

## Industrial production – Modest setback in March, albeit corroborating a positive 1Q25

- Industrial production (March): 1.9% y/y nsa; Banorte: 1.5%; consensus: 1.5% (range: 0.3% to 2.6%); previous: -1.2%
- Industrial activity contracted 0.9% m/m, albeit following a significant uptick in February (2.2%). Performance was again influenced by tariff uncertainty, with greater volatility for manufacturing
- By sectors, mining backtracked 2.7% –dragged by oil and non-oil–, while manufacturing retreated 1.1% m/m, with 16 of its 21 items down. Construction grew 0.8%, boosted by edification
- Although trade uncertainty will continue to cloud performance in the short-term, we think 2H25 could be more favorable. Specifically, we expect several tailwinds, such as a better trade position with the US vs. other countries and a greater boost in public works, among others

**Expansion in annual terms, helped by a calendar effect.** Industry advanced 1.9% y/y (see [Chart 1](#)), above consensus and our estimate. Inside, two of the four items were positive. Construction was the highest at 5.4% ([Chart 2](#)) –driven by edification–, with manufacturing at 3.1%. However, mining remained negative at -9.5% –dragged down by the oil component– with utilities also down at -1.9%. We must remember that the period had two additional working days due to the annual difference in the dates of the Easter holiday. Thus, with seasonally adjusted data, activity fell 1.3% y/y. For further details, please refer to [Table 1](#).

**Uncertainty continued to weigh sequentially.** Industrial production fell 0.9% m/m ([Chart 3](#)), not enough to erase the strong 2.2% advance in February. The external environment remained a source of uncertainty regarding the entry into force of US tariffs, with much activity on this front throughout the month. Thus, the impact on Mexican manufacturing demand was quite volatile. Domestic conditions were more stable, but the basis of comparison for several sectors was very challenging.

Mining fell 2.7% –with declines in five of the last seven months. The oil component contracted by the same magnitude, with weak production in both crude oil and gas. The non-oil component came in at -4.3% despite the uptick in industrial metals prices. Lastly, ‘related services’ grew 0.4%, contrasting with its characteristic volatility.

Manufacturing contracted 1.1% ([Table 2](#)) after a 2.3% expansion in the previous month. The acceleration in February was largely driven by advanced shipments to the US to avoid tariffs, so it is not entirely surprising that a drop was observed. In this sense, there seems to have been a timing difference with respect to [manufacturing exports](#) data, which grew 3.1%. Part of the distortion is due to delays in customs and other adjustments in supply chains. In detail, 16 of the 21 categories decreased. We highlight declines in metallic goods (-5.5%), clothing (-2.9%) and electrical equipment (-1.9%). Transportation backtracked 1.1%, in line with AMIA’s report.

Construction climbed 0.8%, adding three months to the upside. Inside, edification grew +1.5%, but civil engineering dropped -2.8%, with the latter in line with negative prints in public spending on physical investment. Finally, specialized works expanded 1.3%.



**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



[@analisis\\_fundam](http://www.banorte.com/analisis-economico)

Document for distribution among the general public



**Possible resilience under the materialization and consolidation of certain factors on both the external and domestic fronts for the remainder of the year.** In the short-term, we believe that volatility driven by the new trade order will continue to weigh on Mexican industry. However, our baseline scenario sees these adjustments easing and intermittent tariff measures. More importantly, our path recognizes certain favorable headwinds, some clearer currently and others to materialize during the second half of the year.

Focusing on manufacturing, the external environment will continue to be the most relevant factor. However, we find factors that, if consolidated, could give the sector some breathing space. The first is related to Mexico's trade position with the US. The federal government's priority objective is to improve its position, obtaining a lower effective tariff rate than the rest of the countries. On the other hand, we are keeping an eye on the USMCA review and its possible advancement, although the latest statements by Presidents Trump and Sheinbaum suggest that it will take place within the established timeframe in 2026. Finally, another short-term driver will be the level of the Mexican peso against the dollar, remembering that the current weakness of the USD would play against the attractiveness of Mexican manufacturing abroad, although improving the profile of imported inputs we import from abroad.

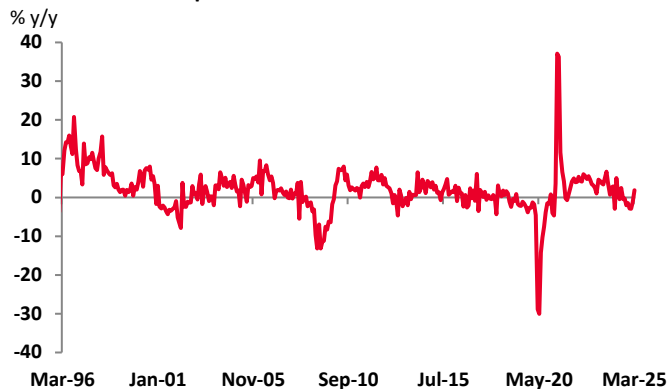
Finally, we also see some favorable elements for a reactivation in construction in the remainder of the year. These are: (1) Some acceleration in government spending for public works as part of *Plan Mexico*; (2) a higher proportion of domestic content in government purchases; (3) greater openness to mixed investments (public-private participation) for infrastructure projects, with the goal of tendering projects for at least \$100 billion of private investment in 2025; and (4) progress in the central bank's rate cutting cycle. This could compensate for other challenges such as the usual slowdown in government spending that the country faces at the beginning of every six-year administration, along with fiscal consolidation efforts by the government.

**Table 1: Industrial production**

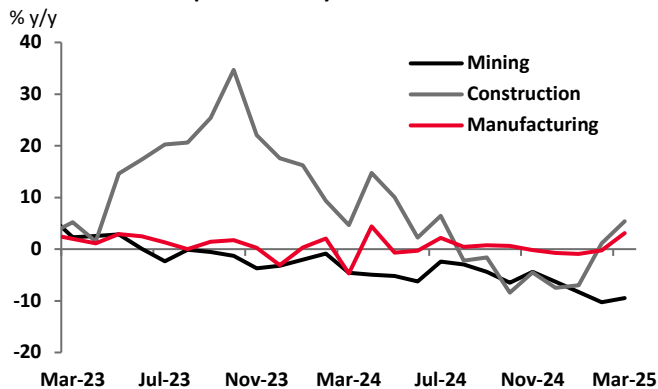
% y/y nsa, % y/y sa

	nsa				sa	
	Mar-25	Mar-24	Jan-Mar'25	Jan-Mar'24	Mar-25	Mar-24
<b>Industrial Production</b>	<b>1.9</b>	<b>-2.9</b>	<b>-0.7</b>	<b>0.8</b>	<b>-1.3</b>	<b>2.1</b>
<b>Mining</b>	<b>-9.5</b>	<b>-4.6</b>	<b>-9.3</b>	<b>-2.5</b>	<b>-10.1</b>	<b>-3.3</b>
Oil and gas	-10.6	-4.9	-10.8	-2.8	-10.5	-4.6
Non-oil mining	-2.8	-1.3	-0.8	0.3	-5.3	1.6
Services related to mining	-28.6	-15.5	-27.9	-9.4	-28.8	-10.7
<b>Utilities</b>	<b>-1.9</b>	<b>-0.2</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-3.4</b>	<b>1.2</b>
<b>Construction</b>	<b>5.4</b>	<b>4.7</b>	<b>-0.2</b>	<b>9.9</b>	<b>2.1</b>	<b>8.7</b>
Edification	14.6	0.5	7.6	4.8	10.1	4.2
Civil engineering	-27.6	32.8	-27.7	38.8	-27.5	39.1
Specialized works for construction	6.0	-5.6	0.9	3.3	3.9	-1.1
<b>Manufacturing</b>	<b>3.1</b>	<b>-4.7</b>	<b>0.7</b>	<b>-0.9</b>	<b>-1.0</b>	<b>1.7</b>
Food industry	1.6	-2.7	0.4	-1.1	-1.0	1.5
Beverages and tobacco	-0.4	-1.1	-0.9	1.4	-4.2	4.4
Textiles - Raw materials	2.4	-14.9	-2.0	-11.2	-8.1	-3.2
Textiles - Finished products ex clothing	0.6	-7.8	-1.4	-5.8	-4.6	0.0
Textiles - Clothing	-0.8	-16.8	-3.7	-9.9	-5.7	-9.0
Leather and substitutes	-0.9	-22.9	-4.0	-17.4	-8.8	-12.1
Woodworking	-1.1	-18.7	-2.6	-11.5	-3.9	-12.4
Paper	2.6	-10.2	3.5	-7.3	-0.9	-4.7
Printing and related products	3.6	-12.5	5.4	-4.8	0.7	-5.9
Oil- and carbon-related products	-11.0	19.4	-8.2	17.0	-12.1	21.9
Chemicals	0.0	-2.3	-1.4	3.1	-4.5	3.4
Plastics and rubber	4.8	-8.6	3.5	-3.9	-1.5	0.6
Non-metallic mineral goods production	-1.5	-7.6	-5.0	-4.3	-5.8	-2.4
Basic metal industries	1.3	-8.5	-0.9	-4.1	-1.1	-6.1
Metal-based goods production	3.8	-8.2	1.1	-2.5	-2.4	0.9
Machinery and equipment	1.9	-7.9	-2.2	-7.2	-0.8	-1.9
Computer, communications, electronic, and other hardware	2.3	0.7	2.4	1.1	-1.8	6.3
Electric hardware	6.7	-7.6	5.2	-3.6	3.0	-1.7
Transportation equipment	5.2	-9.2	0.1	-0.9	-1.6	3.5
Furniture, mattresses, and blinds	2.3	-8.5	-1.6	-4.7	-4.0	-1.0
Other manufacturing industries	42.8	5.2	30.5	3.0	30.5	10.9

Source: INEGI

**Chart 1: Industrial production**

Source: INEGI

**Chart 2: Industrial production by sector**

Source: INEGI

**Table 2: Industrial production**

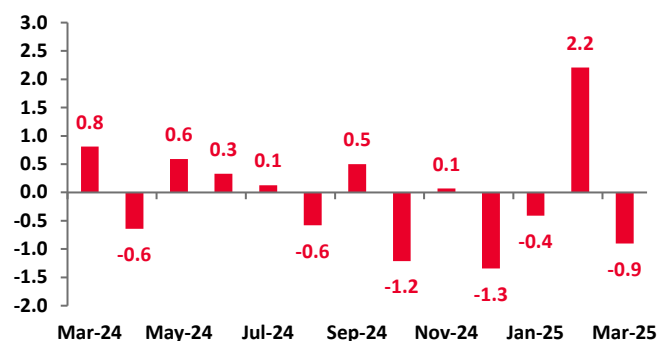
% m/m sa; % 3m/3m sa

	% m/m				
	Mar-25	Feb-25	Jan-24	Jan-Mar'25	Dec'24-Feb'25
<b>Industrial Production</b>	<b>-0.9</b>	<b>2.2</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-1.2</b>
<b>Mining</b>	<b>-2.7</b>	<b>0.1</b>	<b>-1.6</b>	<b>-3.2</b>	<b>-2.7</b>
Oil and gas	-2.7	1.0	-1.2	-3.3	-4.0
Non-oil mining	-4.3	0.6	2.0	0.5	0.5
Services related to mining	0.4	-13.4	-14.5	-12.5	1.3
<b>Utilities</b>	<b>-1.1</b>	<b>-0.4</b>	<b>-0.9</b>	<b>-2.6</b>	<b>-2.2</b>
<b>Construction</b>	<b>0.8</b>	<b>3.4</b>	<b>0.5</b>	<b>1.2</b>	<b>-1.4</b>
Edification	1.5	4.7	-0.4	1.0	-1.9
Civil engineering	-2.8	-0.5	0.8	-2.9	-5.0
Specialized works for construction	1.3	-1.5	1.7	2.1	2.8
<b>Manufacturing</b>	<b>-1.1</b>	<b>2.3</b>	<b>-0.5</b>	<b>0.0</b>	<b>-1.0</b>
Food industry	-0.2	0.9	0.0	0.2	-0.5
Beverages and tobacco	-1.7	0.8	2.3	1.9	0.7
Textiles - Raw materials	0.5	1.5	-0.8	-0.3	-2.2
Textiles - Finished products ex clothing	-1.1	-0.6	0.8	0.8	0.8
Textiles - Clothing	-2.9	-0.2	2.1	0.4	-0.6
Leather and substitutes	-4.3	1.2	-1.6	-2.8	-1.6
Woodworking	-4.7	2.0	-5.1	-3.8	-0.6
Paper	-4.5	1.5	1.8	1.5	2.1
Printing and related products	-6.5	1.8	-2.3	-0.1	4.1
Oil- and carbon-related products	-2.8	2.8	-3.9	3.2	3.3
Chemicals	-2.3	0.9	0.9	0.7	0.6
Plastics and rubber	-1.6	0.0	3.2	1.3	-0.3
Non-metallic mineral goods production	-0.7	0.2	-0.5	-2.0	-3.2
Basic metal industries	-3.0	1.7	2.1	0.8	0.3
Metal-based goods production	-5.5	6.2	3.3	3.6	0.7
Machinery and equipment	1.5	5.5	-6.0	-1.3	-1.8
Computer, communications, electronic, and other hardware	0.2	-0.5	1.4	1.0	0.3
Electric hardware	-1.9	2.2	-1.3	0.3	1.0
Transportation equipment	-1.1	3.3	-0.9	-2.5	-5.4
Furniture, mattresses, and blinds	0.4	0.4	-0.9	-1.8	-1.9
Other manufacturing industries	1.2	21.2	-14.1	5.9	10.2

Source: INEGI

**Chart 3: Industrial production**

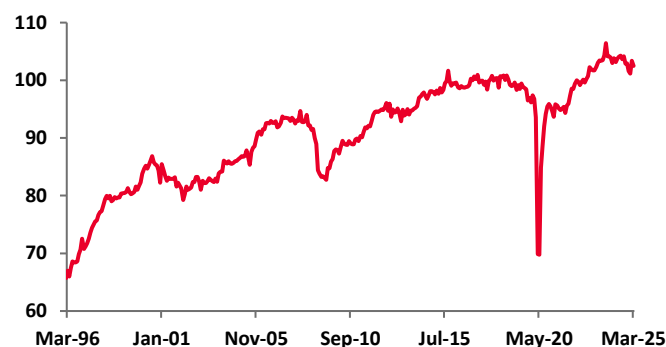
% m/m sa



Source: INEGI

**Chart 4: Industrial production**

Index sa



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.lozoya.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