Scotiabank

GLOBAL ECONOMICS

LATAM DAILY

November 28, 2024

Contributors

Juan Manuel Herrera

Senior Economist/Strategist Scotiabank GBM +44.207.826.5654 juanmanuel.herrera@scotiabank.com

Guillermo Arbe, Head Economist, Peru +51.1.211.6052 (Peru) guillermo.arbe@scotiabank.com.pe

Jackeline Piraján, Head Economist, Colombia +57.601.745.6300 Ext. 9400 (Colombia) jackeline.pirajan@scotiabankcolpatria.com

Jorge Selaive, Head Economist, Chile +56.2.2619.5435 (Chile) jorge.selaive@scotiabank.cl

Eduardo Suárez, VP, Latin America Economics +52.55.9179.5174 (Mexico) esuarezm@scotiabank.com.mx

TODAY'S CONTRIBUTORS:

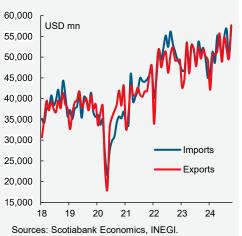
Rodolfo Mitchell, Director of Economic and Sectoral Analysis +52.55.3977.4556 (Mexico) <u>mitchell.cervera@scotiabank.com.mx</u>

Brian Pérez, Quant Analyst +52.55.5123.1221 (Mexico) bperezgu@scotiabank.com.mx

Miguel Saldaña, Economist +52.55.5123.1718 (Mexico) msaldanab@scotiabank.com.mx

Chart 1

Mexico: Exports and Imports



Latam Daily: Mexico's Strong Export Performance Alongside October Trade Balance Surplus

 Mexico: October trade balance surplus surpasses expectations with strong export performance

INEGI released October's trade balance, showing a surplus. In the tenth month of the year, it stood at \$370 million USD, higher than the anticipated -\$748 million USD and -\$578.9 million USD recorded in September. Details highlight an annual increase in exports of 11.2% y/y and a 9.7% rise in imports. Exports totaled \$57.671 billion USD, of which \$55.288 billion USD were non-oil exports (+13.5% y/y), with manufacturing exports amounting to \$52.495 billion USD (+13.2%), and automotive exports show an increase of 6.1% annually. On the other hand, imports totaled \$57.300 billion USD, with \$54.058 billion USD being non-oil imports (+12.0%). Within these, intermediate goods rose by 11.6%, while imports of capital goods and consumer goods increased by 5.8% and 3.1%, respectively. On a year-to-date cumulative basis, the trade balance holds a \$10.645 billion USD deficit as exports stood at \$513.4 billion USD while imports accounted for \$524.0 billion USD, representing both cumulative YTD increases of 4.0%.

Towards the end of the year, the strength in automotive exports is expected to continue, at least until Trump's threats of imposing tariffs materialize. On the other hand, the recent MXN depreciation and weaker economic activity could also slow imports in the coming months amid higher uncertainties. Furthermore, the anticipated global economic slowdown and fluctuations in commodity prices could also impact the growth rate of Mexican trade, affecting both imports and exports.

-Rodolfo Mitchell, Brian Pérez & Miguel Saldaña

November 28, 2024

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a "call to action" or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including; Scotiabank Europe plc; Scotiabank (Ireland) Designated Activity Company; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorized by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorized by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, and Scotia Inverlat Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.

Global Economics 2