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Latam Daily: Colombia Economic Activity; Peru Cement Sales Recap

- **Colombia: Economic activity in April exceeded market expectations amid calendar effects**
- **Peru: Cement sales rebound in May after April decline**

COLOMBIA: ECONOMIC ACTIVITY IN APRIL EXCEEDED MARKET EXPECTATIONS AMID CALENDAR EFFECTS

On Wednesday, June 18th, DANE released April's Economic Activity Indicator (ISE) data. The indicator registered a 1.14% y/y increase (charts 1 and 2), above market expectations of 0.8% y/y and showing positive variations in six of the nine activities included in the indicator. However, April's result is partially due to a calendar effect, as April 2025 was the Easter celebration with fewest working days; therefore, the seasonally adjusted data showed a 2.5% y/y expansion in economic activity. In marginal terms, economic activity grew 1.6% m/m s.a., with a positive trend and higher than monthly variation in March (-0.7% m/m).

Economic activity was driven primarily by services sector. Services began 2025 in positive territory, accounting for 100% of the month's economic growth. Commerce and public administration were the best performers, followed by financial and insurance activities, real estate, and professional activities. In contrast, the primary sector continued to deaccelerate showing a slight contraction. Similarly, the secondary sector (manufacturing and construction) showed signs of deacceleration due to the impact of Easter.

All in all, today's result is compatible with our GDP projection of 2.6% expansion in 2025. In the case of monetary policy, the output gap remains negative but will close soon. While the economy is improving, the sustainability of the economic recovery requires less restrictive monetary policy in the future, given the negative trend in inflation indicators. Thus, we affirm our expectation of a 25 bps rate cut at the June meeting, to 9.00%.

Key Highlights:

- **The primary sector showed a significant contraction.** In April, both agricultural and mining activities dropped by -1.7% y/y, however, on a seasonally adjusted basis this sector grew by 1.1% y/y (charts 3 and 4). In agricultural sector, coffee exports grew by 87% y/y and overall agriculture exports grew by 48% y/y. On the domestic front, the supply of agricultural products registered a decrease by 0.4% y/y which show a

Chart 1

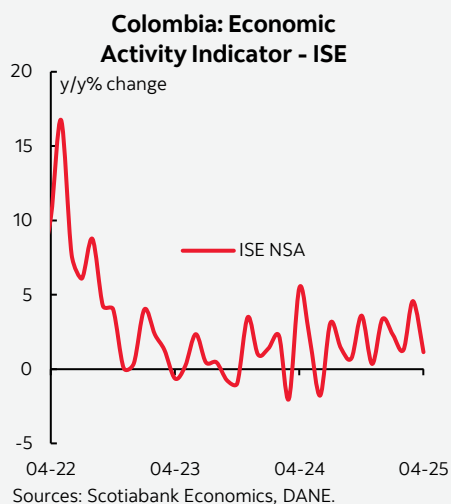


Chart 2

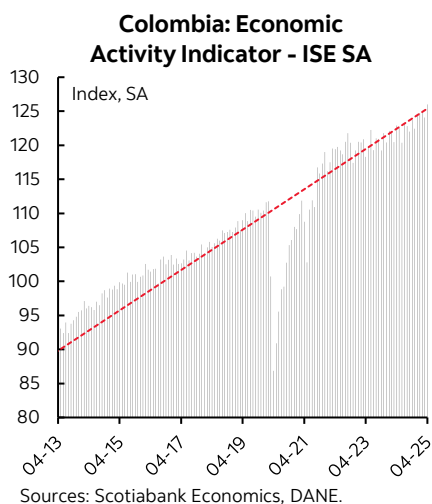
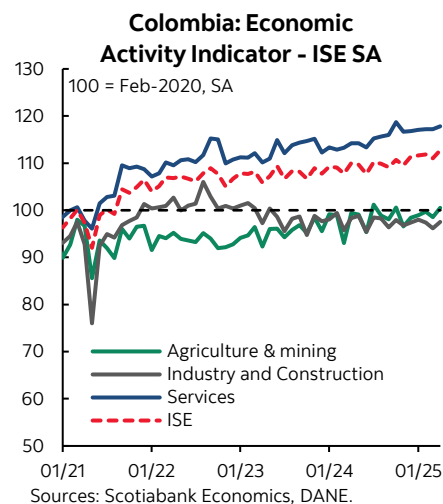


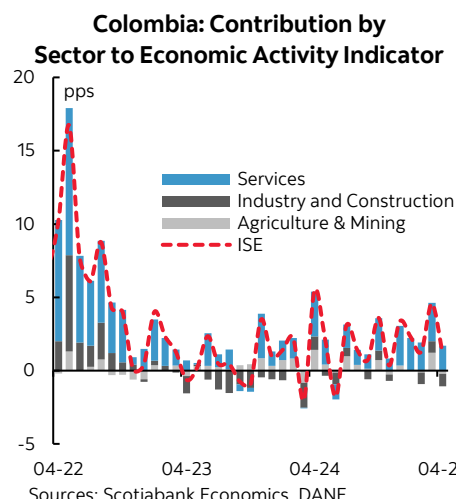
Chart 3



deacceleration compared to 2024 when agriculture supply increased by 18% y/y on average. However, mining, coal, and extractive industries showed signs of contraction reflected in a 36% y/y decline in mining exports.

- Secondary activities drop by 3.9% y/y.** Construction registered a negative trend while manufacturing increased despite the manufacturing output indicator falling 3.3% y/y during the same period. Therefore, from April manufacturing output indicator, iron and steel sector (-15% y/y), pharmaceutical industry (-9.2% y/y), plastic products (-9.5% y/y) and the beverage industry (-6.0% y/y) were the main sectors driving the negative outcome for the month. In contrast, dairy products (+8.5% y/y), food for animals (+11.5% y/y), and apparel (+5.4% y/y) contributed +0.9 p.p. to the result. On the other hand, in the construction sector, the housing sector remains solid as home sales have increased +24% y/y in April.
- The services sector continued expanding but with heterogeneous performance compared to the previous month.** On an annual basis, six of the seven service sectors registered positive variations. In general, services such as commerce, transportation, and housing (+4.9 y/y) and public administration and leisure (+2.1% y/y) contributed the most to the general positive performance. Besides, financial and insurance activities (+2.7% y/y), communication services (+2.7% y/y), real estate (+1.7% y/y) and professional activities (+1.1% y/y) continued with positive numbers. In contrast, utilities drop by -1.1% y/y.

Chart 4



—Valentina Guio

PERU: CEMENT SALES REBOUND IN MAY AFTER APRIL DECLINE

Cement sales in Peru saw a significant increase in May, recovering from a decline in April. In May, sales rose by 5.2% YoY, bouncing back from a 1% YoY decrease in the previous month. In terms of volume, sales reached 1 million tons, which was slightly above expectations and marked the highest monthly volume from January to May, as well as the highest level since November 2024, according to the Asociación de Productores de Cemento (ASOCEM).

This increase in sales was primarily driven by higher demand from the self-build segment, which accounts for 70% of cement consumption. This demand was associated with a gradual recovery in formal private employment and the relative stability of construction material prices. Notably, there was a slight reduction in the average price of cement in Metropolitan Lima. In May, the average price was 30.48 soles per bag, down from 30.60 soles at the end of 2024, marking the lowest price since January 2024, according to the National Institute of Statistics and Informatics (INEI).

Chart 5

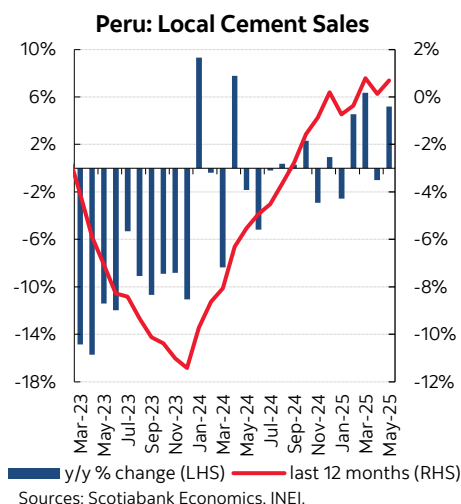


Chart 6

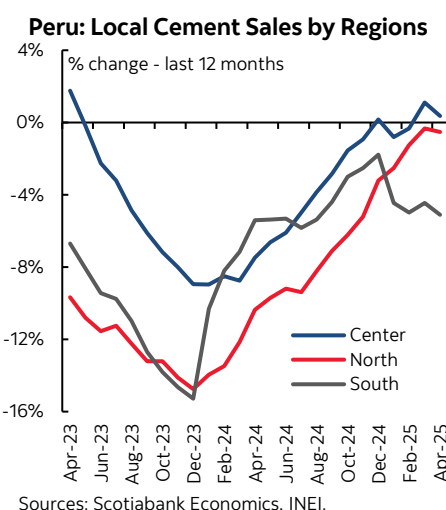
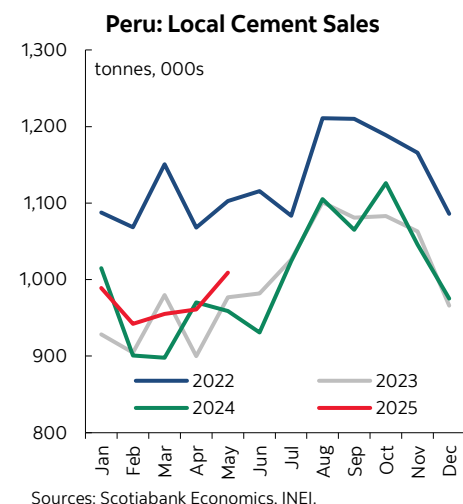


Chart 7



June 19, 2025

According to ASOCEM, cement consumption grew by 2.3% from January to May, attributed to increased demand from the self-build segment and a recovery trend in recent months, particularly in the northern part of the country, where cement consumption rose by 4.5% between January and April. In addition, there was heightened demand for cement due to public sector projects, as the physical progress of public works increased by 8% YoY in May, according to INEI. Furthermore, the real estate sector contributed to this demand, with new mortgage loans seeing a 30% growth YoY in April and a cumulative increase of 35% from January to April. The real estate market, especially in Lima, performed strongly, with home sales growing by 30% QoQ in the 1Q25.

We expect cement sales to continue this upward trend in June, anticipating that the volume sold will be like that recorded in May, approaching 1 million tons. This expectation is further supported by a base effect, as consumption in June 2024 was the third lowest of that year, leading to a 5.2% YoY decline—the second highest drop in 2024. Overall, based on the results from May, we maintain a positive outlook for the end of 2025, aligning with our projection of a 4% growth in the construction sector by the end of that year.

—Carlos Asmat

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