr-04	7:00	Vehicle Domestic Sales	Mar	--	--	79600	
Apr-05	10:00	International Reserves Weekly (USD mn)	01-Apr	--	--	200976	
Apr-05		Banamex Survey of Economists		--			
Apr-06	7:00	Gross Fixed Investment (%)	Jan	--	--	7.6	
Apr-06	7:00	Vehicle Exports	Mar	--	--	201868	
Apr-06	7:00	Vehicle Production	Mar	--	--	240479	
Apr-07	7:00	Bi-Weekly Core CPI (%)	31-Mar	--	0.4	0.35	
Apr-07	7:00	Bi-Weekly Core CPI (y/y)	31-Mar	--	6.73	6.68	
Apr-07	7:00	Bi-Weekly CPI (%)	31-Mar	--	0.54	0.48	
Apr-07	7:00	Bi-Weekly CPI (y/y)	31-Mar	--	7.34	7.29	
Apr-07	7:00	CPI Core (m/m)	Mar	0.58	--	0.76	
Apr-07	7:00	CPI Core (y/y)	Mar	6.64	--	6.59	
Apr-07	7:00	CPI (m/m)	Mar	0.64	--	0.83	
Apr-07	7:00	CPI (y/y)	Mar	7.08	--	7.28	
Apr-07	10:00	Central Bank Monetary Policy Minutes		--			
Apr-08		Nominal Wages (m/m)	Mar	--	--	6.7	

PERU

Date	Time	Event	Period	BNS	Consensus	Latest	BNS Comments
Apr-01	11:00	Lima CPI (m/m)	Mar	1.16	--	0.31	Inflation could pick up in March due to rising food, transportation and education prices.
Apr-01	11:00	Lima CPI (y/y)	Mar	6.50	--	6.15	Inflation peak could be reached in June due to low comparision base.
Apr-07	19:00	**Reference Rate (%)**	**07-Apr**	**4.50**	**--**	**4.00**	BCRP could keep its hawkish stance after raising its inflation forecast from 2.9% to 3.6% for this year.

Forecasts at time of publication.
Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage

Local Market Coverage

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