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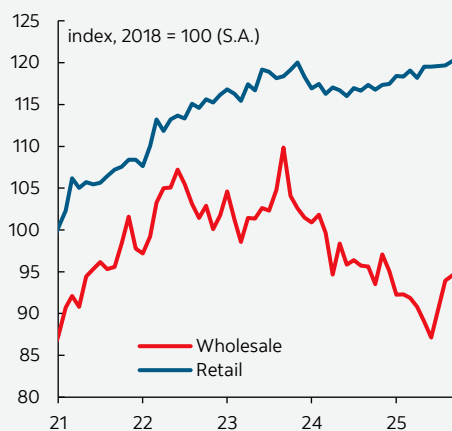
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Chart 1
Mexico: Retail and Wholesale Sales Indexes


Sources: Scotiabank Economics, INEGI.

Latam Daily: Mexican Retail Sales Stall, Peruvian 3Q GDP Details

- **Mexico:** Retail sales stall in September, wholesale receipts increase
- **Peru:** Private investment takes off amid absence of electoral turbulence

MEXICO: RETAIL SALES STALL IN SEPTEMBER, WHOLESALE RECEIPTS INCREASE

In September, according to the Monthly Survey on Commercial Enterprises (EMEC), retail sales showed no monthly growth in seasonally adjusted figures (chart 1), with a variation of 0.0%. Regarding employed personnel and average wages, they recorded changes of 0.1% and -0.2%, respectively. As for wholesale trade, total revenues increased by 2.5%, while employed personnel and average wages were revised downward, with figures of -0.2% and -1.2%, respectively. On an annual basis and in original figures, retail trade posted widespread increases: revenues grew by 3.3%, employed personnel by 1.0%, and average wages by 4.3%. Wholesale trade showed mixed signals, with a 2.4% increase in revenues, 1.1% in employed personnel, and -0.6% in average wages.

—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

PERU: PRIVATE INVESTMENT TAKES OFF AMID ABSENCE OF ELECTORAL TURBULENCE

- Private investment posted its highest quarterly growth rate since 2013, excluding the post-pandemic rebound.
- Improvements in employment and income, along with lower inflation, are driving the expansion of private consumption.
- The dynamism of mining and infrastructure investment is expected to sustain growth in 4Q25 despite the electoral cycle.

Domestic demand expanded by 5.9% in the third quarter of 2025 (3Q25), marking its seventh consecutive quarter of growth, according to data from the Central Reserve Bank (BCRP). This performance outpaced GDP growth of 3.4%, which was constrained by the modest increase in export volumes (table 1).

The sustained momentum in domestic demand was primarily driven by private expenditure. Private investment accelerated despite the proximity of the electoral period, supported by the advancement of mining projects and transportation infrastructure. Similarly, private consumption remained robust, underpinned by higher employment and income levels. Meanwhile, public spending registered a stronger pace of growth during 3Q25, reflecting increased public investment by regional and local governments.

For the fourth quarter (4Q25), we project that domestic demand will continue to expand, albeit at a slower pace, considering the base effect—it grew 6.4% in 4Q24 versus 3.0% in

Table 1: Peru - GDP and Domestic Demand (% Change y/y)

	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
Domestic Demand	3.0	6.4	6.2	5.1	5.9
Private Consumption	3.5	4.0	3.8	3.6	3.6
Public Consumption	3.9	-1.4	4.8	3.6	4.8
Private Investment	3.9	6.5	8.9	9.2	11.4
Public Investment	18.8	2.2	11.3	2.6	4.8
Change in Inventories (p.p.)	-1.4	2.7	0.8	0.4	0.4
Exports	13.2	5.2	9.5	3.3	1.9
Imports	8.1	12.3	17.3	12.9	10.7
GDP	4.2	4.5	4.0	2.6	3.4

Sources: Scotiabank Economics, BCRP.

3Q24. The most dynamic component is expected to remain private investment, as mining and infrastructure projects are less sensitive to the electoral cycle. In addition, private consumption will benefit from the start of payments associated with the eighth withdrawal of pension funds. Finally, we anticipate a moderation in public investment, particularly at the National Government level, given the Ministry of Economy's efforts to meet the fiscal deficit target.

Performance of Domestic Demand During 3Q25

Private investment (+11.4%) recorded its highest quarterly growth rate since 2013, excluding the post-pandemic rebound (chart 2). This positive trend was driven by higher mining investment (+23.9%), as elevated metal prices—such as copper and gold—have allowed mining companies to allocate larger investment budgets, while reduced social conflict has facilitated progress on projects like Tía María and San Gabriel. Likewise, non-mining non-residential investment stood out, supported by the execution of infrastructure projects such as Line 2 of the Lima Metro and initiatives across various sectors, including electricity, manufacturing, and telecommunications. Meanwhile, residential investment (+2.4%) grew for the third consecutive quarter, showing a gradual improvement in line with the recovery of household income—which has enabled greater spending on self-construction—along with the dynamism of formal real estate investment, boosted by the decline in mortgage interest rates.

Private consumption (+3.6%) continued the momentum observed since mid-2024, marking five consecutive quarters of growth above 3.5%. This positive performance was driven by higher employment—particularly in agro-export and services sectors—and increased income, especially among formal workers. Additionally, the downtrend in inflation supported consumers' purchasing power. Consumer credit also recovered in a context of declining delinquency rates and lower interest rates. The rebound in consumer confidence to pre-pandemic levels (chart 3), together with the start of payments associated with the eighth withdrawal of pension funds (AFPs), leads us to anticipate that the positive trend in private consumption will persist during 4Q25.

Public investment (+4.8%) accelerated its pace of expansion in 3Q25, supported by greater project execution by subnational governments. Local government investment (+22.2%) was driven by transportation and urban improvement works, particularly in the departments of Lima, Cajamarca, and Huánuco. Meanwhile, regional government investment (+7.9%) benefited from increased resources allocated to projects in health, education, sanitation, culture, and sports, especially in Ayacucho, Cajamarca, and Pasco. In contrast, National Government investment (-14.0%) was affected by reduced transfers of resources to projects executed by the National Infrastructure Authority (ANIN).

Public consumption (+4.8%) increased, led by higher spending on goods and services (+7.5%), notably Administrative Service Contracts (CAS), service outsourcing, and professional and technical services. Additionally, payments for wages rose (+3.5%), highlighting higher compensation granted to workers in the interior, defense, education, health, and justice sectors.

—Pablo Nano

Chart 2

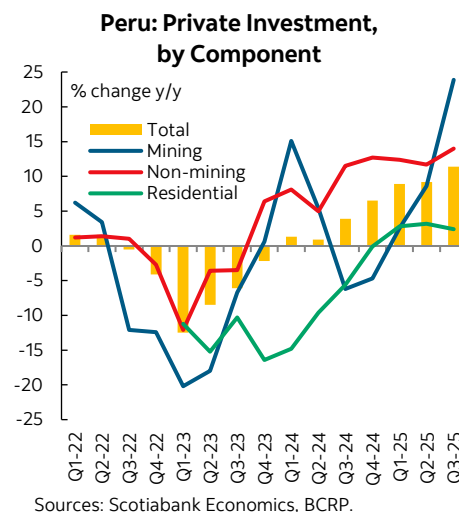
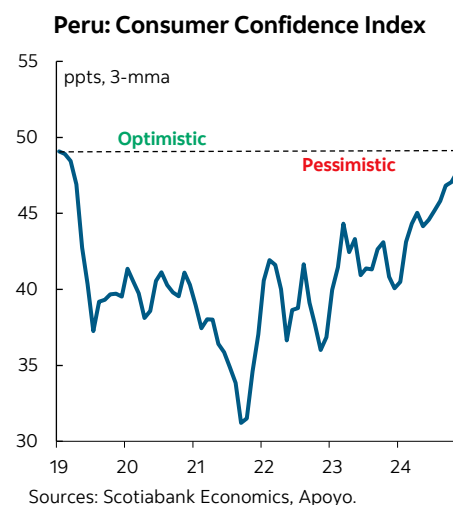


Chart 3



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