

WEEKLY ECONOMIC REPORT

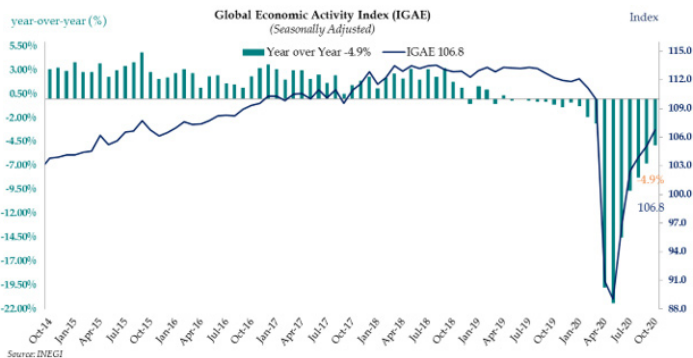
December 24, 2020.

Continuous Economic Recovery

Economic Indicators

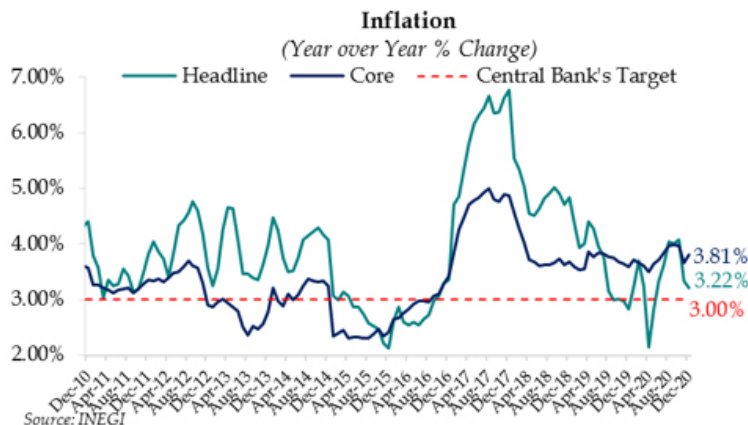
Global Economic Activity Index (IGAE)

IGAE registered its fifth consecutive month with monthly increases in October. On this occasion, it increased 1.6% compared to November mainly driven by the secondary sector, which rose 2.0%. The primary activities grew 0.8%, while tertiary activities rose only 0.7%. In annual terms, the IGAE had a (-)4.9% annual contraction. Going forward, November is expected to be positive; however, in December and January 2021, a monthly contraction is likely expected following the red traffic light of covid-19 in various country states.



Inflation

The National Consumer Price Index (INPC) registered a 0.34% increase in the first half of December compared to the last half of November and a 3.22% annual inflation. The above is the lowest level since the second half of May when annual inflation was 2.85%. Regarding core inflation, merchandise reversed its downward trend and experienced a rebound (5.52%). Meanwhile, services continued to slow down to 1.95%, its lowest of the year. Regarding non-core inflation, the dynamism in agriculture slowed down, and the inflation rate of this index was 5.31%; the energy index experienced a (-)1.30% deflation.



National Survey of Occupation and Employment

INEGI reported a decrease of 226 thousand people in the Economically Active Population (EAP), going from 55.6 million in October to 55.4 million. This population consists of people aged 15 years and over who carried out some economic activity (employed population) or who actively sought to do so (in the last week of the reference month), and they were not linked to any economic activity (unemployed population). Therefore, from the 12 million people who left the EAP in April due to the coronavirus pandemic, 9.9 million people have reincorporated to the EAP.

Trade Balance

November's trade balance registered a US\$3.03 billion surplus, which leaves the Year-to-Date ("YTD") at US\$28.21 billion surplus. The value of merchandise exports was US\$38.32 billion, a 2.3% annual growth; this figure represents the third consecutive month with annual increases in merchandise exports. In contrast, imports totaled US\$35.28 billion, a (-)3.9% Year-over-Year decline. Noteworthy, since August 2019, the value of imports has contracted steadily, and November 2020 represented its sixteenth month with annual falls.

| | 2019 | % of Total | Annual Change | 2020 YTD | % of Total | Annual Change | Nov-20 | % of Total | Annual Change |
|----------------------|---------|------------|---------------|-----------|------------|---------------|--------|------------|---------------|
| Exports | | | | | | | | | |
| Total Exports | 469,704 | 100.0% | 2.2% | 374,907 | 100.0% | -11.2% | 35,320 | 100% | 2.3% |
| Oil | 25,842 | 5.6% | -15.63% | 15,435 | 4.1% | -34.4% | 1,529 | 4.0% | -17.1% |
| Crude Oil | 22,409 | 4.9% | -15.77% | 12,806 | 3.4% | -37.2% | 1,339 | 3.5% | -19.5% |
| Others | 3,433 | 0.7% | -16.05% | 2,549 | 0.7% | -15.5% | 170 | 0.4% | 7.7% |
| Non-Oil | 434,862 | 94.4% | 3.52% | 359,072 | 95.9% | -9.9% | 36,791 | 96.0% | 3.3% |
| Agricultural | 17,840 | 3.9% | 8.07% | 16,800 | 4.5% | 4.9% | 1,565 | 4.1% | 1.1% |
| Mining | 6,159 | 1.3% | -0.69% | 6,727 | 1.8% | 20.1% | 764 | 2.0% | 47.2% |
| Manufacturing | 410,814 | 89.2% | 3.38% | 335,465 | 89.6% | -11.0% | 34,461 | 89.9% | 2.7% |
| Automotive Industry | 147,757 | 32.1% | 3.92% | 109,729 | 29.3% | -19.3% | 11,005 | 31.3% | -1.1% |
| Others | 263,077 | 57.1% | 3.10% | 225,736 | 60.3% | -6.3% | 22,456 | 58.6% | 4.8% |
| Imports | | | | | | | | | |
| Total Imports | 2,019 | 100.0% | -1.9% | 1,466,292 | 100% | -17.5% | 35,288 | 100% | -3.9% |
| Oil | 47,207 | 10.4% | -12.0% | 28,200 | 8.1% | -35.2% | 2,566 | 7.3% | -28.2% |
| Non-Oil | 408,088 | 89.6% | -2.7% | 318,092 | 91.9% | -15.4% | 32,722 | 92.7% | -1.2% |
| Consumption Goods | 49,892 | 9.6% | 0.5% | 30,826 | 8.9% | -23.5% | 3,654 | 10.4% | -6.8% |
| Intermediate Goods | 322,449 | 70.8% | 0.4% | 255,881 | 73.9% | -14.0% | 25,999 | 73.7% | 1.2% |
| Capital Goods | 41,797 | 8.2% | -8.9% | 31,386 | 9.1% | -15.0% | 3,030 | 8.6% | -12.9% |
| Trade Balance | | | | | | | | | |
| Trade Balance | 2,019 | | -17.1% | 28,214 | | 1140.4% | 3,032 | | N.A. |

Source: Mexico's Ministry of Economics
Amounts in Millions of Dollars



MONTHLY ECONOMIC REPORT

December 24, 2020.

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Definitions

Banco de México (Banxico): Is the central bank of Mexico. Its main function is to provide domestic currency to the Mexican economy and its main priority is to ensure the stability of the domestic currency's purchasing power.
COVID-19: The disease caused by the coronavirus, a family of viruses that were discovered in the 60s but whose origin is still unknown. Its different types cause different diseases, from a cold to a severe respiratory syndrome.
Spot Exchange Rate: Is the current price level in the market to directly exchange one currency for another, for delivery on the earliest possible value date.
The National Institute of Statistics and Geography (INEGI): Is a public body with technical and managerial autonomy, its own legal personality and assets, responsible for regulating and coordinating the National System of Statistical and Geographic Information.
Year to Date (YTD): Refers to the period of time beginning the first day of the current calendar year or fiscal year up to the current date.
Global Indicator of Economic Activity (IGAE): Allows to know and monitor the monthly evolution of the real sector of the economy.
The National Institute of Statistics and Geography (INEGI): Is a public body with technical and managerial autonomy, its own legal personality and assets, responsible for regulating and coordinating the National System of Statistical and Geographic Information.
National Consumer Price Index (INPC): It is an economic indicator whose purpose is to measure, over time, the variation in the prices of a basket of goods and services representative of the consumption of households in the country.

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