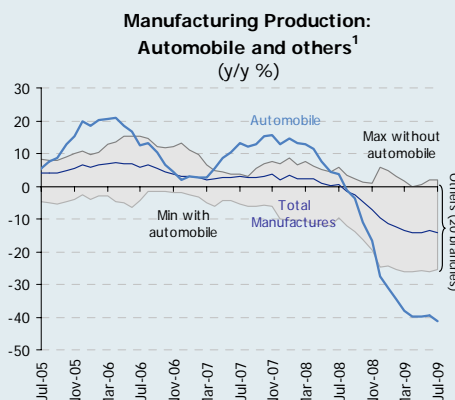
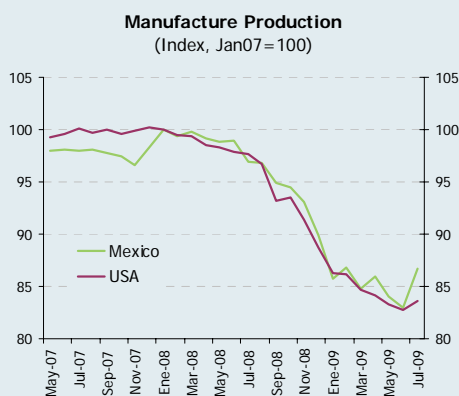


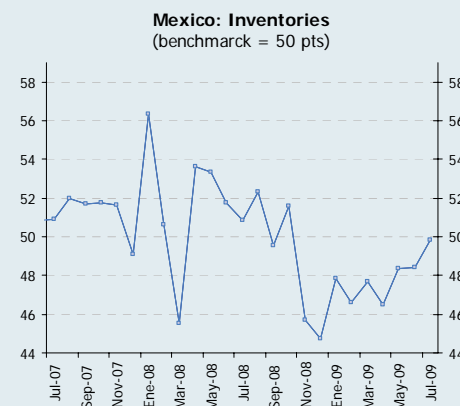


Inventory restocking and manufacturing recovery in the US drive Mexican manufacturing output

- Corrected for seasonal effects, Mexican industrial output grew 2.8% in July, the third highest rate in the last 10 years. There was a general improvement across large branches – mining, electricity, construction and manufacturing – all showing positive moves. The recovery rate in manufacturing output is a special highlight, showing monthly growth at 4.5%, the highest since 1993.
- The manufacturing rate for July showed a more intense favorable adjustment in Mexico than in the US, which in turn saw major shoots in key manufacturing industries or less severe contractions, such as the automotive industry, basic metals and some others such as chemicals and printing. In turn, the restocking of inventory seen in the last few months after the major adjustments at the end of 2008 is also driving manufacturing output.
- **In short, the boost to the more cyclical section of the economy points to a positive GDP move between the second and third quarters of 2009.**



¹ According to smoothed subindex MA(7)



Industrial Production

(yoy % Original Series, except mom %: seasonal adjusted)

Industry	2006				2007				2008				2009			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	July 09	mom
Industry	8.1	5.4	5.9	3.5	2.7	2.0	2.6	2.6	1.4	1.7	-1.1	-4.3	-9.8	-11.4	-6.5	2.8
Mining	4.2	0.5	2.7	-1.5	-1.1	-0.1	-0.6	-0.5	-0.8	-4.4	-2.1	-1.7	-1.2	0.7	1.3	2.5
Electricity	8.2	10.2	14.1	16.2	4.5	2.3	2.5	5.4	7.7	4.5	0.4	-2.8	-3.0	-1.4	2.0	0.9
Construction	10.2	7.5	6.7	6.3	6.1	3.6	3.7	4.3	1.0	2.1	-0.7	-4.5	-7.2	-8.9	-5.3	0.5
Manufactures	8.6	5.9	6.0	3.3	2.5	2.0	3.1	2.7	1.8	3.2	-1.1	-5.0	-13.8	-16.4	-9.9	4.5

Source: INEGI