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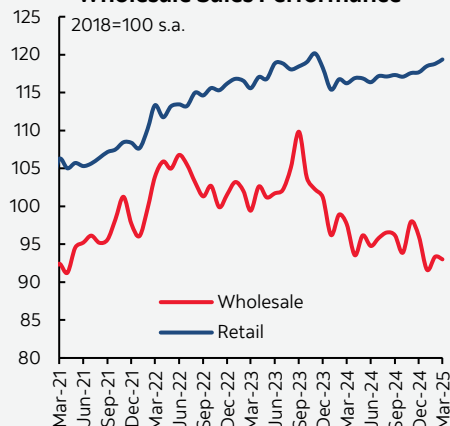
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Chart 1

Mexico: Retail & Wholesale Sales Performance



Sources: Scotiabank Economics, INEGI.

Latam Daily: Mexican Retail Sales Beat, Analysts Lower Banxico Rate Forecasts

- Mexico:** Retail sales surprised with a rebound, driven primarily by a surge in online sales; Analysts anticipate a 7.50% end-2025 Banxico rate

MEXICO: RETAIL SALES SURPRISED WITH A REBOUND, DRIVEN PRIMARILY BY A SURGE IN ONLINE SALES

In March, retail sales rebounded by 4.3% y/y (chart 1), following a -1.1% decline in February, marking the second positive month of the year. On a monthly seasonally adjusted basis, retail sales increased by 0.5%. The timing of Easter influenced the year-on-year gain, as workday-adjusted data show that retail sales climbed 2.6% (similarly, workday-adjusted sales rose 2.6% in February 2025 once leap-year effects are considered). With Easter having taken place in April in 2025 versus in March in 2024, the next print will likely see a deceleration in simple headline terms from the 4.3% in March. For the whole of 1Q25, retail sales climbed by 2% y/y in non-seasonally adjusted terms, their best performance and first positive reading since 4Q23.

By category, the most significant increase was in online sales, which rose by 17.1% (13.2% previously). Household appliances and computers increased by 13.9% (3.2% previously), stationery and recreational items jumped 10.4% (-0.2% previously), and motor vehicles rose 6.6% (-1.8% previously). Meanwhile, grocery and tobacco sales moderated to 1.1% (4.5% previously), among others.

On the other hand, wholesale trade declined by -1.3% y/y, improving from -7.0% previously, with four out of its seven components in negative territory. The steepest drop was seen in textiles, down -14.3% (-2.6% previously), while the largest increase was in intermediation, which rose 13.9% (-5.9% previously). Wholesale sales fell by -0.4% m/m, compared to -1.9% previously.

ANALYSTS ANTICIPATE A 7.50% END-2025 BANXICO RATE

Yesterday afternoon, Citi released its latest expectations survey, highlighting that analysts revised down Banxico's target interest rate from 7.75% to 7.50% for the end of 2025, while keeping it at 7.00% for 2026. Meanwhile, regarding the exchange rate, the median forecast by analysts was revised downward, and they now anticipate it will close 2025 at \$20.69 pesos per dollar, down from \$20.80. For 2026, they expect it to reach \$21.00 pesos, compared to \$21.23 in the previous publication. As for GDP, growth estimates were maintained at 0.1% for 2025 and 1.5% for 2026. Finally, the median of respondents revised upward their forecasts for headline and core inflation, from 3.80% to 3.85% and from 3.81% to 3.90%, respectively, at end-2025. For end-2026, the headline inflation median was revised downward from 3.80% to 3.77%, while core inflation views remained unchanged at 3.70%.

—Rodolfo Mitchell, Brian Pérez & Miguel Saldaña

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