

EQUITY STRATEGY

August 2, 2023

CTAXTEL candidate to exit the Mexbol Index

- Next Friday, September 1st, the MSE and S&P Dow Jones Indices will announce the changes to the sample that will integrate the Mexbol Index, effective at Friday's market close, September 15th
- Considering the current methodology, CTAXTEL would leave the index for not meeting the minimum criteria of float-adjusted market capitalization and liquidity
- The evaluation of a possible change in the methodology for the Mexbol continues, which would limit concentration in the largest constituents and, if approved, would be applied in two stages starting in March 2024

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Action	Stock	Weighting
Leave	CTAXTEL A	0.02%

Winners of the 2023 award for best Mexico economic forecasters, granted by Focus Economics



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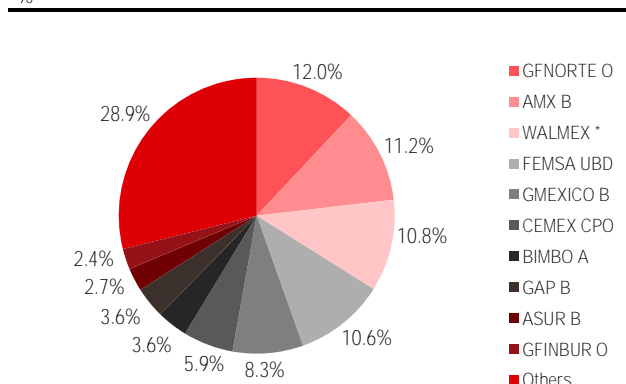
The sample could return to 35 companies in September. Following AXTEL's spin-off from ALFA, CTAXTEL joined the Mexbol Index on May 29th. As a result, there are now 36 constituents in the sample. Considering the above and carrying out an exercise with data as of July 31 (reference date), all the companies comprising the index would meet the permanence criteria, except for CTAXTEL (see attached tables), as it does not meet the minimum float-adjusted market capitalization ($\geq \$8$ billion) and the minimum liquidity criteria (median daily value of transactions $\geq \$30$ million). Therefore, the sample would once again be integrated of 35 constituents and those that would maintain the highest weight within the index should be: GFNORTE (12.1%e), AMX (11.2%e), WALMEX (10.8%e), FEMSA (10.7%e), and GMEXICO (8.3%e). These companies would be increasing their weighting by $\sim 0.1\%$, according to our estimates, while other potential changes could be CEMEX (-0.5%e) and OMA (-0.2%e). These calculations may vary due to float adjustments made by S&P DJI and the MSE. **Consultation on the new methodology continues.** S&P DJI reopened the consultation with a deadline of August 25 to decide whether to implement the proposed changes. We recall that, among the most important ones, the weight of the 5 main constituents would be limited to 45.0% vs. 52.8% currently and 53.2%e after the September rebalancing. If approved, the changes will take place in 2 stages, giving investors time to adjust positions in an orderly manner: one in the March 2024 rebalancing and the other in June 2024.

Mexbol – Performance LTM
Volume in millions of shares



Source: Bloomberg, MSE

Mexbol – Current constituents weightings
%



Source: Banorte, Bloomberg

Current constituents' analysis based on the criteria to remain in the Mexbol sample

Stock	Mexbol Weighting	VWAP L3M	Shares Outstanding *	Investable Weighting Factor	Floating Shares*	VWAP Float-adjusted Market Cap* ≥ \$8,000m	Traded Days ≥ 95%	Monthly Traded Value Ratio (MTVR) ≥ 15%		Monthly Median Daily Value Traded (MDTV)* ≥ \$30m	
								3M	6M	3M	6M
GFNORTE O	12.00%	\$ 146.53	2,883	86%	2,480	\$ 363,370	100%	59%	59%	811	815
AMX B	11.16%	\$ 18.85	63,123	33%	20,830	\$ 392,614	100%	86%	73%	1296	1123
WALMEX *	10.76%	\$ 69.47	17,461	29%	5,064	\$ 351,781	100%	74%	64%	1026	906
FEMSA UBD	10.63%	\$ 181.70	2,161	85%	1,837	\$ 333,783	100%	24%	29%	316	356
GMEXICO B	8.26%	\$ 83.90	7,785	40%	3,114	\$ 261,260	100%	35%	36%	323	361
CEMEX CPO	5.87%	\$ 11.82	14,488	95%	13,763	\$ 162,711	100%	76%	67%	465	398
GAP B	3.64%	\$ 315.69	435	85%	370	\$ 116,850	100%	51%	60%	229	271
BIMBO A	3.64%	\$ 91.59	4,423	31%	1,371	\$ 125,569	100%	28%	28%	130	140
ASUR B	2.72%	\$ 491.52	277	68%	188	\$ 92,600	100%	50%	59%	177	218
GFINBUR O	2.43%	\$ 41.83	6,120	32%	1,959	\$ 81,917	100%	16%	16%	48	49
AC *	2.41%	\$ 176.81	1,744	27%	471	\$ 83,273	100%	84%	75%	277	242
KOF UBL	2.26%	\$ 148.24	525	100%	525	\$ 77,856	100%	27%	26%	79	80
ELEKTRA *	2.14%	\$ 1,168.10	222	25%	55	\$ 64,742	100%	30%	32%	73	73
GCARSO A1	2.01%	\$ 114.30	2,257	22%	497	\$ 56,766	100%	26%	20%	59	42
KIMBER A	1.69%	\$ 38.70	1,601	88%	1,409	\$ 54,511	100%	91%	79%	175	164
GRUMA B	1.66%	\$ 278.83	370	49%	181	\$ 50,540	100%	57%	51%	118	104
OMA B	1.57%	\$ 187.77	340	70%	238	\$ 44,733	100%	62%	70%	102	123
VESTA *	1.46%	\$ 57.63	908	87%	790	\$ 45,540	100%	64%	62%	112	111
TLEVISA CPO	1.37%	\$ 17.19	2,825	90%	2,542	\$ 43,691	100%	30%	36%	49	64
PE&OLES *	1.36%	\$ 264.89	397	47%	187	\$ 49,485	100%	44%	38%	79	71
BBAJIO O	1.19%	\$ 56.73	1,190	64%	762	\$ 43,205	100%	62%	71%	99	129
ORBIA *	1.07%	\$ 38.26	2,010	46%	925	\$ 35,374	100%	45%	49%	61	73
PINFRA *	1.07%	\$ 175.73	380	53%	201	\$ 35,404	100%	37%	38%	47	53
ALFA A	0.98%	\$ 10.82	4,819	65%	3,132	\$ 33,880	100%	30%	33%	40	45
ALSEA *	0.85%	\$ 54.21	815	59%	481	\$ 26,070	100%	89%	68%	84	59
GCC *	0.79%	\$ 145.97	337	47%	159	\$ 23,148	100%	46%	49%	42	49
Q *	0.78%	\$ 121.59	400	52%	208	\$ 25,291	100%	128%	138%	119	138
GENTERA *	0.68%	\$ 19.32	1,588	65%	1,032	\$ 19,935	100%	54%	67%	43	51
LIVEPOL C1	0.63%	\$ 107.03	197	100%	197	\$ 21,133	100%	40%	38%	31	32
CUERVO *	0.62%	\$ 41.49	3,591	13%	467	\$ 19,371	100%	50%	61%	43	51
VOLAR A	0.52%	\$ 23.19	1,108	77%	854	\$ 19,794	100%	53%	55%	40	43
R A	0.52%	\$ 134.55	328	40%	131	\$ 17,650	100%	156%	119%	108	85
BOLSA A	0.50%	\$ 36.52	576	80%	461	\$ 16,830	100%	63%	61%	37	40
MEGA CPO	0.38%	\$ 42.27	861	35%	301	\$ 12,734	100%	87%	74%	39	38
LAB B	0.34%	\$ 14.59	1,048	70%	734	\$ 10,700	100%	98%	116%	41	47
CTAXTEL A	0.02%	\$ 0.24	4,819	65%	3,132	\$ 739	100%	113%	56%	3	3

Source: MSE, Bloomberg, Banorte

* Figures in millions

Estimated index constituents' weightings after rebalancing

Stock	Action	Mexbol Weighting (Current)	Mexbol Weighting (Estimate)	Weighting Change (Estimate)
GFNORTE O		12.0%	12.1%	0.1%
AMX B		11.2%	11.2%	0.1%
WALMEX *		10.8%	10.8%	0.1%
FEMSA UBD		10.6%	10.7%	0.1%
GMEXICO B		8.3%	8.3%	0.1%
CEMEX CPO		5.9%	5.4%	-0.5%
BIMBO A		3.6%	3.7%	0.0%
GAP B		3.6%	3.6%	0.0%
ASUR B		2.7%	2.7%	0.0%
GFINBUR O		2.4%	2.4%	0.0%
AC *		2.4%	2.4%	0.0%
KOF UBL		2.3%	2.3%	0.0%
ELEKTRA *		2.1%	2.2%	0.0%
GCARSO A1		2.0%	2.0%	0.0%
KIMBER A		1.7%	1.7%	0.0%
GRUMA B		1.7%	1.7%	0.0%
VESTA *		1.5%	1.5%	0.0%
TLEVISA CPO		1.4%	1.4%	0.0%
OMA B		1.6%	1.4%	-0.2%
PE&OLES *		1.4%	1.4%	0.0%
BBAJIO O		1.2%	1.2%	0.0%
ORBIA *		1.1%	1.1%	0.0%
PINFRA *		1.1%	1.1%	0.0%
ALFA A		1.0%	1.0%	0.0%
ALSEA *		0.9%	0.9%	0.0%
GCC *		0.8%	0.8%	0.0%
Q *		0.8%	0.8%	0.0%
ENTERA *		0.7%	0.7%	0.0%
LIVEPOL C1		0.6%	0.6%	0.0%
CUERVO *		0.6%	0.6%	0.0%
VOLAR A		0.5%	0.5%	0.0%
R A		0.5%	0.5%	0.0%
BOLSA A		0.5%	0.5%	0.0%
MEGA CPO		0.4%	0.4%	0.0%
LAB B		0.3%	0.3%	0.0%
CTAXTEL A	Leaves	0.0%		0.0%

Source: MSE, Bloomberg, Banorte

Certification of Analyst.

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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.

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