

## LATAM Market Update

- **Peru's disappearing fiscal deficit: 1.7% of GDP in April**

The 12-month rolling fiscal deficit to April was 1.7% of GDP. This is in line with our full-year forecast of 2.0%, given that April/May is the main tax revenue period in the year, and government spending typically rises in 4Q each year. It is, however, low versus the government forecast of a 2.3% deficit. This is an important point, since it means that this year's the budgetary financing needs, and fiscal debt requirements may be mildly lower than the government initially expected. In comparison, Peru closed 2018 with a 2.3% fiscal deficit.

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