

Family remittances reach a new record high on the back of the US election

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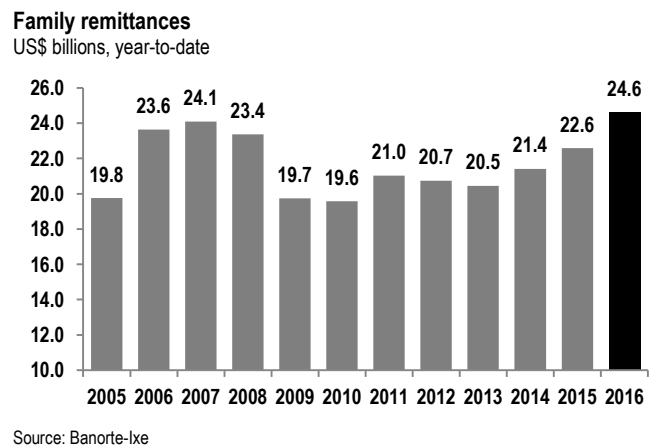
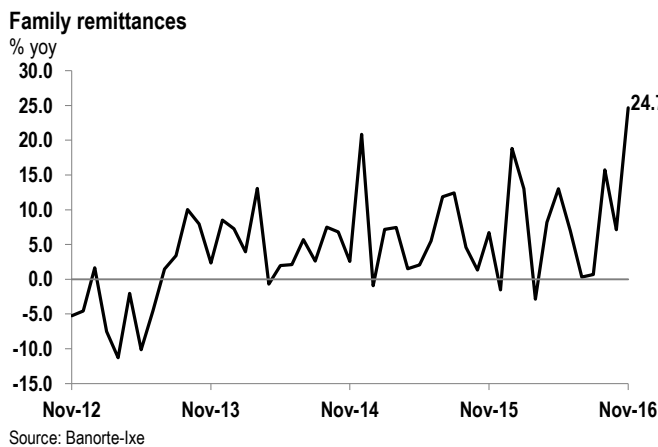
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- **Remittances (November): US\$ 2,362.9 mn; Banorte-Ixe: US\$ 2,390.1 mn; consensus: US\$ 2,132.4 mn (range of estimates: US\$ 2,064.6 mn to US\$ 2,422 mn); previous: US\$ 2,216.4 mn**
- **We believe that the 24.7% expansion in November’s remittances was explained by the result of the electoral process in the US**
- **Year-to-date, family remittances reached a new record high (US\$ 24,625.6 million in 2016 vs. US\$ 24,089.1 million in 2007)**
- **Looking ahead, we believe that the flow of remittances will continue to be influenced by the US election results**

Family remittances increased 24.7% yoy in November. According to Banxico, the flow of remittances sent during the eleventh month of the year amounted to US\$2,362.9 million, which implies a 24.7% yoy expansion (Banorte-Ixe: US\$ 2,390.1 million; consensus: US\$2,132.4 million).

Moreover, the number of operations stood at 7.4 million (+10.6% yoy) with an average amount of US\$ 318.45 (12.8% yoy). Year-to-date, family remittances reached a new record high (US\$ 24,625.6 million in 2016 vs. US\$ 24,089.1 million in 2007), and now add a 9% yoy expansion (refer to the charts below).

As we expected, the higher growth in remittances inflows was explained by the result of the electoral process in the US, since Mexican migrant workers without citizenship are probably discounting a higher probability of being deported. In this context, we expect December’s and January’s remittances to be influenced by this factor.



Looking ahead, we believe that the flow of remittances will continue to be influenced by the US election results. We believe that the growth of remittance inflows during December and January will be determined by the electoral outcome in the US, since Mexican migrants without citizenship are probably discounting a higher probability of being deported. In this context, we consider that the flow of remittances will grow above 19% yoy during the last month of the year.

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