

# Family remittances – June’s 6.9% yoy growth explained by the favorable growth dynamics of the US labor market

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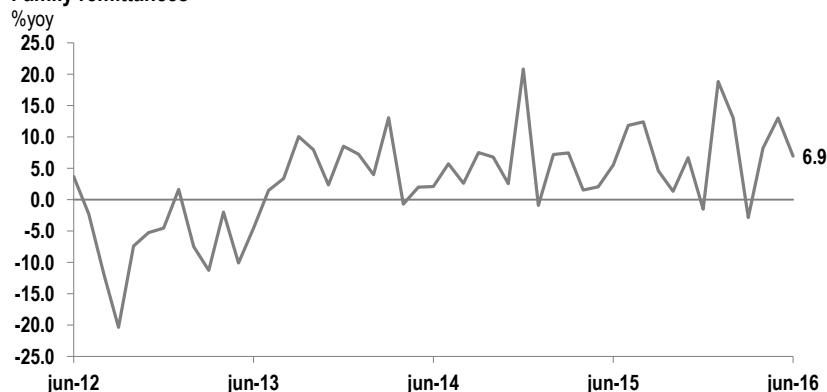
- **Remittances (June): US\$ 2,305.5 million; Banorte-Ixe: US\$ 2,415 mn; consensus: US\$ 2,320 mn (range of estimates: US\$ 2,270 mn to US\$ 2,456 mn); previous: US\$ 2,477.8 mn**
- **We believe that June’s 6.9% yoy expansion was explained by the favorable growth dynamics of the US labor market**
- **We maintain our forecast that family remittances will grow around 7% yoy throughout the year**

**Family remittances increased 6.9% yoy in June.** According to Banxico, the flow of remittances sent during the sixth month of the year amounted to US\$ 2,305.5 million, which implies a 6.9% yoy expansion. Moreover, the number of operations stood at 7.7 mn (+6% yoy) with an average amount of US\$ 300.1 (0.8% yoy).

We highlight that June’s growth was probably explained by the favorable growth dynamics of the US labor market. In this regard, the number of employed Mexican migrant workers with citizenship has increased dramatically (+311.9 thousand new jobs), while the number of employed Mexican migrants without citizenship fell by 177,296 workers during the first half of the year (seasonally adjusted figures estimated by Banorte-Ixe using the *US Census Bureau’s Data Ferret* nsa figures; refer to the chart on the following page).

We believe that the recent behavior of the Mexican workforce in the US can be explained by two factors: (1) The Mexican migrant population without citizenship has accelerated the process to acquire its citizenship, given the risks involving Donald Trump winning the presidential elections in November; and (2) US employers have shown a preference for hiring legal Mexican migrant workers.

**Family remittances**

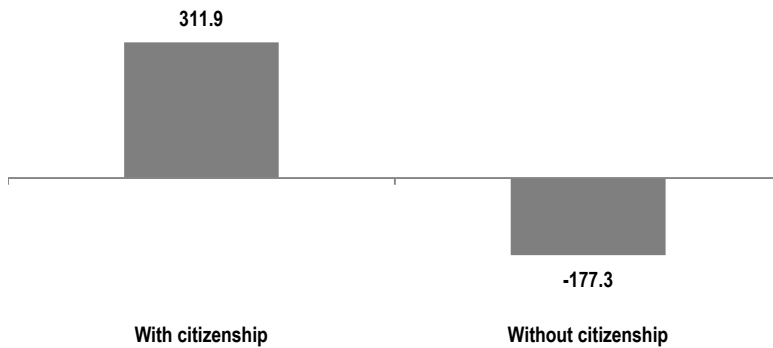


Source: Banco de México

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**New jobs for Mexican migrant workers in the US: 1H16**

Thousands, seasonally adjusted



Source: Banorte

**We continue to expect a 7% growth of family remittances throughout the year.** Given the recent dynamics of the US labor market for Mexican migrants, we believe that the remittances flows will continue to grow above 7% throughout the year. In particular, remittances inflows could increase dramatically as the US elections approaches, if the differential between the Republican and the Democratic Party narrows.

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