

AMIA's report – Mexico's domestic sales don't stop in September

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- **The Mexican Association of Car Producers (AMIA) released its monthly auto-industry report for September**
- **Total vehicle production: 278,781 units (4.1% yoy)**
- **Vehicle exports: 216,587 units (-1.7% yoy)**
- **Domestic sales: 111,330 units (24.9% yoy)**
- **We believe that the auto industry will continue to gain momentum in the second half of the year**

Auto production increased 4.1% yoy in September. According to AMIA's report published today, car production increased 4.1% yoy in September. Today's figure was explained by a reduction in the production for external markets. Moreover, vehicle exports declined 1.7% yoy, while domestic retail sales significantly edged-up 24.9% yoy, as shown in the table below.

Car industry in September 2015

| | Sep'15 | Sep'14 | Jan- Sep'15 | Jan- Sep'14 |
|------------------|--------|--------|-------------|-------------|
| Total Production | 4.1 | 10.7 | 6.7 | 7.5 |
| Retail | 24.9 | 13.7 | 19.9 | 4.5 |
| Exports | -1.7 | 2.0 | 7.3 | 9.0 |

Source: AMIA, Banorte-Ixe

September's production marginally edged-down. In seasonally adjusted terms, Mexico's auto production decreased 0.9% m/m. Moreover, exports edged-down 4% m/m, while retail auto sales posted a significant 6.1% m/m increase.

We believe that auto-industry will continue to gain momentum in 2H15. Despite the deceleration in both vehicle production and exports during September, we believe that Mexico's auto industry has begun to show a strong recovery, in part given the visible hike in vehicle retail sales, evidence that consumer spending is picking up. In this regard, we believe that Mexico's auto-industry will continue gaining momentum given the better growth prospects for domestic demand which will reflect in a higher growth in domestic car sales.

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