

## Trade balance – SA figures showed a better dynamism of exports in September

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- **Trade balance (September): US\$ -1,419.9 mn; Banorte-Ixe: US\$ -2,872.3 mn; consensus: US\$ -1,380 mn (range: US\$ -2,872.3 mn to US\$ -521 mn); previous: US\$ -2,782.1 mn**
- **Total exports decreased 5.6% yoy, while imports showed a null variation**
- **Manufacturing exports fell 0.7% yoy (+1% m/m)**
- **We believe that the depreciation of the Mexican currency will result in a higher growth for exports in the second half of 2015**

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**Trade balance figures for August show a US\$ 1,419.9 million deficit.** This figure was below our US\$ 2,872.3 mn deficit estimate and comes as a result of a decrease in exports (-5.6% yoy) and a null variation in imports. With this number, Mexico's trade balance now adds a US\$ 10,521.2 million deficit year-to-date.

**Total exports decreased 5.6% yoy.** Oil exports fell 49.6% vs. September 2014, as a result of the reduction in Mexico's oil production, and the significant decline in international crude oil prices. Moreover, non-oil exports decreased 0.4% yoy. In particular, manufacturing exports edged-down 0.7% yoy. Taking a look at the breakdown, the rest of manufacturing exports fell 3.1% yoy, while car-industry exports showed an expansion of 4.5% yoy, as shown in the following table.

**Trade Balance in September**  
% yoy

	Sep-15	Aug-15	Jan-Sep,'15	Jan-Sep,'14
<b>Total exports</b>	<b>-5.6</b>	<b>-6.7</b>	<b>-3.1</b>	<b>4.5</b>
<b>Oil</b>	<b>-49.6</b>	<b>-47.8</b>	<b>-44.4</b>	<b>-9.2</b>
Crude oil	-54.3	-50.2	-47.3	-11.5
Other	-27.7	-33.5	-28.4	5.6
<b>Non-oil</b>	<b>-0.4</b>	<b>-1.6</b>	<b>2.2</b>	<b>6.5</b>
Agriculture	13.1	25.0	8.8	8.1
Mining	-1.0	-2.4	-12.5	15.2
<b>Manufacturing</b>	<b>-0.7</b>	<b>-2.2</b>	<b>2.2</b>	<b>6.4</b>
Car industry	4.5	-3.2	6.9	10.6
Other	-3.1	-1.6	0.0	4.5
<b>Total imports</b>	<b>0.0</b>	<b>-1.9</b>	<b>-0.2</b>	<b>4.1</b>
<b>Consumption</b>	<b>-0.7</b>	<b>9.5</b>	<b>-2.7</b>	<b>-0.1</b>
Oil	-9.1	31.5	-13.4	-11.8
Non-oil	1.8	1.6	1.4	5.2
<b>Intermediate imports</b>	<b>-1.4</b>	<b>-5.0</b>	<b>-0.7</b>	<b>5.3</b>
Oil	-34.1	-7.8	-19.6	5.4
Non-oil	2.1	-4.7	1.1	5.3
<b>Capital goods</b>	<b>11.9</b>	<b>5.6</b>	<b>7.1</b>	<b>1.3</b>

Source: INEGI

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**Total imports exhibited a null variation.** Non-oil consumption imports – associated with private spending– increased 1.8% yoy. Moreover, non-oil imports of intermediate goods –usually used as inputs in the manufacturing sector– grew 2.1% yoy in September. Finally, capital goods imports significantly increased 11.9% yoy during the period in question, as a result of the more optimistic outlook for the Mexican economy.

**In seasonally adjusted terms, manufacturing exports grew 1% m/m.** Taking a look at the breakdown, car-industry exports increased 0.6% m/m, while the rest of manufacturing exports edged-up 1.3% m/m. Moreover, non-oil consumption imports decreased 0.6% m/m, while non-oil imports of intermediate goods showed an expansion of 1.9% m/m. Finally, capital goods imports expanded 3.8% m/m.

**We believe that the depreciation of the Mexican currency will result in a higher growth for exports.** Despite the deceleration observed in September's total exports, we believe that the depreciation that still maintains the Mexican currency will motivate a further growth of Mexican manufacturing production and exports, which will be reflected in a larger dynamic growth for the Mexican economy.

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