

Consumption Monitor

Consumption slows down in September, although it exceeds its Dec-22 level by 8.5%

Saidé Salazar
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The BBVA Research Big Data Consumption Indicator (ICBD BBVA Research)¹ reported a fall of (-)0.5% m/m in September, with real figures seasonally adjusted. With this figure, consumption at POS terminals fell (-)1.0% in 3Q23, although it is still 8.5% above the amount observed in December of last year. In the same sense, the mobility level remains above the same threshold (+6.9%), the highest figure since June. We anticipate that consumption will show a favorable performance going forward, driven by improvements in income derived from increases in the real wage and real total wage bill, as well as a lower trend in savings. According to Banxico data, the balance of household deposits (short and long-term) held by the financial system decreased significantly since 2021 and is still 7.0% below its pre-pandemic trend.

By component, spending on goods decreased (-)0.6%, although its food and healthcare components showed positive changes (2.2% and 3.3%, respectively). With September's data, consumption of goods is 6.4% above its January 2022 level. The services segment grew 0.1%, with mixed performance among its components. Hotel spending fell (-)5.3%, while restaurant spending fell (-)3.8%. In contrast, consumption of leisure services grew 0.1%, and airline spending grew 0.6%.

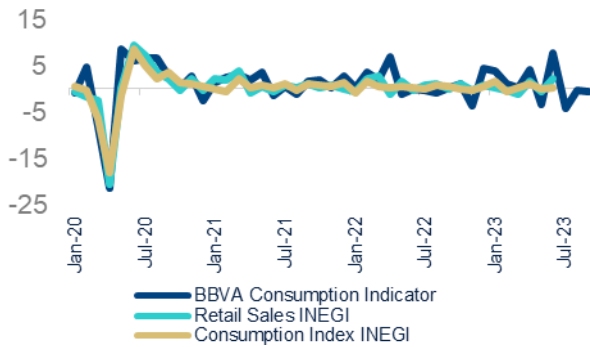
In terms of spending by type of establishment, online consumption grew 3.2%, reaching a level 19.5% above that of December of last year. Consumption in physical stores decreased (-)0.6% to 8.4% above the level seen in December 2022. To date, online consumption represents 5.9% of total spending at POS terminals (vs. 3.1% in January 2020).

We anticipate that private consumption will show a positive trend in the coming months, given the strength of formal income and employment, with household preferences shifting toward lower financial savings. The economy's strong performance in the second half of the year improves the starting point for 2024. We estimate GDP growth of 3.2% for 2023 and 2.6% for 2024, driven by domestic demand, and a better outlook for the export sector.

1: The BBVA Research Big Data Consumption Indicator is based on spending at BBVA point-of-sale (POS) terminals, both physical and virtual. It includes purchases made with credit and debit cards.

The ICBDB BBVA Research forecasts the trends of the INEGI indicators

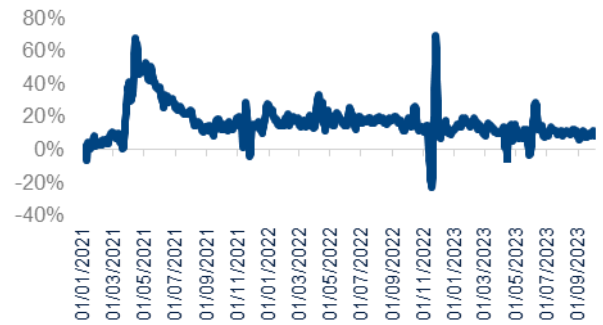
Figure 1. **CONSUMPTION INDICATORS: BBVA AND INEGI (M/M%, REAL, SA)**



Source: BBVA Research / INEGI.

Consumption fell (-) 0.5% in September, with contraction in the goods segment

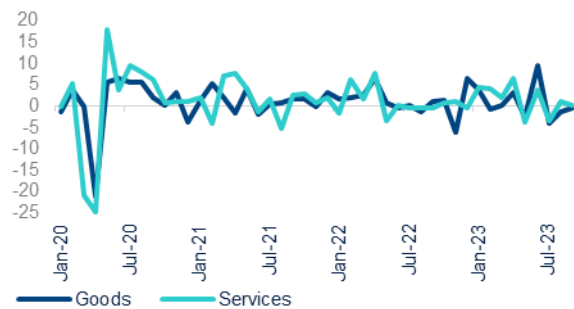
Figure 2. **BBVA CONSUMPTION INDICATOR (Y/Y%, REAL, ACCUM. 7 DAYS, ORIGINAL SERIES)**



Source: BBVA Research.

Consumption of goods fell (-)0.6% in September; spending on services grew 0.1%

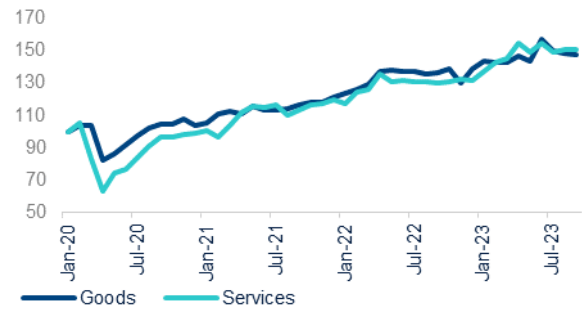
Figure 3. **BBVA CONSUMPTION INDICATOR: GOODS AND SERVICES (M/M%, REAL, SA)**



Source: BBVA Research.

Spending on goods is 6.4% higher than in Dec-22; spending on services is 14.5% above that same threshold

Figure 4. **BBVA CONSUMPTION INDICATOR: GOODS AND SERVICES (INDEX JAN/2020=100)**



Source: BBVA Research.

Restaurant consumption fell (-)3.8% in September; hotel consumption fell (-)5.3%

Figure 5. **BBVA CONSUMPTION INDICATOR: RESTAURANTS AND HOTELS (M/M%, REAL, SA)**



Source: BBVA Research.

Spending on restaurants was 14.9% above its Dec-22 level; spending on hotels was 7.5% below that same threshold

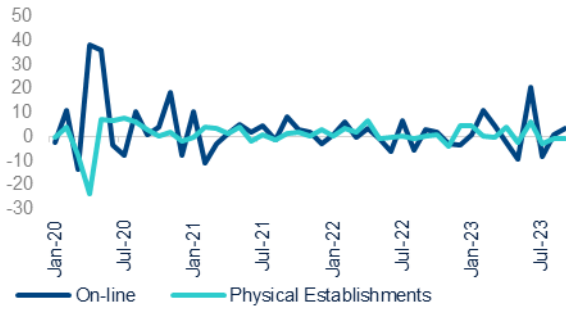
Figure 6. **BBVA CONSUMPTION INDICATOR: RESTAURANTS AND HOTELS (INDEX JAN/2020=100)**



Source: BBVA Research.

Online consumption grew 3.2% in September; spending in physical stores fell (-)0.6%

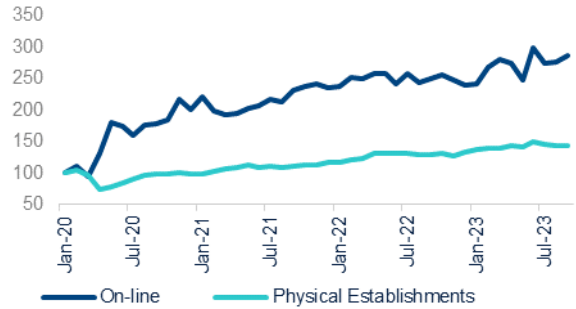
Figure 7. **BBVA CONSUMPTION INDICATOR: ONLINE SALES AND PHYSICAL SALES**(M/M%, REAL, SA)



Source: BBVA Research.

Online consumption exceeds its Dec-22 level by 19.5%; spending in physical stores exceeds the same threshold by 8.4%

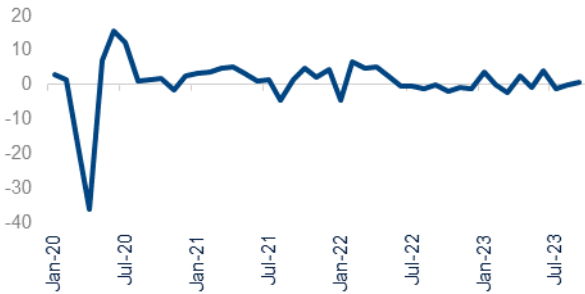
Figure 8. **BBVA CONSUMPTION INDICATOR: ONLINE SALES AND PHYSICAL SALES** (INDEX JAN/2020=100)



Source: BBVA Research.

Gasoline spending, as a mobility proxy, grew 0.6% in September

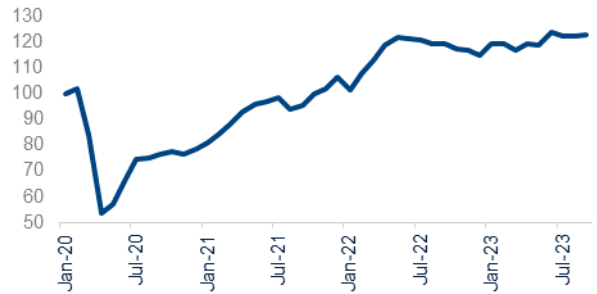
Figure 9. **BBVA CONSUMPTION INDICATOR: GASOLINE** (M/M%, REAL, SA)



Source: BBVA Research.

Gasoline consumption is 6.9% higher than in Dec-22

Figure 10. **BBVA CONSUMPTION INDICATOR: GASOLINE** (INDEX JAN/2020=100)



Source: BBVA Research.

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ENQUIRIES TO:

BBVA Research: Paseo de la Reforma 510, Colonia Juárez, C.P. 06600 Mexico City, Mexico.

Tel.: +52 55 5621 3434

www.bbvaresearch.com