

Contributors

Juan Manuel Herrera, Senior Economist
+52.55.2299.6675 (Mexico)
juanmanuel.herrera@scotiabank.com

Jorge Selaive, Head Economist, Chile
+56.2.2619.5435 (Chile)
jorge.selaive@scotiabank.cl

Eduardo Suárez, VP, Latin America Economics
+52.55.9179.5174 (Mexico)
esuarezm@scotiabank.com.mx

TODAY'S CONTRIBUTORS:

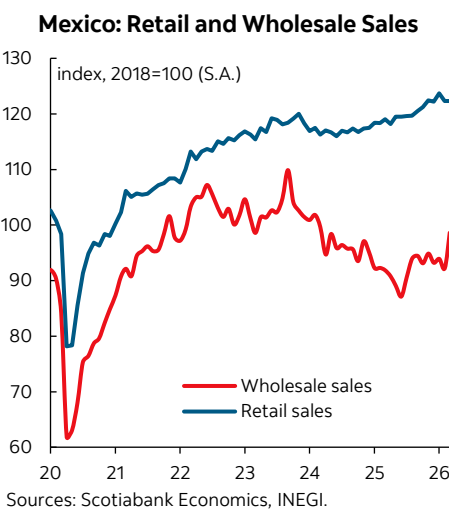
Rodolfo Mitchell, Director of Economic and Sectoral Analysis
+52.55.3977.4556 (Mexico)
mitchell.cervera@scotiabank.com.mx

Miguel Saldaña, Economist
+52.55.5123.1718 (Mexico)
msaldanab@scotiabank.com.mx

Martha Cordova, Economic Research Specialist
+52.55.5435.4824 (Mexico)
martha.cordovamendez@scotiabank.com.mx

Carlos Asmat, Senior Economist
carlos.asmat@scotiabank.com.pe

Chart 1



Latam Daily: Mexico Commercial Activity, Peru Cement Sales

- **Mexico: Commercial activity showed mixed signals in March**
- **Peru: Cement sales continue to expand despite election season**

MEXICO: COMMERCIAL ACTIVITY SHOWED MIXED SIGNALS IN MARCH

According to INEGI's Monthly Survey of Commercial Companies (chart 1), wholesale sales showed mixed signals in March across their components: revenues increased by 9.7% y/y, employment remained virtually unchanged at -0.1%, and average wages declined by -2.4%. Within these, notable growth was observed in machinery, equipment, and furniture sales (12.5%), as well as in agricultural and forestry raw materials (11.6%), while intermediation fell sharply (-14.7%).

Meanwhile, retail sales recorded a 2.9% y/y increase in revenues, a 0.5% rise in total employment, and a 7.1% increase in average wages. Strong performance was driven by online purchases (21.4%) and textiles and accessories (12.3%), whereas declines were seen in groceries and food products (-6.2%).

—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

PERU: CEMENT SALES CONTINUE TO EXPAND DESPITE ELECTION SEASON

Cement sales reached 1.08 million tons in April, an increase of nearly 12% y/y (charts 2 and 3). This marks the sixth consecutive month of year-on-year growth, according to the Peruvian Association of Cement Producers (ASOCEM).

The April result is particularly encouraging for the sector, given that cement demand typically softens in the weeks leading up to election periods. In this case, general elections were held on April 12th, yet activity remained resilient. A favourable base effect also supported the annual expansion, as cement sales showed no growth in April 2025.

Several factors explain the solid performance observed in April:

- **Self-construction activity remained a key driver**, supported by the continued strength of formal private employment, which expanded 5.7% y/y in March, as well as liquidity injections from pension fund withdrawals (eighth withdrawal scheme).
- **The formal real estate sector maintained strong momentum**, posting continuous year-on-year growth since January 2024. In line with this, new mortgage lending by the banking system increased by 19% Y/y in March.

Chart 2

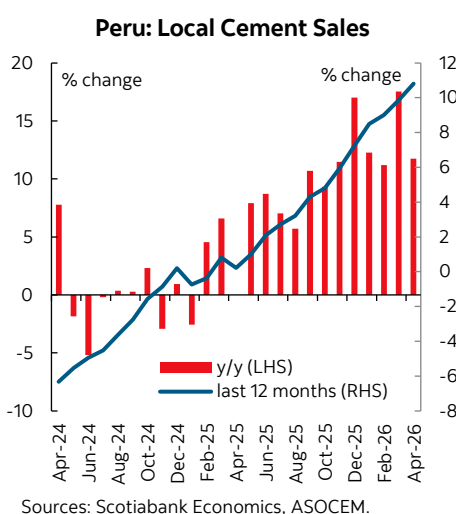
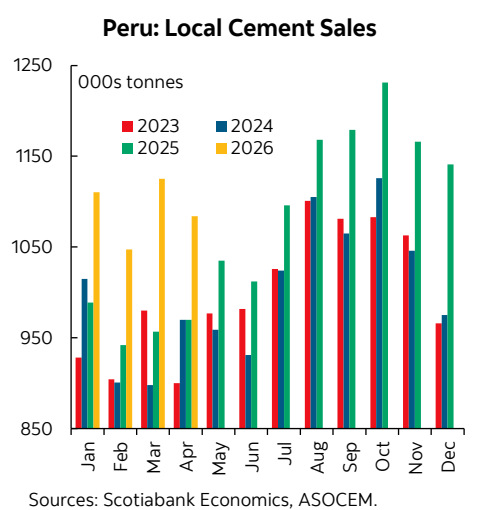


Chart 3



May 21, 2026

- **Public investment expanded by 11% y/y in April**, with local governments leading the increase.
- **Cement prices remained broadly stable**, particularly in Lima, where prices declined marginally by 0.3% y/y (INEI).

However, growth was partially constrained by weaker investment in concessioned transport infrastructure projects. Recognized investment amounted to approximately USD 166 million in March, a 15% y/y decline. In addition, sales were temporarily affected by the Easter holidays during the first week of April, particularly given the importance of traditional distribution channels relying on in-person transactions.

Through April, cement consumption totaled 13.3 million tons, marking a 13% year-on-year expansion, with underlying demand drivers broadly in line with those observed in April.

Outlook for 2026

Based on cumulative performance through April, we expect cement consumption in 2026 to exceed our 5.7% growth projection for the broader construction sector, pointing to stronger underlying demand dynamics.

This outlook is supported by:

- Continued strength in the self-construction segment, underpinned by resilient formal employment and improving household incomes.
- Ongoing demand in the higher-value housing segment, particularly in Lima, supported by relatively lower mortgage rates.
- Strong demand linked to large-scale infrastructure projects, primarily under concession schemes, and to a lesser extent through tax-for-works initiatives.

That said, some factors could limit demand:

- A moderation in public investment growth, particularly at the National Government level, amid the electoral cycle between April and June, with the final presidential election taking place in June.
- Potential adverse weather conditions linked to El Niño, which could disrupt construction activity.
- The recent energy shock observed in mid-March, related to geopolitical tensions in the Strait of Hormuz, which may generate upward pressure on food and energy prices, especially fuels.

These factors could weigh on household spending capacity and, consequently, on demand for construction materials, particularly within the self-construction segment.

—Carlos Asmat

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