

Economic Analysis

# In November the IGAE shows a positive annual performance (2.8% YoY, sa)

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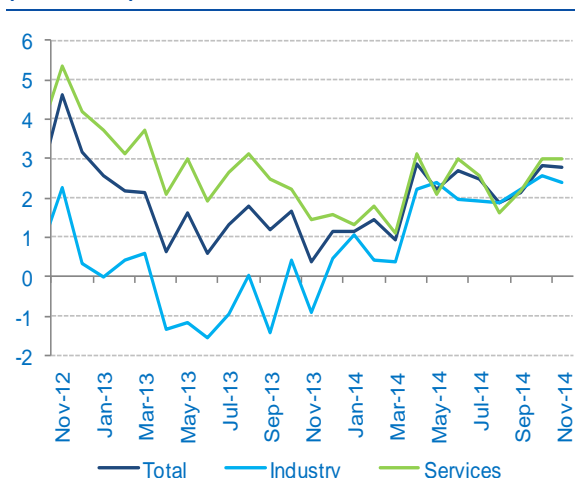
According to INEGI, Mexico's November the Global Economic Activity Indicator (IGAE) expanded 2.8% YoY sa. This increase, above our estimation (BBVA Research: 2.3% YoY, sa), was equivalent to 0.5% MoM sa. In original figures the IGAE showed an annual growth of 2.0%

This performance was driven by a YoY increase in services (3.0%, sa), industry (2.4%, sa) and agriculture (1.2%, sa).

November's IGAE had a 0.49% MoM sa growth. This positive result was mainly due to an increase in services and industry sectors (0.33% and 0.23% MoM, sa, respectively). Meanwhile, agriculture decreased 2.02% MoM, sa. There was also a review of past figures. This means a major boost to the economic performance of fourth quarter last year, though still within the parameters of a moderate growth in 2014.

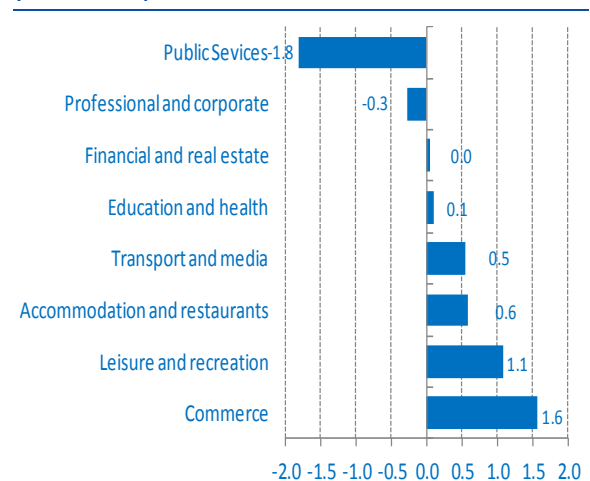
The dynamic growth of the components of IGAE, particularly performance of Services, indicates that the economy would achieve an economic growth as expected in 2014 (2.1%). We maintain our expectation of a gradual economic recovery and external impulse continuity for the coming months, linked to a more efficient use of public spending in infrastructure and due acceleration in the economic growth in the U.S.

Figure 1  
**IGAE and its components**  
(YoY %, sa)



Source: BBVA Research with INEGI data; sa = seasonally adjusted.

Figure 2  
**Services components, November 2014**  
(MoM %, sa)



Source: BBVA Research with INEGI data; sa = seasonally adjusted.

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