

AMIA – Mexico’s auto industry is speeding up

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- **The Mexican Association of Car Producers (AMIA) released its monthly auto-industry report for April**
- **Total vehicle production (April): 283,392 (14.3% yoy)**
- **Vehicle exports (April): 233,515 (15.4% yoy)**
- **Domestic sales (April): 94,796 (23.3% yoy)**
- **We believe that the auto industry will continue to gain momentum**

Auto production increased 14.3% yoy in April. According to AMIA’s report published today, car production increased 14.3% yoy in April. Today’s figure was explained by an improvement in the production for both domestic and external markets. Moreover, vehicle exports expanded 15.4% yoy, while domestic retail sales edged-up 23.3% yoy, as shown in the table below.

Car industry in April 2015

	Apr'15	Apr'14	Jan-Apr'15	Jan-Apr'14
Total Production	14.3	3.9	10.7	5.8
Retail	23.3	-8.0	22.2	-0.8
Exports	15.4	9.0	14.0	8.7

Source: AMIA, Banorte-ixe

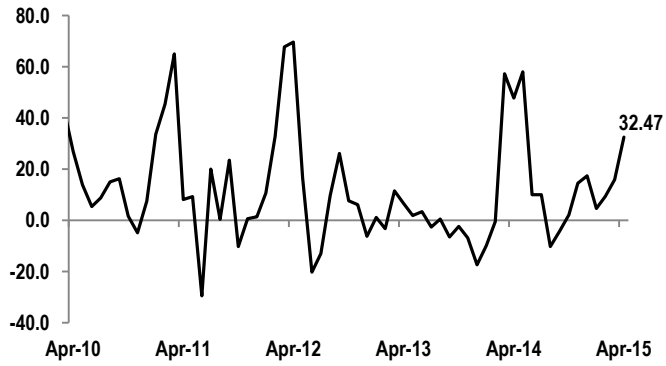
Exports and retail sales are speeding up. In seasonally adjusted terms, Mexico’s auto production increased 1.9% m/m. Moreover, retail auto sales edged up 3% m/m, while exports grew 2.9% m/m. With these figures, auto production increased 32.5% 3m/3m saar. Moreover, exports expanded 23.8% 3m/3m saar, while retail sales grew 20.6% 3m/3m saar (refer to the charts on the next page).

We believe that auto-industry will continue to gain momentum. The latest trade balance figures in Mexico suggest that the auto-sector is on its way to a rapid recovery. In this regard, we believe that the Mexican auto-industry will continue gaining momentum given the following factors: (1) A significant recovery in external demand given the downward trend in gasoline prices; (2) the recent and significant depreciation of the Mexican currency, which will translate into stronger growth dynamics for the auto-exports; and (3) the better growth prospects for domestic demand which will reflect in a higher growth in domestic car sales.

We also highlight that Mexico’s vehicle production is now the second largest in LATAM on the back of: (1) Recent investments made in steel and plastic industries; (2) better retail sales dynamics in auto-firms within Mexico; (3) larger truck exports to the U.S.; and (4) higher foreign investments in the auto-parts sector given the relative competitive advantages of Mexico’s economy.

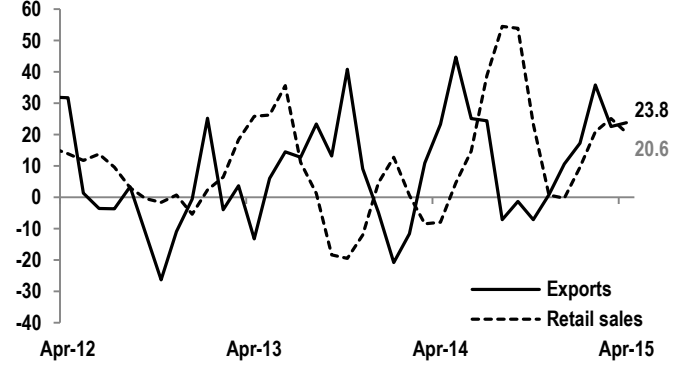
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Auto production
% 3m/3m saar



Source: Banorte-Ixe; AMIA

Exports and retail vehicle sales
% 3m/3m saar



Source: Banorte-Ixe; AMIA

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