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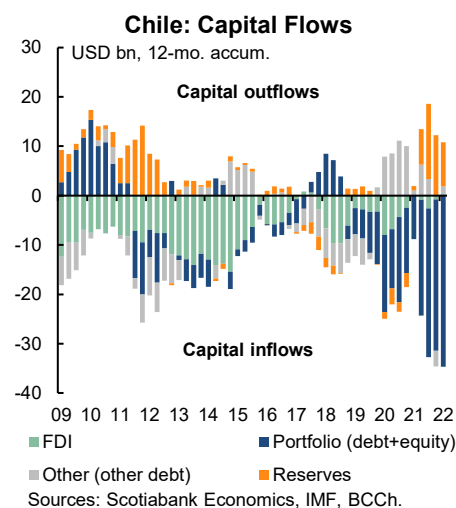
Latam Charts: Capital Flows Come into Focus

- Recent press reports have highlighted large capital outflows from emerging markets. But the outflows on which these press reports are based are swamped by Chinese data.
- And as illustrated below, the situation in the Pacific Alliance countries (PAC) is more nuanced, with some components of the capital account recording outflows while other components have experienced sizeable inflows. On balance, net capital flows for the PAC have been positive over the past year.
- A caveat is warranted: capital flows data, including the IMF data reported below, is subject to definitional and data gathering challenges that make cross-country comparisons difficult.

PAC | CAPITAL FLOWS—HIGHLIGHTS

- Capital inflows of Foreign Direct Investment (FDI) were recorded in all of the PAC in last quarter available (Q1-2022).
- The PAC, excluding Chile, experienced outflows of portfolio investment in Q1-2022.
- Over the last 12 months, current account deficits in Chile, Colombia and Peru were financed with portfolio inflows.
- Meanwhile, Mexico experienced portfolio outflows over the last 12 months, offset by strong FDI inflows.
- Portfolio investment appetite of foreign investors is explained by high interest rates and depreciated currencies.

CHILE

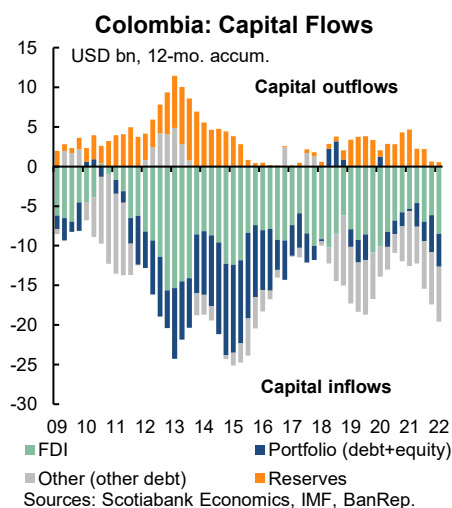


Chile—Capital Outflows (+) & Inflows (-)

USD bn	2022 Q1	Last 12-mo.
FDI	-1.1	0.4
Portfolio (debt+equity)	-2.8	-34.7
Other (other debt)	1.1	1.4
Reserves	-1.8	9.0

Sources: Scotiabank Economics, IMF, BCCh.

COLOMBIA

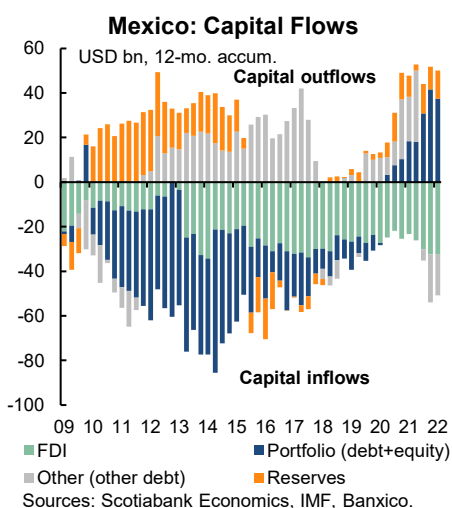


Colombia—Capital Outflows (+) & Inflows (-)

USD bn	2022 Q1	Last 12-mo.
FDI	-3.8	-8.5
Portfolio (debt+equity)	1.8	-4.2
Other (other debt)	-2.4	-6.9
Reserves	0.1	0.6

Sources: Scotiabank Economics, IMF, BanRep.

MEXICO

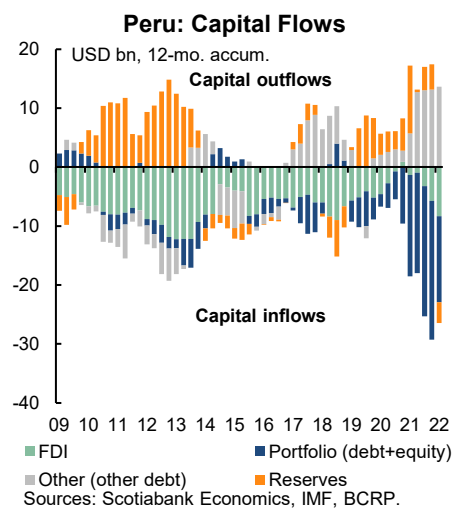


Mexico—Capital Outflows (+) & Inflows (-)

USD bn	2022 Q1	Last 12-mo.
FDI	-14.0	-32.3
Portfolio (debt+equity)	1.6	37.5
Other (other debt)	2.3	-18.5
Reserves	4.0	12.5

Sources: Scotiabank Economics, IMF, Banxico.

PERU



Peru—Capital Outflows (+) & Inflows (-)

USD bn	2022 Q1	Last 12-mo.
FDI	-5.6	-8.3
Portfolio (debt+equity)	1.1	-14.6
Other (other debt)	3.4	13.6
Reserves	-2.4	-3.5

Sources: Scotiabank Economics, IMF, BCRP.

Key Economic Charts

Chart 1

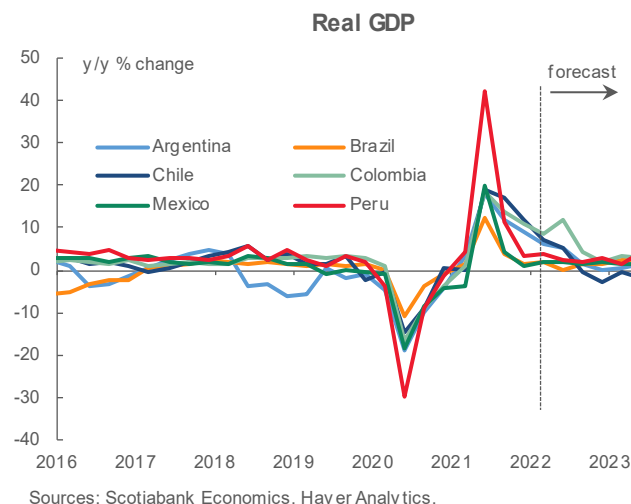


Chart 2

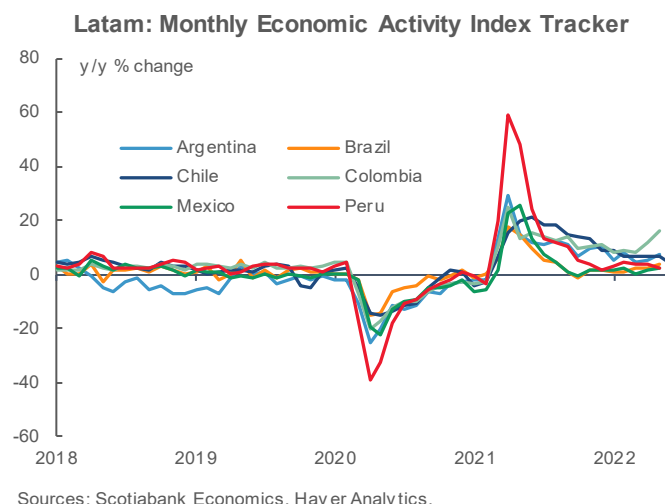


Chart 3

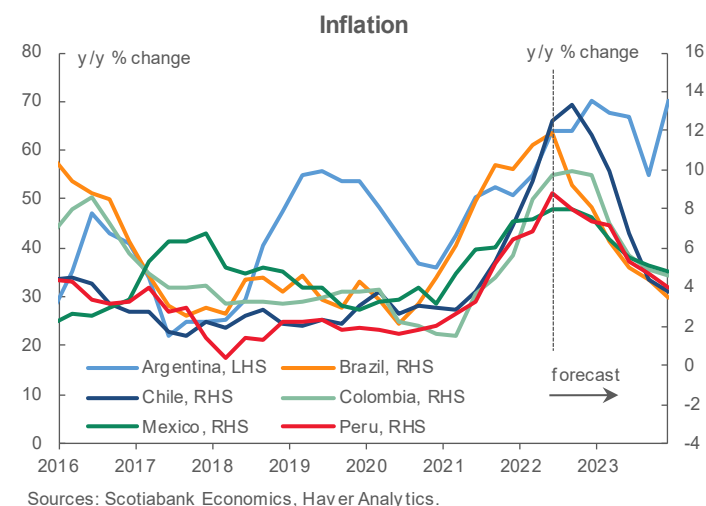


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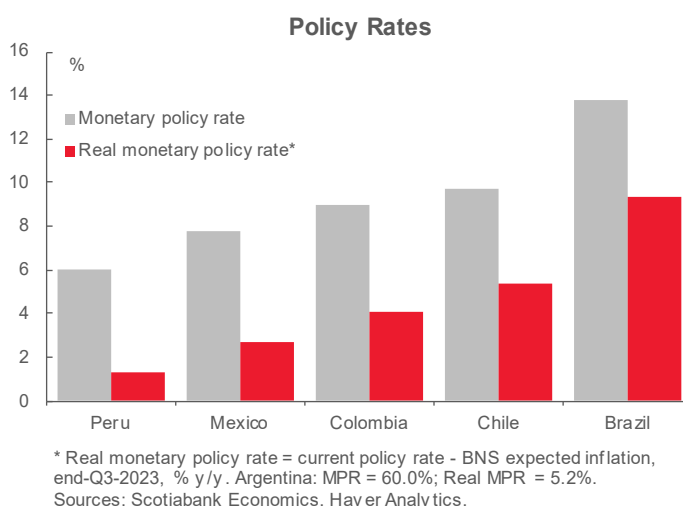


Chart 5

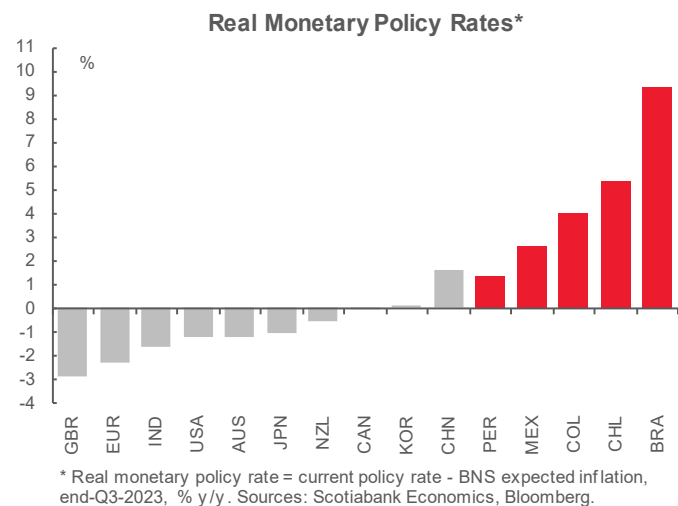
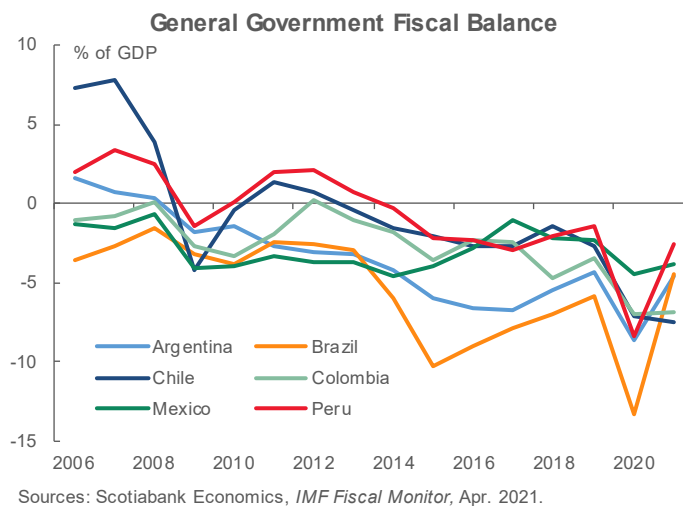


Chart 6



Key Economic Charts

Chart 7

General Government Gross Debt

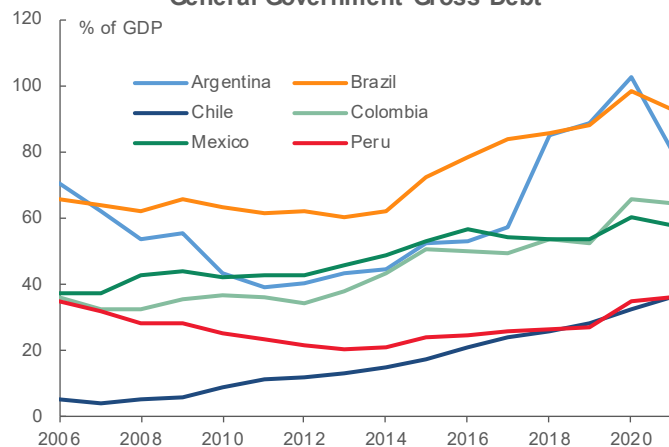


Chart 8

External Debt

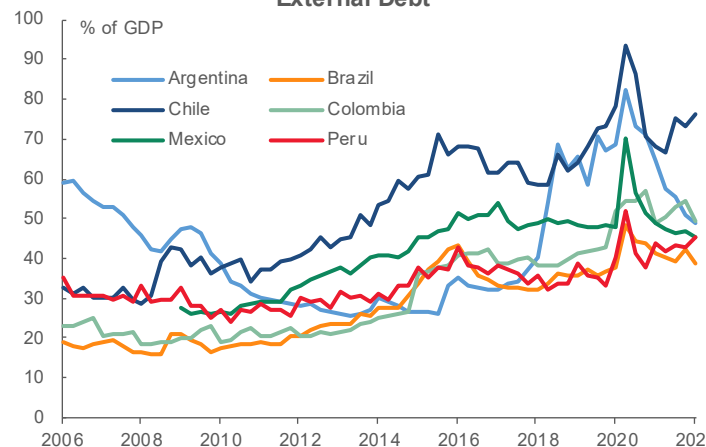


Chart 9

Current Account Balance

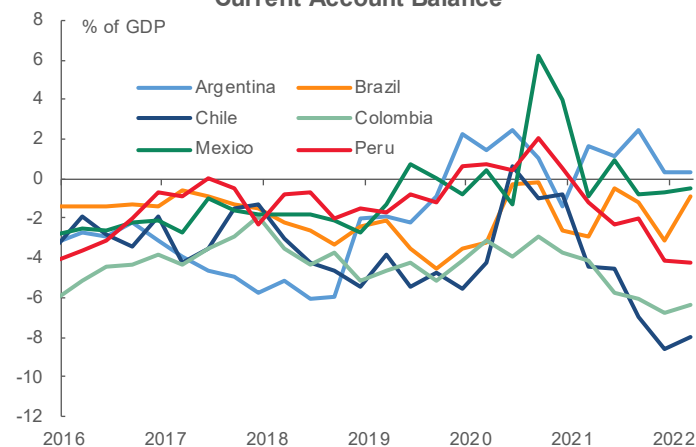
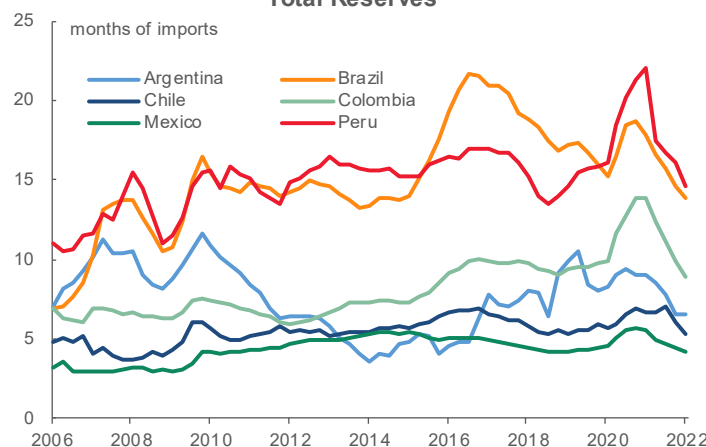


Chart 10

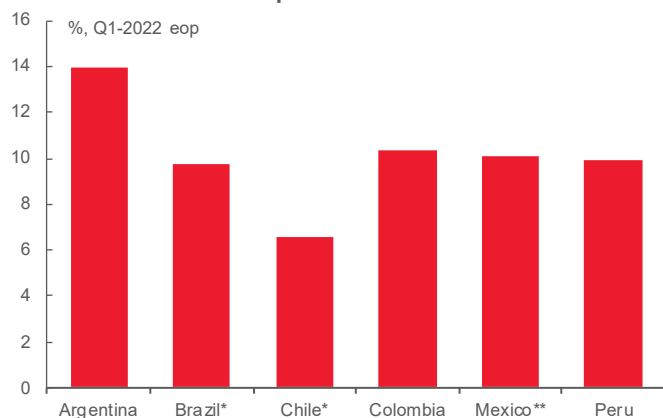
Total Reserves



Key Market Charts

Chart 1

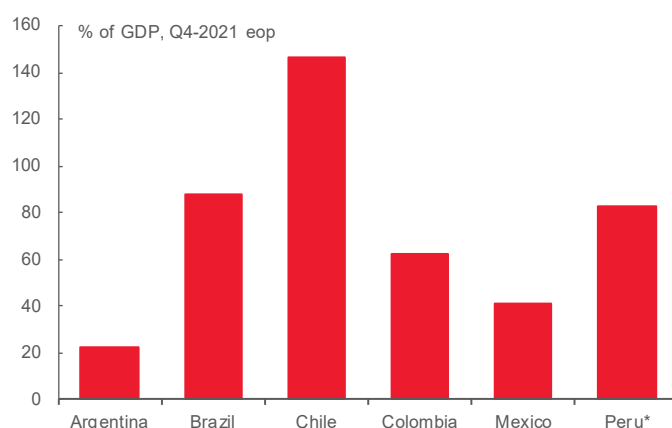
Bank Capital to Assets Ratio



* Data to Q3-2021. ** Data to Q1-2021.
Sources: Scotiabank Economics, IMF.

Chart 2

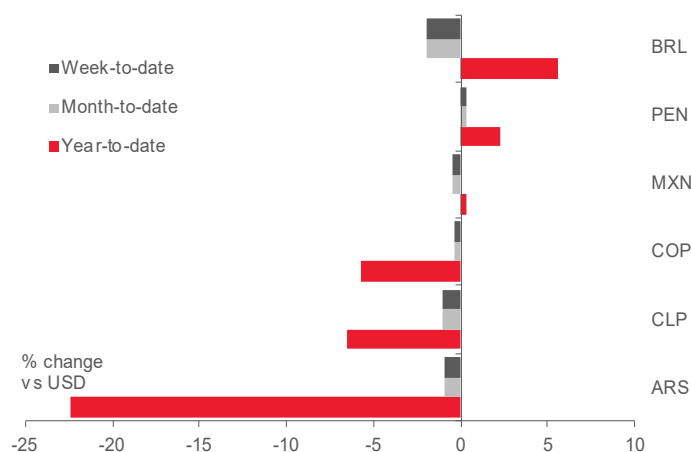
Domestic Credit to Private Nonfinancial Sector



* Data to Q1-2022.
Sources: Scotiabank Economics, BIS, Haver Analytics.

Chart 3

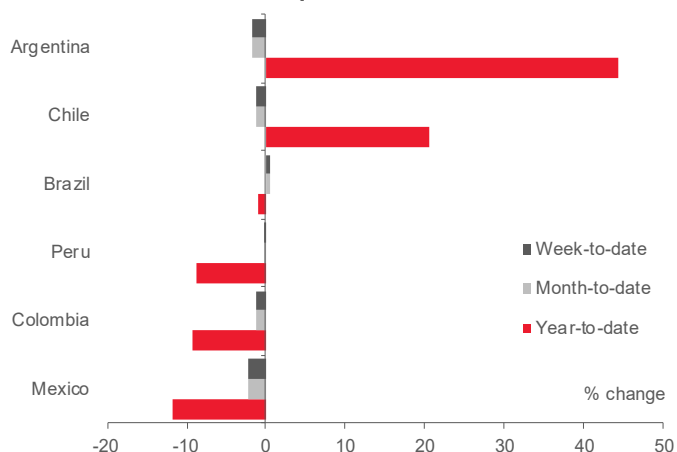
Latam Currencies Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 4

Latam Equities Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 5

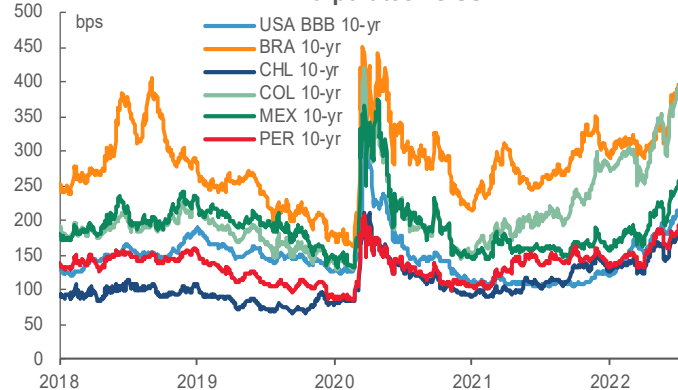
USD vs Latam Currencies



Sources: Scotiabank Economics, Bloomberg.

Chart 6

10-yr CDS Spreads: Latam Sovereigns & US BBB Corporates vs US*



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

Yield Curves

Chart 1

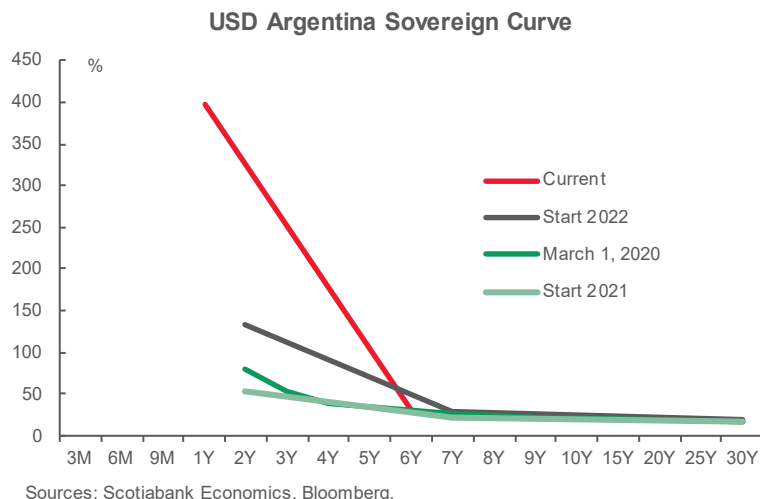


Chart 2



Chart 3

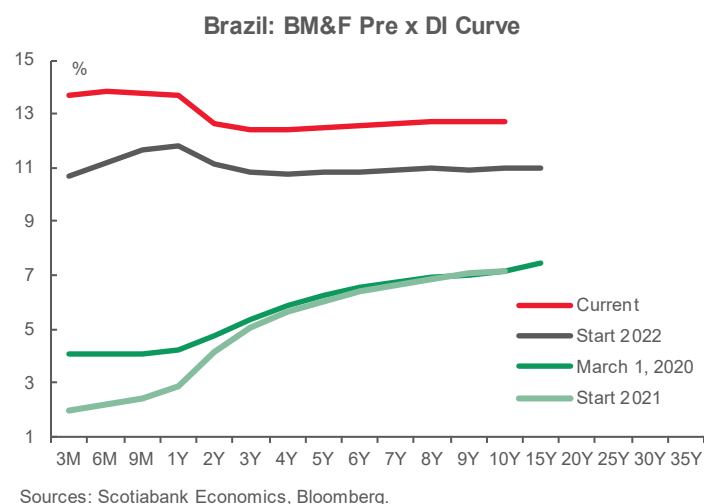


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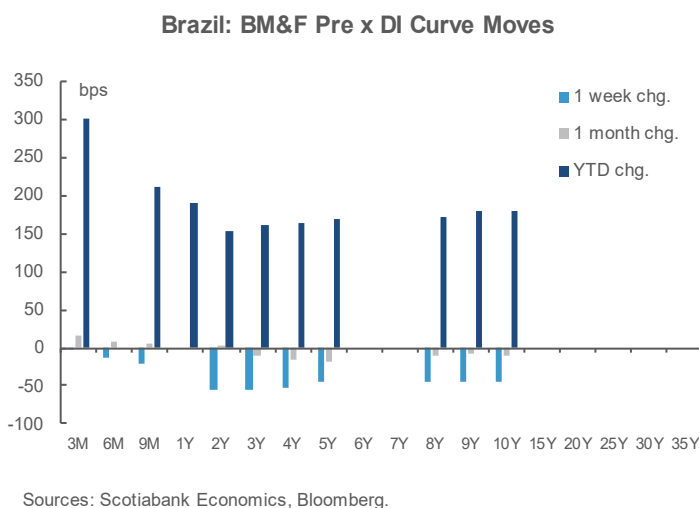


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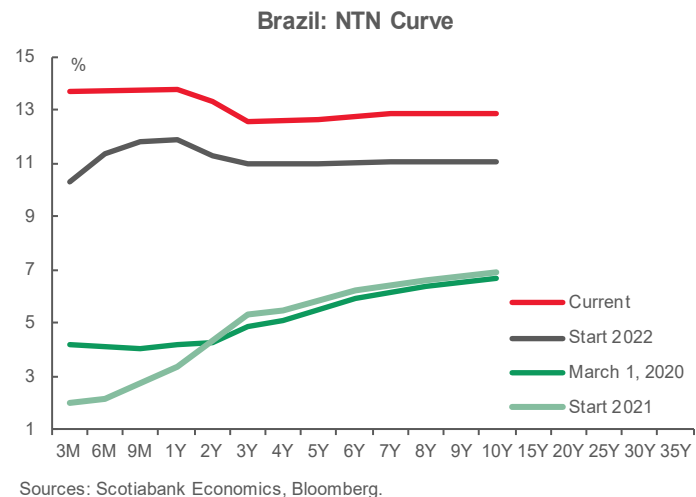
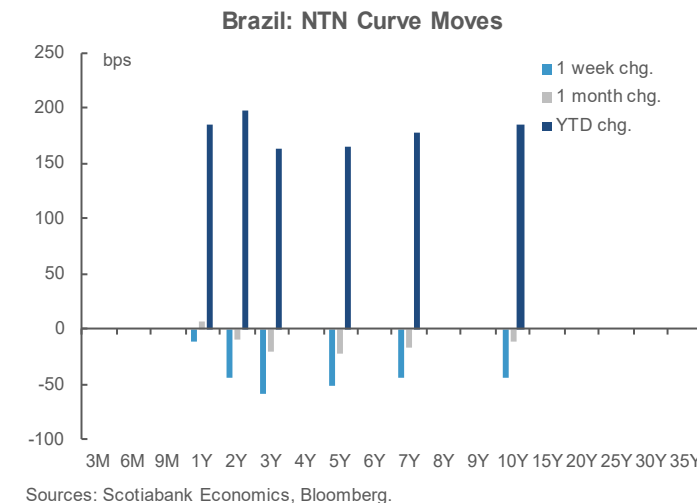


Chart 6



Yield Curves

Chart 7

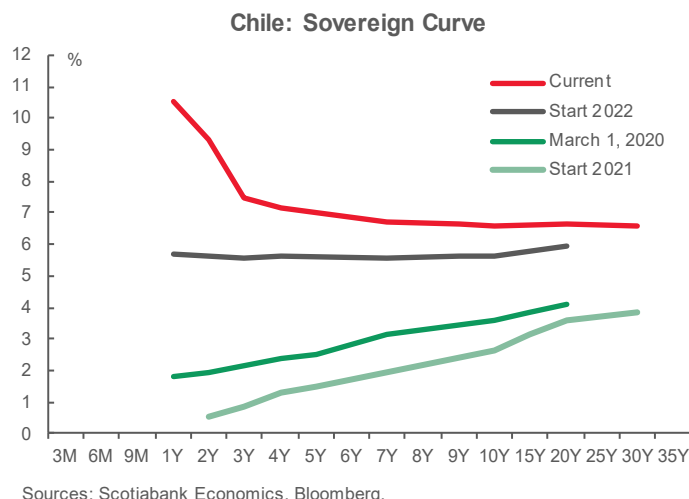


Chart 8

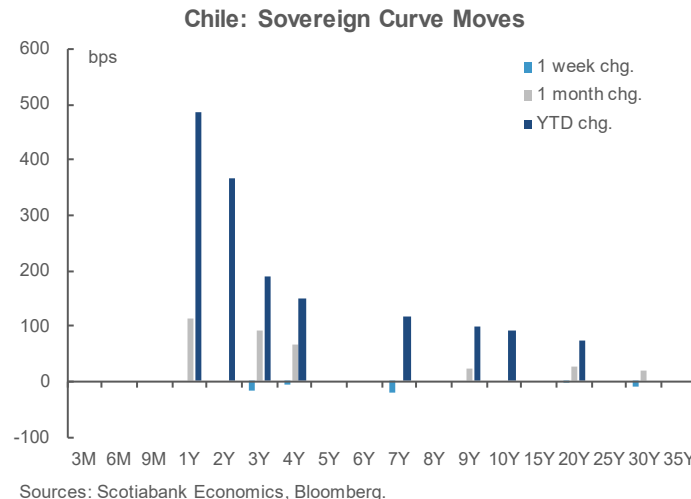


Chart 9

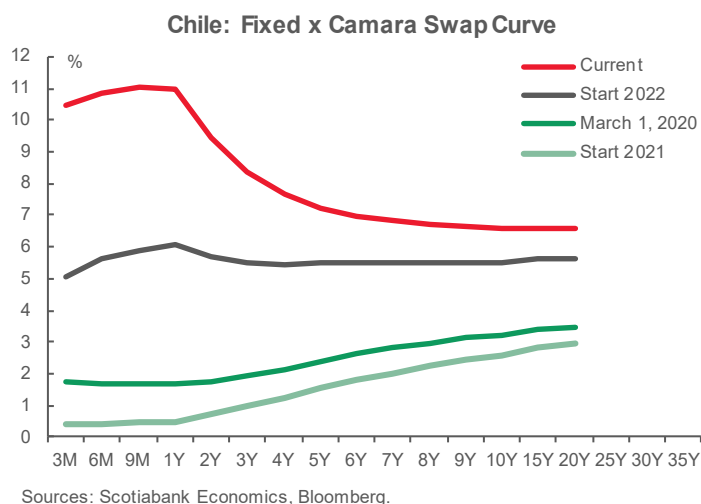


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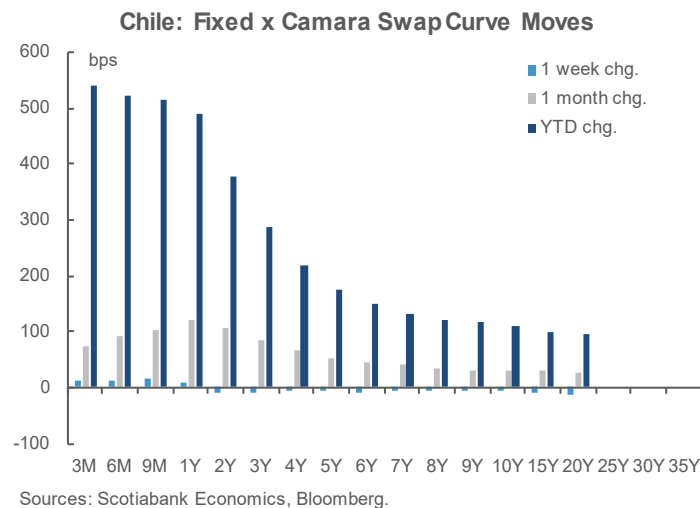


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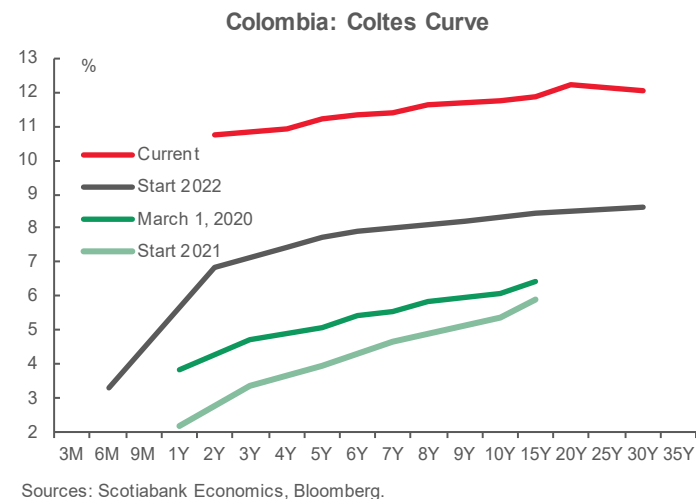
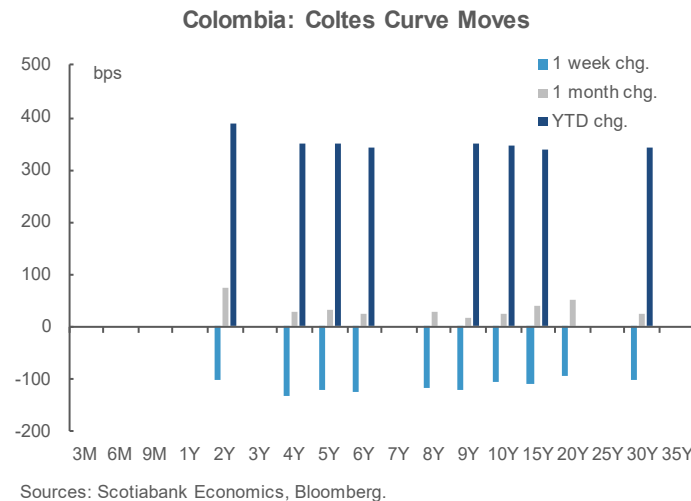


Chart 12



Yield Curves

Chart 13

Colombia: UVR-Indexed Curve

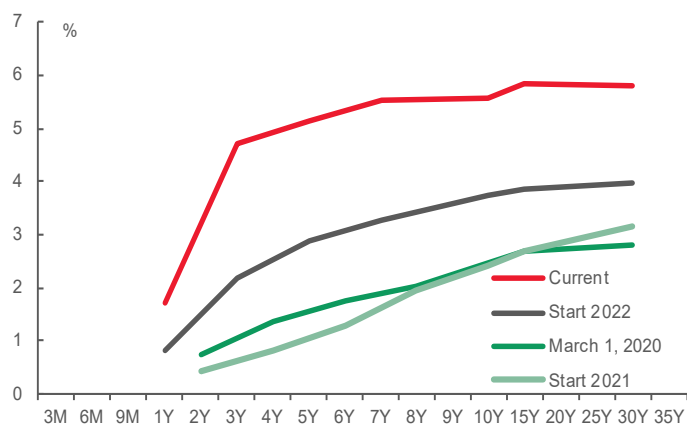


Chart 14

Colombia: UVR-Indexed Curve Moves

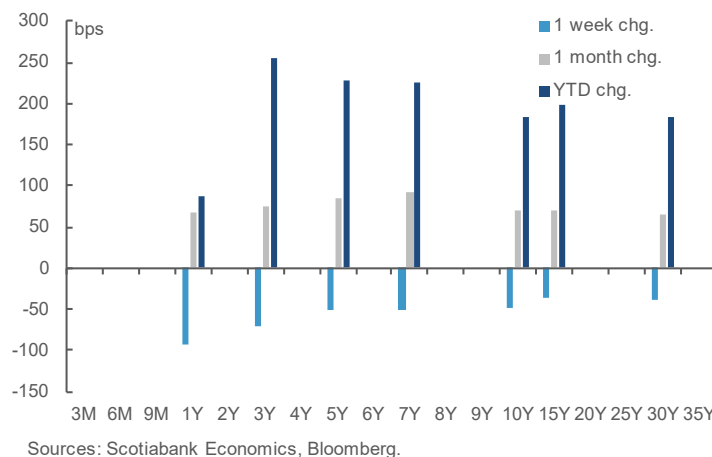


Chart 15

Mexico: M-Bono Curve

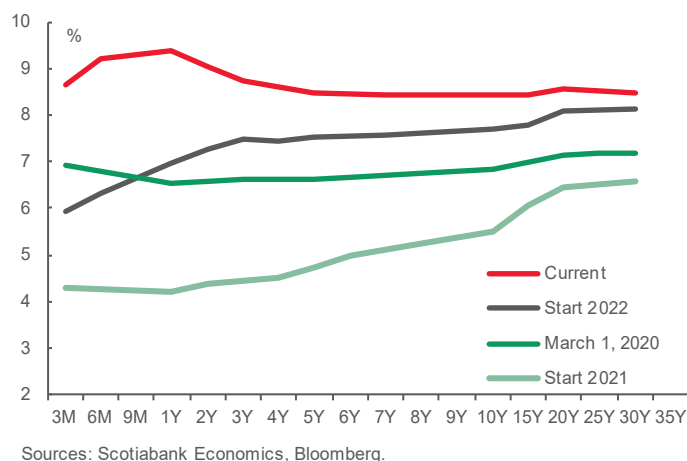


Chart 16

Mexico: M-Bono Curve Moves

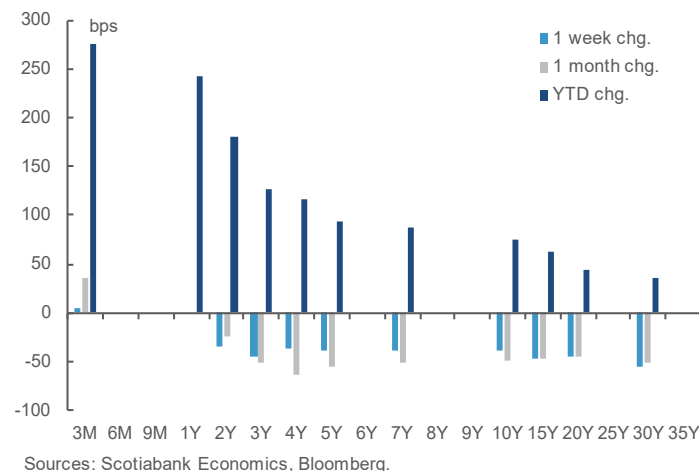


Chart 17

Mexico: Udibonos BVAL Yield Curve

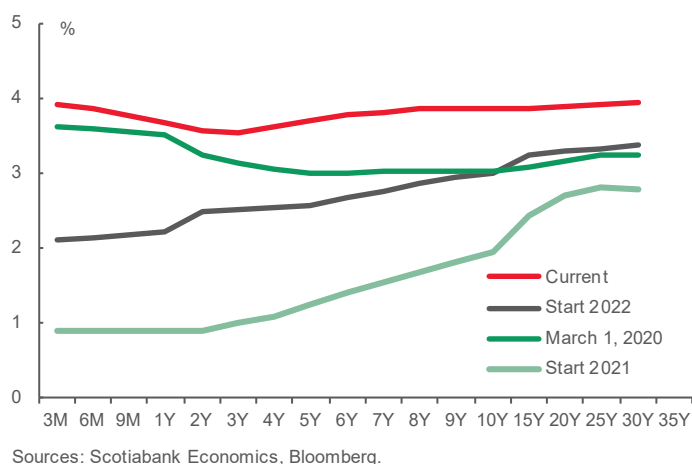
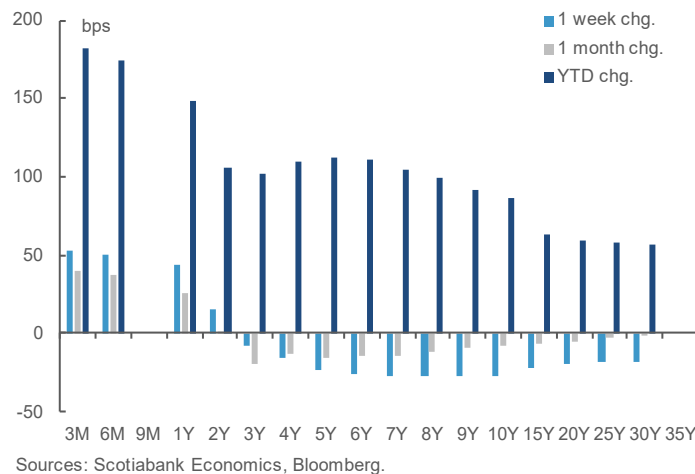


Chart 18

Mexico: Udibono Curve Moves



Yield Curves

Chart 19

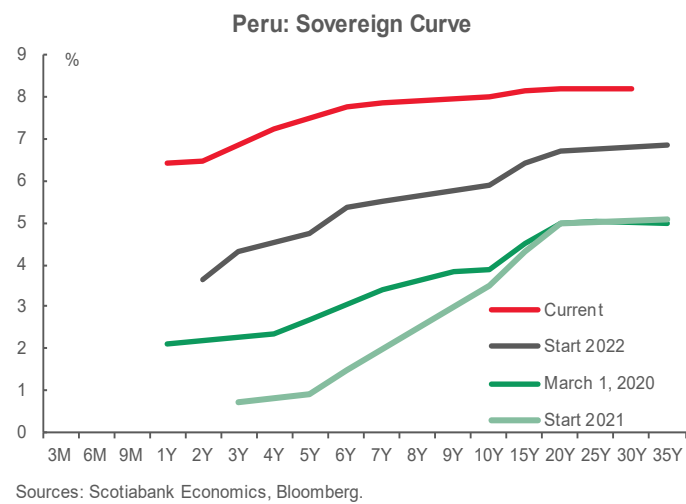
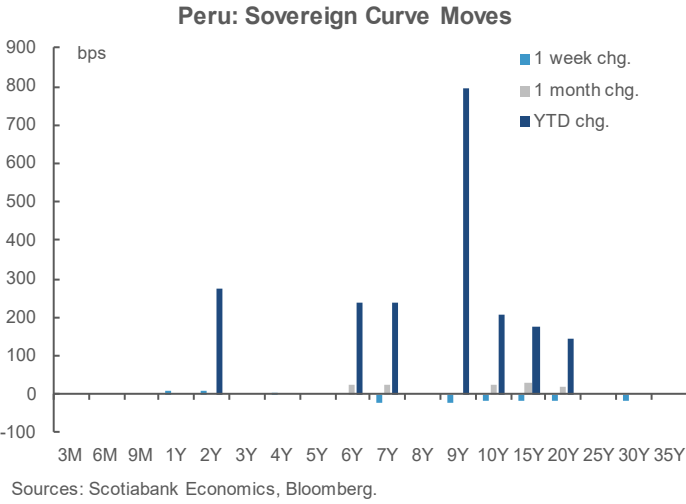


Chart 20



Key COVID-19 Charts

Chart 1

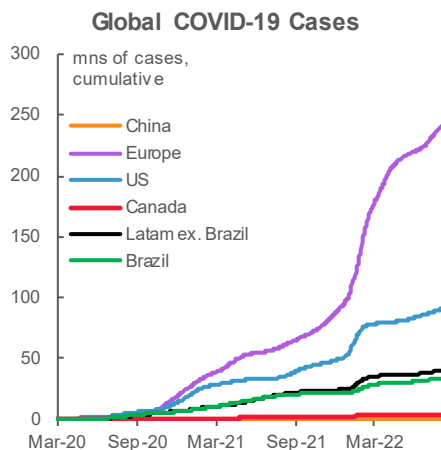


Chart 2

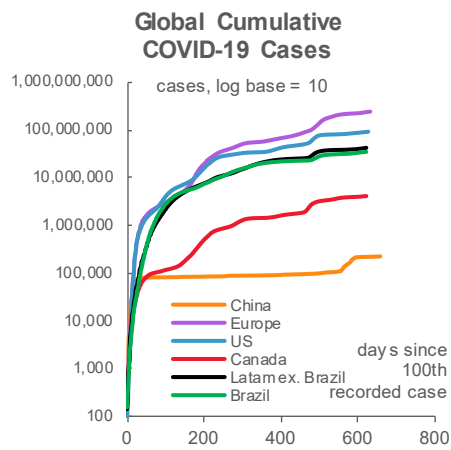


Chart 3

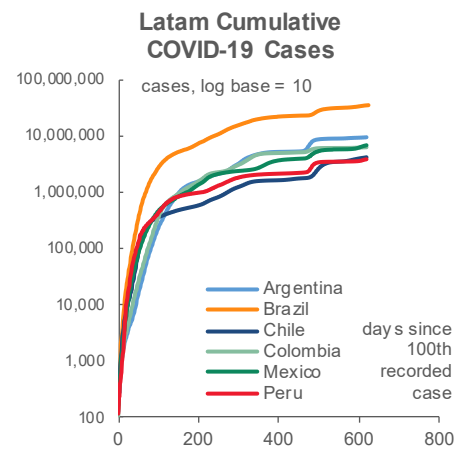


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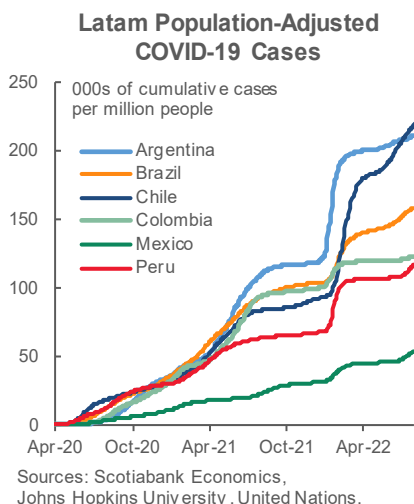


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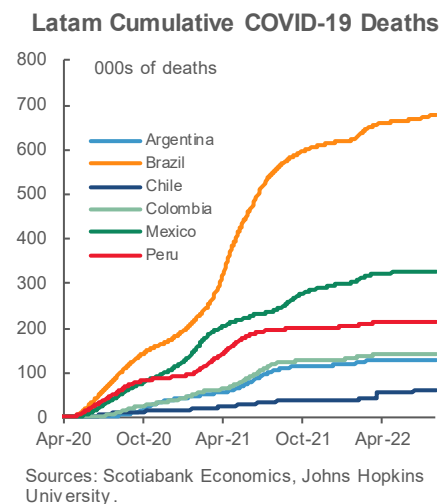


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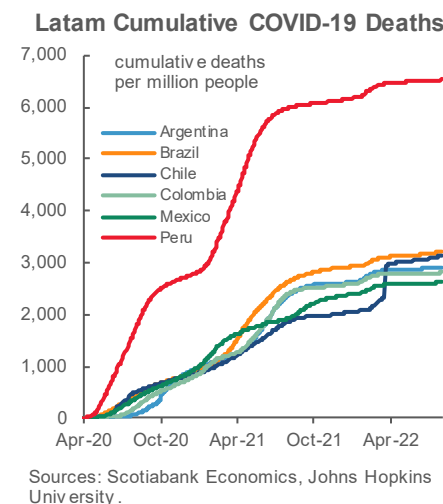


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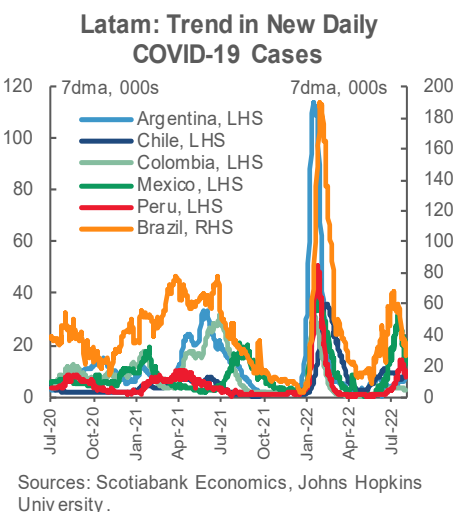


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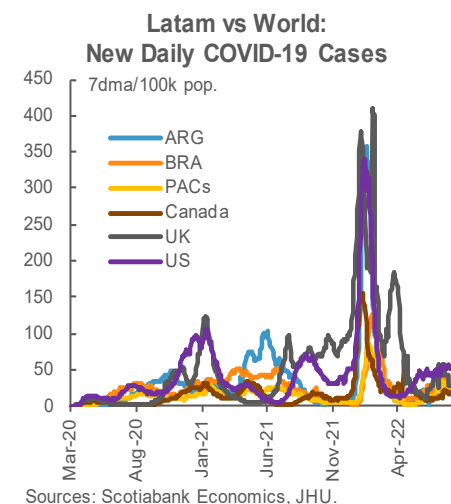
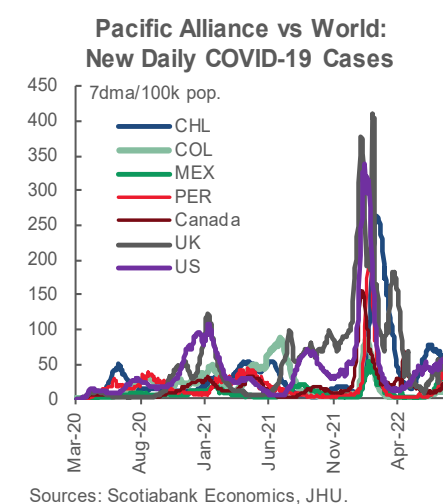


Chart 9



Key COVID-19 Charts

Chart 10

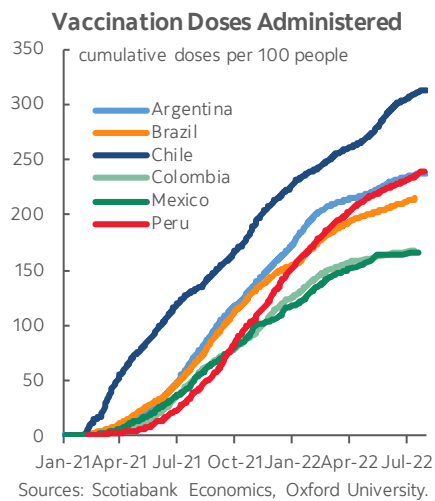


Chart 11

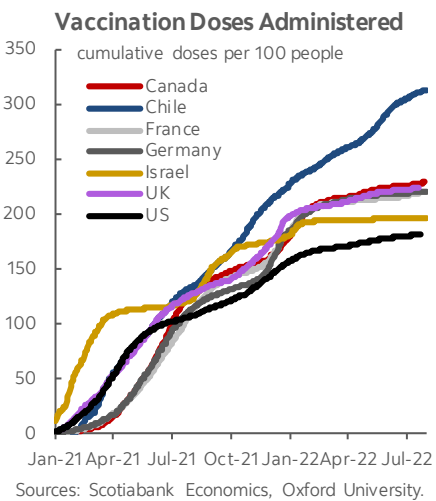
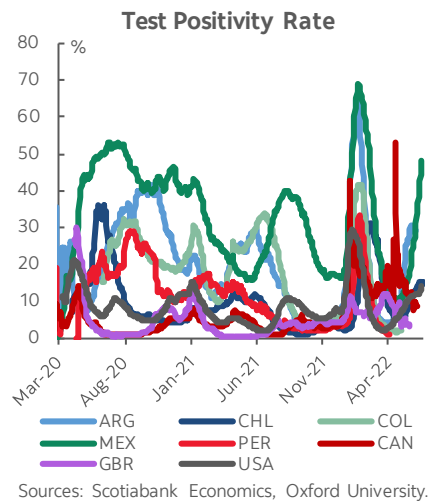


Chart 12



Market Events & Indicators for August 5–19

ARGENTINA

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-05	Central Bank Survey		--	--	--	--
Aug-09	15:00 Construction Activity (y/y)	Jun	--	--	19.9	
Aug-09	15:00 Industrial Production (y/y)	Jun	--	--	11.93	
Aug-10	15:00 Wages (m/m)	Jun	--	--	6.22	
Aug-11	15:00 Greater Buenos Aires CPI (m/m)	Jul	--	--	5.5	
Aug-11	15:00 Greater Buenos Aires CPI (y/y)	Jul	--	--	64.97	
Aug-11	15:00 National CPI (m/m)	Jul	--	--	5.3	
Aug-11	15:00 National CPI (y/y)	Jul	--	--	64	
Aug-17	15:00 Capacity Utilization (%)	Jun	--	--	68.4	
Aug-17	UTDT Leading Indicator	Jul	--	--	-0.85	

BRAZIL

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-05	7:00 FGV Inflation IGP-DI (y/y)	Jul	--	9.34	11.12	
Aug-05	7:00 FGV Inflation IGP-DI (m/m)	Jul	--	-0.17	0.62	
Aug-05	9:00 Vehicle Sales Anfavea	Jul	--	--	178067	
Aug-05	9:00 Vehicle Production Anfavea	Jul	--	--	203598	
Aug-05	9:00 Vehicle Exports Anfavea	Jul	--	--	47316	
Aug-08	7:00 FGV CPI IPC-S (%)	07-Aug	--	--	-1.19	
Aug-08	7:25 Central Bank Weekly Economist Survey		--	--	--	
Aug-08	14:00 Trade Balance Weekly (USD mn)	07-Aug	--	--	1688.3	
Aug-09	4:00 FIPE CPI - Weekly (%)	07-Aug	--	--	0.33	
Aug-09	7:00 Central Bank Meeting Minutes		--	--	--	
Aug-09	8:00 IBGE Inflation IPCA (m/m)	Jul	--	--	0.67	
Aug-09	8:00 IBGE Inflation IPCA (y/y)	Jul	--	--	11.89	
Aug-10	8:00 Retail Sales (m/m)	Jun	--	--	0.1	
Aug-10	8:00 Retail Sales (y/y)	Jun	--	--	-0.2	
Aug-10	8:00 Retail Sales Broad (m/m)	Jun	--	--	0.2	
Aug-10	8:00 Retail Sales Broad (y/y)	Jun	--	--	-0.7	
Aug-11	8:00 IBGE Services Volume (y/y) NSA	Jun	--	--	9.2	
Aug-11	8:00 IBGE Services Volume (m/m) SA	Jun	--	--	2.0	
Aug-15	8:00 Economic Activity (m/m)	Jun	--	--	-0.11	
Aug-15	8:00 Economic Activity (y/y)	Jun	--	--	3.74	
Aug-15	8:25 Central Bank Weekly Economist Survey		--	--	--	
Aug-15	14:00 Trade Balance Weekly (USD mn)	14-Aug	--	--	1688.3	
Aug-16	7:00 FGV CPI IPC-S (%)	15-Aug	--	--	-1.19	
Aug-17	4:00 FIPE CPI - Weekly (%)	15-Aug	--	--	0.33	
Aug-17	7:00 FGV Inflation IGP-10 (m/m)	Aug	--	--	0.6	

CHILE

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-05	9:00 Nominal Wage (y/y)	Jun	--	--	9.6	
Aug-08	8:00 CPI (m/m)	Jul	1.1	1.2	0.9	We expect inflation in July to be 1.1% m/m, mainly due to
Aug-08	8:00 CPI (y/y)	Jul	12.9	12.9	12.5	increases in food and transportation. In annual terms, inflation could reach 12.9% y/y.
Aug-08	8:30 International Reserves (USD mn)	Jul	--	--	45813	
Aug-08	8:30 Trade Balance (USD mn)	Jul	--	--	-11.32	
Aug-08	8:30 Exports Total (USD mn)	Jul	--	--	8487	
Aug-08	8:30 Imports Total (USD mn)	Jul	--	--	8498.32	
Aug-08	8:30 Copper Exports (USD mn)	Jul	--	--	3975.22	
Aug-10	Central Bank Economist Survey		--	--	--	
Aug 5-10	Vehicle Sales Total	Jul	--	--	38306	
Aug-18	8:30 Current Account Balance (USD mn)	2Q	--	--	-5575	
Aug-18	8:30 GDP (y/y)	2Q	5.5	--	7.21	We expect GDP to be 5.5% y/y in Q2-2022, which is consistent
Aug-18	8:30 GDP (q/q)	2Q	0.3	--	-0.76	with our forecast of 2.1% GDP growth in 2022.

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for August 5–19

COLOMBIA

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-05	7:00 CPI (m/m)	Jul	--	0.62	0.51	
Aug-05	7:00 CPI (y/y)	Jul	--	9.98	9.67	
Aug-05	7:00 CPI Core (m/m)	Jul	--	--	0.47	
Aug-05	7:00 CPI Core (y/y)	Jul	--	--	6.84	
Aug-08	Consumer Confidence Index	Jul	--	--	2.9	
Aug-12	11:00 Manufacturing Production (y/y)	Jun	--	--	46.23	
Aug-12	11:00 Retail Sales (y/y)	Jun	--	--	34.8	
Aug-12	11:00 Industrial Production (y/y)	Jun	--	--	29.93	
Aug-12	Central Bank Economist Survey		--	--	--	
Aug-16	11:00 Trade Balance (USD mn)	Jun	--	--	-1732.5	
Aug-16	11:00 Imports CIF Total (USD mn)	Jun	--	--	6804.55	
Aug-16	12:00 GDP (q/q)	2Q	--	--	1.0	
Aug-16	12:00 GDP NSA (y/y)	2Q	--	--	8.5	
Aug-16	12:00 Economic Activity NSA (y/y)	Jun	--	--	16.49	

MEXICO

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-05	7:00 Gross Fixed Investment (%)	May	--	6.0	7.0	
Aug-05	7:00 Vehicle Exports	Jul	--	--	237674	
Aug-05	7:00 Vehicle Production	Jul	--	--	285318	
Aug-05	Banamex Survey of Economists		--	--	--	
Aug-09	7:00 CPI Core (y/y)	Jul	--	7.61	7.49	
Aug-09	7:00 CPI (m/m)	Jul	--	0.72	0.84	
Aug-09	7:00 CPI (y/y)	Jul	--	8.13	7.99	
Aug-09	7:00 CPI Core (m/m)	Jul	--	0.58	0.77	
Aug-09	7:00 Bi-Weekly CPI (%)	31-Jul	--	0.19	0.43	
Aug-09	7:00 Bi-Weekly CPI (y/y)	31-Jul	--	8.1	8.16	
Aug-09	7:00 Bi-Weekly Core CPI (%)	31-Jul	--	0.22	0.34	
Aug-09	7:00 Bi-Weekly Core CPI (y/y)	31-Jul	--	7.66	7.56	
Aug-09	10:00 International Reserves Weekly (USD mn)	05-Aug	--	--	199480	
Aug-10	ANTAD Same-Store Sales (y/y)	Jul	--	--	7.9	
Aug-10	Nominal Wages (m/m)	Jul	--	--	6.7	
Aug-11	7:00 Manuf. Production NSA (y/y)	Jun	--	--	6.08	
Aug-11	7:00 Industrial Production NSA (y/y)	Jun	--	--	3.33	
Aug-11	7:00 Industrial Production SA (m/m)	Jun	--	--	0.08	
Aug-11	14:00 Overnight Rate (%)	11-Aug	8.50	8.50	7.75	
Aug-12	13:00 Formal Job Creation Total	Jul	--	--	60.2	
Aug-16	10:00 International Reserves Weekly (USD mn)	12-Aug	--	--	199480	
Aug-19	7:00 Retail Sales (m/m)	Jun	--	--	0.5	
Aug-19	7:00 Retail Sales (y/y)	Jun	--	--	5.2	

PERU

Date	Time Event	Period	BNS	Consensus	Latest	BNS Comments
Aug-11	19:00 Reference Rate (%)	11-Aug	6.50	--	6.00	The BCRP could raise the reference rate by 50 bps to 6.50% at the August 11 policy rate meeting. It could be the last hike if it is confirmed that inflation peaked in June.
Aug-15	Economic Activity (y/y)	Jun	2.4	--	2.28	Domestic demand sectors are driving economic activity.
Aug-15	Lima Unemployment Rate (%)	Jul	6.7	--	6.8	We expect the labour market to recover gradually.

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage



Local Market Coverage

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