

LATAM Market Update

- **Chile: Economic growth limited but not surprising and hopeful**

More or less aligned with market expectation the Monthly Economic Activity Index grew 2.4% y/y in January. The result was made up of a 4.3% contraction of mining activity and an expansion of 3.1% in non mining sector. According to our economic team, that last data is quite important, considering that the monthly increase of that chunk of sectors was a robust 0.7%, which is a significant support to continue to expect an annual growth of the economy above 3%. Part of that dynamic came from services, which was fostered by fiscal spending. It is also expected that mining sector will not help too much to growth until new capacity increases are completed in coming years. The economy will likely grow 3.2% in the current year, with a 2.5% in H1 and a hard but not impossible H2, accelerating to 3.8%. A first approach for the 12 month growth in February would be in the range from 2% to 3%.

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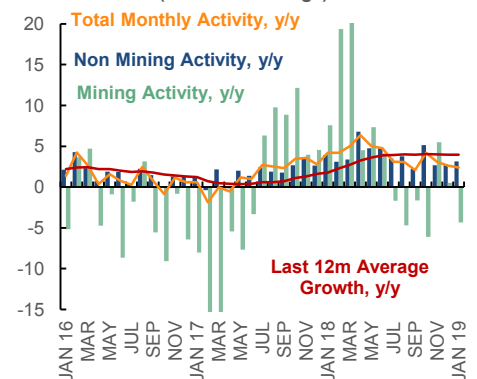
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Chile: Monthly Economic Activity Indicator (IMACEC)
(Annual % Change)



Sources: Scotiabank, Banco Central de Chile.

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