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Chart 1



Sources: Scotiabank Economics, INEGI.

## Latam Daily: Mexico Retail Sales Drop Again; Peru Mining Investment Down in September

- **Mexico: Sales dropped in September, suggesting weakness in consumption**
- **Peru: Mining investment declined in September due to base effects**

### MEXICO: SALES DROPPED IN SEPTEMBER, SUGGESTING WEAKNESS IN CONSUMPTION

In September, retail and wholesale activity signaled a further contraction in consumption. Retail sales dropped for the fifth consecutive month, this time by -1.5% y/y (vs -1.2% expected, -0.8% previously). This decline was driven by significant decreases in hardware items (-6.4%), stationery, recreational items, and other personal use articles (-5.4%), as well as health-related items (-4.7%). On the other hand, retail sales through internet, printed catalogs, television, and similar channels increased by 16.1%. Moreover, wholesale trade sales plummeted by -13.5% y/y, continuing its declining trend since December 2023, owing to drops of -34.6% in brokerage and -20.1% in agricultural and forestry raw materials (chart 1). Looking ahead, the adverse and uncertain economic environment of the second half of the year has impacted new downward revisions to GDP forecasts for 2024 and 2025, as investments drop and job creation decelerates, resulting in stalling consumption, although still positive. Also, wholesale could remain in negative territory as companies reduce their inventories in face of moderating demand.

—Rodolfo Mitchell, Brian Pérez & Miguel Saldaña

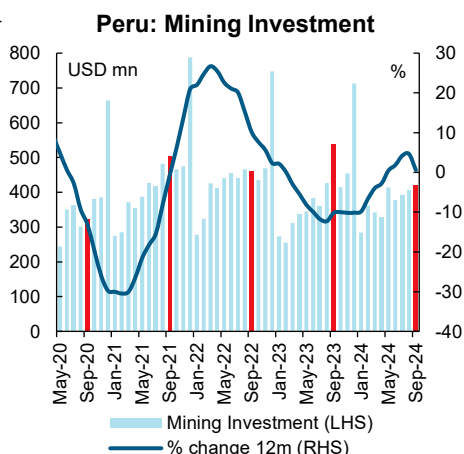
### PERU: MINING INVESTMENT DECLINED IN SEPTEMBER DUE TO BASE EFFECTS

Mining investment fell by 21.8% year-on-year (y/y) in September, but there was a monthly increase of 3.2%. The decline was mainly due to base effects from the increase in investment in the beneficiation plant sector in September 2023. Cumulative from January to September, investment rose 2.7% y/y (chart 2).

In September, the lower investment came from Antamina (-46.9% y/y) and Southern Peru (-1.6% y/y), who had increased their investment in their “Huincush” Beneficiation Plant and “Acumulación Aquiles 101” Beneficiation Plant, respectively, the previous year. On the other hand, Anglo American’s investment continued to decline (-84.7% y/y), after finishing its project Quellaveco. The mining companies that increased their investment were: Las Bambas (+51.3% y/y) due to the development of its Chalcobamba project (phase 1), Buenaventura (+36.2% y/y), and Chinalco (+57.1% y/y) due to the development of brownfield projects, and Cerro Verde (+10.8%) which continues to increase its investment following the approval of its technical report in early June (table 1).

Mining output increased 1.7% YoY in September but showed mixed results. Copper production decreased 1.2% y/y, with the largest declines recorded by Quellaveco (-21.2% y/y) and Marcobre (-22.7% y/y) due to lower ore grades reported in their quarterly results. Output also fell at Cerro Verde (-11% y/y), Antamina (-6.7% y/y), and Hudbay (-14% y/y). These companies represent 50% of the copper production. Zinc output continued falling (-15.0% y/y), marking six consecutive months of contraction due to a lower mineral ore grade. There were also small declines in the production of gold (0.3% y/y), lead (-1.0% y/y), and iron (-0.3% y/y).

Chart 2



Sources: Scotiabank Economics, Peru Ministry of Energy and Mines.

**Table 1: Peru - Top 20 Mining Companies by Investment Amount (USD)**

Company	September			January-September			Share
	2023	2024	% change y/y	2023	2024	% change y/y	
COMPAÑIA MINERA ANTAMINA S.A.	81,660,371	43,395,663	-46.9%	388,627,671	391,009,047	0.6%	10.3%
MINERA LAS BAMBAS S.A.	30,331,909	45,885,944	51.3%	145,284,097	287,667,395	98.0%	10.9%
ANGLO AMERICAN QUELLAVECO S.A.	138,596,879	21,234,216	-84.7%	420,242,790	270,941,169	-35.5%	5.1%
SOCIEDAD MINERA CERRO VERDE S.A.A.	24,396,841	27,041,936	10.8%	195,776,236	252,629,263	29.0%	6.4%
SOUTHERN PERU COPPER CORPORATION SUCURSAL DEL PERU	24,969,688	24,557,947	-1.6%	237,745,435	216,843,588	-8.8%	5.9%
COMPAÑIA DE MINAS BUENAVENTURA S.A.A.	18,052,562	24,590,642	36.2%	109,865,476	182,685,864	66.3%	5.9%
MINERA CHINALCO PERU S.A.	11,622,897	18,265,253	57.1%	103,808,278	174,753,915	68.3%	4.4%
SHOUGANG HIERRO PERU S.A.A.	23,736,406	23,181,729	-2.3%	153,081,838	156,014,343	1.9%	5.5%
COMPAÑIA MINERA PODEROSA S.A.	11,557,970	13,658,463	18.2%	94,280,436	112,587,927	19.4%	3.3%
COMPAÑIA MINERA ANTAPACCA Y S.A.	8,663,039	17,303,209	99.7%	64,590,671	85,683,947	32.7%	4.1%
MINSUR S.A.	8,313,799	12,996,787	56.3%	60,697,415	76,960,265	26.8%	3.1%
COMPAÑIA MINERA ARES S.A.C.	6,587,878	7,662,930	16.3%	57,943,492	69,971,622	20.8%	1.8%
VOLCAN COMPAÑIA MINERA S.A.A.	10,529,928	9,838,624	-6.6%	79,622,425	67,697,539	-15.0%	2.3%
HUBBAY PERU S.A.C.	8,540,929	8,247,237	-3.4%	75,961,775	60,291,709	-20.6%	2.0%
PAN AMERICAN SILVER HUARON S.A.	4,786,704	5,305,307	10.8%	20,564,548	55,679,748	170.8%	1.3%
MINERA YANACOCHA S.R.L.	31,992,952	4,634,181	-85.5%	204,090,433	53,700,432	-73.7%	1.1%
NEXA RESOURCES EL PORVENIR S.A.C.	7,069,068	3,313,319	-53.1%	39,346,627	47,477,626	20.7%	0.8%
MARCOBRE S.A.C.	7,874,165	5,603,610	-28.8%	72,978,478	47,381,345	-35.1%	1.3%
NEXA RESOURCES PERU S.A.A.	4,997,825	4,264,562	-14.7%	35,491,573	33,311,052	-6.1%	1.0%
COMPAÑIA MINERA RAURA S.A.	1,106,942	1,807,299	63.3%	15,289,901	30,523,044	99.6%	0.4%
Others	71,444,421	96,953,904	35.7%	680,338,756	668,879,250	-1.7%	23.1%
Total Investment	536,833,173	419,742,762	-21.8%	3,255,628,351	3,342,690,090	2.7%	100.0%

Sources: Scotiabank Economics, Peru Ministry of Energy and Mines.

On the positive side, silver output increased 14.7% y/y in the month, driven by Buenaventura’s significant growth (+422% y/y) due to its recent Yumpag project, which began production in March, and is expected to increase the production of its Uchucchacua mine significantly. Tin output by Minsur increased 7.8% y/y, attributed to higher ore grades. Molybdenum production increased 34.7% y/y, driven by high contributions from Southern Peru (+39.8% y/y) and Cerro Verde (+16.0% y/y), due to higher ore grades (table 2).

**Table 2: Peru - Mining Output (% change y/y)**

	Copper MT	Gold oz	Zinc MT	Silver oz	Lead MT	Iron MT	Tin MT	Molybdenum MT
September 2024	-1.2	-0.3	-15.0	14.7	-1.0	-1.9	7.8	34.7
Jan-Sep 2024	-0.6	9.7	-11.7	16.0	8.4	1.1	39.5	30.8

Sources: Scotiabank Economics, Peru Ministry of Energy and Mines.

—Katherine Salazar

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