

Trade balance – Lower dynamism in February

- **Trade balance (February):** US\$2,212.4 million; Banorte: -US\$1,121.2mn; consensus: -US\$527.5 (range: -US\$4,200.0mn to US\$403.0mn); previous: -US\$4,558.0mn
- In annual terms, both exports and imports fell, at -2.9% and -8.3% respectively –with a calendar effect skewing the data. Once again, the main driver was uncertainty surrounding US trade policies. Nevertheless, other relevant factors included lower oil prices and an additional expansion in US manufacturing (ex. autos)
- With seasonally adjusted figures, exports were unchanged (0.0% m/m). Oil shipments rebounded 23.7% despite lower prices. Non-oil exports fell 0.8%, while manufacturing declined 0.3%
- Imports showed signs of weakness, contracting 2.1% m/m. The oil component fell 3.5%, with non-oil also declining by -2.0%. Within the latter, the negative trend continued in intermediate goods (-3.2%), with consumption (2.8%) and capital goods (1.0%) rebounding after losses in the previous two periods
- The trade situation remains in a phase of high uncertainty. The definition of the US ‘reciprocal tariffs’ at the beginning of April will be the next pit stop for an evaluation. In this sense, we believe that trade flows will remain more volatile and with a negative tilt at least for the rest of 1H25

US\$2,212.4 million surplus in the second month of the year, with uncertainty about the application of US tariffs. In our view, doubts about the trade policy of our main trading partner clearly distorted flows. The response by sector, and even by company, has been different. Some economic agents stopping orders from our country, while others seem to have redoubled their efforts to accumulate inventories and avoid tariffs. Thus, the net effects are relatively mixed. On other factors that influenced the result, we highlight: (1) A drop in oil prices, with the Mexican mix averaging 67.4 US\$/bbl; (2) a marginal appreciation of the Mexican peso; and (3) a third consecutive month with gains in US industrial production (1.4% y/y; 0.7% m/m), highlighting manufacturing (0.9%) with a level of capacity utilization not seen since June last year. In this context, exports came in at -2.9% y/y and imports at -8.3% ([Chart 1](#)). For more details, see [Table 1](#). With these results, the trade balance accumulated a US\$5.9 billion deficit in the last twelve months, with the oil component at -US\$11.9 billion and a US\$6.0 billion surplus in non-oil ([Chart 2](#)).

Slowdown in flows in the sequential comparison. Exports were unchanged at 0.0% m/m, with imports dropping -2.1% ([Table 2](#)). Outbound oil shipments rebounded by 23.7% given an expansion in volumes exported which outweighed a reduction in prices. Purchases abroad in this category retreated by -3.5%, highlighting greater weakness in consumption (-9.6%), with intermediates more stable (-1.4%). In the non-oil component, performance was also mixed. Exports fell 0.8%, with manufacturing at -0.3% –autos at -3.0%, but with ‘others’ up by 1.0%. Meanwhile, agricultural outflows came in at -7.4% –facing a more challenging base effect–, with non-oil mining extending the decline at -9.8% despite improvements in metals’ prices. Finally, non-oil imports fell 2.0%, remembering that flows have some bias due to the Lunar New Year celebration in China. Intermediate goods came in at -3.2%, with their behavior more linked to uncertainty and the performance in manufacturing. On the contrary, consumer (2.8%) and capital goods (1.0%) rebounded after two months of losses.



Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com



Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com



Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com



Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com



www.banorte.com/analiseconomico
@analisis_fundam

Document for distribution among the general public

Trade flows will remain at the mercy of US trade policy. We remain attentive to the first effects from the US government's trade decisions in March. Meanwhile, we are waiting: (1) The definition of measures related to 'reciprocal tariffs' and other actions that may be announced by the USTR on April 2nd; and (2) the bilateral negotiations that will emanate from them and the possibility of an early review of USMCA.

In this context, 25% tariffs were imposed on Mexican goods exported to the US that are not traded or comply with USMCA rules at the beginning of the month, as well as on steel and aluminum (March 12th). Regarding the first, we [previously discussed in detail](#) which industries could be affected by those taxes (e.g. machinery, projectors and medical instruments, beverages, furniture, etc.), although certain producers could seek to make changes to adapt to the treaty. On [aluminum and steel tariffs](#), we should consider that the balance with the US has been in deficit, a situation that has been stressed in the negotiations. Lastly, yesterday President Trump announced another set of 25% tariffs to imported autos, with some carveouts for the US-originating percentage of parts and labor.

Thus, we believe that flows will be altered by these measures in 1H25, with some immediate effects such as the pause in the crossing of cargo in February and March. According to the *National Chamber of Cargo Transportation* (CANACAR in Spanish) in Tijuana, a 30% decrease in crossings was observed in the days prior to March 4th. In that sense, they recognized that the uncertainty of Trump's changing trade policy *"...damages the strategic planning of export companies and consequently, the volume of cargo generated from Mexico to the US, which is radically lower than what we are used to seeing..."*. In contrast, Jesús Herrera, president of the Mexican Council of Foreign Trade (COMCE in Spanish) of the Northeast, stated that there is evidence of greater dynamism, quoting factors such as a longer time in revisions and delays in customs times due to the preference to advance shipments, which in his opinion will continue in March. Finally, Herrera pointed out that in the northeast of the country, its members have not laid off employees; on the contrary, they recognize the lack of qualified labor, which is *"...a structural problem of the industry that then affects us in meeting our production schedules..."*.

Table 1: Trade balance

% y/y nsa

	Feb-25	Feb-24	Jan-Feb'25	Jan-Feb'24
Total exports	-2.9	13.0	0.9	6.1
Oil	-24.4	16.0	-32.7	8.7
Crude oil	-27.0	6.8	-36.2	5.1
Others	-16.3	57.7	-21.5	22.6
Non-oil	-1.7	12.9	3.0	6.0
Agricultural	-6.1	12.6	-0.4	9.7
Mining	17.4	-7.6	16.3	1.3
Manufacturing	-1.8	13.3	2.9	5.9
Vehicle and auto-parts	-15.2	26.9	-9.4	9.9
Others	6.0	6.6	9.9	3.8
Total imports	-8.3	9.7	-1.5	4.4
Consumption goods	-10.1	13.9	-7.8	7.3
Oil	-13.4	-48.7	3.4	-55.7
Non-oil	-9.6	35.9	-9.2	29.9
Intermediate goods	-7.5	7.9	0.9	2.0
Oil	0.6	-25.2	0.4	-25.5
Non-oil	-8.0	11.1	0.9	4.9
Capital goods	-11.9	18.9	-10.2	20.3

Source: INEGI

Table 2: Trade balance

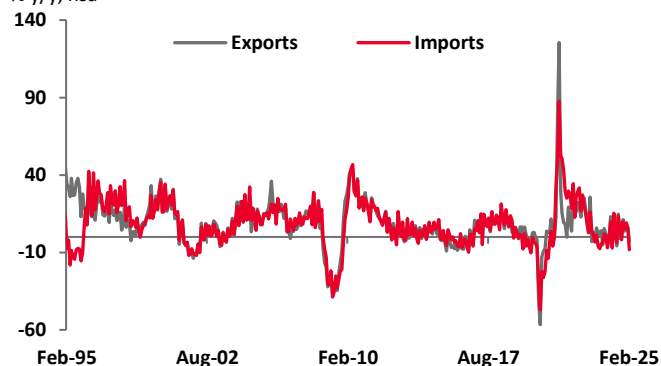
% m/m, % 3m/3m sa

	Feb-25	% m/m Jan-25	Dec-24	% 3m/3m Dec'24-Feb'25	Nov'24-Jan'25
Total exports	0.0	1.0	-2.4	-0.7	0.5
Oil	23.7	-24.9	-7.6	-8.2	0.2
Crude oil	24.3	-28.9	-7.1	-8.1	3.8
Others	22.1	-9.6	-9.5	-8.4	-10.4
Non-oil	-0.8	2.1	-2.1	-0.4	0.5
Agricultural	-7.4	9.3	0.9	2.1	1.1
Mining	-9.8	-11.7	17.5	-0.2	6.9
Manufacturing	-0.3	2.2	-2.7	-0.5	0.4
Vehicle and auto-parts	-3.0	1.0	-6.0	-6.4	-3.6
Others	1.0	2.8	-0.9	2.5	2.5
Total imports	-2.1	-0.3	-2.5	-1.4	-0.3
Consumption goods	1.2	-0.2	-5.3	-4.1	-3.5
Oil	-9.6	0.7	-3.1	0.2	10.2
Non-oil	2.8	-0.3	-5.6	-4.7	-5.2
Intermediate goods	-3.1	0.2	-1.8	-0.5	0.3
Oil	-1.4	2.9	8.4	10.6	5.4
Non-oil	-3.2	0.0	-2.4	-1.2	0.0
Capital goods	1.0	-4.3	-4.0	-4.1	-0.5

Source: INEGI

Chart 1: Exports and imports

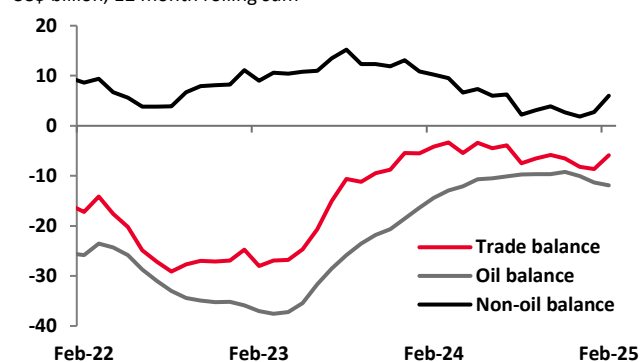
% y/y, nsa



Source: INEGI

Chart 2: Trade balance

US\$ billion, 12 month rolling sum



Source: INEGI

Analyst Certification.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Santiago Leal Singer, Víctor Hugo Cortes Castro, Leslie Thalia Orozco Vélez, Hugo Armando Gómez Solís, Carlos Hernández García, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, José De Jesús Ramírez Martínez, Daniel Sebastián Sosa Aguilar, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Marcos Saúl García Hernandez, Juan Carlos Mercado Garduño, Ana Gabriela Martínez Mosqueda, Ana Laura Zaragoza Félix, Jazmin Daniela Cuautencos Mora, Andrea Muñoz Sánchez and Paula Lozoya Valadez, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.



Raquel Vázquez Godínez
Assistant
raquel.vazquez@banorte.com
(55) 1670 - 2967



María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research



Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com
(55) 1103 - 4046



Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Market Strategy



Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751



Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 - 2250



Marcos Saúl García Hernández
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296



Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Quantitative Analysis



Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972



Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124



Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043



Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251



Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957



Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438



Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719



Hugo Armando Gómez Solís
Senior Strategist, Equity
hugo.gomez@banorte.com
(55) 1670 - 2247



Gerardo Daniel Valle Trujillo
Senior Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248



Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 5261 - 4882



José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608



Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1670 - 2904



Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611



Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821



Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707



Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800



Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698



Ana Laura Zaragoza Félix
Strategist, Corporate Debt
ana.zaragoza.felix@banorte.com
(55) 1103 - 4000



Paula Lozoya Valadez
Analyst, Equity
paula.losoya.valadez@banorte.com
(55) 1103 - 4000 x 2060



José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000



Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430