

Family remittances – U.S. labor market supports 8.3% yoy growth in April

June 1, 2016

www.banorte.com
www.ixe.com.mx
@analisis_fundam

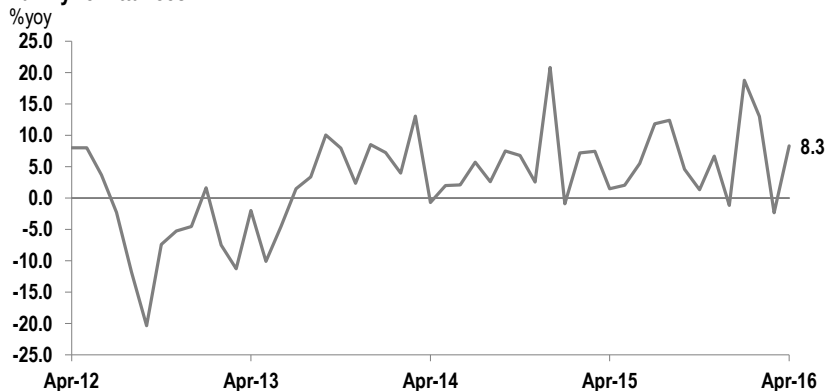
Alejandro Cervantes
Senior Economist, Mexico
alejandro.cervantes@banorte.com

- **Remittances (April): US\$ 2,173.4 million; Banorte-Ixe: US\$ 2,117 mn; consensus: US\$ 2,140.5 mn (range of estimates: US\$ 2,050 mn to US\$ 2,333.5 mn); previous: US\$ 2,200.8 mn**
- **We believe that the 8.3% expansion in April’s remittances was explained by the favorable growth dynamics of the U.S. labor market, which has induced a higher number of employed Mexican migrant workers**
- **We continue to expect a 5.5% growth of family remittances throughout the year**

Family remittances increased 8.3% yoy in April. According to Banxico, the flow of remittances sent during the fourth month of the year amounted to US\$ 2,173.4 million, which implies an 8.3% yoy expansion. Moreover, the number of operations stood at 7.4 mn (+9.7% yoy) with an average amount of US\$ 293.8 (-1.3% yoy).

We highlight that April’s growth was probably explained by the favorable growth dynamics of the U.S. labor market, which has induced a higher number of employed Mexican migrant workers. In this regard, and as we have mentioned in our last two remittances notes, the number of employed Mexican migrant workers with citizenship has increased dramatically (+352.5 thousand new jobs), while the number of employed Mexican migrants in U.S. without citizenship fell by 272,547 workers during the first four months 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). This could be explained by two factors: (1) The Mexican migrant population in the U.S. without citizenship has accelerated the process to acquire its citizenship given the primary presidential elections outcomes for the Republican Party; and (2) U.S. employers have shown a preference for hiring legal migrant workers.

Family remittances



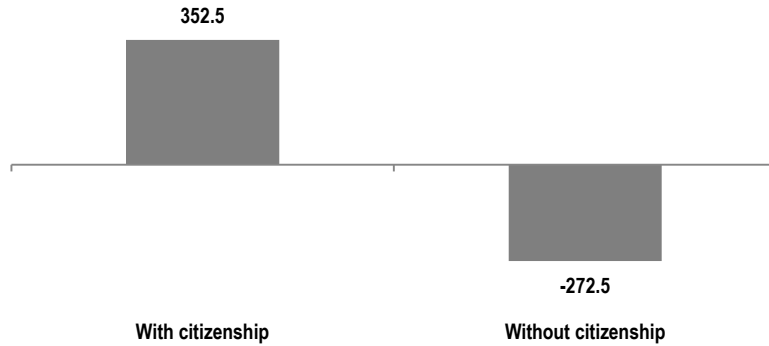
Source: Banco de México

Document for distribution among public

We expect a 5.5% growth of family remittances during throughout the year. Given the recent dynamics of the U.S. labor market for Mexican migrants, we believe that the remittances flows will continue to grow above 5% throughout the year. In particular, remittances inflows could increase dramatically as the U.S. elections approaches, if the differential between the Republican and the Democratic Party narrows.

New jobs for Mexican migrant workers in the US: January-April 2016

Thousands, seasonally adjusted



Source: Banorte

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
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

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