LATAM Market Update

- **Mexico: June industrial production confirms a more pronounced weakening of economic activity**

June's industrial production annual growth printed the largest setback for both a similar month and a first half (1H) of a year since 2009. For the eighth consecutive month, but at a slower pace, industrial production declined in real terms, this time by -2.9% y/y (vs. -3.3 in May). On average, the 1H19 exhibited a -1.8% decrease. Within June's industrial production, construction declined for the fifth time in a row, now at -6.8% y/y (vs. -9.8% in May); meanwhile, manufactures shrank -0.8% y/y (vs. +0.7% in May), mining fell by -5.6% (vs. -8.9% in May), and utilities decelerated to 1.3% y/y (vs. +2.3%). Thus, industrial production figures added to the signals of a stronger deceleration than anticipated, as 3 out of 4 components dropped, and it is expected that the trend holds for the upcoming months, negatively contributing to subdued economic activity growth.

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