

# Tracking activity: high frequency indicators

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Updated April 18, 2022



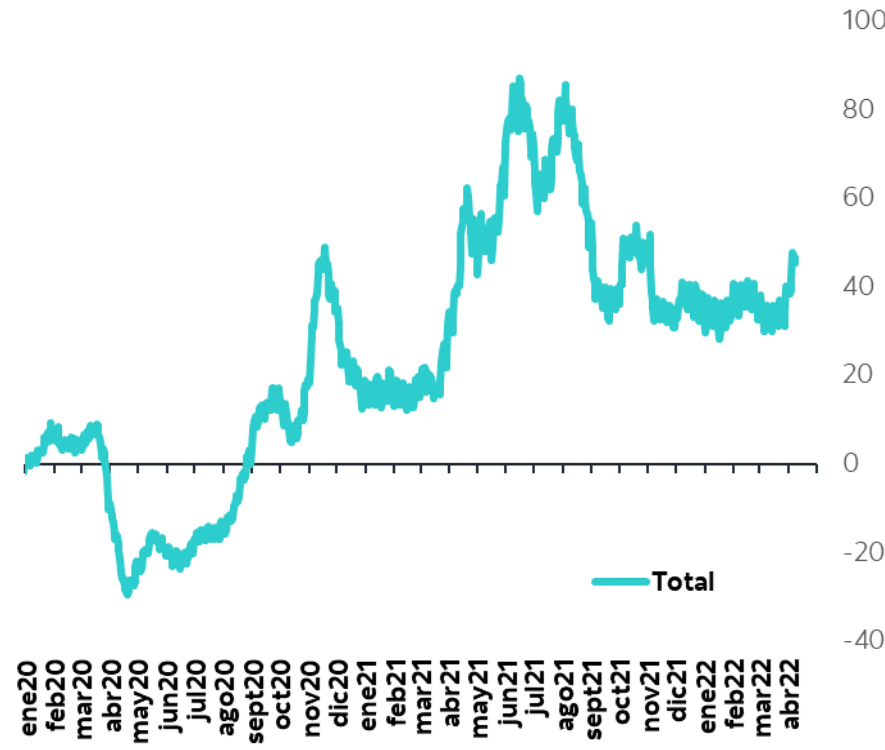
## Key messages

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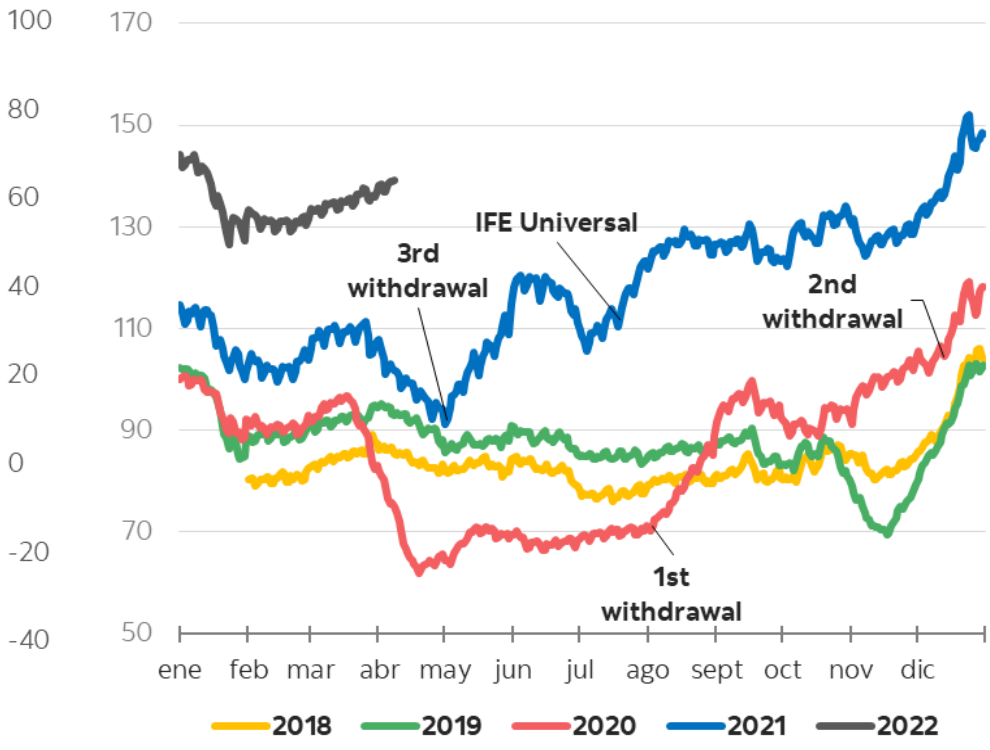
- **We maintain our 3.0% GDP growth forecast for 2022 and zero GDP growth in 2023. Despite the uncertainty regarding the constitutional process, we observe a mild slowdown in consumption (already in progress) and a marginal expansion in investment this year.** The recent fiscal package and a new restricted pension fund withdrawal (USD 3 bn. according to Gov. estimate) give support to our view of a GDP expansion above market consensus. We also see a high probability that Congress will bend the government's hand and force it to deliver a Universal Income to the lowest income households. For March, we forecast monthly GDP growth between 6.0 and 7.0% y/y. A technical recession is highly probable to be declared in August after June's monthly GDP, few weeks before the Referendum for a new constitution.
- **Purchases with credit and debit cards keep dynamism during March and first two weeks of April amid high degrees of mobility.** Restaurants, hotels and consumption services showing relevant recovery, while Department stores continue to benefit from high liquidity. **We forecast Retail Sales expanding 12% y/y in March.**
- **Consumer banking credit recovering dynamism but mortgage loans showing signs of exhaustion.** Recent relaxation of banking conditions in loan-to-value and duration of mortgages should give some support to a mild deceleration mortgages.
- **We expect a hike of 50 bp. in May 5 meeting. Even after a significant surprise in headline inflation in March, core inflation measures stay as expected signaling that the CB should not change the forward guidance before collecting more data.** The CB will move up the corridor only if we have another surprise in inflation during April. We are not expecting new surprises in inflation and, therefore, we keep our view that the rate will reach 7.5% and cuts will be evaluated in December's meeting.

# Private consumption in a soft-landing mode.

**Annual growth of purchases with cards\***  
(percentage, annual growth, 30-day moving average, up to Apr. 8)



**Level of purchases with credit & debit cards\***  
(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)

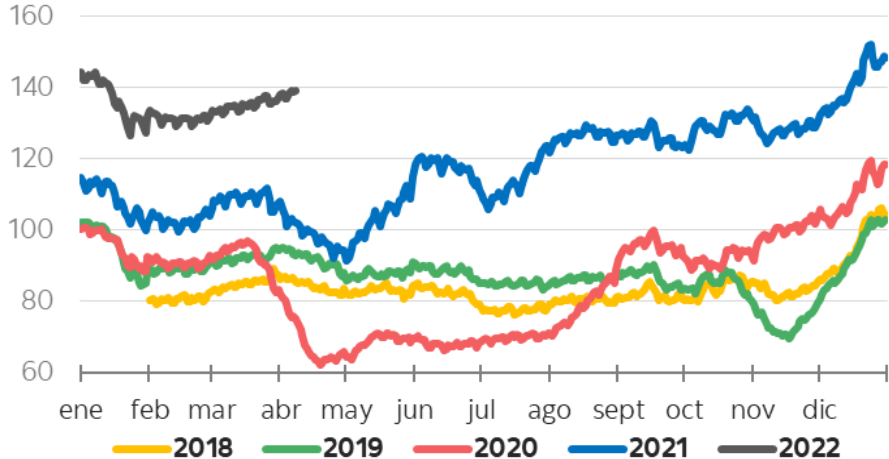


\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index.  
Source: Scotiabank Economics

# Stabilization in Department Stores and Supermarkets.

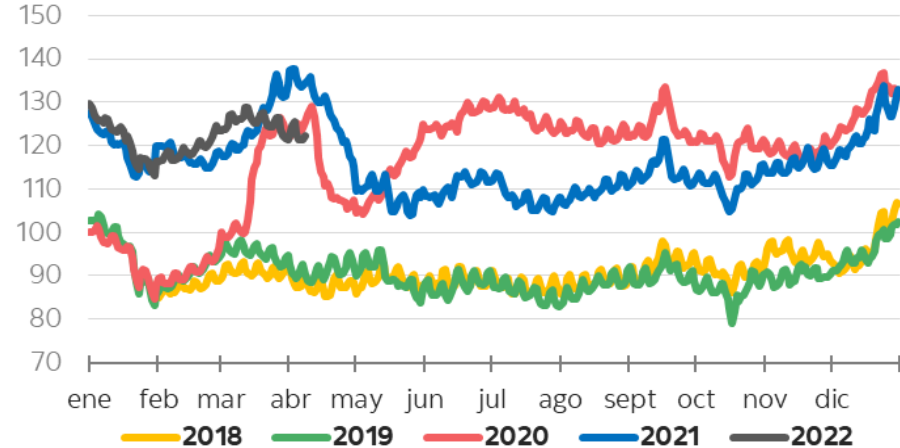
## Total purchases\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)



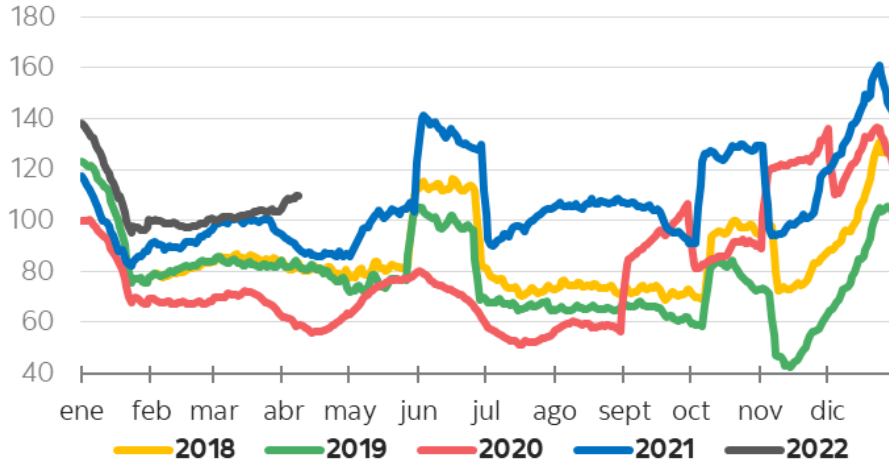
## Supermarkets\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)



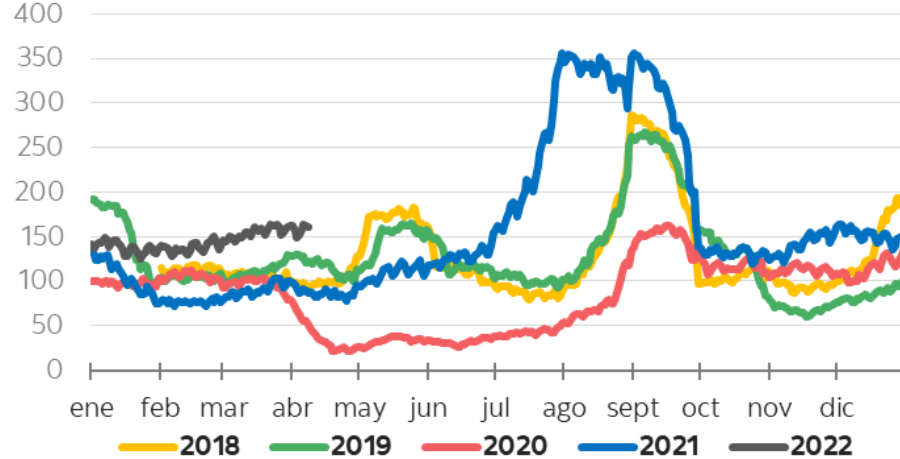
## Department stores\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)



## Vehicles\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)

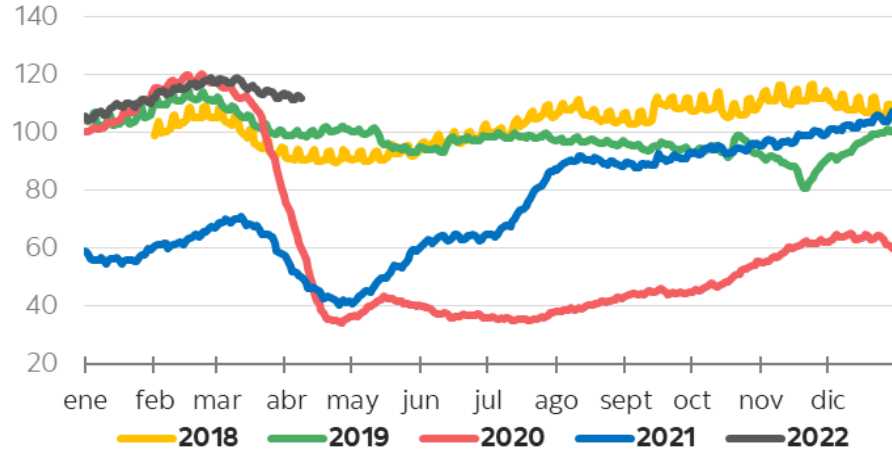


\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index. Source: Scotiabank Economics

# Services (specially, restaurants and travels) still supporting commerce.

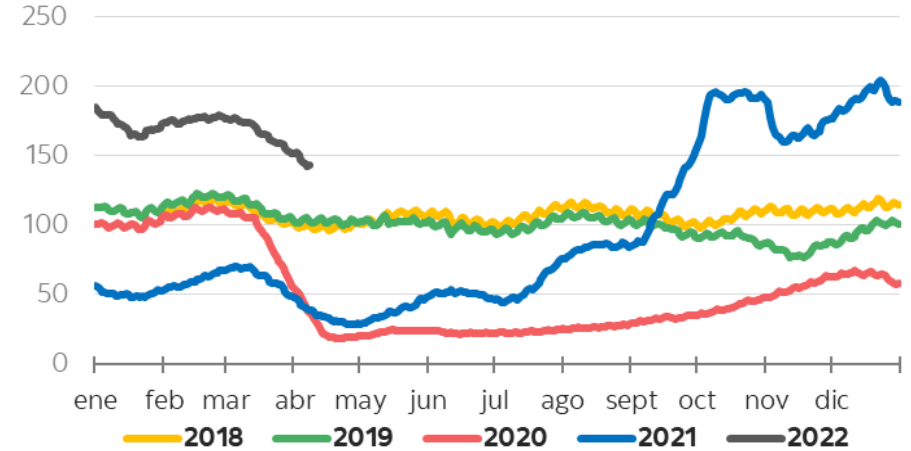
## Fuels\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)



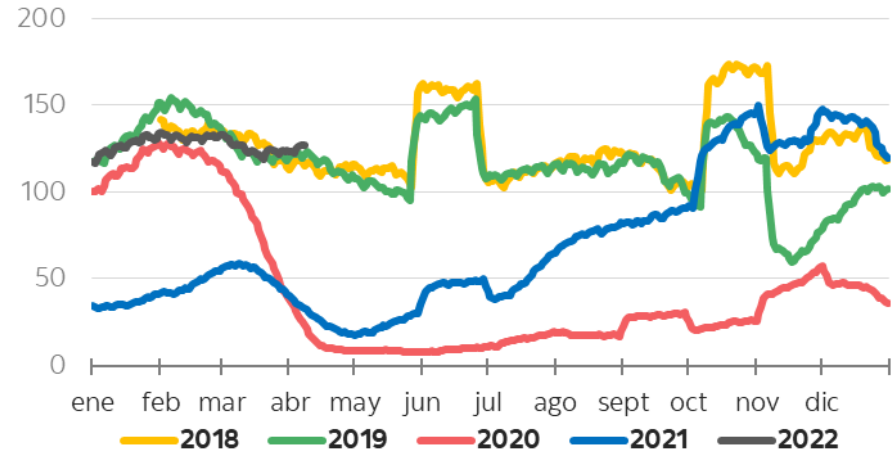
## Restaurants\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)



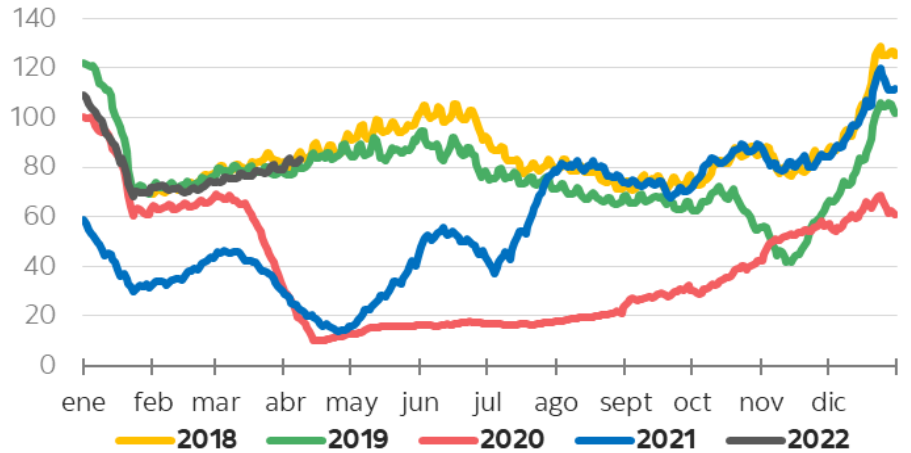
## Tourism travel\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)



## Clothing and footwear\*

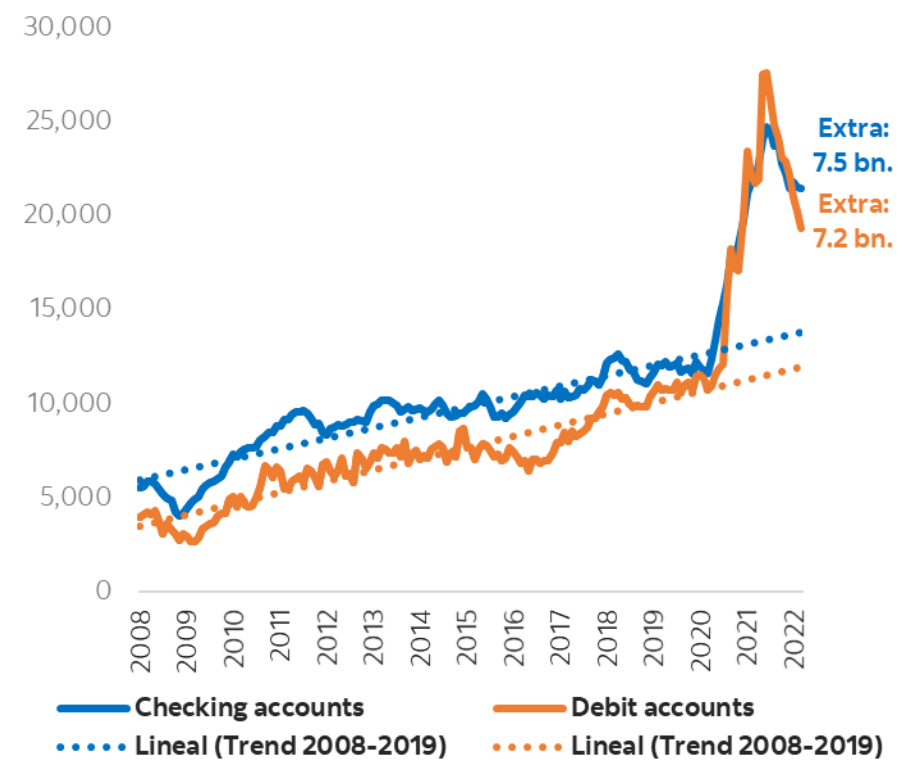
(level, index 1-Jan-2020=100, 30-day moving sum, up to Apr. 8)



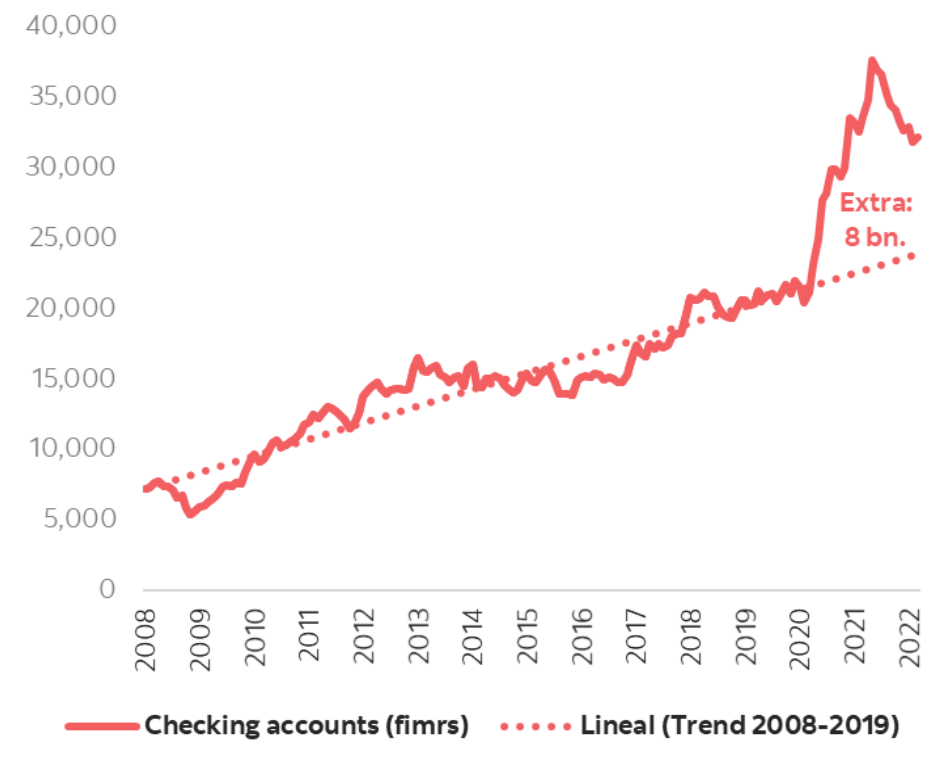
\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index.  
Source: Scotiabank Economics

**There is still liquidity to smooth consumption. Liquidity drain continues, but there is USD 14.8 bn in checking and debit accounts of households and USD 8 bn. in checking accounts of firms.** On top of that, the Universal Pension will add USD 1.5 bn to consumers with high marginal propensity to consume along with a likely new (bounded) pension fund withdrawal.

**Liquidity in non-remunerated accounts: people**  
(millions of USD, natural persons, as of March 2022)



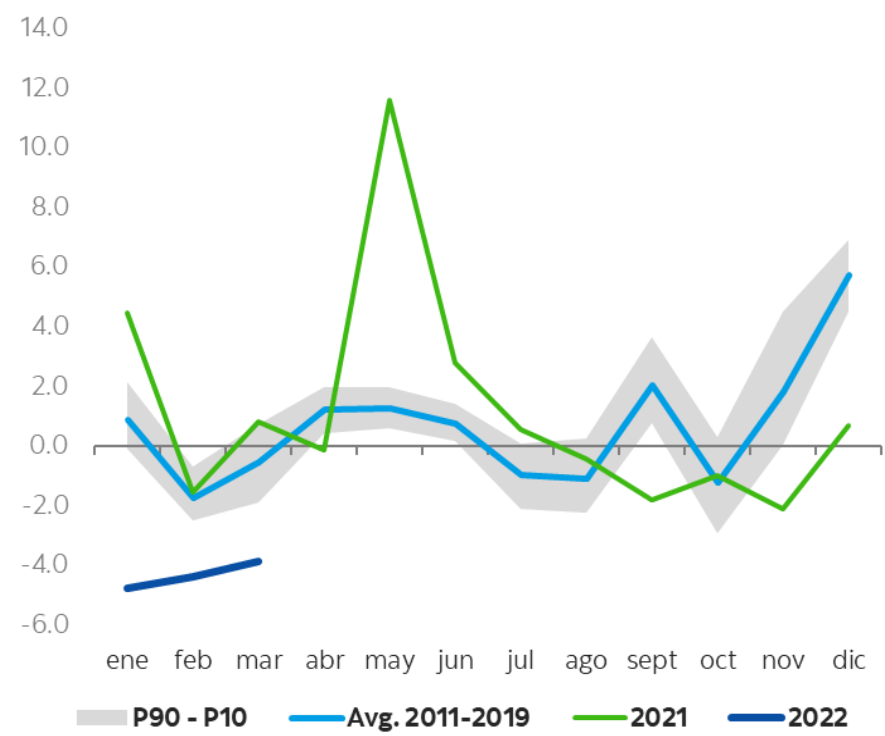
**Liquidity in non-remunerated accounts: firms**  
(millions of USD, firms, as of March 2022)



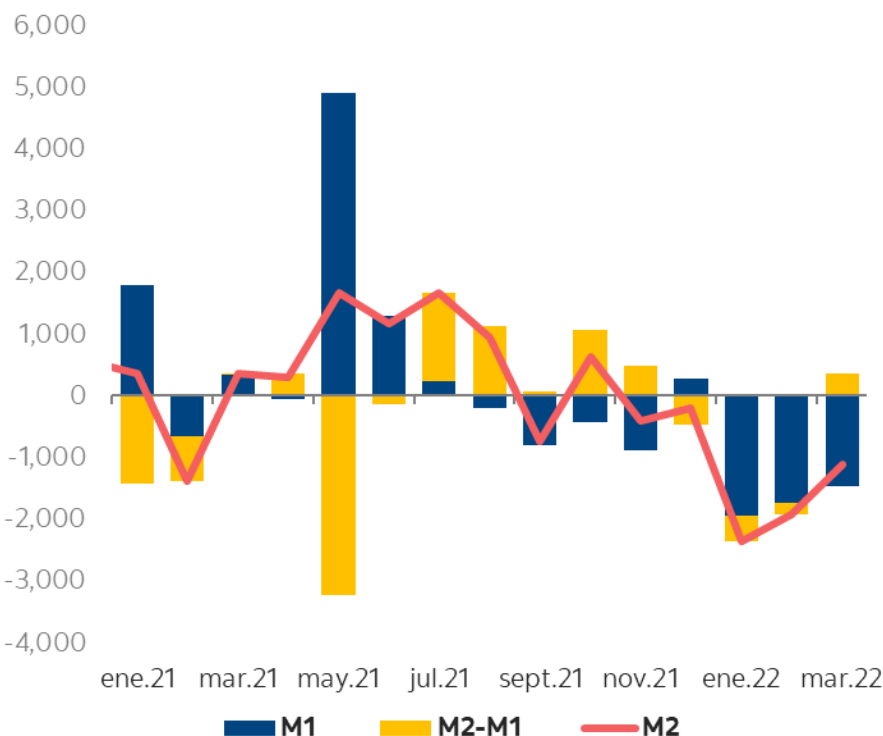
Source: Central Bank, Scotiabank Economics

# Monetary aggregates (M1 and M2) confirm that the reduction in M1 is genuine and only at the margin is there a limited flow to less liquid assets (M2).

**Monthly dynamism of M1**  
(percentage, real monthly growth)



**Contribution of M1 to monthly dynamism of M2**  
(millions of USD, monthly difference)

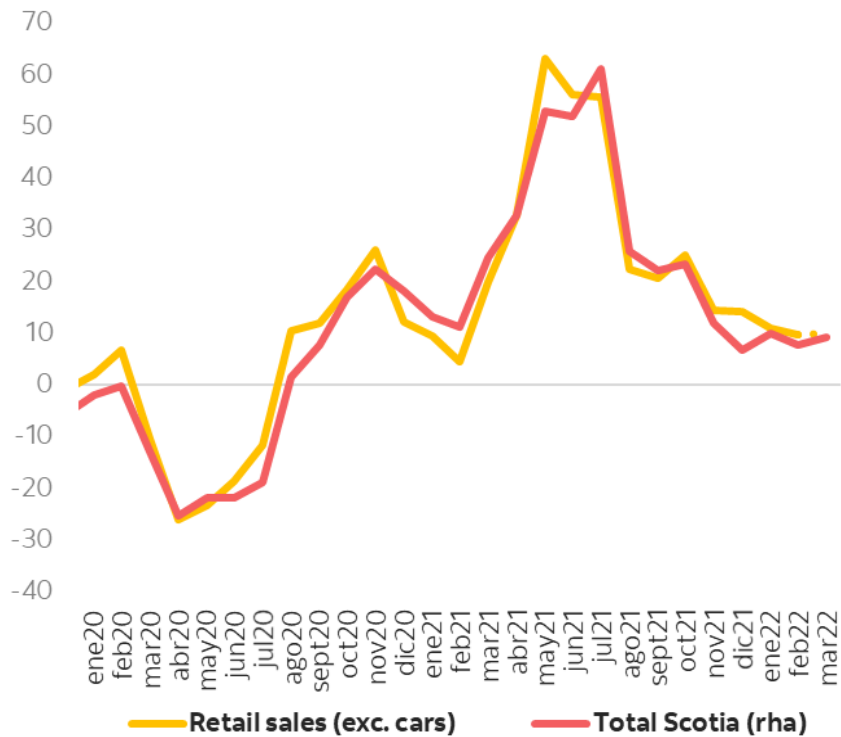


Source: Central Bank, Scotiabank Economics

# Retail sales still expanding two-digits but with negative month-over-month up to March: we forecast an expansion of 12% y/y.

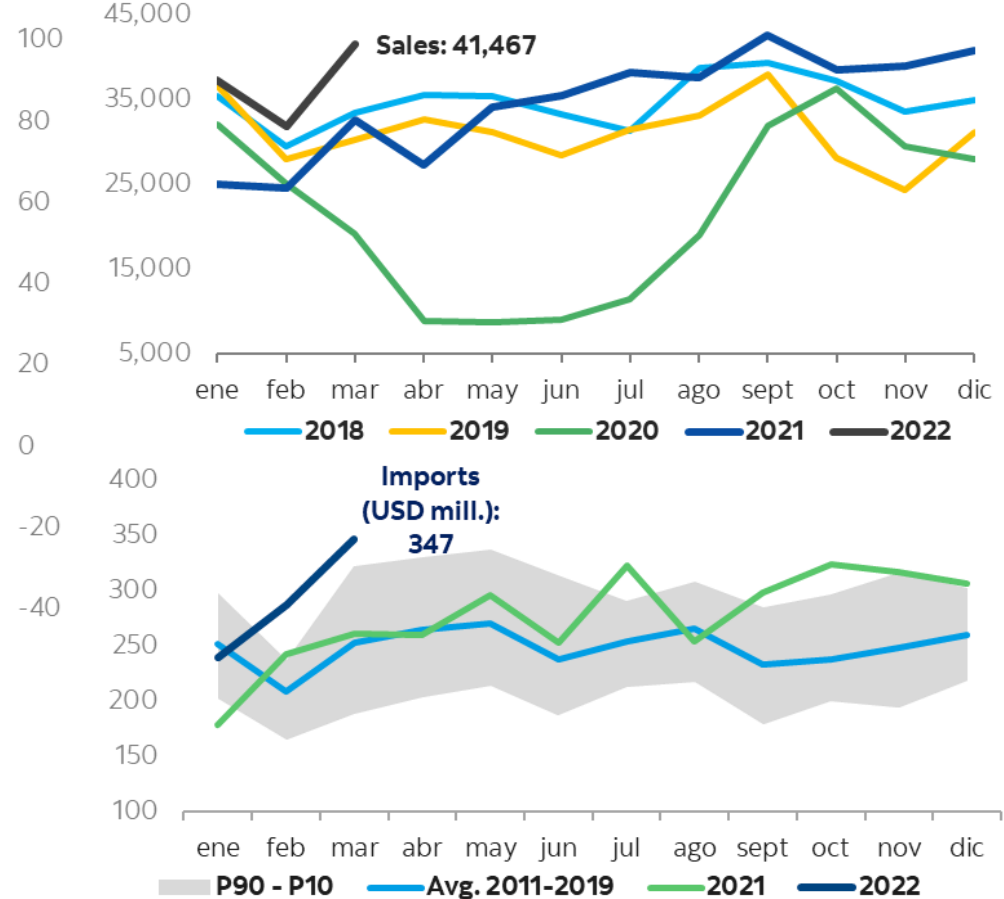
## Retail sales (INE) vs Transactional data\*

(percentage, annual growth)



## New cars: sales & imports

(Sales: units per month; Imports: USD millions)



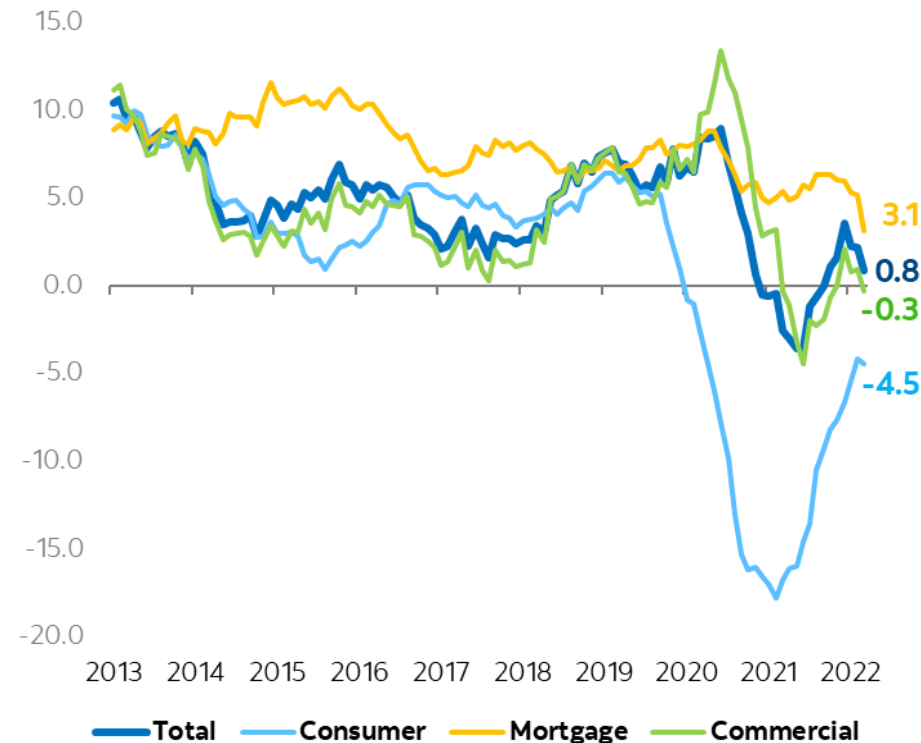
\* This figure compares the INE's monthly retail sales indicator with our data on total purchases with credit & debit cards reported in previous slides.  
Source: National Bureau of Statistics (INE), ANAC, Central Bank, Scotiabank Economics



# Credit losing dynamism due to a drop in commercial. Still ample liquidity in firms' balance sheets

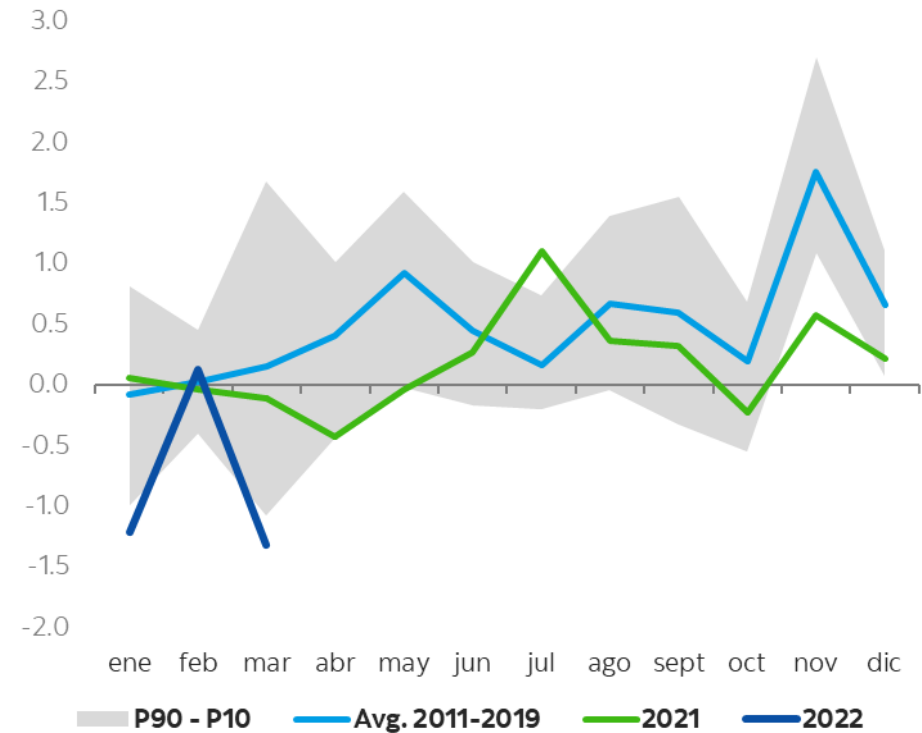
## Loans by segment

(percentage, real annual growth)



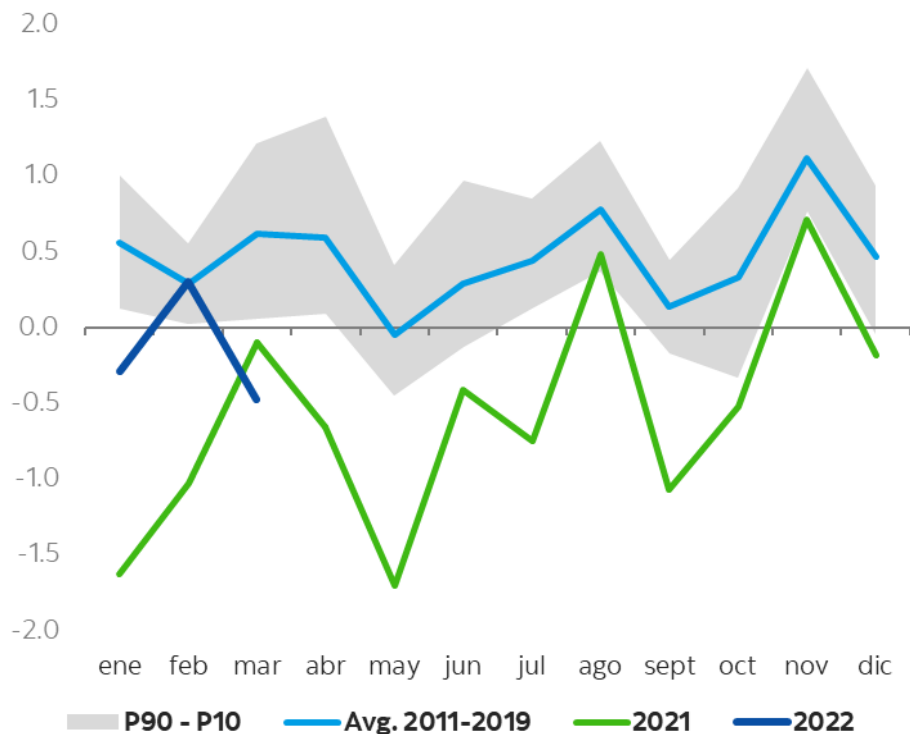
## Monthly dynamism of commercial loans

(percentage, real monthly growth)

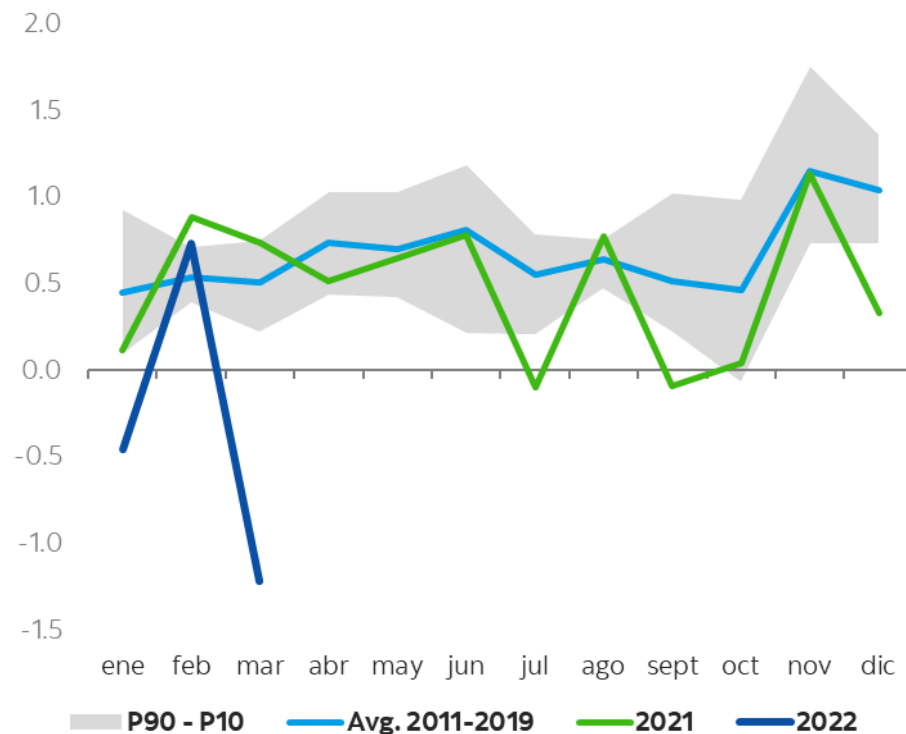


# Unsecured consumer and mortgage loans decreased in March (inflation adjusted). Mortgages affected by restrictive supply 4/5 months ago.

## Monthly dynamism of consumer loans (percentage, real monthly growth)



## Monthly dynamism of mortgage loans (percentage, real monthly growth)

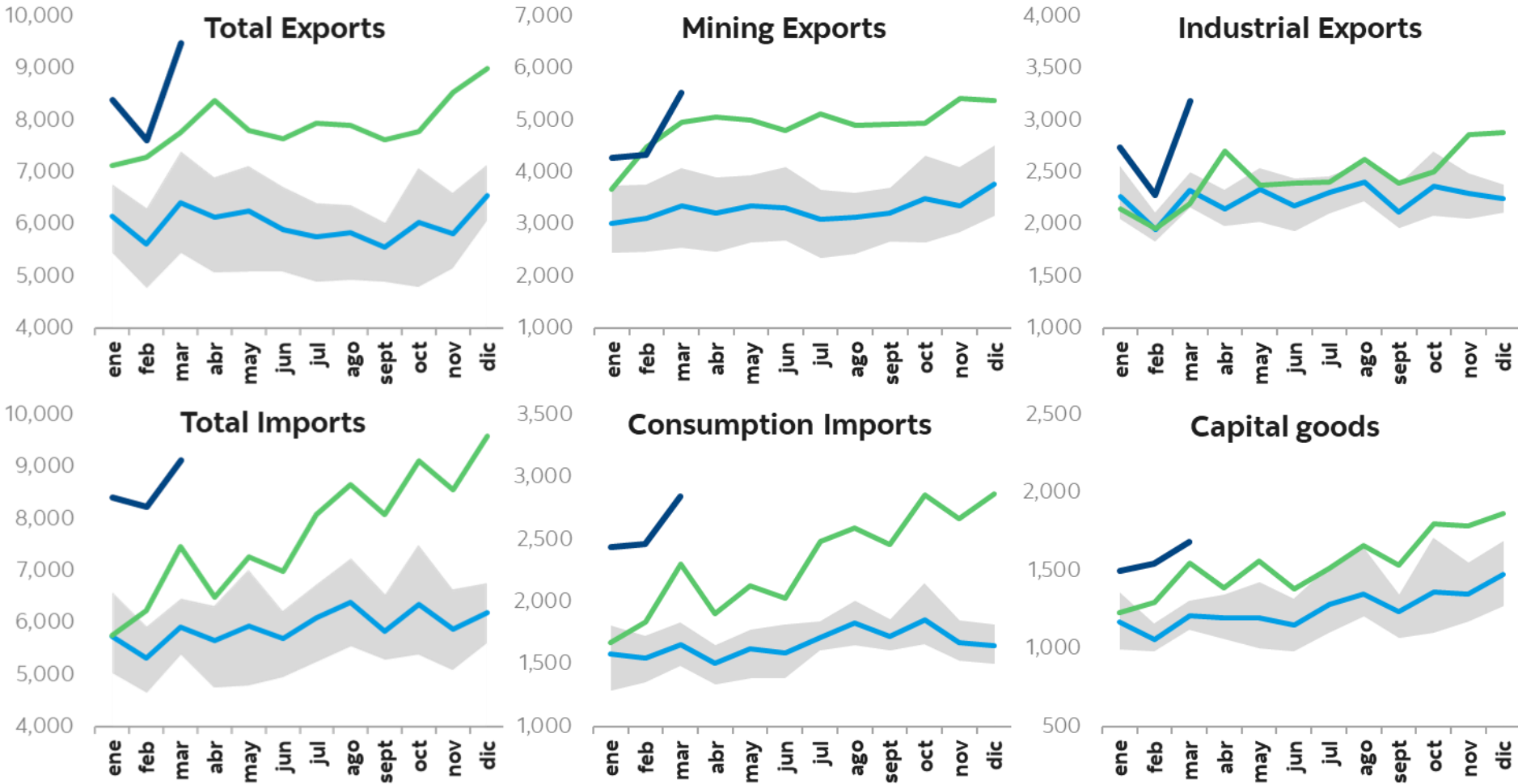


Source: Central Bank, Scotiabank Economics

# Strong exports. Inventory replenishment continues and capital goods imports remain very solid.

## Monthly flow of Exports and Imports

(level, USD millions per month)



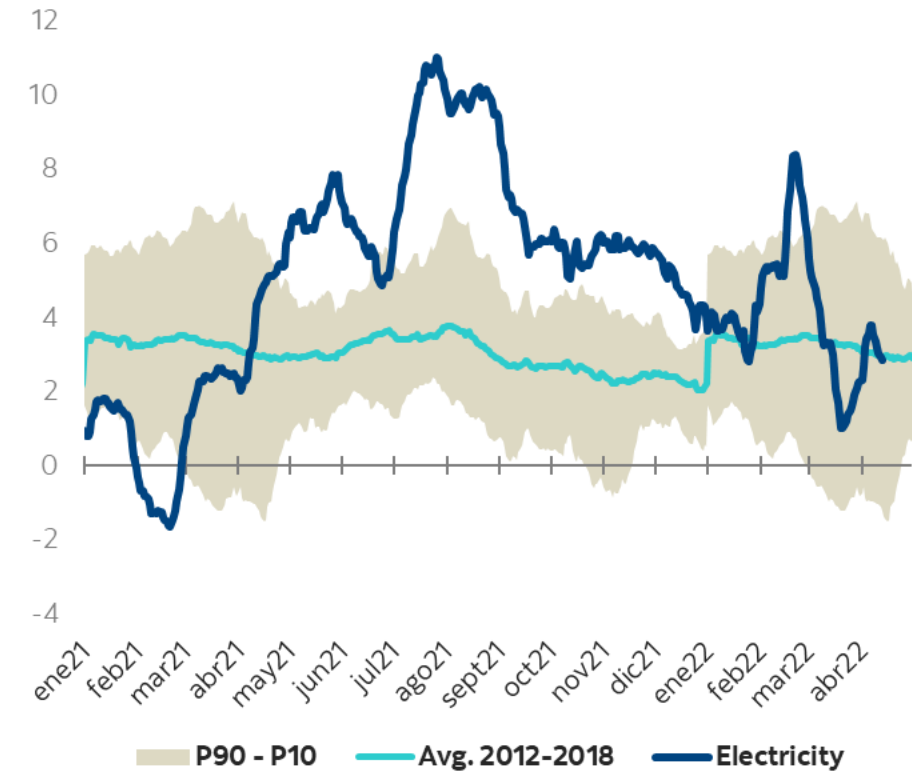
P90 and P10 represent the 90th and 10th percentile.  
Source: Central Bank, Scotiabank Economics

■ P90 - P10    — Avg. 2011-2019    — 2021    — 2022

# Demand for electricity shows a mild deceleration in the margin, but in line with its seasonal patterns.

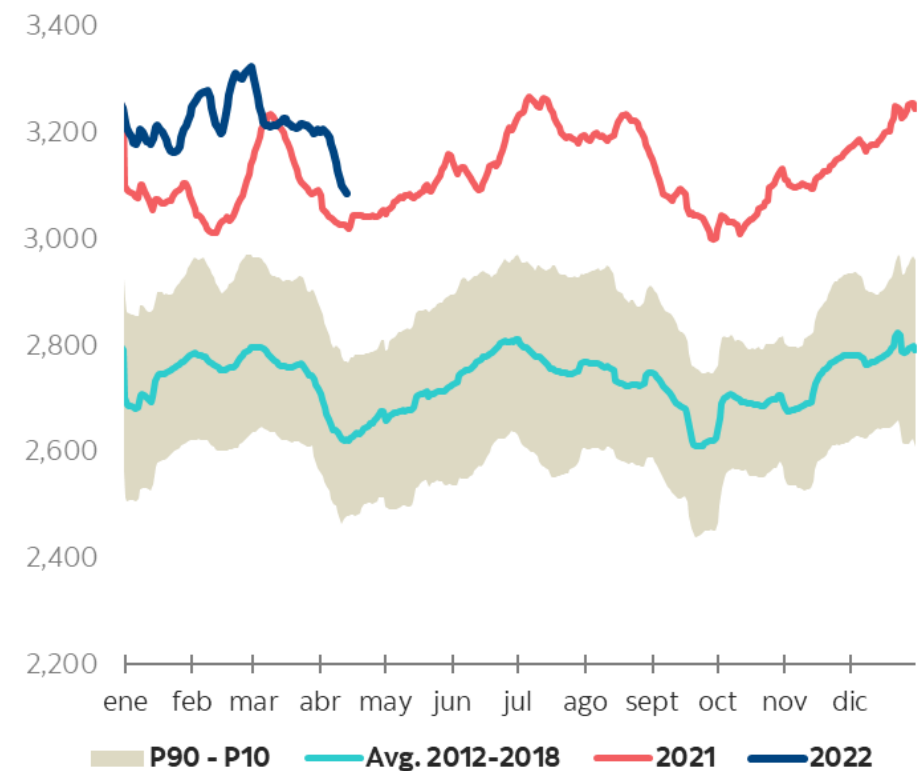
## Annual growth of electricity generation

(percentage, annual growth, 28-day accum., up to April 13)



## Level of electricity generation

(percentage, annual growth, 14-day accum., up to April 13)

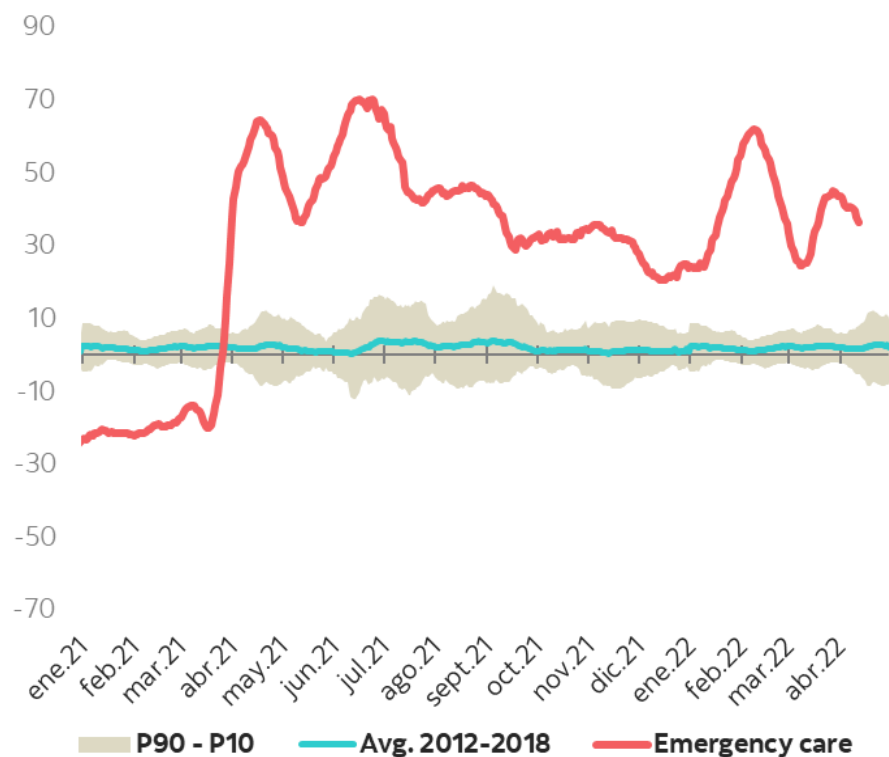


P90 and P10 represent the 90th and 10th percentile.  
Source: Coordinador Eléctrico, Scotiabank Economics

# Emergency care attentions –not related to COVID– remain in high levels, above expected for the beginning of the year, supporting activity in services sector.

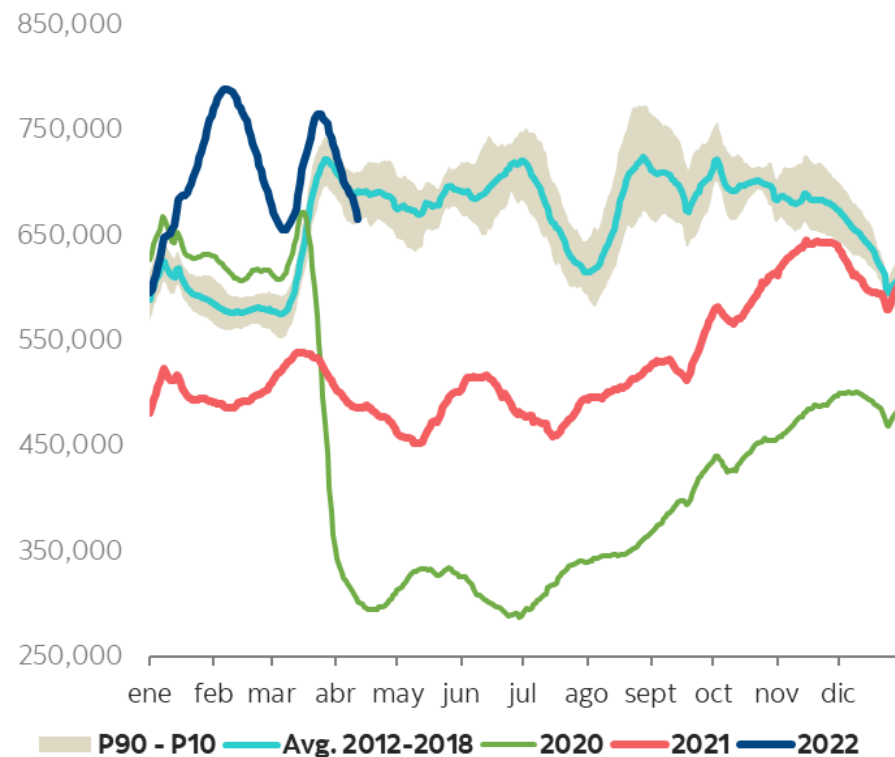
## Annual growth in Emergency Care

(percentage, annual growth, 14-day mov. sum, up to April 12)



## Number of Emergency Care attentions

(number of daily attentions, 14-day mov. sum, up to April 12)

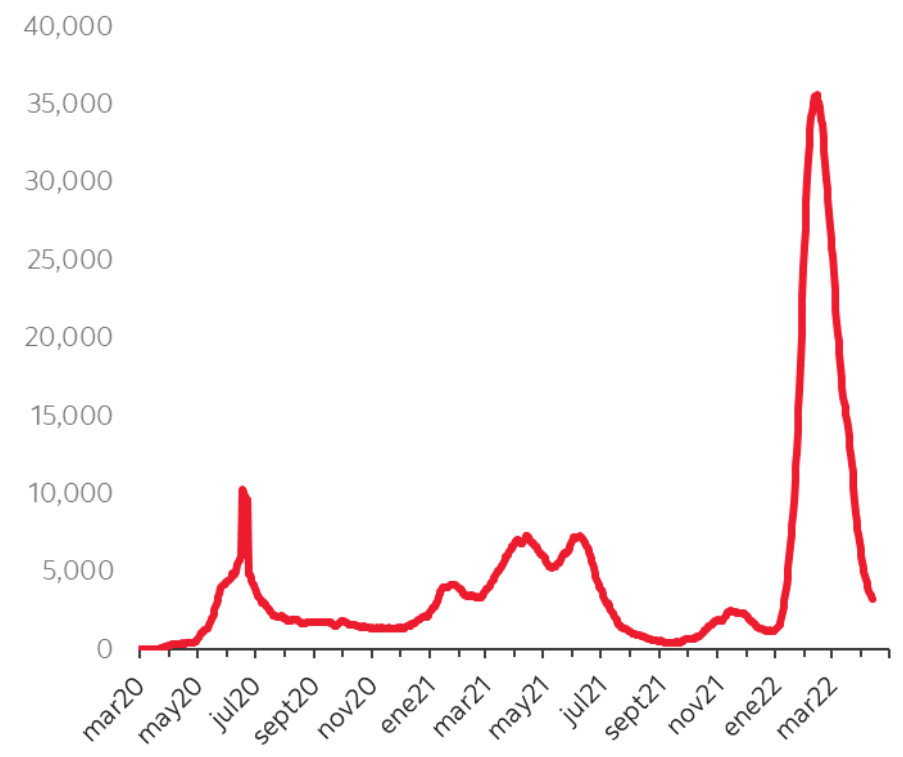


Source: Ministerio de Salud (DEIS), Scotiabank Economics

# Drop in new COVID 19 cases (Omicron) and ICU-bed occupancy

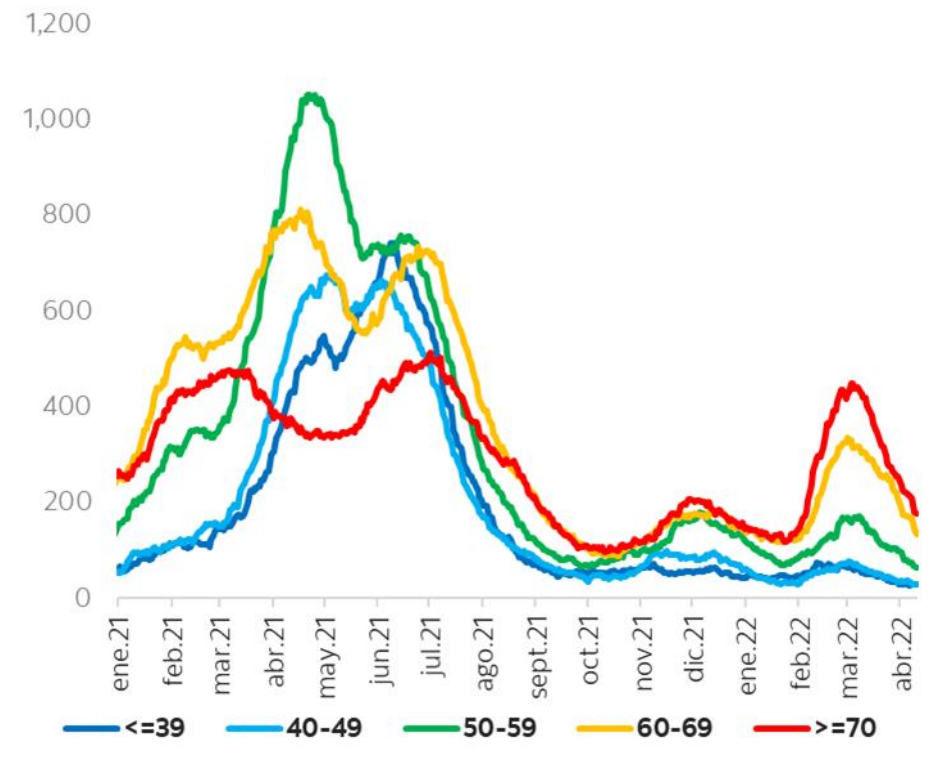
## New cases COVID-19 in Chile

(number of new cases per day, 7-day mov. avg., up to April 13)



## ICU-bed occupancy by age

(beds by age group, up to April 12)

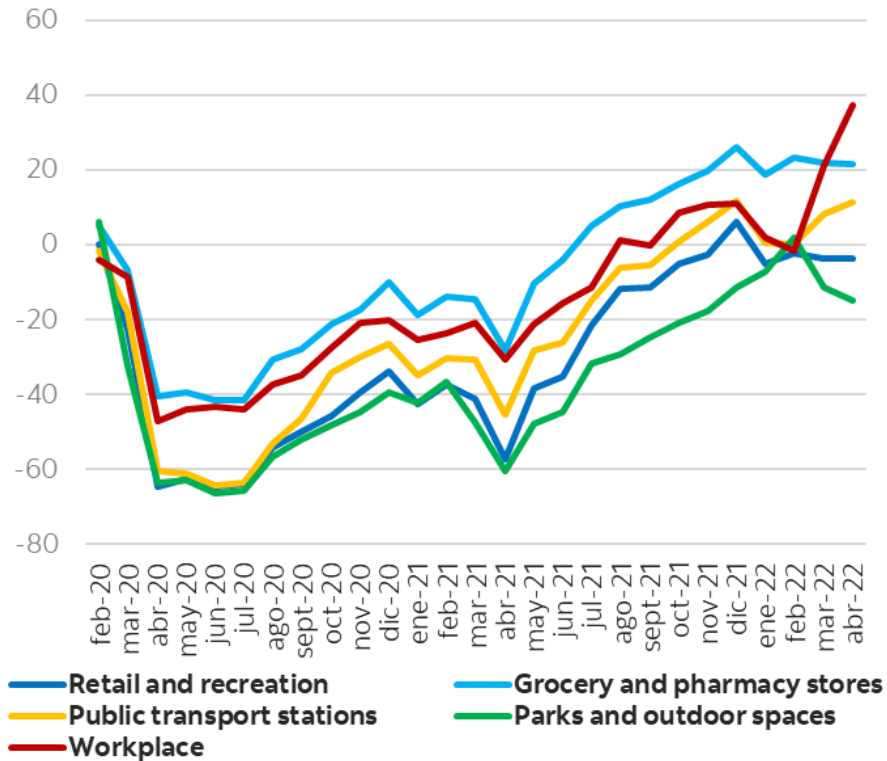


Source: WHO; Ministerio de Salud, Scotiabank Economics

# Recent activity figures aligned with mobility trends. March and April reveal a significant increase in mobility in workplaces.

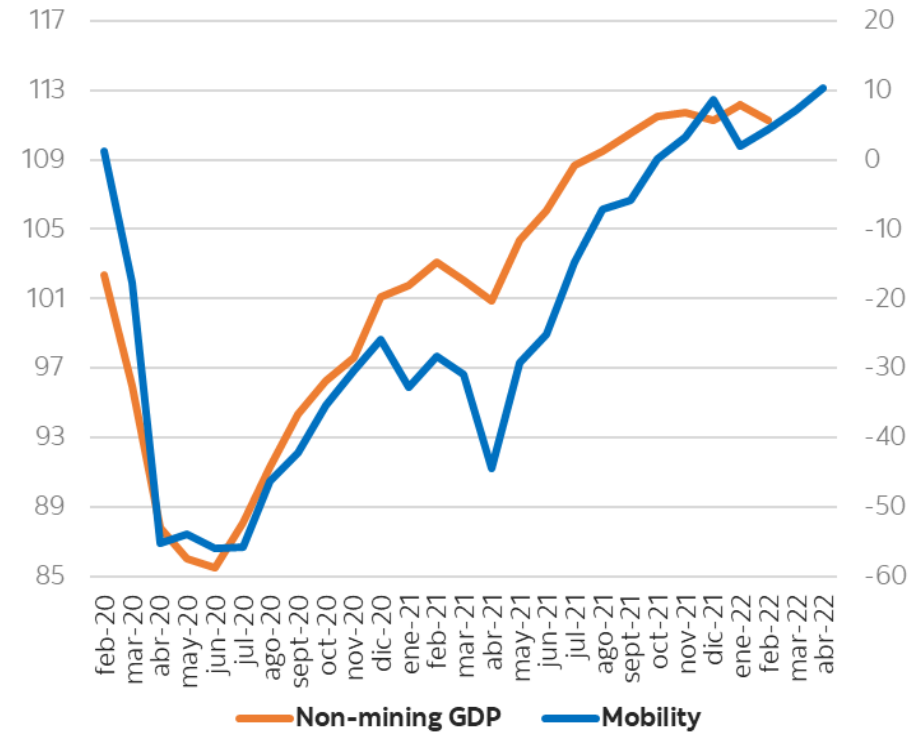
## Mobility index (Google)\*

(index compared to baseline, up to April 10)



## Non mining GDP & mobility index

(index 2018=100 SA and index of mobility compared to baseline)

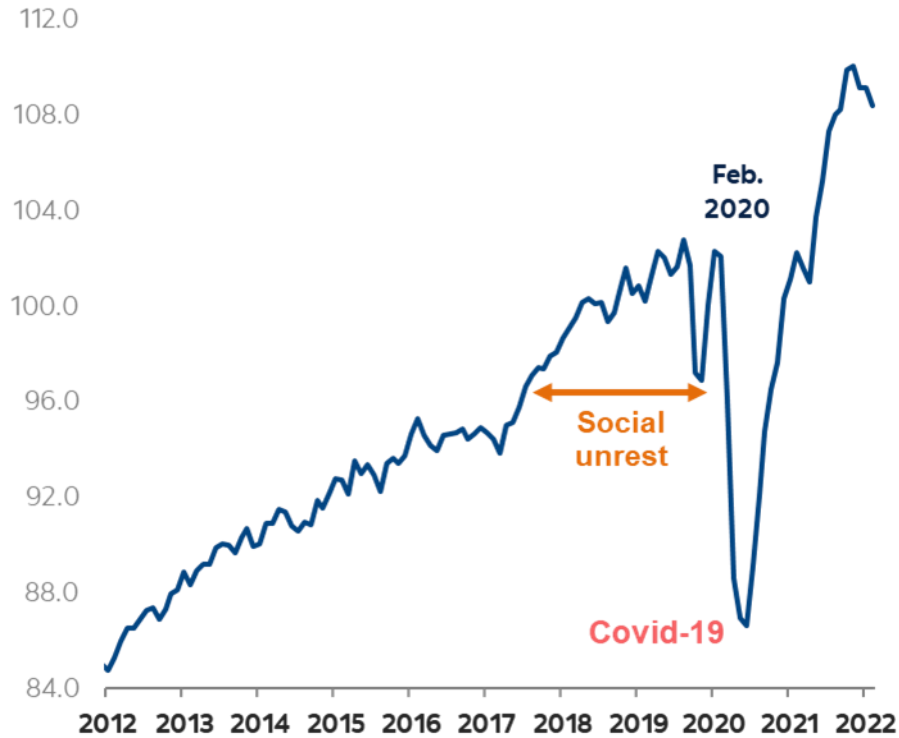


(\*) **Google mobility index** shows how the number of visitors (or time spent) in categorized places has changed compared to baseline days (the median value for the 5-week period from January 3 to February 6, 2020). This index is smoothed to the rolling 7-day average.  
 Source: WHO; Ministerio de Salud, Scotiabank Economics

**GDP expanded 11.7% in 2021. We forecast GDP growth of 3.0% in 2022 and 0% in 2023. We estimate Imacec expanded 6-7% y/y in March.**

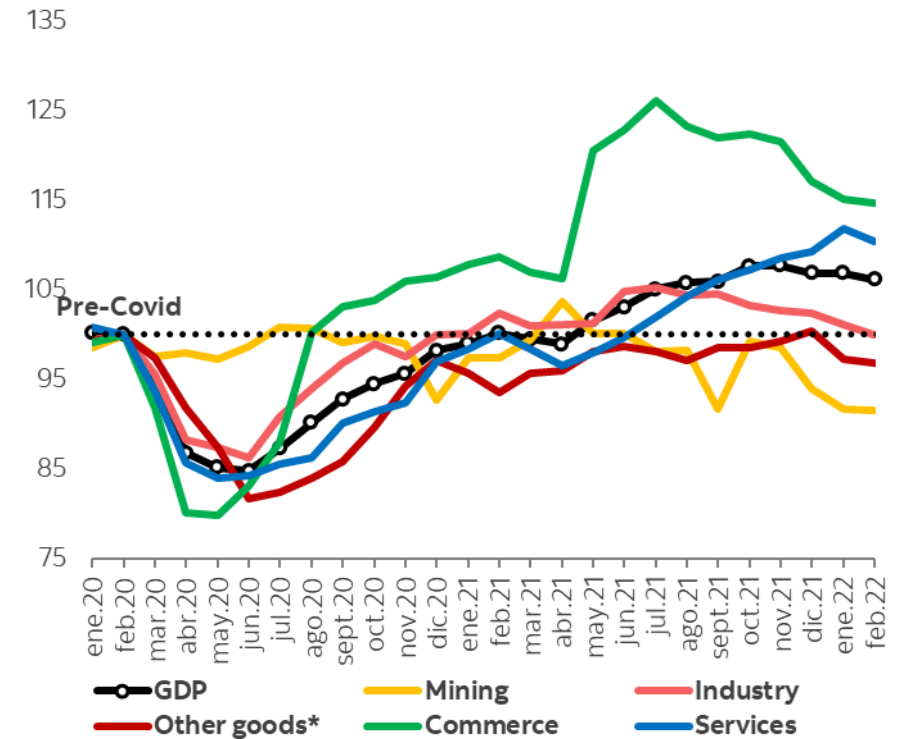
### GDP level

(level, 2018=100, seasonally adjusted, monthly data)



### GDP level by sector

(index, February 2020=100, monthly data)



**Short run forecasts:  
growth of monthly GDP**

**January-22**

**February-22**

**March-22 (f)**

**Imacec (% y/y)**

9.6%

6.8%

**6 to 7%**

Source: Central Bank, Scotiabank Economics



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