

## Family remittances reached a new historic high in the first half of the year

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- **Remittances (June): US\$2,417mn; Banorte-Ixe: US\$2,414.6mn; consensus: US\$2,439mn (range of estimates: US\$2,383mn to US\$2,600mn); previous: US\$2,584.2mn**
- **Family remittances increased 4.5% yoy in June, in line with our forecast**
- **However, year-to-date family remittances reached a new historic high of US\$13.9 bn, which implies a 5.9% yoy expansion**
- **Looking ahead, we continue to believe that the flow of remittances will be influenced by Trump's anti-immigration policy**

**New historic high.** According to Banxico, the flow of remittances sent during the sixth month of the year amounted to US\$2,417 million, marginally above our US\$ 2,414.6 million forecast (consensus: US\$2,439mn), which implies a 4.5% yoy expansion. In addition, the number of operations stood at 7.8 million (1% yoy) with an average amount of US\$311.4 (3.5% yoy). Year-to-date, the US\$13.9 billion remitted stands as the highest flow since Banxico started to measure these inflows (5.9% yoy; refer to the charts below).

**Increase in remittances as a response of Trump's anti-immigration policy.** Family remittances have increased 5.9% in the first half of the year despite the significant appreciation of the Mexican currency. In this context, we believe that the growth in remittances was influenced by Trump's anti-immigration policy. As we mentioned in our last remittances outlook, between January 22 and April 29 (period which encompass Donald Trump's 100 first days of presidency) more than 41 thousand undocumented migrants have been arrested, which represents a 38% increase from the same period in 2016 (*U.S. Immigration and Customs Enforcement, ICE*).

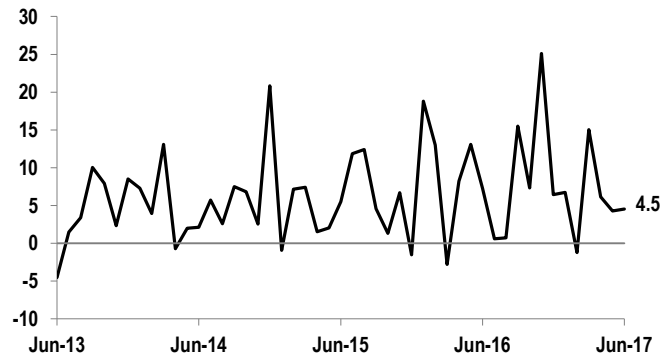
In addition, there are even a large number of American citizens who have been deported under the presumption of being illegal migrants. According to a study conducted by Northwestern University, the number of American citizens deported after being arrested under the assumption of being illegal migrants has increased from 55% in 2016 to 69.7% in 2017 (in the case of 2017 the percentage corresponds to the first 6 months of the year).

In this context, we believe that Mexican migrant workers without citizenship have continued to discount a higher probability of being deported, which has translated in a higher growth of remittances inflows during this period. We believe that this will be a preponderant factor explaining the flow of remittances in the coming months.

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**Family remittances**

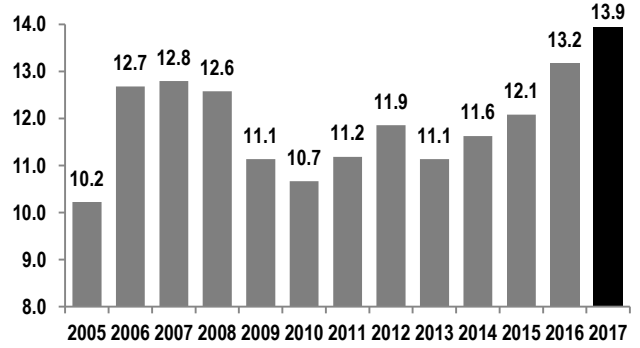
% yoy



Source: Banorte-ixe

**Family remittances**

US\$ billions, year-to-date



Source: Banorte-ixe

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