

## Contributors

**Juan Manuel Herrera**

Senior Economist/Strategist  
Scotiabank GBM  
+44.207.826.5654  
[juanmanuel.herrera@scotiabank.com](mailto:juanmanuel.herrera@scotiabank.com)

**Guillermo Arbe**, Head Economist, Peru  
+51.1.211.6052 (Peru)  
[guillermo.arbe@scotiabank.com.pe](mailto:guillermo.arbe@scotiabank.com.pe)

**Sergio Olarte**, Head Economist, Colombia  
+57.601.745.6300 Ext. 9166 (Colombia)  
[sergio.olarte@scotiabankcolpatria.com](mailto:sergio.olarte@scotiabankcolpatria.com)

**Jorge Selaive**, Head Economist, Chile  
+56.2.2619.5435 (Chile)  
[jorge.selaive@scotiabank.cl](mailto:jorge.selaive@scotiabank.cl)

**Eduardo Suárez**, VP, Latin America Economics  
+52.55.9179.5174 (Mexico)  
[esuarezm@scotiabank.com.mx](mailto:esuarezm@scotiabank.com.mx)

## Latam Daily: Empty Calendar; Colombian Intrigue

There's no overarching theme driving sentiment this morning as pockets of news pitch in to keep markets awake ahead of a sleepy session in the Americas. The somewhat surprising RBA hike was the top trading catalyst overnight and a report on Chinese authorities asking state-owned banks to lower deposit rates triggered some slight moves in markets.

At writing, US equity futures are little changed, the USD is mixed but again weaker against the MXN and CAD (up 0.1/2%). Global rates markets are generally firmer, helped by a ~2% decline in oil prices as WTI trades at its lowest point since Friday morning, i.e. more than erasing the spike on the Saudi supply cut announced on Sunday.

Off-calendar developments and headlines (especially in Colombia, see below) will be the main driver of trading sentiment in the continent with no major data of note in the US or Latam; we're waiting for Brazilian and Colombian inflation data out tomorrow.

The results of the latest Citibanamex survey of economists out later today may be worth a look for possible changes to Banxico rate expectations after last week's inflation report and meeting minutes (though economists are probably content with their latest projections). Chile's lower house will again discuss a pension fund withdrawals bill that looks unlikely to pass.

In Colombia, the scandal regarding the sources of financing for President Petro's 2022 presidential has surfaced as an important headwind for the government. Yesterday, in response to these developments, the president of the house of representatives announced that the legislative process of the government's social reforms will be suspended.

The government insists that the government's projects will continue, and lawmakers are still scheduled to have a debate on the health reform today at 15ET. Note that the health reform has passed only through one of four debates. Meanwhile, the labour and pension reforms haven't started the debate process. The suspension of discussion would delay Petro's reform push even more, again demonstrating the checks and balances that are in place in Colombia.

Additionally, these developments reduce the risk of having significant changes in economic policy. Regional elections on October 29 are an important event on the horizon for the government. Were the government's party to lose support, it will become even more difficult to negotiate reforms in Congress.

—Juan Manuel Herrera

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