

Ahead of the Curve

Possible economic rebound at the start of 4Q21

Weekly international reserves report. Last week, net international reserves rose by US\$69 million, closing at US\$198.9 billion (please refer to the following table). According to Banxico's report, this was explained by a positive valuation effect in institutional assets. So far this year, the central bank's international reserves have increased by US\$3.3 billion.

Banxico's foreign reserve accumulation details

US\$, million

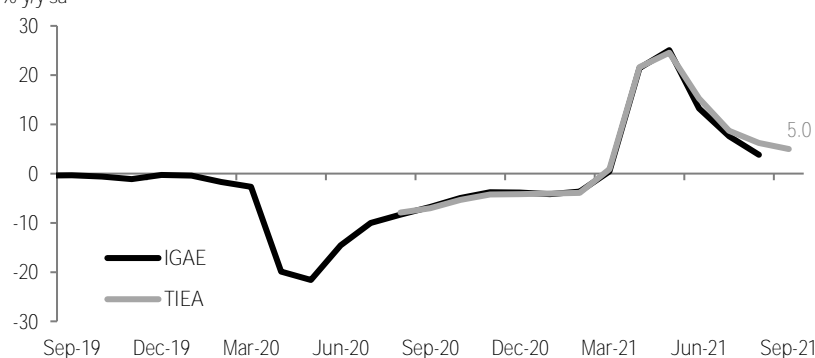
	2020	Nov 5, 2021	Nov 5, 2021	Year-to-date
	Balance		Flows	
International reserves (B)-(C)	195,667	198,920	69	3,252
(B) Gross international reserve	199,056	212,481	891	13,425
Pemex	--	--	0	1,234
Federal government	--	--	692	340
Market operations	--	--	0	0
Other	--	--	199	11,850
(C) Short-term government's liabilities	3,389	13,561	822	10,172

Source: Banco de México

Timely Indicator of Economic Activity (October). This release will include the first estimate for October, as well as revised figures for September. We recall that August's mid-point forecast was at 6.2% y/y (using sa figures), much higher than the [3.8% in the GDP-proxy \(IGAE\)](#). September's estimate, currently at 5.0%, will likely be revised lower, especially considering [industrial production](#) and the advanced [3Q21 GDP](#), which disappointed lower. Specifically, it is likely that there was a sequential decline in activity. For October, signals have been more positive. Virus conditions kept improving, driving mobility higher. This is also consistent with better dynamics in timelier data, such as [IMEF's PMIs](#). Given this and a more favorable base effect, we could see a sequential rebound in activity.

Monthly GDP-proxy (IGAE) and the Timely Indicator of Economic Activity (TIEA)

% y/y sa



Source: INEGI

Mexico weekly calendar

DATE	HOUR (ET)	EVENT	PERIOD	UNIT	BANORTE	CONSENSUS	PREVIOUS
Mon 15-Nov		Markets closed on remembrance of the Anniversary of the Revolution			--	--	
Wed 17-Nov	10:00am	International reserves	Nov-12	US\$ bn	--	--	198.9
Thu 18-Nov	7:00am	Timely Indicator of Economic Activity (sa)	October	% y/y	--	--	5.0

Source: Banorte; Bloomberg

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Document for distribution among the general public

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