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Latam Daily: Peru's New Deadline to Decide on Elections; Colombia's Health Reform

It's a quiet start to the week through uneventful Asian and early-European sessions with a relatively bare calendar in the Americas today, as we await Tuesday's US inflation data. Markets are trading somewhat cautiously on worries that the Fed could hike beyond that which was laid out in its December 'dots' (a 5.00–5.25% Fed funds rate target band).

The USD is broadly stronger, but softening ahead of our session, with the JPY lagging all majors as Friday's gain in US yields weighs still—and ahead of the (likely) nomination of Ueda as BoJ governor tomorrow. Oil is off about 0.5% on the day while iron ore in Singapore suffered a loss of 3.5% on elevated Chinese stockpiles, in contrast to flat copper prices. US SPX equity futures are a touch higher while Nasdaq contracts claw back some of last week's losses. The Latam currencies are trading narrowly in early dealing.

Late on Friday, Peru's Congress agreed to extend the end its legislative session to allow continued debate over an earlier election date. Lawmakers now have until the end of this week to decide on a new election date. If this new deadline passes without agreement, Peruvian voters will likely have to wait until next year. The results of an Ipsos poll published yesterday showed that around three-quarters of those surveyed think that the best path forward is that Pres Boluarte quits and elections are called; only a fifth think she should stay as President. Congress has an 82% disapproval rating compared to Boluarte's 74%.

The Latam session will be quiet from a data perspective, while the only highlight on the events front will be the tabling of a health reform plan by Petro's government in Colombia at 15ET. The president has called for his supporters to take to the streets in support of his plans, ahead of a public address from the presidential palace at 11ET where he will lay out the reform's benefits. The country's Health Promoting Entities (EPS, private and public), which provide care for those affiliated with Colombia's public health system and were feared may be eliminated, will in fact be preserved (and will not face a phase-out period) according to Interior Minister Prada.

—Juan Manuel Herrera

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