

Consumer confidence maintains and upward trend in November

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- **Consumer confidence (November): 89.3 points; Banorte-Ixe: 88.3; consensus: 88 (range of estimates: 87 to 88.3 points); previous: 88.2 points**
- **Consumer confidence posted a 5.7% yoy expansion**
- **In seasonally adjusted terms, consumer sentiment increased by 1% m/m**
- **We believe that consumer sentiment was influenced by Mexico’s “*El Buen Fin*” (Mexican Black Friday), given the expectations of higher discounts**
- **Looking ahead, we expect a marginal expansion in consumer confidence**

Consumer confidence increased 1% m/m. According to Banxico and *INEGI*'s report, consumer confidence stood at 89.3 points in November, above our 88.3 forecast (consensus: 88 points). This implies a 5.7% yoy expansion. In seasonally adjusted terms, consumer confidence posted a 1% m/m expansion.

Taking a look at the breakdown, consumers' expectations regarding the country's present conditions increased a scant 0.1% m/m, while future remained unchanged. In addition, expectations regarding the household's present and future economic conditions posted a marginal 0.2% and 0.1% m/m expansion. Moreover the purchasing power component posted a significant 2.3% m/m growth, probably as a result of “*El Buen Fin*” (Mexican Black Friday), given the expectations of higher discounts for this year's.

Consumer confidence: November 2017

Seasonally-adjusted index

	Nov-17	Oct-17	% m/m
Headline index	88.8	87.9	1.0
Household's			
Current conditions	98.3	98.1	0.2
Expectations	97.9	97.8	0.1
National			
Current conditions	79.7	79.6	0.1
Expectations	78.5	78.5	0.0
Household's purchasing power	89.3	87.3	2.3

Source: INEGI

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We expect a marginal growth in consumer confidence. November's report supports our view that consumer sentiment will continue to marginally recover as a result of the following factors: (1) The relative stability of the Mexican currency; and (2) the static behavior of the still regulated gasoline prices. However, we believe that the recovery of consumer sentiment will be bounded by the upward trend in inflation.

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