

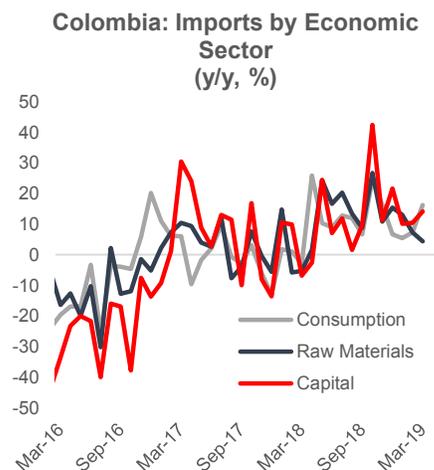
## LATAM Market Update

- **Colombia: DANE released March imports**
- **Peru: Manufacturing up 4.1%, y/y, in March—only marginally better than expected**

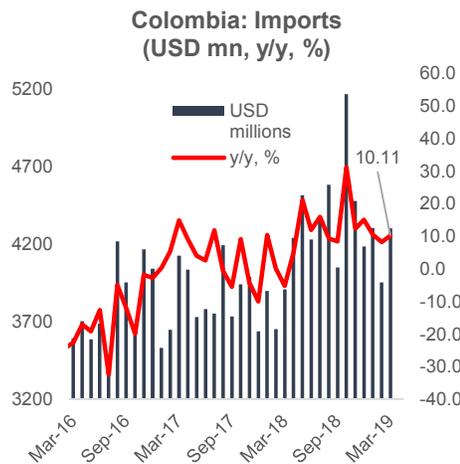
### COLOMBIA: DANE RELEASED MARCH IMPORTS

Imports came in at 10.1% y/y or US\$4.3bn and continued showing strong behaviour. Capital imports grew 14.2% y/y due to capital imports for industrial sector and transportation imports. Raw materials (44% of total imports) grew 4.4% y/y. The relative strong numbers that capital and raw materials imports have showed YTD (and last year) are consistent with investment recovery in 2019 investment. Today's imports data do not change our GDP forecast for 2019 of 3.4% y/y. Worth to note, for the first time in the year consumption imports (especially durable goods) showed a high annual expansion (16.2% y/y), especially on the back of an increment of 56% y/y in vehicles imports, which although bode well for the domestic demand recovery, consumption imports not necessarily, are good for a long run economic activity recovery and do pressure the current account balance.

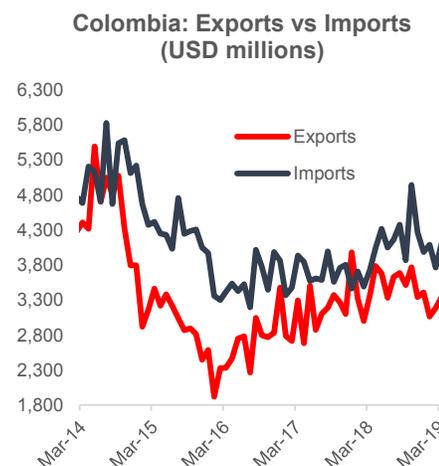
The external imbalance deteriorated a bit in March. March 2019 trade deficit was -US\$762mn. 1Q19 trade balance was -US\$2.3bn, which is more than US\$1bn higher than 1Q18 and confirm that Colombian external imbalance continue being one of the more significant concerns (especially the financing part) on Colombian economy in the short run.



Sources: DANE, Scotiabank.



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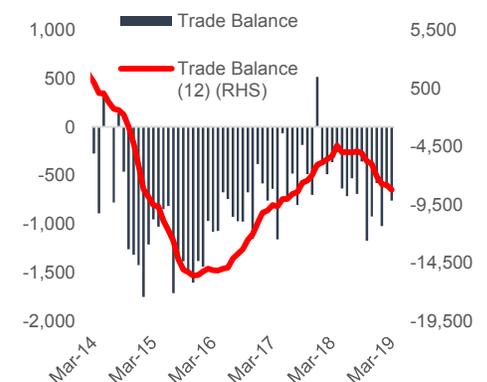
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### Colombia: Trade Balance (USD millions)



Sources: DANE, Scotiabank.

**PERU: MANUFACTURING UP 4.1%, Y/Y, IN MARCH—ONLY marginally better than expected**

Manufacturing (excluding fishmeal processing and metals refineries) rose 4.1%, y/y, in March. On the face of it, this was a good number, although it was much less so if you consider that March had two more working days. Once this is taken into account, then manufacturing growth was, actually, only fair. The figure did come in mildly better than we had expected, however. More interestingly, perhaps, is the fact that raw materials processing rose 2.5%, an indication that the sharp decrease in copper refining at Southern Copper witnessed in January-February, recovered in March.

Adrián Armas, a spokesperson for the Central Bank, was quoted by the local press as stating that the Central Bank was contemplating lowering their full-year 2019 GDP growth forecast, currently at 4.0%. Armas stated that 1Q19 growth would be close to the 2.3% seen in 3Q18. He also stated as an additional factor weighing on their expectations, the worsening of the trade war environment globally. His comments were in line with the downside risk we have for our own 4.0% growth forecast. We are waiting for March GDP figures before we study revising our forecast.

A broad strike by agricultural laborers, mainly small owners, began today. Events have been subdued so far, although it is too soon to tell how controlled events will be once the strike is in full swing. PeruRail, which provides train transportation in Cusco and Puno, including to Machu Picchu, announced that its operations would be suspended today, out of precaution, due to the strike. Much of the demands involve renewing the lending facilities offered by the State development bank, Agrobanco, to small owners, and which have been pulled back since 2016 due to bad liability management.

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