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## Latam Weekly: Peru Unrest the Highlight Ahead of the Holidays

This is our last *Latam Weekly* of 2022; the next edition is scheduled to be released on January 13, 2023.

Best wishes for very happy and safe holidays from all of us at Scotiabank Economics!

## ECONOMIC OVERVIEW

- Following a busy week on the regional and global stage, with major central banks announcing their latest policy decisions, we head into to the final trading days of the year with little to wake us up from our overfed slumber.
- The social and political situation in Peru remains an important risk that needs to be monitored 24/7.
- Inflation data out next week for the first half of December in Brazil and Mexico will provide a first, and important, guide for the full month.

## 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 the Pacific Alliance countries: Colombia and Peru.

## MARKET EVENTS &amp; INDICATORS

- A comprehensive risk calendar with selected highlights for the period December 17–30 across the Pacific Alliance countries and Brazil.

## Economic Overview: Peru Unrest the Highlight Ahead of the Holidays

- **Following a busy week on the regional and global stage, with major central banks announcing their latest policy decisions, we head into to the final trading days of the year with little to wake us up from our overfed slumber.**
- **The social and political situation in Peru remains an important risk that needs to be monitored 24/7.**
- **Inflation data out next week for the first half of December in Brazil and Mexico will provide a first, and important, guide for the full month.**

**Following a busy week on the regional and global stage, with major central banks announcing their latest policy decisions, we head into to the final trading days of the year with little to wake us up from our overfed slumber.**

This may only be true from an on-calendar perspective, however, as **the social and political situation in Peru remains an important risk that needs to be monitored 24/7**. Announcements, decisions, and incidents that disturb economic activity could occur at any moment.

**Those involved in local markets will hope for clarity on an early-election date and/or diminishing social unrest.** Holiday celebrations may bring a temporary period of relative quiet and hopefully a reset of emotions in government and among protesters. On the other hand, the detainment of former Pres Castillo and decisions related to his imprisonment over the next few days could inflame unrest.

**Inflation data out next week for the first half of December in Brazil and Mexico** will provide a first, and important, guide for the full month. **Banxico's decision on December 15 suggested the bank could even decouple from the Fed at its February decision.** A soft inflation reading would increase speculation that this will be the case, although markets may be in for a surprise if price gyrations around Mexico's Black Friday sales equivalent (Buen Fin) triggers a sharp jump in core prices that keeps inflation upside risks alive.

**In the case of Brazil, economists are seeing another deceleration in prices growth that should provide the BCB with some relief** in contrast to its concerns about the incoming government's fiscal plans.

On that note, **Lula's transition bill and its spending-cap exclusion plan are reportedly facing fierce opposition in the Lower House** and it now looks likely to be watered down further from his team's original asks. The opposition is seeking a BRL80bn cap increase and only for one year compared to the Senate-approved BRL145bn social aid bump for two years. **Lawmakers will vote on the bill on December 20** a day after the Supreme Court passes judgment on whether it's unconstitutional that lawmakers can have hand on the country's budget.

Economic activity and international trade figures for Colombia and Mexico are also worth a watch. Mexico also publishes retail sales data.

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## Pacific Alliance Country Updates

### Colombia—Key Points for Year-End

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**Despite recent leading indicators showing that economic activity is on a decelerating path, private consumption is still significantly above the long-run trend, while headline inflation has not peaked yet.** Additionally, the weaker COP continues to pressure inflation expectations for next year and recent external balance data showed a still too-wide current account deficit that needs portfolio investment to help finance it. Therefore, we do not see much flexibility for BanRep in the short run. Furthermore, we anticipate a 100bps hike at the December monetary policy meeting and a final 50bps hike in January to 12.50%.

**The next question is how long BanRep will need to keep the policy rate at 12.50%. We think that until core inflation shows a clear path of deceleration, it is not possible to start the gradual easing cycle.** Our calculations are such that only after July inflation data, BanRep will be less concerned about inflation and start to gradual policy rate cuts to end 2023 at 10%.

After the central bank's decision today, the main focus for the rest of the year will be on macroeconomic indicators. The economic activity indicator ISE is expected to show a moderate deceleration, showing muted industrial and retail activity but a still-strong performance in services-related sectors.

**Labor unions and business associations reached an agreement on a 16% minimum wage increase for 2023.** Our current inflation forecast had assumed ~14% increase. That said, the final decision will not significantly change our projection. We still see the peak of inflation in December 2022, which will be confirmed in February when we will have January prices data at hand showing the first moderation in 21 months. **The min wage agreement is positive news since the increase didn't significantly deviate from the traditional rule (inflation + productivity), but also was well below the labor unions' proposal of 20%.**

**Colombia's Min Fin is expected to release the Financing Plan before the end of the year** (we do not have a specific date yet). From this publication, it is important to understand not only how consistent the macroeconomic scenario is, but also the information regarding issuance, the domestic/foreign debt split, plans for social and green bonds, and plans for the COLTES ETF, among other issues that the new administration has not yet addressed.

### Peru—A Slowing Economy, Resistant Inflation, and a State of Emergency: Not the Best Ending for 2022

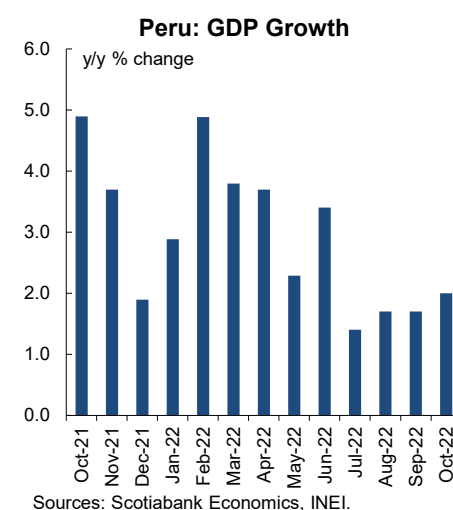
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**Peru's GDP grew 2.0% y/y in October** (chart 1). **The data is in line with our forecast of 2.8% growth for full-year 2022.** In fact, 12-month GDP growth (November 2021 to October 2022) is currently at 2.8%. However, given the level of political turbulence in December, October's GDP has lost significance as an indicator of future growth.

**There are a couple of things to note concerning October's GDP. The first is that m/m growth was negative** (chart 2). Perhaps the most worrisome aspect was that manufacturing (non-primary processing) fell in both y/y and m/m terms (table 1). The one positive is that metals mining was up 3.5%, suggesting that production from the Quellaveco copper operation was beginning to have an impact.

**Although November GDP growth is likely to be more or less in line with October, December GDP should be materially impacted by the ongoing political and social turbulence.** Since December 7, former President Castillo tried and failed to close Congress and was impeached and detained, sparking a wave of violence that was followed by a declaration of a State of Emergency on December 14. In addition, Congress began debating early elections, which could

Chart 1



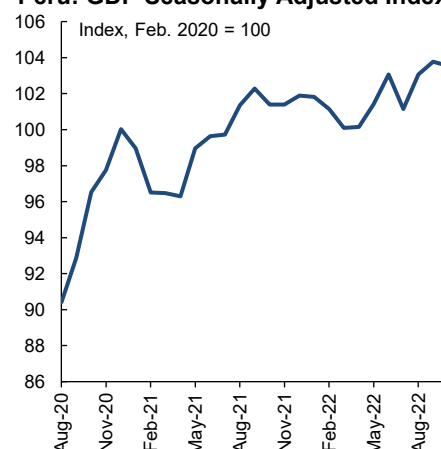
conceivably take place late in 2023. **We expect political turbulence to negatively impact mining, agriculture, commerce, tourism, and, no doubt, public investment.** Note that December is a key month in which public investment is normally at its highest, and Christmas sales and travel stimulate sales overall, thus contributing significantly to demand growth. Since developments are still ongoing, it is hard to gauge the level of impact, **but it is fair to say that our full-year 2.8% forecast has downside risk.**

**We expect the interruption in transportation/distribution that occurred in December to have an impact on inflation as well.** While the impact is likely to be temporary, it comes at a terrible moment, just when there were incipient hopes that the BCRP would pause in its policy of increasing the reference rate. We had been expecting inflation to decline from 8.4% yearly in November to 8.1% yearly in December. Our hopes for a reduction in inflation haven't been quite dashed yet. Key price indicators to mid-December point to 8.2%-8.3%, but the month is not over, and the full effects of the disturbances may not have fully sunk in yet. **This scenario puts our scenario of a BCRP pause in its reference rate policy in January at risk.**

Throughout all of this, the PEN has been notoriously stable, and financial assets have moved more or less in line with the region. At least so far. This is a testament, most likely, to two things: confidence in the BCRP, and continuity in economic policy over the past years, if not decades, despite extreme political events. Meanwhile, **several political decisions need to be taken, most importantly whether and when early elections will be held.**

Chart 2

Peru: GDP Seasonally Adjusted Index



Sources: Scotiabank Economics, BCRP.

Table 1: Peru—October GDP Growth by Sector

%	y/y	m/m	Jan–Oct (y/y)
<b>Aggregate GDP</b>	<b>2.0</b>	<b>-0.2</b>	<b>2.8</b>
Agriculture	5.2	-1.2	4.6
Fishing	1.9	8.8	-11.0
Mining & oil	1.7	1.7	-1.9
Metals mining	3.5	N/A	N/A
Oil & gas	-9.2	N/A	N/A
Manufacturing	-1.3	-1.6	2.0
Electricity	4.2	-0.3	3.4
Construction	4.2	1.3	0.2
Commerce	2.8	0.4	3.4
Transportation	9.5	1.1	11.5
Hotels & restaurants	10.0	1.9	30.1
Telecom	-6.7	-3.3	0.8
Business services	2.4	-0.8	2.9
Financial services	-4.0	0.2	-6.6
Public administration	2.4	N/A	3.2
Other services	4.0	N/A	5.4

Sources: Scotiabank Economics, INEI.

Forecast Updates

	2021		2022			2023				2024							
	Q4	Q1	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2021	2022f	2023f	2024f
<b>Brazil</b>																	
Real GDP (y/y % change)	2.1	2.4	3.7	3.6	3.4	1.2	0.5	0.6	0.9	1.4	1.6	1.7	2.1	5.0	3.0	0.8	1.7
CPI (y/y % eop)	10.1	11.3	11.9	7.2	6.2	6.2	5.8	5.3	5.0	4.8	4.3	3.9	3.6	10.1	6.2	5.0	3.6
Unemployment rate (% avg)	11.1	11.1	9.3	8.7	8.6	10.4	9.9	10.1	9.1	9.8	10.5	10.1	9.8	11.1	9.7	9.9	10.1
Central bank policy rate (% eop)	9.25	11.75	13.25	13.75	13.75	13.50	13.25	12.50	11.75	10.50	9.50	9.00	8.50	9.25	13.75	11.75	8.50
Foreign exchange (USDBRL, eop)	5.58	4.74	5.26	5.42	5.29	5.38	5.41	5.49	5.38	5.47	5.39	5.31	5.23	5.58	5.29	5.38	5.23
<b>Chile</b>																	
Real GDP (y/y % change)	12.0	7.4	5.6	0.3	-1.8	-0.9	-3.0	-2.6	-0.2	1.6	3.6	2.8	3.0	11.7	2.7	-1.7	2.8
CPI (y/y % eop)	7.2	9.4	12.5	13.7	12.4	10.4	7.2	4.4	3.7	3.1	3.1	3.0	3.0	7.2	12.4	3.7	3.0
Unemployment rate (% avg)	7.2	7.8	7.8	8.0	7.9	8.4	9.5	9.5	8.9	8.4	8.1	8.1	7.5	9.1	7.9	9.1	8.0
Central bank policy rate (% eop)	4.00	7.00	9.00	10.75	11.25	11.00	8.00	6.00	4.50	3.75	3.75	3.75	3.75	4.00	11.25	4.50	3.75
Foreign exchange (USDCPL, eop)	852	786	918	969	900	900	880	870	850	800	780	770	750	852	900	850	750
<b>Colombia</b>																	
Real GDP (y/y % change)	10.8	8.7	12.8	7.0	4.0	1.8	2.1	2.2	2.2	2.4	2.9	3.2	3.4	10.7	8.0	2.0	3.0
CPI (y/y % eop)	5.6	8.5	9.7	11.4	12.7	11.5	10.6	8.9	7.5	6.1	5.4	4.9	4.7	5.6	12.7	7.5	4.7
Unemployment rate (% avg)	11.5	13.2	11.0	10.8	10.9	11.2	9.8	10.8	10.8	10.6	10.4	10.5	10.5	13.8	10.8	10.7	10.5
Central bank policy rate (% eop)	3.00	5.00	7.50	10.00	12.00	12.50	12.00	11.00	10.00	9.00	8.50	7.00	6.00	3.00	12.00	10.00	6.00
Foreign exchange (USDCOP, eop)	4,080	3,771	4,155	4,609	4,781	4,789	4,796	4,811	4,866	4,881	4,881	4,911	4,941	4,080	4,781	4,866	4,941
<b>Mexico</b>																	
Real GDP (y/y % change)	1.0	1.8	2.4	4.3	2.6	1.0	0.6	0.9	0.7	2.5	1.4	2.2	1.6	4.7	2.8	0.8	1.9
CPI (y/y % eop)	7.4	7.5	8.0	8.7	8.4	7.1	6.5	5.7	5.1	4.5	4.1	4.0	3.8	7.4	8.4	5.1	3.8
Unemployment rate (% avg)	3.7	3.5	3.2	3.4	3.8	4.0	4.0	3.9	3.8	3.6	3.7	3.8	3.8	4.1	3.5	3.9	3.7
Central bank policy rate (% eop)	5.50	6.50	7.75	9.25	10.50	11.00	11.00	10.75	10.25	9.75	9.25	8.50	7.50	5.50	10.50	10.25	7.50
Foreign exchange (USDMXN, eop)	20.53	19.87	20.12	20.14	19.72	20.42	20.54	20.79	20.57	20.74	20.85	21.38	21.45	20.53	19.72	20.57	21.45
<b>Peru</b>																	
Real GDP (y/y % change)	3.5	3.8	3.3	1.7	2.3	1.9	3.0	1.8	2.8	2.6	2.6	2.3	1.3	13.3	2.8	2.4	2.2
CPI (y/y % eop)	6.4	6.8	8.8	8.5	8.2	8.0	6.3	5.4	4.5	4.1	3.3	2.7	2.5	6.4	8.2	4.5	2.5
Unemployment rate (% avg)	7.8	9.4	6.8	7.7	7.5	7.8	7.4	7.2	7.2	8.0	7.5	7.5	7.5	10.9	7.9	7.4	7.6
Central bank policy rate (% eop)	2.50	4.00	5.50	6.75	7.50	7.50	7.50	7.50	7.25	7.00	6.75	6.25	5.75	2.50	7.50	7.25	5.75
Foreign exchange (USDPEN, eop)	4.00	3.68	3.83	3.98	3.95	3.99	3.95	3.90	3.95	3.90	3.95	3.90	3.95	4.00	3.95	3.95	3.95
<b>Canada</b>																	
Real GDP (y/y % change)	3.9	3.2	4.7	3.9	2.5	1.7	0.9	0.2	0.3	0.7	1.3	1.8	2.0	5.0	3.6	0.8	1.5
CPI (y/y % eop)	4.7	5.8	7.5	7.2	6.8	5.3	4.2	3.8	2.9	2.3	1.8	1.7	1.7	4.7	6.8	2.9	1.7
Unemployment rate (% avg)	6.3	5.8	5.1	5.2	5.2	5.4	5.7	6.0	6.1	6.2	6.3	6.3	6.3	7.4	5.3	5.8	6.3
Central bank policy rate (% eop)	0.25	0.50	1.50	3.25	4.25	4.25	4.25	4.25	4.00	3.50	3.00	3.00	3.00	0.25	4.25	4.00	3.00
Foreign exchange (USDCAD, eop)	1.26	1.25	1.29	1.38	1.35	1.35	1.35	1.30	1.30	1.27	1.27	1.25	1.25	1.26	1.35	1.30	1.25
<b>United States</b>																	
Real GDP (y/y % change)	5.7	3.7	1.8	1.9	0.5	0.8	0.8	0.4	0.4	0.9	1.4	1.7	1.9	5.9	1.9	0.6	1.5
CPI (y/y % eop)	6.7	8.0	8.6	8.3	7.7	6.5	5.3	4.5	3.8	3.2	2.6	2.3	2.3	6.7	7.7	3.8	2.3
Unemployment rate (% avg)	4.2	3.8	3.6	3.6	3.7	3.9	4.1	4.3	4.5	4.6	4.7	4.8	4.8	5.4	3.7	4.2	4.8
Central bank policy rate (% eop)	0.25	0.50	1.75	3.25	4.50	5.00	5.00	5.00	4.75	4.25	3.75	3.25	3.00	0.25	4.50	4.75	3.00
Foreign exchange (EURUSD, eop)	1.14	1.11	1.05	0.98	1.05	1.05	1.05	1.10	1.10	1.10	1.10	1.12	1.12	1.14	1.05	1.10	1.12

Source: Scotiabank Economics.  
 Red indicates changes in estimates and forecasts since previous *Latam Weekly* on December 9, 2022.

Forecast Updates—Changes Compared To Previous Latam Weekly

	2021		2022			2023				2024							
	Q4	Q1	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2021	2022f	2023f	2024f
<b>Brazil</b>																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDBRL, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Chile</b>																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCLP, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Colombia</b>																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	0.3	0.7	1.1	1.4	1.4	1.2	1.0	0.7	0.4	-	0.3	1.4	0.4
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCOP, eop)	-	-	-	-	-66	-91	-162	-215	-160	-145	-145	-115	-85	-	-66	-160	-85
<b>Mexico</b>																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	0.25	0.25	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDMXN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Peru</b>																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDPEN, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Canada</b>																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (USDCAD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>United States</b>																	
Real GDP (y/y % change)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI (y/y %, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (% avg)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central bank policy rate (% eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange (EURUSD, eop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Scotiabank Economics.  
Changes in estimates and forecasts since previous *Latam Weekly* on December 9, 2022.

Forecast Updates: Central Bank Policy Rates and Outlook

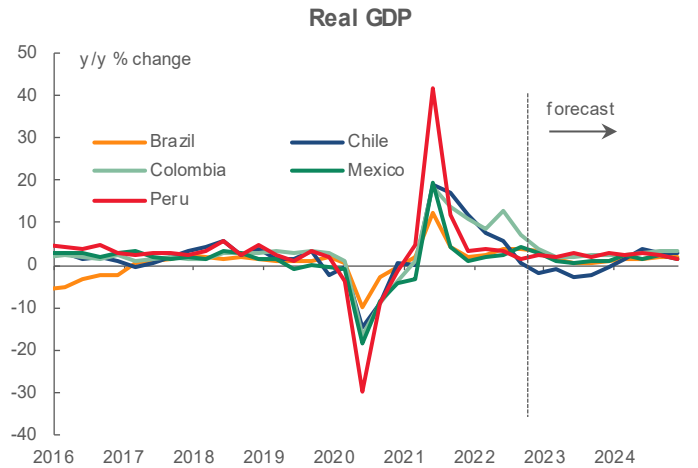
Latam Central Banks: Policy Rates and Outlook

	Next Scheduled Meeting				Market Pricing		BNS Forecast		BNS guidance for next monetary policy meeting
	Current	Date	Market	BNS	12 mos	24 mos	End-2023	End-2024	
<b>Brazil, BCB, Selic</b>	13.75%	Feb-01	n.a.	13.75%	n.a.	n.a.	11.75%	8.50%	The BCB held its policy rate at its December meeting, as was widely expected. However, it highlighted that were inflationary forces to resume an upward trend (possibly due to looser fiscal policy) it would not hesitate to adjust policy as appropriate. Lula's plans are key for the outlook.
<b>Chile, BCCCh, TPM</b>	11.25%	Jan-26	n.a.	11.00%	n.a.	n.a.	4.50%	3.75%	We expect rate cuts beginning in Q1-2023.
<b>Colombia, BanRep, TII</b>	11.00%	Dec-16	n.a.	12.00%	n.a.	n.a.	10.00%	6.00%	Strong November inflation, in both headline and core terms, presents a big headache for BanRep that will motivate it to hike by another full point next week and it may take additional, large, increases (though not of 100bps) to finally rein in price pressures—challenged by indexation practices and a large increase expected in the country's minimum wage for 2023.
<b>Mexico, Banxico, TO</b>	10.50%	Feb-09	n.a.	10.75%	n.a.	n.a.	10.25%	7.50%	Banxico lowered the pace of hiking, matching the Fed again, to 50bps. Although there was little forward guidance besides "it will still be necessary to raise the interest rate in the next monetary policy meeting", we believe that Banxico might decouple from the Fed as soon as February and lower the hiking pace even more, bringing the policy rate to 10.75%.
<b>Peru, BCRP, TIR</b>	7.50%	Jan-12	n.a.	7.50%	n.a.	n.a.	7.25%	5.75%	Our base scenario considers a terminal rate of 7.50%, but the latest BCRP statement leaves the door open to additional increases, if the inflation picture does not improve, maintaining its data-dependent approach.

Sources: Scotiabank Economics, Scotiabank GBM, Bloomberg.

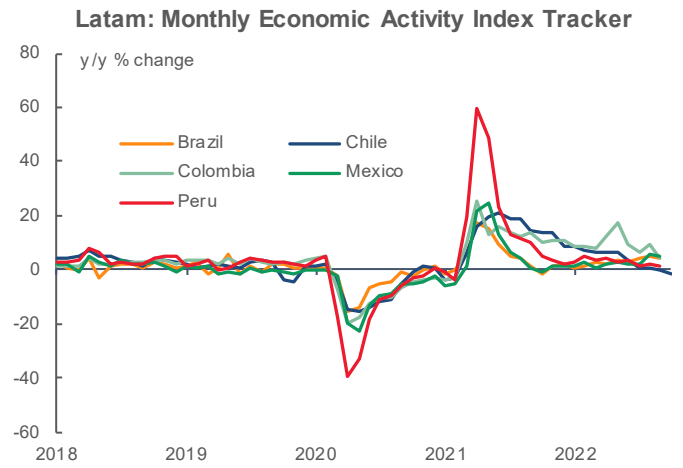
Key Economic Charts

Chart 1



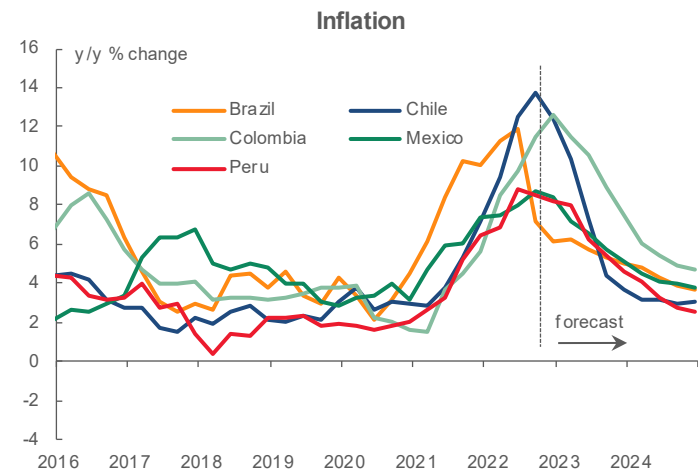
Sources: Scotiabank Economics, Haver Analytics.

Chart 2



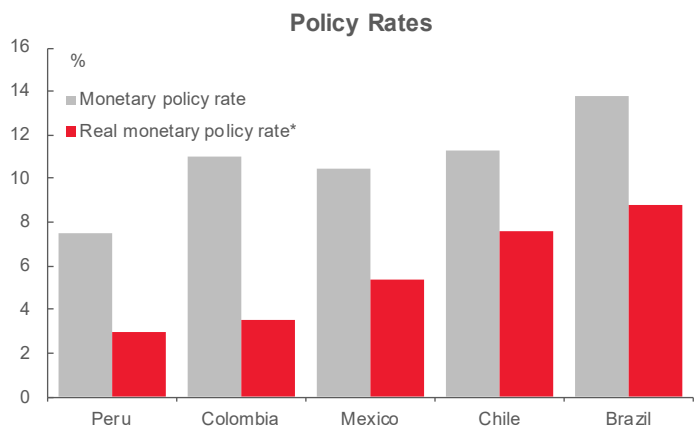
Sources: Scotiabank Economics, Haver Analytics.

Chart 3



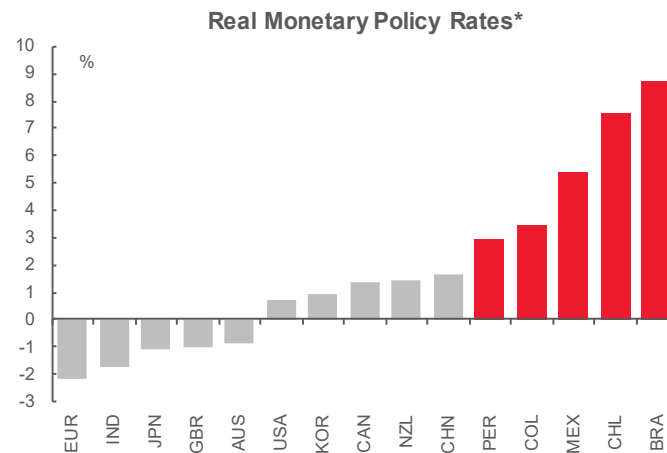
Sources: Scotiabank Economics, Haver Analytics.

Chart 4



\* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q4-2023, % y/y. Sources: Scotiabank Economics, Haver Analytics.

Chart 5



\* Real monetary policy rate = current policy rate - BNS expected inflation, end-Q4-2023, % y/y. Sources: Scotiabank Economics, Bloomberg.



Key Market Charts

Chart 1

Latam Currencies Performance

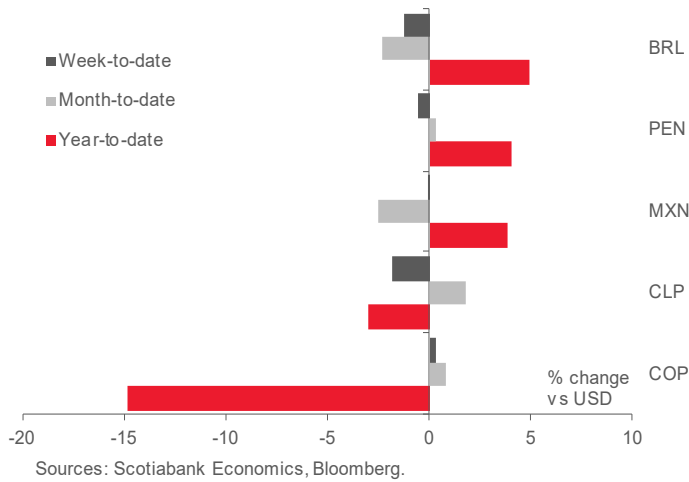


Chart 2

Latam Equities Performance

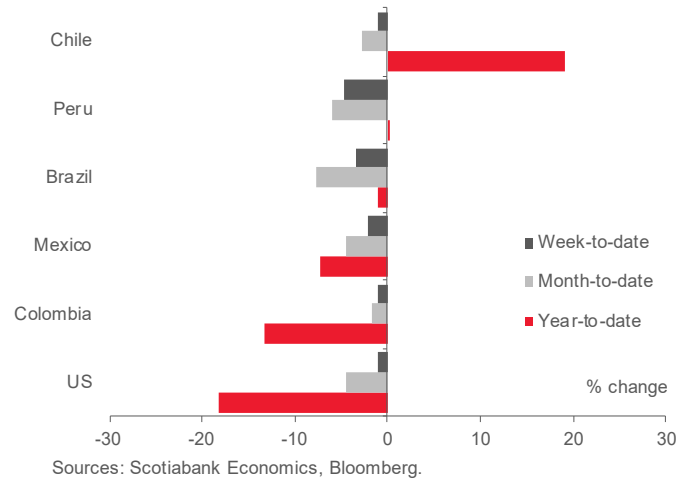


Chart 3

USD vs Latam Currencies

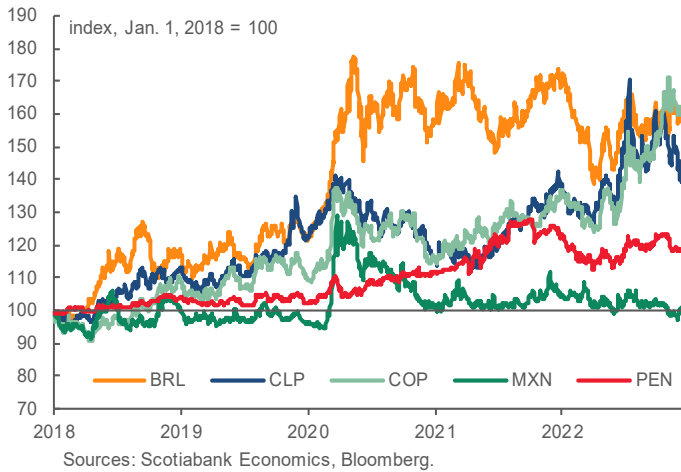
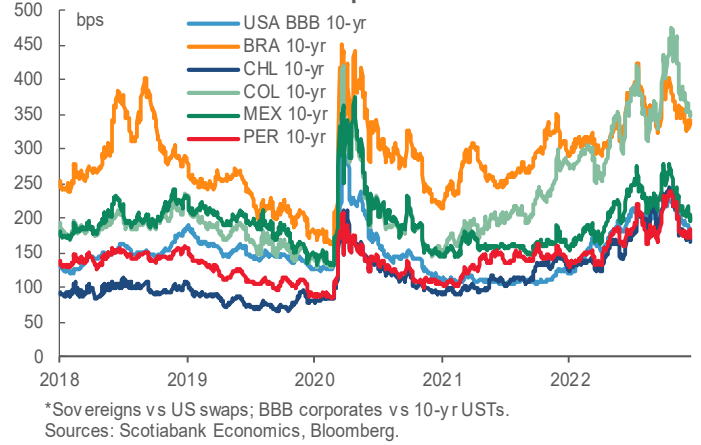


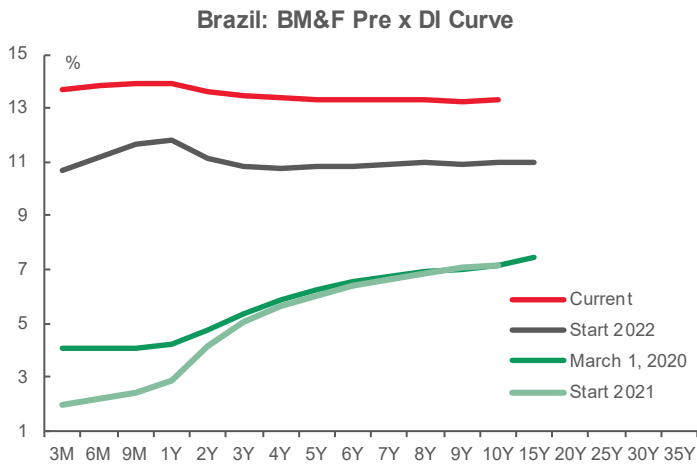
Chart 4

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



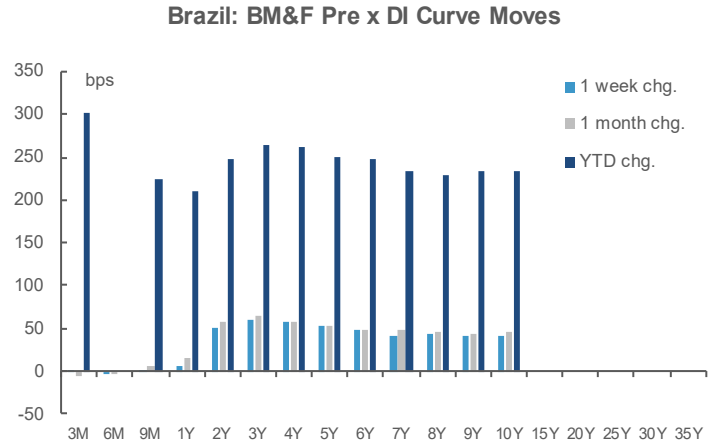
Yield Curves

Chart 1



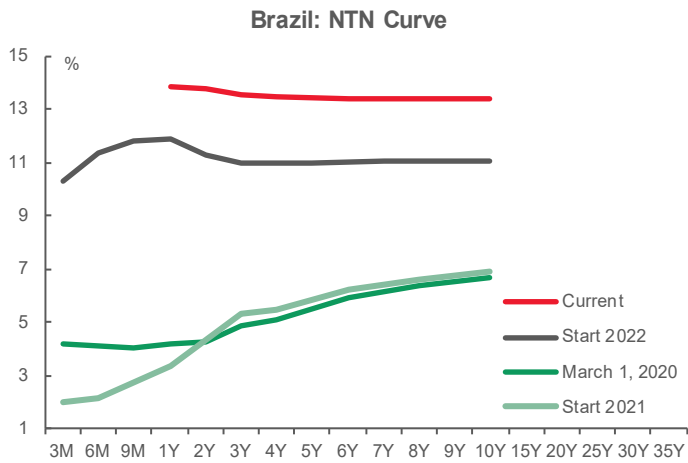
Sources: Scotiabank Economics, Bloomberg.

Chart 2



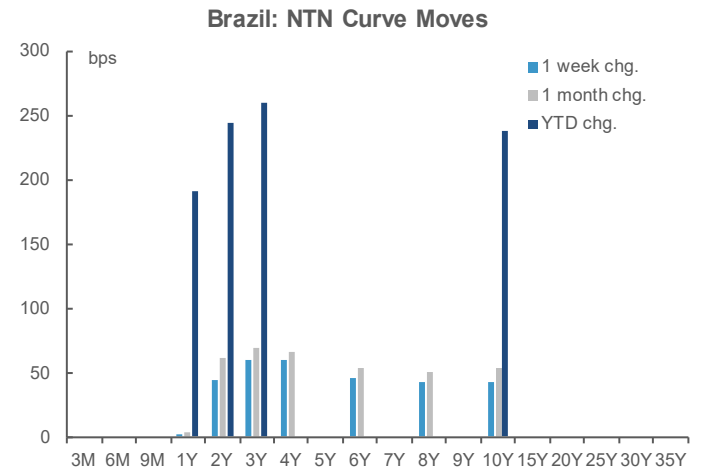
Sources: Scotiabank Economics, Bloomberg.

Chart 3



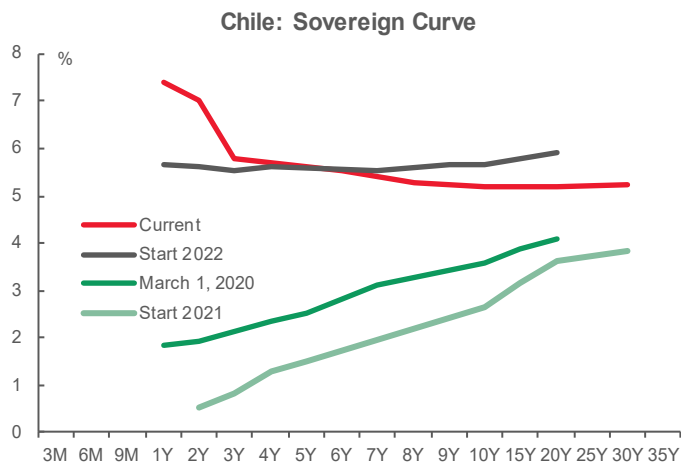
Sources: Scotiabank Economics, Bloomberg.

Chart 4



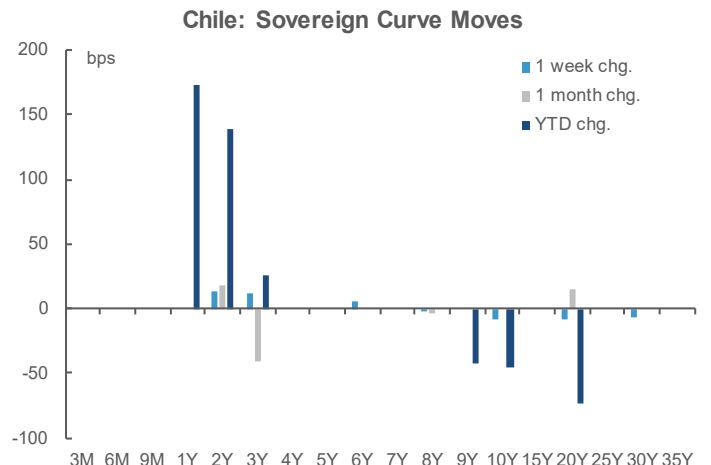
Sources: Scotiabank Economics, Bloomberg.

Chart 5



Sources: Scotiabank Economics, Bloomberg.

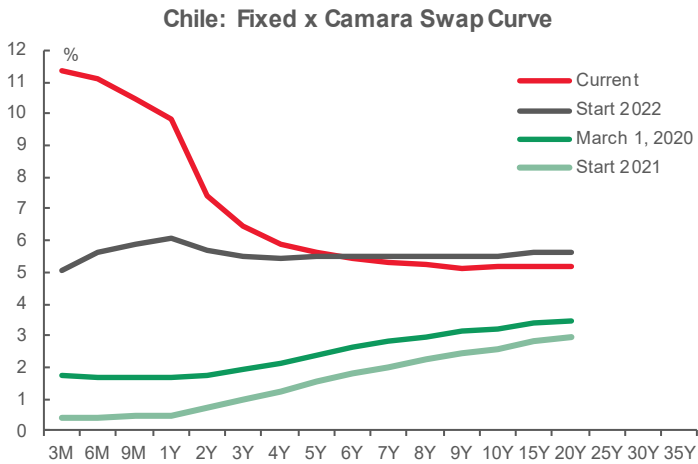
Chart 6



Sources: Scotiabank Economics, Bloomberg.

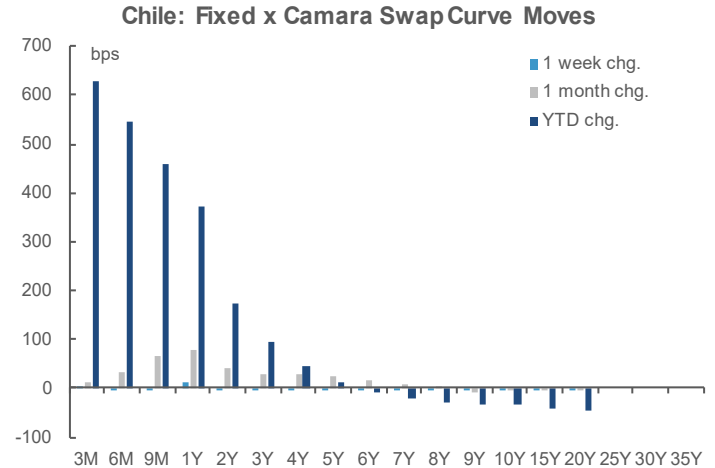
Yield Curves

Chart 7



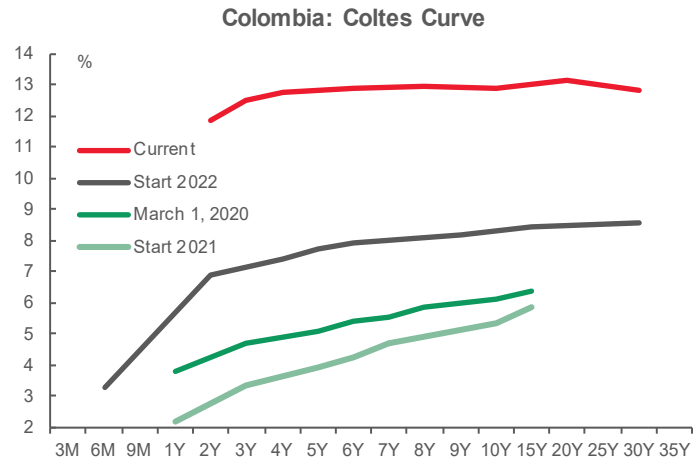
Sources: Scotiabank Economics, Bloomberg.

Chart 8



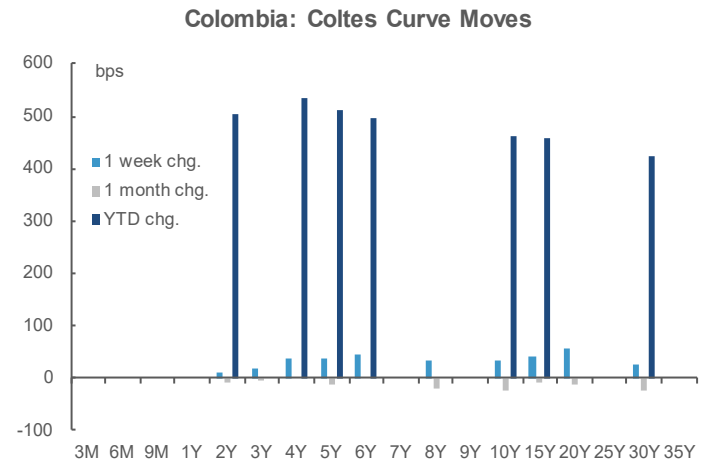
Sources: Scotiabank Economics, Bloomberg.

Chart 9



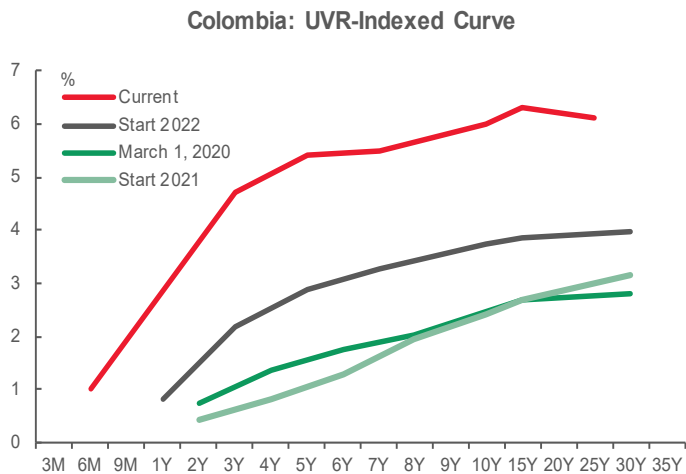
Sources: Scotiabank Economics, Bloomberg.

Chart 10



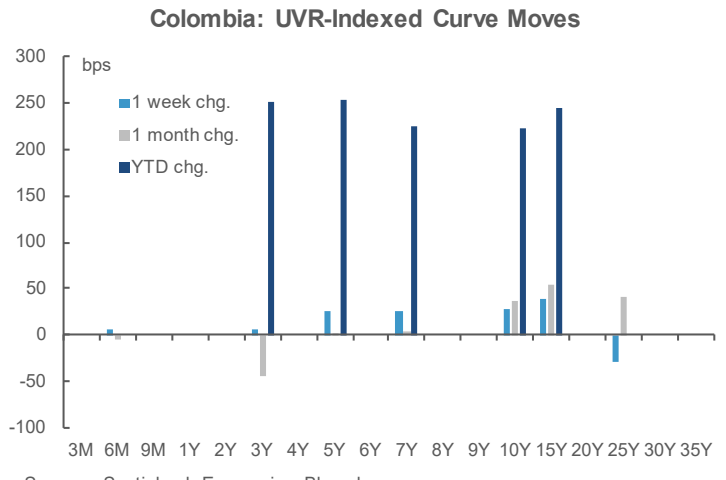
Sources: Scotiabank Economics, Bloomberg.

Chart 11



Sources: Scotiabank Economics, Bloomberg.

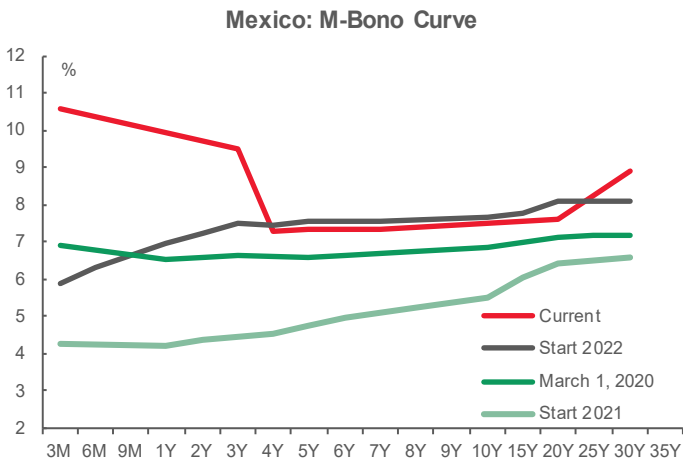
Chart 12



Sources: Scotiabank Economics, Bloomberg.

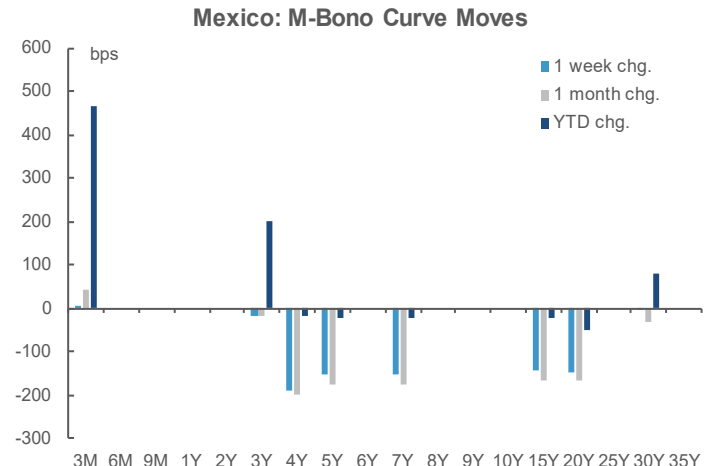
Yield Curves

Chart 13



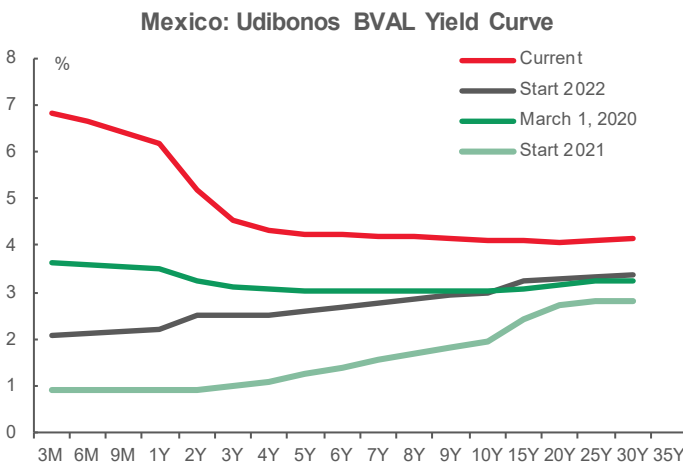
Sources: Scotiabank Economics, Bloomberg.

Chart 14



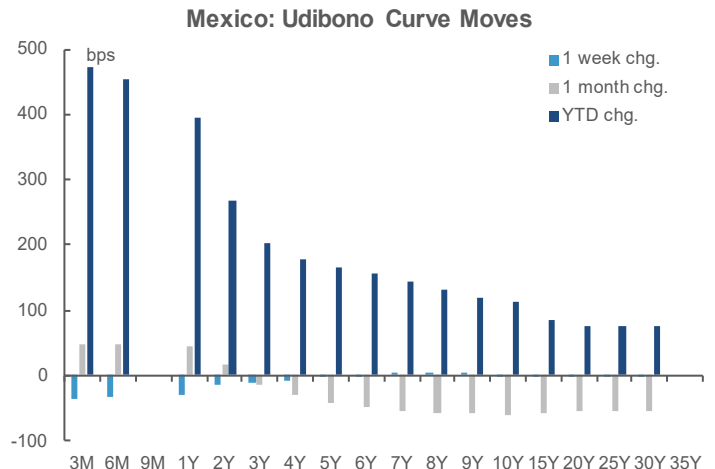
Sources: Scotiabank Economics, Bloomberg.

Chart 15



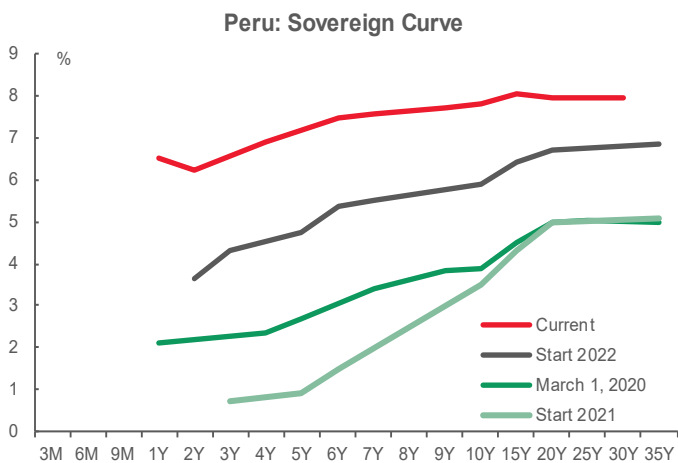
Sources: Scotiabank Economics, Bloomberg.

Chart 16



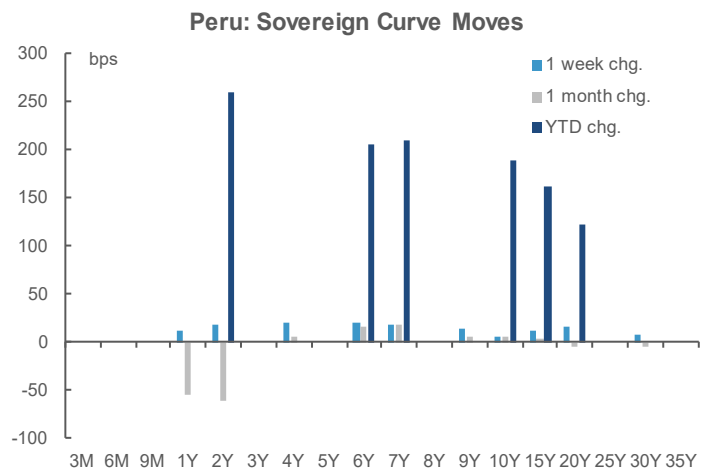
Sources: Scotiabank Economics, Bloomberg.

Chart 17



Sources: Scotiabank Economics, Bloomberg.

Chart 18



Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for December 17–30

**BRAZIL**

Date	Time Event	Period	BNS Consensus	Latest	BNS Comments
Dec-19	3:00 FIPE CPI - Weekly (%)	15-Dec	--	0.5	0.5
Dec-19	6:25 Central Bank Weekly Economist Survey		--	--	--
Dec-19	13:00 Trade Balance Weekly (USD mn)	18-Dec	--	--	1707.7
Dec-21	7:30 Current Account Balance (USD mn)	Nov	--	--	-4625.1
Dec-21	7:30 Foreign Direct Investment (USD mn)	Nov	--	--	5541.1
Dec-23	6:00 FGV CPI IPC-S (%)	22-Dec	--	0.6	0.6
Dec-23	7:00 IBGE Inflation IPCA-15 (m/m)	Dec	--	0.5	0.5
Dec-23	7:00 IBGE Inflation IPCA-15 (y/y)	Dec	--	5.9	6.2
Dec-26	6:00 FGV Consumer Confidence	Dec	--	--	85.3
Dec-26	6:25 Central Bank Weekly Economist Survey		--	--	--
Dec-26	13:00 Trade Balance Weekly (USD mn)	25-Dec	--	--	1707.7
Dec-27	6:00 FGV Construction Costs (m/m)	Dec	--	--	0.1
Dec-27	7:30 Total Outstanding Loans (BRL bn)	Nov	--	--	5214.8
Dec-27	7:30 Outstanding Loans (m/m)	Nov	--	--	1.0
Dec-27	7:30 Personal Loan Default Rate (%)	Nov	--	--	5.9
Dec-27	12:30 Federal Debt Total (BRL bn)	Nov	--	--	5778.0
Dec 20-27	Tax Collections (BRL mn)	Nov	--	171700.0	205475.0
Dec-28	7:00 National Unemployment Rate (%)	Nov	--	--	8.3
Dec-28	Central Govt Budget Balance (BRL bn)	Nov	--	--	30.8
Dec-29	6:00 FGV Inflation IGPM (m/m)	Dec	--	--	-0.6
Dec-29	6:00 FGV Inflation IGPM (y/y)	Dec	--	--	5.9
Dec-29	7:30 Net Debt % GDP	Nov	--	--	58.3
Dec-29	7:30 Nominal Budget Balance (BRL bn)	Nov	--	--	-14.5
Dec-29	7:30 Primary Budget Balance (BRL bn)	Nov	--	--	27.1
Dec 23-30	Formal Job Creation Total	Nov	--	--	288068.0

**CHILE**

Date	Time Event	Period	BNS Consensus	Latest	BNS Comments
Dec-22	Central Bank Meeting Minutes		--	--	--
Dec-23	7:00 PPI (m/m)	Nov	--	--	2.1
Dec-26	Central Bank Traders Survey		--	--	--
Dec-29	7:00 Unemployment Rate (%)	Nov	7.9	--	8.0 We project a monthly decline in the unemployment rate thanks to higher growth in employment than in the labour force.
Dec-30	7:00 Manufacturing Production (y/y)	Nov	--	--	-9.2
Dec-30	7:00 Industrial Production (y/y)	Nov	--	--	-4.2
Dec-30	7:00 Copper Production Total (Tons)	Nov	--	--	485447.0
Dec-30	7:00 Commercial Activity (y/y)	Nov	--	--	-11.5
Dec-30	7:00 Retail Sales (y/y)	Nov	-16.0	--	-12.3 We forecast retail sales decreasing 16% y/y in November (-1% m/m), confirming a deceleration towards sustainable levels.

**COLOMBIA**

Date	Time Event	Period	BNS Consensus	Latest	BNS Comments
Dec-19	11:00 Economic Activity NSA (y/y)	Oct	5.63	5.2	4.2 Economic activity will continue to show a decent rate of expansion.
Dec-20	10:00 Trade Balance (USD mn)	Oct	--	-1290.0	-1401.4
Dec-20	10:00 Imports CIF Total (USD mn)	Oct	--	5950.0	6695.8
Dec-20	17:00 Colombia Monetary Policy Minutes		--	--	--
Dec-23	Retail Confidence	Nov	--	--	17.0
Dec-23	Industrial Confidence	Nov	--	--	-0.4
Dec-30	10:00 Exports FOB (USD mn)	Nov	--	--	4212.8
Dec-30	10:00 National Unemployment Rate (%)	Nov	9.3	--	9.7 The unemployment rate will remain broadly stable, showing a
Dec-30	10:00 Urban Unemployment Rate (%)	Nov	9.1	--	9.9 balance between better job creation dynamics but with an increasing participation rate.

Forecasts at time of publication.

Sources: Scotiabank Economics, Bloomberg.

Market Events & Indicators for December 17–30

**MEXICO**

<u>Date</u>	<u>Time</u>	<u>Event</u>	<u>Period</u>	<u>BNS Consensus</u>	<u>Latest</u>	<u>BNS Comments</u>
Dec-20	7:00	Retail Sales (m/m)	Oct	--	--	-0.2
Dec-20	7:00	Retail Sales (y/y)	Oct	--	--	3.3
Dec-20	10:00	International Reserves Weekly (USD mn)	16-Dec	--	--	199209.0
Dec-20		Banamex Survey of Economists		--	--	--
Dec-21	7:00	Aggregate Supply and Demand (%)	3Q	--	--	4.8
Dec-22	7:00	Bi-Weekly CPI (%)	15-Dec	--	--	-0.1
Dec-22	7:00	Bi-Weekly Core CPI (%)	15-Dec	--	--	0.0
Dec-22	7:00	Bi-Weekly CPI (y/y)	15-Dec	--	--	7.5
Dec-22	7:00	Bi-Weekly Core CPI (y/y)	15-Dec	--	--	8.4
Dec-23	7:00	Trade Balance (USD mn)	Nov	--	--	-2011.8
Dec-23	7:00	Exports (USD mn)	Nov	--	--	49275.3
Dec-23	7:00	Imports (USD mn)	Nov	--	--	51287.2
Dec-23	7:00	Economic Activity IGAE (m/m)	Oct	--	--	0.7
Dec-23	7:00	Economic Activity IGAE (y/y)	Oct	--	--	5.2
Dec-27	10:00	International Reserves Weekly (USD mn)	23-Dec	--	--	199209.0
Dec-28	7:00	Unemployment Rate NSA (%)	Nov	--	--	3.3
Dec-30	10:00	Net Outstanding Loans (MXN bn)	Nov	--	--	5356.0
Dec-30		Budget Balance YTD (MXN bn)	Nov	--	--	-456.3

**PERU**

<u>Date</u>	<u>Time</u>	<u>Event</u>	<u>Period</u>	<u>BNS Consensus</u>	<u>Latest</u>	<u>BNS Comments</u>
No indicators.						
				--	--	--

Forecasts at time of publication.  
Sources: Scotiabank Economics, Bloomberg.

## Scotiabank Economics Latam Coverage

## Local Market Coverage

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