

## **IMEF's PMI surveys – Slightly reduction in February's figures does not change our recovery call**

March 1, 2016

www.banorte.com  
www.ixe.com.mx  
@ analisis\_fundam

**Alejandro Cervantes**

Senior Economist, Mexico  
alejandro.cervantes@banorte.com

**Saúl Torres**

Analyst, Mexico  
saul.torres@banorte.com

- **IMEF Manufacturing PMI (February, sa): 51.3pts. Banorte-Ixe: 52.1 points; consensus: 51.4pts. (range of estimates: 50.5 to 52.1); previous: 51.6**
- **IMEF Non-manufacturing PMI (February, sa): 50.4; Banorte-Ixe: 51.2; consensus: 50.8pts. (range of estimates: 50 to 51.5); previous: 50.7pts.**
- **The 0.3 points reduction in the manufacturing index was explained by the reduction in 4 of its 5 sub-indexes**
- **However, we believe that the manufacturing sector will show a much more visible recovery in the next months**

**IMEF's manufacturing PMI posted a 0.3 point reduction.** The *IMEF* just published its PMI surveys results for February, where the manufacturing indicator stood at 51.3 points, below with our 52.1 forecast, and still above the 50 points threshold. Today's figure implies a 0.3 points reduction from the level observed in January. Taking a look at the breakdown, we highlight that the employment index decreased 2.4 points, while the production sub-index posted a 1 point reduction, and the new orders sub-index edged-down 0.1 points. However, the inventories index edged-up 3.9 points (refer to the following table).

### **Manufacturing PMI index**

sa	Feb-16	Jan-16	Difference
<b>Manufacturing</b>	<b>51.3</b>	<b>51.6</b>	<b>-0.3</b>
New orders	53.3	53.4	-0.1
Production	54.7	55.7	-1.0
Employment	47.1	49.5	-2.4
Deliveries	48.9	49.3	-0.4
Inventories	53.2	49.3	3.9

Source: IMEF

**The non-manufacturing index stood at 50.4 (seasonally adjusted figures).** This number implies a 0.4 points monthly reduction, but it was above the 50 points threshold for the second consecutive month. Taking a look at the breakdown, the production and employment sub-indices edged-up 0.1 and 1.7 points respectively; however the new orders and deliveries sub-indexes decreased 0.9 and 1.9 points respectively.

**Non-manufacturing PMI index**

<b>Non-manufacturing</b>	<b>50.4</b>	<b>50.7</b>	<b>-0.4</b>
New orders	51.2	52.1	-0.9
Production	53.0	52.9	0.1
Employment	49.5	47.8	1.7
Deliveries	46.6	48.5	-1.9

Source: IMEF

**We believe that the manufacturing sector will show a more visible recovery in the next months.** Despite today's figures, we believe that manufacturing output will show a better performance in the next months given the following factors: (1) The depreciation of the Mexican currency; and (2) the better growth prospects for Mexico's private consumption, which will translate into an increasing domestic demand for manufacturing goods.

**Disclaimer**

The information contained in this document is illustrative and informative so it should not be considered as an advice and/or recommendation of any kind. BANORTE is not part of any party or political trend.

**GRUPO FINANCIERO BANORTE S.A.B. de C.V.**
**Research and Strategy**

Gabriel Casillas Olvera	Chief Economist and Head of Research	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967

**Economic Analysis**

Delia María Paredes Mier	Executive Director of Economic Analysis	delia.paredes@banorte.com	(55) 5268 - 1694
Alejandro Cervantes Llamas	Senior Economist, Mexico	alejandro.cervantes@banorte.com	(55) 1670 - 2972
Katia Celina Goya Ostos	Senior Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Miguel Alejandro Calvo Domínguez	Economist, Regional & Sectorial	miguel.calvo@banorte.com	(55) 1670 - 2220
Juan Carlos García Viejo	Economist, International	juan.garcia.viejo@banorte.com	(55) 1670 - 2252
Rey Saúl Torres Olivares	Analyst	saul.torres@banorte.com	(55) 1670 - 2957
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

**Fixed income and FX Strategy**

Alejandro Padilla Santana	Head Strategist – Fixed income and FX	alejandro.padilla@banorte.com	(55) 1103 - 4043
Juan Carlos Alderete Macal, CFA	FX Strategist	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Santiago Leal Singer	Analyst Fixed income and FX	santiago.leal@banorte.com	(55) 1670 - 2144

**Equity Strategy**

Manuel Jiménez Zaldivar	Director Equity Research — Telecommunications / Media	manuel.jimenez@banorte.com	(55) 5268 - 1671
Victor Hugo Cortes Castro	Equity Research Analyst	victorh.cortes@banorte.com	(55) 1670 - 1800
Marissa Garza Ostos	Senior Equity Research Analyst – Conglomerates/Financials/ Mining/ Chemistry	marissa.garza@banorte.com	(55) 1670 - 1719
Marisol Huerta Mondragón	Equity Research Analyst – Food/Beverages	marisol.huerta.mondragon@banorte.com	(55) 1670 - 1746
José Itzamna Espitia Hernández	Equity Research Analyst – Airports / Cement / Infrastructure / Fibras	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Equity Research Analyst – Auto parts	valentin.mendoza@banorte.com	(55) 1670 - 2250
María de la Paz Orozco García	Analyst	maripaz.rozco@banorte.com	(55) 1670 - 2251

**Corporate Debt**

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Analyst, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Idalia Yanira Céspedes Jaén	Analyst, Corporate Debt	idalia.cespedes@banorte.com	(55) 1670 - 2248

**Wholesale Banking**

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Asset Management	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Victor Antonio Roldan Ferrer	Head of Corporate Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454