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Latam Daily: Mexico's September Industrial Activity and October Consumer Confidence

- **Mexico: Industrial activity fell in September due to mining and construction, while consumer confidence rose in October**

In September, industrial activity showed a decline of -0.4% y/y from -0.9% the previous month, which was revised to -0.4%. This was due to a drop in mining of -4.5% (-1.2% previously) and a decrease in construction of -2.3% compared to -4.5% previously. On the other hand, the generation, transmission, and distribution of electric power grew by 1.2% (2.2% previously) and manufacturing increased by 0.8% (0.1% previously). In the monthly comparison, the index increased by 0.6% from a contraction of -0.5% m/m, with seasonally adjusted monthly figures. Manufacturing increased by 1.0%, generation, transmission, and distribution of electric power fell by -1.1%, while construction grew by 0.7%. From January to September, the index has an annual increase of 1.0%, compared to the same period last year (chart 1).

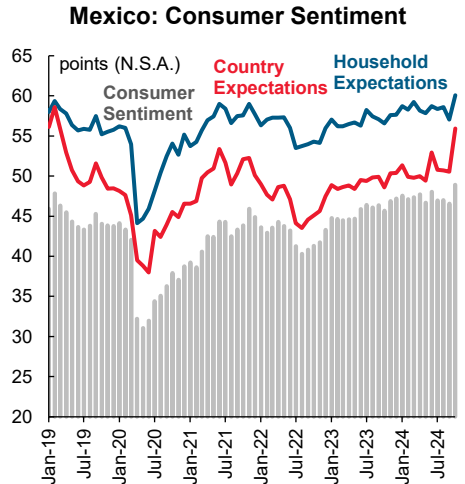
In October, consumer confidence increased to 49.4 points (+2.0 points) with seasonally adjusted series. Within it, all five components showed monthly raises. The current situation of households expanded to 52.6 (+0.4 points) and household expectations increased to 60.8 (+3.1 points). The current economic situation of the country was 46.2 (+1.7 points), while country expectations boosted to 55.4 (+4.2 points). Finally, the possibility of purchasing durable goods was at 31.6 (+0.8 points). This indicator reflects an improvement in consumer outlook in October, both for household and the country's economy in general. This reading has surprised analysts, who were expecting a deterioration due to lower economic activity for the rest of the year (chart 2).

Chart 1



Sources: Scotiabank Economics, INEGI.

Chart 2



Sources: Scotiabank Economics, INEGI.

—Rodolfo Mitchell & Brian Pérez

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