



Quarterly Report

October - December 2025

February 26, 2026



Overview

Externally

- **World economic activity in Q4-2025 expanded** at a pace similar to that of the previous quarter.
- **Global growth forecasts for 2026 were revised slightly upwards.**
- **Uncertainty** regarding the US tariff policy and geopolitical tensions increased.
- **Headline inflation decreased gradually** in some advanced and emerging economies. Overall, **core inflation** continued showing **some resistance to decline.**

Domestically

- **Economic activity in Mexico** expanded at a higher rate in **Q4-2025**, after having increased marginally in the previous quarter.
- **Headline inflation** remained **within the inflation target's variability interval. Core inflation was somewhat stable**, although at levels above 4%.

Monetary policy

- In its **November and December 2025 meetings**, Banco de México's Governing deemed appropriate **to continue the rate-cutting cycle.** Thus, **in each of its decisions, it lowered the rate by 25 basis points to 7.00%.**
- In its **February 2026 decision**, it considered appropriate on that occasion to **pause the rate-cutting cycle and maintain it at 7.00%.**

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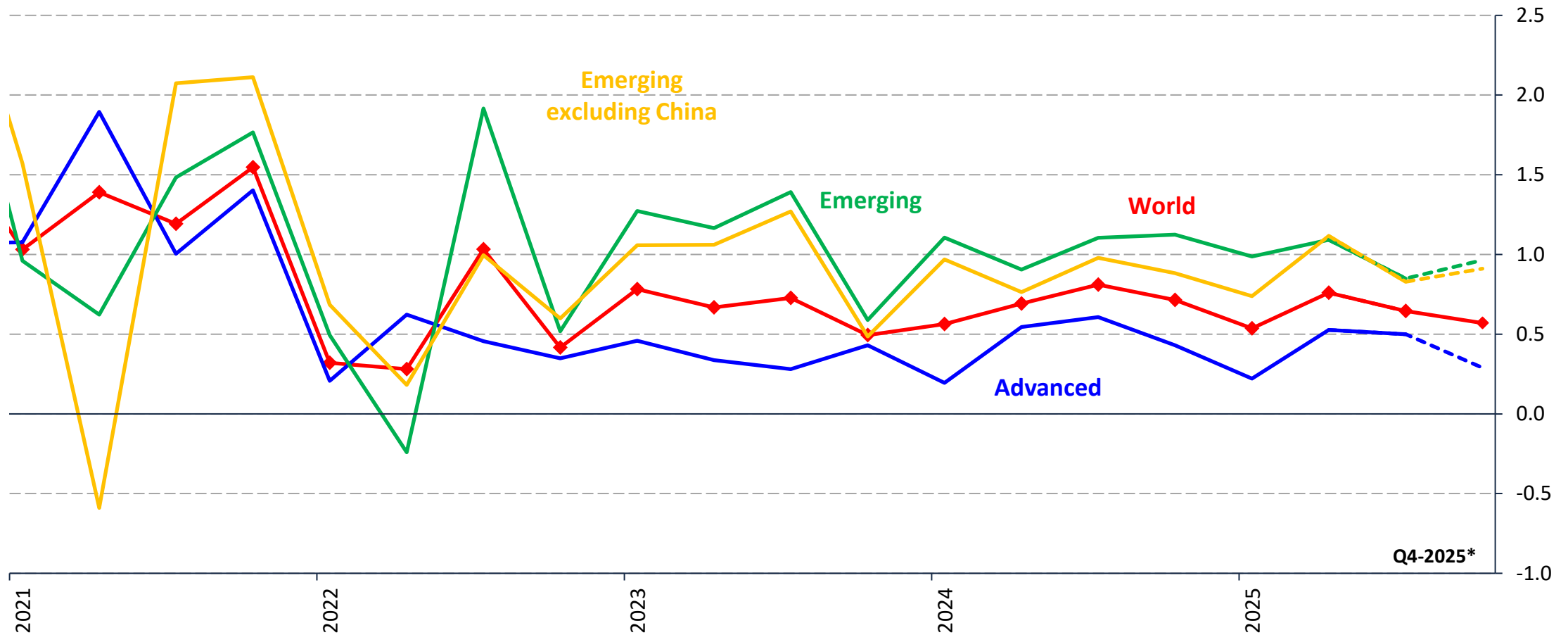
4 Monetary policy

5 Forecasts and final remarks

World economic activity expanded in Q4-2025 at a rate slightly lower than that of the previous quarter, reflecting a moderation in the growth rate among advanced economies and slightly higher growth rates across emerging economies.

World GDP

Quarterly % change, s. a.



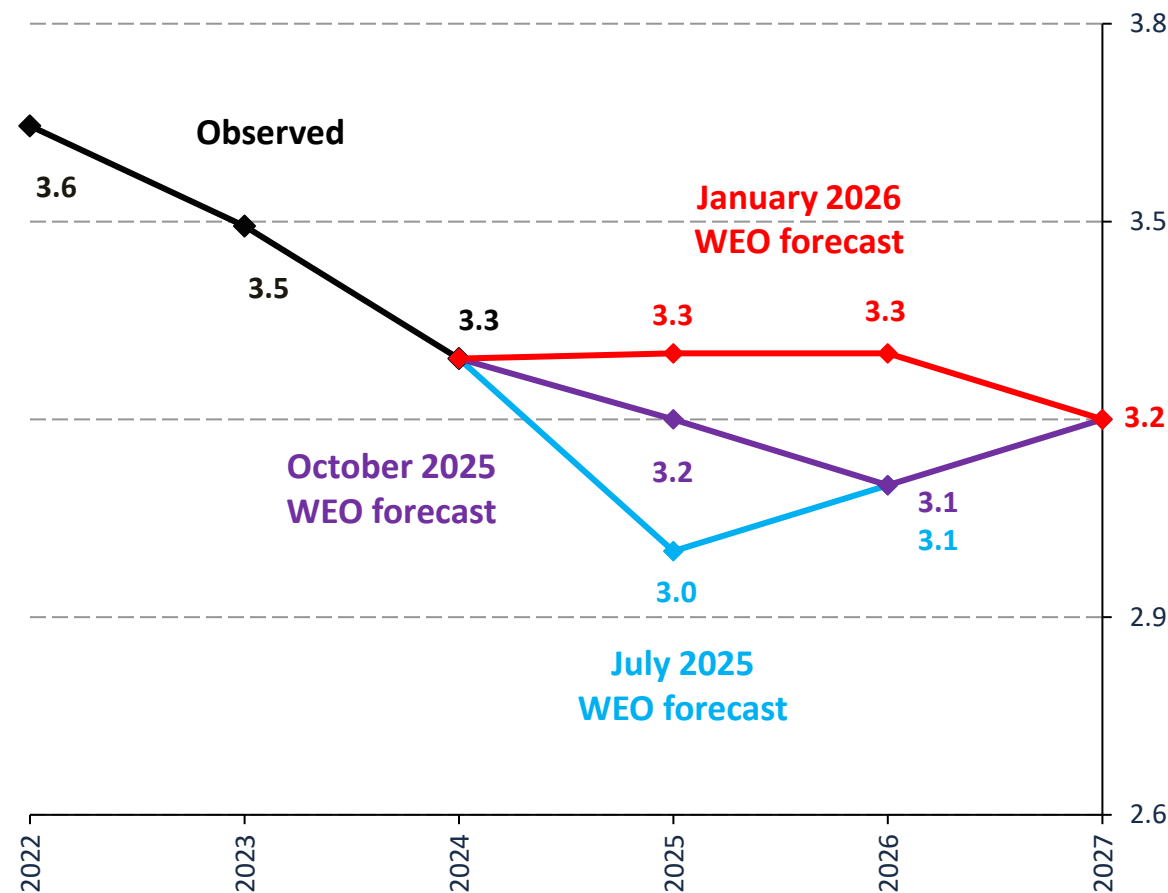
s. a. / Seasonally adjusted figures.

Note: The sample of countries used for the calculation represents 85.1% of world GDP adjusted for purchasing power parity. Updated with information available as of February 25, 2026. The dotted line corresponds to forecasts. * Forecasts used in the sample correspond to Q4-2025.

Source: Prepared by Banco de México with information from Haver Analytics and Focus Economics.

The world economic outlook for 2026 by international organizations was revised slightly upwards, and thus the world economy is now expected to grow at the same rate as that projected for 2025.

World GDP growth forecast
Annual % change



Note: Data for 2025 correspond to estimates from the January 2026 IMF World Economic Outlook (WEO).
Source: WEO: July and October 2025, and January 2026, International Monetary Fund (IMF).

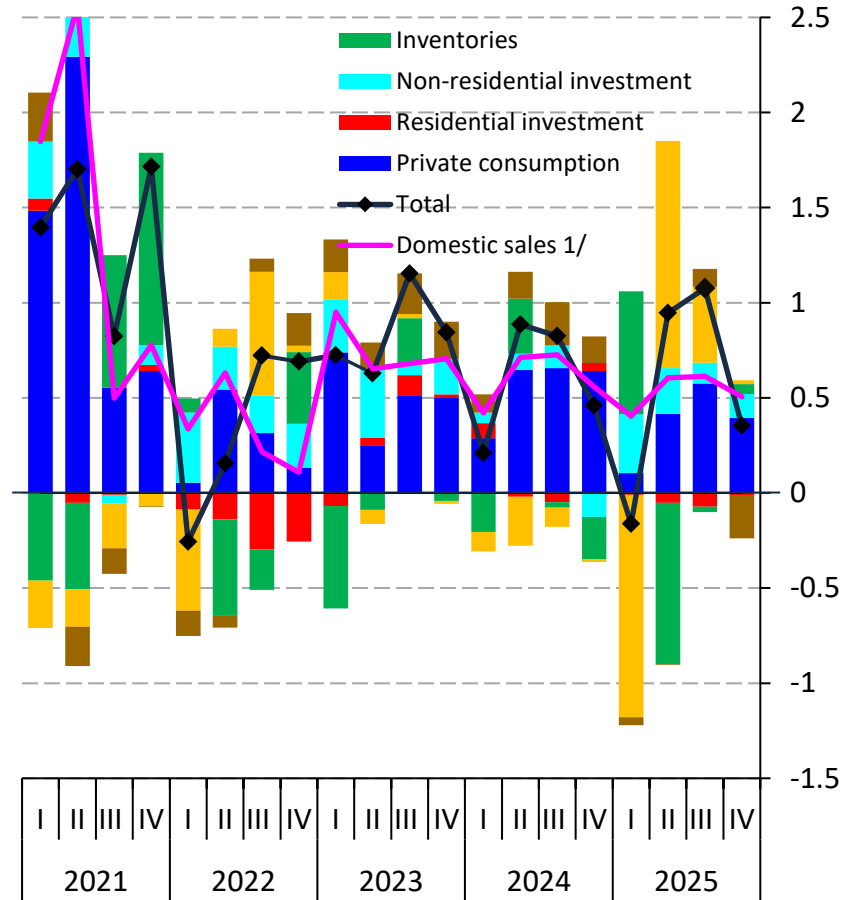
GDP growth forecasts for 2025-2027
published by the IMF
Annual % change and percentage point (pp) changes

	World Economic Outlook January 2026			Change from WEO October 2025		
	2025	2026	2027	2025	2026	2027
World	3.3	3.3	3.2	0.1	0.2	0.0
Advanced	1.7	1.8	1.7	0.1	0.2	0.0
United States	2.1	2.4	2.0	0.1	0.3	-0.1
Euro area	1.4	1.3	1.4	0.2	0.1	0.0
Japan	1.1	0.7	0.6	0.0	0.1	0.0
United Kingdom	1.4	1.3	1.5	0.1	0.0	0.0
Emerging	4.4	4.2	4.1	0.2	0.2	-0.1
Mexico	0.6	1.5	2.1	-0.4	0.0	0.1
China	5.0	4.5	4.0	0.2	0.3	-0.2
India	7.3	6.4	6.4	0.7	0.2	0.0
Brazil	2.5	1.6	2.3	0.1	-0.3	0.1
South Africa	1.3	1.4	1.5	0.2	0.2	0.0

The US economy decelerated in Q4-2025, partly as a result of the government shutdown, although most domestic demand components continued showing resilience. Regarding its labor market, the unemployment rate remained relatively stable, despite the continuing moderate rates of job creation.

United States: real GDP and components

Quarterly % change in percent and contributions in percentage points, s. a.



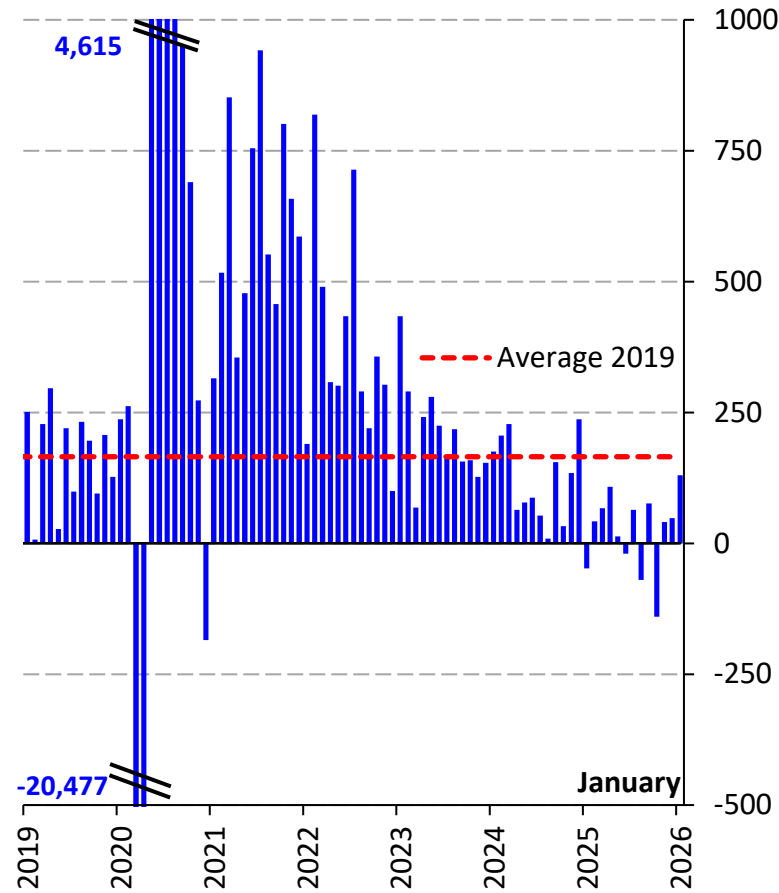
s. a./ Seasonally adjusted figures.

1/ Private domestic sales correspond to the sum of private consumption and fixed investment.

Source: Bureau of Economic Analysis (BEA).

United States: non-farm payroll

Monthly variation in thousand jobs, s. a.



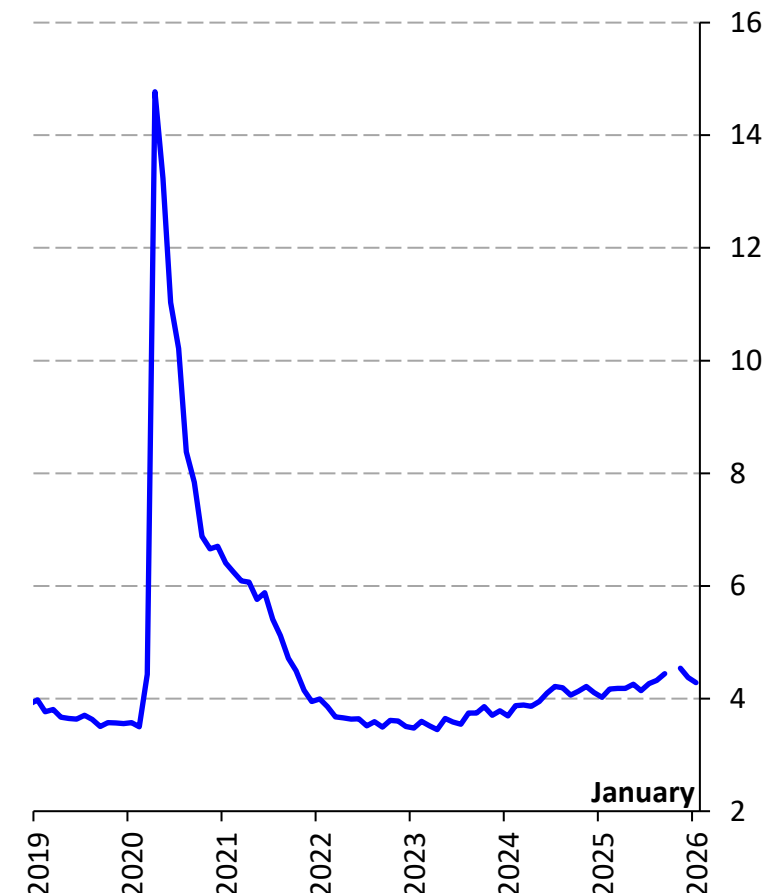
s. a./ Seasonally adjusted figures.

Note: The range of the chart was reduced to facilitate its reading. Figures correspond to the minimum (April 2020) and maximum (June 2020) values that are not displayed in the chart.

Source: Bureau of Labor Statistics (BLS).

United States: unemployment rate

Percent, s. a.



s. a./ Seasonally adjusted figures

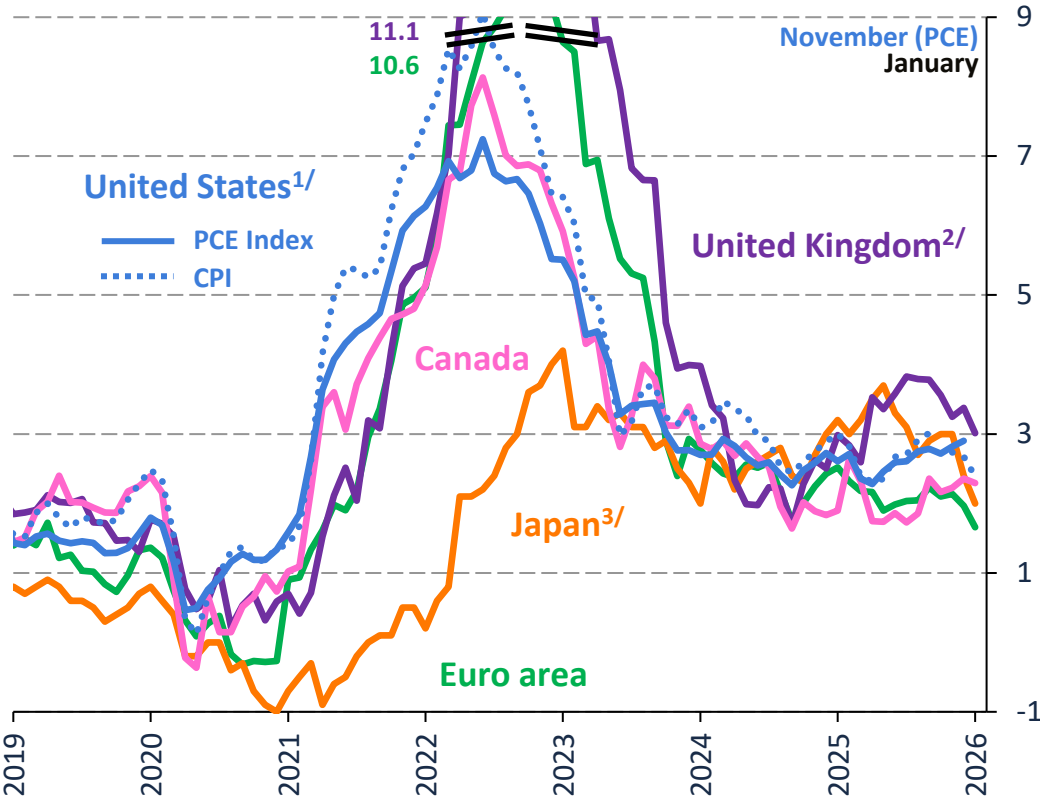
Note: The October 2025 figure was not released due to the government shutdown.

Source: Bureau of Labor Statistics (BLS).

Headline inflation decreased gradually in some of the main advanced and emerging economies, and lies, in several of them, at levels similar or below those registered in early 2025.

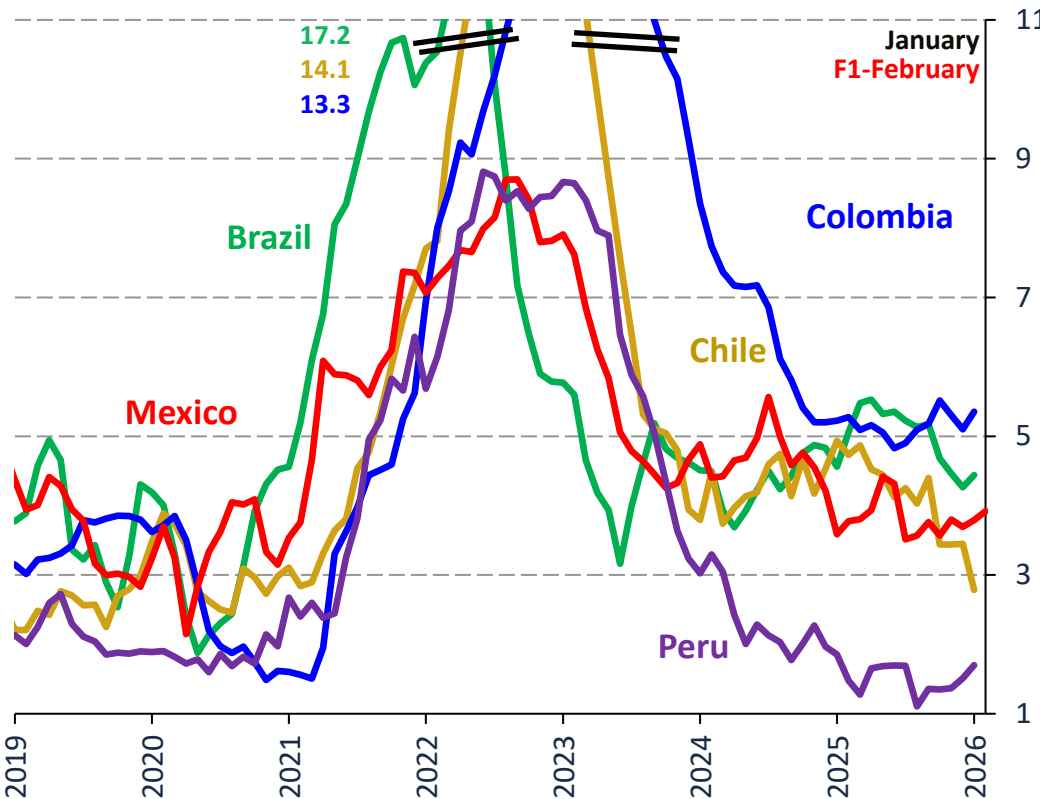
Headline price index
Annual % change

Advanced economies



Note: The range of the chart was reduced to facilitate its reading. In the case of the United States (CPI), the figure for October 2025 was not released due to the government shutdown.
1/ The solid line represents the Personal Consumption Expenditures (PCE) deflator, while the dotted line represents the Consumer Price Index (CPI). 2/ The harmonized index is used. 3/ Fresh food is excluded.
Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Eurostat, Bank of Japan, UK Office for National Statistics, and Statistics Canada.

Emerging economies in Latin America

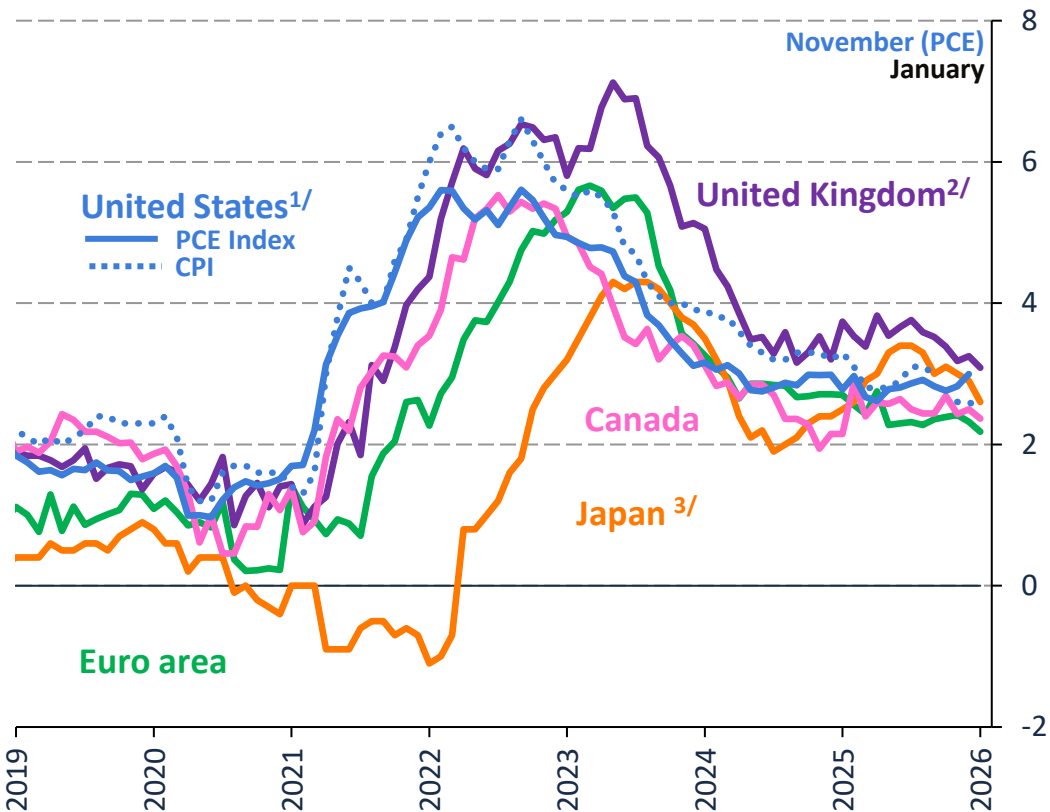


Note: The range of the chart was reduced to facilitate its reading.
Source: INEGI and countries' national statistics offices.

Core inflation continued showing, in general, some resistance to decline, although in some economies it slightly declined.

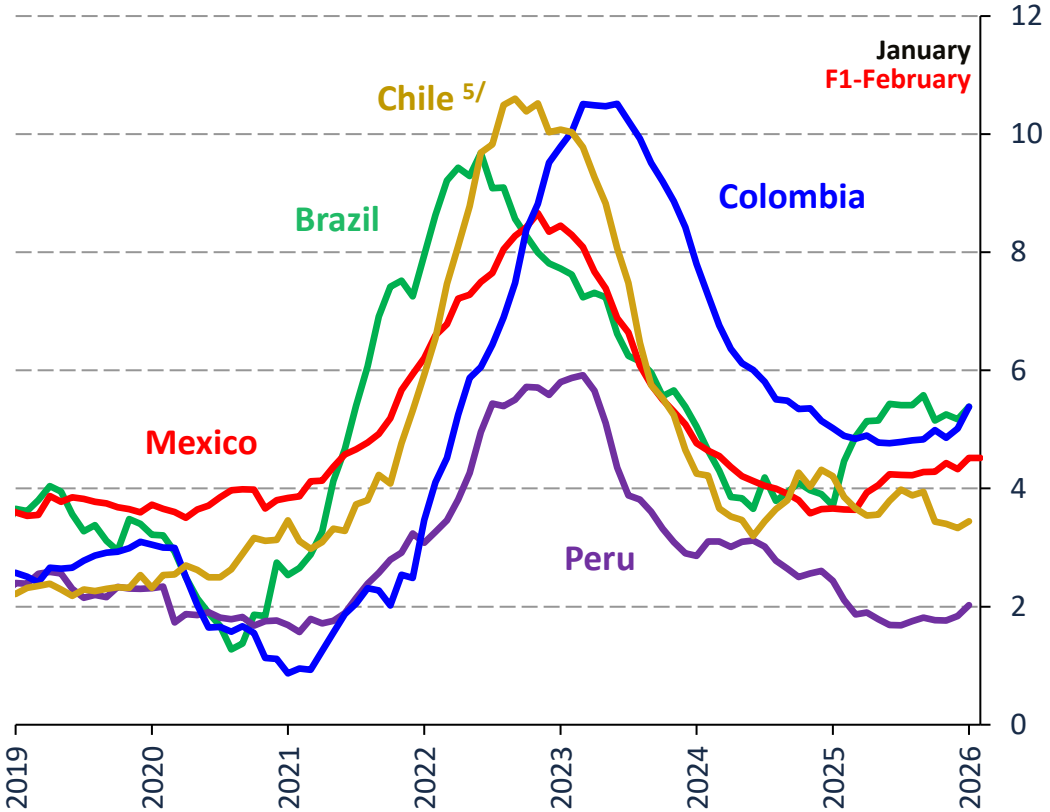
Core Price Index
Annual % change

Advanced economies



Note: In the case of the United States (CPI), the figure for October 2025 was not published due to the government shutdown.
1/ The solid line represents the Personal Consumption Expenditures (PCE) deflator, while the dotted line represents the Consumer Price Index (CPI). 2/ The harmonized index is used. 3/ Fresh food is excluded.
Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Eurostat, Bank of Japan, UK Office for National Statistics, and Statistics Canada.

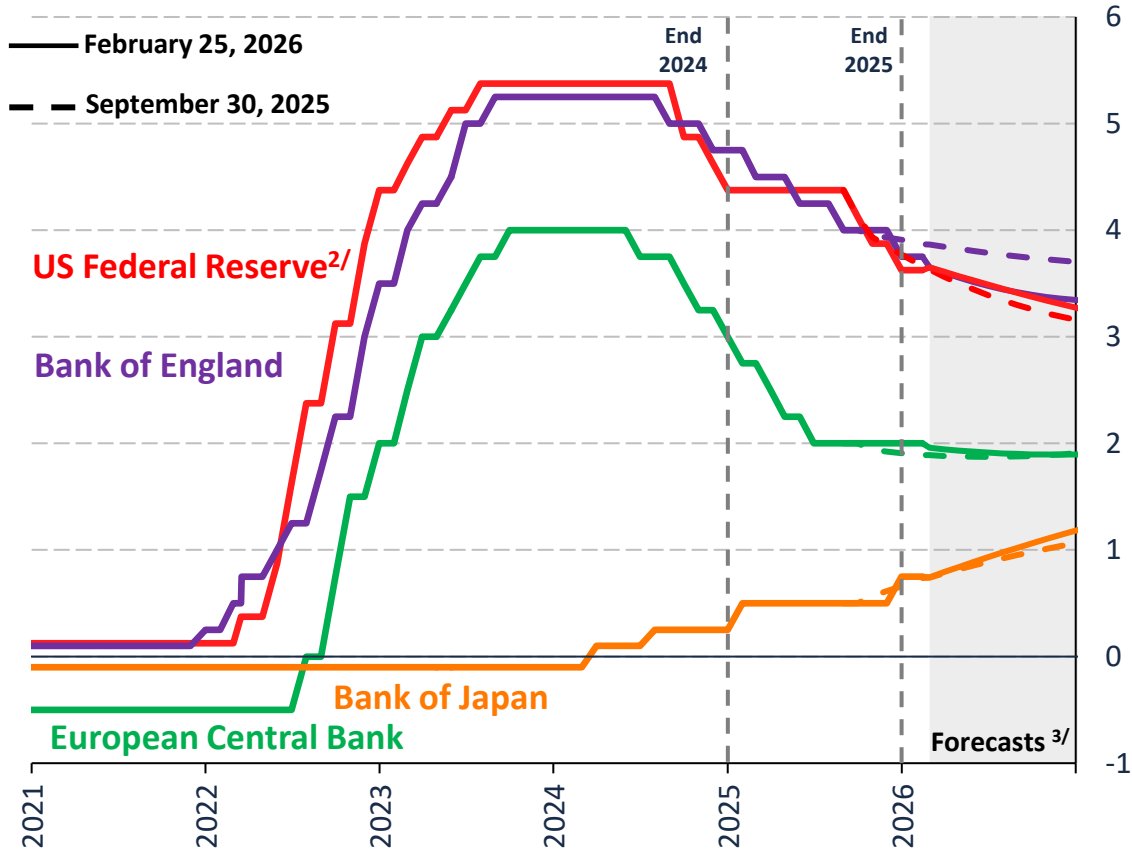
Emerging economies in Latin America



5/ Refers to the series excluding volatile items used by the Central Bank of Chile.
Source: INEGI, Central Bank of Chile, and countries' national statistics offices.

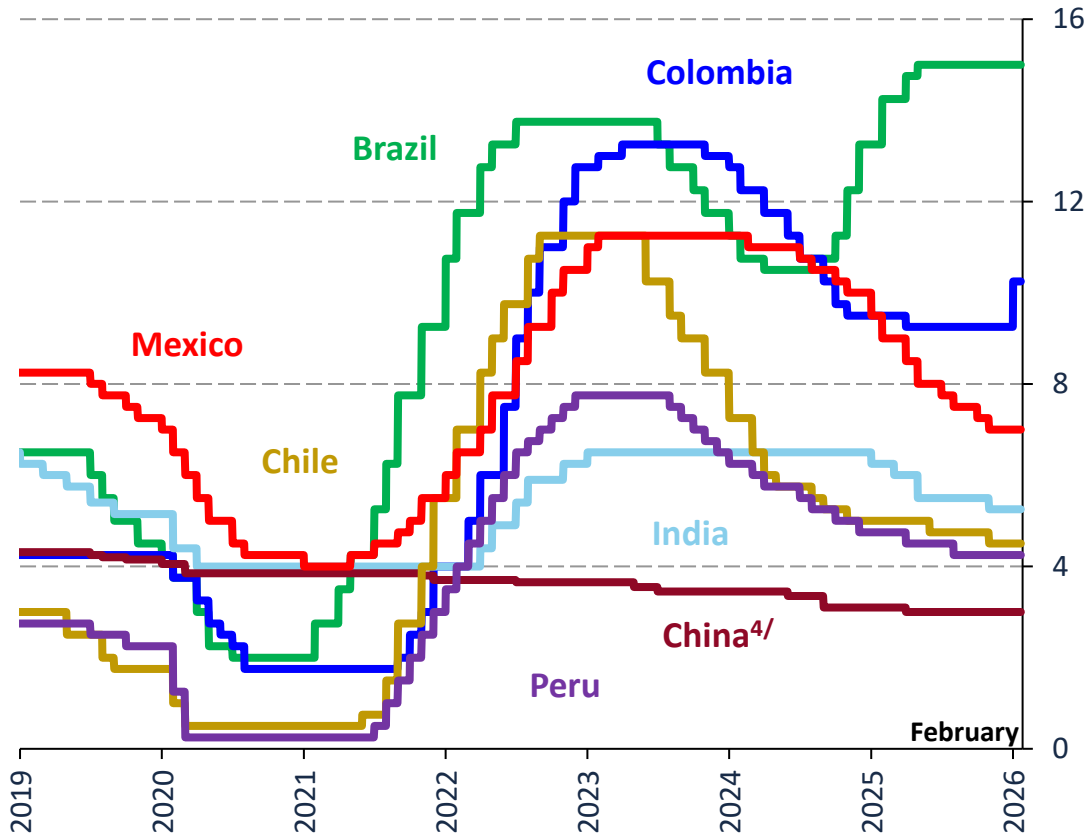
Several central banks of the major advanced and emerging economies lowered their reference rates, while others left them unchanged. A small number of central banks increased them.

Reference rates and implied trajectories in OIS curves in advanced economies^{1/}
%



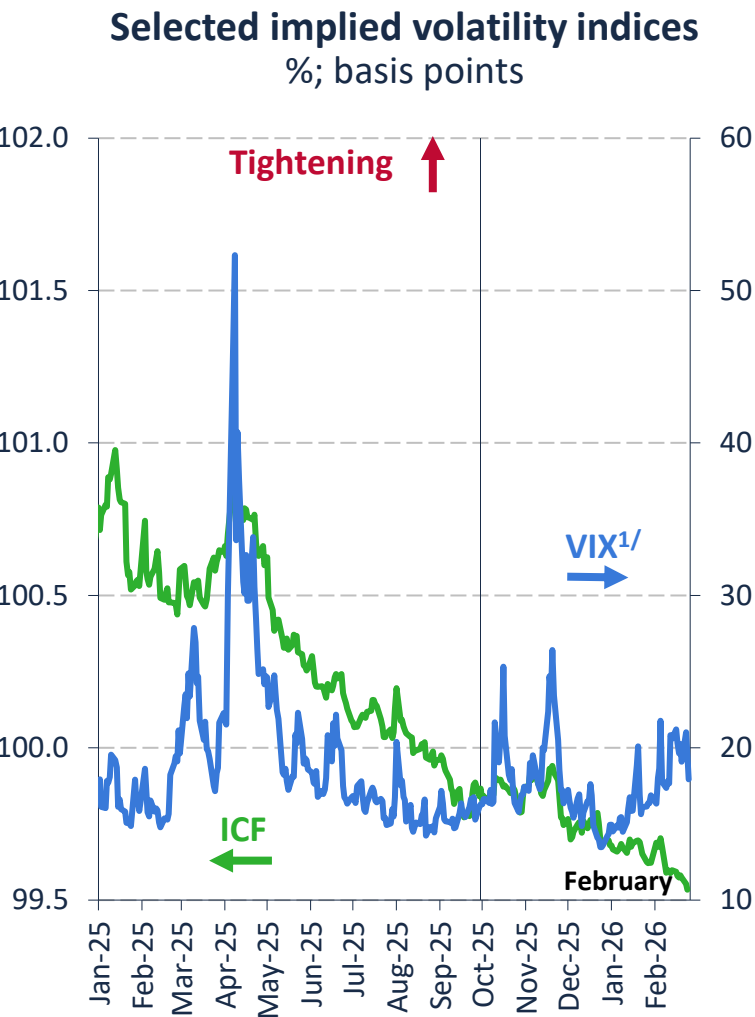
1/ OIS: Fixed-floating interest rate swap where the floating interest rate is associated with the effective overnight reference rate. 2/ Data for the observed federal funds rate corresponds to the average between the lower and upper bounds of the target range. 3/ Forecasts are shown in the gray-shaded area. Source: Prepared by Banco de México with data from Bloomberg.

Reference rates in emerging economies
%

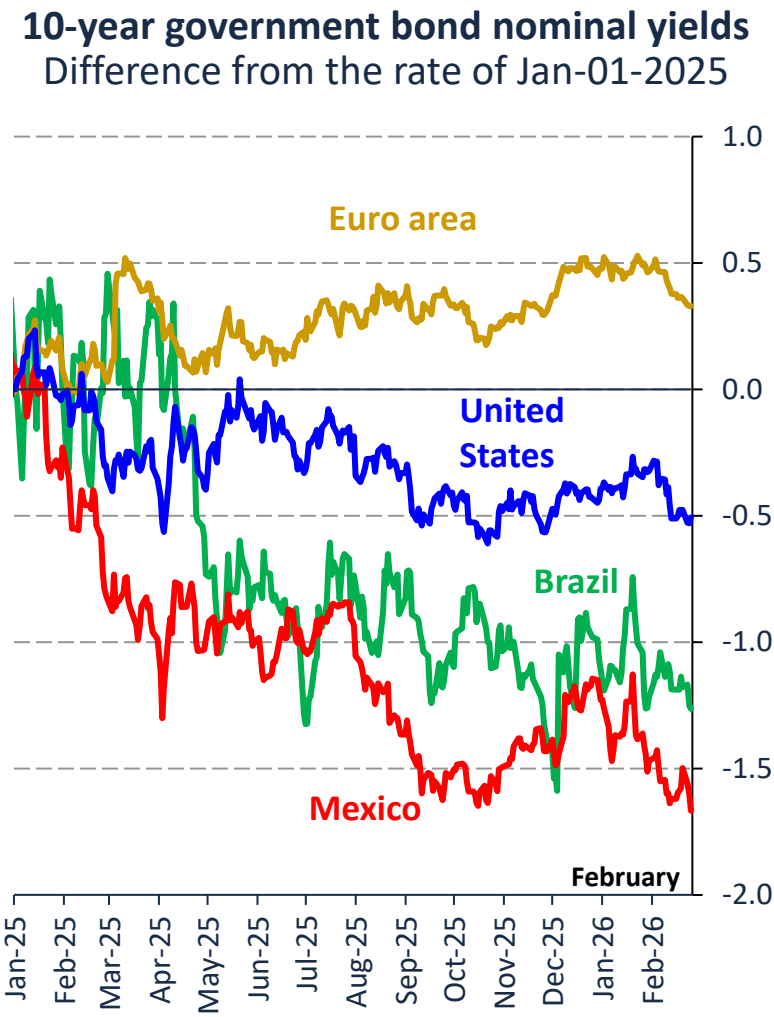


4/ For China, the 1-year Loan Prime Rate (LPR) is shown. Source: Haver Analytics.

Some episodes of volatility in international financial markets were registered, while financial conditions loosened. Government bonds yields fluctuated during said quarter and the US dollar maintained the depreciation accumulated over the first quarters of the year.



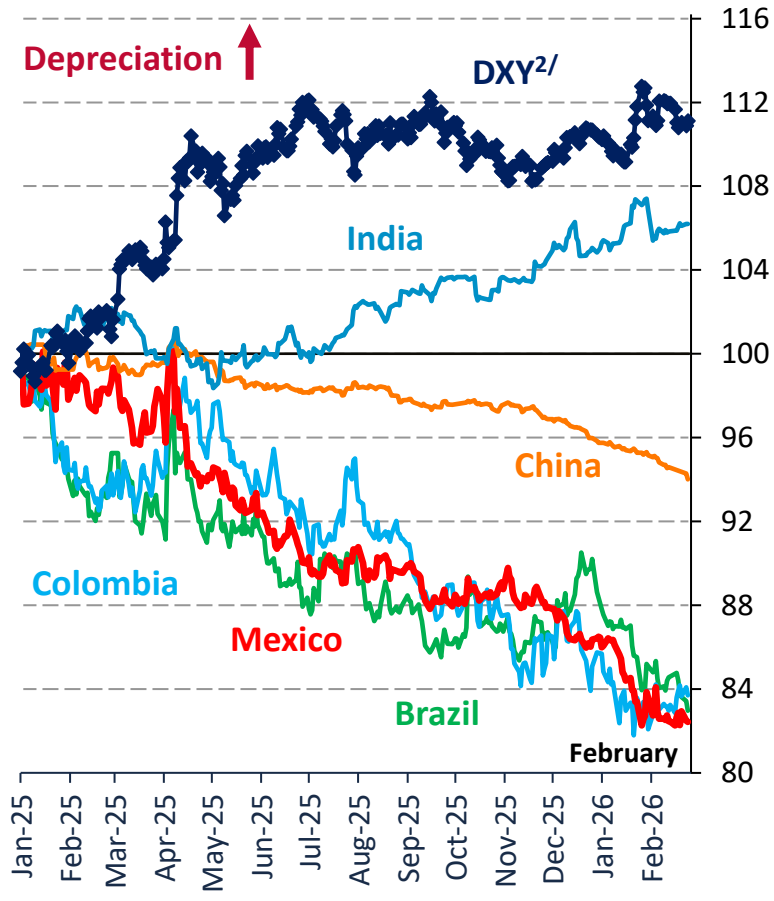
Note: The vertical line marks the start of Q4-2025. Updated with information available as of February 25, 2026. 1/ VIX is a measure of the implied volatility embedded in the prices of options on the US Standard & Poor's 500 index. Source: Goldman Sachs and Bloomberg.



Source: Prepared by Banco de México with data from Bloomberg and *Proveedor Integral de Precios* (PIP).

DXY Index and exchange rates of emerging economies' against the dollar

Index Jan-01-2025=100



Note: The scale of the DXY index was inverted. An upward movement represents a depreciation for all series. 1/ DXY: Refers to the US dollar index calculated by the Intercontinental Exchange (ICE) as a weighted average of the nominal exchange rate of six currencies: euro, Japanese yen, British pound sterling, Canadian dollar, Swedish krona, and Swiss franc. Source: Bloomberg.

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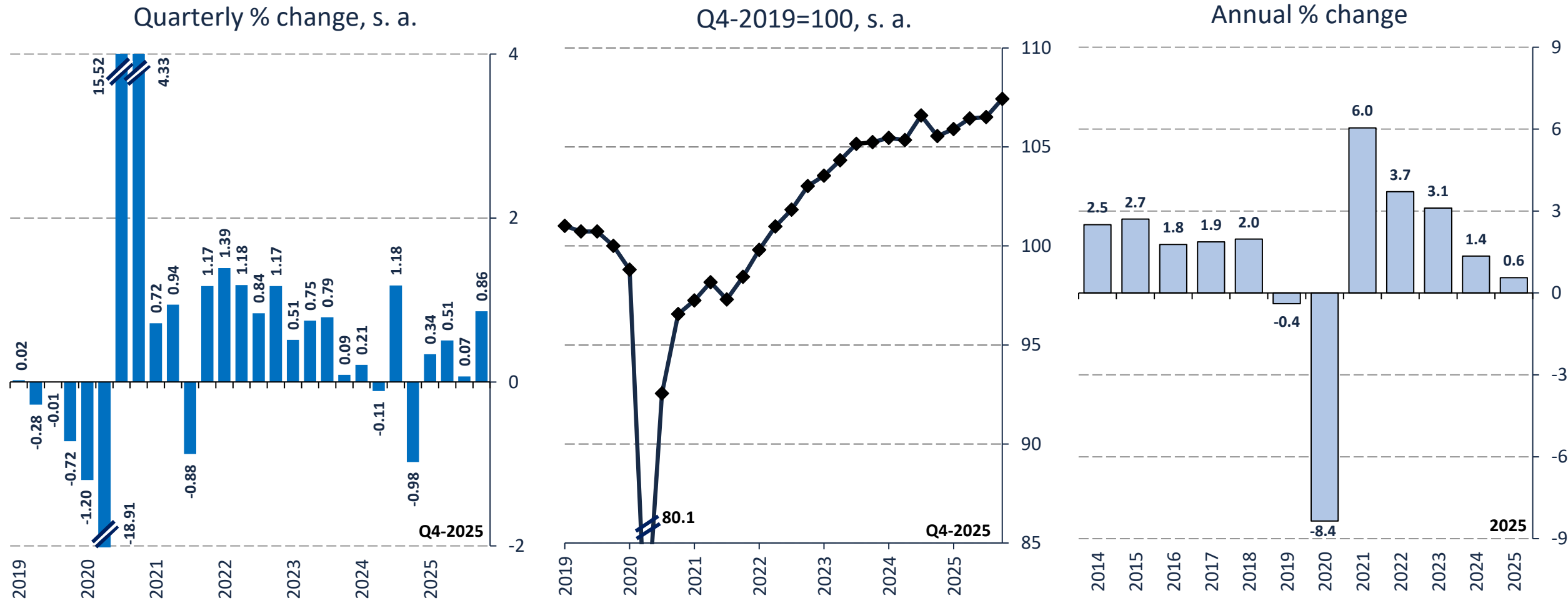
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GDP showed an improvement in Q4-2025 compared to the weakness observed in previous quarters. Overall in 2025 economic activity slowed down with respect to previous years.

Gross Domestic Product^{1/}



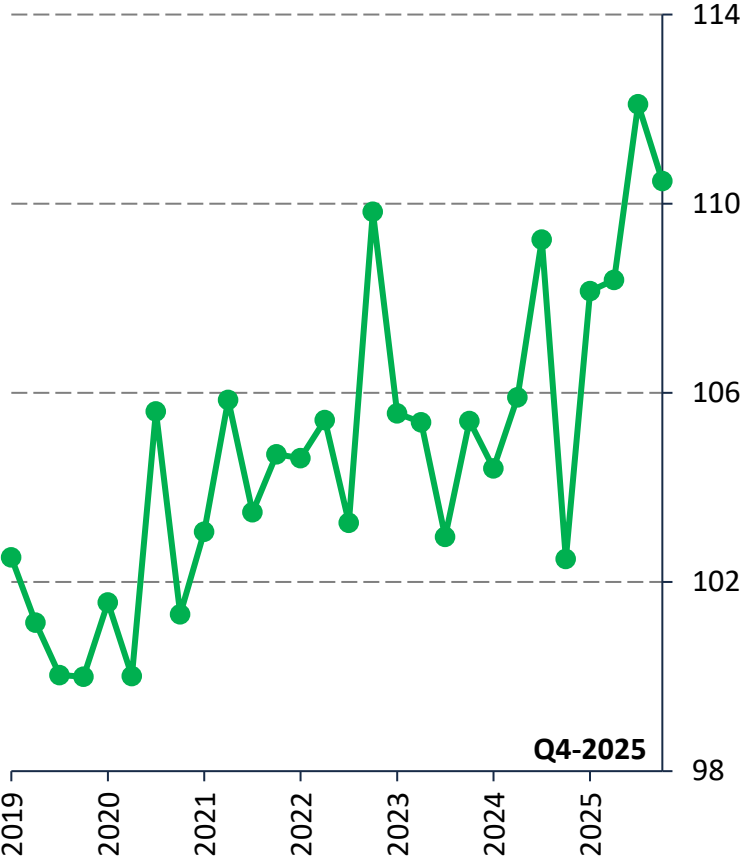
s. a./ Seasonally adjusted figures.
1/ The range of some charts was reduced to facilitate their reading.
Source: Mexico's National Accounts System (SCNM, for its acronym in Spanish), INEGI.

GDP increased in Q4-2025 in response to a rebound in services and some reactivation of industrial activity.

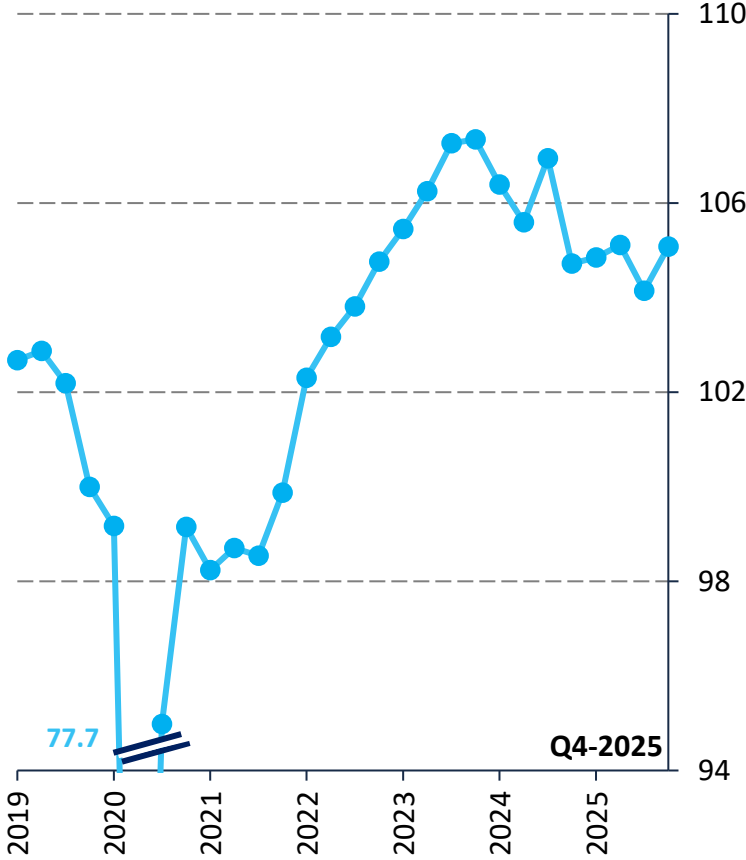
GDP by economic sector^{1/}

Q4-2019=100, s. a.

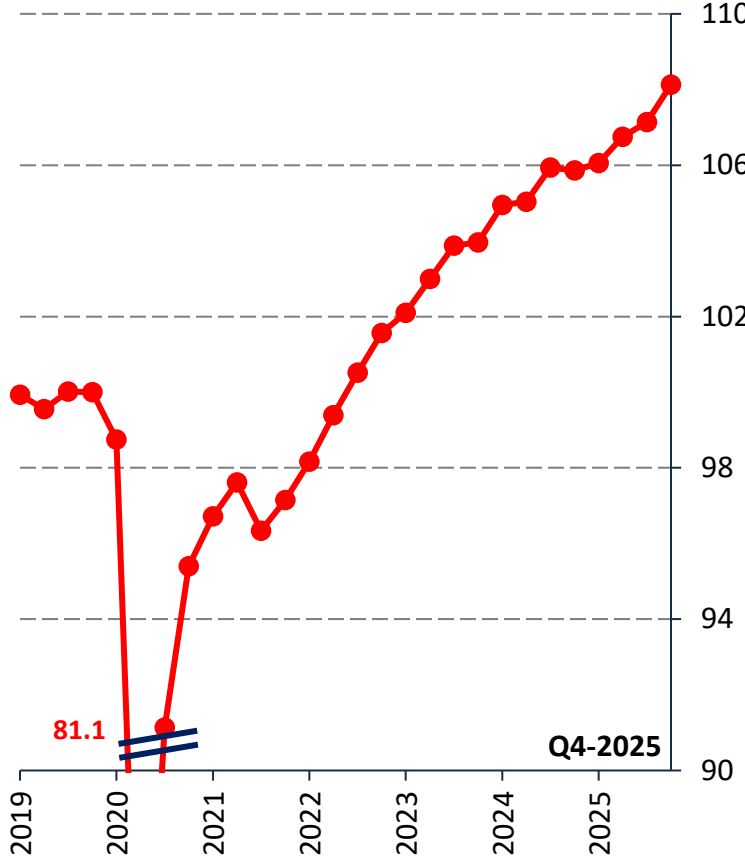
Primary activities



Secondary activities

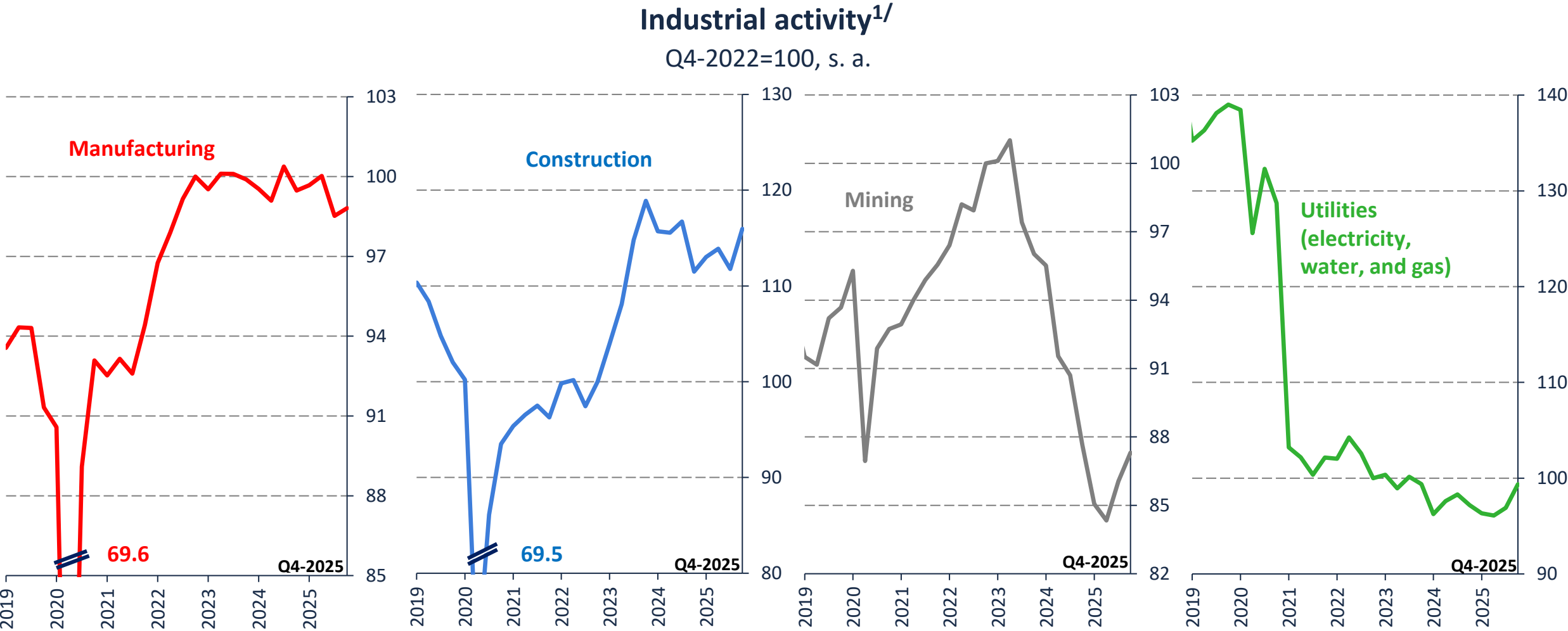


Tertiary activities



s. a. / Seasonally adjusted figures.
1/ The range of some charts was reduced to facilitate their reading.
Source: Mexico's National Accounts System (SCNM, for its acronym in Spanish), INEGI.

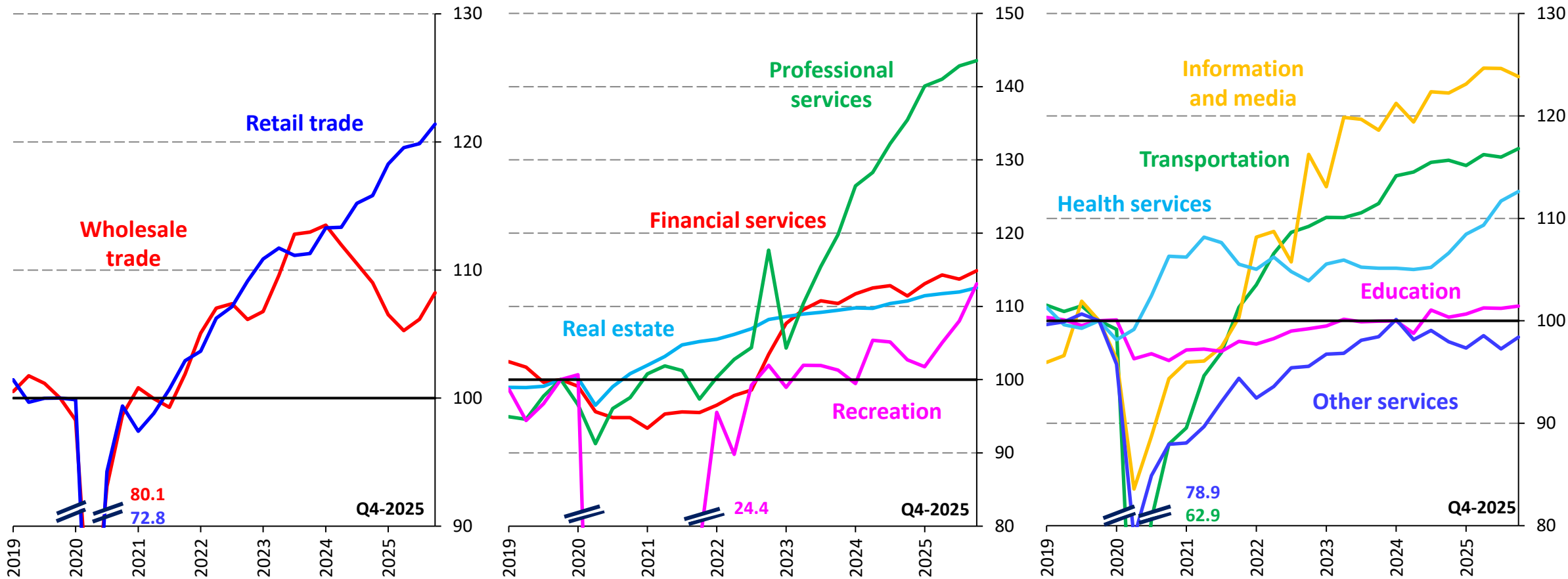
The industrial sector showed a mixed performance in Q4-2025. On the one hand, construction, mining, and the utilities sectors improved slightly. Manufacturing, on the other hand, remained weak.



s. a. / Seasonally adjusted figures.
1/ The range of some charts was reduced to facilitate their reading.
Source: Mexico's National Accounts System (SCNM, for its acronym in Spanish), INEGI.

Tertiary activities exhibited greater dynamism in Q4-2025.

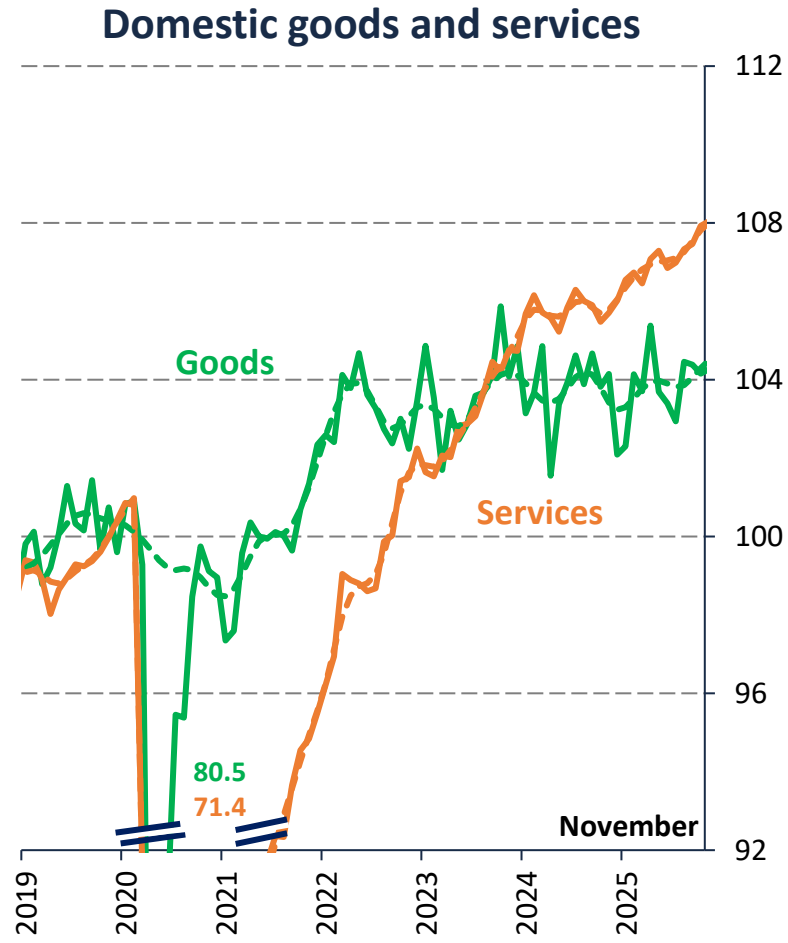
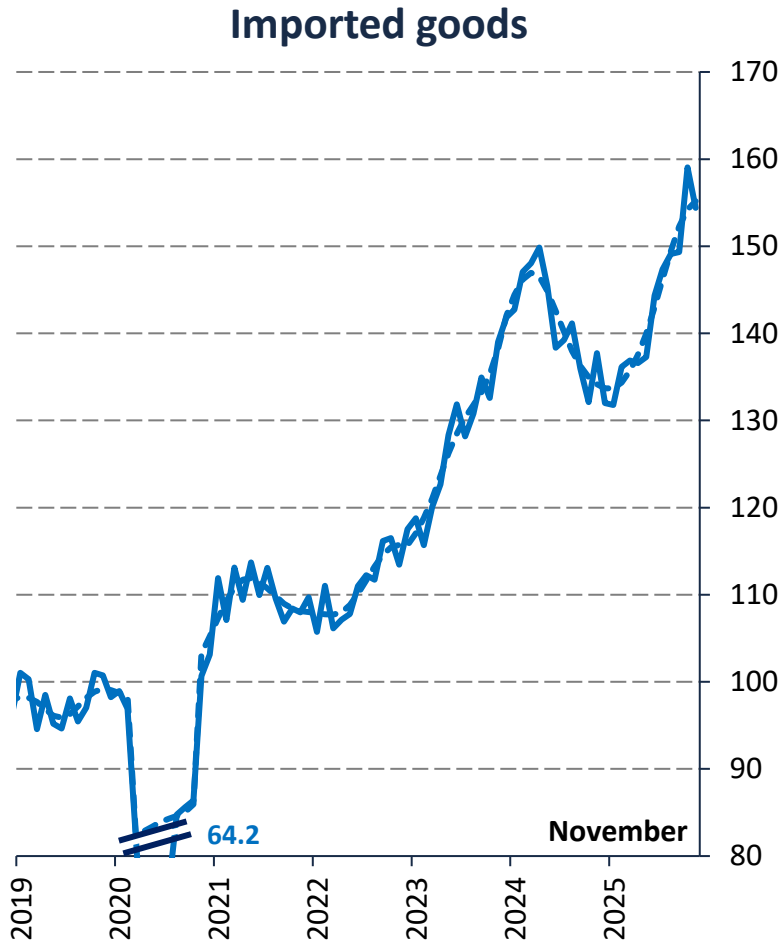
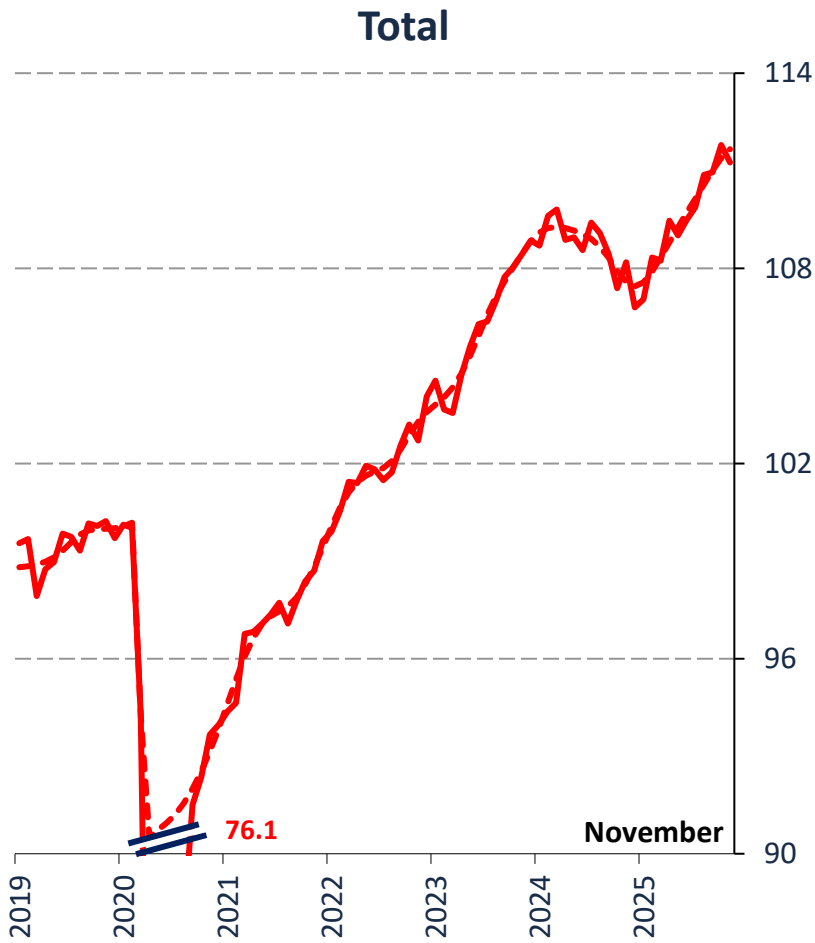
IGAE tertiary activities^{1/}
Quarterly averages, index Q4-2019 = 100, s. a.



s. a. / Seasonally adjusted series.
1/ The range of the charts was reduced to facilitate their reading.
Source: National Accounts System of Mexico (SCNM), INEGI.

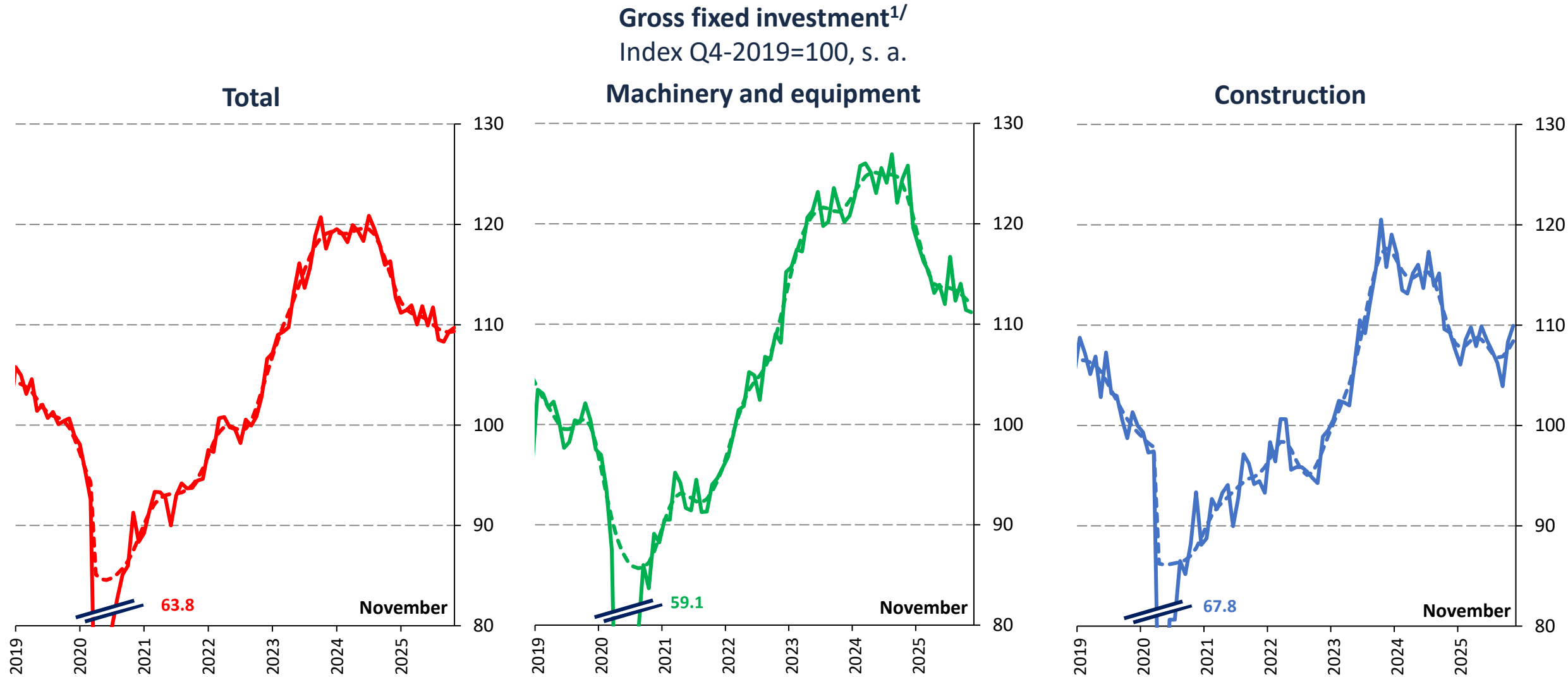
During the October-November 2025 period, private consumption maintained a positive trajectory.

Private consumption^{1/}
Index Q4-2019=100, s. a.



s. a. / Seasonally adjusted figures.
1/ The range of the charts was reduced to facilitate their reading. The dotted line indicates the series trend.
Source: Mexico's National Accounts System (SCNM, for its acronym in Spanish), INEGI.

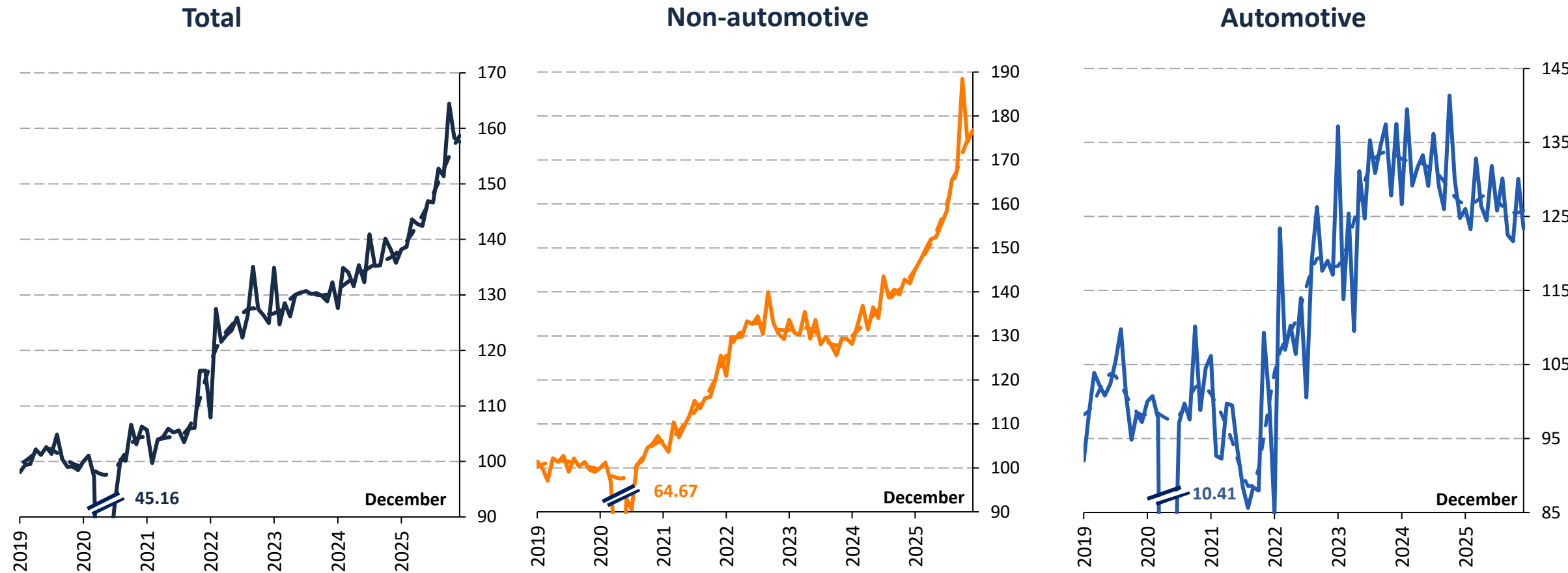
During the October-November 2025 period, gross fixed investment remained at levels similar to those of the July-September 2025 period.



s. a. / Seasonally adjusted figures.
1/ The range of the charts was reduced to facilitate their reading. The dotted line indicates the series trend.
Source: Mexico's National Accounts System (SCNM, for its acronym in Spanish), INEGI.

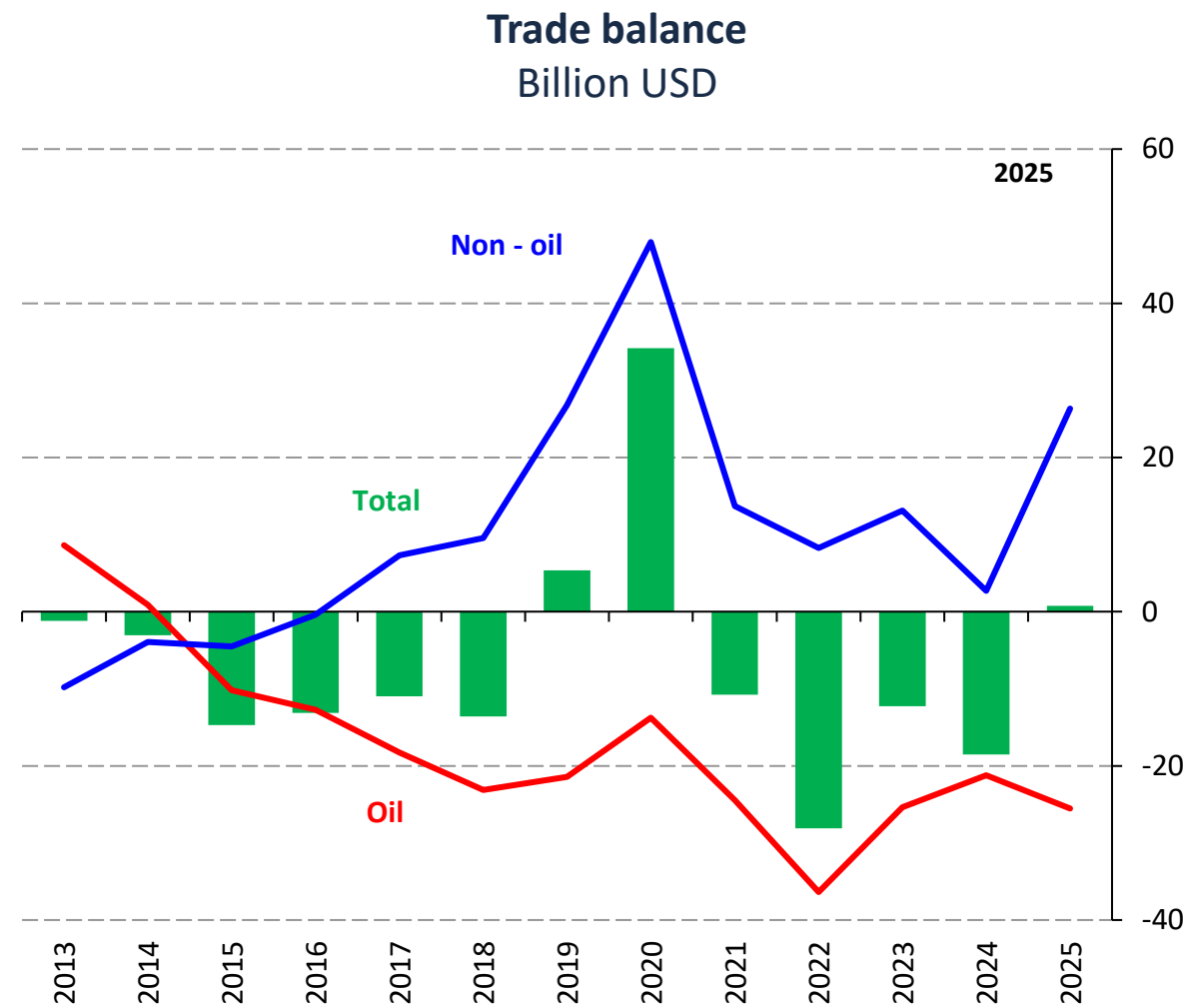
The components of manufacturing exports showed a differentiated behavior in Q4-2025, as non-automotive exports exhibited sustained momentum, while automotive exports slightly decreased.

Manufacturing exports^{1/}
Index Jan-2020=100, s. a.

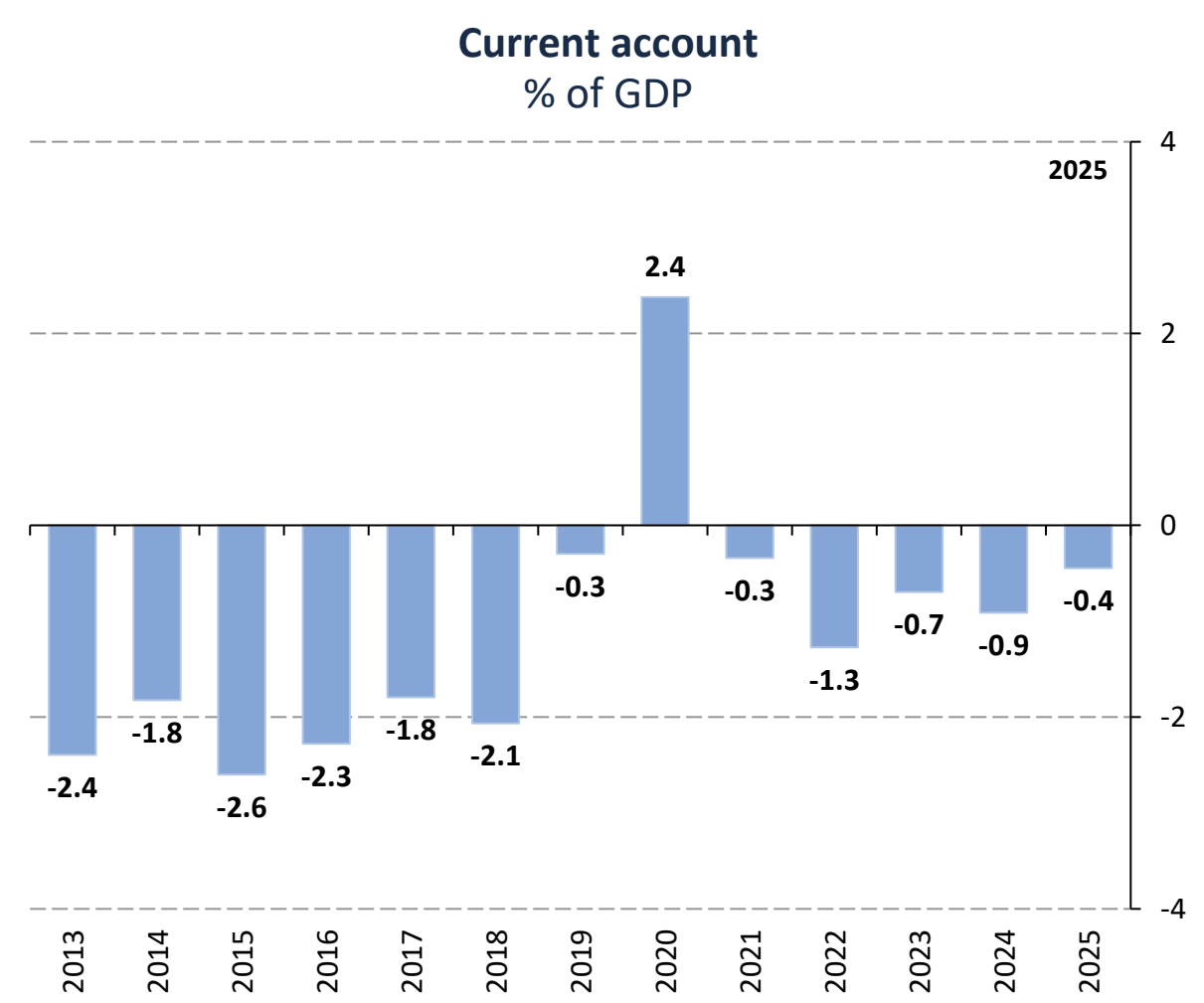


s. a. / Seasonally adjusted figures.
1/ The range of the charts was reduced to facilitate their reading. The dotted line indicates the series trend.
Source: Banco de México with data from PMI Comercio Internacional, S.A. de C.V., SAT, SE, Banco de México, and INEGI. Mexico's Merchandise Trade Balance. SNIEG. Information of national interest.

In 2025, the current account registered a smaller deficit than in 2024, thus remaining at moderate levels.

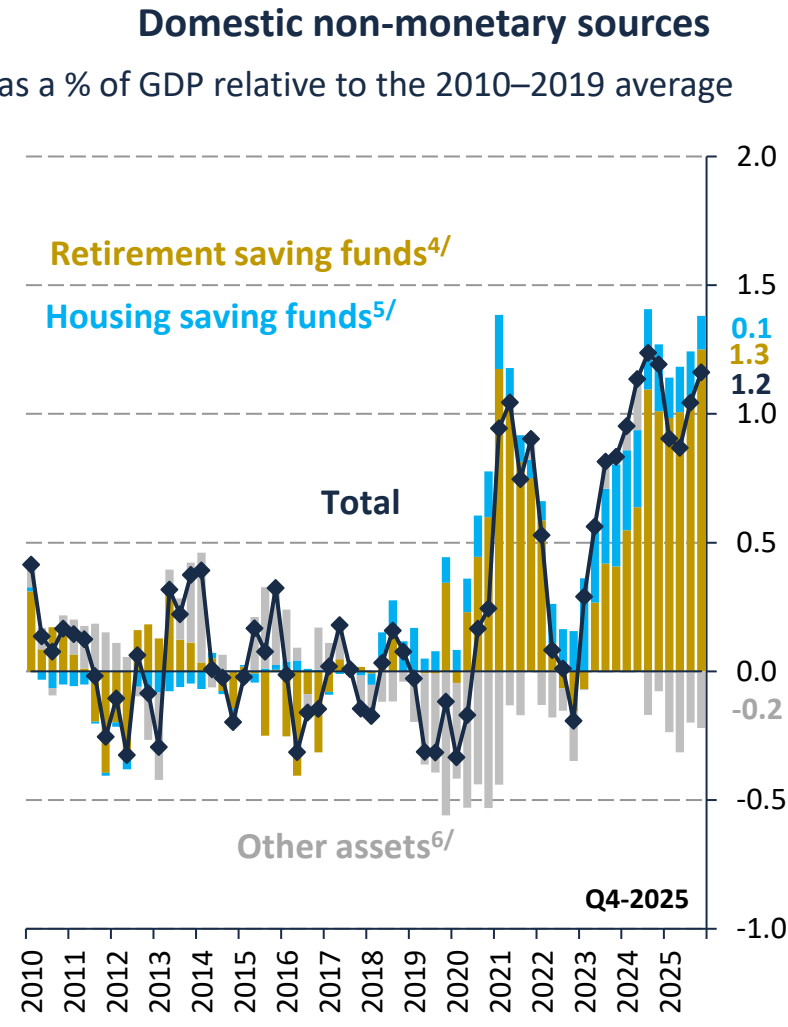
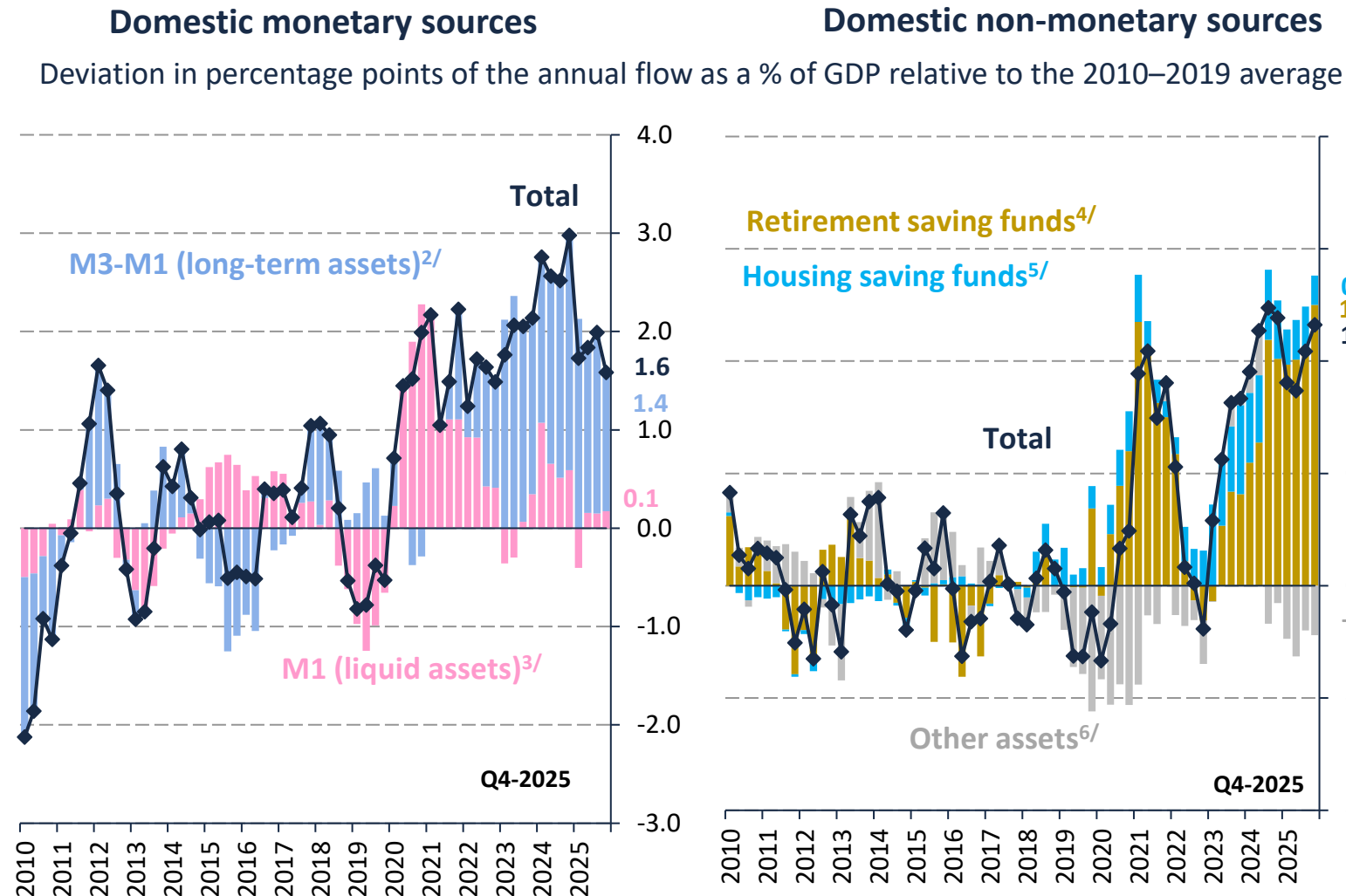
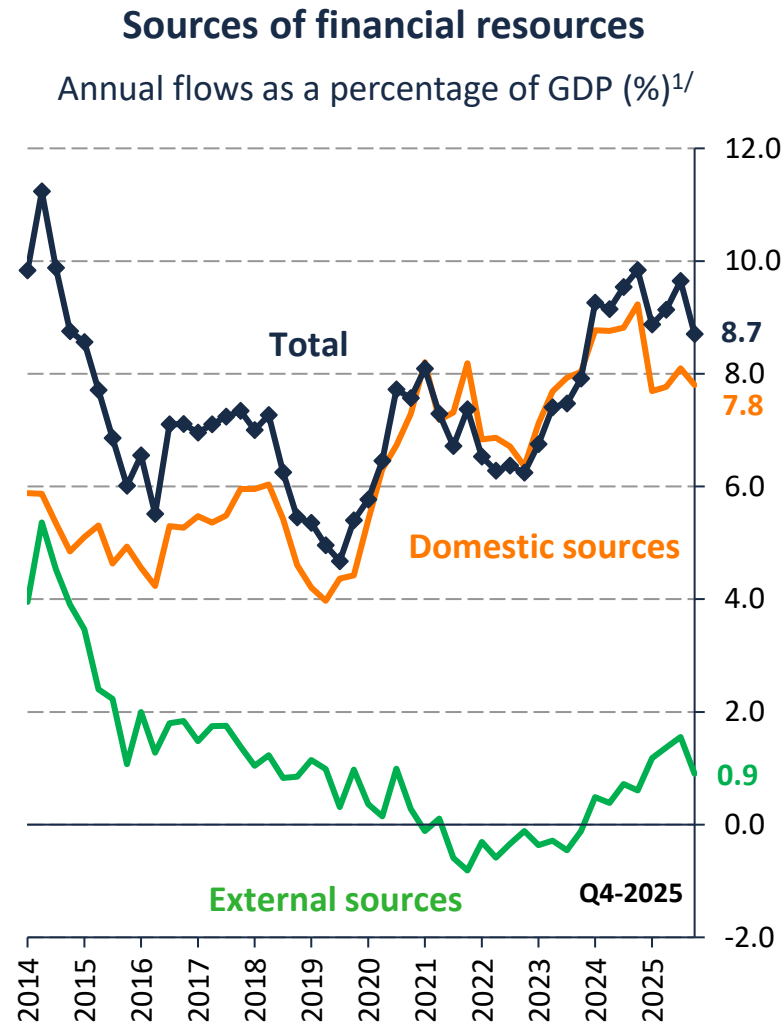


Source: SAT, SE, Banco de México, INEGI, Mexico's Merchandise Trade Balance, SNIEG. Information of national interest.



Source: Banco de México and INEGI.

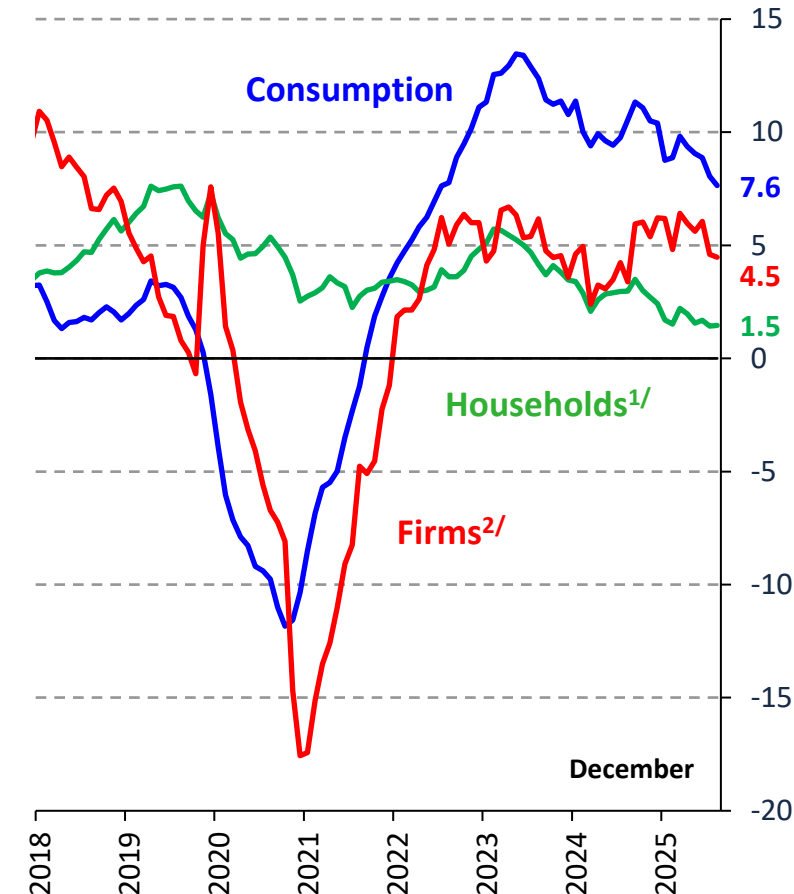
The sources of financial resources in the economy continued expanding in Q4-2025. This continued to reflect the dynamism of its domestic component, along with some recovery in external sources.



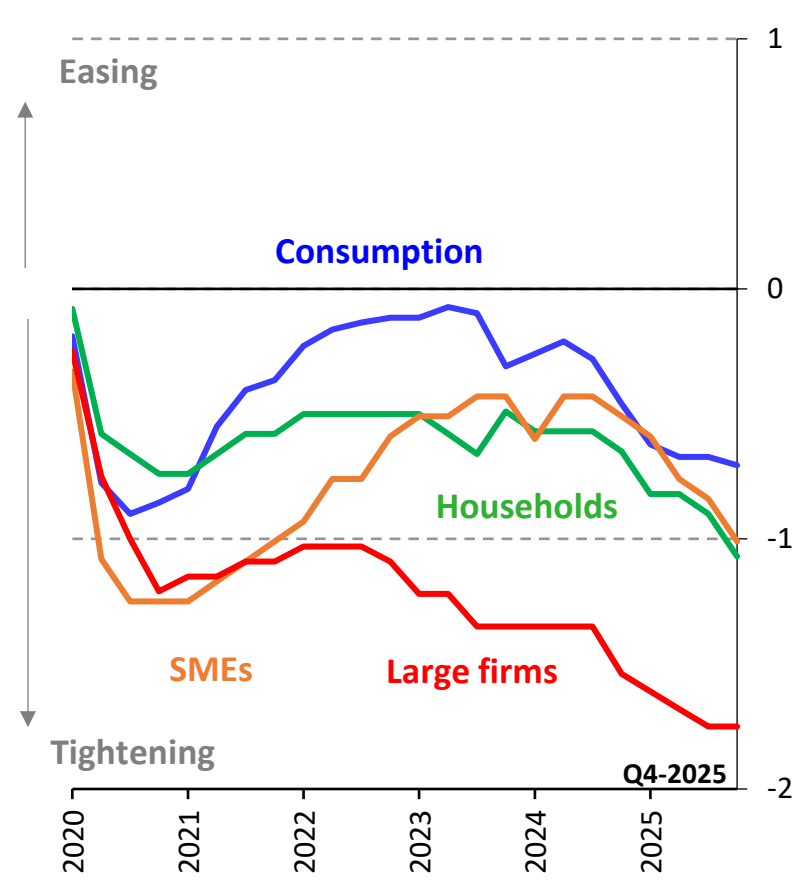
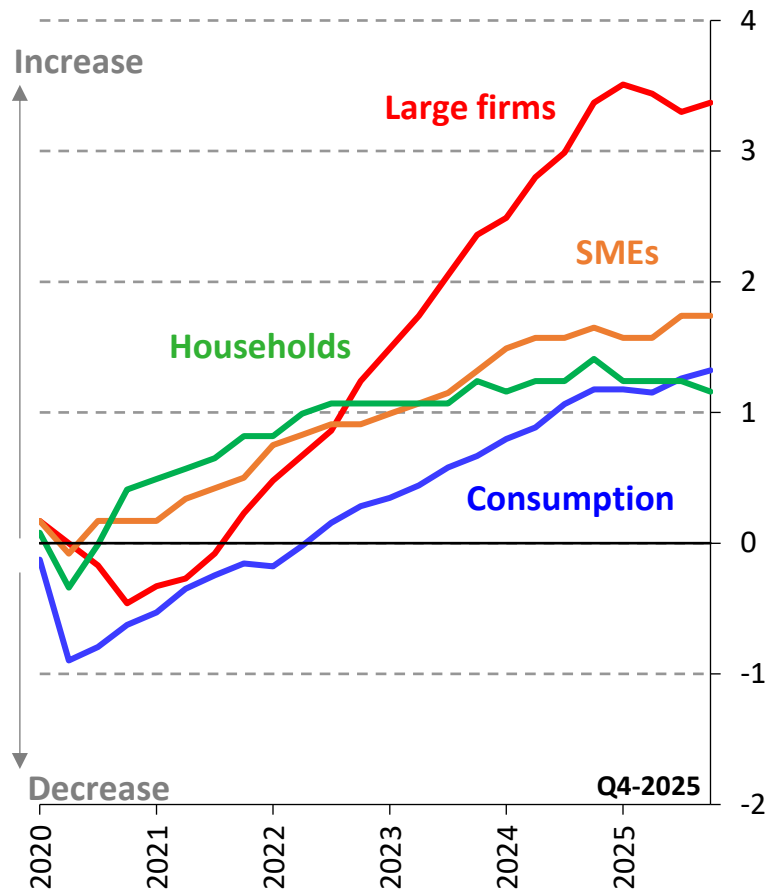
1/ See Table 6 of the October–December 2025 Quarterly Report (Sources and Uses of Financial Resources in the Economy) for a description of the concepts. 2/ Includes long-term instruments in M2 (deposits with a residual term of up to 5 years, shares of debt investment funds and creditors through securities repurchase agreements) plus government securities held by resident money-holding sectors. 3/ Includes banknotes and coins and immediately payable deposits. 4/ Includes the shares of the Basic Siefores (95% of total savings funds), the savings funds managed by Banco de México (4% of the total), and the Pensionissste bond (1% of the total). 5/ Includes the housing savings funds of Infonavit and Fovissste. 6/ Includes private securities, other public securities, term deposits longer than 5 years, and subordinated obligations. Source: prepared by Banco de México.

Commercial bank lending to the private sector continued expanding in Q4-2025, albeit at a slower pace than in the first half of the year.

Outstanding commercial bank credit to the non-financial private sector
Annual real variation in percent

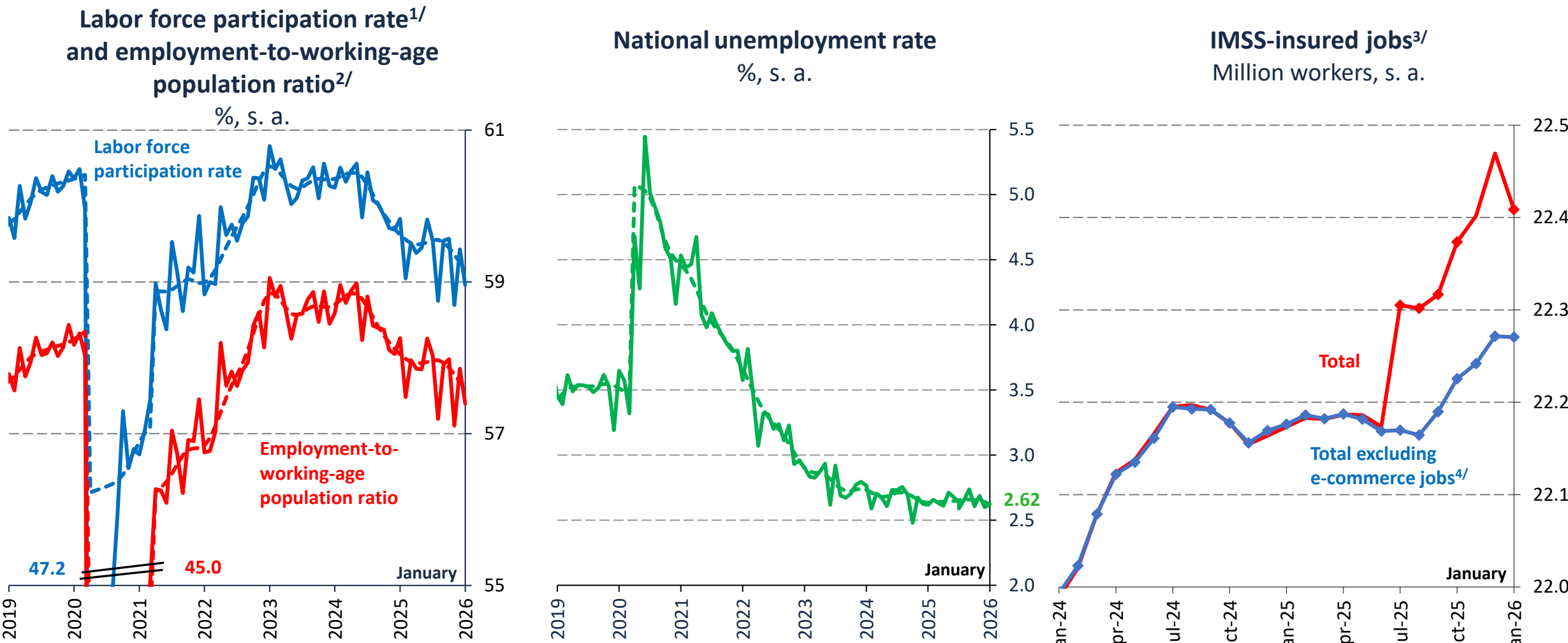


Commercial banks' opinion on changes in demand and in credit granting conditions and/or standards
Cumulative diffusion indices since Q1-2020 for banks with the largest share ^{3/4/}
Credit demand
Credit granting conditions and/or standards



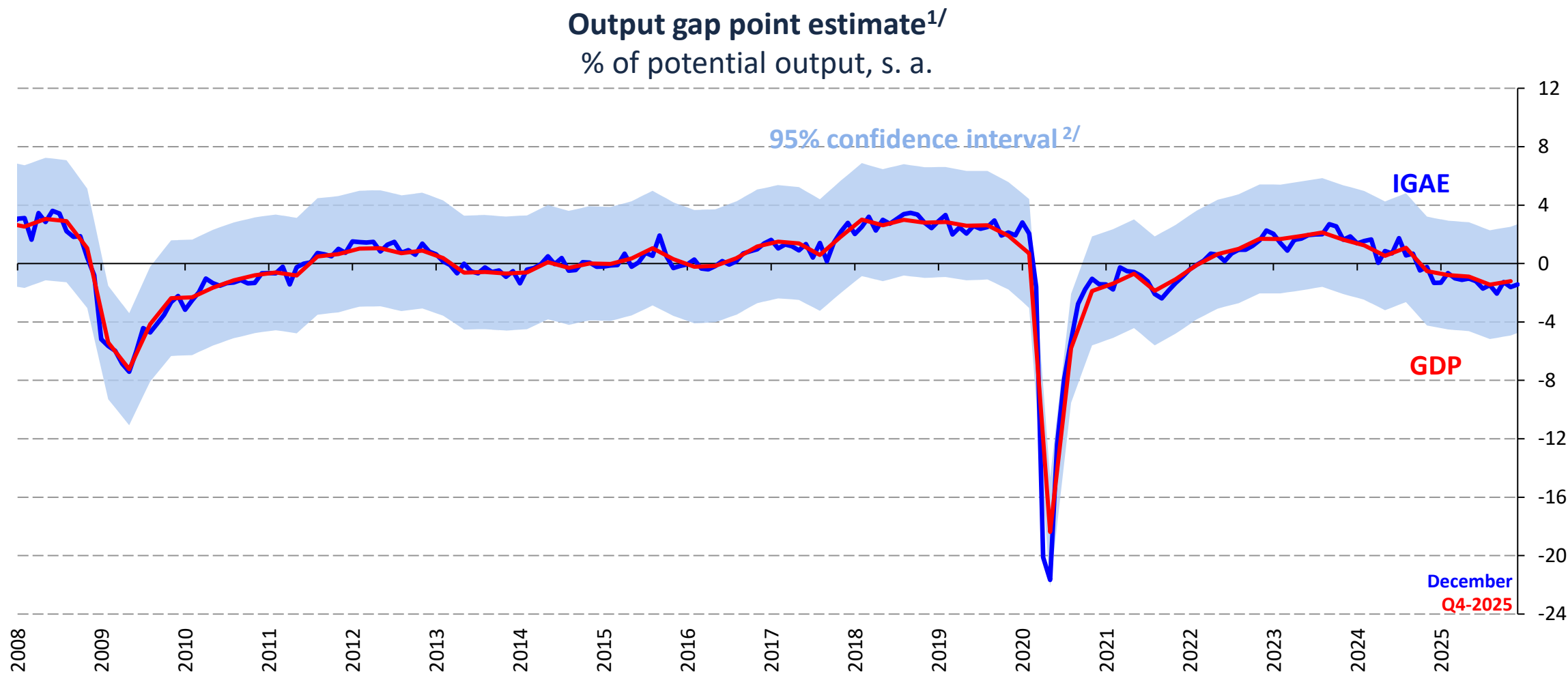
1/ Figures adjusted for transfers and reclassifications of credits in the direct loan portfolio and the incorporation of certain regulated sofomes into credit statistics. 2/ Figures adjusted for exchange rate effects. 3/ The group of banks with the largest share represents at least 75% of the outstanding balance of bank credit in the corresponding segment, except in the large enterprises and NBF segments, where they represent 72.31% and 74.75%, respectively. 4/ The consumption index refers to the simple average of the diffusion indices for the credit card, auto loan, payroll loan, and personal loan segments. These diffusion indices are constructed as a simple average of each bank's individual responses, which range from -1 to 1, with intervals of 0.5.
Source: Prepared by Banco de México.

In 2025, the labor market continued showing signs of cooling. However, by the end of the year formal employment increased moderately, while employed population registered a higher growth rate.



s. a. / Seasonally adjusted series.
Note: The range of some charts was reduced to facilitate their reading. The dotted line indicates the trend of the series.
1/ Percentage of the economically active population (PEA) relative to the population aged 15 and over. 2/ Percentage of the employed population relative to the population aged 15 and over. 3/ Permanent and temporary jobs in urban areas. Seasonal adjustment by Banco de México. 4/ New IMSS-registered jobs associated with the pilot program to incorporate e-commerce workers into the mandatory social security scheme are not included. In January 2026, 139,000 jobs were registered under this digital platform program.
Source: Prepared by Banco de México with data from IMSS and ENOE (INEGI).

Regarding the cyclical position of the economy, the output gap estimate remained negative in Q4-2025.



s. a. / Prepared with seasonally adjusted data.
1/ Estimated using the Hodrick-Prescott filter with tail correction. See Inflation Report April – June 2009, Banco de México, p.69.
2/ Confidence interval of the output gap calculated using an unobserved components method.
Source: Prepared by Banco de México with data from INEGI and Banco de México.

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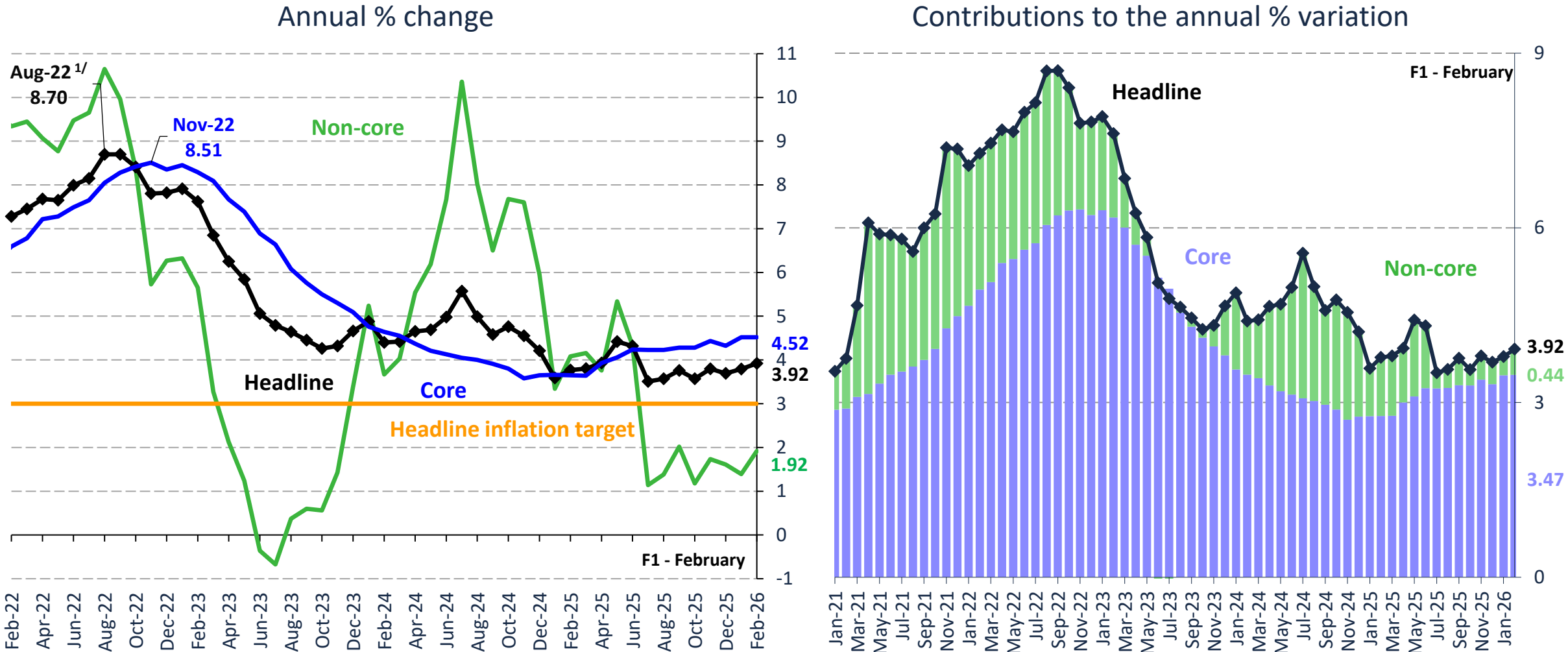
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Annual headline inflation has increased slightly in response to the evolution of core inflation in January 2026 and, more recently, to that of non-core inflation.

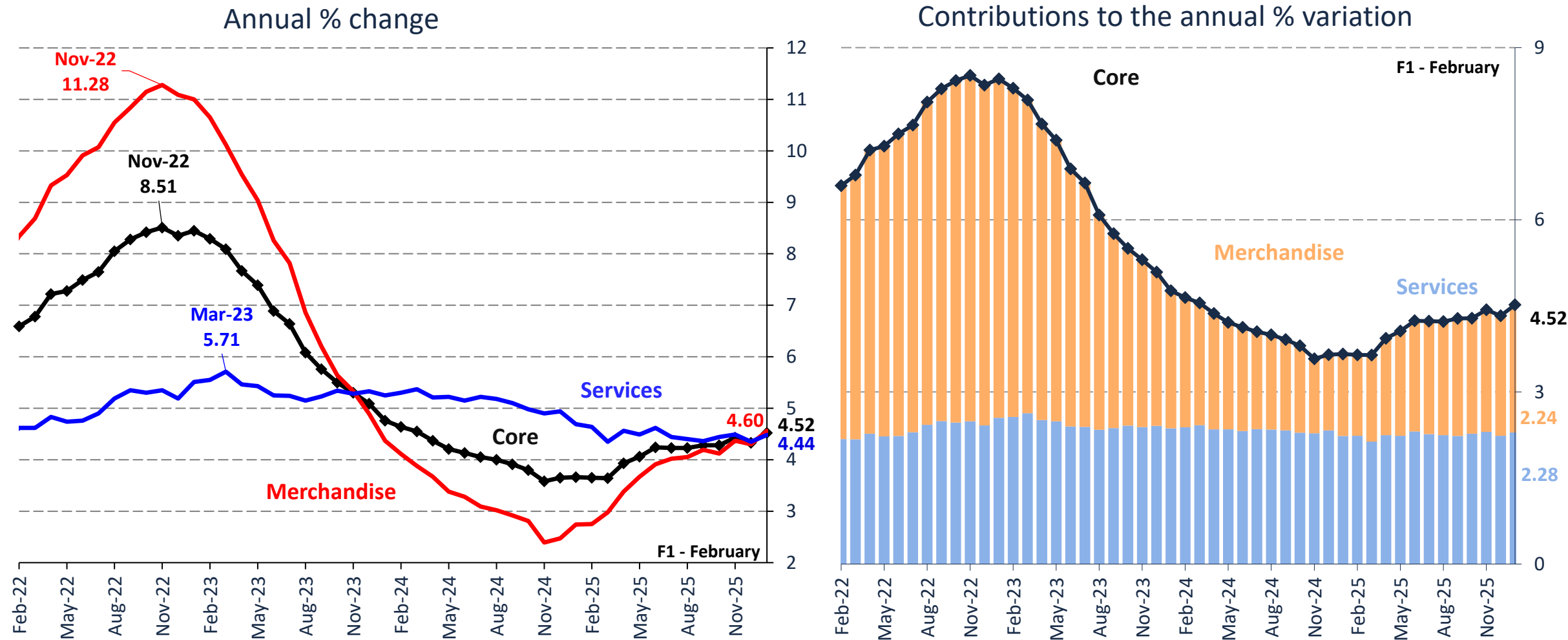
National Consumer Price Index



1/ Headline inflation was 8.70% in August and September 2022.
Source: Banco de México and INEGI.

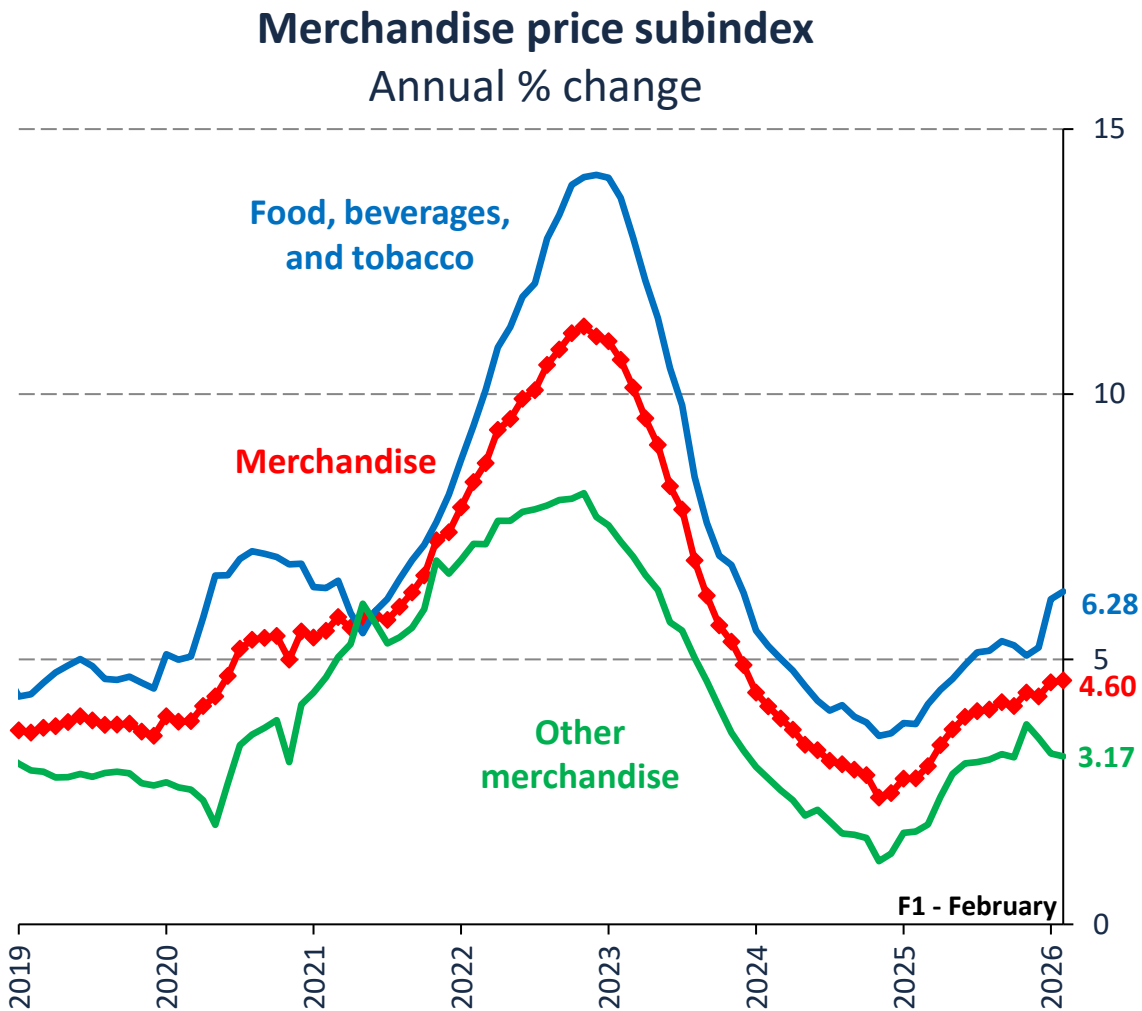
Between Q3-2025 and Q4-2025, core inflation rose from 4.25 to 4.35%. In January, it stood at 4.52%, influenced in part by adjustments to the IEPS that came into effect at the beginning of 2026. In the first fortnight of February, it remained at 4.52%.

Core price subindex

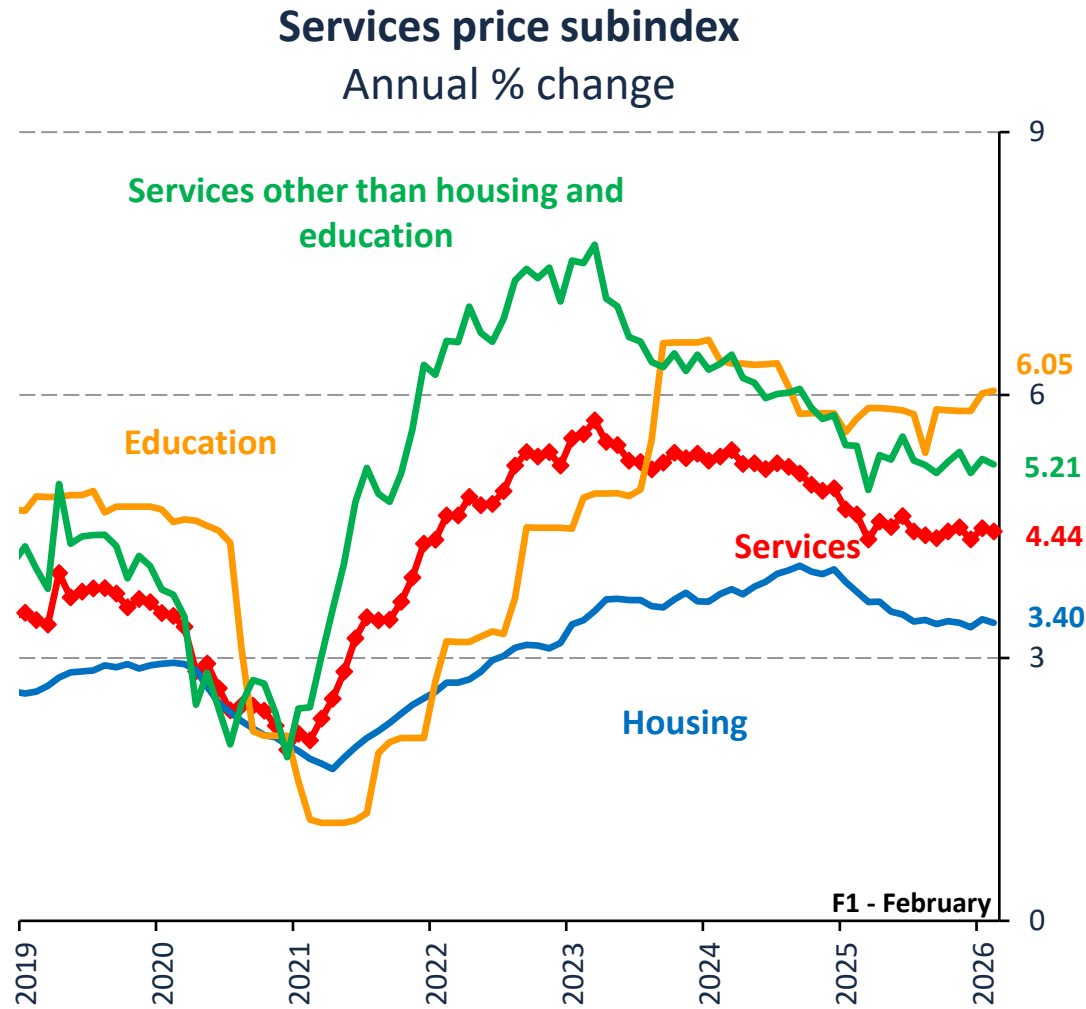


Source: INEGI.

In Q4-2025, merchandise inflation increased, mainly due to a base effect that affected non-food inflation. In early 2026, it went up driven by modifications to the IEPS that raised food inflation. Services inflation remained relatively stable, showing heterogeneity among its components.

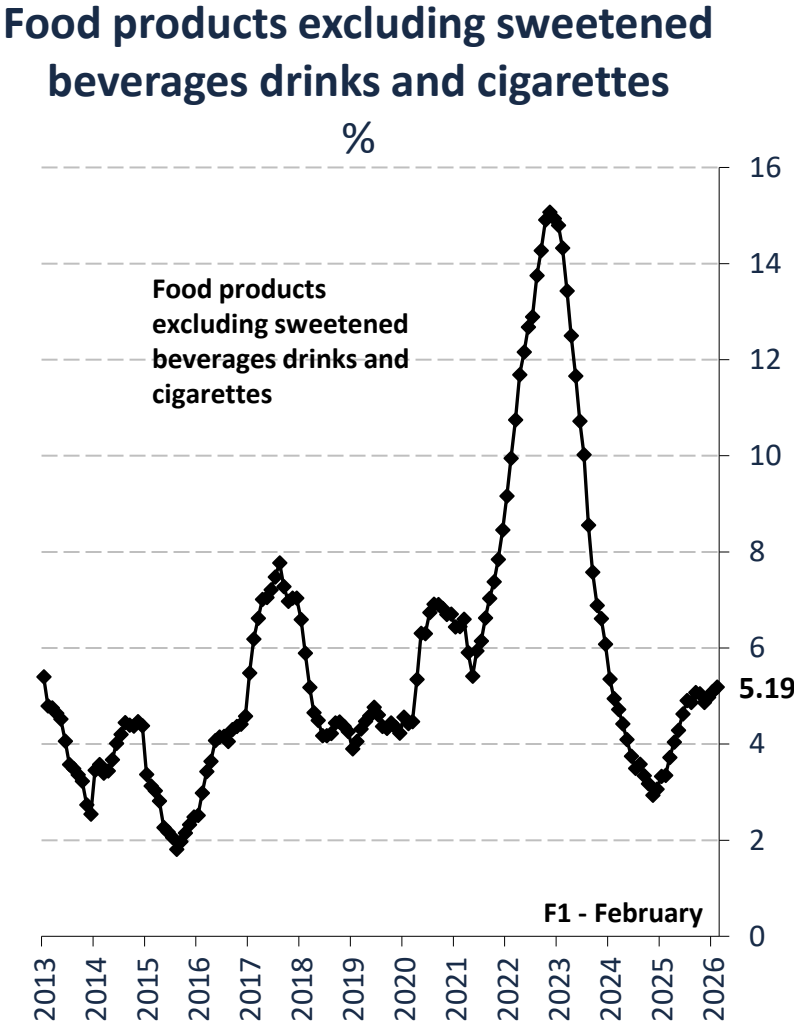
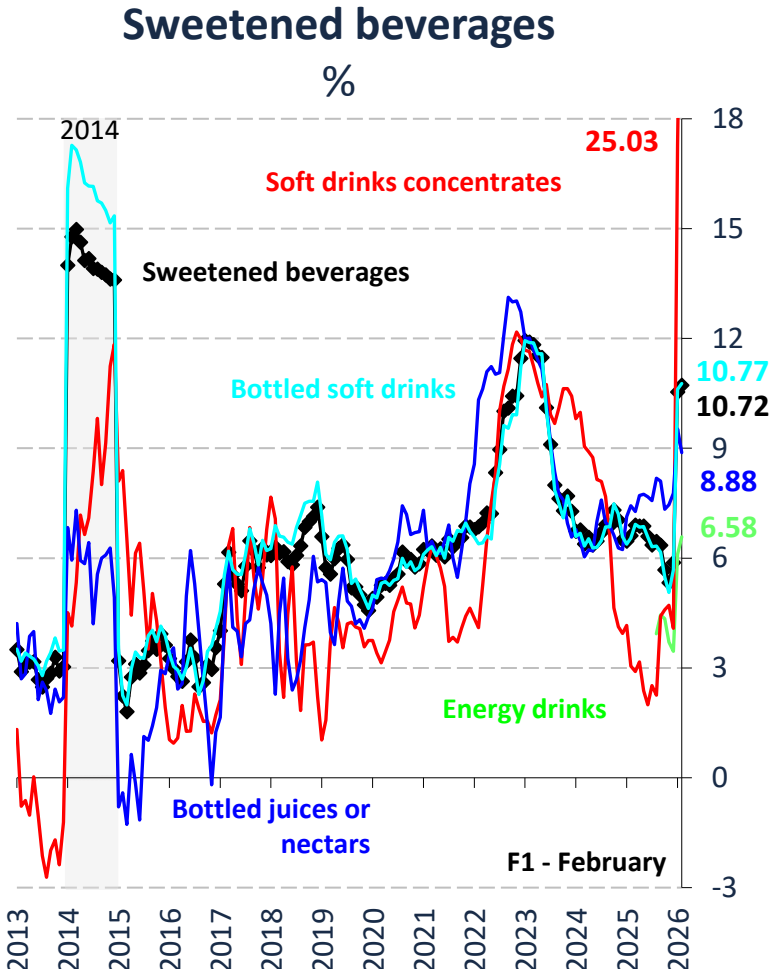
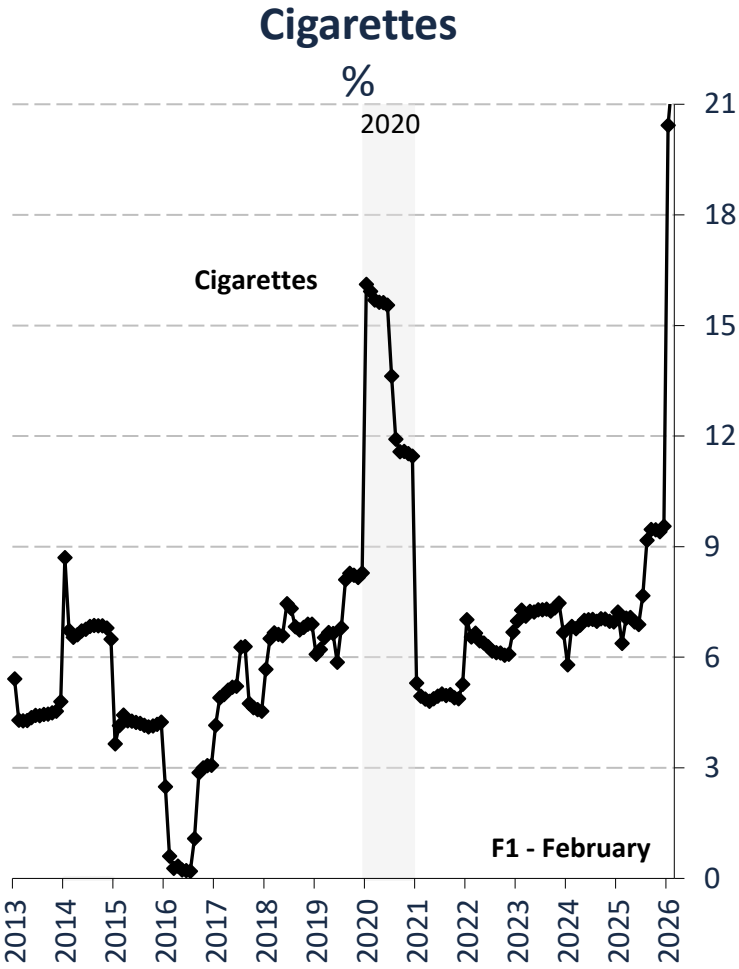


Source: INEGI.



Source: INEGI.

In January 2026, the annual price variation of cigarettes and sweetened beverages increased in response to adjustments in the IEPS tax on these products. So far, these modifications have affected only the specified goods. As a result, inflation of food merchandise products excluding these items has remained stable.



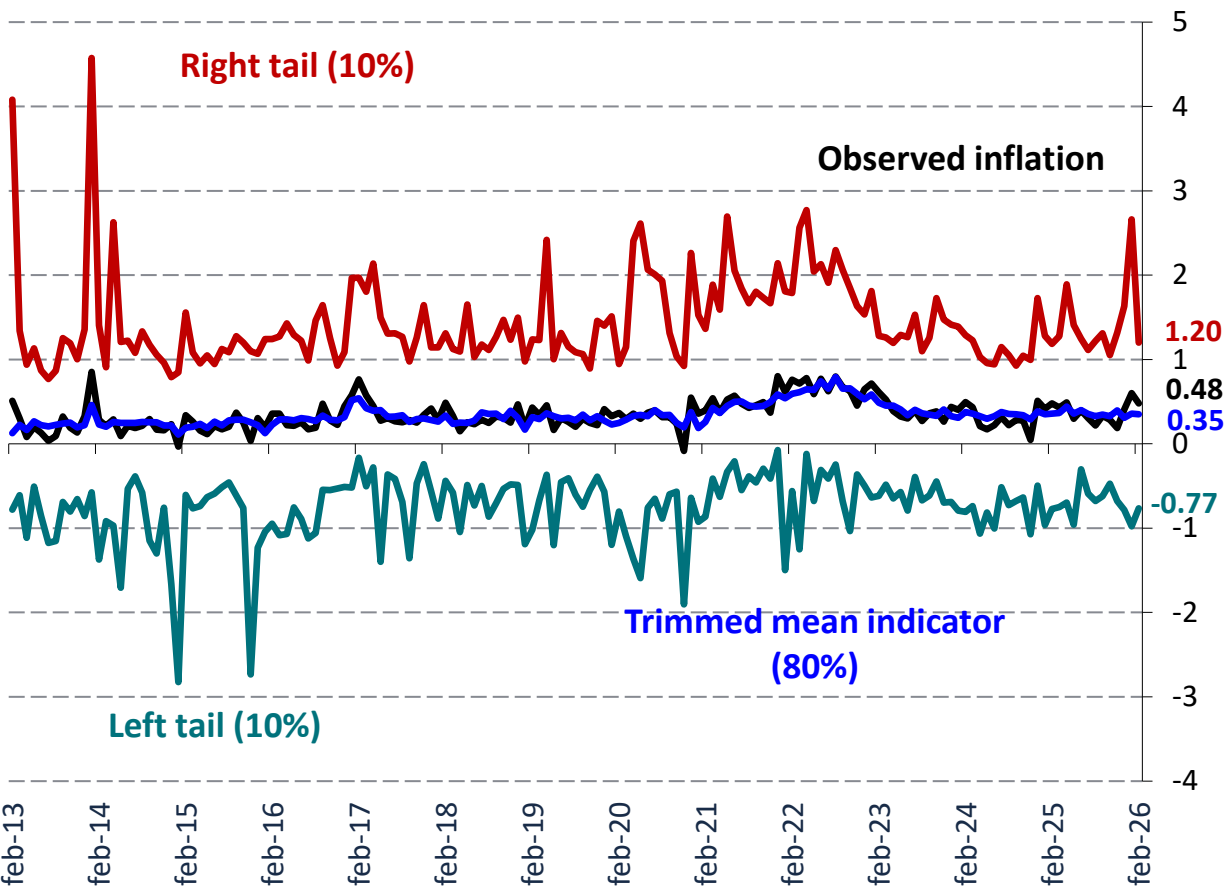
Note: In 2014, the IEPS Law established a tax on sweetened beverages or energy drinks containing added sugars, set at \$1.00 per liter. In 2020, the Ministry of Finance updated the tax on cigarettes, increasing it from \$0.35 to \$0.4944 per cigarette. Source: Banco de México and INEGI.

The adjustments to the IEPS in early 2026 had a limited and temporary effect on the monthly variations of core inflation, particularly on food merchandise prices, without generating second-round effects.

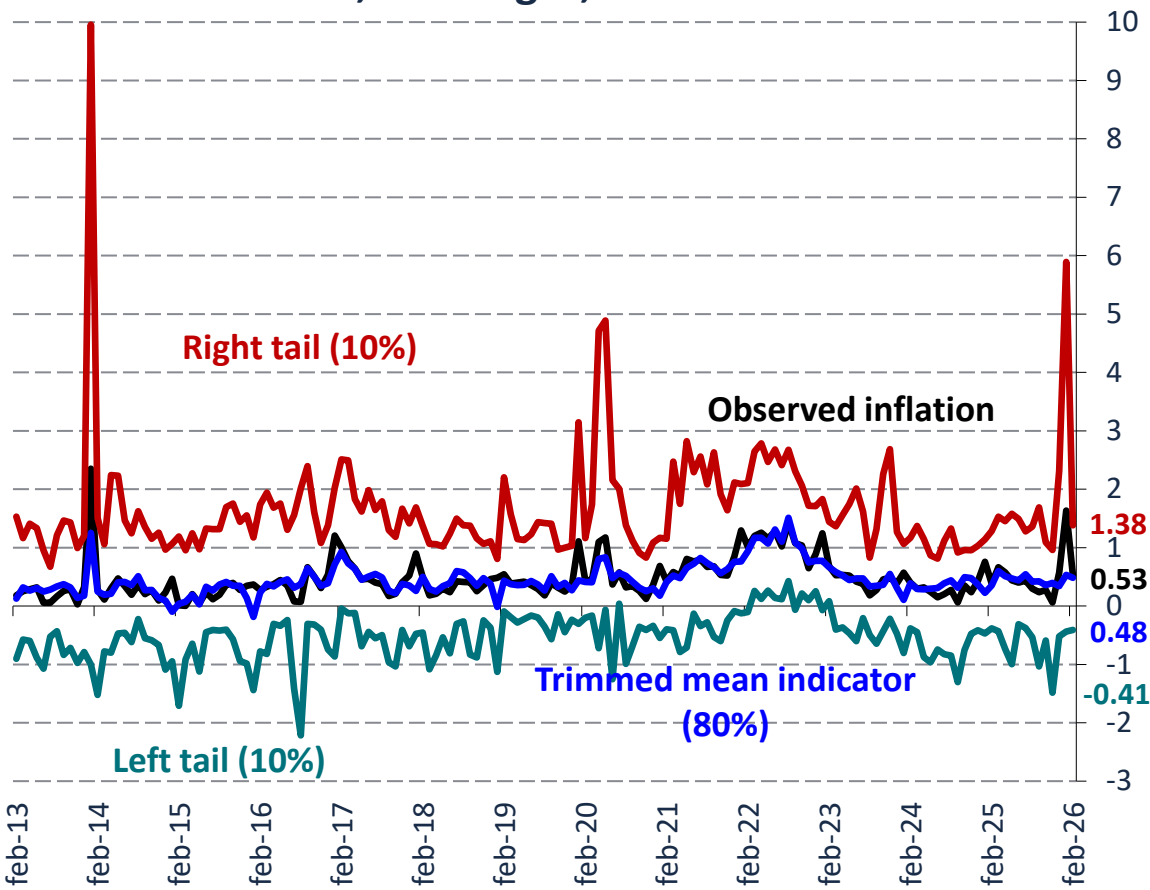
Inflation of trimmed mean extreme upward and downward values

Monthly % change

Core



Food, beverages, and tobacco

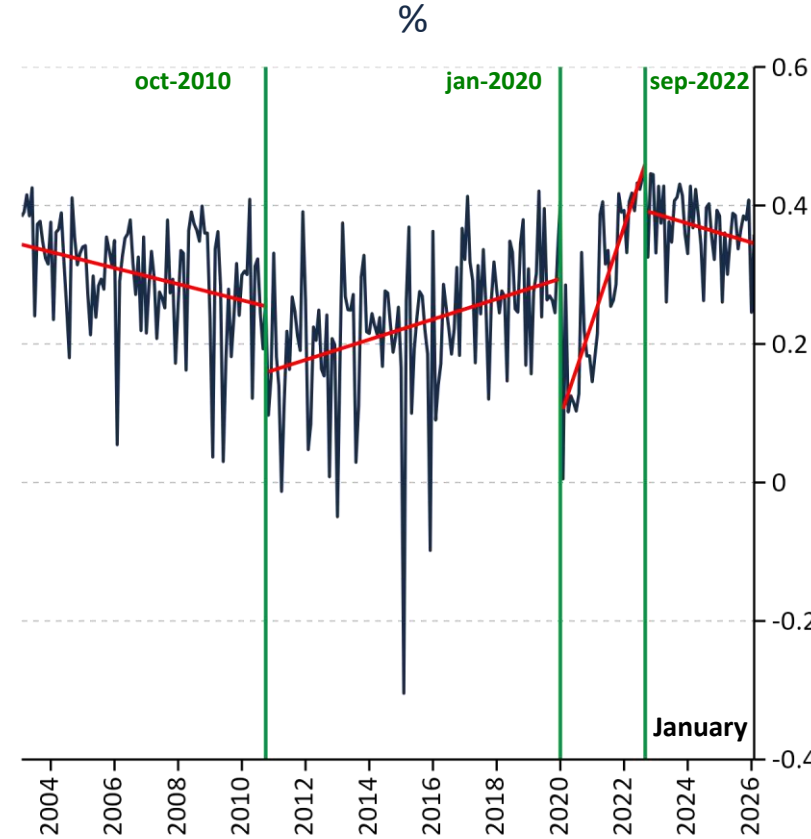


Figures as of the first fortnight of February 2026.
Source: Prepared by Banco de México with own data and data from INEGI.

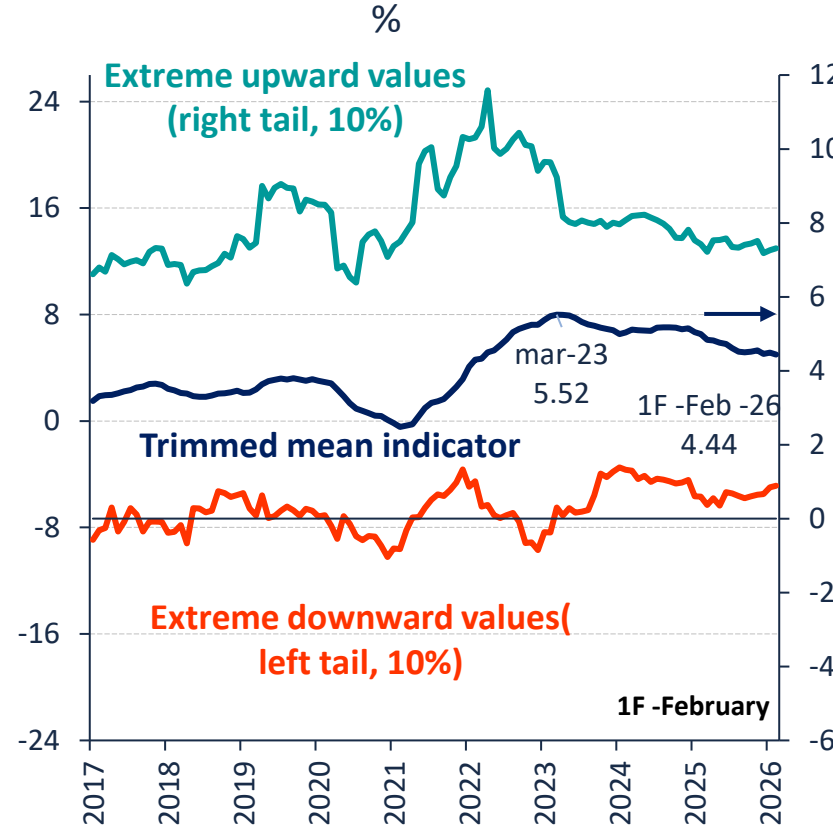
The gradual moderation of services inflation over the last two years reflects widespread declines in the CPI items that make up the index, although the trajectories across different categories exhibited heterogeneity.

Service price index

Structural changes and seasonally adjusted monthly inflation trend



Annual trimmed mean inflation and extreme inflation rates^{1/}

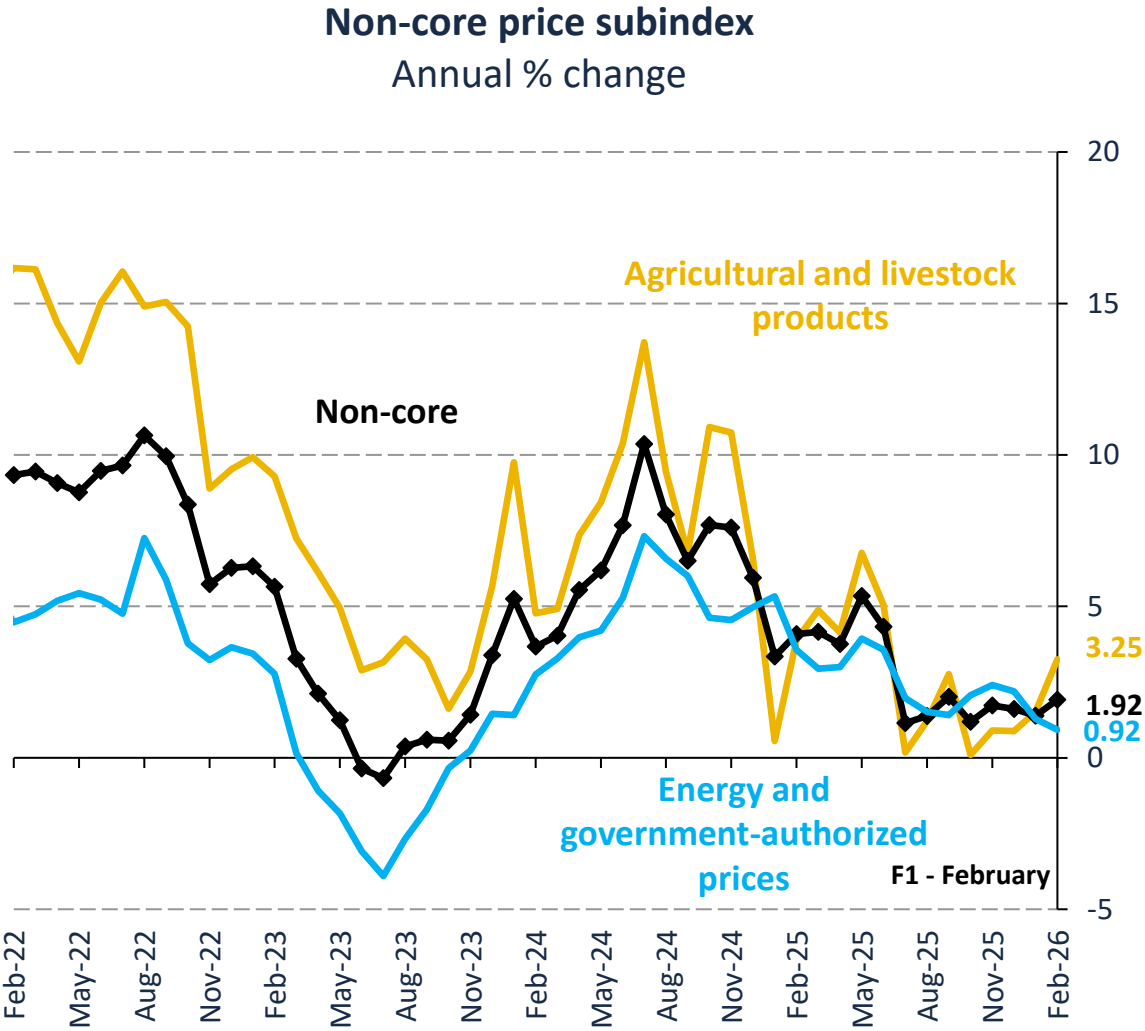


Cumulative change from Jan-24 to Jan-26 in annual services inflation

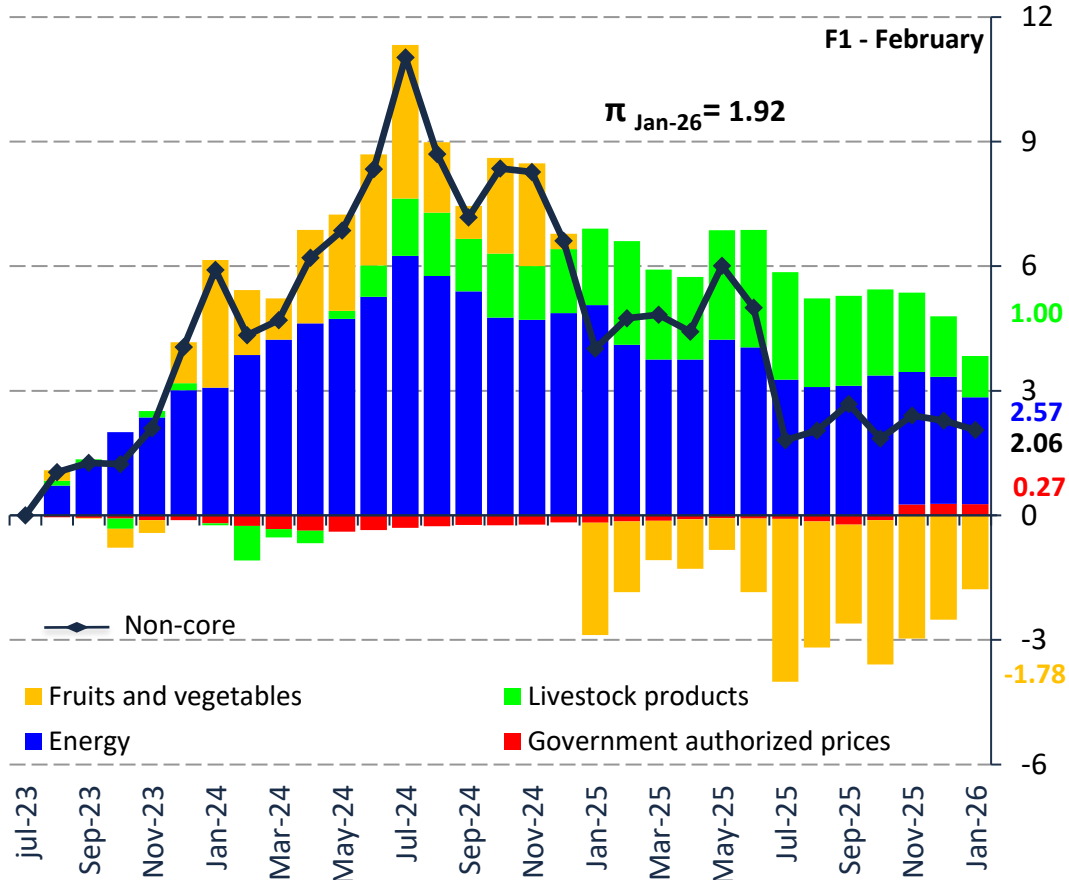


1/ In each period, CPI items are divided into three baskets based on their annual variation. Extreme inflation rates are calculated using 10% of CPI items with the lowest and highest variations separately, while trimmed mean inflation is calculated using the remaining CPI items. Source: prepared by Banco de México with information from INEGI.

Annual non-core inflation remained stable in Q3-2025 and Q4-2025. During the first fortnight of February 2026 it rose to 1.92% in response to an increase in fruits and vegetables inflation.



Change in annual non-core inflation incidence with respect to July 2023 ^{1/}
Percentage points



^{1/} The annual variation for July 2023 was -0.67%, the lowest since April 2020, when it registered -1.96%. In some cases, the sum of the components may differ slightly from the total due to updates in weights and in the consumption basket, or due to rounding. Source: INEGI.

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1 External conditions

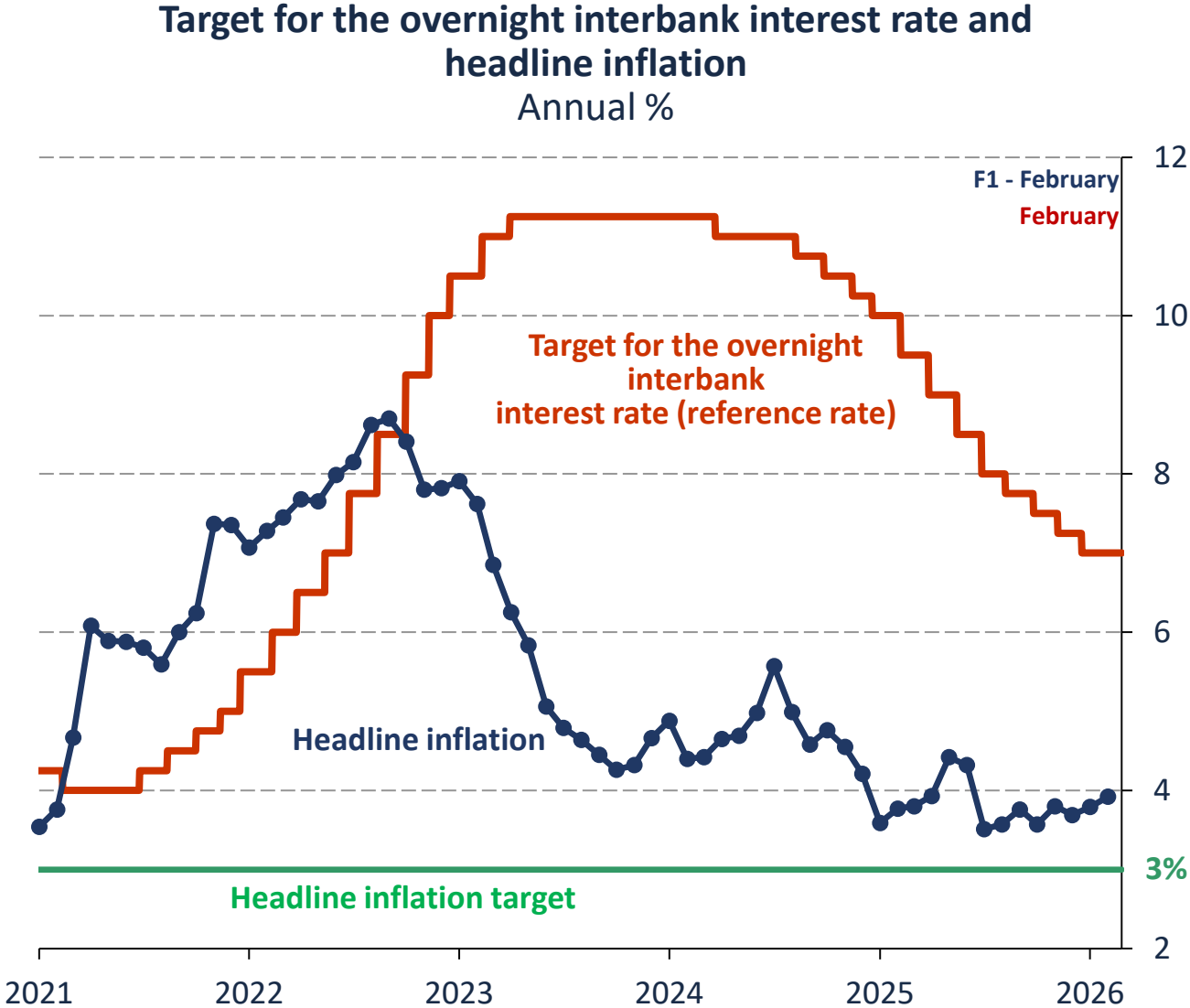
2 Current situation of the Mexican economy

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After lowering the reference rate by 25 bps in its November and December meetings, in February the Governing Board deemed it appropriate to pause the rate-cutting cycle on that occasion and left it unchanged at 7.00%.



Source: Banco de México and INEGI.

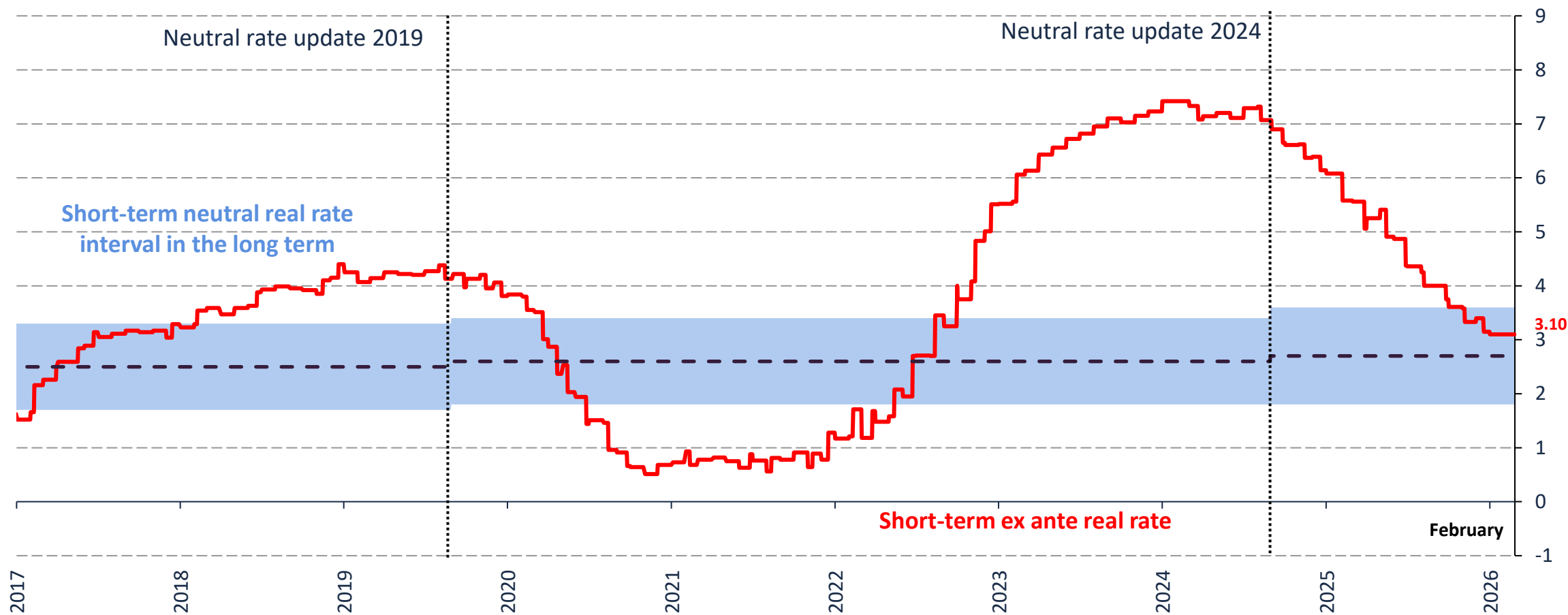
Recent developments in Banco de México's monetary policy decisions

	Rate changes (bp)	Rate level (%)
Feb-24	0	11.25
Mar-24	-25	11.00
May-24	0	11.00
Jun-24	0	11.00
Aug-24	-25	10.75
Sep-24	-25	10.50
Nov-24	-25	10.25
Dec-24	-25	10.00
Feb-25	-50	9.50
Mar-25	-50	9.00
May-25	-50	8.50
Jun-25	-50	8.00
Aug-25	-25	7.75
Sep-25	-25	7.50
Nov-25	-25	7.25
Dec-25	-25	7.00
Feb-26	0	7.00

- Gradual stage: 25-bps cuts in March, August, September, November, and December 2024
- Calibration stage: 50-bps cuts in February, March, May, and June 2025
- Rate-cutting cycle continuation: 25-bps cuts in August, September, November, and December 2025
- On this occasion, it was decided to keep the policy rate unchanged.

Since monetary policy operates with lags, the previously implemented restrictive policy stance will continue contributing to its primary mandate of price stability.

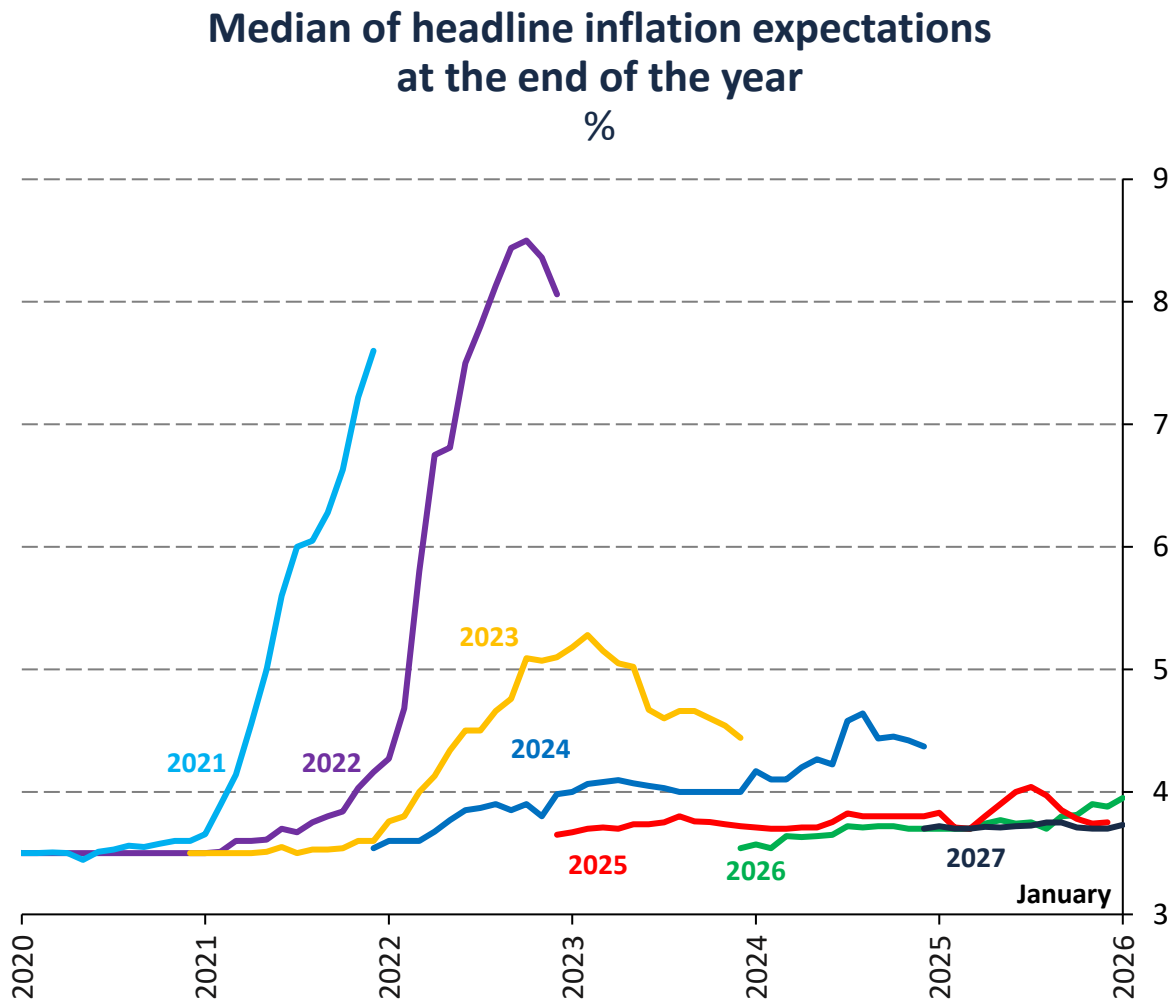
Short-term ex ante real rate and estimated interval for the short-term neutral real rate in the long term^{1/}
Annual %



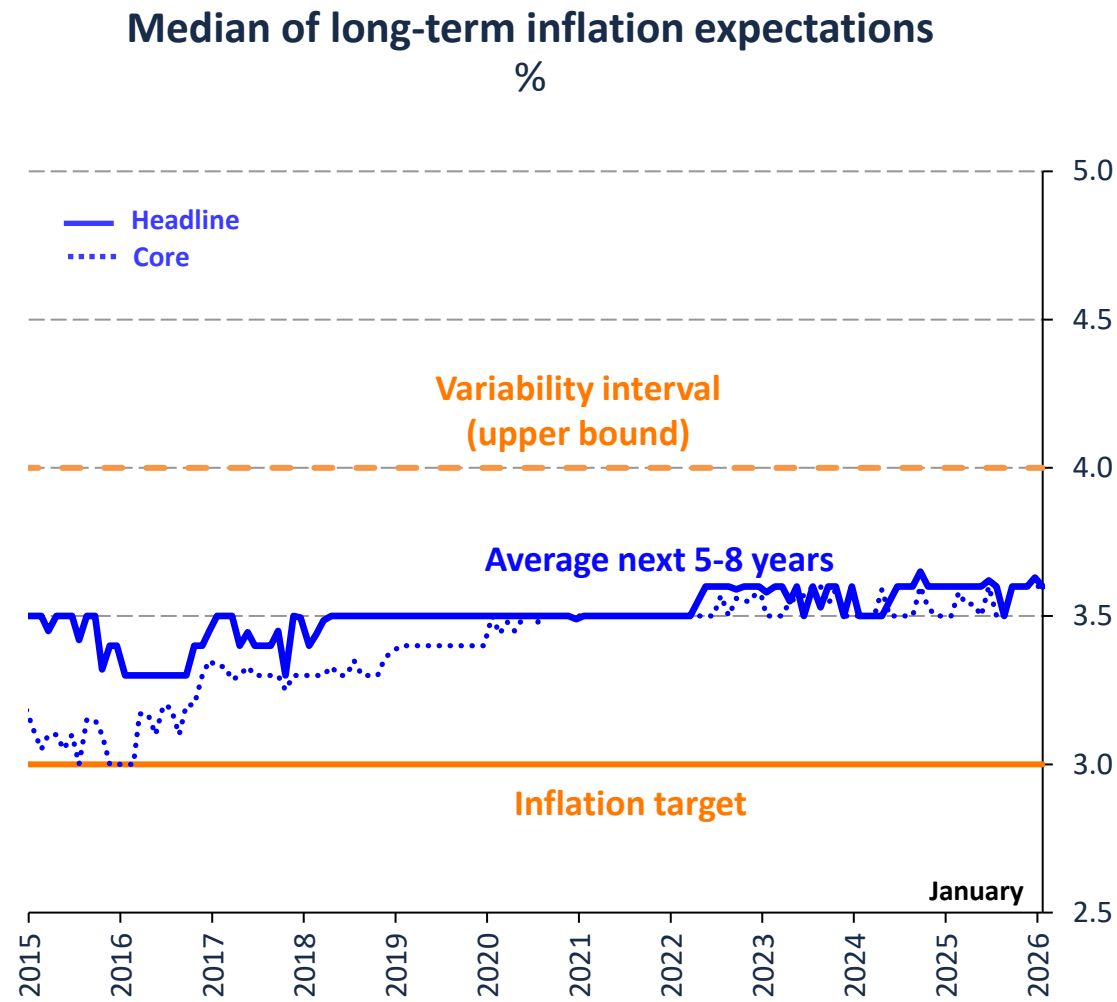
Note: The horizontal dotted line corresponds to the midpoint of the estimated range for the neutral rate level in the long term in real terms. The vertical lines indicate the dates of updates to the real rate estimate. On August 28, 2019 it was updated from a range of [1.7%, 3.3%] with a midpoint of 2.5% to a range of [1.8%, 3.4%] with a midpoint of 2.6 %. On August 28, 2024, it was updated to a range of [1.8%, 3.6%] with a midpoint of 2.7%.

1/ The short-term ex ante real rate is calculated as the difference between the target for the overnight interbank interest rate and the mean of 12-month inflation expectations drawn from Banco de México's Survey of Private Sector Forecasters. For the period prior to 2008, the ex ante real rate is calculated using the overnight interbank interest rate. Source: Banco de México.

The central bank actions, guided by the commitment to act at all times in pursuit of its primary mandate of price stability, have contributed to maintaining longer-term inflation expectations anchored.



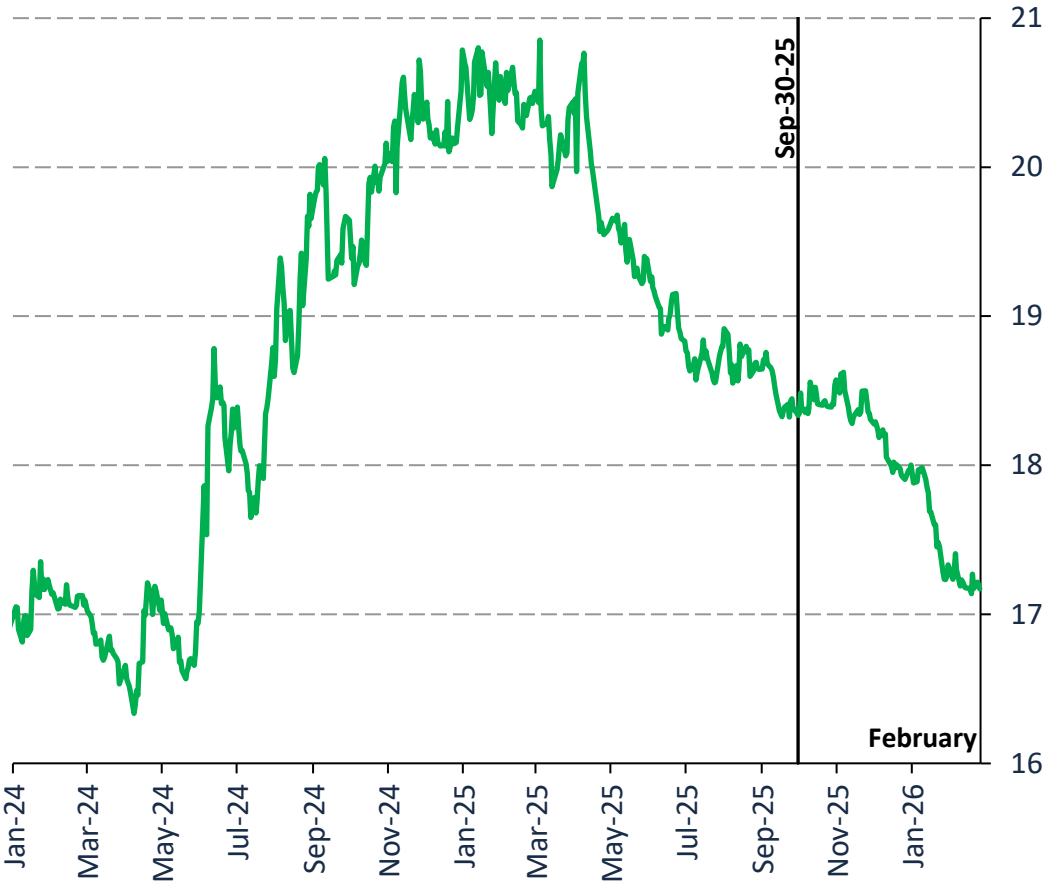
Source: Banco de México's Survey of Private Sector Forecasters.



Source: Banco de México's Survey of Private Sector Forecasters.

The Mexican peso continued performing in an orderly manner, characterized by a trend towards appreciation and preserving relatively low levels of volatility.

Nominal exchange rate^{1/}
Pesos per USD



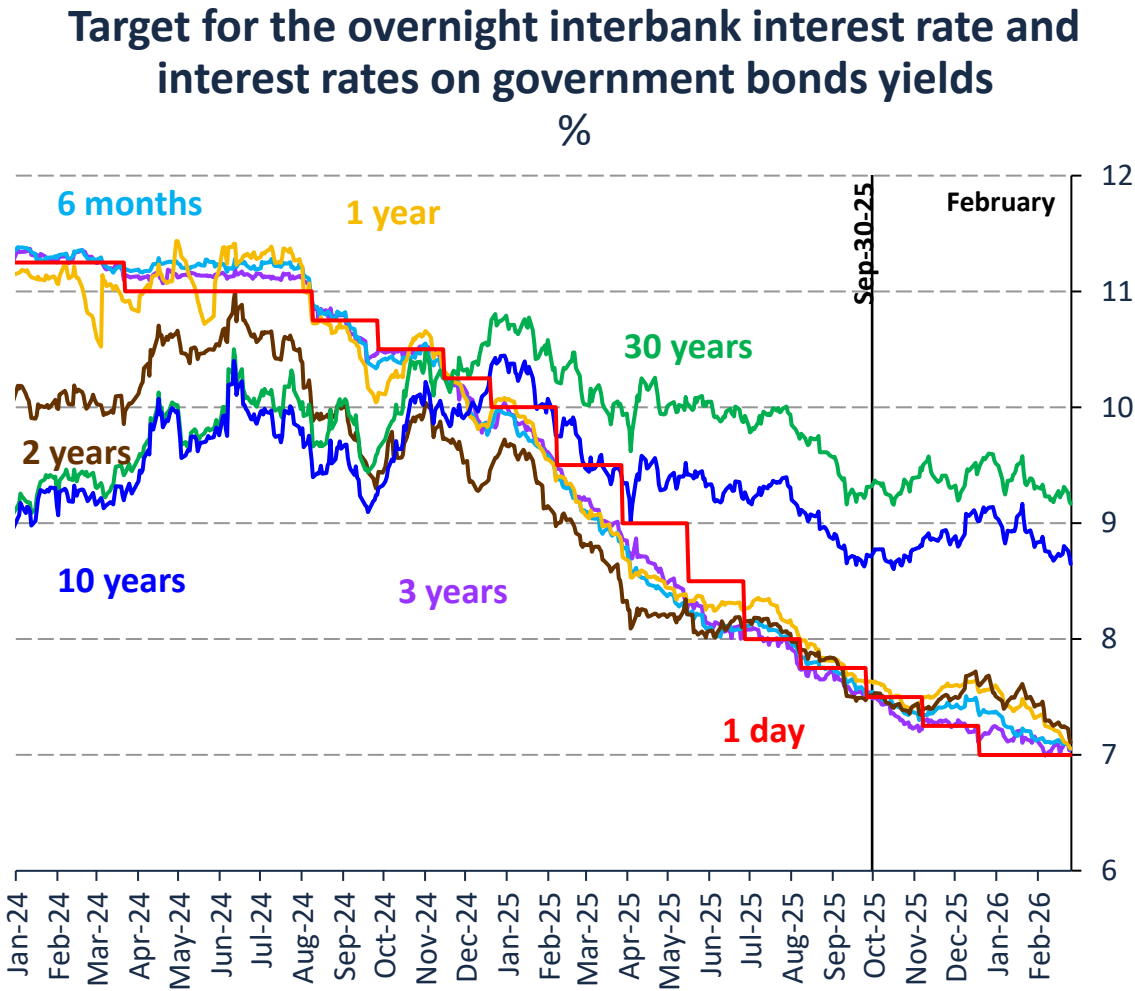
1/ Daily data of FIX exchange rate.
Source: Banco de México.

Exchange rate volatility in Mexico's
financial markets^{2/}

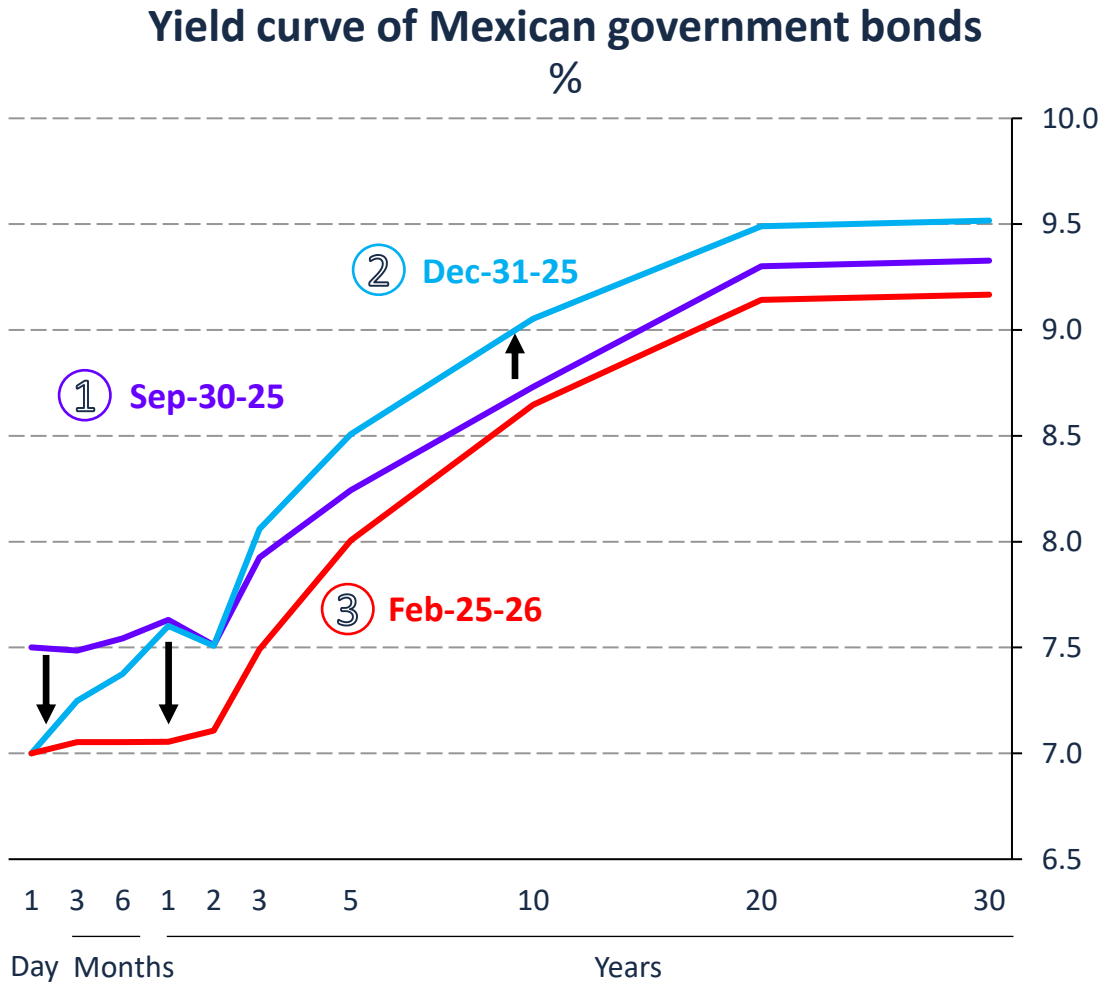


2/ Refers to the implied volatility of 1-month options of the Mexican peso.
Source: Bloomberg.

Between September 2025 and February 2026, short-term rates decreased in line with the reference rate cuts, while medium- and long-term rates remained at levels similar to or lower than those observed in late September 2025.



Source: Proveedor Integral de Precios (PiP).



Source: Proveedor Integral de Precios (PiP).

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Economic activity outlook

GDP growth^{1/} Annual %

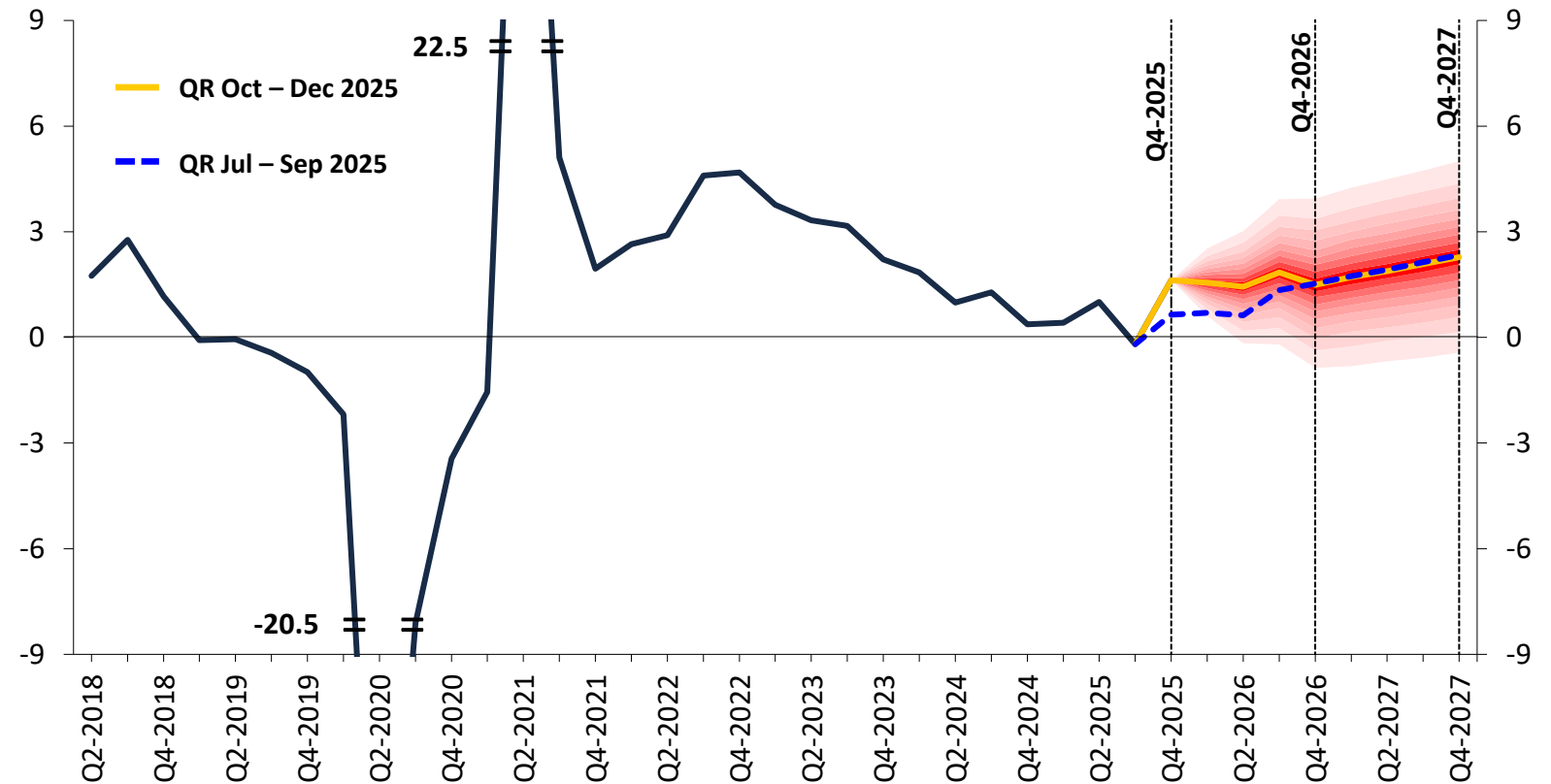
QR October - December 2025

Year	Point	Interval
2026	1.6	1.0 to 2.2
2027	2.0	1.2 to 2.8

QR July - September 2025

Year	Point	Interval
2026	1.1	0.4 to 1.8
2027	2.0	1.2 to 2.8

Fan chart GDP^{2/} Annual %, s. a.



s. a./Seasonally adjusted figures.

1/ Forecasts with figures without seasonal adjustment.

2/ In the current Report, the forecast begins in Q1-2026. In the previous Report, the forecast began in Q3-2025. The vertical scale of the chart was reduced to facilitate its reading. Note: QR refers to Quarterly Report.

Source: Prepared by Banco de México with data from INEGI and Banco de México.

Risks to growth

The balance of risks to growth of economic activity over the forecast horizon is considered to remain biased to the downside.

To the downside

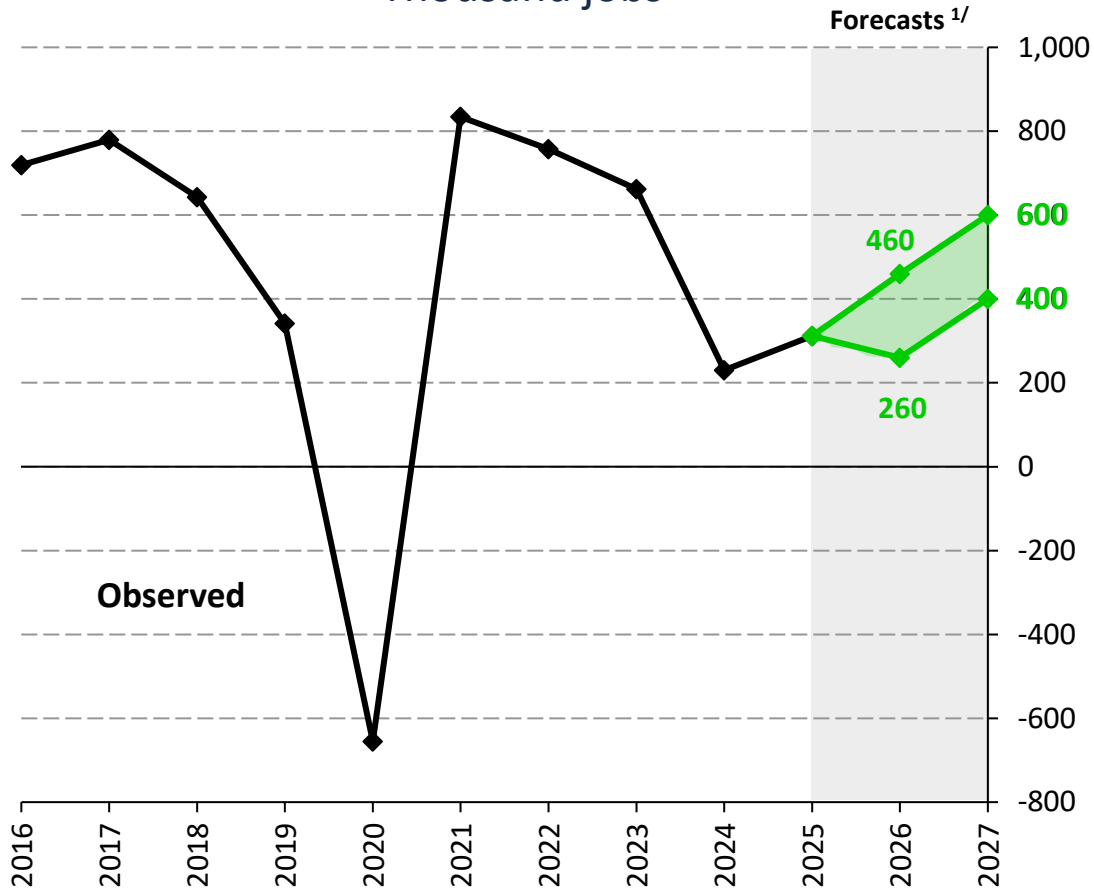
- I. That the current environment of uncertainty intensifies.
- II. That geopolitical conflicts in different regions of the world negatively affect the economy.
- III. That US economic growth is lower than expected.
- IV. That the reconfiguration of supply chains in response to higher tariffs on certain imports from countries that have no trade agreements with Mexico affects some sectors of economic activity.
- V. That episodes of volatility materialize in financial markets.
- VI. That severe weather phenomena adversely impact the Mexican economy.

To the upside

- I. That a successful USMCA review and lesser uncertainty as to the US trade policy encourage investment.
- II. That US economic growth is greater than expected.
- III. That the FIFA World Cup to be held between June and July 2026 provides a stronger-than-expected boost to economic activity.

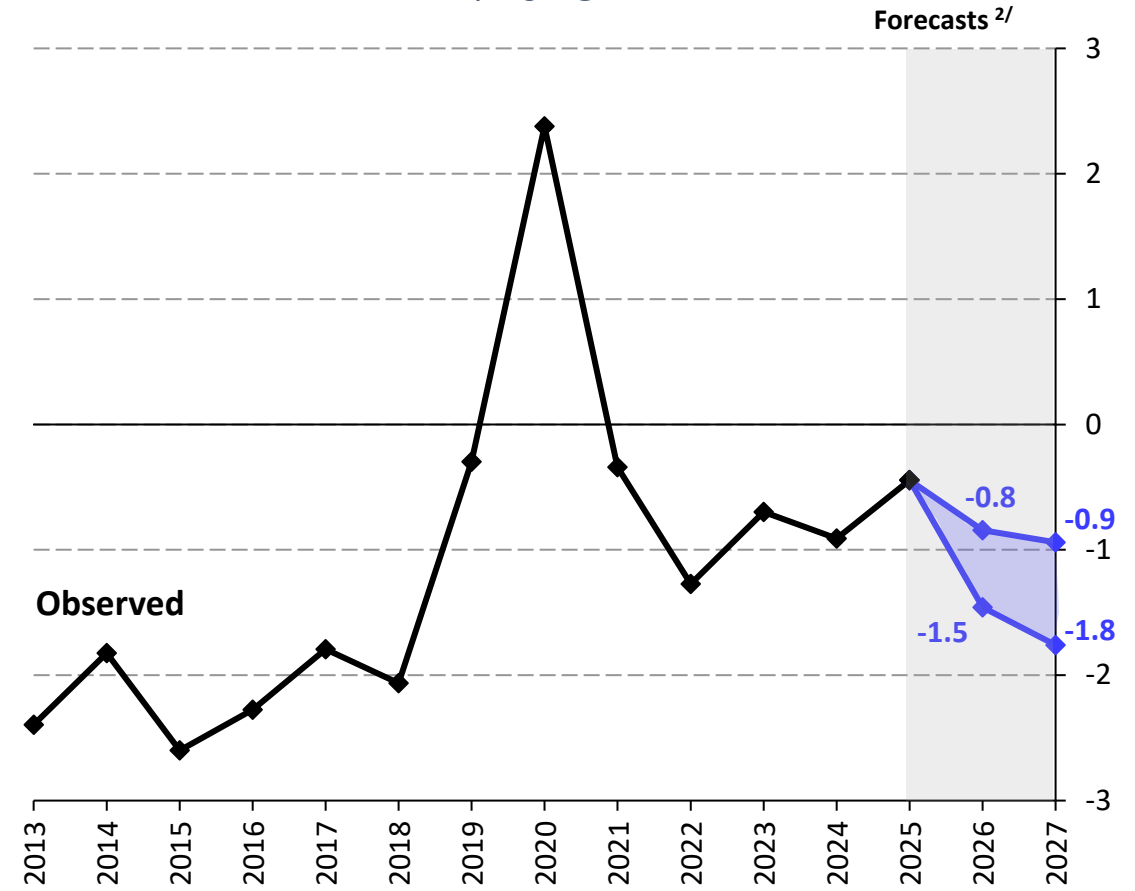
Economic activity outlook

Change in number of IMSS-insured jobs
Thousand jobs



1/ Forecasts are shown in the gray-shaded area.
Source: IMSS and Banco de México.

Current account
% of GDP

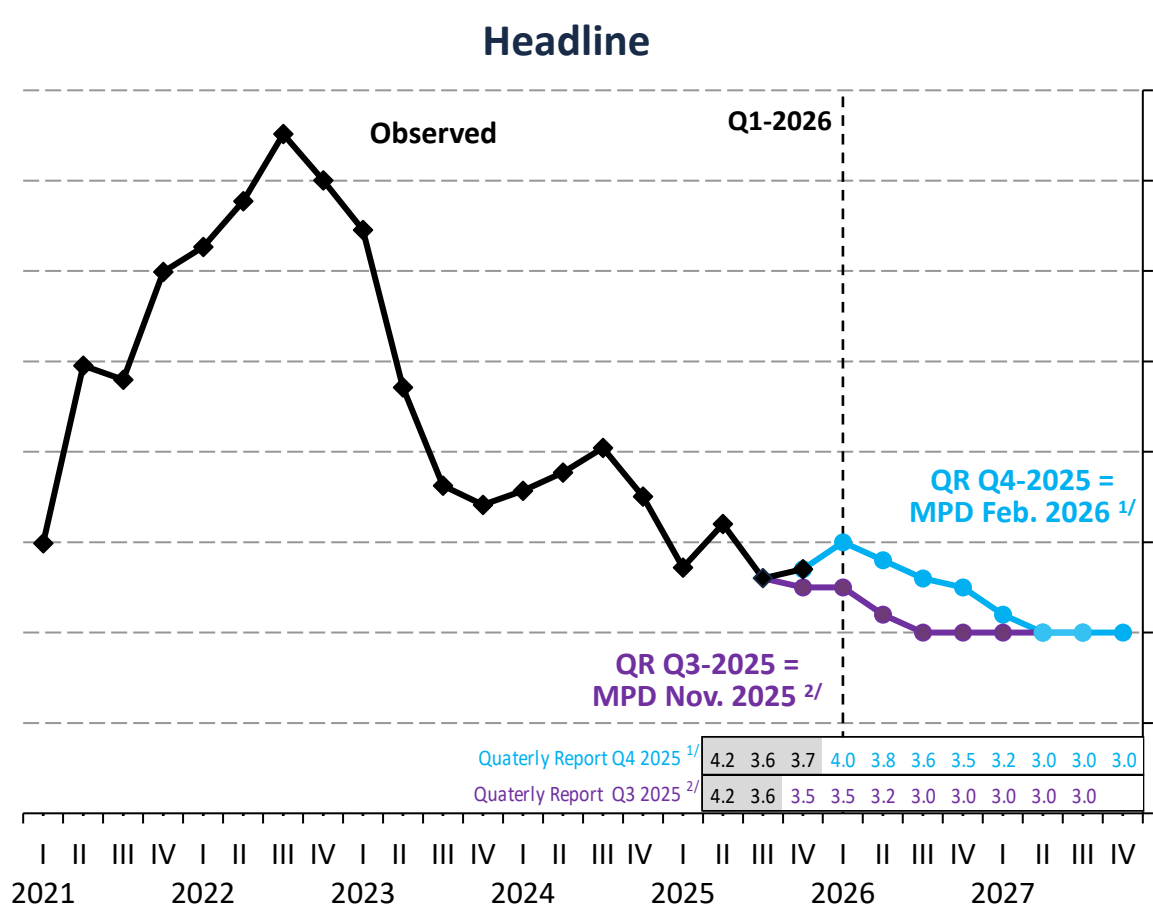


2/ Forecasts are shown in the gray-shaded area.
Source: Banco de México.

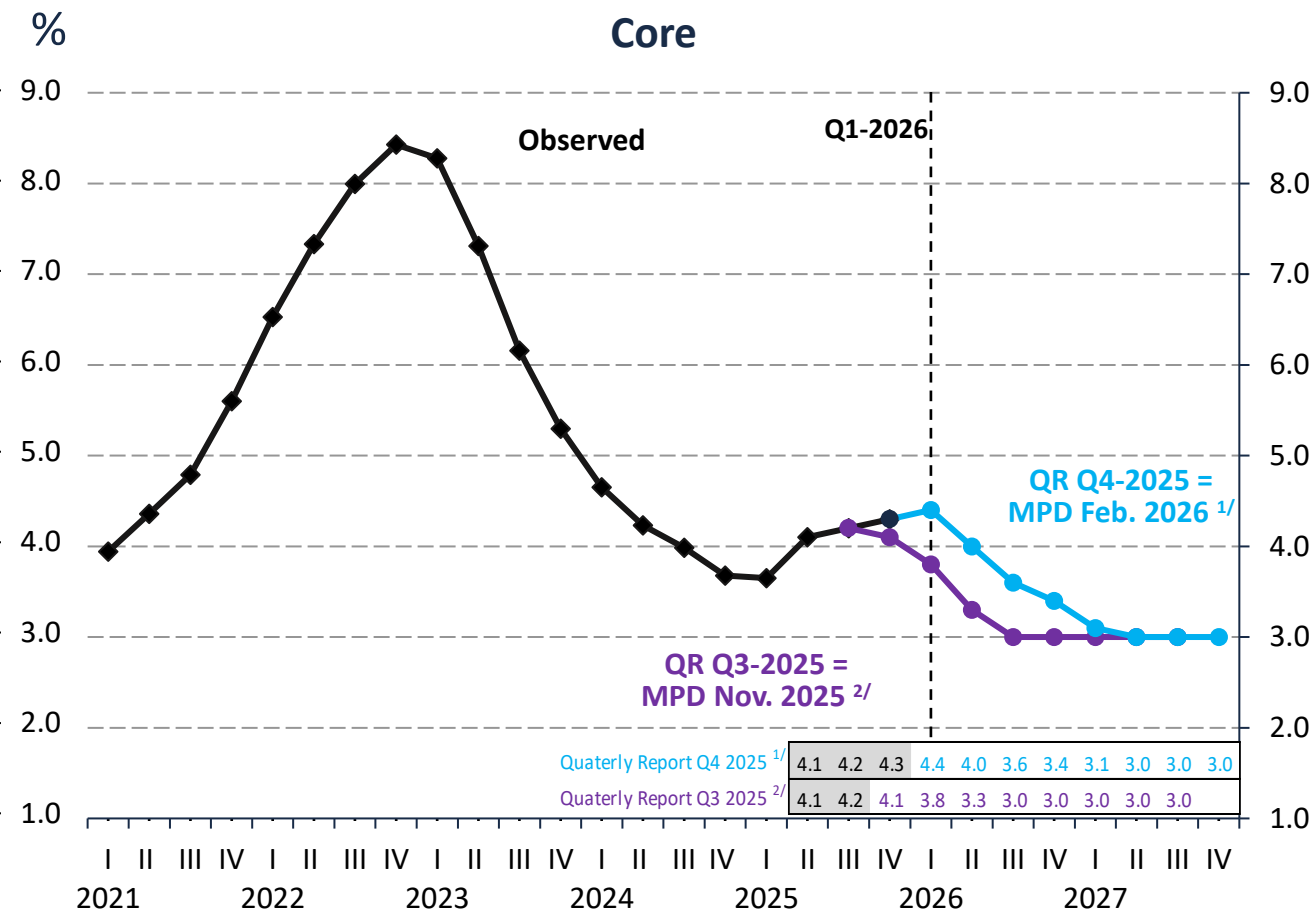
Forecasts for headline and core inflation anticipate increases in Q1-2026, before beginning to decline in Q2-2026. Headline inflation is expected to converge to the target in Q2-2027 and core inflation to reach 3% in the same quarter.

Annual inflation forecasts

Headline



Core



Nota: MPD refers to Monetary Policy Decision; QR refers to Quarterly Report 1/ Forecast since January 2026 corresponds to the forecast published in the Monetary Policy Statement of February 5, 2026. 2/ Forecast since November 2025 corresponds to the forecast published in the Monetary Policy Statement of November 6, 2025. Source: INEGI for observed annual variation data and Banco de México for forecasts.

Risks to inflation within the forecast horizon

Risks to the projected trajectory of inflation within the forecast horizon are considered to be closer to balance compared to those estimated in the previous Report, but still remain with an upward bias.

The changes in economic policy by the US administration continue adding uncertainty to the outlook. Their effects could lead to inflationary pressures on both sides of the balance.

To the upside

- I. Persistence of core inflation given the shocks that have been faced.
- II. Higher cost-related pressures that could be passed on to consumer prices.
- III. Depreciation of the Mexican peso.
- IV. Disruptions associated with the geopolitical conflicts or trade policies that could exert pressures on international commodity references.
- V. Climate-related impacts that could affect different agricultural and livestock products' prices.

To the downside

- I. Lower-than-anticipated economic activity in the United States or in Mexico.
- II. Lower pass-through of cost-related pressures.
- III. Reduced pressures due to the appreciation of the national currency.

Final remarks

- Although the Mexican economy is expected to **improve moderately in 2026** compared with the notable weakness observed in 2025, the country faces a **complex global environment** which **poses downside risks to its growth**. In this regard, it is essential to promote **higher productivity** and the **formation of both physical and human capital**, to encourage the **adoption of emerging technologies**, foster resource allocation that prioritizes **value creation**, and **strengthen the rule of law** to promote an environment conducive to **investment** and **productive activity**.
- In the same vein, it is necessary to **preserve the strength of macroeconomic fundamentals** through fiscal discipline, a robust financial system, sustainable external accounts, a flexible exchange rate, and a monetary policy focused on price stability.
- Despite the **uncertainty** surrounding the upcoming **USMCA review**, a deeper economic integration in the North American region continues offering **potential shared gains** for its member countries.
- The Governing Board of Banco de México will continue setting its **monetary policy stance** with the strong **commitment to lead inflation to its 3% target** and ensure the **anchoring of inflation** expectations, thus strengthening the conditions for a more robust **economic development** and **greater well-being** of the population.

Annex – Boxes

- 1** Connectivity between manufacturing sectors in Mexico and the United States
- 2** Recent developments in the price variations of services and their components in Mexico
- 3** Effect of uncertainty on long-term interest rates



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