

# Perspectivas de la Economía Global y de América Latina



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# Agenda

Economía global: Recuperándose pero lentamente

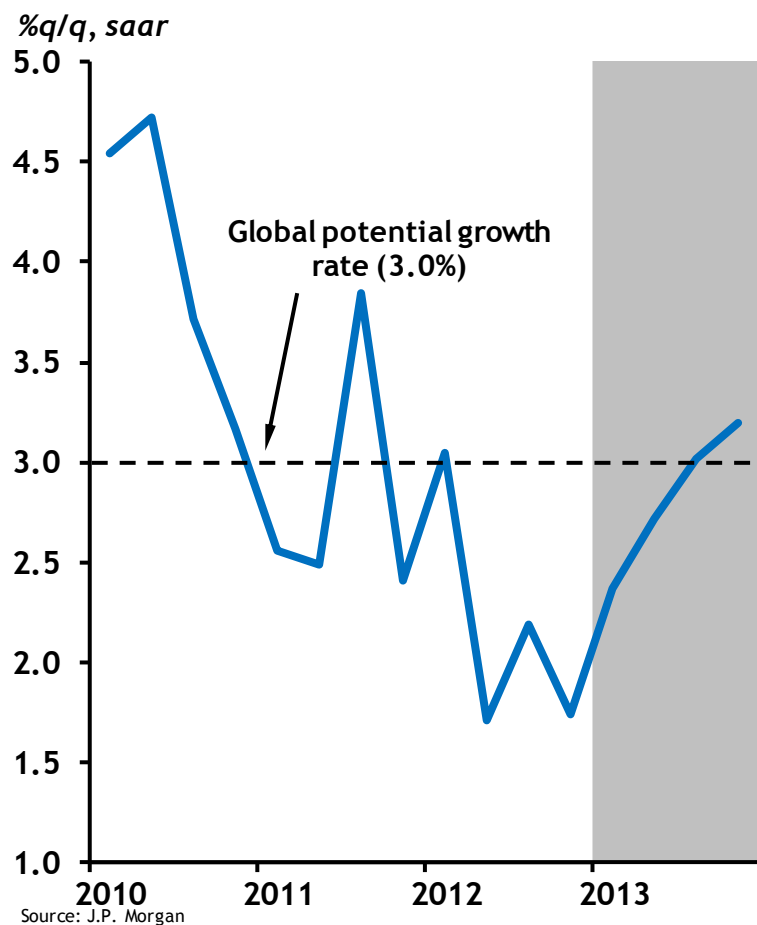
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América Latina: Esperando un mejor 2T luego del decepcionante 1T

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La economía global se está recuperando, pero el desempeño del crecimiento en la primera mitad del año seguirá aún débil y por debajo de su nivel potencial

Global GDP growth



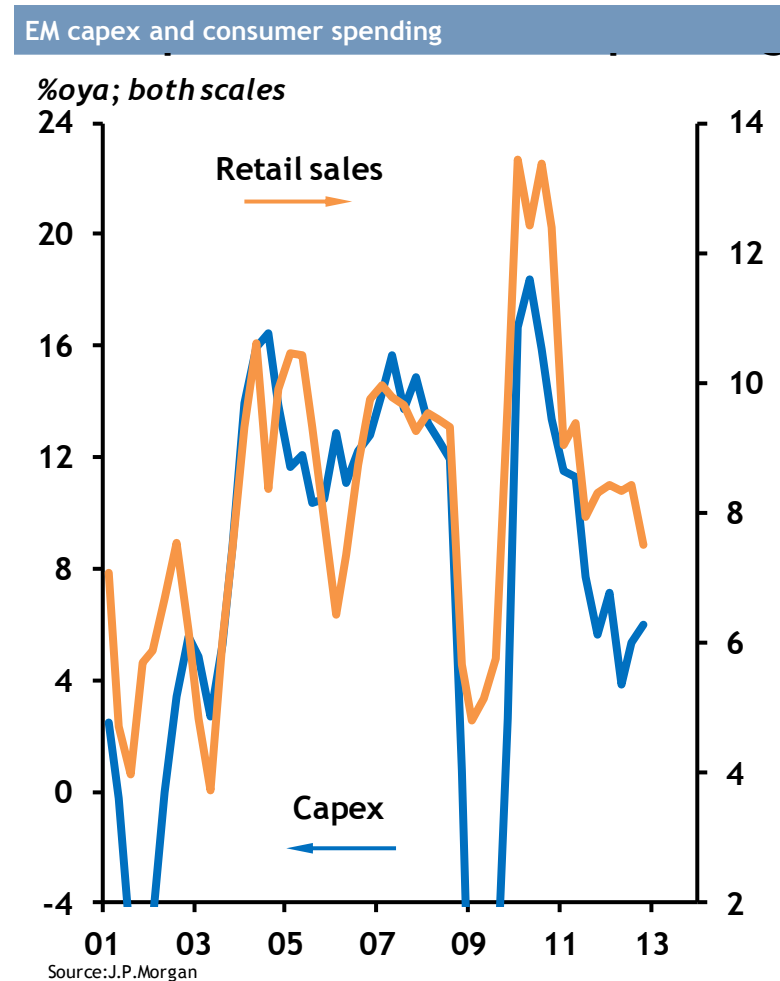
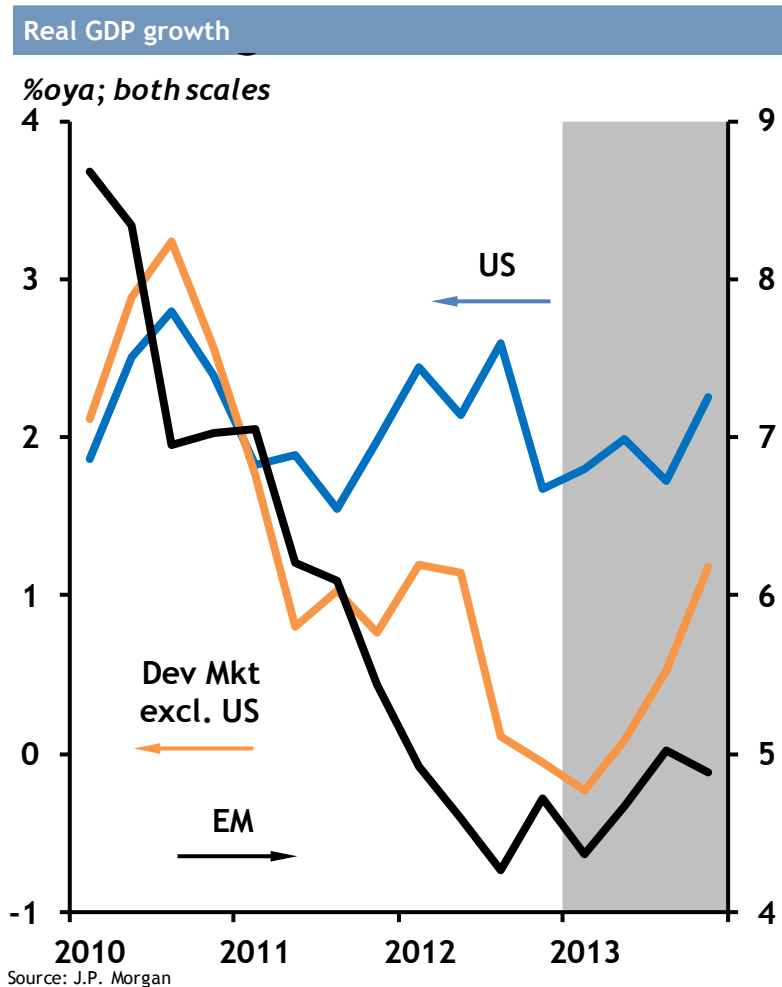
Global GDP growth

%q4/q4	2010	2011	2012	1H13	2H13
Global (3.0)	4.0	2.8	2.2	2.5	3.1
DM (1.6)	2.5	1.3	0.6	1.4	1.8
US (2.2)	2.4	2.0	1.7	2.3	2.2
Euro area (1.3)	2.2	0.6	-0.9	-0.7	0.7
Japan (0.5)	3.6	0.2	0.5	3.4	2.7
UK (1.5)	1.5	1.1	0.2	1.1	1.7
EM (5.5)	7.2	5.6	5.0	4.7	5.4
China (8.0)	9.8	8.8	7.9	6.9	7.8
EM Asia ex China (5.2)	7.3	4.4	5.2	4.3	5.1
Latam (3.8)	5.5	3.4	2.6	3.5	3.6
Brazil (3.8)	5.4	1.4	1.4	3.5	3.5

Note: Trend growth in parentheses

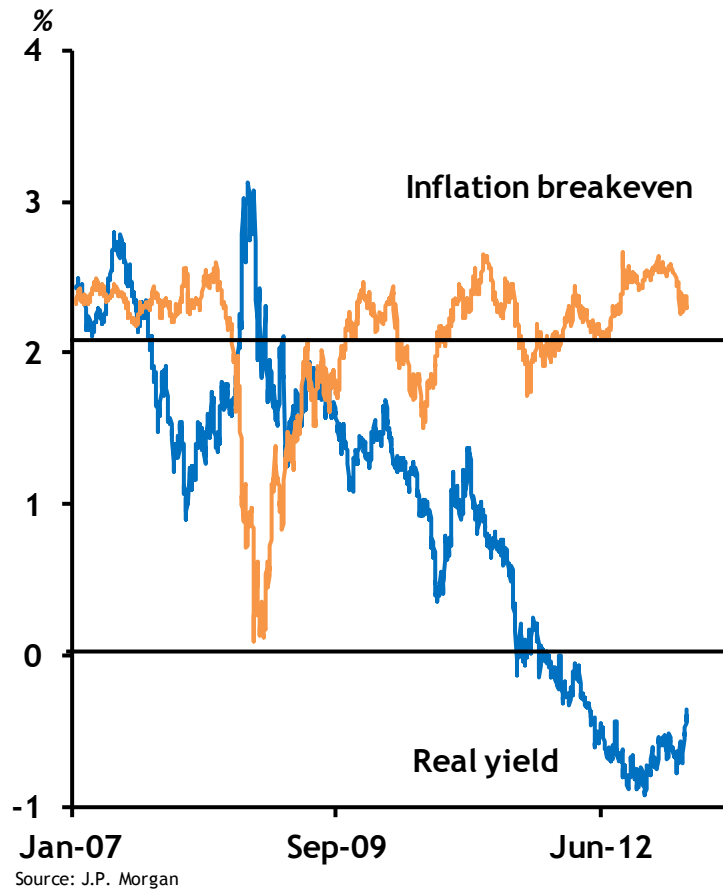
Source: J.P. Morgan, national statistics agencies

EEUU: Liderando la recuperación entre los países desarrollados, mientras que la contribución al crecimiento global de las economías emergentes será más moderada

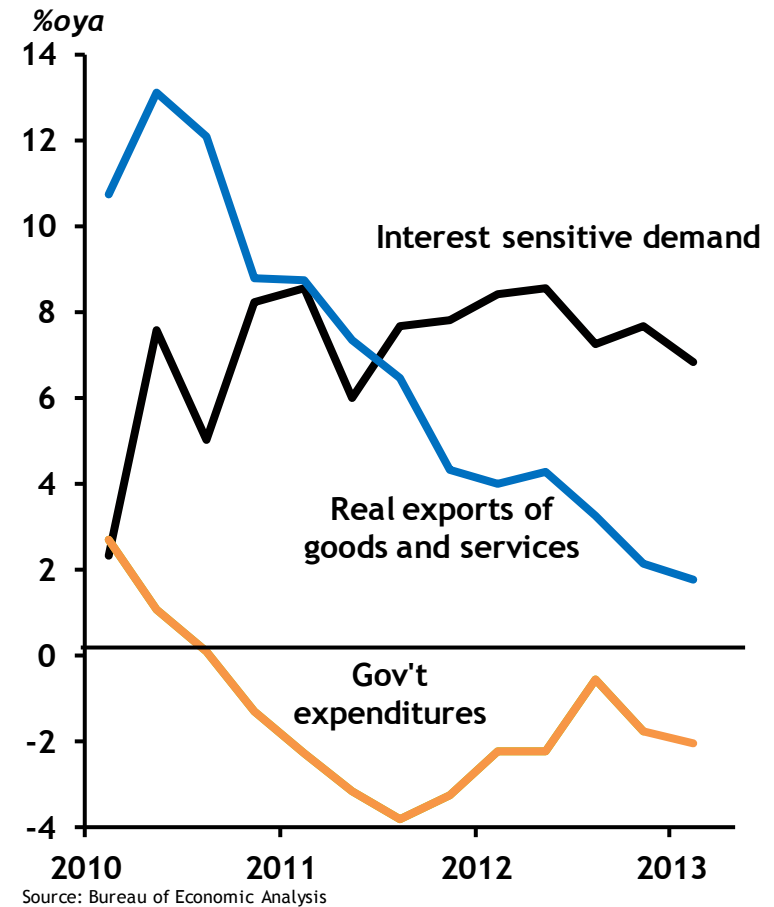


EEUU: Las políticas del Banco de la Reserva Federal han sido exitosas en reducir las tasas de interés reales a niveles negativos y apoyar la recuperación de la demanda

US 10-yr real yield and inflation breakeven



Composition of US growth



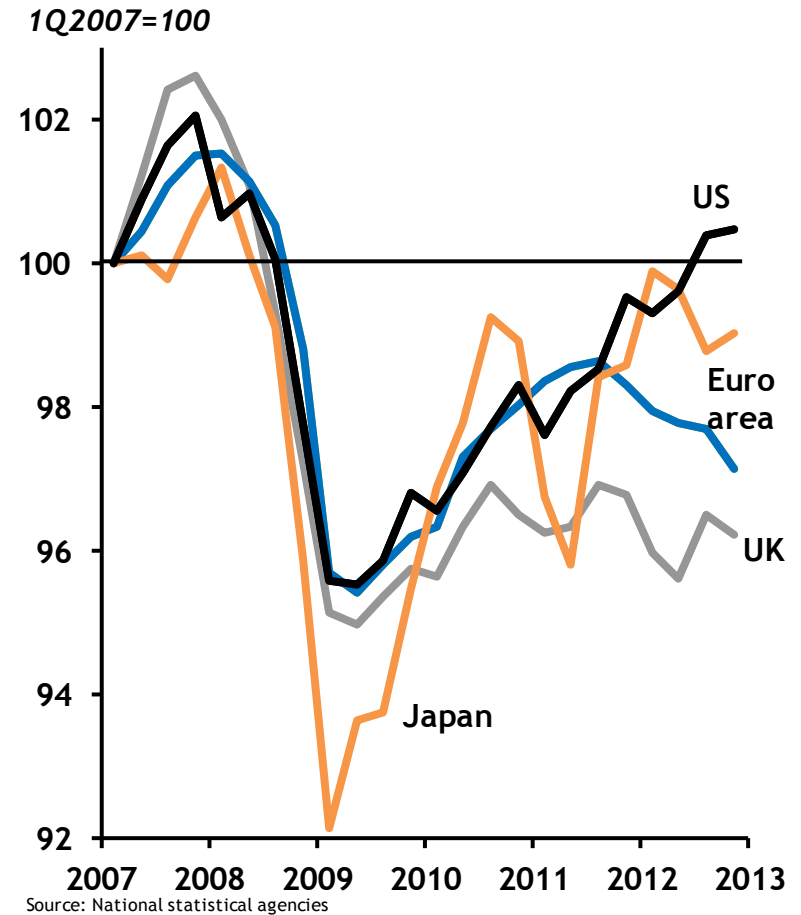
EEUU: La recuperación de la “Gran Recesión” de 2008-09 está siendo mucho más lenta que la recuperación de recesiones previas

Comparing US recoveries

	Total decline (%)	Gain 1st 14 qtrs of recovery (%)
<b>1957-58</b>	-3.1	17.4
<b>1960</b>	-0.5	21.4
<b>1970</b>	-0.6	15.6
<b>1973-75</b>	-3.2	19.7
<b>1981-82</b>	-2.6	20.1
<b>1990-91</b>	-1.4	12.0
<b>2001</b>	-0.3	10.6
<b>2008-09</b>	-5.1	7.6
<b>Average</b>	-2.1	15.5

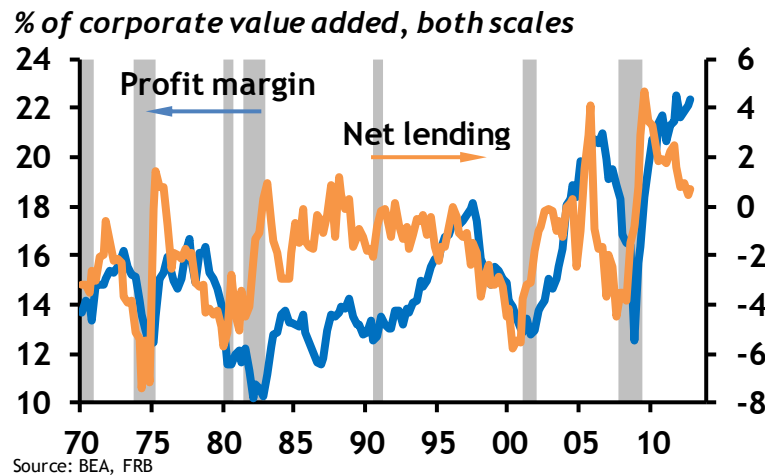
Source: BEA

GDP per capita

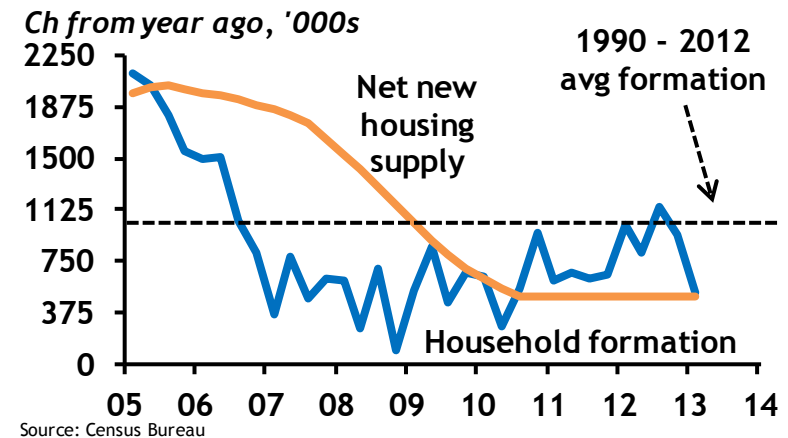


EEUU: La recuperación dependerá de la disposición a invertir del sector corporativo, la recuperación del sector inmobiliario, y el comportamiento del consumidor americano

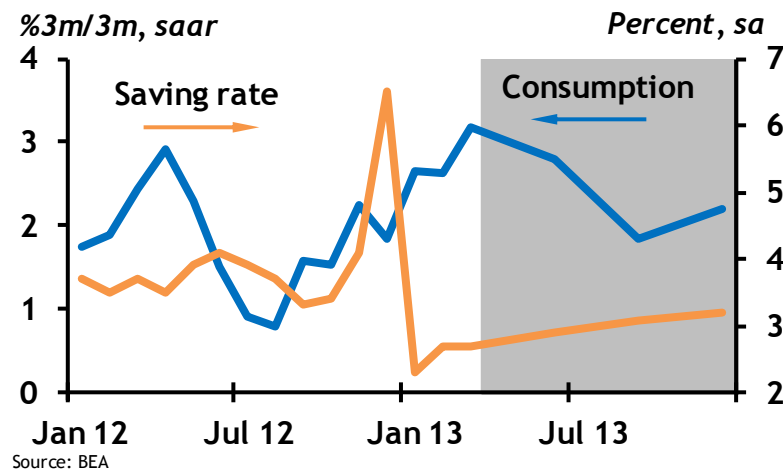
US corporate profits and net lending



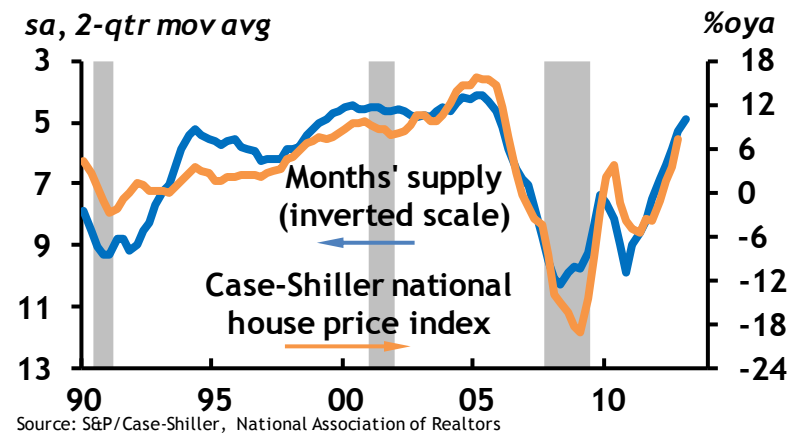
US household formation and net new housing supply



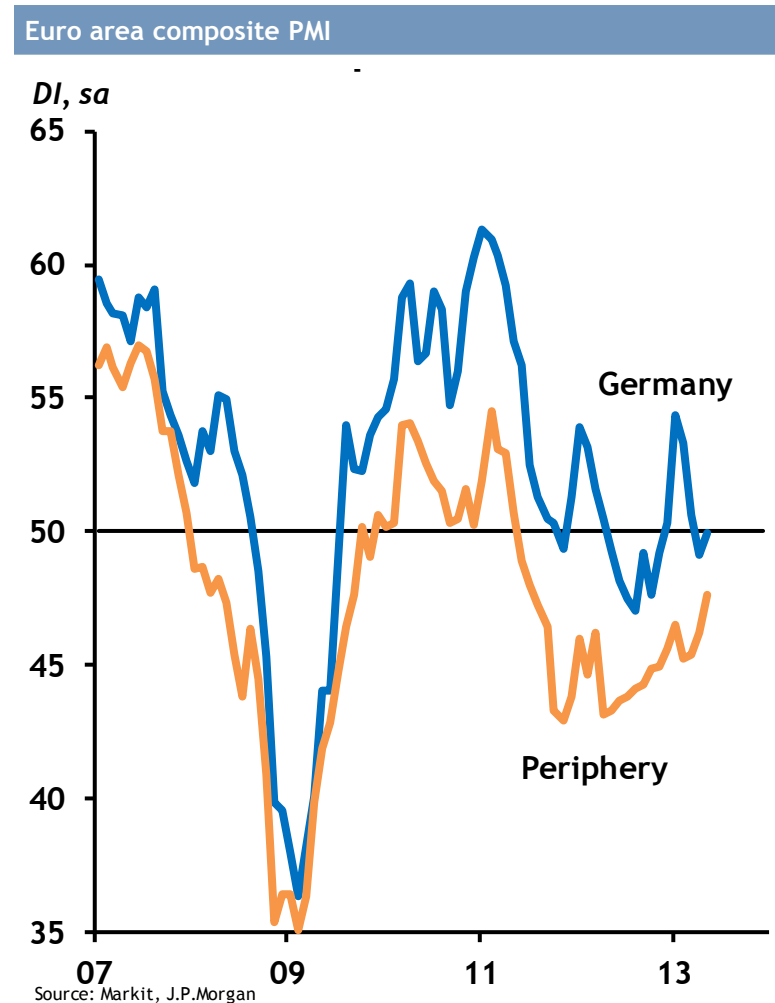
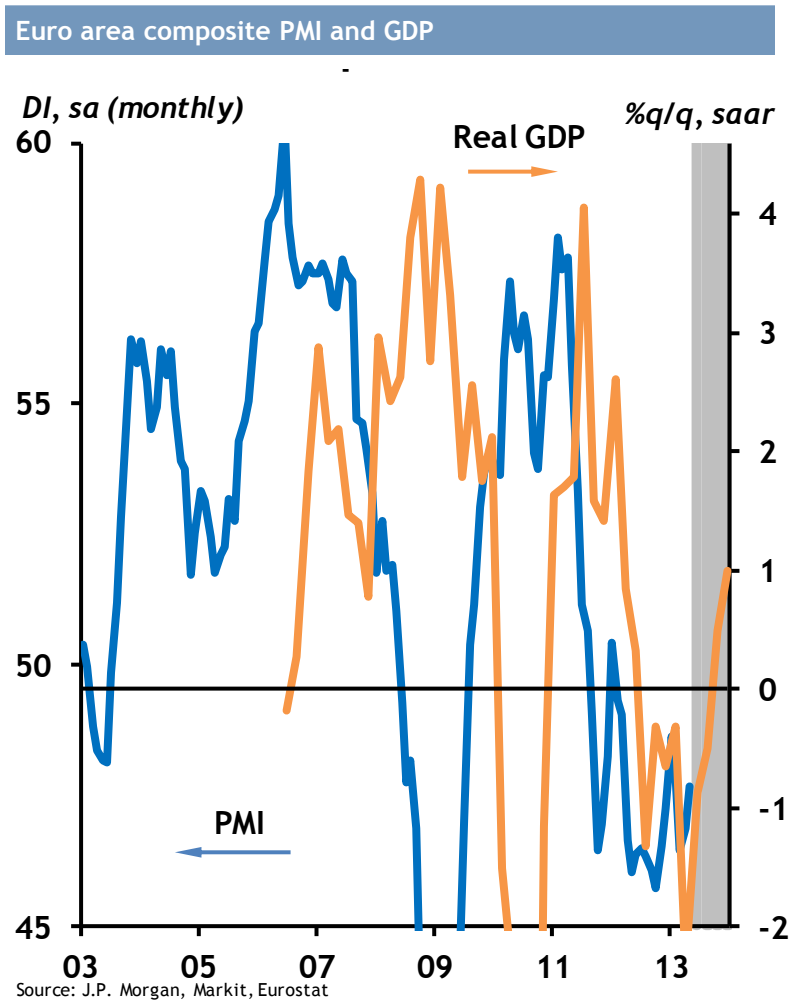
US real consumption and saving



US months supply of existing homes and house prices

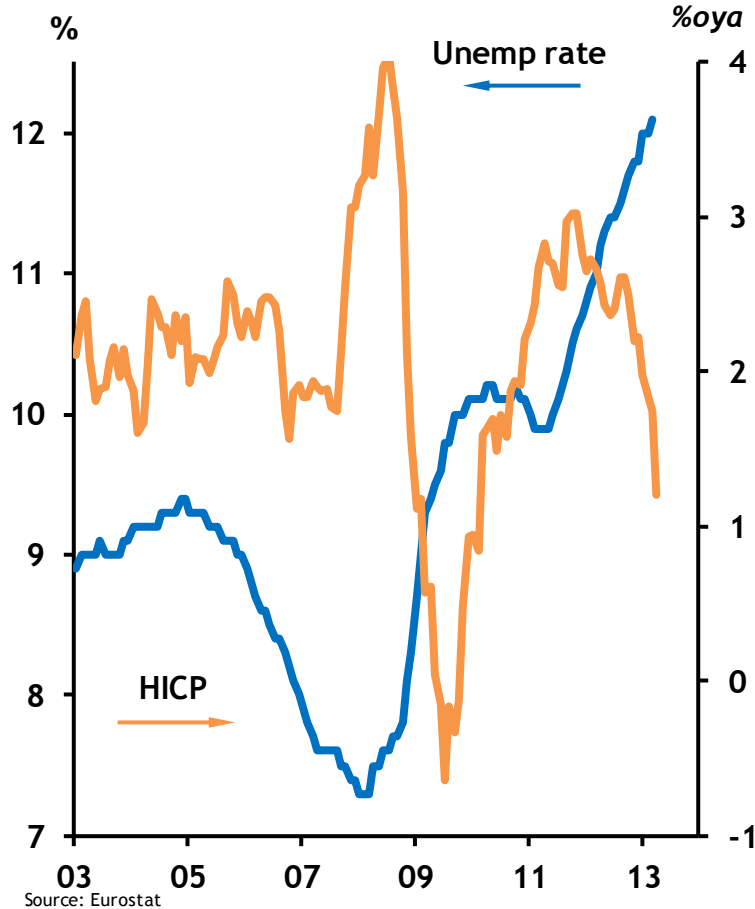


Europa: La economía de la Eurozona recién saldrá de la recesión en la segunda mitad del año, pero se mantendrá débil y con divergencia entre el norte y la periferia del sur

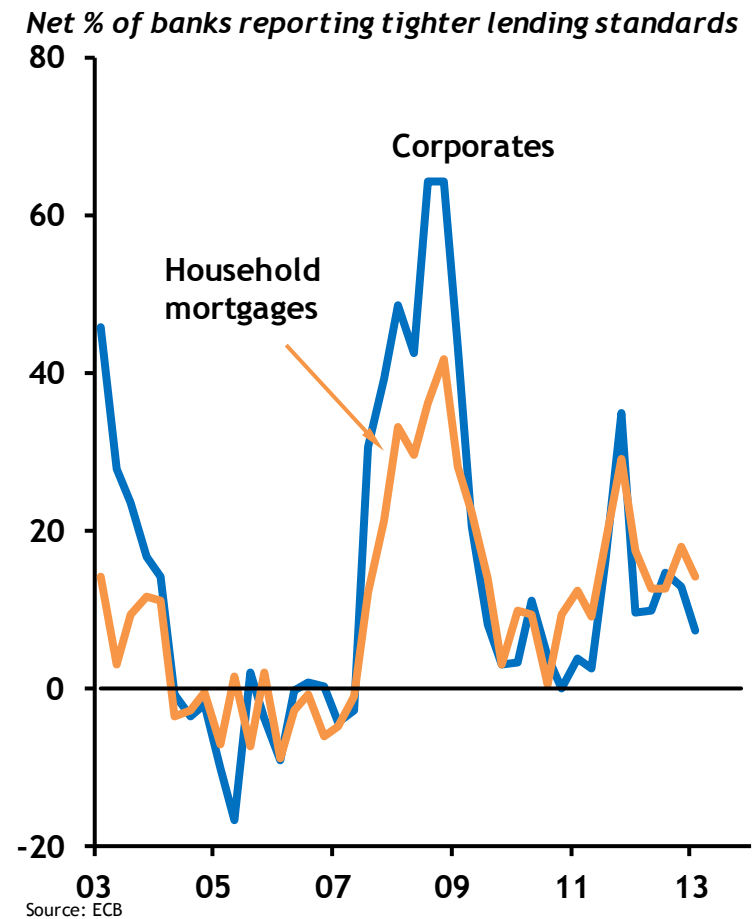


Europa: Con el “OMT” el Banco Central Europeo ha evitado el colapso del euro pero aún no logra impulsar la demanda y el crédito en la Eurozona

Euro area unemployment and inflation



Euro area bank lending standards



Europa: El “OMT” corrige una deficiencia estructural de la Eurozona, pero aún queda muchas reformas por hacer para hacer sostenible la unión monetaria hacia futuro

#### Euro area required primary positions

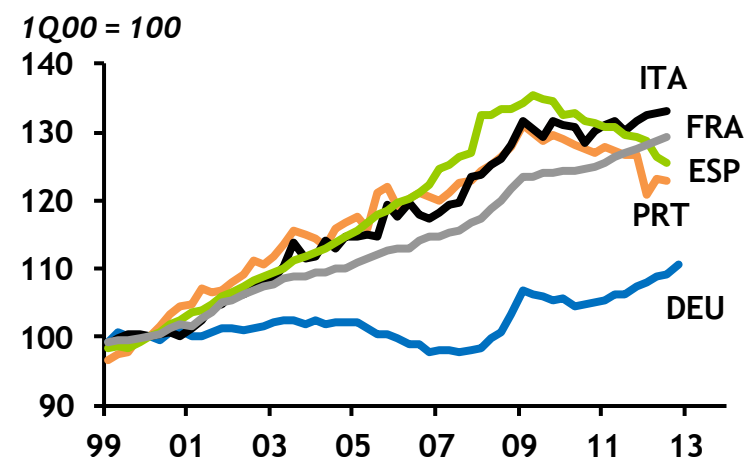
*Required 2015 primary positions, % of GDP*

	Primary position 2012	Required primary positions		
		Maastricht vision, debt at 60% of GDP r>g by 200bp	OMT allows r=g, debt still at 60% of GDP	OMT allows r=g and debt at 80% of GDP
France	-2.0	3.4	1.6	0.6
Italy	2.2	5.8	3.3	2.3
Spain	-4.2	3.3	1.5	0.5
Ireland	-4.2	5.4	3.0	2.0
Portugal	-2.3	5.3	2.9	1.9
Greece	-0.7	8.7	5.4	4.4

r refers to average borrowing cost on sovereign debt, g refers to nominal GDP growth.

Source: J.P. Morgan

#### Euro area unit labor costs

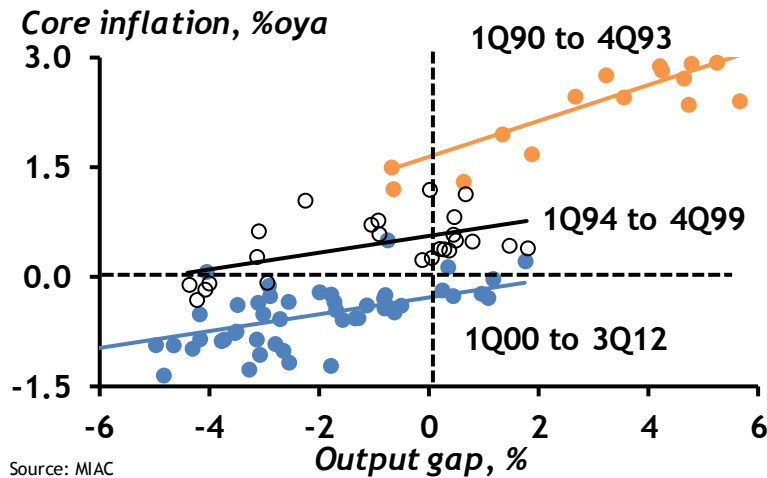


#### Institutional change and integration loses momentum

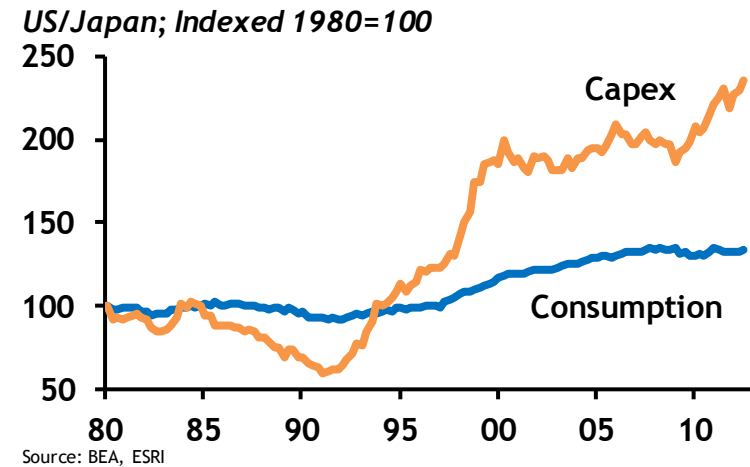
- Clash over timing of individual country structural change vs. institutional change at regional level
- Divide on burden sharing of legacy assets for banks and sovereigns
- Disagreement on speed of move toward banking union, role of ECB and need for shared deposit guarantee schemes

Japón: El nuevo gobierno decidió que la deflación de las últimas dos décadas ya hizo mucho daño; el éxito de sus políticas se medirá en crecimiento, no en generar inflación

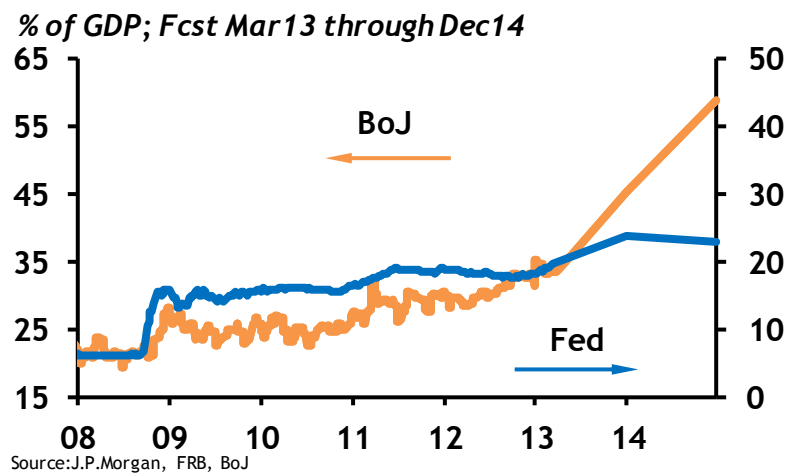
#### Japan slack and inflation



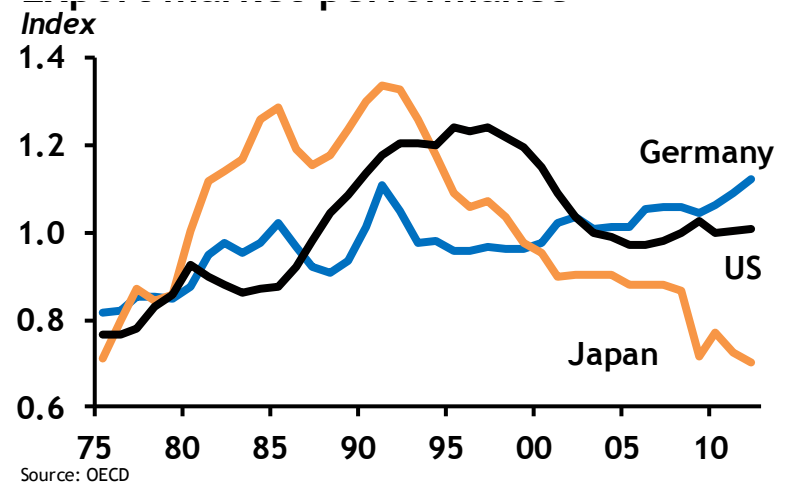
#### Domestic demand: US vs Japan



#### Central bank balance sheet

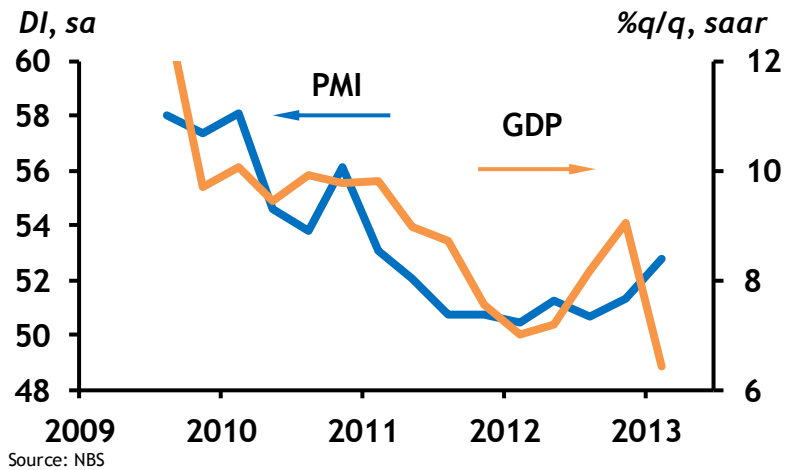


#### Export market performance

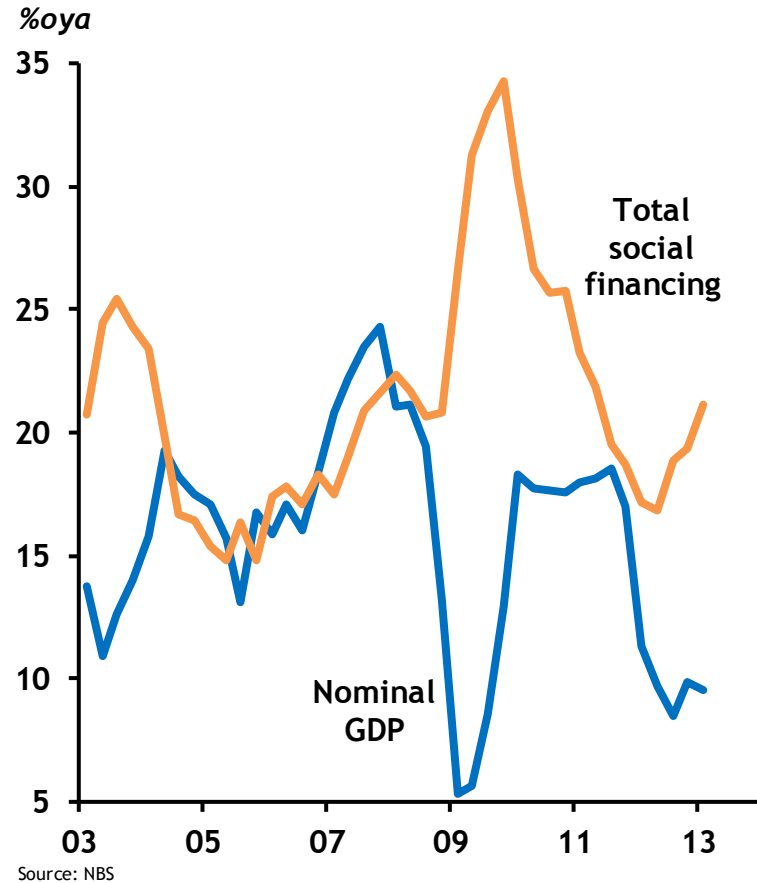


China: La economía china rebotará en lo que resta del año para promediar 7.6% en el 2013, pero su desaceleración estructural hacia 6% ya está en marcha

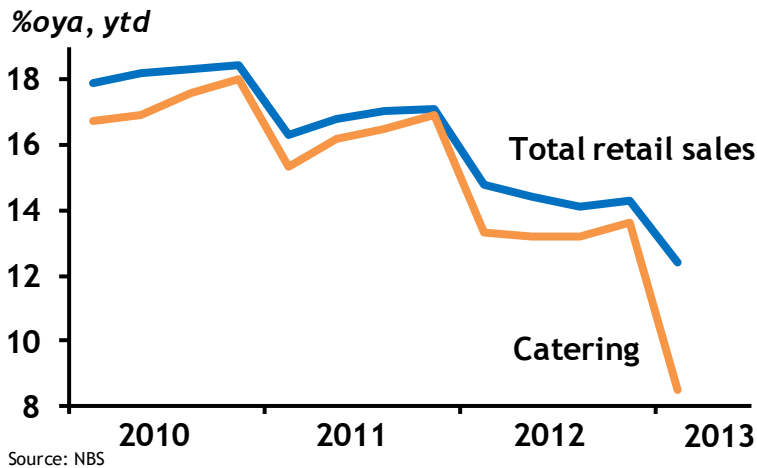
China PMI and real GDP



China total social financing and nominal growth



China retail sales breakdown



Si la recuperación global se consolida, el mayor desafío para mercados será ajustarse a la menor inyección de liquidez de bancos del G-4—empezando por la Fed en 4T13

#### Interest rate forecasts

	Jun 7, 2013	Jul 7, 2013 1m ahead	Sep 30, 2013 3Q13	Dec 31, 2013 4Q13	Mar 31, 2014 1Q14	Jun 30, 2014 2Q14
Rates	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Effective funds rate	0.10	0.08	0.08	0.08	0.08	0.08
3-month Libor	0.28	0.27	0.25	0.25	0.25	0.25
2-year T-note	0.30	0.27	0.34	0.38	0.41	0.47
3-year T-note	0.50	0.43	0.57	0.64	0.69	0.77
5-year T-note	1.08	0.94	1.22	1.34	1.42	1.58
7-year T-note	1.58	1.45	1.75	1.90	2.00	2.15
10-year T-note	2.16	2.00	2.35	2.50	2.60	2.75
30-year T-bond	3.32	3.15	3.40	3.50	3.60	3.75
Curves						
2s/5s	79	67	88	96	101	109
2s/10s	186	173	201	212	219	228
2s/30s	302	288	306	312	319	328
5s/10s	108	106	113	116	118	119
5s/30s	224	221	218	216	218	219
10s/30s	116	115	105	100	100	100

Source: J.P. Morgan

## Agenda

Economía global: Recuperándose pero lentamente

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América Latina: Esperando un mejor 2T luego del decepcionante 1T

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El crecimiento de América Latina decepcionó en el primer trimestre—particularmente en Brasil y México—pero el pronóstico proyecta un rebote en el segundo trimestre

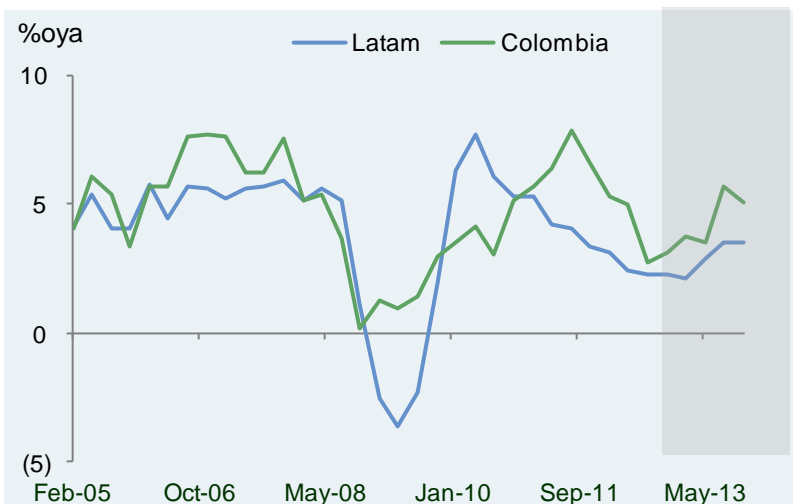
Latin America: real GDP growth forecasts (%q/q, saar except where noted)

	2011	2012	2013	2013				2014	Potential GDP
	%oya	%oya	%oya	1Q	2Q	3Q	4Q	%oya	%oya
Argentina	8.9	1.9	3.0	3.5	3.0	1.6	1.5	1.5	3.0
Brazil	2.7	0.9	2.5	2.2	3.0	3.6	3.2	3.5	3.2
Chile	6.0	5.6	5.2	2.1	5.4	5.0	5.0	4.5	5.0
Colombia	5.9	4.0	4.5	4.2	5.5	5.5	5.1	5.0	4.8
Ecuador	8.0	5.0	4.0	5.0	3.0	3.0	4.0	4.5	3.0
Mexico	3.9	3.9	3.2	1.8	4.9	5.1	3.9	3.9	3.3
Peru	6.9	6.3	6.0	6.3	7.0	7.5	6.0	6.5	6.0
Uruguay	5.7	3.9	3.5	3.0	4.0	7.0	6.0	4.0	4.0
Venezuela	4.2	5.6	0.0	-7.1	1.0	2.5	2.5	3.0	3.0
<b>Latin America</b>	<b>4.2</b>	<b>2.6</b>	<b>2.9</b>	<b>1.9</b>	<b>3.7</b>	<b>3.9</b>	<b>3.4</b>	<b>3.7</b>	<b>3.5</b>
<b>Central America and Caribbean</b>	<b>4.0</b>	<b>4.1</b>	<b>4.3</b>	-	-	-	-	-	-

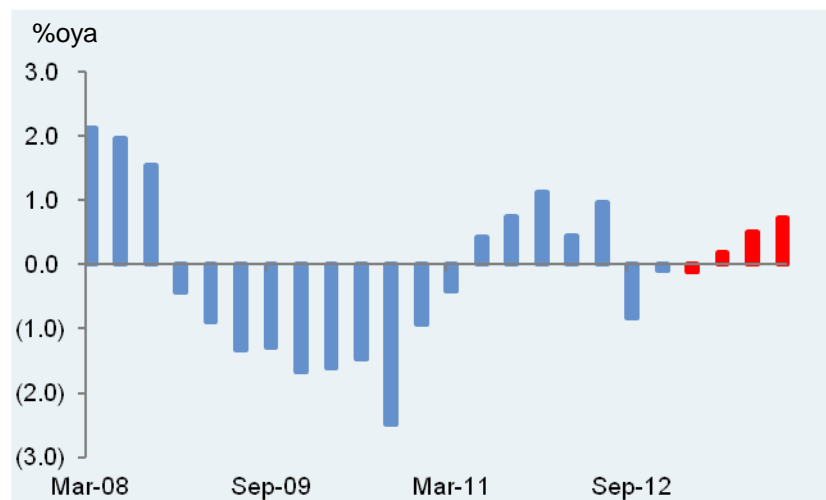
Source: J.P. Morgan

El ciclo económico de Colombia ha realineado con el de la región y se espera que el crecimiento converja hacia su nivel potencial en lo que resta del año

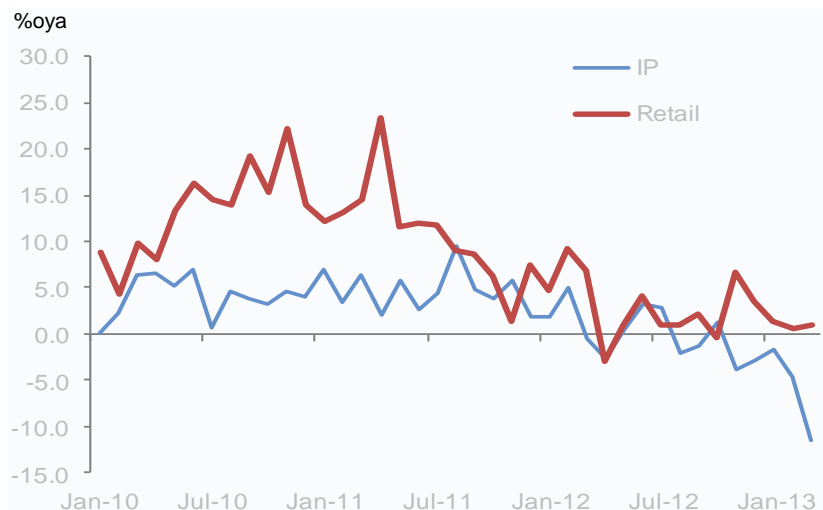
Crecimiento de Colombia comparada con America Latina



La brecha del producto se revierte en el 2S13

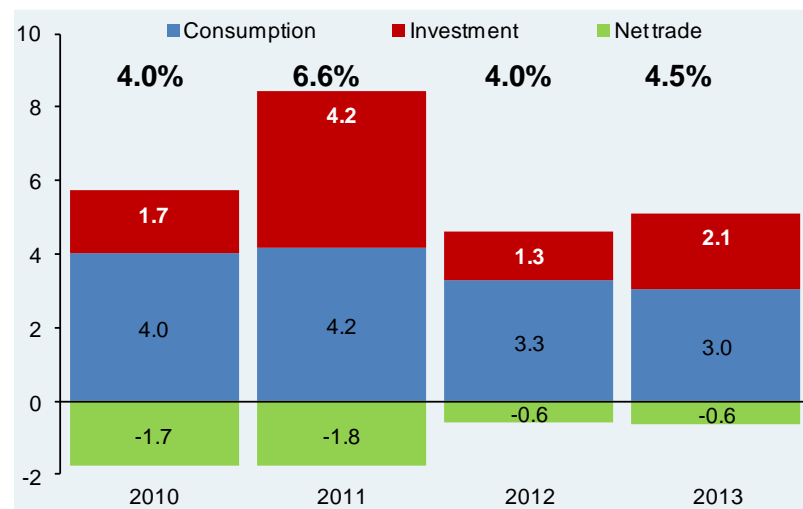


Datos de actividad de Marzo



Source: DANE and J.P. Morgan

Demand side breakdown



Todos los bancos centrales de América Latina que tienen un régimen de meta de inflación la cumplirán en 2013, excepto Uruguay

Latin America: Headline inflation - forecasts and targets (%oya, quarterly average, except where noted)

	2012	2013 (%oya)				2013	2014	Inflation target
		1Q	2Q	3Q	4Q			
<b>Latin America</b>	<b>6.1</b>	<b>6.6</b>	<b>7.2</b>	<b>7.2</b>	<b>7.1</b>	<b>7.2</b>	<b>6.7</b>	
<b>Latin America Inflation targeters</b>	<b>4.6</b>	<b>4.9</b>	<b>5.3</b>	<b>5.1</b>	<b>4.8</b>	<b>4.8</b>	<b>4.7</b>	
Argentina	10.8	10.0	10.0	10.2	11.0	11.5	13.0	—
Brazil	5.8	6.4	6.6	6.4	6.0	5.8	5.7	4.5 (+/-2.0)
Chile	1.5	1.5	1.6	2.3	2.4	2.7	3.4	3.0 (+/-1.0)
Colombia	2.4	1.9	2.0	2.2	2.4	2.7	3.0	3.0 (+/-1.0)
Ecuador	4.2	3.5	3.7	3.4	3.5	3.9	4.5	—
Mexico	3.6	3.7	4.6	4.0	3.7	3.9	3.4	3.0 (+/-1.0)
Peru	2.6	2.6	2.5	2.4	2.6	2.8	2.5	2.0 (+/-1.0)
Uruguay	7.5	8.7	8.4	8.0	7.7	8.0	7.5	5.0 (+/-1.0)
Venezuela	19.5	25.7	31.0	34.2	35.7	35	27.0	—

Note: Inflation targeters include Brazil, Chile, Colombia, Mexico, Peru, and Uruguay.

Source: J.P. Morgan

Brasil y Colombia serán los únicos bancos centrales que elevarán sus tasas de interés en lo que resta del año; Chile, México y Perú podrían bajarlas

#### Latin America policy rate forecasts (%)

	Current	Next change				
	(%pa)	in 2013	2Q13	3Q13	4Q13	1Q14
<b>Developed</b>	<b>0.41</b>		<b>0.41</b>	<b>0.41</b>	<b>0.40</b>	<b>0.39</b>
<b>Emerging</b>	<b>5.38</b>		<b>5.35</b>	<b>5.39</b>	<b>5.39</b>	<b>5.51</b>
<b>Latin America</b>	<b>6.30</b>		<b>6.30</b>	<b>6.86</b>	<b>6.89</b>	<b>6.95</b>
Brazil	8.00	Jul 13 (+50bp)	8.00	9.00	9.00	9.00
Mexico	4.00	On hold	4.00	4.00	4.00	4.00
Chile	5.00	On hold	5.00	5.00	5.00	5.00
Colombia	3.25	Nov 13 (+25bp)	3.25	3.25	3.75	4.50
Peru	4.25	On hold	4.25	4.25	4.25	4.25
Uruguay	9.25	On hold	9.25	9.25	9.25	9.25

Source: J.P. Morgan

Aunque China ha evitado un “aterrizaje forzoso”, su menor crecimiento sugiere que el apoyo a los términos de intercambio de América Latina está debilitándose

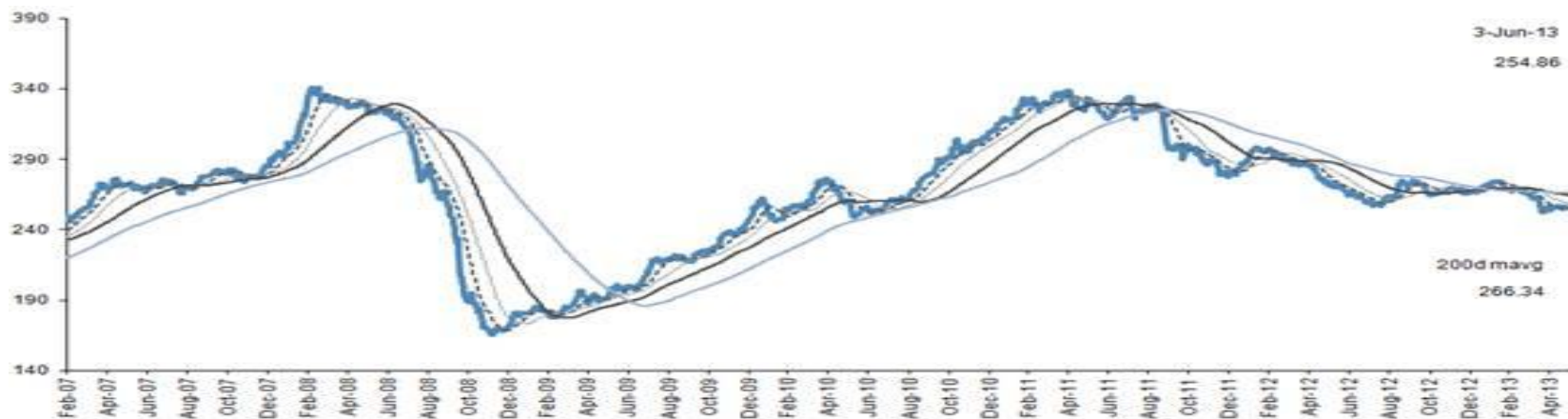
EM countries with the highest exposure to commodities (% of total exports unless stated otherwise)

	Total commodities	Commodities by type:			% of total exports to:			Impact of 20% decline in commodities <sup>1</sup> on current account	
		Oil	Metals	Agriculture	US	EU	China	(US\$ billion)	(% GDP)
Argentina <sup>2</sup>	76.0	7.8	8.9	59.3	5.0	17.0	7.7	-9.4	-2.3
Brazil	58.5	10.6	20.4	27.5	10.9	19.4	17.8	-20.0	-1.0
Chile <sup>3</sup>	65.6	0.0	59.1	6.5	10.9	17.5	22.7	-10.5	-4.2
Colombia	85.8	65.0	10.0	10.0	36.2	14.9	5.5	-6.3	-1.7
Ecuador	86.0	57.7	3.8	24.5	45.2	14.6	1.7	-2.5	-4.0
Mexico	18.6	14.3	1.3	3.0	77.6	5.9	1.6	-2.4	-0.2
Peru	89.4	10.9	62.3	16.3	14.7	17.3	16.8	-4.4	-2.1
Uruguay	61.0	0.0	3.0	58.0	3.7	11.3	7.8	-1.0	-2.2
Venezuela	98.0	96.1	1.8	0.1	48.0	5.0	12.7	-18.0	-6.0
<b>Latin America</b>	<b>57.1</b>	<b>19.7</b>	<b>16.3</b>	<b>20.9</b>	<b>29.3</b>	<b>13.9</b>	<b>11.9</b>	<b>-12.9</b>	<b>-1.5</b>

1. Assuming a drop in ALL commodity prices at once. 2. In Argentina, oil exports are net of imports. 3. In Chile, the agriculture category includes cellulose and oil category is imports.

Source: J.P. Morgan

China physical metals price index (Jan 1, 2007=100)



Source: Metal Bulletin, Antaike, J.P. Morgan Commodities Research

Más aún, con la rotación de las fuentes de crecimiento de China hacia más consumo y menos inversión, su demanda de *commodities* se moderará hacia el futuro

#### Commodity price forecasts (US\$, quarterly averages)

	Units	Current Price	2012				2012	2012 average	2013				2013	2013 average
			1Q	2Q	3Q	4Q	average	y/y change	1Q	2Q	3Q	4Q	average	y/y change
Energy														
WTI Crude	US\$/bbl	95.73	103.03	93.35	92.20	88.23	94.00	-1.2%	94.36	95.50	106.00	110.00	101.50	8.0%
Brent Crude	US\$/bbl	103.85	118.45	108.76	109.42	110.13	112.00	1.0%	112.64	104.00	113.00	117.00	111.50	-0.4%
Natural Gas	US\$/MMBtu	3.98	2.50	2.35	2.89	3.54	2.80	-30.5%	3.48	4.10	4.35	4.25	4.05	44.6%
Precious Metals														
Gold	US\$/t oz.	1468	1691	1612	1653	1718	1669	6.2%	1631	1450	1600	1700	1595	-4.4%
Silver	US\$/t oz.	23.93	32.67	29.47	29.94	32.58	31.20	-11.6%	30.05	25.00	27.00	29.50	27.89	-10.6%
Base Metals														
Aluminum	US\$/mt	1865	2181	1980	1924	1999	2021	-15.8%	2002	1900	1950	2000	1963	-2.9%
Copper	US\$/mt	7311	8327	7872	7716	7913	7957	-9.7%	7927	7300	7700	7900	7707	-3.1%
Nickel	US\$/mt	15335	19639	17146	16345	16965	17524	-23.4%	17311	15500	14500	15200	15628	-10.8%
Zinc	US\$/mt	1847	2028	1929	1888	1947	1948	-11.2%	2030	1880	2000	2100	2003	2.8%
Lead	US\$/mt	1996	2092	1976	1980	2197	2061	-14.1%	2293	2100	2250	2300	2236	8.5%
Tin	US\$/mt	20677	22943	20542	19286	21544	21079	-18.9%	24056	21400	22500	23000	22739	7.9%
Agriculture														
Corn	US\$/bu	6.89	6.41	6.18	7.83	7.37	6.90	1.5%	7.16	6.50	6.00	5.75	6.40	-7.2%
CME Wheat	US\$/bu	7.14	6.43	6.41	8.71	8.46	7.50	5.8%	7.39	6.75	6.75	6.75	6.90	-8.0%
Soybeans	US\$/bu	14.95	12.72	14.26	16.77	14.84	14.60	10.8%	14.50	14.00	14.00	12.50	13.70	-6.2%
Soybean Oil	US cents/lb	49.20	52.94	52.37	54.05	49.64	52.30	-5.1%	50.76	49.50	54.75	48.00	50.80	-2.9%
Soybean Meal	US\$/short ton	433.0	338.8	412.8	514.2	454.4	430.00	25.1%	421.3	406.0	386.0	360.0	393.3	-8.5%
Sugar	US cents/lb	17.49	24.56	21.18	20.95	19.67	21.60	-20.3%	18.43	17.50	17.50	19.00	18.10	-16.2%

Source: Exchanges, J.P. Morgan Commodities Research. Data updated as of 6-Jun-13. Forward prices are the average of the contracts in the quarter.

#### Metal price forecasts

Industrial metals are LME cash in US\$ per metric tonne. Precious metals are spot prices in US\$ per troy ounce. Prices are quarterly and annual averages.

Average Cash Price								
	Aluminum	Copper	Nickel	Zinc	Lead	Tin	Gold	Silver
2011	\$2,400	\$8,816	\$22,866	\$2,193	\$2,398	\$26,000	\$1,571	\$35.23
2012	\$2,021	\$7,957	\$17,524	\$1,948	\$2,061	\$21,079	\$1,669	\$31.16
2013	\$1,963	\$7,707	\$15,628	\$2,002	\$2,236	\$22,739	\$1,595	\$27.89
2014	\$2,050	\$7,675	\$16,750	\$2,175	\$2,325	\$23,000	\$1,719	\$30.25
2015	\$2,200	\$7,900	\$17,500	\$2,250	\$2,400	\$23,500	\$1,650	\$30.75

Source: J.P. Morgan Commodities Research

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