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## Latam Daily: Mexican Inflation Overshoots Estimates

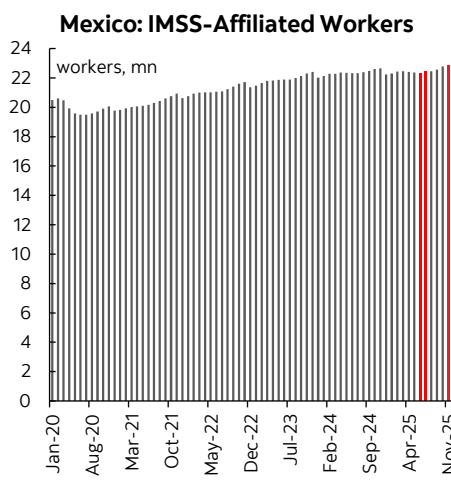
### • Mexico: Inflation surprises higher, while formal wages growth adds pressures

In November, headline inflation rose from 3.57% year-over-year in October to 3.80%, above the 3.70% consensus (chart 1). Core inflation increased to 4.43% from the previous 4.28% (4.33% consensus). Within core inflation, goods stood at 4.43% from 4.13% previously, its highest level of the year, while services declined marginally from 4.50% to 4.49%, with education and non-housing service prices remaining elevated. On the other hand, non-core inflation rebounded in the second half of November, rising from 1.29% to 1.73%, with widespread increases across its components. On a sequential biweekly comparison, headline inflation rose 0.66% from the previous 0.47% and expected 0.55%, while core inflation stood at 0.19% (0.04% previous, 0.12% expected).

Chart 1

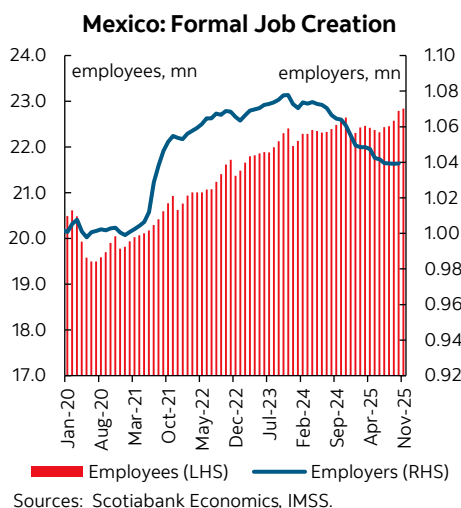


Chart 2



In November, the number of workers affiliated with the social security system increased by 48,595 positions, reaching a total of 22.84 million (charts 2 and 3). Over the past twelve months, this represents a cumulative increase of 194,130 jobs, equivalent to an annual variation of 0.9%, still weak, but marking the fastest pace of the year. Meanwhile, the mean salary stood at 624 MXN (US 33.70) per day, reflecting a nominal annual growth of 7.0%. This trend, combined with the announcement of a 13% increase in the minimum wage, suggests additional momentum for wages growth and consumption toward the end of 2025 and the beginning of 2026, representing a relevant factor for short-term economic activity. However, structural risks persist in the context of low investment and rising informality, meaning that the observed dynamism may be insufficient to broadly improve job quality. Thus, job creation will remain a key focus for the labour market and its impact on economic activity in the coming year.

Chart 3



—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

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