

# **Fixed-Income & FX Strategy**

**W e e k l y**

February 16, 2024

## Fixed-Income and FX Weekly

- **All eyes on the minutes from Fed, ECB, and Banxico.** Price action was mainly driven by the negative surprise print in the US CPI and PPI reports this week. The 2-year Treasury was most sensitive, selling-off up to 20bps on Tuesday and reaching a 2-month high at 4.72% today, reflecting the sharp recalibration of market expectations regarding the Fed's policy pivot. Though any adjustment in March was already ruled out, this week slashed May probability to 39% from last week's 72%. Moreover, market pricing depicts even fewer cuts for this year, by -91bps from -112bps last Friday and around from -150bps at January's close. Under this backdrop, Fed minutes due next Wednesday will be key to glean further insight into the rate's trajectory. Particularly when assessing there might still be room for the market to validate recent expectation shifts, also a clear outcome of all the recent less dovish Fed speakers. Thus, the risk of additional rate pressures remains latent. In Mexico, a day after Fed minutes, Banxico will publish its own, which we expect to further solidify [our view that the first-rate cut will be in March](#). We anticipate a positive reaction in local assets, especially considering that the pricing for Banxico has also moderated considerably in recent weeks. Currently, the curve discounts cuts by -14bps for March and -149bps for the year, well below early February's -26bps and -192bps, respectively. Another relevant topic will be February's 1H inflation (Banorte: 0.27% 2w/2w). [As mentioned before](#), the 3-year Udibono (Dec'26) shows better relative valuation. However, we now consider current levels of 5.82% attractive to initiate tactical longs. Particularly, the 3-year breakeven stands at 3.80%, 47bps below the 12-month average. Its deviation from this mean is the widest compared to all other tenors of the real curve. According to our inflation forecasts, carry gains in the remaining 44 days of 1Q24 will be of 0.81% (6.70% annualized). It's also worth noting our inflation trajectory is higher compared to market expectations. On the other hand, our expectation of waiting for better entry levels in the Mbonos curve, despite attractive levels for long-term portfolios, has been accurate given the high correlation with Treasuries, resulting in widening YTD losses. Meanwhile, we maintain our [recommendation on the 2s/10s spread on TIIE-IRS](#). In FX, MXN continues to stand out for its resilience and sideways trading, supported by its attractive carry, especially vis-à-vis other EMs that have undertaken an aggressive rate cutting cycle (e.g., CLP). Also, implied volatility dynamics are notable. The 1-, 3-, and 6-month readings compressed during February to lows not seen since September 2021. We anticipate MXN to react moderately to Banxico's minutes, still experiencing the similar sideways trading phase. In this regard, the currency has performed between the psychological level of 17.00 and the 100-day moving average of 17.40 since mid-January. We suggest buying USD on dips for trading purposes, with no room for directional positions given its negative carry
- **Weekly ranges** – We expect that the 10-year Mbono (Nov'34) to trade between 9.15% and 9.40%, and MXN between 16.95 and 17.30 per dollar



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## Fixed-Income

- **Renewed pressures on sovereign bonds** – The Treasuries' curve recorded a bear flattening bias caused by short-term interest rates (+16bps) increasing at a faster pace than long-term interest rates (+6bps). The 10-year benchmark sold-off to levels not seen since November, well close to its 100-day MA (4.33%), ending at 4.28% (+10bps). In a similar fashion, the Mbonos' curve flattened with the short- and mid-end adjusting +15bps, while the long-end printed few changes (+2bps). The Nov'34 node concluded at 9.27% (+7bps)
- **Supply** – On Tuesday, the MoF will auction 1-, 3-, 6-, and 12-month Cetes, the 30-year Mbono (Jul'53), the 3-year Udibono (Dec'26), and 2-, and 5-year Bondes F
- **Demand** – In the last four weeks, foreigners recorded higher holdings in Cetes by 10.3%, equivalent to 13.6% of the total amount outstanding. However, they reduce their exposure in Mbonos by 1.5% (32.2% of the total). Moreover, Pension funds' holdings in Udibonos increased 2.7%, equal to 55.6% of the total. Meanwhile, Mutual funds rose their exposure to Bondes F by 1.8%, remaining as the main holders with 54.5% of the total
- **Technicals** – The 2s30s spread on Mbonos moved to -59bps from -57bps the previous week, while this reading for Treasuries stood at -21bps from -11bps. In addition, the 10-year spread between Mbonos and Treasuries declined to 499bps from 502bps last week, below the 12-month average at 517bps

## Foreign Exchange

- **The MXN stands out among its EM peers for its notably defensive performance** – The Mexican peso closed at 17.06 per dollar (+0.2%), scoring its third week of gains. The MXN ATM implied volatility curve has shifted around -1.5 vegas in the last four weeks. The 1-month reading collapsed to lows not seen since September 2021 at 8.5%, while the 1-year reading fell to 2-year lows at 11.4%
- **The USD advanced after higher-than-expected US inflation figures** – Both the DXY and BBDXY indices rose 0.2%, with the latter continuing a seven-week favorable streak. The performance of G10 currencies was mostly negative with CHF (-0.7%) and JPY (-0.6%) as the weakest. In EM, the bias was mixed with PEN (+1.2%) and RUB (-1.3%) at the extremes, with the former driven by central bank intervention
- **Market positioning in MXN** – As of February 13<sup>th</sup>, the MXN CFTC position registered a higher net long of US\$ 2.92 billion from US\$ 2.58 billion last week, reaching levels not seen since March 2020. In the last three weeks, speculators have increased by 33% their position in favor of the Mexican peso given the notably defensive performance compared to its emerging peers
- **Market positioning in USD** – The IMM USD net long position surged to US\$ 2.23 billion from US\$ 697 million the previous week. Bets of further USD strengthening are likely to rise if economic numbers continue to show a delay in the inflation trend towards target, hindering Fed rate cuts
- **Flows** – Our EPFR aggregate recorded greater negative flows of US\$ 940 million from US\$ 475 million the previous week. Bond market registered outflows of US\$ 312 million from inflows of US\$ 908 million. These dynamics overshadowed the decreased in equities' sales of 55% to US\$ 628 million. In Mexico, a negative flow of US\$ 51 million was recorded due to bond and equity sales of US\$ 21 million and US\$ 30 million, respectively
- **Technicals** – The MXN cut its weekly trading range to 20 cents from 27 cents the previous week, hovering between 17.03 and 17.23 per dollar. The following relevant technical levels are: 17.00, 16.90, and 16.83 (resistances) and 17.25, 17.30, and 17.37 (supports)

## Fixed-Income Dynamics

### Fixed-income securities performance

Security	YTM (%)	Weekly change (bps)	Δ last 4 weeks (bps)	YTD (bps)	12m Max (%)	12m Min (%)	12m Average (%)
<b>Overnight TIIE funding rate</b>							
1-day	11.23	-1	-1	-22	11.45	10.92	11.23
28-days <sup>1</sup>	11.30	0	-2	-1	11.34	10.67	11.25
91-days <sup>1</sup>	11.41	0	-2	-1	11.45	10.77	11.37
182-days <sup>1</sup>	11.58	0	-2	-1	11.62	10.92	11.53
<b>Cetes</b>							
28-days	11.10	-12	-14	-14	11.49	10.45	11.14
91-days	11.34	9	2	10	11.61	10.75	11.35
182-days	11.35	8	15	2	12.06	10.90	11.49
364-days	11.01	-7	-9	-13	12.13	10.88	11.47
728-days	10.94	14	15	3	12.14	10.50	11.15
<b>Mbonos</b>							
Sep'24	11.19	15	4	22	11.57	10.03	10.99
Dec'24	11.03	17	17	37	11.31	9.57	10.66
Mar'25	10.20	20	27	31	11.24	9.56	10.34
Mar'26	10.10	15	32	34	10.92	8.85	9.85
Sep'26	9.84	10	13	34	10.78	9.22	9.90
Mar'27	9.57	16	10	19	10.53	8.58	9.50
Jun'27	9.58	16	15	32	10.49	8.49	9.43
Mar'29	9.36	16	13	30	10.32	9.07	9.64
May'29	9.29	16	13	35	10.24	8.43	9.14
May'31	9.29	14	6	35	10.26	8.45	9.13
May'33	9.29	11	1	35	10.24	8.52	9.13
Nov'34	9.27	7	-4	32	10.21	8.49	9.11
Nov'36	9.26	5	-2	34	10.20	8.53	9.11
Nov'38	9.32	-1	-2	28	10.25	8.66	9.23
Nov'42	9.40	2	3	32	10.25	8.71	9.26
Nov'47	9.38	2	4	31	10.17	8.69	9.22
Jul'53	9.41	3	5	34	10.17	8.66	9.23
<b>TIIE-IRS</b>							
3-month (3x1)	11.45	1	-1	-1	11.62	11.39	11.51
6-month (6x1)	11.30	3	1	2	11.78	11.23	11.47
9-month (9x1)	11.13	5	3	4	11.92	11.02	11.37
1-year (13x1)	10.85	9	8	7	11.91	10.65	11.12
2-year (26x1)	9.87	15	10	17	10.90	9.49	10.05
3-year (39x1)	9.29	14	7	21	10.31	8.72	9.38
4-year (52x1)	8.98	13	5	25	10.02	8.30	9.02
5-year (65x1)	8.83	11	5	26	9.87	8.10	8.83
7-year (91x1)	8.74	10	2	29	9.78	7.98	8.71
10-year (130x1)	8.76	8	3	31	9.78	7.97	8.70
20-year (3x1)	8.82	7	4	32	9.85	8.05	8.78
30-year (390x1)	8.78	6	4	33	9.84	8.07	8.78
<b>Udibonos</b>							
Dec'25	6.32	18	18	34	6.45	4.46	5.67
Dec'26	5.82	15	8	20	6.42	4.36	5.44
Nov'28	4.70	7	11	22	5.62	4.02	4.69
Nov'31	4.76	4	19	29	5.39	3.94	4.58
Nov'35	4.56	9	19	18	5.06	3.96	4.45
Nov'40	4.60	9	23	28	5.04	3.96	4.48
Nov'43	4.61	9	23	28	5.06	4.30	4.60
Nov'46	4.52	5	21	36	5.04	3.91	4.46
Nov'50	4.56	4	21	34	5.03	3.97	4.48

Source: Bloomberg, PiP, Banxico, Banorte

1: Compounded in advance Overnight TIIE Funding rate for "n" days

## Fixed-Income Dynamics (continued)

USD UMS and US Treasuries performance

USD OMS and BS Treasuries performance											
UMS					UST				Spreads		CDS
Term	Maturity date	YTM Feb/16/2024	Weekly change (bps)	YTD (bps)	YTM Feb/16/2024	Weekly change (bps)	YTD (bps)	Actual (bps)	Weekly change (bps)	12m Average (bps)	bps
2Y	Jan'26	5.05	+16	+58	4.66	+18	+23	39	-2	21	27
3Y	Mar'27	5.03	+16	+24	4.44	+17	+21	60	-1	32	46
5Y	May'29	5.35	+9	+57	4.29	+15	+28	107	-6	100	89
7Y	Apr'30	5.47	+8	+13	4.31	+14	+34	116	-6	128	127
10Y	May'33	5.74	+3	+18	4.29	+11	+41	145	-8	166	160
20Y	Mar'44	6.34	+6	-3	4.57	+9	+43	177	-3	193	--
30Y	May'54	6.57	+5	+18	4.44	+7	+48	213	-2	229	--

Source: Bloomberg, Banorte

5Y USD UMS



Source: Bloomberg, Banorte

10Y USD UMS



Source: Bloomberg, Banorte

5Y UMS-UST Spread



Source: Bloomberg, Banorte

10Y UMS-UST Spread



Source: Bloomberg, Banorte

## Fixed-Income Supply

- **Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 12-month Cetes, the 30-year Mbono (Jul'53), the 3-year Udibono (Dec'26), and 2-, and 5-year Bondes F
- **Solid demand for Cetes and increased relative value in short-term real rates.** Cetes yields remain appealing as they have yet to factor in expectations of rate cuts from Banxico. [We maintain our expectation that the first 25bps cut will be in March, with the reference rate ending the year at 9.25% \(-200bps\).](#) Additionally, Cetes' real rates are hovering near historical highs, with yields for 1-, 3-, 6-, and 12-month maturities at 7.06%, 7.14%, 7.28%, and 7.43%, respectively. Given this scenario, we anticipate robust appetite to persist. Mbonos have experienced a 31bps sell-off YTD, following the trend in USTs in the aftermath of inflation data in the US. While Mbono levels are attractive for long-term portfolios, uncertainty around the beginning of an easing cycle in the US and its high correlation with USTs clouds initiating directional positions. Therefore, we anticipate moderate demand for longer-term benchmark (Jul'53) in the nominal curve of around 2.0x. For real rates, we expect strong demand for the 3-year Udibono between 2.5x and 2.7x as it exhibits a better relative valuation. Particularly, the breakeven for this term stands at 3.80%, i.e., 47bps below the 12-month average. Thus, we see an opportunity to initiate tactical longs considering the attractive carry in UDIS for the remaining of the quarter and our inflation trajectory being higher compared to market expectations

### Auction specifics (February 20<sup>th</sup>, 2024)

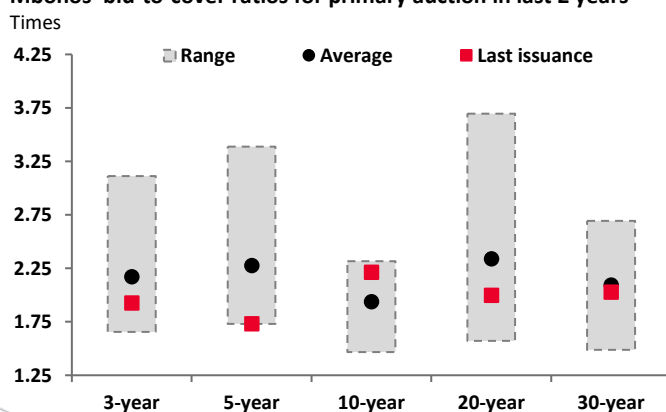
Security	Maturity	Coupon rate, %	To be auctioned <sup>1</sup>	Previous yield <sup>2</sup>
<b>Cetes</b>				
1m	Mar-21-24	--	10,000	11.05
3m	May-23-24	--	15,000	11.34
6m	Aug-22-24	--	11,100	11.35
12m	Feb-06-25	--	18,500	11.24
<b>Bondes F</b>				
2Y	Jan-15-26	--	8,000	0.17
5Y	Jan-27-28	--	2,200	0.21
<b>Bono M</b>				
30Y	Jul-31-53	8.00	12,500	9.18
<b>Udibono</b>				
3Y	Dec-03-26	3.00	UDIS 950	5.76

Source: Banxico, Banorte

1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.

2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

### Mbonos' bid-to-cover ratios for primary auction in last 2 years



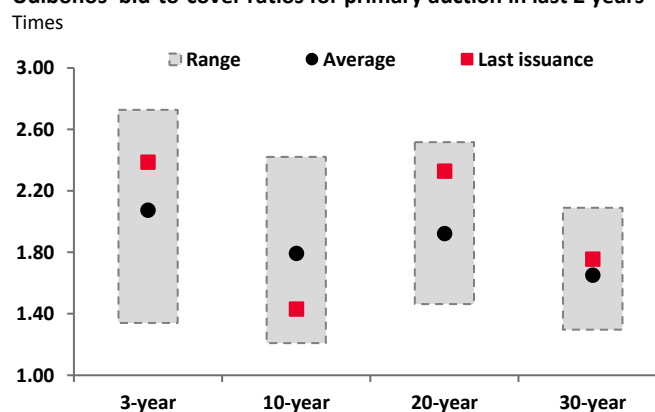
Source: Bloomberg, Banorte

### 1Q24 Government Securities Auction Calendar\*

Date	Cetes	Bonos M	Udibonos	Bondes F
2-Jan	1, 3, 6, and 24M	3Y (Sep'26)	20Y (Nov'43)	1, 3, and 7Y
9-Jan	1, 3, 6, and 12M	30Y (Jul'53)	10Y (Nov'31)	2, 5, and 10Y
16-Jan	1, 3, 6, and 24M	5Y (Mar'29)	30Y (Nov'50)	1, and 3Y
23-Jan	1, 3, 6, and 12M	10Y (Nov'34)	3Y (Dec'26)	2, and 5Y
30-Jan	1, 3, 6, and 24M	3Y (Sep'26)	20Y (Nov'43)	1, 3, and 7Y
6-Feb	1, 3, 6, and 12M	20Y (Nov'42)	10Y (Nov'31)	2, 5, and 10Y
13-Feb	1, 3, 6, and 24M	5Y (Mar'29)	30Y (Nov'50)	1, and 3Y
20-Feb	1, 3, 6, and 12M	30Y (Jul'53)	3Y (Dec'26)	2, and 5Y
27-Feb	1, 3, 6, and 24M	3Y (Sep'26)	20Y (Nov'43)	1, 3, and 7Y
5-Mar	1, 3, 6, and 12M	10Y (Nov'34)	10Y (Nov'31)	2, 5, and 10Y
12-Mar	1, 3, 6, and 24M	5Y (Mar'29)	30Y (Nov'50)	1, and 3Y
19-Mar	1, 3, 6, and 12M	20Y (Nov'42)	3Y (Dec'26)	2, and 5Y
25-Mar	1, 3, 6, and 24M	3Y (Sep'26)	20Y (Nov'43)	1, 3, and 7Y

Source: SHCP \*Ministry of Finance \*In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance

### Udibonos' bid-to-cover ratios for primary auction in last 2 years



Source: Bloomberg, Banorte



## Fixed-Income Demand

### Government and IPAB securities holdings by type of investor

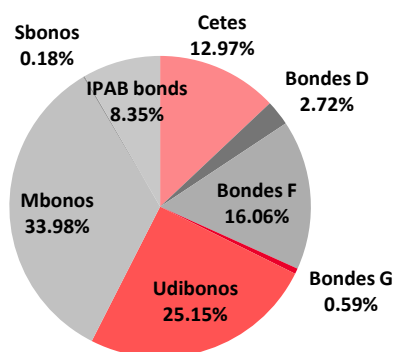
US\$ billion, \*UDIS billion, data as of Feb/06/2024

Securities	Total amount outstanding	Foreign investors	Pension funds	Mutual funds	Insurance companies	Local banks	Repos with Banxico	Guarantees received by Banxico	Securities held by Banxico	Other domestic residents
Cetes	96.10	13.11	14.03	12.72	4.61	9.90	2.86	3.20	-	35.66
Bon-des D	20.13	1.07	0.68	7.75	0.14	3.57	1.32	0.04	-	5.56
Bon-des F	119.06	0.01	5.49	64.86	2.16	13.20	3.24	0.01	-	30.09
Bon-des G	4.40	-	0.05	2.29	0.34	0.70	0.30	-	-	0.72
Udibonos	186.39	8.61	103.66	7.95	35.47	2.36	1.04	0.16	-	27.15
Mbonos	251.83	81.15	61.41	6.30	7.13	36.45	12.19	1.72	0.88	44.60
Sbonos	1.35	0.59	0.40	0.01	0.03	0.07	-	-	-	0.25
<b>Total</b>	<b>679.27</b>	<b>104.54</b>	<b>185.73</b>	<b>101.87</b>	<b>49.88</b>	<b>66.25</b>	<b>20.96</b>	<b>5.14</b>	<b>0.88</b>	<b>144.03</b>
Udibonos*	393.25	18.16	218.71	16.77	74.83	4.97	2.20	0.33	-	57.28
IPAB bonds	61.89	0.01	0.85	19.23	0.25	9.44	6.71	2.41	-	22.98

Source: Banxico, Banorte

### Government issuance by type of instrument

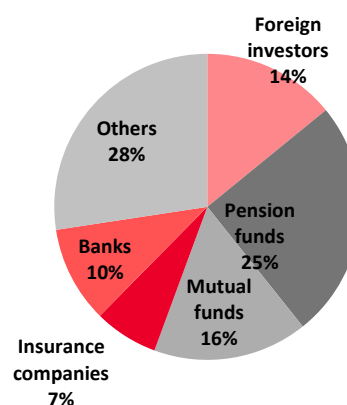
Total amount of US\$ 741 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

### Mbonos holdings by type of investor

Total amount of US\$ 741 billion (including IPAB bonds), % of total

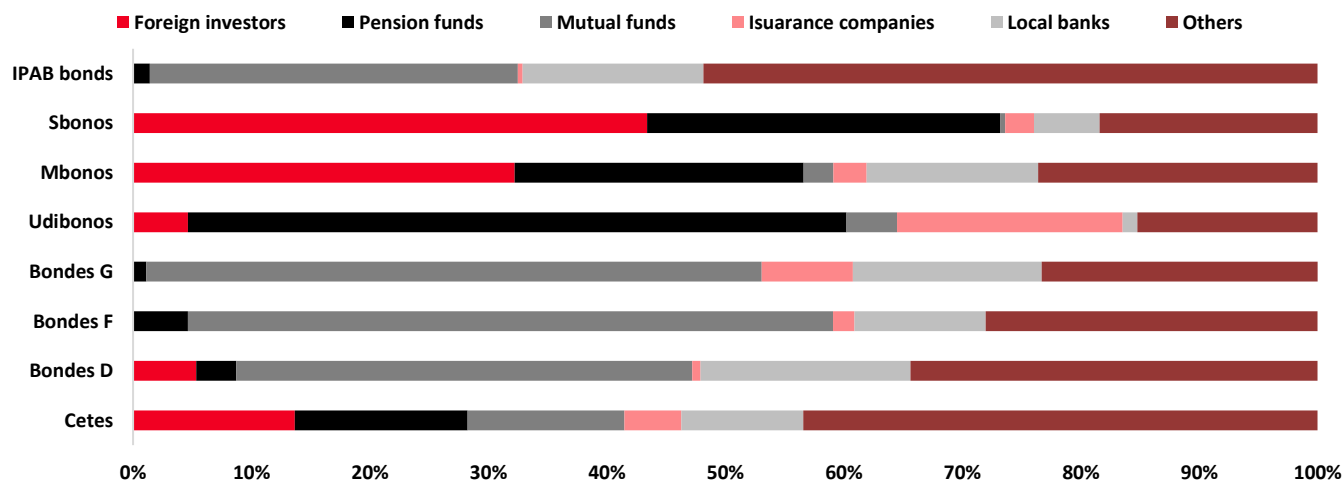


Source: Banxico, Banorte

Note: "Others" includes repos, guarantee and securities held by Banxico, as well as other domestic residents

### Government securities holdings by type of investor

Total amount of US\$ 741 billion (including IPAB bonds), % of total



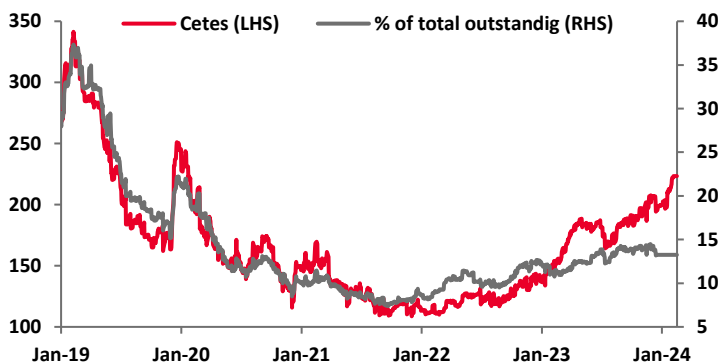
Source: Banxico, Banorte

Note: "Others" includes repos, guarantee and securities held by Banxico, as well as other domestic residents

## Fixed-Income Demand (continued)

### Cetes held by foreigners

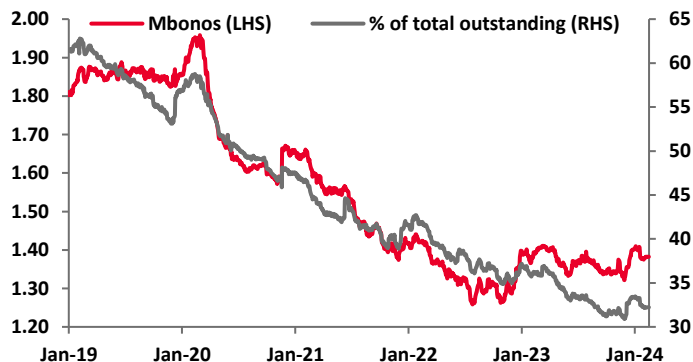
MXN billion, %



Source: Banxico, Banorte

### Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

### Holdings of main investors by type of security

Data as of Feb/06/2024

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	10.32	11.90	8.70	7.48	-7.11	3.06
Bondes F	-15.45	-9.87	-11.96	-23.94	1.84	1.40
Udibonos	-2.49	-2.32	2.74	3.64	1.84	9.28
Mbonos	-1.53	-1.34	1.64	3.71	8.91	-4.65

Source: Banxico, Banorte

### Mbonos holdings by type of investor

US\$ billions and %, data as Feb/01/2024

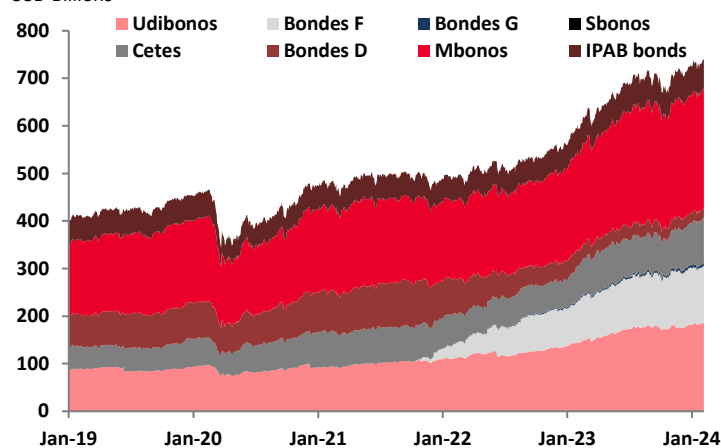
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Sep'24	16.0	20%	13%	12%	55%
Dec'24	13.1	31%	19%	6%	43%
Mar'25	8.0	36%	17%	19%	28%
Mar'26	26.2	35%	26%	12%	26%
Sep'26	10.1	41%	21%	11%	28%
Mar'27	21.3	27%	21%	11%	41%
Jun'27	20.6	8%	33%	29%	31%
Mar'29	5.5	21%	32%	20%	27%
May'29	15.9	5%	50%	22%	22%
May'31	24.8	5%	46%	33%	17%
May'33	16.1	6%	41%	30%	22%
Nov'34	6.9	1%	45%	39%	15%
Nov'36	4.3	0%	25%	46%	29%
Nov'38	12.6	1%	41%	43%	15%
Nov'42	18.9	1%	40%	46%	14%
Nov'47	15.3	0%	37%	45%	18%
Jul'53	12.6	1%	34%	44%	21%
Total	235.5	14%	33%	26%	27%

Source: Banxico, Banorte

Notas: "Institutional investors" include pension funds, mutual funds, and insurance companies. "Others" includes repos, guarantee and securities held by Banxico, as well as other domestic residents

### Government securities issuance

USD Billions



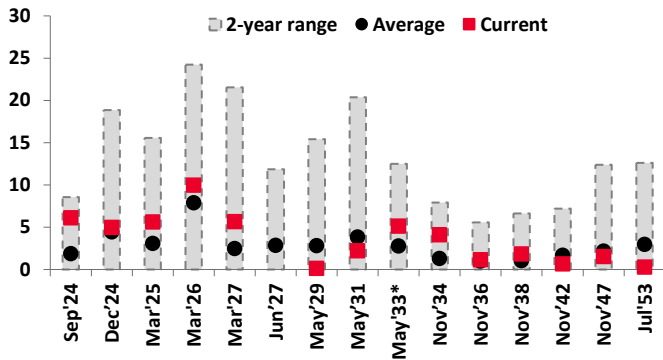
Fuente: Banxico, Banorte



## Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

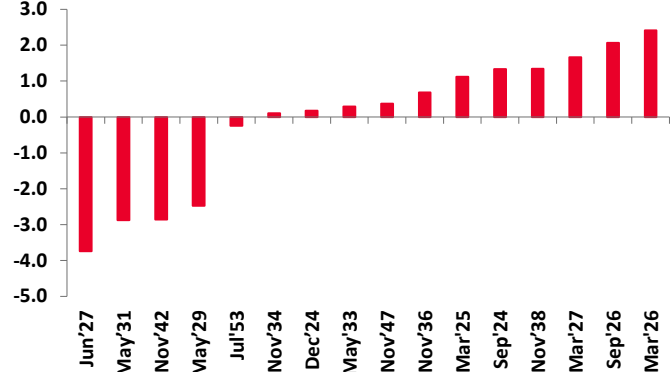
MXN billion



Source: Banxico, Banorte \*May'33 issued in December 2022

Weekly change in market makers' short positions on Mbonos

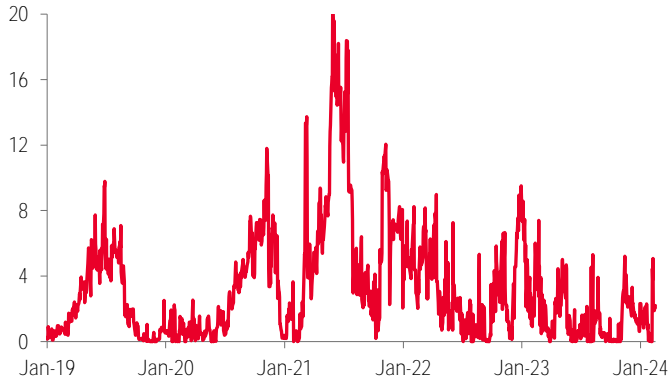
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

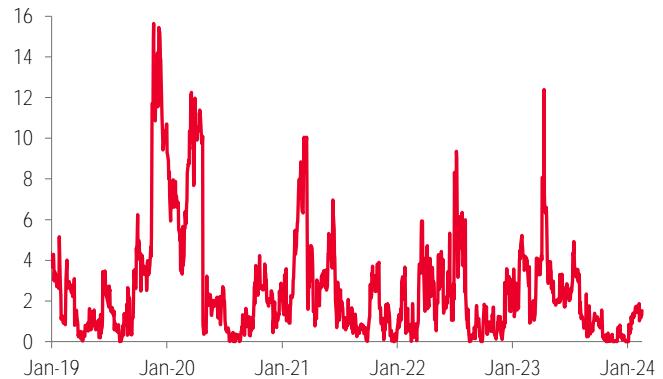
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono Nov'47

MXN billion



Source: Banxico, Banorte

Market makers' position on Mbonos

US\$ million

Maturity date	Total amount outstanding as of Feb/15/2024	Feb/15/2024	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Sep'24	15,753	278	183	147	90	278	0
Dec'24	12,009	279	118	63	153	347	41
Mar'25	8,793	262	344	293	169	685	110
Mar'26	26,091	441	365	610	317	1,278	211
Sep'26	10,023	386	411	361	0	501	1
Mar'27	21,397	232	183	132	99	699	8
Jun'27	20,740	218	0	16	103	322	0
Mar'29	6,546	157	95	15	0	420	0
May'29	17,389	152	330	475	207	899	140
May'31	24,423	296	23	49	257	304	0
May'33	16,793	280	298	330	116	728	1
Nov'34	7,100	233	278	320	105	461	0
Nov'36	4,358	26	22	50	96	82	0
Nov'38	12,664	28	66	131	0	299	0
Nov'42	19,480	205	24	42	0	220	0
Nov'47	15,241	67	91	27	234	136	0
Jul'53	12,546	31	99	193	0	625	2
<b>Total</b>	<b>251,346</b>	<b>3,541</b>	<b>2,830</b>	<b>3,059</b>	<b>1,947</b>		

Source: Banxico, Banorte

# Fixed-Income Technicals

## Spread between Cetes and Implied Forward Rates

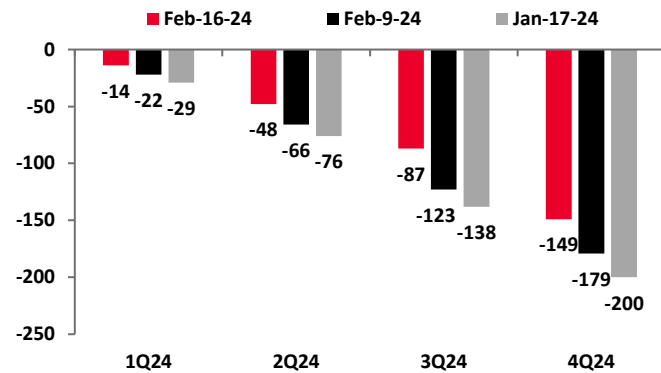
Basis points

Tenor	Actual Feb/16/2024	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	60	86	55	71	243	-35
3 months	34	26	13	18	118	-54
6 months	25	22	-8	2	54	-60
12 months	-1	16	4	-7	34	-73

Source: PIP, Bloomberg, Banorte

## Cumulative implied moves in Banxico's repo rate

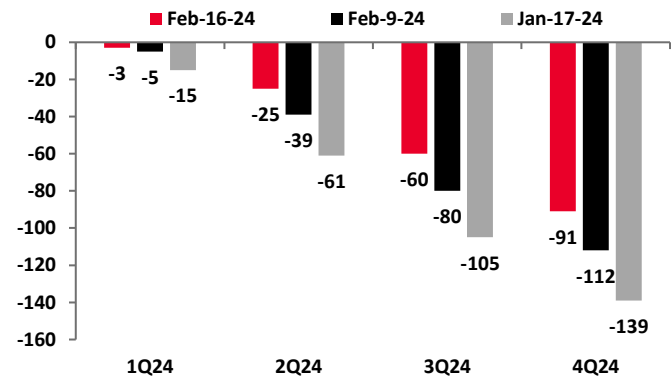
Basis points



Source: Bloomberg, Banorte

## Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

## Spreads between Mbonos and UST

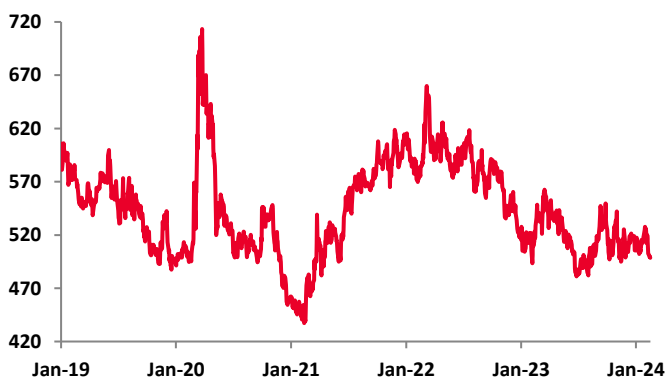
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	545	-1	6	-5	672	497	569
5 year	509	2	-10	-13	597	489	536
10 year	499	-4	-17	-7	563	481	517
20 year	483	-6	-8	-5	548	464	499
30 year	497	-3	-5	-7	562	477	514

Source: Bloomberg, PIP, Banorte

## 10-year Mbono and 10-year UST spread

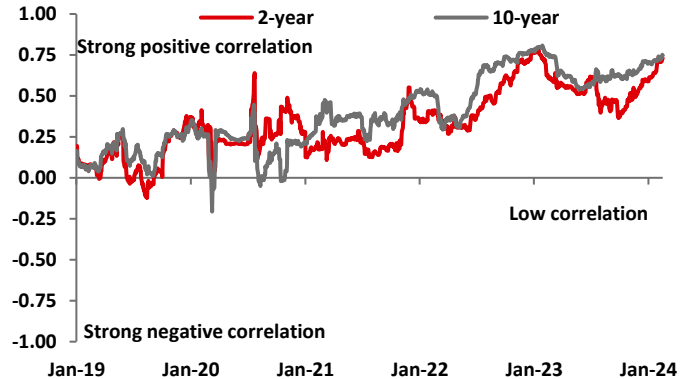
Basis points



Source: PIP, Banorte

## Mexico and US 2- and 10-year bonds correlation

3-month moving correlation



Source: Bloomberg, Banorte

## Fixed-Income Technicals (continued)

### Selected spreads

Basis points

Security	Spread	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
<b>Mbonos</b>							
2/5	-74	1	-20	-4	-31	-134	-87
2/10	-83	-8	-33	-1	-40	-197	-116
2/30	-69	-12	-27	0	-25	-192	-106
5/10	-9	-9	-14	4	8	-78	-29
10/30	15	-4	6	1	35	-15	10
<b>TIIE IRS</b>							
3m/2Y	-159	14	11	17	-56	-203	-146
2/5	-104	-4	-5	10	-90	-155	-121
2/10	-111	-7	-7	14	-97	-187	-135
2/30	-109	-9	-6	16	-88	-178	-127
5/10	-6	-3	-2	4	-1	-32	-13
10/30	2	-2	1	3	17	-4	7
<b>TIIE IRS – Mbonos</b>							
2 year	-23	0	-22	-17	25	-57	-23
5 year	-54	-5	-8	-3	-32	-100	-61
10 year	-51	2	4	-3	-23	-68	-49
20 year	-58	5	1	-1	-8	-75	-54
30 year	-64	3	-2	-1	-4	-78	-52
<b>TIIE IRS – SOFR</b>							
2 year	536	-1	-18	-28	637	485	553
5 year	480	-3	-18	-23	546	432	497
10 year	484	-2	-14	-14	545	442	499
20 year	492	0	-7	-9	571	467	511
30 year	507	1	-4	-6	599	487	530

Source: Bloomberg, PiP, Banorte

### Breakeven inflation using Mbonos & Udibonos

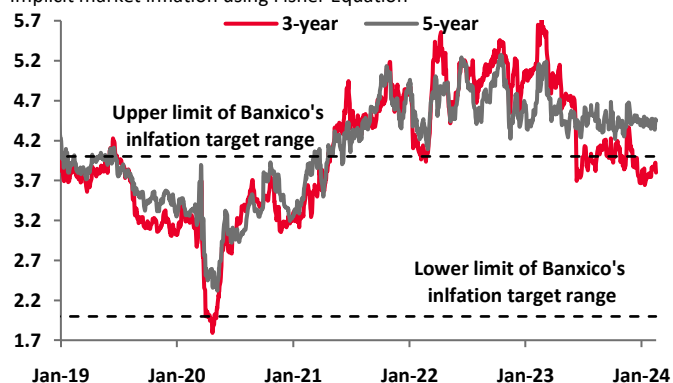
Implicit market inflation using Fisher Equation (%)

Date	Feb/16/2024	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.80	3.85 (-5pb)	3.75 (+5pb)	5.54 (-174pb)	5.74	3.64	4.27
5Y	4.46	4.37 (+9pb)	4.45 (+1pb)	4.82 (-36pb)	5.19	4.22	4.50
10Y	4.32	4.26 (+6pb)	4.5 (-18pb)	4.54 (-22pb)	4.85	4.04	4.35
20Y	4.57	4.65 (-8pb)	4.78 (-21pb)	4.66 (-9pb)	5.08	4.15	4.57
30Y	4.64	4.65 (-1pb)	4.8 (-16pb)	4.71 (-7pb)	5.01	4.15	4.57

Source: PiP, Banorte

### 3- and 5-year breakeven inflation using Mbonos & Udibonos

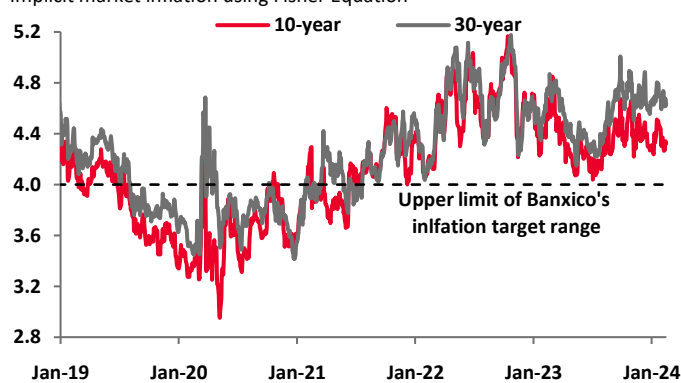
Implicit market inflation using Fisher Equation



Source: PiP, Banorte

### 10- and 30-year breakeven inflation using Mbonos & Udibonos

Implicit market inflation using Fisher Equation



Source: PiP, Banorte

# FX dynamics

## Foreign Exchange market levels and historical return

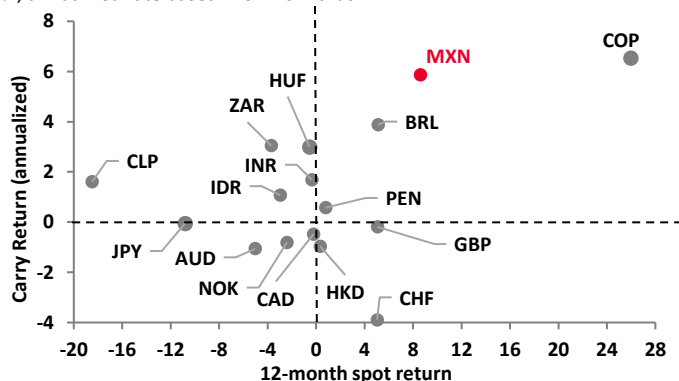
		Close at Feb/16/2024	Daily Change (%) <sup>1</sup>	Weekly change (%) <sup>1</sup>	Monthly change (%) <sup>1</sup>	YTD <sup>1</sup> (%)
<b>Emerging Markets</b>						
Brazil	USD/BRL	4.97	0.2	-0.2	-0.7	-2.2
Chile	USD/CLP	971.90	-0.4	-0.2	-5.0	-9.6
Colombia	USD/COP	3,908.54	0.0	0.4	1.5	-1.4
Peru	USD/PEN	3.82	0.5	1.1	-2.0	-3.0
Hungary	USD/HUF	361.10	0.0	-0.6	-3.2	-3.8
Malaysia	USD/MYR	4.78	0.1	-0.3	-1.3	-3.9
<b>Mexico</b>	<b>USD/MXN</b>	<b>17.06</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.8</b>	<b>-0.5</b>
Poland	USD/PLN	4.03	0.1	-0.4	0.4	-2.3
Russia	USD/RUB	92.38	0.1	-1.3	-4.3	-3.2
South Africa	USD/ZAR	18.88	0.3	0.7	0.9	-2.8
<b>Developed Markets</b>						
Canada	USD/CAD	1.35	-0.1	-0.2	0.2	-1.8
Great Britain	GBP/USD	1.26	0.0	-0.2	-0.6	-1.0
Japan	USD/JPY	150.21	-0.2	-0.6	-1.4	-6.1
Eurozone	EUR/USD	1.0777	0.0	-0.1	-1.0	-2.4
Norway	USD/NOK	10.51	0.2	0.3	0.0	-3.2
Denmark	USD/DKK	6.92	0.0	-0.1	-0.9	-2.4
Switzerland	USD/CHF	0.88	-0.1	-0.7	-1.8	-4.5
New Zealand	NZD/USD	0.61	0.3	-0.4	0.1	-3.1
Sweden	USD/SEK	10.44	0.1	0.2	0.1	-3.5
Australia	AUD/USD	0.65	0.1	0.1	-0.3	-4.1

Source: Bloomberg, Banorte

1. Positive (negative) changes mean appreciation (depreciation) of the corresponding currency against the USD.

## Performance of selected currencies

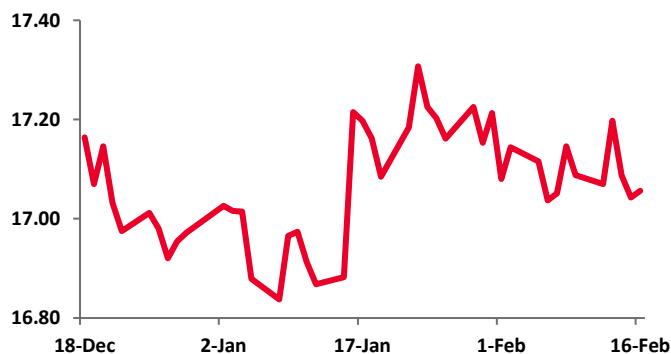
%, annualized rate based in 3M forwards



Source: Bloomberg, Banorte

## USD/MXN

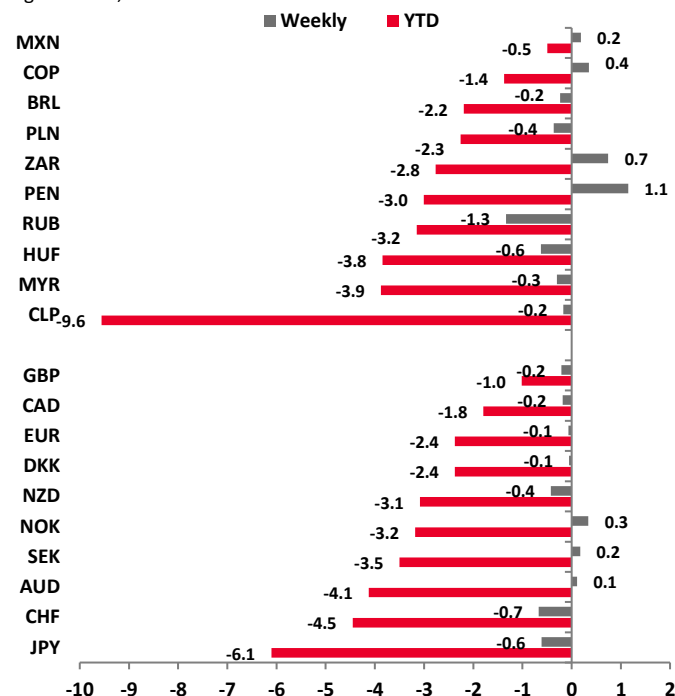
Last 60 days



Source: Bloomberg, Banorte

## FX performance

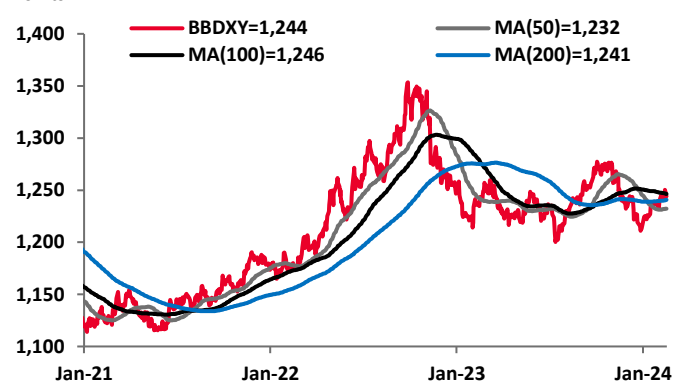
Against USD, %



Source: Bloomberg, Banorte

## BBDXY

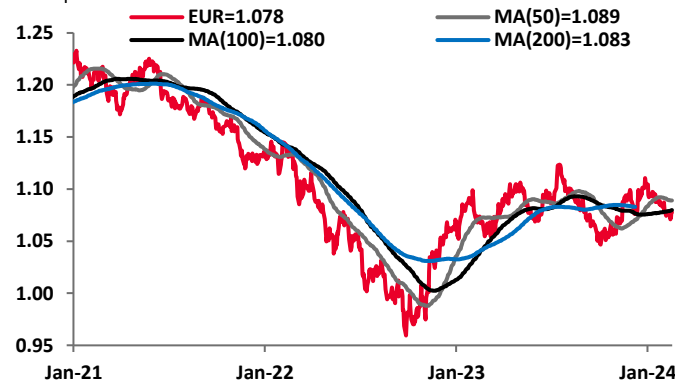
Points



Source: Bloomberg, Banorte

## Euro

Dólar per euro

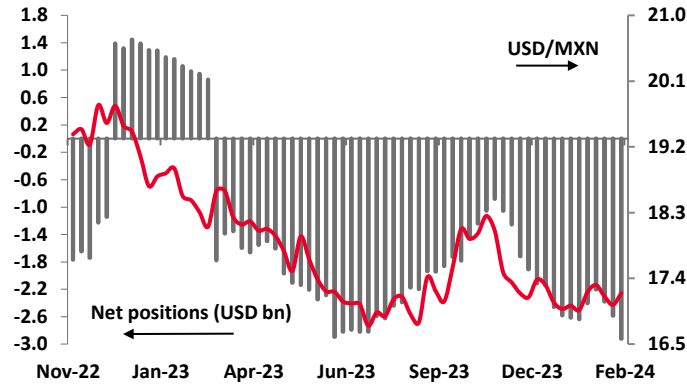


Source: Bloomberg, Banorte

## FX positioning and flows

### IMM positioning in USD/MXN futures

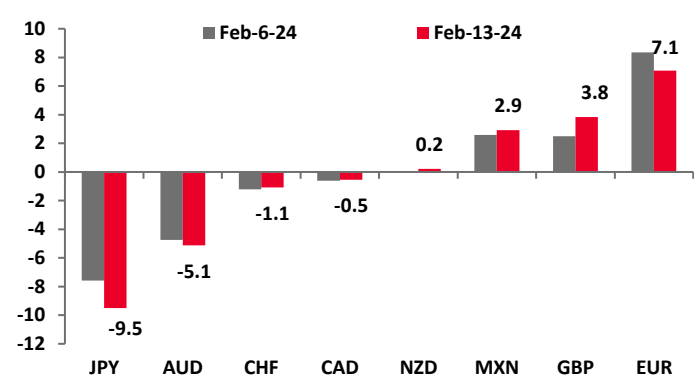
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

### IMM positioning by currency\*

Billion dollars

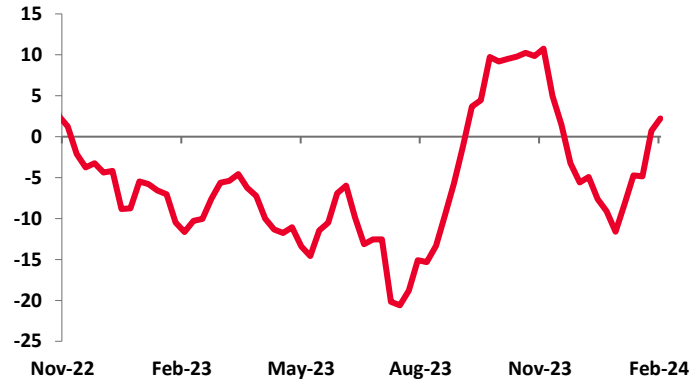


\* Positive: Net long in the corresponding currency

Source: CME, Banorte

### IMM positioning in USD futures\*

Billion dollars, Positive = net long in USD

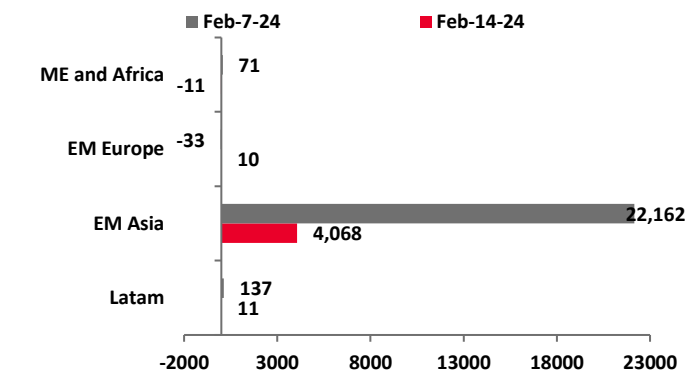


\*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

### Net foreign portfolio flows by region (Only ETF's investments)

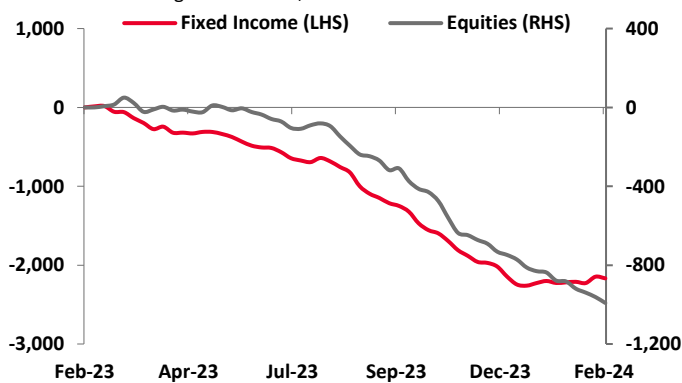
Billion dollars



Source: EPFR Global, Banorte

### Foreign portfolio flows into Mexico (excluding ETF's investments)

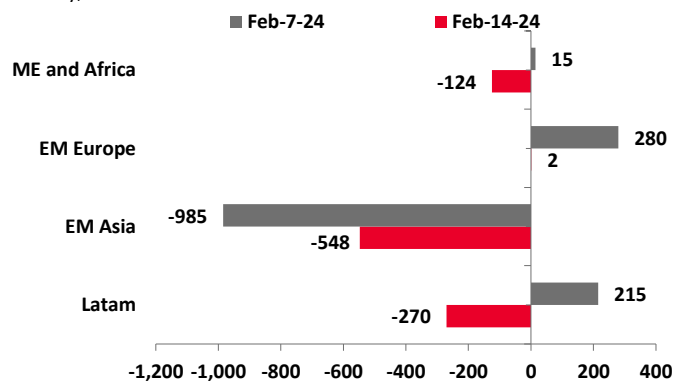
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

### Net foreign portfolio flows by region (excluding ETF's investments)

Weekly, million dollars

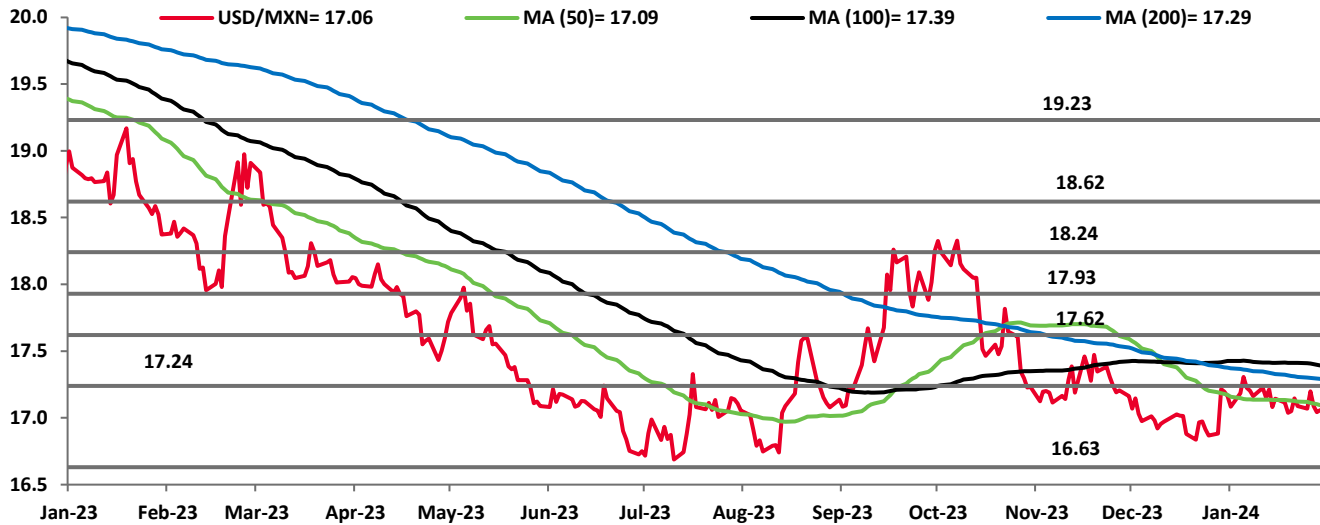


Source: EPFR Global, Banorte

## FX technicals

### USD/MXN – Moving averages and Fibonacci retracement

Last 12 months



Source: Bloomberg, Banorte

### USD/MXN – 1-month correlation with other currencies and assets

Based on daily percentages changes

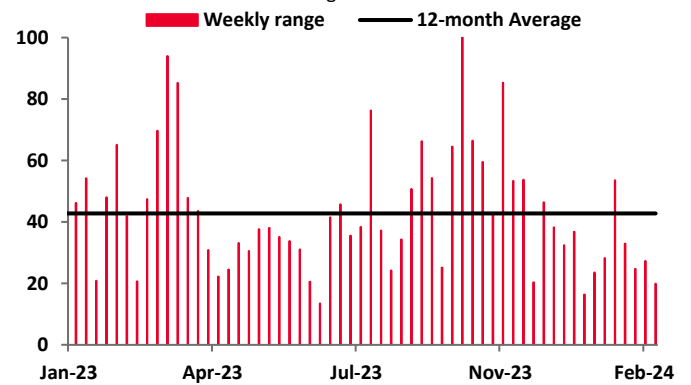
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	72	64	24	72	49
CAD	51	42	12	64	40
ZAR	57	52	2	87	56
BRL	59	69	47	82	69
HUF	56	51	40	70	58
RUB	5	17	-23	53	9
VIX	38	31	14	74	44
SPX	41	29	25	68	43
GSCI	-9	4	-27	22	0
Oro	40	34	-28	53	27

\* Positive: appreciation of MXN and corresponding asset except VIX

Source: Bloomberg, Banorte

### USD/MXN – Weekly trading range

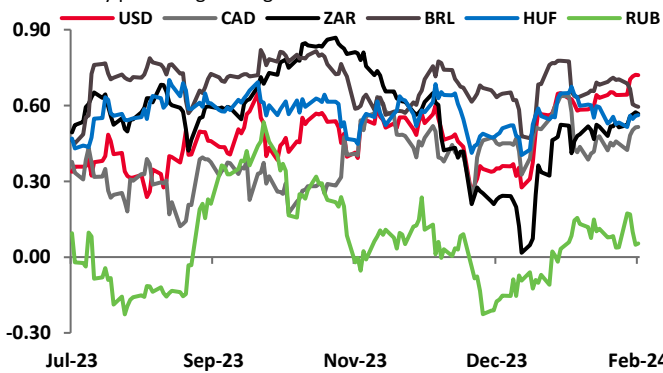
MXN cents with last 12 month average



Source: Bloomberg, Banorte

### USD/MXN – 1-month correlation with other currencies\*

Based on daily percentage changes

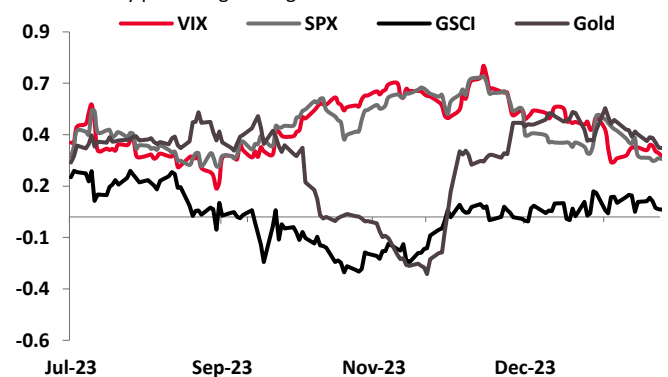


\* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

### USD/MXN – 1-month correlation with other assets\*

Based on daily percentage changes

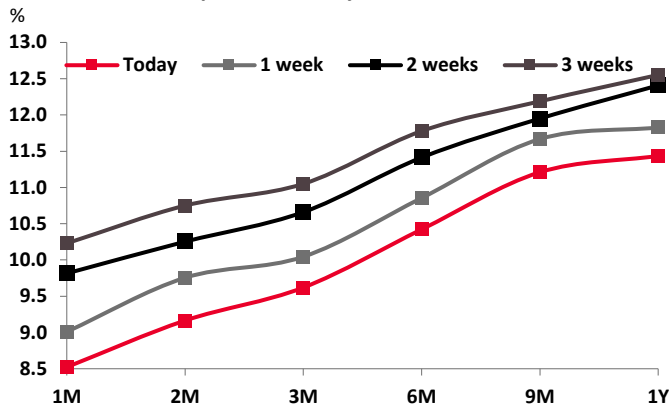


\* Positive: appreciation of MXN and corresponding asset except VIX

Source: Bloomberg, Banorte

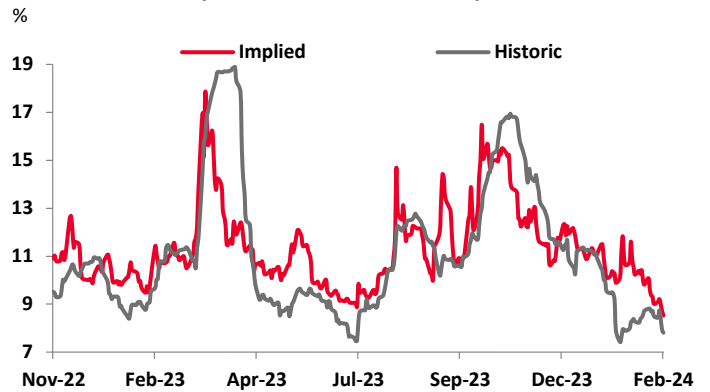
## FX technicals (continued)

USD/MXN – ATM options volatility curve



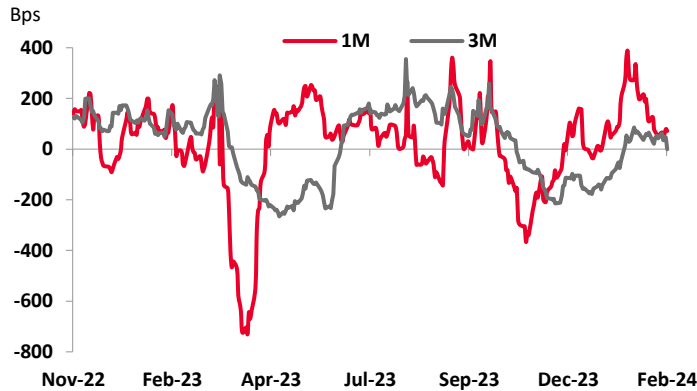
Source: Bloomberg, Banorte

USD/MXN – 1M implied and historical volatility



Source: Bloomberg, Banorte

USD/MXN – Spread between implicit and historical volatility



Source: Bloomberg, Banorte

Emerging markets one-month ATM options volatility

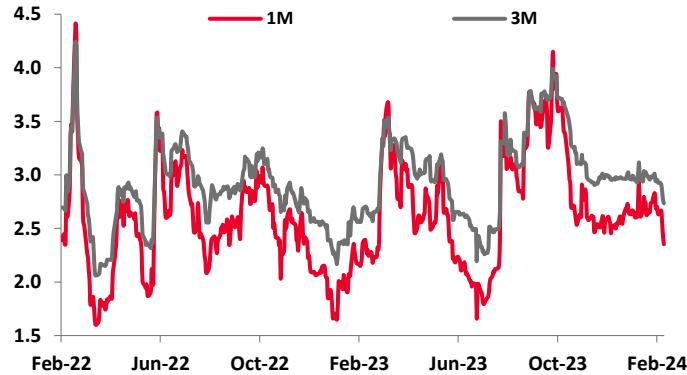
Against USD, in standard deviations relative to last year's average



Source: Bloomberg, Banorte

USD/MXN – 1-month and 3-month 25D risk reversals

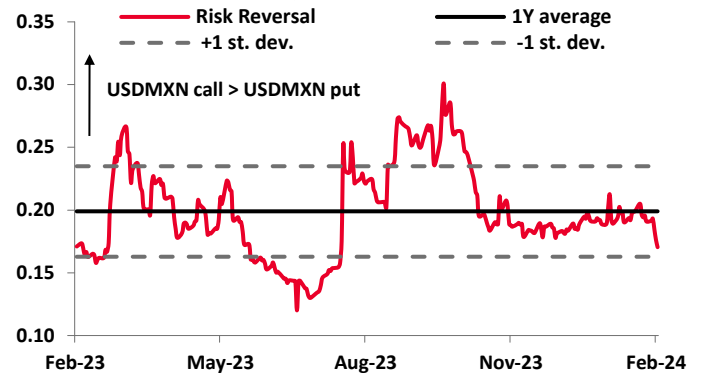
Last 24 months, difference between USD calls and puts, in vols



Source: Bloomberg, Banorte

USD/MXN – 1-month 25D volatility-adjusted risk reversal

Last 12 months, ratio adjusted against one-month implied volatility



Source: Bloomberg, Banorte



# Weekly economic calendar

For the week ending February 23<sup>rd</sup>, 2024

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 19	07:00	BZ	Economic activity	Dec	% y/y	--	0.5	2.2
	07:00	BZ	Economic activity*	Dec	% m/m	--	0.8	0.0
	20:15	CHI	Rate decision 1-year Loan Prime Rate	Feb 20	%	--	3.45	3.45
	20:15	CHI	Rate decision 5-year Loan Prime Rate	Feb 20	%	--	4.20	4.20
Tue 20	04:00	EZ	Current account*	Dec	EURbn	--	--	24.6
	10:00	MX	International reserves	Feb 16	US\$bn	--	--	213.2
	12:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 30-year Mbono (Jul'53), 3-year Udibono (Dec'26) and 2-, and 5-year Bondes F					
	15:30	MX	Banamex Survey of Economists					
Wed 21	07:00	MX	Retail sales	Dec	% y/y	2.4	2.3	2.7
	07:00	MX	Retail sales*	Dec	% m/m	0.4	-0.4	0.1
	08:00	US	Fed's Bostic Gives Welcoming Remarks					
	10:00	EZ	Consumer Confidence*	Feb (P)	index	--	-15.8	-16.1
	14:00	US	FOMC Meeting Minutes					
		SK	Monetary policy decision (Central bank of South Korea)	Feb 22	%	--	3.50	3.50
Thu 22	03:30	GER	Manufacturing PMI*	Feb (P)	index	--	46.0	45.5
	03:30	GER	Services PMI*	Feb (P)	index	--	48.0	47.7
	03:30	GER	Composite PMI*	Feb (P)	index	--	47.3	47.0
	04:00	EZ	Manufacturing PMI*	Feb (P)	index	--	47.0	46.6
	04:00	EZ	Services PMI*	Feb (P)	index	--	48.8	48.4
	04:00	EZ	Composite PMI*	Feb (P)	index	--	48.5	47.9
	04:30	UK	Manufacturing PMI*	Feb (P)	index	--	47.5	47.0
	04:30	UK	Services PMI*	Feb (P)	index	--	54.5	54.3
	05:00	EZ	Consumer prices	Feb (P)	% y/y	--	2.8	2.8
	05:00	EZ	Core	Feb (P)	% y/y	--	3.3	3.3
	03:30	GER	Manufacturing PMI*	Feb (P)	index	--	45.0	45.0
	07:00	MX	Gross domestic product	2023	% y/y	3.1	--	3.9
	07:00	MX	Gross domestic product	4Q23 (F)	% y/y	2.2	2.4	2.4
	07:00	MX	Gross domestic product*	4Q23 (F)	% q/q	0.0	0.1	0.1
	07:00	MX	Economic activity indicator (IGAE)	Dec	% y/y	0.1	0.7	2.3
	07:00	MX	Economic activity indicator (IGAE)*	Dec	% m/m	-0.6	-0.6	-0.5
	07:00	MX	Consumer prices	Feb 15	% 2w/2w	0.27	0.13	0.32
	07:00	MX	Core	Feb 15	% 2w/2w	0.26	0.28	0.32
	07:00	MX	Consumer prices	Feb 15	% y/y	4.84	4.75	4.87
	07:00	MX	Core	Feb 15	% y/y	4.65	4.67	4.75
Fri 23	07:30	EZ	ECB Minutes					
	08:30	US	Initial jobless claims*	Feb 17	thousands	215	218	212
	09:45	US	Manufacturing PMI*	Feb (P)	index	50.6	50.4	50.7
	09:45	US	Services PMI*	Feb (P)	index	--	52.1	52.5
	09:45	US	Composite PMI*	Feb (P)	index	--	52.0	52.0
	10:00	MX	Banxico's minutes					
	10:00	US	Existing home sales**	Jan	millions	--	4.0	3.8
	10:00	US	Fed's Jefferson gives remarks at Peterson Institute					
	13:00	US	Fed's Bowman Speaks to Exchequer Club in Washington					
	14:00	US	Fed's Harker Speaks on Economic Outlook					
	17:00	US	Fed's Cook Speaks at Macrofinance Conference					
	17:00	US	Fed's Kashkari Participates in Panel Discussion on Outlook					
	19:35	US	Fed's Waller speaks on Economic Outlook					
	02:00	GER	Gross domestic product*	4Q23 (F)	% q/q	--	-0.3	-0.3
	04:00	GER	IFO Survey (business climate)*	Feb	index	--	85.5	85.2
	10:00	MX	Current account	4Q23	US\$bn	4.9	5.8	2.6

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; \* Seasonally adjusted, \*\* Seasonally adjusted annualized rate

Recent trade ideas				
Trade idea	P/L	Initial date	End date	
Pay 1-year TIIE-IRS (13x1)	P	Jan-12-24	Jan-19-24	
2y10y TIIE-IRS steepener		Oct-13-23		
Long positions in Mbono Dec'24	P	Jun-16-23	Jun-22-23	
Pay TIIE-IRS (26x1), receive 2-year SOFR	L	Aug-18-22	Oct-28-22	
Pay 2-year TIIE-IRS (26x1)	P	Feb-4-22	Mar-4-22	
Tactical longs in Mbono Mar'26	P	May-14-21	Jun-7-21	
Receive 6-month TIIE-IRS (6x1)	P	Dec-17-20	Mar-3-21	
Long positions in Udibono Nov'23	L	Feb-11-21	Feb-26-21	
Long positions in Mbono May'29 & Nov'38	P	Sep-7-20	Sep-18-20	
Long positions in Udibono Dec'25	P	Jul-23-20	Aug-10-20	
Long positions in Udibono Nov'35	P	May-22-20	Jun-12-20	
Long positions in Mbono May'29	P	May-5-20	May-22-20	
Tactical longs in 1- & 2-year TIIE-28 IRS	P	Mar-20-20	Apr-24-20	
Long positions in Udibono Nov'28	P	Jan-31-20	Feb-12-20	
Long positions in Udibono Jun'22	P	Jan-9-20	Jan-22-20	
Long positions in Mbono Nov'47	L	Oct-25-19	Nov-20-19	
Long positions in Mbonos Nov'36 & Nov'42	P	Aug-16-19	Sep-24-19	
Long positions in the short-end of Mbonos curve	P	Jul-19-19	Aug-2-19	
Long positions in Mbonos Nov'42	L	Jul-5-19	Jul-12-19	
Long positions in Mbonos Nov'36 & Nov'38	P	Jun-10-19	Jun-14-19	
Long positions in Mbonos Jun'22 & Dec'23	P	Jan-9-19	Feb-12-19	
Long floating-rate Bondes D	P	Oct-31-18	Jan-3-19	
Long CPI-linkded Udibono Jun'22	L	Aug-7-18	Oct-31-18	
Long floating-rate Bondes D	P	Apr-30-18	Aug-3-18	
Long 20- to 30-year Mbonos	P	Jun-25-18	Jul-9-18	
Short Mbonos	P	Jun-11-18	Jun-25-18	
Long CPI-linkded Udibono Jun'19	P	May-7-18	May-14-18	
Long 7- to 10-year Mbonos	L	Mar-26-18	Apr-23-18	
Long CPI-linkded Udibono Jun'19	P	Mar-20-18	Mar-26-18	
Long 5- to 10-year Mbonos	P	Mar-5-18	Mar-20-18	
Long floating-rate Bondes D	P	Jan-15-18	Mar-12-18	
Long 10-year UMS Nov'28 (USD)	L	Jan-15-18	Feb-2-18	

P = Profit, L = Loss

Short-term tactical trades					
Trade Idea	P/L*	Entry	Exit	Initial Date	End date
Long USD/MXN	P	19.30	19.50	Oct-11-19	Nov-20-19
Long USD/MXN	P	18.89	19.35	Mar-20-19	Mar-27-19
Long USD/MXN	P	18.99	19.28	Jan-15-19	Feb-11-19
Long USD/MXN	P	18.70	19.63	Oct-16-18	Jan-3-19
Short USD/MXN	P	20.00	18.85	Jul-2-18	Jul-24-18
Long USD/MXN	P	19.55	19.95	May-28-18	Jun-4-18
Long USD/MXN	P	18.70	19.40	Apr-23-18	May-14-18
Long USD/MXN	P	18.56	19.20	Nov-27-17	Dec-13-17
Long USD/MXN	L	19.20	18.91	Nov-6-17	Nov-17-17
Long USD/MXN	P	18.58	19.00	Oct-9-17	Oct-23-17
Short USD/MXN	L	17.80	18.24	Sep-4-17	Sep-25-17
Long USD/MXN	P	14.40	14.85	Dec-15-14	Jan-5-15
Long USD/MXN	P	13.62	14.11	Nov-21-14	Dec-3-14
Short EUR/MXN	P	17.20	17.03	Aug-27-14	Sep-4-14

\* Total return does not consider carry gain/losses

P = Profit, L = Loss

Track of directional fixed-income trade recommendations								
Trade idea	Entry	Target	Stop-loss	Closed	P/L	Initial date	End date	
Long Udibono Dec'20	3.05%	2.90%	3.15%	3.15%	L	Aug-9-17	Oct-6-17	
5y10y TIE-IRS steepener	28bps	43bps	18bps	31bps	P <sup>2</sup>	Feb-15-17	Mar-15-17	
5y10y TIE-IRS steepener	35bps	50bps	25bps	47bps	P	Oct-5-16	Oct-19-16	
Long Mbono Jun'21	5.60%	5.35%	5.80%	5.43%	P	Jul-13-16	Aug-16-16	
Long Udibono Jun'19	1.95%	1.65%	2.10%	2.10%	L	Jul-13-16	Aug-16-16	
Receive 1-year TIE-IRS (13x1)	3.92%	3.67%	4.10%	3.87% <sup>1</sup>	P	Nov-12-15	Feb-8-16	
Long spread 10-year TIE-IRS vs US Libor	436bps	410bps	456bps	410bps	P	Sep-30-15	Oct-23-15	
Receive 9-month TIE-IRS (9x1)	3.85%	3.65%	4.00%	3.65%	P	Sep-3-15	Sep-18-15	
Spread TIE 2/10 yrs (flattening)	230bps	200bps	250bps	200bps	P	Jun-26-15	Jul-29-15	
Long Mbono Dec'24	6.12%	5.89%	6.27%	5.83%	P	Mar-13-15	Mar-19-15	
Relative-value trade, long 10-year Mbono (Dec'24) / flattening of the curve					P	Dec-22-14	Feb-6-15	
Pay 3-month TIE-IRS (3x1)	3.24%	3.32%	3.20%	3.30%	P	Jan-29-15	Jan-29-15	
Pay 9-month TIE-IRS (9x1)	3.28%	3.38%	3.20%	3.38%	P	Jan-29-15	Jan-29-15	
Pay 5-year TIE-IRS (65x1)	5.25%	5.39%	5.14%	5.14%	L	Nov-4-14	Nov-14-14	
Long Udibono Dec'17	0.66%	0.45%	0.82%	0.82%	L	Jul-4-14	Sep-26-14	
Relative-value trade, long Mbonos 5-to-10-year					P	May-5-14	Sep-26-14	
Receive 2-year TIE-IRS (26x1)	3.75%	3.55%	3.90%	3.90%	L	Jul-11-14	Sep-10-14	
Receive 1-year TIE-IRS (13x1)	4.04%	3.85%	4.20%	3.85%	P	Feb-6-14	Apr-10-14	
Long Udibono Jun'16	0.70%	0.45%	0.90%	0.90%	L	Jan-6-14	Feb-4-14	
Long Mbono Jun'16	4.47%	3.90%	4.67%	4.06%	P	Jun-7-13	Nov-21-13	
Receive 6-month TIE-IRS (6x1)	3.83%	3.65%	4.00%	3.81%	P	Oct-10-13	Oct-25-13	
Receive 1-year TIE-IRS (13x1)	3.85%	3.55%	4.00%	3.85%	--	Oct-10-13	Oct-25-13	
Long Udibono Dec'17	1.13%	0.95%	1.28%	1.35%	L	Aug-9-13	Sep-10-13	
Receive 9-month TIE-IRS (9x1)	4.50%	4.32%	4.65%	4.31%	P	Jun-21-13	Jul-12-13	
Spread TIE-Libor (10-year)	390bps	365bps	410bps	412bps	L	Jun-7-13	Jun-11-13	
Receive 1-year TIE-IRS (13x1)	4.22%	4.00%	4.30%	4.30%	L	Apr-19-13	May-31-13	
Long Udibono Jun'22	1.40%	1.20%	1.55%	0.97%	P	Mar-15-13	May-3-13	
Receive 1-year TIE-IRS (13x1)	4.60%	4.45%	4.70%	4.45%	P	Feb-1-13	Mar-7-13	
Long Mbono Nov'42	6.22%	5.97%	6.40%	5.89%	P	Feb-1-13	Mar-7-13	
Long Udibono Dec'13	1.21%	0.80%	1.40%	1.40%	L	Feb-1-13	Apr-15-13	
Receive 1-year TIE-IRS (13x1)	4.87%	4.70%	5.00%	4.69%	P	Jan-11-13	Jan-24-13	
Receive TIE Pay Mbono (10-year)	46bps	35bps	54bps	54bps	L	Oct-19-12	Mar-8-13	
Spread TIE-Libor (10-year)	410bps	385bps	430bps	342bps	P	Sep-21-13	Mar-8-13	
Long Udibono Dec'12	+0.97%	-1.50%	+1.20%	-6.50%	P	May-1-12	Nov-27-12	
Long Udibono Dec'13	+1.06%	0.90%	+1.35%	0.90%	P	May-1-12	Dec-14-12	

1. Carry + roll-down gains of 17bps

2. Closed below target and before the proposed horizon date due to changes in market conditions that have differed from our expectations.

P = Profit, L = Loss

Track of the directional FX trade recommendations								
Trade Idea	Entry	Target	Stop-loss	Closed	P/L*	Initial Date	End date	
Long USD/MXN	18.57	19.50	18.20	18.20	L	Jan-19-18	Apr-2-18	
Long USD/MXN	14.98	15.50	14.60	15.43	P	Mar-20-15	Apr-20-15	
Short EUR/MXN	17.70	n.a.	n.a.	16.90	P	Jan-5-15	Jan-15-15	
Short USD/MXN	13.21	n.a.	n.a.	13.64	L	Sep-10-14	Sep-26-14	
USD/MXN call spread**	12.99	13.30	n.a.	13.02	L	May-6-14	Jun-13-14	
Directional short USD/MXN	13.00	12.70	13.25	13.28	L	Oct-31-13	Nov-8-13	
Limit short USD/MXN	13.25	12.90	13.46	--	--	Oct-11-13	Oct-17-13	
Short EUR/MXN	16.05	15.70	16.40	15.69	P	Apr-29-13	May-9-13	
Long USD/MXN	12.60	12.90	12.40	12.40	L	Mar-11-13	Mar-13-13	
Long USD/MXN	12.60	12.90	12.40	12.85	P	Jan-11-13	Feb-27-13	
Tactical limit short USD/MXN	12.90	12.75	13.05	--	--	Dec-10-12	Dec-17-12	
Short EUR/MXN	16.64	16.10	16.90	16.94	L	Oct-3-12	Oct-30-12	

\* Total return does not consider carry gain/losses

\*\* Low strike (long call) at 13.00, high strike (short call) at 13.30 for a premium of 0.718% of notional amount

P = Profit, L = Loss

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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, José Itzamna Espitia Hernández, Leslie Thalia Orozco Vélez, Hugo Armando Gómez Solís, Carlos Hernández García, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, José De Jesús Ramírez Martínez, Daniel Sebastián Sosa Aguilar, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Juan Carlos Mercado Garduño, Jazmín 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.

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	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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