

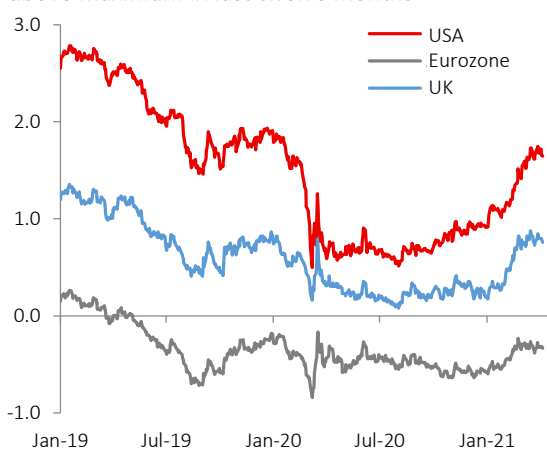
## Markets rise again, but elevated uncertainty persists

*The IMF increased its world growth projections for this year, although it alerted about a mixed recovery among countries and highlighted the high levels of uncertainty that still remain.*

Positive economic indicators and better world growth perspectives helped to increase market indexes during the week. MSCI Global increased over 1%, with Europe(+1%); USA(+1%); and Latin America (+3%) leading the increments. China fell 1% compared the previous week, amid fears of a new contagion wave in Asia and a vaccination process that has been slower than expected.

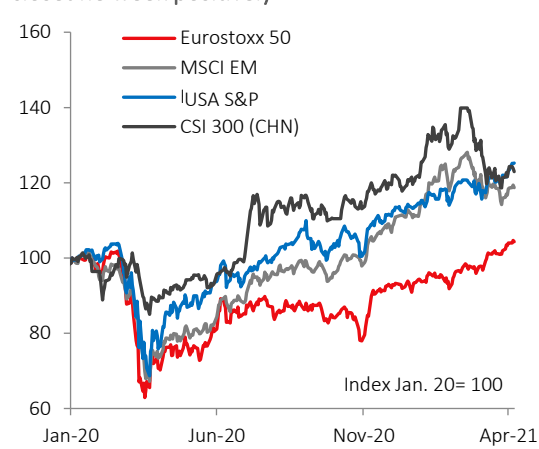
In the US, job creation in March (916,000 vs 660,000 expected) was the best in the last seven months and services PMI (ISM) had a strong increase (63.7 vs 55.3 in February). On its part the clear expansive bias in the latest Fed’s minutes about monetary policy as well as Janet Yellen’s and Jerome Powell’s declarations, point towards a still necessary prolonged period of stimulus, contributing to the increased optimism that drove the S&P 500 to break a new record, reaching over 4,000 points. On its part, the 10-year yield moderated the incline and closed the week below 1.7% (-10bp compared to the previous week).

Long-term rates moderate their incline, although still above maximum in last twelve months



Source: Bloomberg and Santander

Markets react positively to better perspective and close the week positively



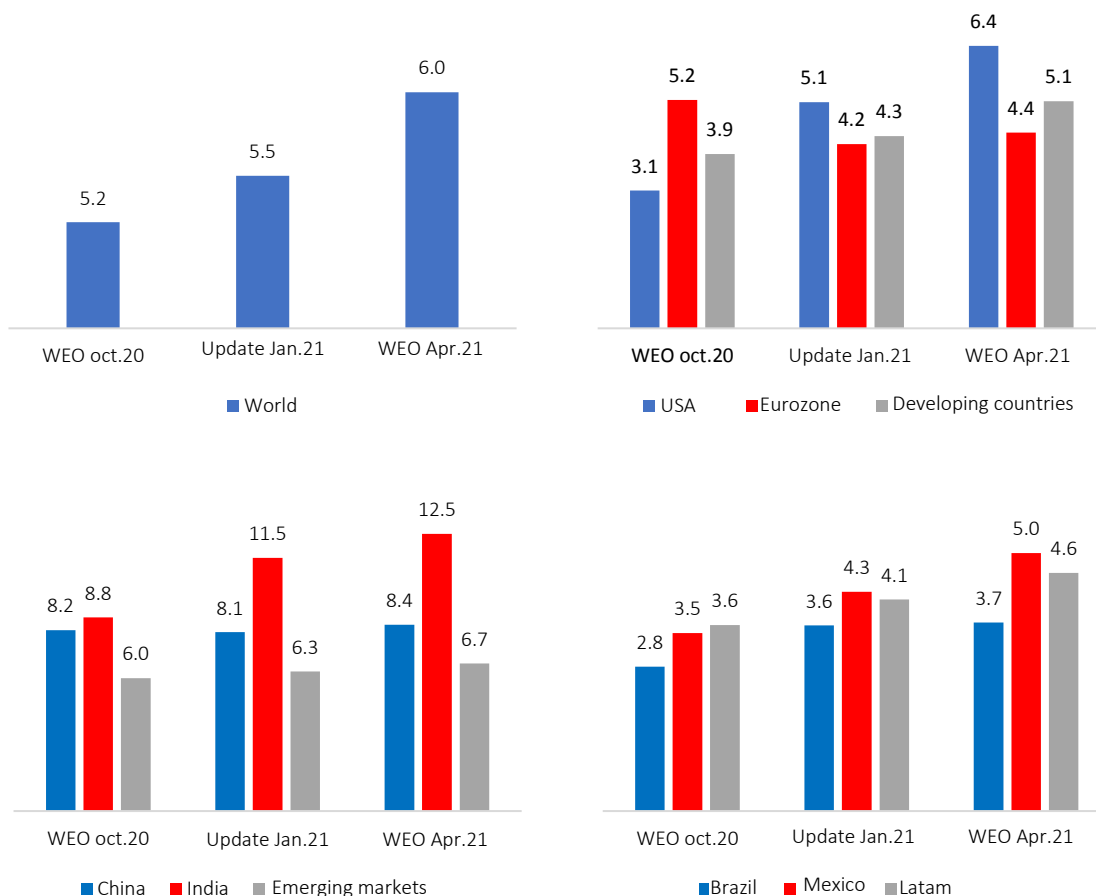
Source: Bloomberg and Santander

The Spring IMF and World Bank meeting took place during the week, where the World Economic Outlook (WEO) was presented. As expected, the IMF revised upwards the world GDP growth for 2021, from 5.5% estimated in January to 6%. For next year the expansion is expected to be 4.4% (4.2% previously). It is important to highlight the positive vision for developed countries, with corrections in the growth for this year around +130bp to +140 bp for the US (6.4%) and Canada (5%), respectively. Although the Eurozone shows an improvement in relation to the expectations in January (4.4% vs 4.2%), it still is below the estimation in October (5.2%). China, meanwhile, will grow around 8.4%, more than the estimation in January. For Chile, the perspective was adjusted from 6% in January to 6.2%, aligned with our range of projections (between 6% and 7%).

The better perspectives reflect the advancement of the massive vaccination process, adjustments to the new normal and strong macroeconomic stimulus, especially from the fiscal stimulus package of US\$19 billion (9% of GDP) approved in the US. With everything, the WEO highlights the

heterogeneous character of the recovery due to different access to vaccines and the differentiating capacities to adapt to the new conditions, which could increase the gap between and within countries.

World Economic Outlook GDP Projections (%)



Source: IMF

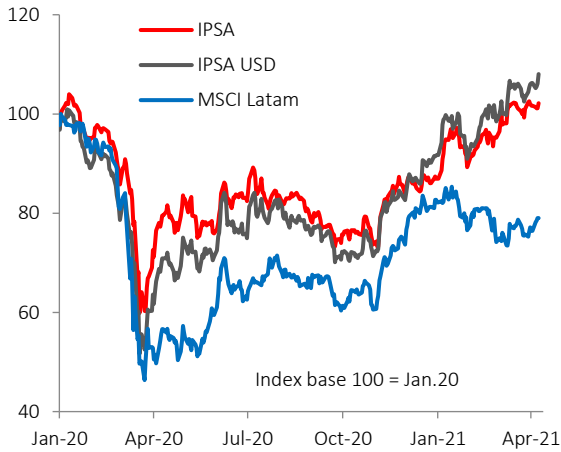
### Mayores restricciones por pandemia impactan los precios locales

A pesar de las mejores perspectivas de crecimiento, los mercados financieros locales se han visto afectados por la nueva ola de contagios y las medidas más restrictivas para enfrentar la pandemia. Lo anterior ha golpeado a la bolsa local, la cual, desacoplándose de los mercados internacionales, presentó retrocesos durante gran parte de la semana, que fueron levemente compensados en lo más reciente. El IPSA cerró la jornada de ayer en 4.910 puntos, aún por debajo de los 4.928 puntos registrados a fines de marzo.

Luego de la revisión al alza para el crecimiento en el último IPoM, las tasas tendieron a aumentar asumiendo que el proceso de normalización monetaria podría iniciarse antes de lo previsto. Sin embargo, durante la semana, se ha producido una reducción generalizada en las tasas de interés

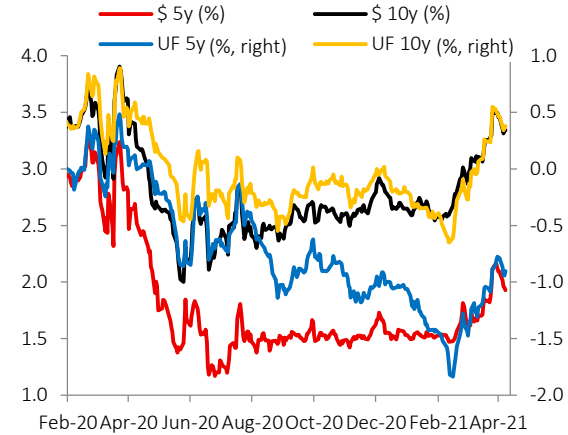
(entre 10 y 15 puntos base). Estas caídas, en línea con la tendencia a la baja de las tasas internacionales, dan cuenta de la incertidumbre que persiste sobre la crisis sanitaria y la velocidad de recuperación económica que dará espacio para continuar con políticas públicas acomodaticias al menos durante 2021.

Local market decouples from international peers



Source: Reuters and Santander

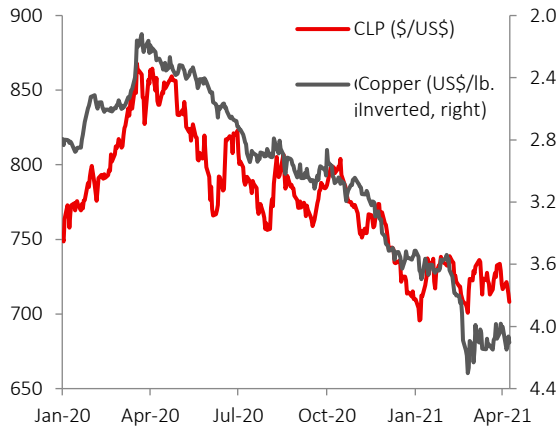
Generalized falls in interest rates with new contagion wave



Source: RiskAmerica and Santander

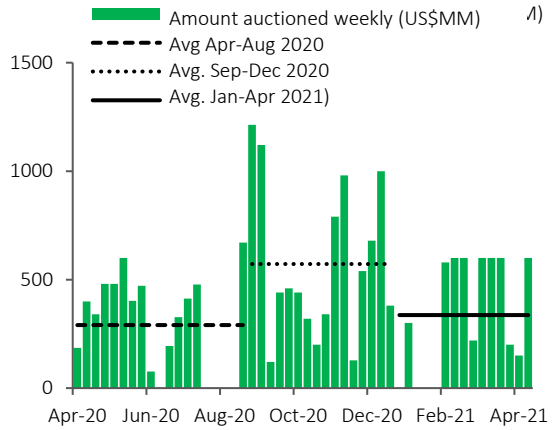
The Exchange rate has gone down during the week in the context of a weaker dollar and a recovery in the copper Price. Therefore, the dollar closed the week around \$710. New announcements of the sale of dollars from the Ministry of Finance, which includes auctions for up to US\$150 million during April, above the US\$120 million in the previous months, has also contributed to putting downwards pressure on the exchange rate.

Exchange rate decreasing due to still high levels of copper Price



Source: Reuters and Santander

Increase in the maximum amount of US dollars to be auctioned by the Ministry of Finance



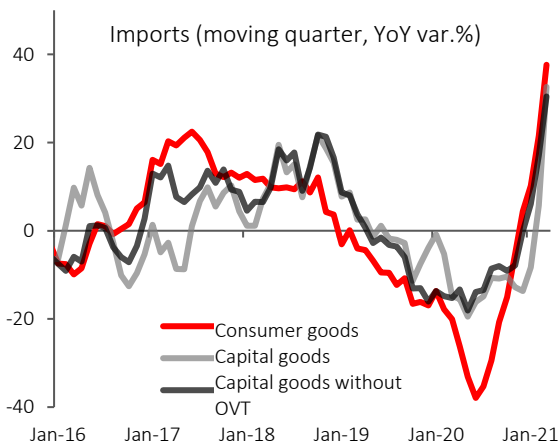
Note: Last week wended Thurs. April 8. Source: Ministry of Finance and Santander

**Foreign trade indicators show strong increase**

The imports reached a maximum monthly value since 2012, strongly driven by consumer goods. Exports completed seven months with increases in the double digits, although in this case the indicators must be adjusted by the impact in the copper price.

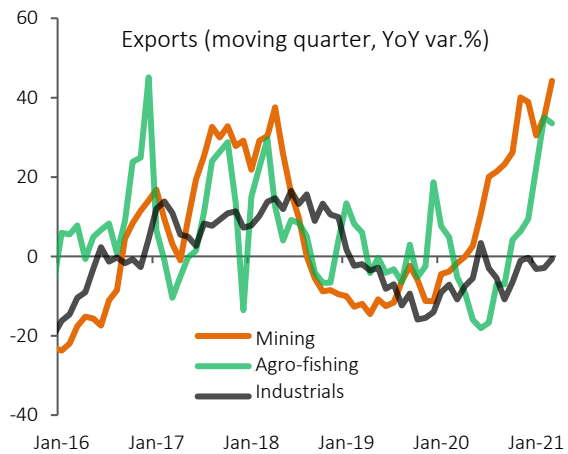
The strong upturn in imports implies that the possible bottle necks throughout the supply chain could be relaxing. This could release pressure on prices in the coming months.

Consumer imports and capital goods reached maximums in March



Source: BCCh y Santander

Agricultural exports grew 33% in the first quarter. Mining affected by high copper price



Source: BCCh y Santander