

## Family remittances reached a new record high for January

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- **Remittances (January): US\$ 2,055.2 mn; Banorte-Ixe: US\$ 2,023.1 mn; consensus: US\$ 2,067.8 mn (range of estimates: US\$ 1,947 mn to US\$ 2,190 mn); previous: US\$ 2,336.4 mn**
- **Family remittances reached a new record high for any January since Banxico first started to report this inflows**
- **We believe that the 6.3% growth in remittances flows was explained by the 6.2% depreciation of the Mexican currency during the first three weeks of 2017**
- **Looking ahead, we believe that the flow of remittances will continue to be influenced by Trump's anti-immigration policy**

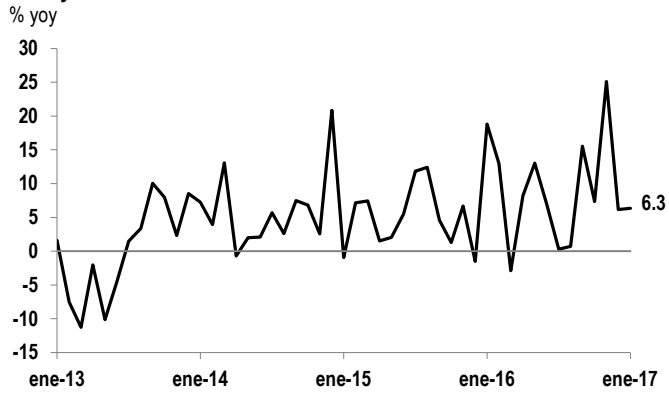
**Family remittances reached a new record high.** According to Banxico, the flow of remittances sent during the first month of 2017 amounted to US\$ 2,055.2 million (Banorte-Ixe: US\$ 2,023.1 million), which implies a 6.3% yoy expansion. In addition, the number of operations stood at 7 million (+7.7% yoy) with an average amount of US\$ 295.2 (-1.3% yoy). We highlight that today's figure was the highest inflow registered for any January since Banxico first started to report this statistic (refer to the charts on the next page).

In this regard, we believe that today's expansion was explained by the 6.2% depreciation of the Mexican currency during the first three weeks of the year, given that the flow of remittances in the short-term is very sensitive to high fluctuations in Mexican peso. In particular, a sharp depreciation may encourage Mexican migrant workers to increase their remittances, given that the purchasing power of the amount remitted is greater in Mexico than in the U.S. However, while Trump's anti-immigration policy did have a positive impact on January's remittances, we consider this effect to be relatively minor, as the deportations of Mexican migrants began just after inauguration day.

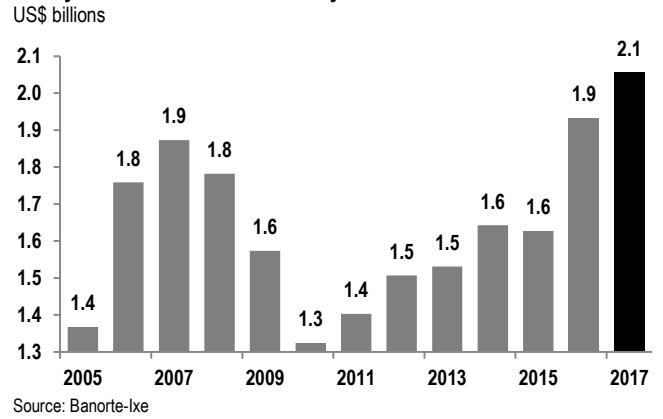
**Looking ahead, we believe that the flow of remittances will continue to be influenced by Trump's anti-immigration policy.** We continue to believe that the growth of remittance inflows will be determined by Trump's anti-immigration policy, which has accentuated after inauguration day, particularly after the Department of Homeland Security released the memos regarding the procedures to expedite deportations. In this context, we believe that Mexican migrant workers without citizenship are probably discounting a higher probability of being deported, which will translate in a higher growth of remittances inflows.

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### Family remittances



### Family remittances sent in January



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