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## Latam Daily: Quiet Start to Global and Latam Week

It's a quiet start to the week in our markets with practically blank data and event calendars today while we await key central bank decisions in Chile and Colombia on Thursday and Friday, respectively. Our economists in Santiago see an out-of-consensus 25bps cut, or a hold to be followed by a sharp reduction in April, while our Bogota team targets a 100bps hike to 13.00% (see our latest [Latam Weekly](#)).

There's little to drive the global market mood today as US equity futures hold mostly steady from Friday's strong close with the Fed's Waller getting in a final dovish message before the communications blackout that began on Saturday. Crude oil and iron ore prices are modestly higher (+0.50%) pared with a softer climb in copper (+0.2%) while gold is flat.

The USD is mixed but with a more positive mood heading into North American trading, amid a pick-up in Treasury yields, that is seeing the JPY and GBP reach intraday lows—with the latter lagging as the BoJ targeted 5-yr yields overnight.

The BRL is practically unchanged as it should be in light of the highly improbable Brazil-Argentina common currency that is being 'explored' by the two nations. Why Brazil, a country whose assets are already sensitive to Lula's ideas, would wed itself in the currency space to Argentina, makes little sense—and someone will shake some sense into decision makers at some point. Note, as well, that the shared currency seems mostly targeted at bilateral trade to reduce the use of the USD, rather than a currency union alike the EUR; this is something that Brazil has highlighted.

We have nothing to monitor in the Latam region after this morning's BCCh pre-decision [traders' survey](#) that showed only 2 out of 59 surveyed expected a policy rate reduction this week. These two respondents see a 50bps reduction compared to our economists' call of 25bps. At the April meeting, traders have a much more diverse view, but 38 of 59 anticipate a cut with the median for the survey at 50bps.

Of course, although calendar risk is light to non-existent today, we keep our attention on Peru's protests. Over the weekend, operations at the Antapaccay copper mine were stopped (from an already reduced capacity) in response to attacks from protesters demanding work is suspended. The country's culture minister also ordered the closure of the Macchu Picchu archeological site for security reasons. The outlook for the country depends on how firm Pres Boluarte is in refusing to cede to the demands of protesters who are attempting to take down the country's institutions.

—Juan Manuel Herrera

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