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Latam Daily: Mexico Trade and Unemployment, Peru Credit Recaps

- **Mexico: Exports and imports rebound**
- **Peru: Total loans reinforce signs of recovery in June**

MEXICO: EXPORTS AND IMPORTS REBOUND

In June, Mexico's trade balance posted a surplus of 514 million USD, down from 1.23 billion USD the previous month. Exports accelerated on an annual basis, rising 10.6% (vs. -0.5% previously) to 54.0 billion USD (chart 1). This increase was mainly driven by non-automotive manufacturing exports, which surged 18.5%, while automotive exports rose more moderately by 4.5%. In contrast, agricultural exports declined by -2.2%, and oil exports dropped sharply by -30.4%. Imports also grew, albeit at a slower pace of 4.4%, reaching 53.5 billion USD. Within imports, which rose 4.4%, only intermediate goods showed annual growth (6.9%), while consumer goods fell slightly by -0.2%, and capital goods declined -8.4%, reflecting stagnant labour income and weak investment.

On a year-to-date basis, the trade balance remains in a surplus at 1.43 billion USD, with exports totaling 312.7 billion USD and imports at 311.3 billion USD, representing annual increases of 4.4% and 0.2%, respectively. Looking ahead, we expect exports to maintain a favourable pace, while imports may stagnate due to domestic uncertainty.

According to INEGI, in June 2025, the economic participation rate (the share of the population either employed or actively seeking work) stood at 59.8%, slightly above the 59.5% recorded in May and equal to the level observed in June 2024 (chart 2).

The unemployment rate came in at 2.7%, slightly below expectations and the previous month's 2.8%, as well as the same period last year. Meanwhile, the underemployment rate (the share of employed individuals seeking to work more hours) rose to 7.4%, up from 7.1% in May. Lastly, the informal employment rate stood at 54.8%, marginally below the 54.9% recorded the previous month. Despite unemployment remaining below its historical average, rising underemployment along with stagnant formal job employment figures previously released by IMSS (National Institute of Social Security) suggest some weakness in the labour market, also impacting the outlook for consumption for the coming months.

Chart 1

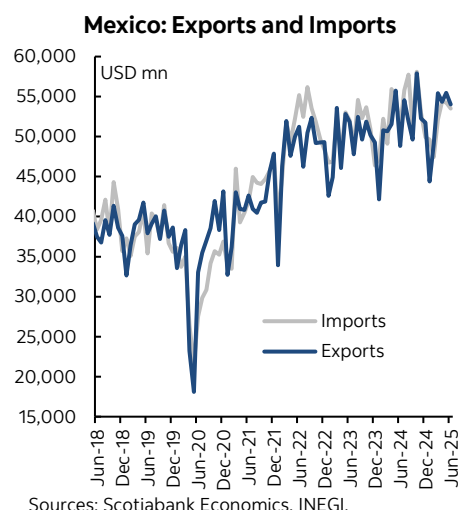
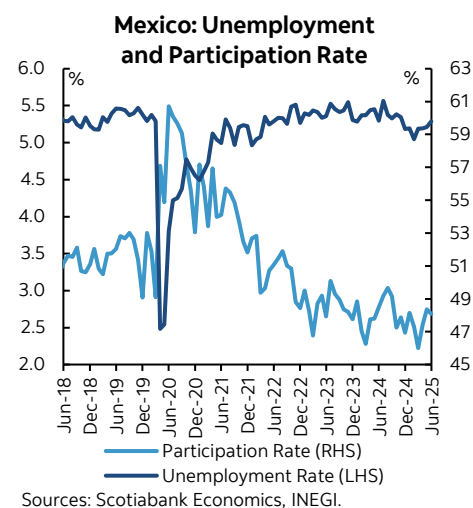


Chart 2



—Rodolfo Mitchell & Miguel Saldaña

PERU: TOTAL LOANS REINFORCE SIGNS OF RECOVERY IN JUNE

Total loans grew 2.4% y/y in June, above the 1.8% y/y recorded in May and so far this year, consolidating its recovery by remaining in positive territory for five consecutive months. Total loans continue to recover, driven by economic momentum, the strength of the labour market, as well as the influence of lower interest rates. Business loans grew 1.4% y/y, after falling for three months, and household loans grew 4.0% y/y in June, continuing with a strong uptrend (table 1).

Business loans continue to show signs of recovery, growing for four consecutive months. The monthly flow is more robust compared to the same month in subsequent years, reflecting the good performance of corporate and large loans growing 8.8% y/y in June and the recovery of loans of medium, small and micro businesses going from -11.0% y/y in May to -10.8% y/y in June (chart 3).

Household loans remain strong with an upward direction. Mortgage loans continue to be solid, maintaining growth above 5.0%. Consumer loans are beginning to show growth, after eleven months of contraction, growing 2.3% y/y in June. One factor that could affect the dynamics of consumer loans via amortization is another disbursement of funds, which so far has not been confirmed, but multiple bills have been presented that propose access to AFP funds (chart 4).

We expect total loans to continue recovering at a good pace and expand around 6.0% y/y by the end of the period. Business loans will show stronger growth in the coming months due to the base effect and trend of the data. We also expect that the good dynamics of the labour market and economic activity will sustain the growth of household loans. If it is the case that the release of pension funds is approved, it will probably affect the consumer loans for a few months.

Table 1: Peru - Loans Growth

| | m/m % change | y/y % change | 2025E |
|----------------------|--------------|--------------|------------|
| Business loans | 0.9 | 1.4 | 5.2 |
| Household loans | 0.7 | 4.0 | 5.1 |
| Onshore loans | 0.8 | 2.4 | 5.2 |

Sources: Asbanc, Scotiabank Economics.

Chart 3

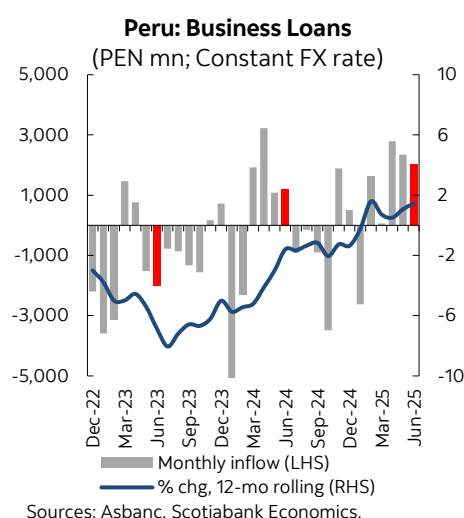
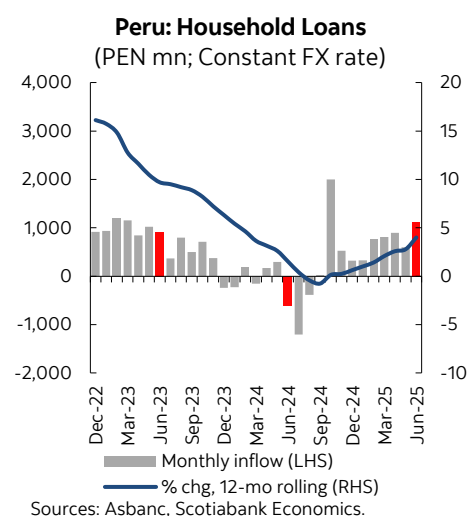


Chart 4



—Grecia Fajardo

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