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Table of Contents

Economic Overview	2–3
Pacific Alliance Country Updates	4
Forecast Updates	5–7
Key Economic Charts	8
Key Market Charts	9
Yield Curves	10–12
Market Events & Indicators	13–14

Latam Weekly: Chile Rate Decision, Mexico Reforms

ECONOMIC OVERVIEW

- September kicks off with a busy week of central bank decisions in Chile and Canada, a flood of key global economic releases including US employment figures, and the start of Mexico's new Congress.
- Chilean and Peruvian CPI await, the latter over the weekend and the former after Tuesday's BCCh's decision where we expect a 25bps rate cut. Colombia's calendar is quiet, but in today's weekly our local team gives an update on the country's economy.
- Mexican unemployment and investment data may be worth a look, but markets will focus on the start of the legislative session and the possible passage of constitutional reforms, with judicial reform first on the docket.

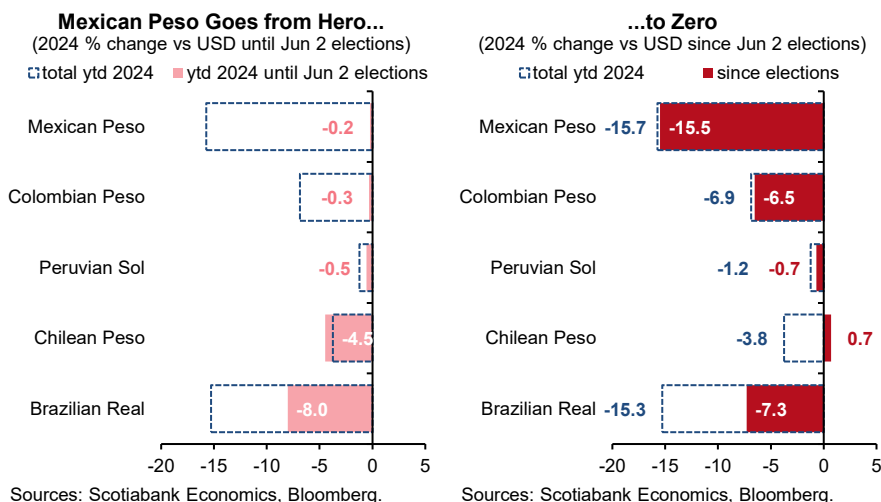
PACIFIC ALLIANCE COUNTRY UPDATES

- We assess key insights from the last week, with highlights on the main issues to watch over the coming fortnight in Colombia.

MARKET EVENTS & INDICATORS

- A comprehensive risk calendar with selected highlights for the period August 31–September 13 across the Pacific Alliance countries and Brazil.

Charts of the Week



Charts of the Week: Prepared by: Cesar Amador, Economic Analyst.

Economic Overview: Chile Rate Decision, Mexico Reforms

- **September kicks off with a busy week of central bank decisions in Chile and Canada, a flood of key global economic releases including US employment figures, and the start of Mexico's new Congress.**
- **Chilean and Peruvian CPI await, the latter over the weekend and the former after Tuesday's BCCh's decision where we expect a 25bps rate cut. Colombia's calendar is quiet, but in today's weekly our local team gives an update on the country's economy.**
- **Mexican unemployment and investment data may be worth a look, but markets will focus on the start of the legislative session and the possible passage of constitutional reforms, with judicial reform first on the docket.**

Into the final month of the quarter we go, kicking it off with a busy week in Latam and the G10 with central banks back in action alongside key data releases and the beginning of Mexico's 66th Legislature. While the week may start somewhat quietly—as US and Canadian markets sit out Monday for local holidays—it's bound to be choppy trading throughout as markets shift anxiously in the lead-up to, and following, Friday's release of US employment data.

Rate cuts by the BCCh and BoC, the possible passage of constitutional reforms in Mexico, Chilean economic activity and CPI, Brazilian GDP, US ISM surveys, Canadian employment, Chinese PMIs, and Eurozone wages all await. Before all that, Peru releases August CPI data on the 1st (Sunday) that we expect will show right on target inflation at 2.0%. Aside from that, Peru's week will be as quiet as that of Colombia, with both countries having an empty calendar that leaves local assets at the mercy of international developments. In today's report, our team in Colombia recaps the country's economic performance over the first half of 2024 and outlines expectations for the balance of the year.

Monday's Chilean economic activity figures (IMACEC) for July will be the final bit of information that the BCCh will get ahead of its rate decision on Tuesday, just three days shy of the release of the August CPI print. Today's industrial/mining output data showed an improvement from a weak June in secondary sector activity (owing to utilities and manufacturing) thanks to a 5%+y/y jump in manufacturing. On the flip side, retail volumes growth slowed sharply in a natural reaction following June's spike on early-month CyberDay offers.

The July IMACEC is projected to show a solid rise to follow the mediocre 0.2% recorded in June. As for CPI, prices are seen rising 0.2/3% m/m, in line with historical averages for August. CPI data in line with expectations (let's assume), signs of 'just ok' growth (and some [jobs weakness?](#)), and the totality of data and guidance received since the BCCh's July hold have built a solid case for the bank to resume rate cuts next Tuesday. The 25bps move to 5.50% that we, and traders and economists polled by the BCCh, expect may be followed by a rate hold in October, but it will likely not be the last of the year with another 25bps move seen in December.

Mexico's calendar also has a few data releases that are worth a look. Unemployment rate for July and private consumption and investment data for June are on tap, with an overall expectation that these figures will reinforce Banxico doves' view that the domestic economy is decelerating, and policy need not be as tight (political risks may have also weighed on investment). Still, even usual hawk Heath sounded much more

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open to additional rate cuts in comments a couple of weeks ago so there's not much more convincing to be done. One thing that may change their minds, however, is currency weakness emerging from political risks—though that didn't sway the board's hand in choosing to cut in early-August.

Any other week there may have been a marginal reaction in local assets to these data, but next week will be all about the likely passage of a collection of constitutional reforms in Congress as its 66th session opens on September 1st. Outgoing President AMLO will enjoy a one-month overlap with the new Congress, where in the Lower House his coalition has a two-thirds majority and in the Senate it is just one seat shy of two-thirds (which we may assume will come when a vote is needed). The President will attempt to push through up to twenty constitutional changes over his remaining four weeks in office, where a priority is the passage of judicial reform that may come as soon as next week and is the greatest source of uncertainty for market and private participants. Brace for (additional) Mexican market volatility.

Pacific Alliance Country Updates

Colombia—Recovery or Just a Hot Streak?

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After the boom in 2022 Colombia has faced many challenges—world and domestic inflation, higher interest rates, geopolitical conflicts around the world and the uncertainty around a potential change in the status quo due to a new way to think from President Petro. Although, many of them are already vanished or in process to vanish, economic activity is still processing the information, producing a slower transition through the economic cycle. The first half of 2024 continued to present significant challenges for the Colombian economy. In fact, a more robust rebound was expected after the previous year's slowdown, economic growth has been slower than anticipated, generating a debate around monetary policy and the decisions that BanRep could make in upcoming meetings.

During the first part of 2024, the economy has shown signs of a moderate and at the same time uneven recovery across different sectors. Nine out of the twelve subsectors have shown weak balances. On the positive side, the agricultural sector has been the key sector to drive economic growth. This sector has shown the best performance since 2017, with growth of 10.2% in Q2 of 2024, partly due to better coffee harvests and a boom in banana exports, in addition to lower risks associated with climatic factors such as the La Niña phenomenon. However, this recovery can be temporary due to a change in the seasonality of the harvests and less favourable statistical bases.

As for the secondary sector, which includes industry and construction, the performance has been weaker than expected, maintaining a negative balance for five consecutive quarters and although it has shown a timid recovery at the margin, difficulties persist in different key subsectors. Fuel refining, which represents nearly 40% of the industry, has faced operational and logistical problems, affecting production capacity and domestic supply. On the other hand, vehicle production has suffered a slowdown, attributed to the exit of some agents from the market. In addition, the textile industry has registered falls in its production amid a demand from consumers that remains weak.

Construction was one of the sectors most affected during the pandemic and has not yet managed to recover to pre-lockdown levels. Having said that, in 2024 there has been a slight recovery, especially due to public infrastructure projects, while the housing market still faces challenges, with demand not reaching pre-pandemic levels despite better credit rates for this segment.

The services sector has kept a positive dynamic, however, according to the Economic Monitoring Indicator (ISE), in June it fell 0.6% y/y, which could mark a phase of deceleration. Public administration has been the second subsector to contribute the most to the recovery, given higher public spending in the first part of the year. However, the austerity plans proposed by the government, such as the COP\$20 trillion cut in the 2024 budget, could imply a deterioration of this subsector in the remainder of the year. Trade, for its part, has had a mixed performance, showing favourable dynamics in tourism and accommodation, but weak retail trade, in which a weak performance of the textile and vehicle sectors stands out. At the same time, entertainment has been one of the subsectors that stands out the most within the services sector, registering a 20% year-on-year growth in June 2024, leveraged by sporting events and other types of leisure activities.

The second half of 2024 is seen as a crucial period for the Colombian economy, in which interest rates would play a key role in the recovery. Although BanRep has adjusted its economic growth projection from 1.4% to 1.8% for 2024, we believe that this is due to transitory events and could generate counterweights given lower government spending and more moderate harvests in the coming quarters implying lower growth. Scotiabank Colpatria estimates that the economy will grow 1.5% in 2024, still with some clouds in the sky since key sectors of the economy such as industry and commerce, which account for just over 40% of jobs, will not show a faster recovery.

All in all, we do see that the Colombian economy hit bottom in Q4-2023, however the recovery has been and will continue to be uneven and gradual. Lower interest rates, a more stable FX, lower inflation and a bit less uncertainty perception should increase the recovery pace next year. Therefore, we ratify our 1.5% GDP growth forecast for 2024 and 2.9% for next year.

In this economic activity environment, BanRep has reduced the interest rate by 2.50 ppts from its maximum of 13.25%, however, it has done so at a cautious pace, and without showing greater haste or concern about economic activity. Even so, recent economic activity data show that growth would be leveraged by a minority of sectors, which would be soon to enter a cycle of deceleration, putting a greater weight on economic recovery. With all the above, we expect that BanRep's board finds greater confidence in the inflation data and considers that the scenario is favourable to accelerate the easing cycle by 75bps in its last three meetings so that the monetary policy rate closes 2024 at 8.5%.

Forecast Updates

2022		2023				2024				2025							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2022	2023	2024f	2025f
Brazil																	
Real GDP (y/y % change)	2.7	4.2	3.5	2.0	2.1	2.5	2.4	2.4	2.4	2.0	1.9	1.9	1.9	3.0	2.9	2.4	1.9
CPI (y/y %, eop)	5.8	4.7	3.2	5.2	4.6	3.9	4.2	4.3	4.3	4.1	3.9	3.8	3.9	5.8	4.6	4.3	3.9
Unemployment rate (% avg)	7.9	8.8	8.0	7.7	7.4	7.9	6.9	6.9	6.7	7.3	7.2	7.2	7.1	7.9	7.4	7.1	7.2
Central bank policy rate (% eop)	13.75	13.75	13.75	12.75	11.75	10.75	10.50	10.50	10.50	10.50	10.50	10.50	10.00	13.75	11.75	10.50	10.00
Foreign exchange (USDBRL, eop)	5.28	5.06	4.79	5.03	4.86	5.01	5.59	5.42	5.33	5.30	5.26	5.25	5.26	5.28	4.86	5.33	5.26
Chile																	
Real GDP (y/y % change)	-2.3	0.3	-0.4	0.6	0.4	2.5	1.6	1.8	4.1	1.6	3.5	2.6	2.2	2.1	0.2	2.5	2.5
CPI (y/y %, eop)	12.8	11.1	7.4	4.7	3.4	3.2	3.8	4.3	4.5	4.8	4.3	3.7	3.5	12.8	3.4	4.5	3.5
Unemployment rate (% avg)	7.9	8.8	8.5	8.9	8.5	8.7	8.3	7.9	7.4	8.0	8.3	8.0	7.3	7.9	8.5	8.1	7.9
Central bank policy rate (% eop)	11.25	11.25	11.25	9.50	8.25	7.25	5.75	5.50	5.25	5.00	4.75	4.50	4.25	11.25	8.25	5.25	4.25
Foreign exchange (USDCLP, eop)	851	795	802	892	879	979	940	900	870	870	870	870	870	851	879	870	870
Colombia																	
Real GDP (y/y % change)	2.1	2.7	0.4	-0.7	0.2	0.8	2.1	1.9	1.3	3.5	3.1	2.6	2.6	7.3	0.6	1.5	2.9
CPI (y/y %, eop)	13.1	13.3	12.1	11.0	9.3	7.4	7.2	6.1	5.6	4.1	3.5	3.4	3.4	13.1	9.3	5.6	3.4
Unemployment rate (% avg)	9.8	11.7	10.2	9.4	9.4	11.9	10.4	10.6	10.4	12.3	10.9	11.0	10.7	11.2	10.2	10.9	11.2
Central bank policy rate (% eop)	12.00	13.00	13.25	13.25	13.00	12.25	11.25	10.00	8.50	7.00	5.50	5.50	5.50	12.00	13.00	8.50	5.50
Foreign exchange (USDCOP, eop)	4,853	4,623	4,172	4,068	3,855	3,852	4,153	4,102	4,116	4,120	4,125	4,140	4,150	4,853	3,855	4,116	4,150
Mexico																	
Real GDP (y/y % change)	4.4	3.6	3.5	3.4	2.3	1.5	2.1	1.6	1.6	1.8	1.5	1.6	1.4	3.7	3.2	1.8	1.6
CPI (y/y %, eop)	7.8	6.8	5.1	4.5	4.7	4.4	5.0	4.9	4.5	4.0	3.8	3.8	3.7	7.8	4.7	4.5	3.7
Unemployment rate (% avg)	3.0	2.7	2.8	3.0	2.7	2.5	2.7	3.2	3.2	3.3	3.3	3.4	3.5	3.3	2.8	2.9	3.4
Central bank policy rate (% eop)	10.50	11.25	11.25	11.25	11.25	11.00	11.00	10.75	10.50	10.00	9.50	8.75	8.00	10.50	11.25	10.50	8.00
Foreign exchange (USDMXN, eop)	19.50	18.05	17.12	17.42	16.97	16.56	18.32	18.80	18.90	19.50	19.60	19.80	20.00	19.50	16.97	18.90	20.00
Peru																	
Real GDP (y/y % change)	1.8	-0.4	-0.5	-0.9	-0.4	1.4	3.6	3.2	2.9	3.6	2.2	2.0	2.3	2.7	-0.6	3.0	2.5
CPI (y/y %, eop)	8.5	8.4	6.5	5.0	3.2	3.0	2.3	2.0	2.4	2.1	2.2	2.3	2.4	8.5	3.2	2.4	2.4
Unemployment rate (% avg)	7.1	7.5	6.6	6.7	6.4	7.7	6.6	6.7	6.5	7.2	6.5	6.4	6.2	7.7	6.8	6.9	6.6
Central bank policy rate (% eop)	7.50	7.75	7.75	7.50	6.75	6.25	5.75	5.50	5.00	4.75	4.50	4.25	4.25	7.50	6.75	5.00	4.25
Foreign exchange (USDPEN, eop)	3.81	3.76	3.63	3.78	3.70	3.72	3.84	3.80	3.75	3.75	3.75	3.80	3.78	3.81	3.70	3.75	3.78
Canada																	
Real GDP (y/y % change)	2.2	2.0	1.3	0.7	1.0	0.6	0.9	1.4	1.9	2.0	2.0	2.0	2.0	3.8	1.2	1.2	2.0
CPI (y/y %, eop)	6.7	5.1	3.5	3.7	3.2	2.8	2.7	2.3	2.6	2.5	2.0	2.2	2.1	6.7	3.2	2.6	2.1
Unemployment rate (% avg)	5.1	5.1	5.3	5.5	5.8	5.9	6.2	6.5	6.6	6.6	6.6	6.6	6.5	5.3	5.4	6.3	6.6
Central bank policy rate (% eop)	4.25	4.50	4.75	5.00	5.00	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.25	4.25	5.00	4.00	3.25
Foreign exchange (USDCAD, eop)	1.36	1.35	1.32	1.36	1.32	1.35	1.37	1.38	1.36	1.34	1.32	1.32	1.30	1.36	1.32	1.36	1.30
United States																	
Real GDP (y/y % change)	0.7	1.7	2.4	2.9	3.1	2.9	3.1	2.1	1.7	1.8	1.8	1.8	1.8	1.9	2.5	2.4	1.8
CPI (y/y %, eop)	7.1	5.7	4.0	3.6	3.2	3.2	3.2	2.8	2.8	2.9	2.6	2.3	2.2	7.1	3.2	2.8	2.2
Unemployment rate (% avg)	3.6	3.5	3.6	3.7	3.7	3.8	4.0	4.1	4.2	4.2	4.1	4.1	4.1	3.6	3.6	4.0	4.1
Central bank policy rate (% eop)	4.50	5.00	5.25	5.50	5.50	5.50	5.50	5.25	5.00	4.50	4.00	3.50	3.50	4.50	5.50	5.00	3.50
Foreign exchange (EURUSD, eop)	1.07	1.08	1.09	1.06	1.10	1.08	1.07	1.07	1.09	1.11	1.11	1.15	1.15	1.07	1.10	1.09	1.15

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics, Focus Economics.
Red indicates changes in estimates and forecasts since previous *Latam Weekly* on August 2, 2024.

Forecast Updates—Changes Compared To Previous Latam Weekly

	2022	2023				2024				2025							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2022	2023	2024f	2025f
Brazil																	
Real GDP (y/y % change)	-	-	-	-	-	-	0.6	0.3	0.1	-	-	-	-	-	-	0.2	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	-	-	0.1	0.1
Unemployment rate (% avg)	-	-	-	-	-	-	-	-0.1	-0.3	-0.3	-0.2	-0.2	-0.3	-	-	-0.1	-0.3
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	0.25	0.75	0.50	-	-	-	0.50
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-	-	0.11	0.08	0.08	0.08	0.07	0.06	-	-	0.08	0.06
Chile																	
Real GDP (y/y % change)	-	-	-	-	-	0.2	-0.2	-0.2	-0.3	-1.0	-0.3	-	1.0	-	-	-0.2	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	0.3	0.5	0.2	0.3	0.1	-	-	-	0.5	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.1	0.1
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCLP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Colombia																	
Real GDP (y/y % change)	-0.1	-	0.1	-	-0.1	0.1	-0.9	0.6	0.2	-	0.3	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-0.4	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCOP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mexico																	
Real GDP (y/y % change)	-	-	-	-	-	-0.1	-0.1	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Peru																	
Real GDP (y/y % change)	-	-	-	-	-	-	-0.6	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDPEN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Canada																	
Real GDP (y/y % change)	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCAD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United States																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (EURUSD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: Scotiabank Economics, Bloomberg, BCB, Haver Analytics, Focus Economics. Changes in estimates and forecasts since previous *Latam Weekly* on August 2, 2024.

Forecast Updates: Central Bank Policy Rates and Outlook

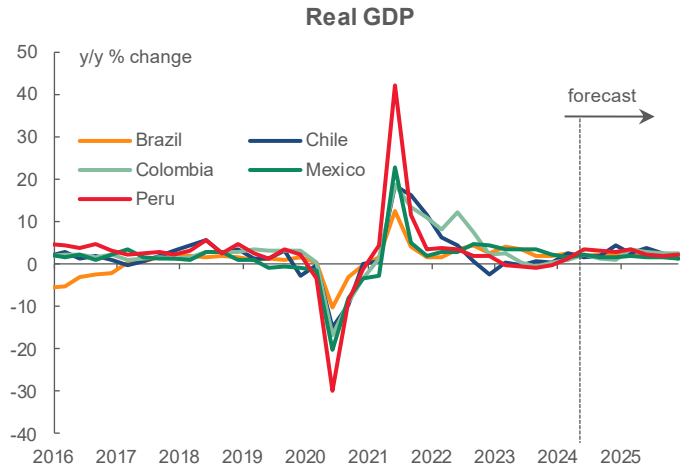
Latam Central Banks: Policy Rates and Outlook

	Current	Next Scheduled Meeting		BNS Forecast		BNS guidance for next monetary policy meeting
		Date	BNS	End-2024	End-2025	
Brazil, BCB, Selic	10.50%	Sep-18	10.50%	10.50%	9.50%	
Chile, BCCh, TPM	5.75%	Sep-03	5.50%	5.25%	4.25%	We anticipate a 25 bps cut to 5.50% at the September meeting.
Colombia, BanRep, TII	10.75%	Sep-30	10.00%	8.50%	5.50%	BanRep will meet to decide about rates again in September. The domestic context in which the headline inflation resumes its downward trend, employment is deteriorating, and the core economic activity remains weak, now couples with a better international context for financial markets. Under this scenario we affirm our call for a 75 bps rate cut, a pace that in our opinion can be sustained by the rest of the meetings of the year to close at 8.50% in December 2024.
Mexico, Banxico, TO	10.75%	Sep-26	10.75%	10.50%	8.00%	The minutes of the last Banxico meeting suggested that the dovish members who voted to cut were willing to repeat another one in September. The lower-than-expected inflation print for the first fortnight of August and lower GDP estimates reinforced the idea of another cut. However, political uncertainty has strongly risen in the last weeks, leading to turbulent episodes of depreciation of the USDMXN and we expect uncertainty to remain high. Thus, despite Banxico members still sounding somewhat dovish for now, the possibility of strong volatility during the month is high. We think there is a 50/50 chance between cutting and leaving the rate unchanged in the September meeting.
Peru, BCRP, TIR	5.50%	Sep-12	5.50%	5.00%	4.25%	Our baseline scenario is for the central bank to keep its rate unchanged in September. Core inflation remained at 3.0%, the upper limit of the target range (1–3%) and the August figure could remain at the same levels. On the other hand, the PEN would be under upward pressure during the second half of August until the beginning of October, due to factors such as the expiration of BCRP derivative instruments (swaps) and macroeconomic fundamentals. Exchange rate volatility would discourage the BCRP from making a new cut.

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

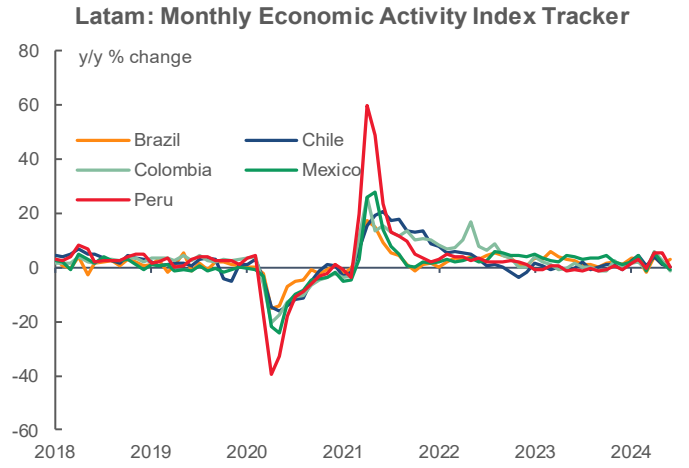
Key Economic Charts

Chart 1



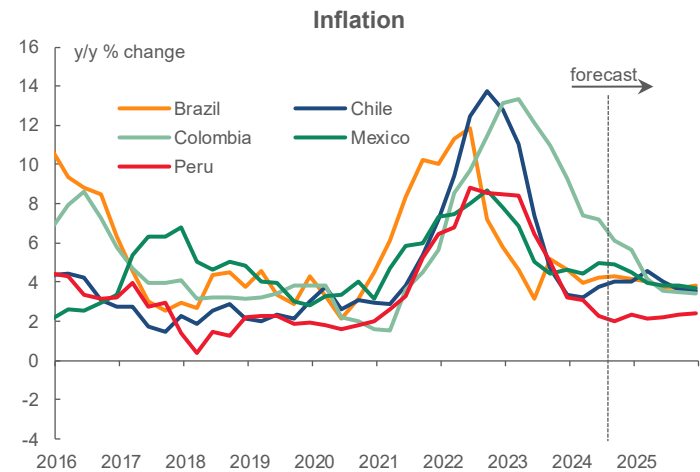
Sources: Scotiabank Economics, Bloomberg, Haver Analytics.

Chart 2



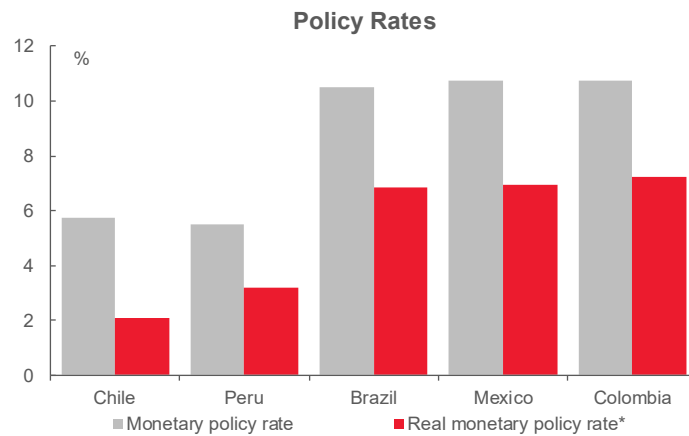
Sources: Scotiabank Economics, Haver Analytics.

Chart 3



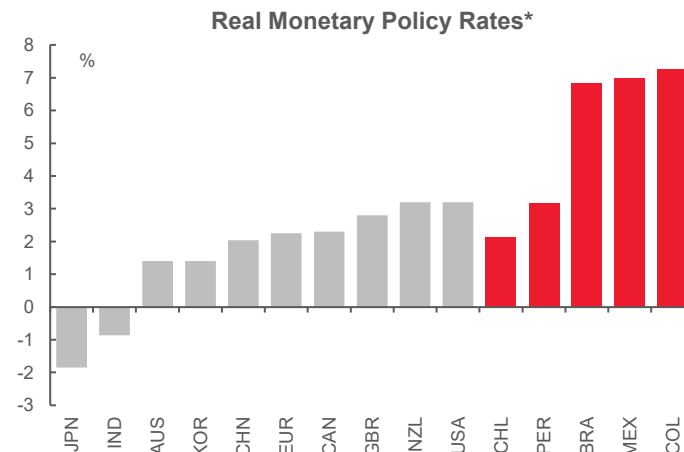
Sources: Scotiabank Economics, Focus Economics, Haver Analytics.

Chart 4



* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q3-2025, % y/y. Sources: Scotiabank Economics, Focus Economics, Haver Analytics.

Chart 5

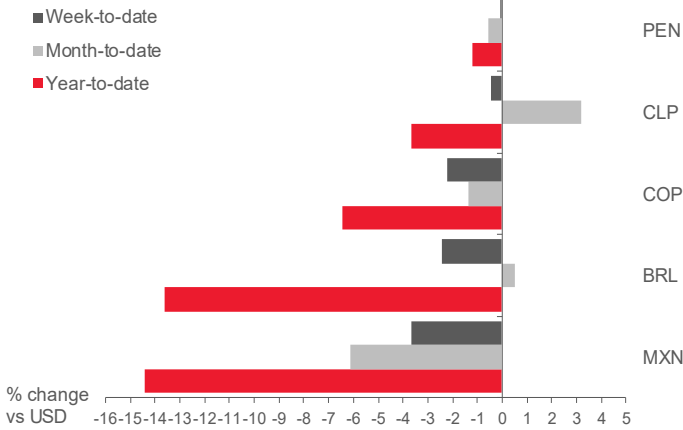


* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q3-2025, % y/y. Sources: Scotiabank Economics, Bloomberg.

Key Market Charts

Chart 1

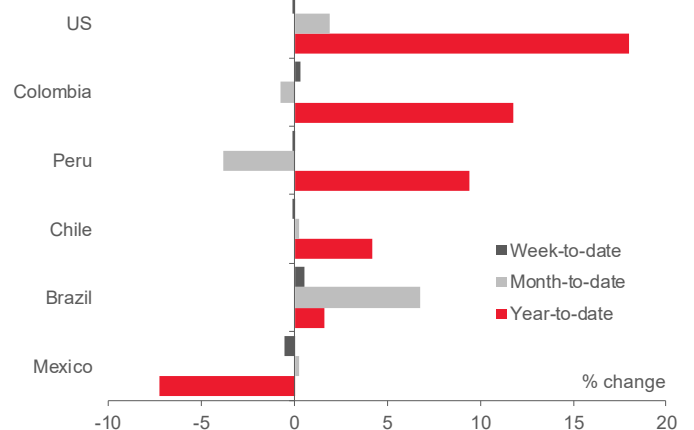
Latam Currencies Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 2

Latam Equities Performance



Sources: Scotiabank Economics, Bloomberg.

Chart 3

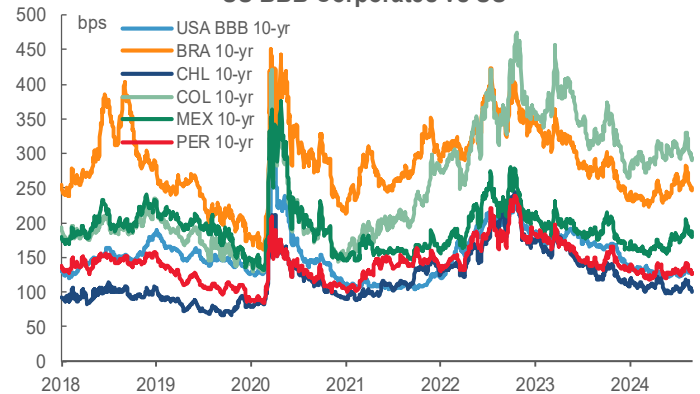
USD vs Latam Currencies



Sources: Scotiabank Economics, Bloomberg.

Chart 4

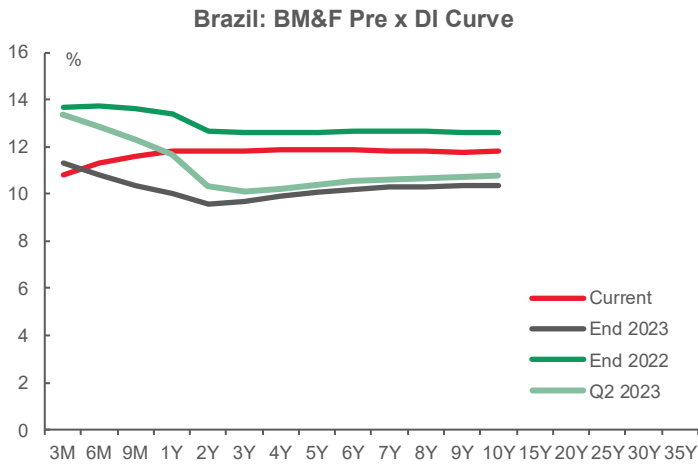
10-yr CDS Spreads: Latam Sovereigns & US BBB Corporates vs US*



*Sovereigns vs US swaps; BBB corporates vs 10-yr USTs.
Sources: Scotiabank Economics, Bloomberg.

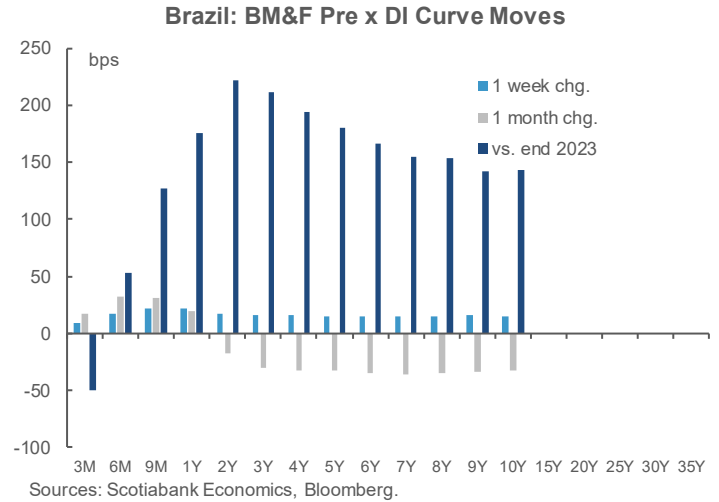
Yield Curves

Chart 1



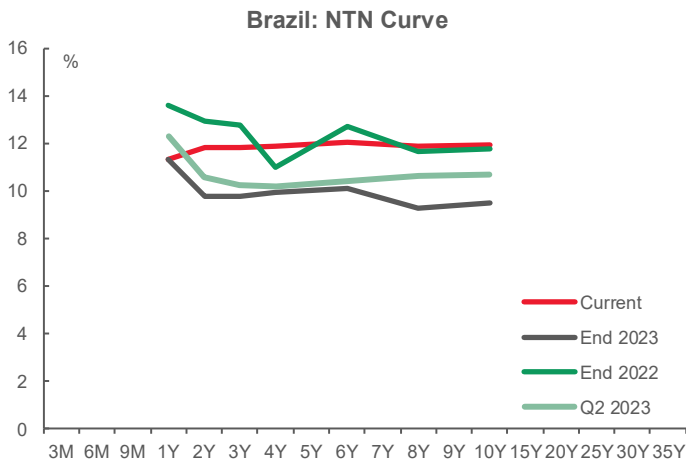
Sources: Scotiabank Economics, Bloomberg.

Chart 2



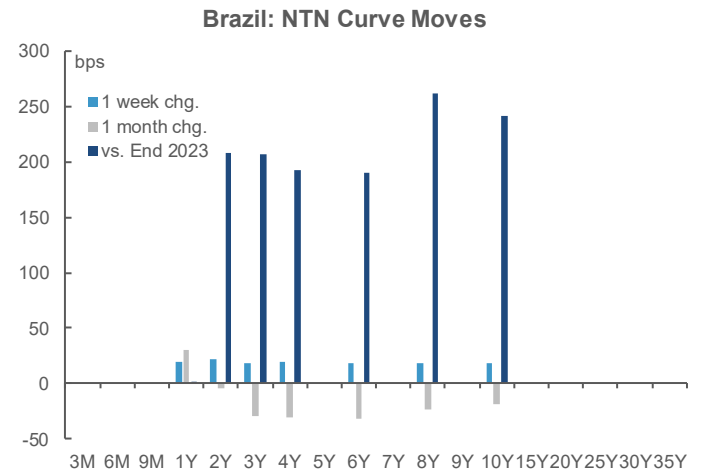
Sources: Scotiabank Economics, Bloomberg.

Chart 3



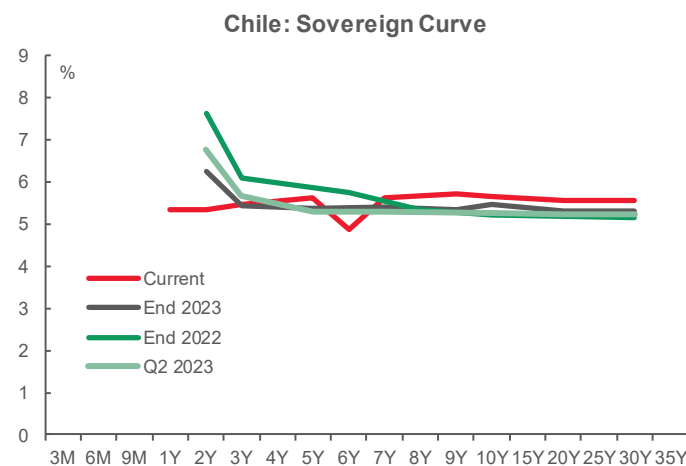
Sources: Scotiabank Economics, Bloomberg.

Chart 4



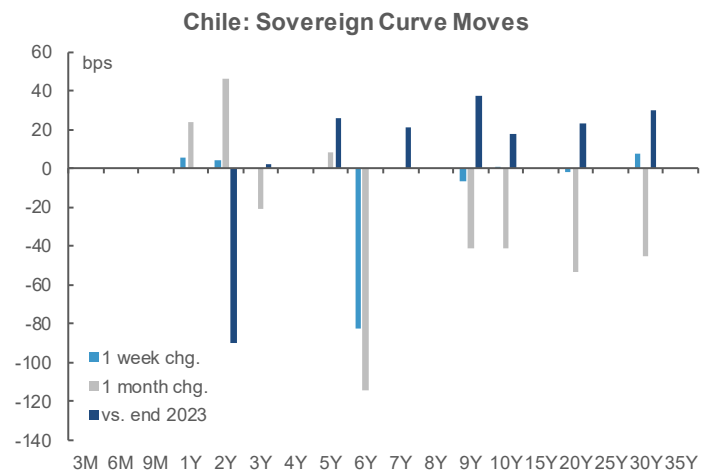
Sources: Scotiabank Economics, Bloomberg.

Chart 5



Sources: Scotiabank Economics, Bloomberg.

Chart 6

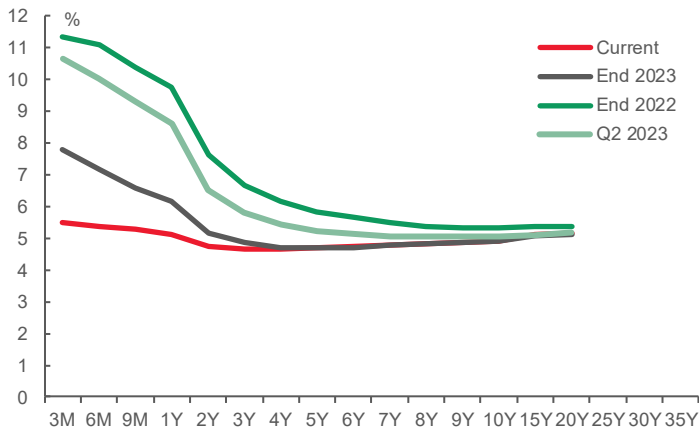


Sources: Scotiabank Economics, Bloomberg.

Yield Curves

Chart 7

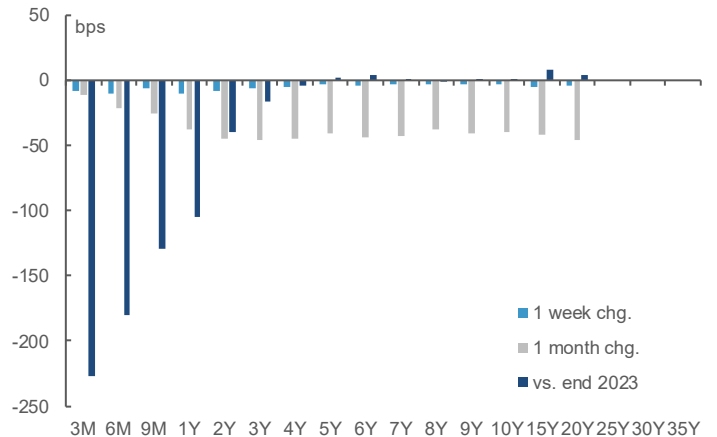
Chile: Fixed x Camara Swap Curve



Sources: Scotiabank Economics, Bloomberg.

Chart 8

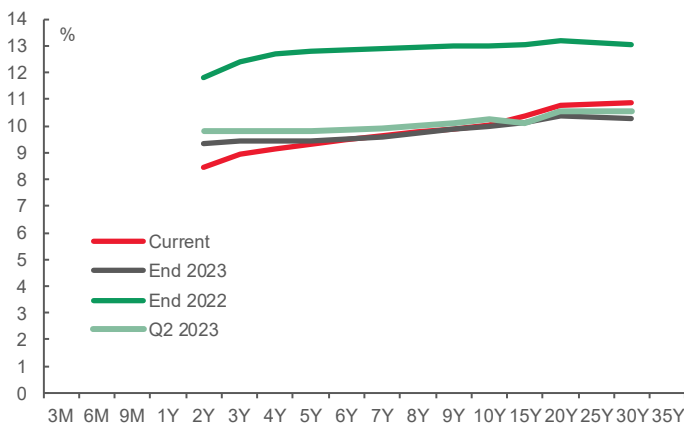
Chile: Fixed x Camara Swap Curve Moves



Sources: Scotiabank Economics, Bloomberg.

Chart 9

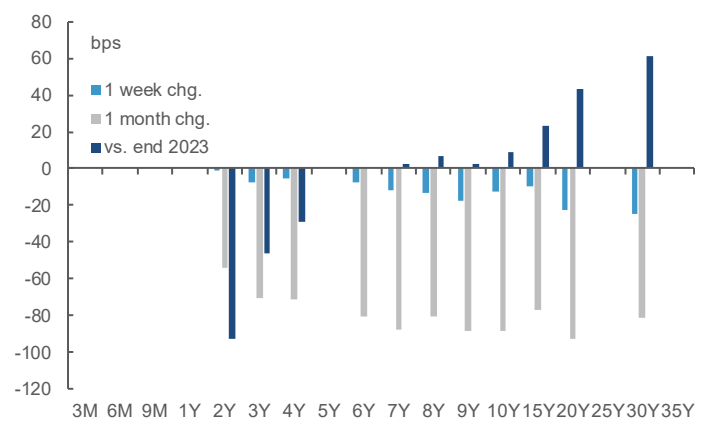
Colombia: Coltes Curve



Sources: Scotiabank Economics, Bloomberg.

Chart 10

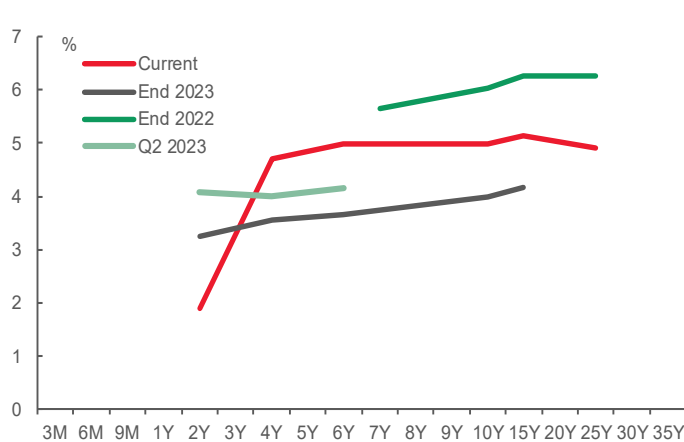
Colombia: Coltes Curve Moves



Sources: Scotiabank Economics, Bloomberg.

Chart 11

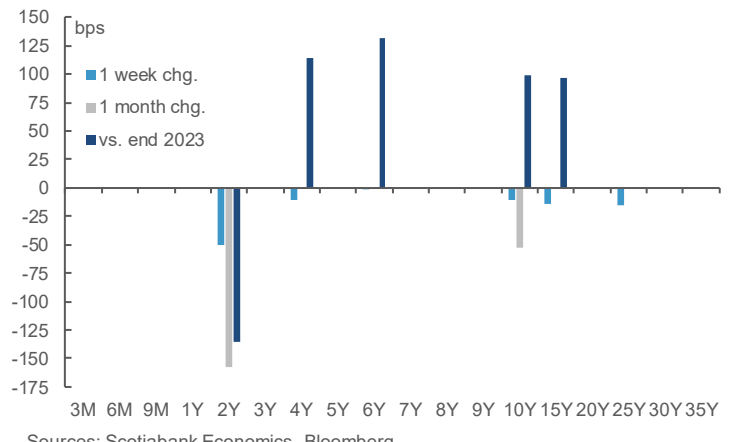
Colombia: UVR-Indexed Curve



Sources: Scotiabank Economics, Bloomberg.

Chart 12

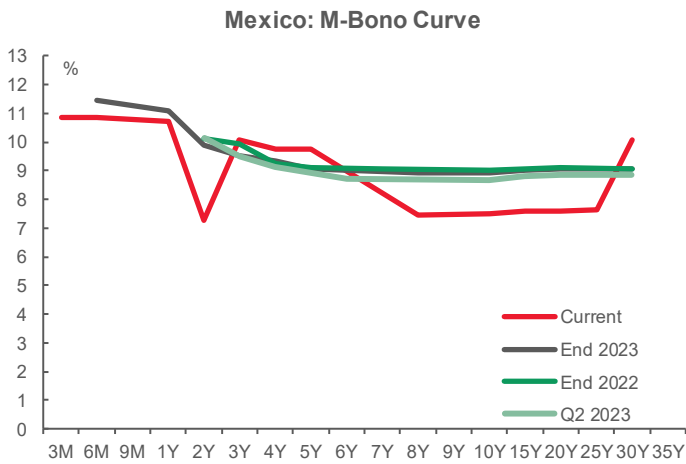
Colombia: UVR-Indexed Curve Moves



Sources: Scotiabank Economics, Bloomberg.

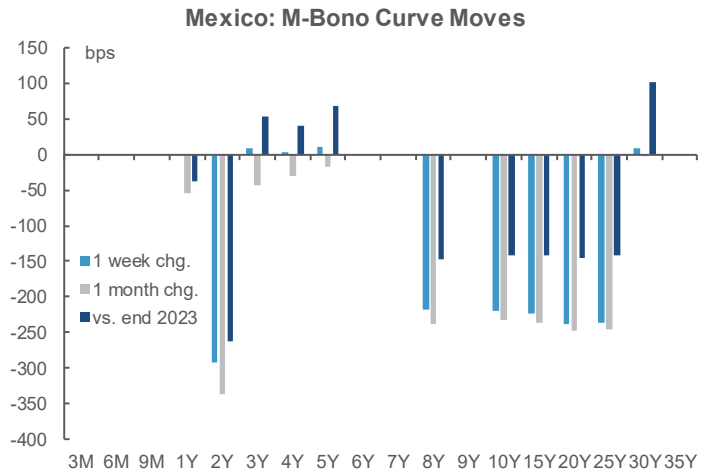
Yield Curves

Chart 13



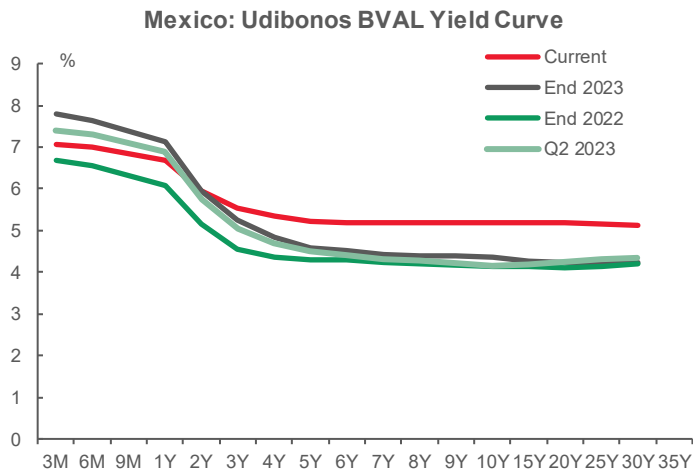
Sources: Scotiabank Economics, Bloomberg.

Chart 14



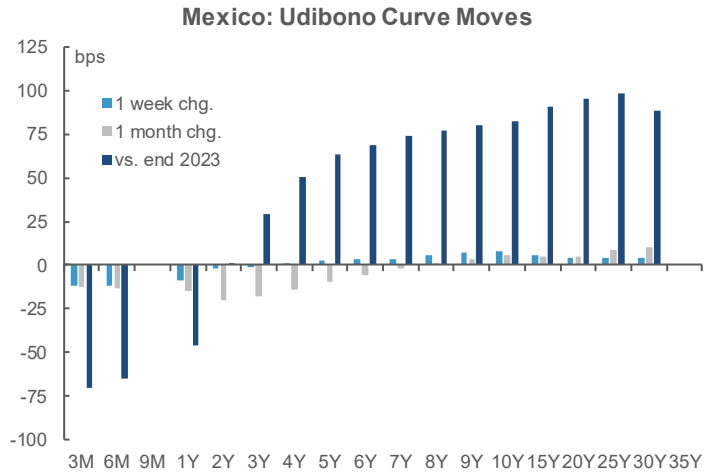
Sources: Scotiabank Economics, Bloomberg.

Chart 15



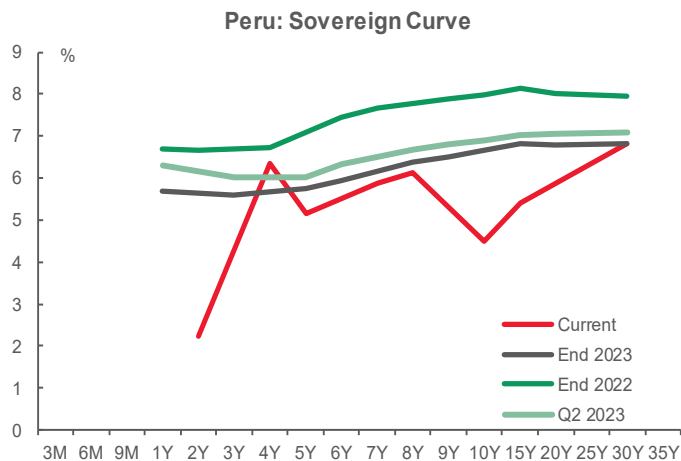
Sources: Scotiabank Economics, Bloomberg.

Chart 16



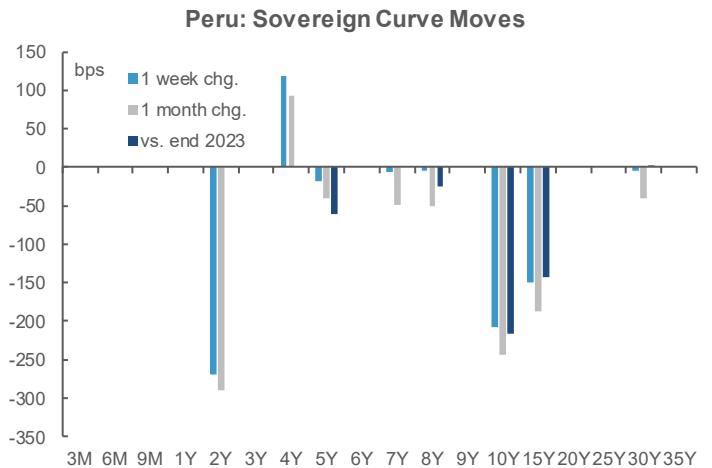
Sources: Scotiabank Economics, Bloomberg.

Chart 17



Sources: Scotiabank Economics, Bloomberg.

Chart 18



Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for August 31–September 13

BRAZIL

Date	Time Event	Period	BNS	Consensus	Latest BNS Comments
Sep-02	7:00 FGV CPI IPC-S BRL (%)	30-Aug	--	--	0.09
Sep-02	7:25 Central Bank Weekly Economist Survey		--	--	
Sep-02	9:00 S&P Global Brazil Manufacturing PMI	Aug	--	--	54
Sep-03	4:00 FIPE CPI - Monthly (%)	Aug	--	--	0.06
Sep-03	8:00 GDP q/q	2Q	--	0.9	0.8
Sep-03	8:00 GDP 4Qtrs Accumulated (%)	2Q	--	2.3	2.5
Sep-03	8:00 GDP y/y	2Q	--	2.65	2.46
Sep-04	8:00 Industrial Production m/m	Jul	--	--	4.1
Sep-04	8:00 Industrial Production y/y	Jul	--	--	3.2
Sep-04	9:00 S&P Global Brazil Composite PMI	Aug	--	--	56
Sep-04	9:00 S&P Global Brazil Services PMI	Aug	--	--	56.4
Sep-05	14:00 Imports Total USD mn	Aug	--	--	23279.06
Sep-05	14:00 Exports Total USD mn	Aug	--	--	30918.72
Sep-05	14:00 Trade Balance Monthly USD mn	Aug	--	--	7639.66
Sep 01-05	Vehicle Sales Fenabrave	Aug	--	--	241342
Sep-06	7:00 FGV Inflation IGP-DI y/y	Aug	--	--	4.16
Sep-06	7:00 FGV Inflation IGP-DI m/m	Aug	--	--	0.83
Sep 05-06	Vehicle Exports Anfavea BRL	Aug	--	--	39089
Sep 05-06	Vehicle Production Anfavea	Aug	--	--	246721
Sep 05-06	Vehicle Sales Anfavea	Aug	--	--	241336
Sep-09	7:00 FGV CPI IPC-S (%)	06-Sep	--	--	0.09
Sep-09	7:25 Central Bank Weekly Economist Survey		--	--	
Sep-09	14:00 Trade Balance Weekly USD mn	08-Sep	--	--	412.5
Sep-10	8:00 IBGE Inflation IPCA y/y	Aug	--	--	4.5
Sep-10	8:00 IBGE Inflation IPCA m/m	Aug	--	--	0.38
Sep-11	8:00 IBGE Services Volume m/m SA	Jul	--	--	1.7
Sep-11	8:00 IBGE Services Volume y/y NSA	Jul	--	--	1.3
Sep-12	8:00 Retail Sales Broad y/y	Jul	--	--	2
Sep-12	8:00 Retail Sales y/y	Jul	--	--	4
Sep-12	8:00 Retail Sales Broad m/m	Jul	--	--	0.4
Sep-12	8:00 Retail Sales m/m	Jul	--	--	-1
Sep-13	8:00 Economic Activity m/m	Jul	--	--	1.37
Sep-13	8:00 Economic Activity y/y	Jul	--	--	3.18

CHILE

Date	Time Event	Period	BNS	Consensus	Latest BNS Comments
Sep-02	8:30 Economic Activity m/m	Jul	--	--	0.33
Sep-02	8:30 Economic Activity y/y	Jul	--	2.12	0.07
Sep-03	18:00 Overnight Rate Target (%)	03-Sep	5.50	5.5	5.75 We anticipate a 25 bps cut to 5.50% at the September meeting.
Sep-05	9:00 Nominal Wage y/y	Jul	--	--	6.79
Sep-06	8:00 CPI m/m	Aug	--	--	0.7
Sep-06	8:00 CPI y/y Chained	Aug	--	4.8	4.6
Sep 02-06	IMCE Business Confidence	Aug	--	--	45.29
Sep-09	7:30 Exports Total USD mn	Aug	--	--	8344.04
Sep-09	7:30 Imports Total USD mn	Aug	--	--	7049.27
Sep-09	7:30 Trade Balance USD mn	Aug	--	--	1294.77
Sep-09	7:30 International Reserves USD mn	Aug	--	--	45500.12
Sep-09	7:30 Copper Exports USD mn	Aug	--	--	4159.42
Sep-10	7:30 Central Bank Economist Survey		--	--	
Sep 06-11	Vehicle Sales Total	Aug	--	--	25087

COLOMBIA

Date	Time Event	Period	BNS	Consensus	Latest BNS Comments
Sep-02	11:00 Davivienda Colombia PMI Mfg	Aug	--	--	50
Sep-03	11:00 Exports FOB USD mn	Jul	--	--	3821.64
Sep-06	19:00 CPI m/m	Aug	0.24	0.18	0.2 In July, rents and utilities continued to be the main contributors to inflation, however, rents increased less than in June, which assumes that indexation effects would gradually fade away. Food was the second largest contributor to inflation, but showed a more moderate variation compared to the previous month. Going forward, inflation is expected to continue on a downward path, supported by more moderate variations in rents, less pressure on utilities, and lower risks associated with the La Niña phenomenon.
Sep-06	19:00 CPI y/y	Aug	6.38	6.35	6.86
Sep-06	19:00 CPI Core m/m	Aug	0.26	0.24	0.2
Sep-06	19:00 CPI Core y/y	Aug	6.88	6.86	7.24
Sep-11	Consumer Confidence Index	Aug	--	--	-9
Sep-13	Current Account Balance USD mn	2Q	USD 2150	--	-1924.03 In Q2-2024 we expect the current account deficit to widen versus the previous quarter. Imports of goods rebounded in previous months, while imports of services were stronger according to the GDP data. On the other side, exports delivered a weaker performance, especially for traditional exports of coal and lower commodities prices vs one year ago. Financing is still expected to come mainly from the FDI.
Sep-13	Central Bank's Economists Survey		--	--	--

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for August 31–September 13

MEXICO

<u>Date</u>	<u>Time Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest BNS Comments</u>
Sep-02	11:00 S&P Global Mexico Manufacturing PMI	Aug	--	--	49.6
Sep-02	11:00 Remittances Total USD mn	Jul	--	5992.7	6213.2
Sep-02	11:00 Central Bank Economist Survey		--		
Sep-02	14:00 IMEF Manufacturing Index SA	Aug	--	--	47.077
Sep-02	14:00 IMEF Non-Manufacturing Index SA	Aug	--	--	50.917
Sep-03	8:00 Unemployment Rate NSA (%)	Jul	--	3.04	2.78
Sep-03	8:00 Gross Fixed Investment SA m/m	Jun	--	--	0.71
Sep-03	8:00 Gross Fixed Investment NSA y/y	Jun	--	1.1	6
Sep-03	8:00 Private Consumption y/y	Jun	--	--	2.59
Sep-03	11:00 International Reserves Weekly USD mn	30-Aug	--	--	224709
Sep-04	8:00 Vehicle Domestic Sales	Aug	--	--	124761
Sep-04	8:00 Leading Indicators (m/m)	Jul	--	--	-0.03
Sep-05	Citi Survey of Economists		--		
Sep-06	8:00 Vehicle Exports	Aug	--	--	271469
Sep-06	8:00 Vehicle Production MXN	Aug	--	--	302309
Sep-09	8:00 CPI m/m	Aug	--	--	1.05
Sep-09	8:00 CPI y/y	Aug	--	--	5.57
Sep-09	8:00 CPI Core m/m	Aug	--	--	0.32
Sep-09	8:00 CPI Core y/y	Aug	--	--	4.05
Sep-09	8:00 Bi-Weekly CPI (%)	31-Aug	--	--	-0.03
Sep-09	8:00 Bi-Weekly CPI y/y	31-Aug	--	--	5.16
Sep-09	8:00 Bi-Weekly Core CPI (%)	31-Aug	--	--	0.1
Sep-09	8:00 Consumer Confidence	Aug	--	--	46.94
Sep-09	8:00 Bi-Weekly Core CPI y/y	31-Aug	--	--	3.98
Sep 05-10	Formal Job Creation Total (000's)	Aug	--	--	12.34
Sep 06-10	Nominal Wages y/y	Aug	--	--	6.49
Sep-10	11:00 International Reserves Weekly USD mn	06-Sep	--	--	224709
Sep-11	8:00 Industrial Production NSA y/y	Jul	--	--	-0.7
Sep-11	8:00 Manuf. Production NSA y/y	Jul	--	--	-0.93
Sep-11	8:00 Industrial Production SA m/m	Jul	--	--	0.38
Sep 11-18	ANTAD Same-Store Sales y/y	Aug	--	--	1.2

PERU

<u>Date</u>	<u>Time Event</u>	<u>Period</u>	<u>BNS</u>	<u>Consensus</u>	<u>Latest BNS Comments</u>
Sep-01	11:00 Lima CPI y/y	Aug	--	1.99	2.13
Sep-01	11:00 Lima CPI m/m	Aug	--	0.23	0.24
Sep-12	19:00 Reference Rate (%)	12-Sep	--	--	5.5

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Scotiabank Economics Latam Coverage

Local Market Coverage

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