

## Consumer confidence – Seasonally adjusted figures reflect a strong recovery in November

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- **Consumer confidence (November): 92.5 points; Banorte-Ixe: 90.8; consensus: 92 (range of estimates: 89.7 to 92.4 points); previous: 91.3**
- **Consumer confidence fell 0.4% yoy in November...**
- **...however, in seasonally adjusted terms, consumer confidence posted a 1.2% m/m expansion**
- **We believe that the hike in consumer sentiment was explained by the better growth prospects of the Mexican economy, the recovery of the labor market, and the downward trend in inflation**
- **We believe that today's figure confirms that consumer confidence is beginning to recover**

**Consumer confidence fell 0.4% yoy in November.** According to Banxico's and INEGI's report, consumer confidence stood at 92.5 points in November, above our 90.8 points estimate (consensus: 92pts). The difference between today's figure and our forecast was explained by the 1.8% yoy hike in the purchasing power component as a result of the downward trend in inflation (refer to the table below).

Taking a look at the breakdown, we highlight the contraction in consumers' perspectives regarding the household's present and future economic outlook (-0.8% and -1.8%, respectively). Moreover, consumers' perspectives regarding the country's current economic conditions increased 2.4%, while expectations for the country's future economic outlook fell 3.2% yoy, as shown in the table below.

### Consumer confidence: November 2015

nsa index

nsa	Nov-15	Nov-14	%yoy
<b>Headline index</b>	92.5	92.9	-0.4
<b>Household's</b>			
Current conditions	98.7	99.5	-0.8
Expectations	99.5	101.3	-1.8
<b>National</b>			
Current conditions	90.1	88.0	2.4
Expectations	87.1	90.0	-3.2
<b>Household's purchasing power</b>	87.1	85.5	1.8

Source: INEGI

**In seasonally adjusted terms, consumer confidence increased 1.2% m/m.** Taking a look at the breakdown, consumers’ perspectives regarding the household’s present and future economic outlook edged-up 0.2% and 0.5% m/m. Moreover, consumers’ perspectives regarding the country’s current economic conditions increased 2.9% m/m, while expectations for the country’s future economic outlook fell 0.6% m/m. Finally, the purchasing power component posted a 0.3% m/m expansion (refer to the table below).

**Consumer confidence: November 2015**

sa index

sa	Nov-15	Oct-15	%m/m
<b>Headline index</b>	93.0	91.9	1.2
<b>Household's</b>			
Current conditions	98.7	98.5	0.2
Expectations	99.1	98.6	0.5
<b>National</b>			
Current conditions	91.6	89.0	2.9
Expectations	88.7	89.2	-0.6
<b>Household's purchasing power</b>	85.3	85.1	0.3

Source: INEGI

**We believe that today’s figure confirms that consumer confidence is beginning to recover.** Consumers’ perspectives regarding the household’s present and future economic outlook have shown a much more visible recovery given the better growth prospects for the Mexican economy and the labor market. Moreover, the downward trend in inflation has translated into higher levels in confidence and spending, which have been reflecting in the surge in the purchasing power component. We believe that this trend will continue during the fourth quarter and will possibly extend to the first quarter of 2016.

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