

# **Fixed-Income & FX Strategy**

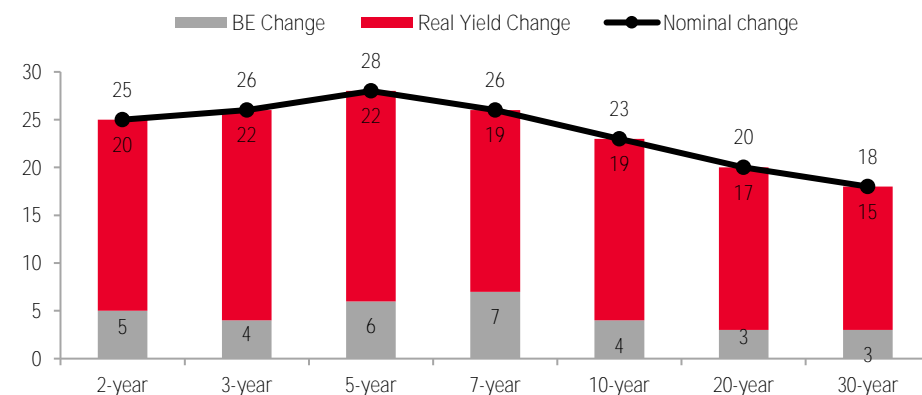
**W e e k l y**

March 15, 2024

## Fixed-Income and FX Weekly

- Market dynamics' will be driven by the monetary front.** Next week, all attention will be on the bulky schedule of monetary policy decisions in different regions, including the U.S., Japan, the U.K., Mexico, Brazil, and Colombia. Similarly, Jerome Powell's comments will be highly relevant, as well as the detail in the dot plot within the FOMC's SEP. As we have stressed previously, the risk of rate pressures prevailed, and this week it materialized due to surprises in U.S. inflation figures, resulting in USTs selling off to year highs and impacting sovereign performance worldwide. As a result, market conviction that the Fed will deliver its first 25bps cut in June weakened significantly. Market's pricing for this decision discounts cuts of 15bps from ~25bps a week ago. Additionally, the total cut for 2024 reduced to 72bps from ~100bps, aligning with our view of a 75bps easing. With this adjustment, we believe rate valuations are more consistent with the Fed's rhetoric, so next week's performance, while we still anticipate potential additional pressures, could be more constrained. In this regard, as shown in the chart below, much of the pressures on USTs stemmed from the real component, while inflation breakevens have increased to a lesser extent, reflecting more stable inflation expectations. For the local market, we expect rates to react moderately to Banxico's decision, in any case with space to strengthen in the short-end. The likely "fine-tuning" from the central bank (which we expect to cut rates by 25bps) could complement a Fed message of caution, limiting room for gains in longer durations. However, we continue to await directional positions in long-term Mbonos, where we consider the Nov'34 and Nov'42 maturities with an interesting valuation when considering their duration-adjusted YTM. In FX, we expect the MXN to react very limited to Banxico's cut, as the latter is widely priced in. Current levels appear attractive for USD purchases, and MXN valuations have become more expensive, also with very low implied volatilities that could suggest complacency regarding the risk horizon. A more dovish tone from Banxico could result in asymmetry for the MXN; however, given the wide spreads that Mexico will hold vis-à-vis other comparable EMs, we believe that the MXN will remain resilient in the short term. In our view, it is timely to evaluate tactical hedging strategies ahead of the second half of the year which will experience a more active geopolitical scene, and could impact local premia
- Weekly ranges** – We expect that the 10-year Mbono (Nov'34) to trade between 9.15% and 9.45%, and MXN between 16.55 and 16.95 per dollar

**Treasuries' weekly performance**  
Basis points



Source: Bloomberg, Banorte



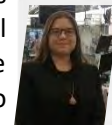
**Alejandro Padilla Santana**  
Chief Economist and Head of Research  
alejandro.padilla@banorte.com



**Juan Carlos Alderete Macal, CFA**  
Executive Director of Economic Research and Market Strategy  
juan.alderete.macal@banorte.com



**Santiago Leal Singer**  
Director of Market Strategy  
santiago.leal@banorte.com



**Leslie Thalía Orozco Vélez**  
Senior Strategist, Fixed Income and FX  
leslie.orozco.velez@banorte.com

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## Fixed-Income

- **Widespread losses in sovereign bonds** – Treasuries yields rose to highs of the year, with the 2- and 10-year benchmarks closing at 4.72% (+25bps w/w) and 4.30% (+23bps w/w), respectively. In a similar fashion, Mbonos averaged losses of 17bps, with greater adjustments of up to +25bps at the extremes
- **Supply** – On Tuesday, the MoF will auction 1-, 3-, 6-, and 12-month Cetes, the 20-year Mbono (Nov'42), the 3-year Udibono (Dec'26), as well 2-, and 5-year Bondes F
- **Demand** – In the last four weeks, foreigners recorded lower holdings in Cetes by 1.3%, equivalent to 12.7% of the total amount outstanding. Furthermore, they reduced their exposure in Mbonos by 2.1% (30.9% of the total). Pension funds' holdings in Udibonos increased 1.8%, equal to 55.6% of the total. In turn, Mutual funds reduced their exposure to Bondes F by 0.1%, remaining as the main holders with 54.2% of the total
- **Technicals** – Mbonos' 2s30s spread moved to -61bps from -68bps the previous week, while this reading for Treasuries stood at -30bps from -23bps. In addition, the 10-year spread between Mbonos and Treasuries declined to 503bps from 510bps the previous week, remaining below the 12-month lows of 515bps

## Foreign Exchange

- **MXN rallied for the third week and reached its strongest level in the year** – Despite narrowing its weekly trading range (to 21 cents from 27 cents the previous week) the MXN led among the best performing currencies in EM appreciating 0.6% w/w to 16.71 per dollar. It reached 16.65 on Wednesday, a level not seen since July 2023 and with quite few recent technical history around these figures. Meanwhile, implied volatility compression extended throughout the week, hand in hand with similar dynamics in the broad FX universe. However, MXN readings seem to have found a break, consistent with and rather bulky agenda for the coming week
- **The USD broke two weeks weakening.** The DXY and BBDXY rose 0.7% and 0.5% w/w, respectively, with a broadly negative balance inside G10 and EM. The latter included Latam at the margin more defensive. The rates' pick up and moderation around the Fed backed the adjustment highlighting a sell-off of up to 2% in NOK, while EUR closed near 1.09 holding an appreciation of ~1% YTM
- **Market positioning in MXN** – As of March 12<sup>th</sup>, the MXN CFTC position registered a net long of US\$ 3.09 billion, reducing marginally from US\$ 3.13 billion the previous week, being the latter the highest net long registered since March 2020
- **Market positioning in USD** – The IMM USD net long position dropped strongly to US\$ 0.5 billion from US\$ 2.9 billion, as a result from new longs in JPY, GBP, and EUR that came in a relatively homogenous volume
- **Flows** – Our EPFR EM aggregate continued to register outflows, holding on the negative trend since May of last year. It recorded an outflow US\$ 1.1 billion from US\$ 1.5 billion the previous week. Bond exits were observed in all regions except for Europe, which has seen 4 weeks of inflows, while equity sales came in a widespread fashion, with Colombia experiencing the highest relative increase in outflows for Latam. Mexico, marked a net outflow of US\$ 69 million from an outflow of US\$ 70 million the previous week, resulting this time from sales of US\$ 51 million in equities (previous: -61 million) and sales of US\$ 18 million in bonds (previous: -10 million)
- **Technicals** – The MXN registered a weekly trading range of 21 cents, reaching its best level in the last eight months of 16.65 per dollar. The following relevant technical levels are: 16.62, 16.55, and 16.50 (resistances) and 16.80, 16.90, and 16.96 (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	11.24	0	1	-21	11.45	10.98	11.25
28-days <sup>1</sup>	11.29	0	-1	-1	11.34	11.04	11.29
91-days <sup>1</sup>	11.41	0	-1	-1	11.45	11.15	11.40
182-days <sup>1</sup>	11.57	0	-1	-1	11.62	11.31	11.56
<b>Cetes</b>							
28-days	11.23	1	13	-1	11.49	10.45	11.14
91-days	11.23	2	-11	-1	11.61	10.75	11.35
182-days	11.20	-1	-15	-13	12.06	10.90	11.49
364-days	11.08	4	7	-6	12.13	10.88	11.47
728-days	10.81	14	-13	-10	12.14	10.50	11.15
<b>Mbonos</b>							
Sep'24	11.21	2	3	24	11.57	10.03	10.99
Dec'24	11.01	4	-2	35	11.31	9.57	10.66
Mar'25	10.44	31	24	55	11.24	9.56	10.34
Mar'26	10.10	17	0	34	10.92	8.85	9.85
Sep'26	9.96	23	12	46	10.78	9.22	9.90
Mar'27	9.65	18	7	26	10.53	8.58	9.50
Jun'27	9.59	13	2	33	10.49	8.49	9.43
Mar'29	9.39	15	3	33	10.32	9.07	9.64
May'29	9.29	13	0	35	10.24	8.43	9.14
May'31	9.28	13	-1	34	10.26	8.45	9.13
May'33	9.30	16	1	37	10.24	8.52	9.13
Nov'34	9.34	17	7	39	10.21	8.49	9.11
Nov'36	9.31	19	5	39	10.20	8.53	9.11
Nov'38	9.40	21	8	36	10.25	8.66	9.23
Nov'42	9.50	24	10	42	10.25	8.71	9.26
Nov'47	9.47	25	9	40	10.17	8.69	9.22
Jul'53	9.49	24	8	42	10.17	8.66	9.23
<b>TIIE-IRS</b>							
3-month (3x1)	11.31	-4	-14	-15	11.62	11.31	11.50
6-month (6x1)	11.17	0	-13	-11	11.65	11.16	11.44
9-month (9x1)	10.99	2	-15	-10	11.63	10.96	11.31
1-year (13x1)	10.72	4	-14	-6	11.46	10.65	11.05
2-year (26x1)	9.87	18	0	17	10.83	9.49	9.98
3-year (39x1)	9.33	21	4	25	10.31	8.72	9.33
4-year (52x1)	9.01	19	3	28	10.02	8.30	8.98
5-year (65x1)	8.86	20	4	30	9.87	8.10	8.80
7-year (91x1)	8.78	21	4	33	9.78	7.98	8.69
10-year (130x1)	8.78	20	2	32	9.78	7.97	8.68
20-year (3x1)	8.84	21	2	34	9.85	8.05	8.76
30-year (390x1)	8.79	19	1	34	9.84	8.07	8.75
<b>Udibonos</b>							
Dec'25	6.90	-1	58	92	6.45	4.46	5.67
Dec'26	5.87	14	5	25	6.42	4.36	5.44
Nov'28	5.12	14	43	65	5.62	4.02	4.69
Nov'31	4.98	17	22	51	5.39	3.94	4.58
Aug'34	4.91	4	--	--	--	--	--
Nov'35	4.82	25	27	45	5.06	3.96	4.45
Nov'40	4.83	24	23	51	5.04	3.96	4.48
Nov'43	4.87	25	26	54	5.06	4.30	4.60
Nov'46	4.77	23	25	61	5.04	3.91	4.46
Nov'50	4.80	22	24	58	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

UMS					UST				Spreads		CDS
Term	Maturity date	YTM Mar/15/2024	Weekly change (bps)	YTD (bps)	YTM Mar/15/2024	Weekly change (bps)	YTD (bps)	Actual (bps)	Weekly change (bps)	12m Average (bps)	bps
2Y	Jan'26	5.20	+26	+72	4.73	+25	+30	47	+1	24	27
3Y	Mar'27	5.09	+20	+29	4.51	+26	+28	58	-6	33	44
5Y	May'29	5.39	+19	+60	4.33	+28	+32	106	-9	100	85
7Y	Apr'30	5.49	+17	+15	4.33	+26	+36	116	-9	127	122
10Y	May'33	5.71	+15	+15	4.31	+23	+43	140	-8	163	155
20Y	Mar'44	6.31	+15	-7	4.55	+20	+41	176	-5	191	--
30Y	May'54	6.51	+11	+12	4.43	+18	+47	208	-7	227	--

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 20-year Mbono (Nov'42), the 3-year Udibono (Dec'26), as well 2-, and 5-year Bondes F. It is worth noting that the [new 10-year Udibono Aug'34 was issued](#), replacing the previous reference Udibono Nov'31
- Strong demand for Cetes ahead first rate cut by Banxico.** Next week, all eyes will be on Banxico's decision (March 20<sup>th</sup>), although both the market and us widely expect the first interest rate cut, the guidance the central bank will provide on the pace of subsequent actions will be highly relevant. The reference rate will move to 11.00% from 11.25%, and the spread relative to Fed Funds will narrow to 550bps as we do not anticipate changes in the Fed's decision (March 21<sup>st</sup>). Cetes' real rates remain at attractive levels. As such, we expect demand to remain solid across all maturities. In nominal rates, the long-end of the Mbonos' curve, particularly the Nov'34 and Nov'42 maturities, reflects an attractive valuation according to our duration-adjusted YTM analysis. However, we anticipate better levels for directional positions. In this regard, we anticipate steady demand for the 20-year benchmark around 2.0x. Moreover, we maintain a positive outlook on short-term real rates on the back of a more attractive relative valuation. Although the 3-year breakeven has slightly increased in recent days to 3.86%, it remains significantly below its 12-month average with the greatest deviation from other maturities. In this context, we expect good demand for the 3-year Udibono

### Auction specifics (March 19<sup>th</sup>, 2024)

Security	Maturity	Coupon rate, %	To be auctioned <sup>1</sup>	Previous yield <sup>2</sup>
<b>Cetes</b>				
1m	Apr-11-24	--	10,000	11.18
3m	Jun-13-24	--	10,000	11.20
6m	Sep-05-24	--	11,100	11.19
12m	Mar-19-25	--	18,500	11.14
<b>Bondes F</b>				
2Y	Jan-16-26	--	8,000	0.16
5Y	Jan-14-28	--	2,200	0.19
<b>Bono M</b>				
20Y	Nov-01-42	7.75	6,000	9.41
<b>Udibono</b>				
3Y	Dec-03-26	3.00	UDIS 950	5.83

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.

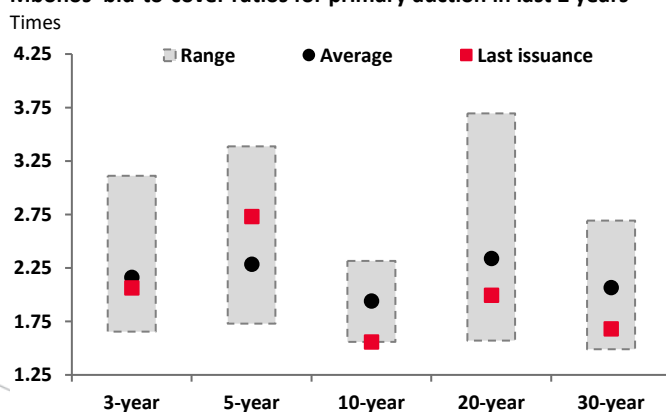
2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

### 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

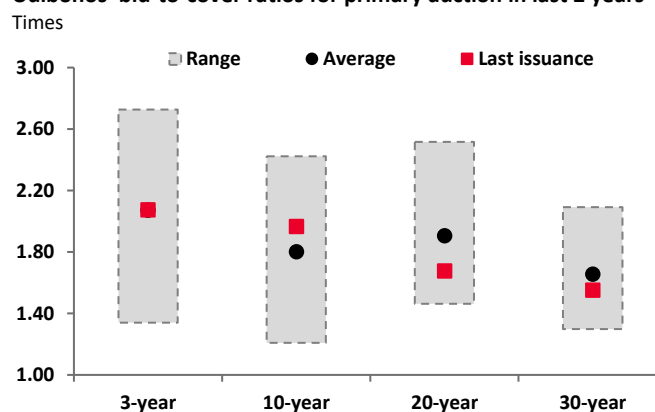
Source: SHCP \*Ministry of Finance \*In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance

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



Source: Bloomberg, Banorte

### 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

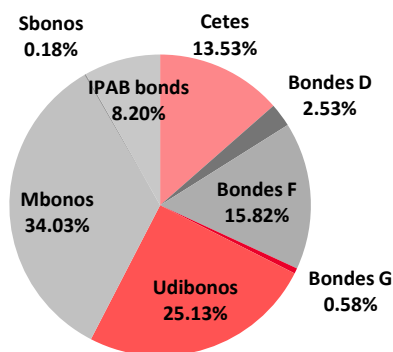
US\$ billion, \*UDIS billion, data as of Mar/05/2024

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	102.77	13.02	13.14	14.45	5.23	13.58	0.95	5.06	-	37.35
Bon-des D	19.21	0.15	0.96	7.60	0.41	4.64	-	0.09	-	5.36
Bon-des F	120.15	0.34	5.12	65.14	1.86	15.11	2.48	0.03	-	30.06
Bon-des G	4.43	0.12	0.13	2.20	0.32	0.99	0.00	-	-	0.67
Udibonos	190.81	8.13	106.09	8.36	35.67	3.89	0.65	0.18	-	27.83
Mbonos	258.39	79.90	61.72	6.18	7.22	39.16	13.02	1.84	0.88	48.46
Sbonos	1.36	0.62	0.40	0.01	0.03	0.04	-	-	-	0.25
<b>Total</b>	<b>697.12</b>	<b>102.28</b>	<b>187.57</b>	<b>103.94</b>	<b>50.73</b>	<b>77.42</b>	<b>17.11</b>	<b>7.21</b>	<b>0.88</b>	<b>149.97</b>
Udibonos*	398.91	16.99	221.80	17.47	74.57	8.14	1.36	0.38	-	58.19
IPAB bonds	62.31	0.14	0.53	20.92	0.27	11.17	5.00	2.27	-	22.00

Source: Banxico, Banorte

## Government issuance by type of instrument

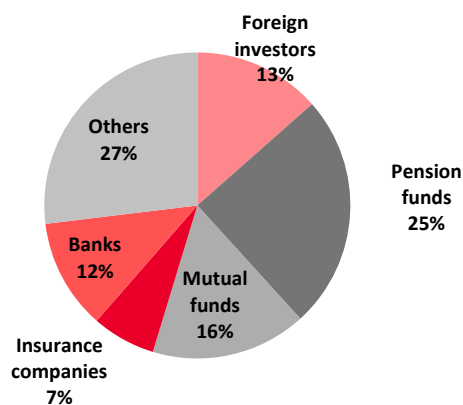
Total amount of US\$ 759 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

## Mbonos holdings by type of investor

Total amount of US\$ 759 billion (including IPAB bonds), % of total

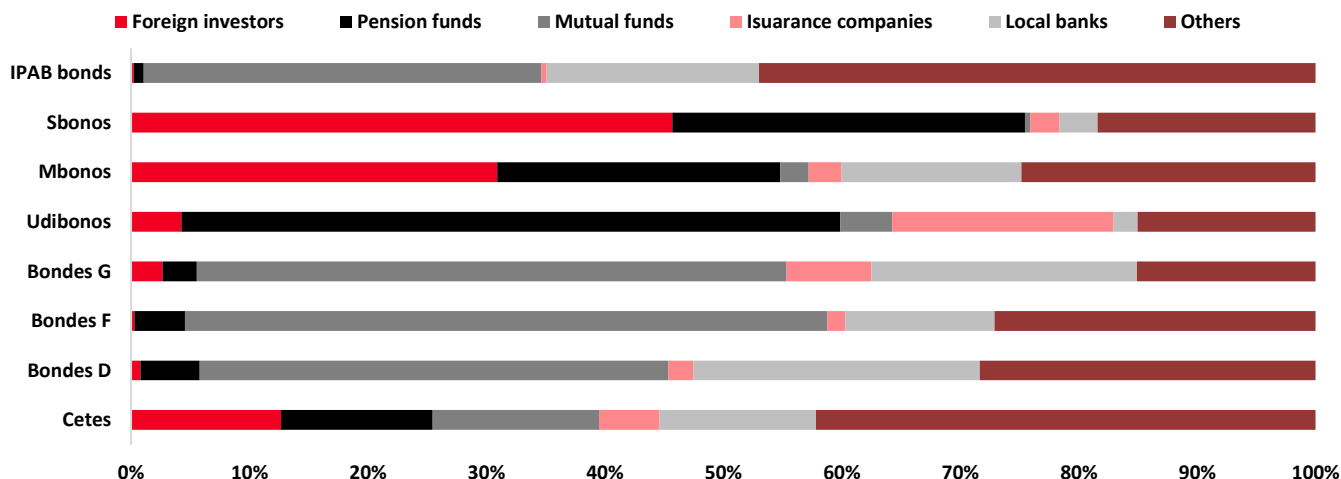


Source: Banxico, Banorte

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\$ 759 billion (including IPAB bonds), % of total



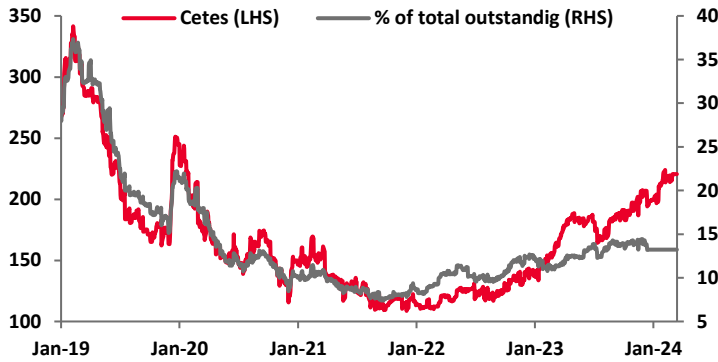
Source: Banxico, Banorte

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

### Holdings of main investors by type of security

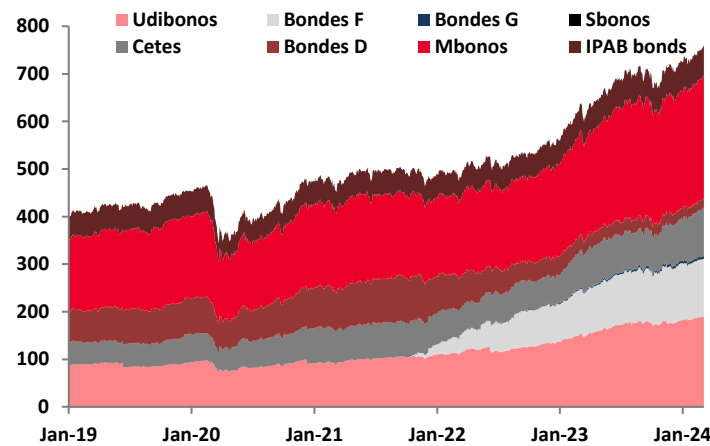
Data as of Mar/05/2024

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	-1.25	10.50	-6.84	0.13	12.96	16.42
Bondef F	5581.13	5020.60	-7.21	-29.42	-0.10	1.30
Udibonos	-6.08	-8.26	1.80	5.51	4.60	14.31
Mbonos	-2.06	-3.38	-0.02	3.69	-2.39	-6.93

Source: Banxico, Banorte

### Government securities issuance

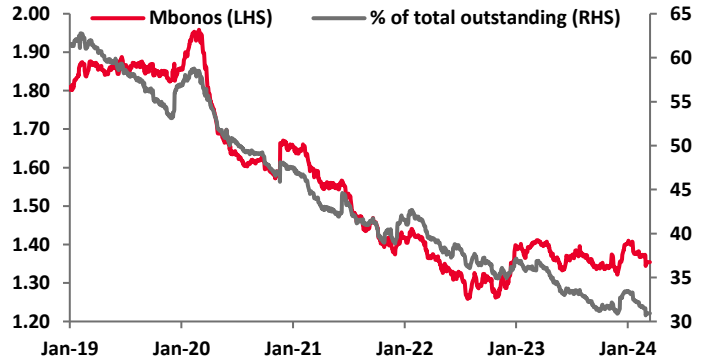
USD Billions



Fuente: Banxico, Banorte

### Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

### Mbonos holdings by type of investor

US\$ billions and %, data as Feb/29/2024

Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Sep'24	15.9	27%	11%	17%	45%
Dec'24	12.0	37%	20%	7%	35%
Mar'25	8.0	38%	15%	18%	28%
Mar'26	26.2	37%	25%	11%	27%
Sep'26	11.3	39%	18%	17%	26%
Mar'27	21.9	27%	19%	11%	44%
Jun'27	20.6	13%	31%	27%	28%
Mar'29	7.8	20%	24%	21%	35%
May'29	16.3	7%	49%	22%	22%
May'31	24.3	5%	46%	33%	16%
May'33	16.8	6%	42%	31%	22%
Nov'34	6.6	2%	43%	40%	15%
Nov'36	4.4	0%	24%	47%	28%
Nov'38	12.7	1%	41%	43%	16%
Nov'42	19.3	1%	39%	46%	14%
Nov'47	15.3	0%	36%	45%	18%
Jul'53	13.6	3%	30%	46%	22%
Total	239.6	16%	31%	27%	26%

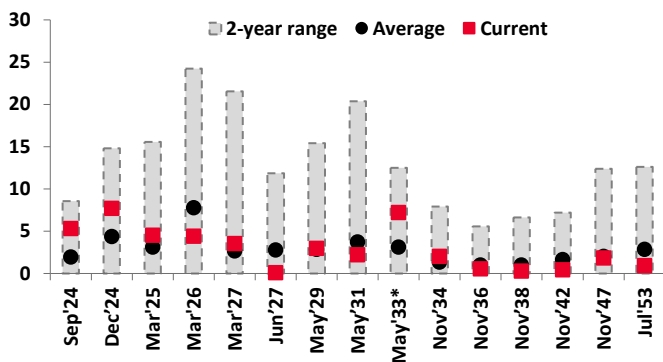
Source: Banxico, Banorte

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

## Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

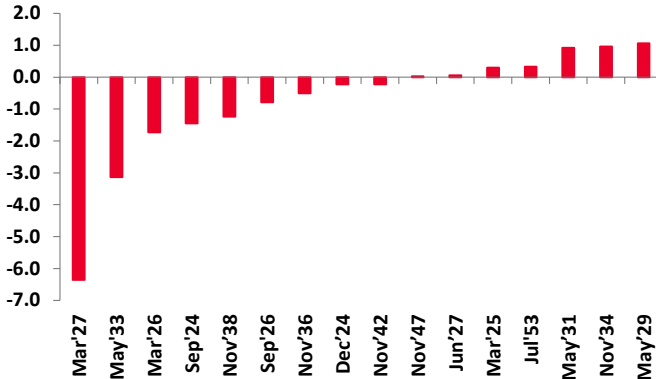
MXN billion



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

Weekly change in market makers' short positions on Mbonos

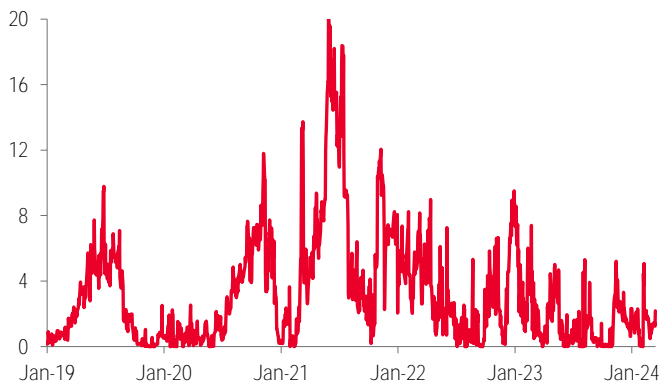
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

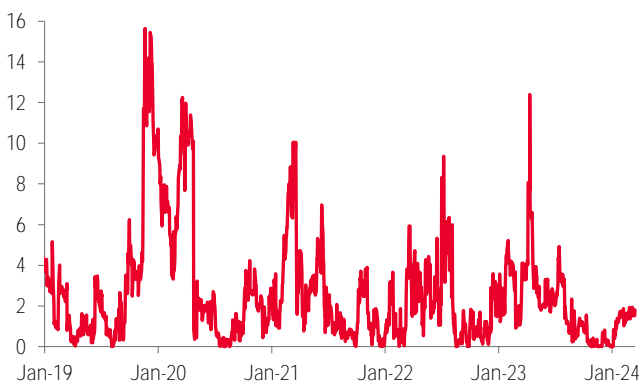
MXN billion



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 Mar/14/2024	Mar/14/2024	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Sep'24	16,205	318	405	309	50	405	0
Dec'24	12,504	461	475	295	211	482	49
Mar'25	9,028	270	252	349	49	611	162
Mar'26	26,596	262	366	538	607	976	216
Sep'26	11,407	297	344	411	0	595	79
Mar'27	21,940	211	592	312	37	881	8
Jun'27	21,073	4	1	0	223	224	0
Mar'29	8,985	434	591	482	0	716	0
May'29	17,874	178	115	212	234	923	8
May'31	24,901	131	76	124	38	312	0
May'33	17,384	431	619	324	73	748	1
Nov'34	8,509	120	62	240	74	474	0
Nov'36	4,481	33	63	98	81	98	0
Nov'38	12,989	17	91	113	33	307	0
Nov'42	19,813	25	39	0	28	226	0
Nov'47	15,687	108	106	82	245	116	0
Jul'53	13,923	55	36	8	181	641	0
<b>Total</b>	<b>263,299</b>	<b>3,301</b>	<b>4,196</b>	<b>3,890</b>	<b>1,985</b>		

Source: Banxico, Banorte

## Fixed-Income Technicals

### Spread between Cetes and Implied Forward Rates

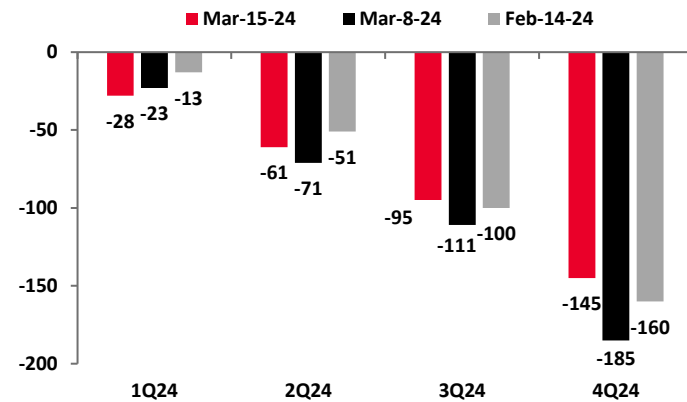
Basis points

Tenor	Actual Mar/15/2024	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	91	92	60	75	243	-31
3 months	41	41	34	26	118	-29
6 months	22	29	25	10	54	-36
12 months	17	26	-1	1	35	-34

Source: PiP, Bloomberg, Banorte

### Cumulative implied moves in Banxico's repo rate

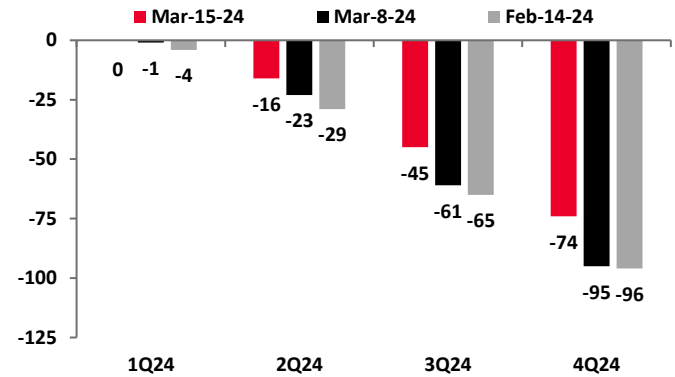
Basis points



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	538	-8	-8	-13	672	497	569
5 year	507	-12	-2	-15	597	489	536
10 year	503	-6	5	-2	563	481	517
20 year	495	5	11	6	548	464	499
30 year	506	6	8	2	562	477	514

Source: Bloomberg, PiP, Banorte

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

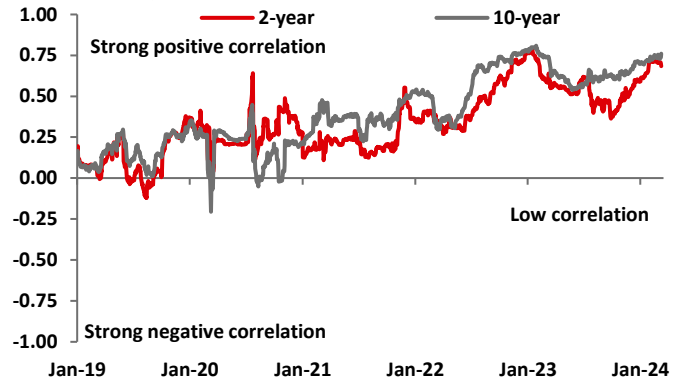
Basis points



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	-71	-2	3	-1	-31	-134	-87
2/10	-76	0	7	6	-40	-197	-116
2/30	-61	7	8	8	-25	-192	-106
5/10	-5	2	4	7	8	-78	-29
10/30	15	7	1	2	35	-15	10
<b>TIIE IRS</b>							
3m/2Y	-144	22	14	32	-72	-203	-152
2/5	-101	2	3	13	-90	-152	-118
2/10	-109	2	2	15	-97	-174	-130
2/30	-109	1	1	17	-88	-165	-123
5/10	-8	0	-2	2	-1	-28	-12
10/30	1	-1	-1	2	17	-4	7
<b>TIIE IRS – Mbonos</b>							
2 year	-23	1	0	-17	25	-57	-22
5 year	-53	5	1	-2	-32	-100	-61
10 year	-56	3	-5	-8	-29	-68	-50
20 year	-66	-4	-8	-8	-24	-75	-56
30 year	-71	-5	-7	-8	-14	-78	-55
<b>TIIE IRS – SOFR</b>							
2 year	525	-7	-11	-39	618	485	548
5 year	478	-7	-2	-25	543	432	493
10 year	485	-2	1	-13	540	442	495
20 year	496	2	4	-6	554	467	505
30 year	510	2	4	-2	577	487	524

Source: Bloomberg, PIP, Banorte

### Breakeven inflation using Mbonos & Udibonos

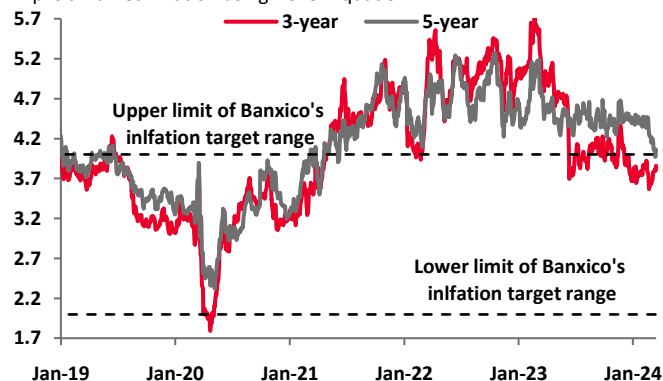
Implicit market inflation using Fisher Equation (%)

Date	Mar/15/2024	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.86	3.78 (+8pb)	3.8 (+6pb)	4.9 (-104pb)	5.15	3.57	4.14
5Y	4.06	4.06 (0pb)	4.46 (-40pb)	4.72 (-66pb)	4.74	3.97	4.44
10Y	4.12	4.13 (-1pb)	4.32 (-20pb)	4.51 (-39pb)	4.67	4.04	4.32
20Y	4.41	4.43 (-2pb)	4.57 (-16pb)	4.68 (-27pb)	5.08	4.15	4.55
30Y	4.48	4.47 (+1pb)	4.64 (-16pb)	4.75 (-27pb)	5.01	4.15	4.55

Source: PIP, Banorte

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

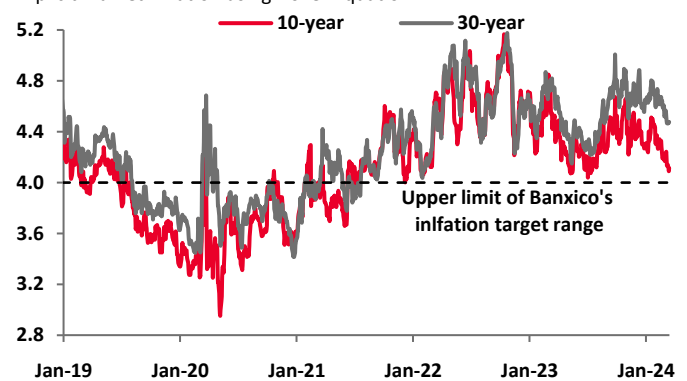
Implicit market inflation using Fisher Equation



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

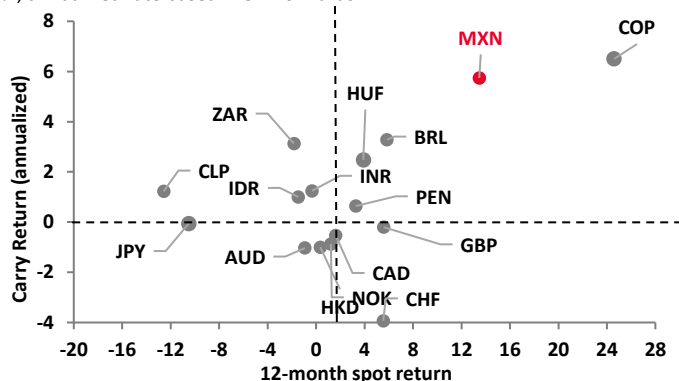
		Close at Mar/15/2024	Daily Change (%) <sup>1</sup>	Weekly change (%) <sup>1</sup>	Monthly change (%) <sup>1</sup>	YTD <sup>1</sup> (%)
<b>Emerging Markets</b>						
Brazil	USD/BRL	5.00	-0.1	-0.3	-0.4	-2.8
Chile	USD/CLP	942.95	-0.2	2.0	1.6	-6.8
Colombia	USD/COP	3,882.89	0.3	0.5	0.9	-0.7
Peru	USD/PEN	3.69	0.0	0.0	5.1	0.5
Hungary	USD/HUF	360.79	0.8	-0.1	0.4	-3.8
Malaysia	USD/MYR	4.71	-0.5	-0.5	1.7	-2.4
<b>Mexico</b>	<b>USD/MXN</b>	<b>16.71</b>	<b>-0.1</b>	<b>0.6</b>	<b>2.2</b>	<b>1.5</b>
Poland	USD/PLN	3.95	-0.2	-0.5	2.4	-0.4
Russia	USD/RUB	92.53	-1.1	-1.6	-1.0	-3.3
South Africa	USD/ZAR	18.77	-0.2	-0.2	1.5	-2.2
<b>Developed Markets</b>						
Canada	USD/CAD	1.35	-0.1	-0.4	0.0	-2.2
Great Britain	GBP/USD	1.27	-0.1	-0.9	1.4	0.0
Japan	USD/JPY	149.04	-0.5	-1.3	1.0	-5.4
Eurozone	EUR/USD	1.0889	0.1	-0.5	1.5	-1.4
Norway	USD/NOK	10.62	-0.6	-1.8	-0.3	-4.2
Denmark	USD/DKK	6.85	0.0	-0.5	1.5	-1.4
Switzerland	USD/CHF	0.88	0.0	-0.8	0.2	-4.8
New Zealand	NZD/USD	0.61	-0.8	-1.5	0.0	-3.7
Sweden	USD/SEK	10.36	-0.2	-1.5	1.6	-2.8
Australia	AUD/USD	0.66	-0.3	-1.0	1.1	-3.7

Source: Bloomberg, Banorte

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

## Performance of selected currencies

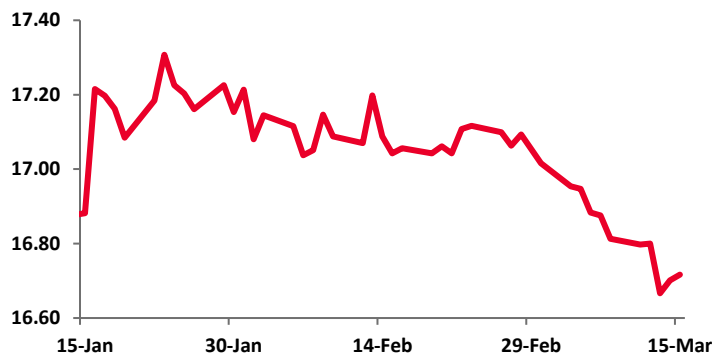
% annualized rate based in 3M forwards



Source: Bloomberg, Banorte

## USD/MXN

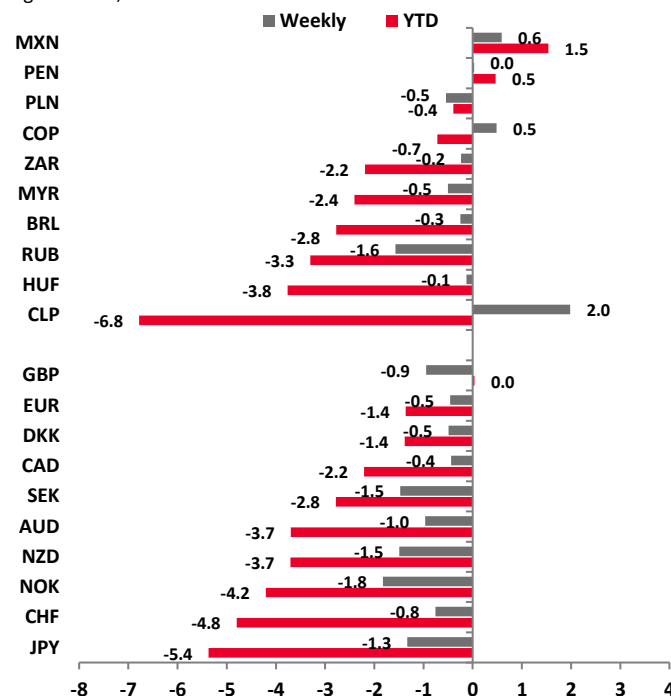
Last 60 days



Source: Bloomberg, Banorte

## FX performance

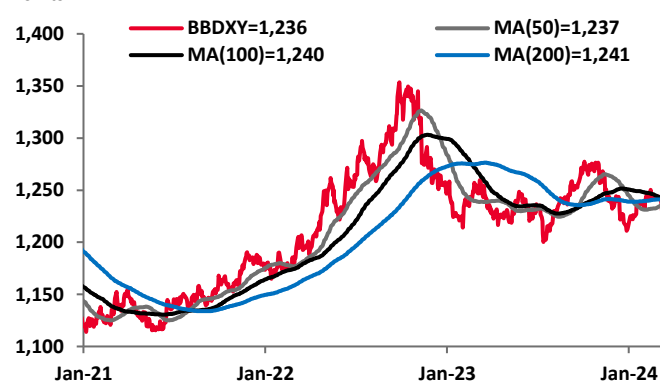
Against USD, %



Source: Bloomberg, Banorte

## BBDXY

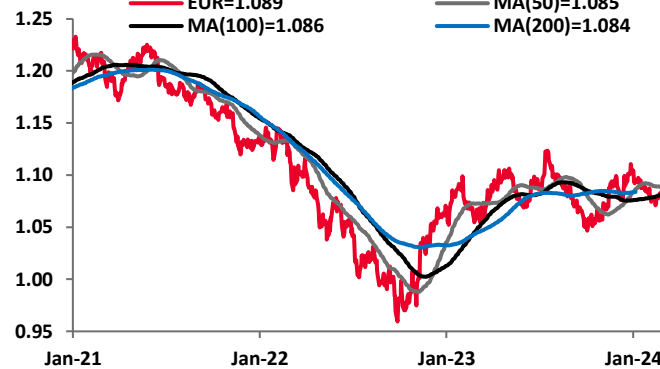
Points



Source: Bloomberg, Banorte

## Euro

Dólar per euro

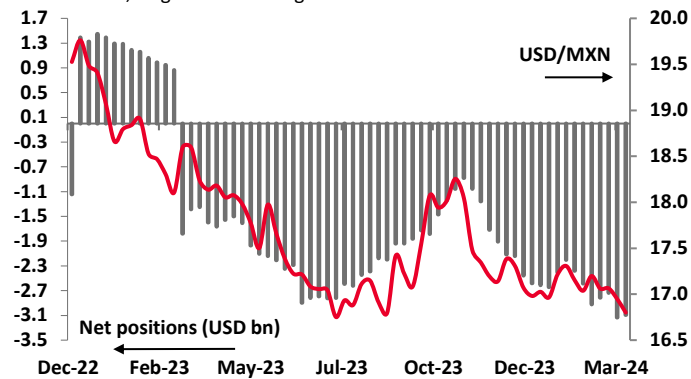


Source: Bloomberg, Banorte

## FX positioning and flows

### IMM positioning in USD/MXN futures

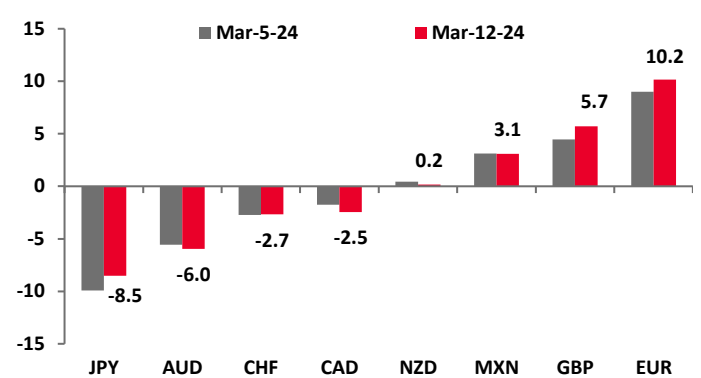
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

### IMM positioning by currency\*

Billion dollars

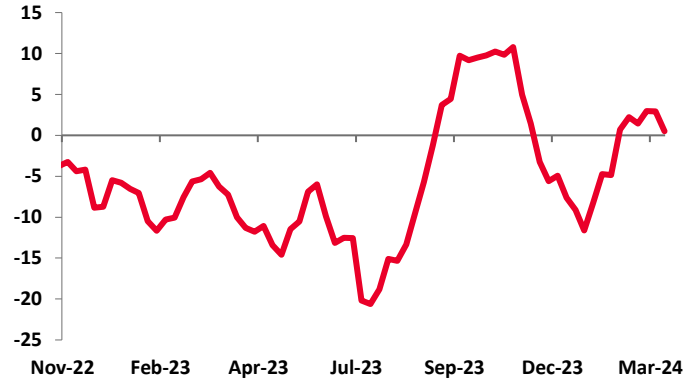


\* Positive: Net long in the corresponding currency

Source: CME, Banorte

### IMM positioning in USD futures\*

Billion dollars, Positive = net long in USD

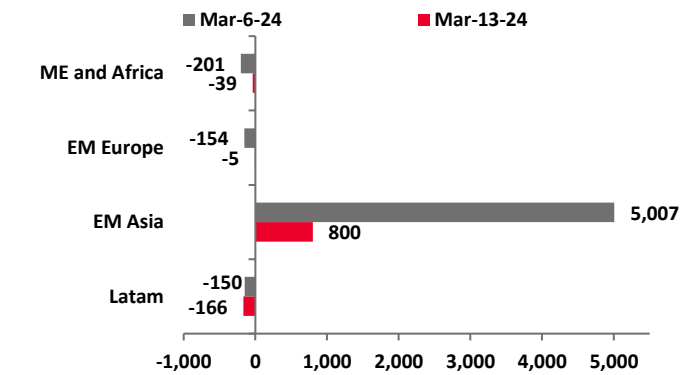


\* Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

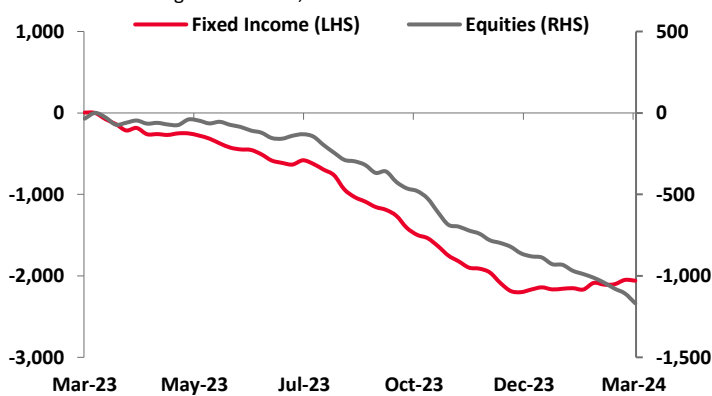
Billion dollars



Source: EPFR Global, Banorte

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

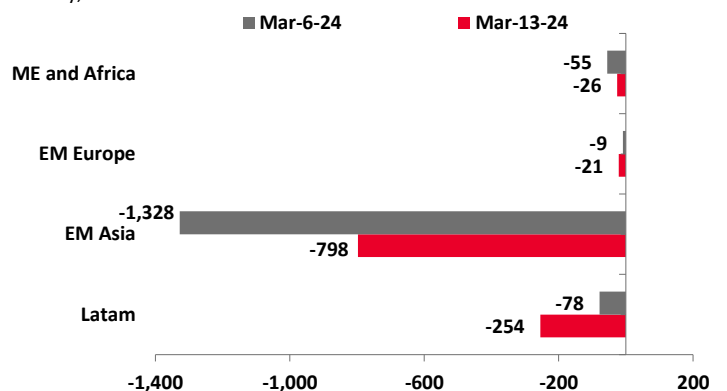
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

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

Weekly, million dollars

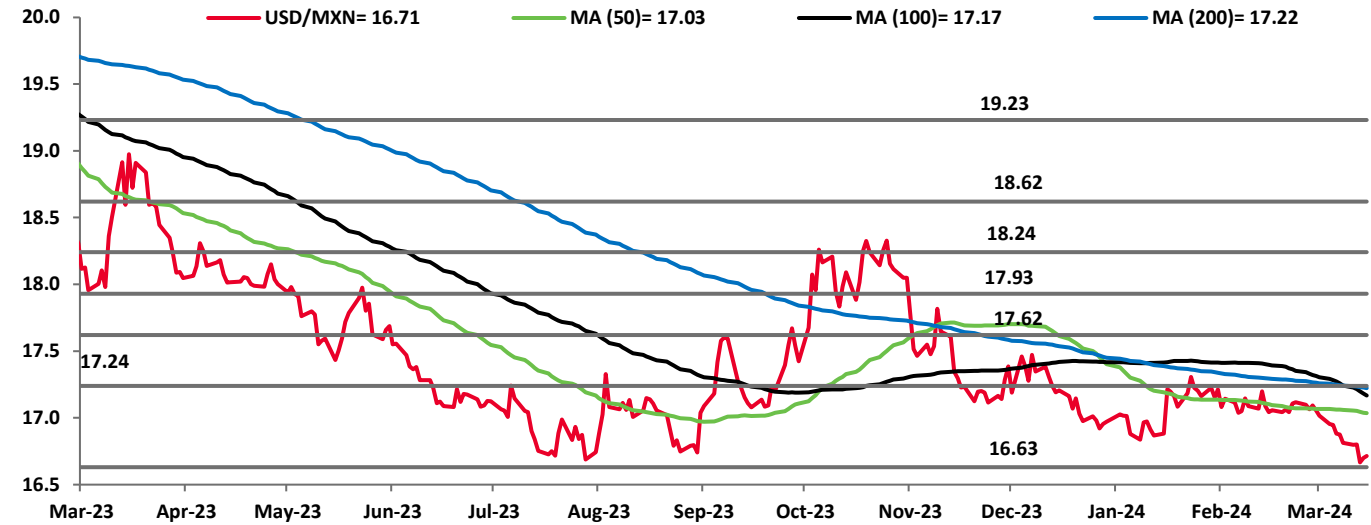


Source: EPFR Global, Banorte

## FX technicals

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

Last 12 months



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

Based on daily percentages changes

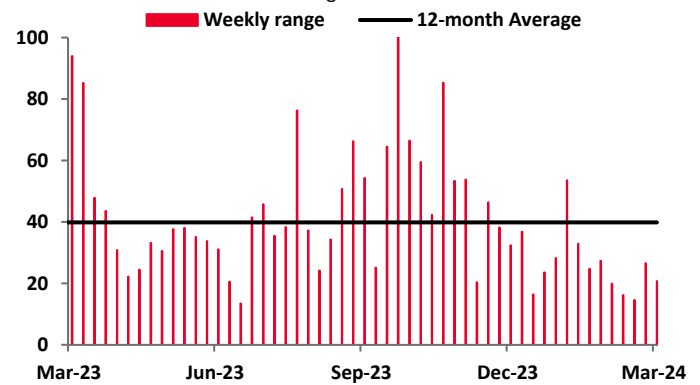
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	52	43	24	72	51
CAD	59	48	17	64	43
ZAR	69	64	2	87	56
BRL	8	21	7	82	64
HUF	41	32	24	69	55
RUB	10	0	-23	53	9
VIX	40	50	14	74	44
SPX	16	24	8	68	42
GSCI	0	0	-27	22	-2
Oro	48	44	-28	53	28

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

Source: Bloomberg, Banorte

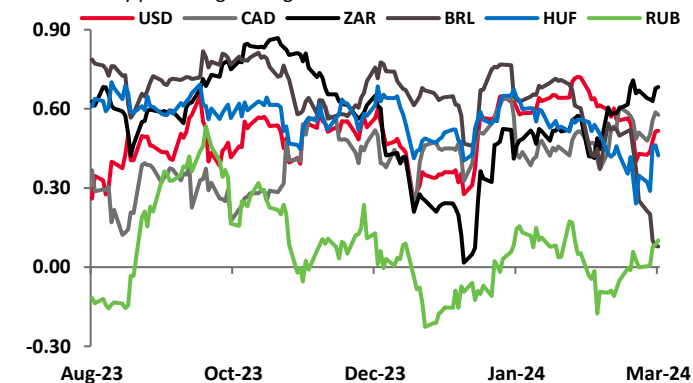
### USD/MXN – Weekly trading range

MXN cents with last 12 month average



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

Based on daily percentage changes

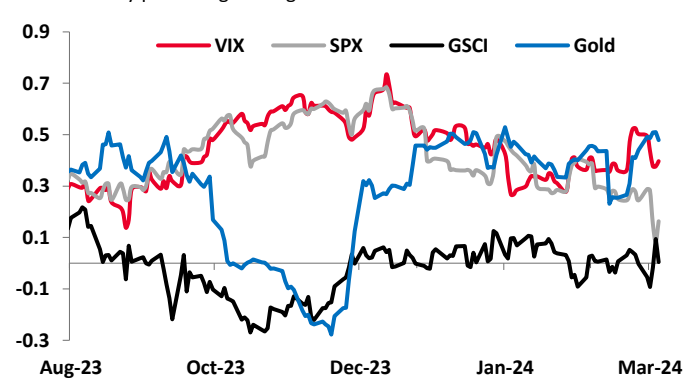


\* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

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

Based on daily percentage changes

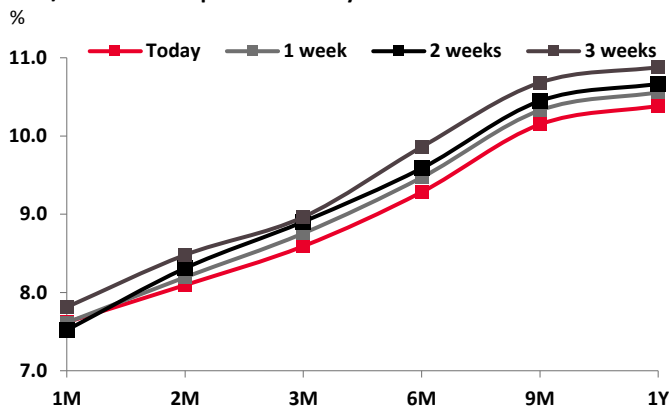


\* Positive: appreciation of MXN and corresponding asset except VIX

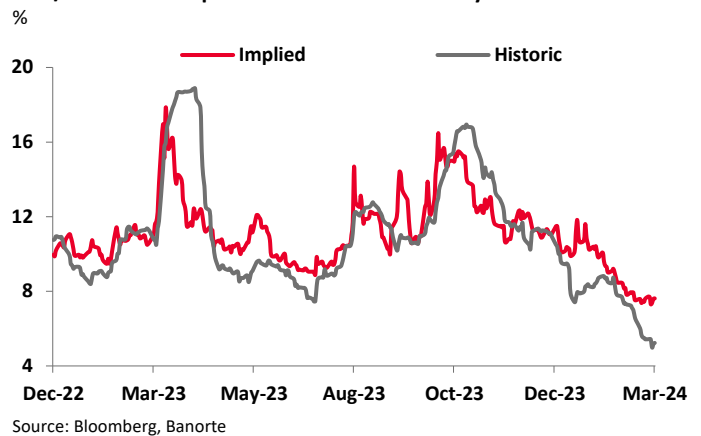
Source: Bloomberg, Banorte

## FX technicals (continued)

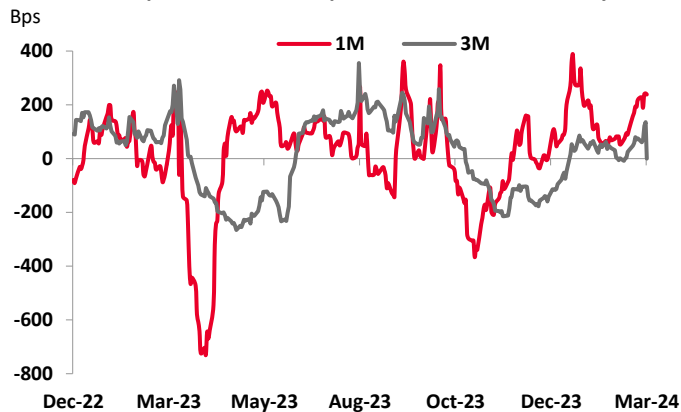
USD/MXN – ATM options volatility curve



USD/MXN – 1M implied and historical volatility

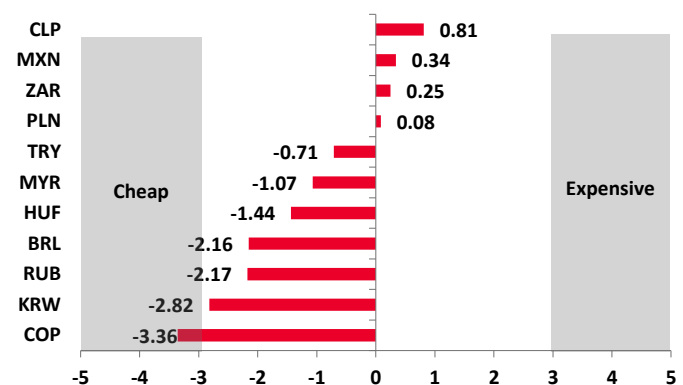


USD/MXN – Spread between implicit and historical volatility



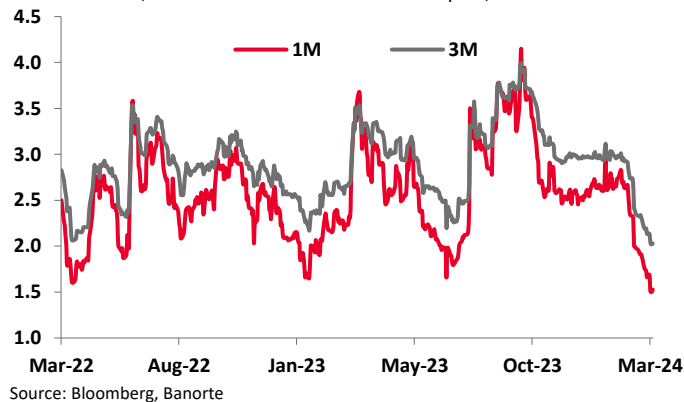
Emerging markets one-month ATM options volatility

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



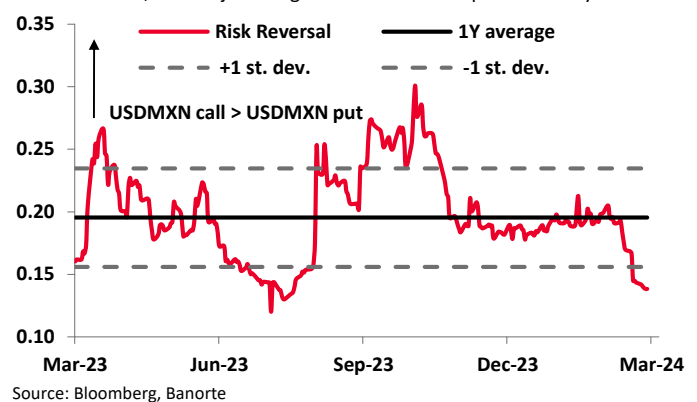
USD/MXN – 1-month and 3-month 25D risk reversals

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



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

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



# Weekly economic calendar

For the week ending March 22<sup>nd</sup>, 2024

	Time		Event	Period	Unit	Banorte	Survey	Previous
Sun 17	22:00	CHI	Industrial production	Feb	% y/y	--	5.3	4.6
	22:00	CHI	Retail sales	Feb	% y/y	--	5.6	7.2
	22:00	CHI	Gross fixed investment (YTD)	Feb	% y/y	--	3.2	3.0
Mon 18		MX	Market closed in remembrance of Benito Juarez Birthday					
	06:00	EZ	Consumer prices	Feb (F)	% y/y	--	2.6	2.6
	06:00	EZ	Core	Feb (F)	% y/y	--	3.1	3.1
	06:00	EZ	Trade balance*	Jan	EURbn	--	--	13.0
	08:00	BZ	Economic activity	Jan	% y/y	--	3.7	1.4
	08:00	BZ	Economic activity*	Jan	% m/m	--	0.6	0.8
Tue 19		JN	Monetary policy decision (BoJ)	Mar 19	%	--	-0.10	-0.10
	06:00	GER	ZEW Survey (Expectations)*	Mar	index	--	20.4	19.9
	08:00	MX	Aggregate supply and demand	4Q23	% y/y	2.8	2.5	2.7
	08:30	US	Housing starts**	Feb	thousands	--	1,430	1,331
	08:30	US	Building permits**	Feb	thousands	--	1,500	1,470
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 20-year Mbono (Nov'42), 3-year Udibono (Dec'26) and 2-, and 5-year Bondes F					
Wed 20	21:15	CHI	Rate decision 1-year Loan Prime Rate	Mar 20	%	3.45	3.45	3.45
	21:15	CHI	Rate decision 5-year Loan Prime Rate	Mar 20	%	3.95	3.95	3.95
	03:00	UK	Consumer prices	Feb	% y/y	--	3.5	4.0
	03:00	UK	Core	Feb	% y/y	--	4.6	5.1
	11:00	EZ	Consumer confidence*	Mar (P)	index	--	-15.0	-15.5
	11:00	MX	International reserves	Mar 15	US\$bn	--	--	216.8
Thu 21	14:00	US	FOMC Rate Decision (Upper Bound)	Mar 20	%	5.50	5.50	5.50
	14:00	US	FOMC Rate Decision (Lower Bound)	Mar 20	%	5.25	5.25	5.25
	14:00	US	Interest Rate on Excess Reserves (IOER)	Mar 21	%	5.40	5.40	5.40
	14:30	US	Fed Chair Powell Holds Post-Meeting Press Conference					
	16:30	MX	Banamex Survey of Economists					
	17:30	BZ	Monetary policy decision (Central bank of Brazil)	Mar 20	%	10.75	10.75	11.25
Fri 22	04:30	GER	Manufacturing PMI*	Mar (P)	index	--	43.0	42.5
	04:30	GER	Services PMI*	Mar (P)	index	--	48.7	48.3
	04:30	GER	Composite PMI*	Mar (P)	index	--	46.8	46.3
	05:00	EZ	Manufacturing PMI*	Mar (P)	index	--	47.0	46.5
	05:00	EZ	Services PMI*	Mar (P)	index	--	50.5	50.2
	05:00	EZ	Composite PMI*	Mar (P)	index	--	49.7	49.2
Fri 22	05:00	EZ	Current account*	Jan	EURbn	--	--	31.9
	05:30	UK	Manufacturing PMI*	Mar (P)	index	--	47.8	47.5
	05:30	UK	Services PMI*	Mar (P)	index	--	53.8	53.8
	07:00	TUR	Monetary policy decision (Central Bank of Turkey)	Mar 21	%	--	45.00	45.00
	08:00	UK	Monetary policy decision (BoE)	Mar 21	%	--	5.25	5.25
	08:00	MX	Retail sales	Jan	% y/y	0.9	1.3	-0.2
Fri 22	08:00	MX	Retail sales*	Jan	% m/m	0.2	0.3	-0.9
	08:30	US	Philadelphia Fed*	Mar	index	-3.0	-2.3	5.2
	08:30	US	Initial jobless claims*	Mar 16	thousands	213	215	209
	09:45	US	Manufacturing PMI*	Mar (P)	index	51.0	51.8	52.2
	09:45	US	Services PMI*	Mar (P)	index	52.0	52.0	52.3
	09:45	US	Composite PMI*	Mar (P)	index	--	52.1	52.5
Fri 22	10:00	US	Existing home sales**	Feb	millions	--	3.9	4.0
	15:00	MX	Monetary policy decision (Banxico)	Mar 21	%	11.00	11.00	11.25
	05:00	GER	IFO Survey (business climate)*	Mar	index	--	85.9	85.5
	08:00	MX	Economic activity indicator (IGAE)	Jan	% y/y	3.2	2.5	1.1
	08:00	MX	Economic activity indicator (IGAE)*	Jan	% m/m	0.1	0.2	0.0
	08:00	MX	Consumer prices	Mar 15	% 2w/2w	0.34	0.28	0.06
Fri 22	08:00	MX	Core	Mar 15	% 2w/2w	0.28	0.27	0.19
	08:00	MX	Consumer prices	Mar 15	% y/y	4.54	4.48	4.35
	08:00	MX	Core	Mar 15	% y/y	4.64	4.63	4.66
	14:00	COL	Monetary policy decision (BanRep)	Mar 22	%	--	12.25	12.75
	16:00	US	Fed's Bostic Participates in Moderated Conversation					

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	
Tactical longs in Udibono Dec'26	P	Feb-16-24	Mar-08-24	
Pay 1-year TIIE-IRS (13x1)	P	Jan-12-24	Jan-19-24	
2y10y TIIE-IRS steepener	L	Oct-13-23	Feb-23-24	
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

## Analyst Certification.

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 Thalía 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, Juan Carlos Mercado Garduño, Jazmin 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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**Raquel Vázquez Godínez**  
Assistant  
raquel.vazquez@banorte.com  
(55) 1670 - 2967



**María Fernanda Vargas Santoyo**  
Analyst  
maria.vargas.santoyo@banorte.com  
(55) 1103 - 4000 x 2586

#### Economic Research



**Juan Carlos Alderete Macal, CFA**  
Executive Director of Economic Research and  
Market Strategy  
juan.alderete.macal@banorte.com  
(55) 1103 - 4046



**Yazmín Selene Pérez Enríquez**  
Senior Economist, Mexico  
yazmin.perez.enriquez@banorte.com  
(55) 5268 - 1694

#### Market Strategy



**Santiago Leal Singer**  
Director of Market Strategy  
santiago.leal@banorte.com  
(55) 1670 - 1751



**José Itzamna Espitia Hernández**  
Senior Strategist, Equity  
jose.espitia@banorte.com  
(55) 1670 - 2249



**Leslie Thalía Orozco Vélez**  
Senior Strategist, Fixed Income and FX  
leslie.orozco.velez@banorte.com  
(55) 5268 - 1698



**Paula Lozoya Valadez**  
Analyst, Equity  
paula.lozoya.valadez@banorte.com  
(55) 1103 - 4000

#### Quantitative Analysis



**Alejandro Cervantes Llamas**  
Executive Director of Quantitative Analysis  
alejandro.cervantes@banorte.com  
(55) 1670 - 2972



**José De Jesús Ramírez Martínez**  
Senior Analyst, Quantitative Analysis  
jose.ramirez.martinez@banorte.com  
(55) 1103 - 4000



**Andrea Muñoz Sánchez**  
Analyst, Quantitative Analysis  
andrea.muñoz.sanchez@banorte.com  
(55) 1103 - 4000



**Alejandro Padilla Santana**  
Chief Economist and Head of  
Research  
alejandro.padilla@banorte.com  
(55) 1103 - 4043



**Itzel Martínez Rojas**  
Analyst  
itzel.martinez.rojas@banorte.com  
(55) 1670 - 2251



**Francisco José Flores Serrano**  
Director of Economic Research, Mexico  
francisco.flores.serrano@banorte.com  
(55) 1670 - 2957



**Cintia Gisela Nava Roa**  
Senior Economist, Mexico  
cintia.nava.roa@banorte.com  
(55) 1103 - 4000



**Marissa Garza Ostos**  
Director of Equity Strategy  
marissa.garza@banorte.com  
(55) 1670 - 1719



**Carlos Hernández García**  
Senior Strategist, Equity  
carlos.hernandez.garcia@banorte.com  
(55) 1670 - 2250



**Gerardo Daniel Valle Trujillo**  
Analyst, Corporate Debt  
gerardo.valle.trujillo@banorte.com  
(55) 1670 - 2248



**José Luis García Casales**  
Director of Quantitative Analysis  
jose.garcia.casales@banorte.com  
(55) 8510 - 4608



**Daniel Sebastián Sosa Aguilar**  
Senior Analyst, Quantitative Analysis  
daniel.sosa@banorte.com  
(55) 1103 - 4000 x 2124



**Lourdes Calvo Fernández**  
Analyst (Edition)  
lourdes.calvo@banorte.com  
(55) 1103 - 4000 x 2611



**Katia Celina Goya Ostos**  
Director of Economic Research,  
Global  
katia.goya@banorte.com  
(55) 1670 - 1821



**Luis Leopoldo López Salinas**  
Economist, Global  
luis.lopez.salinas@banorte.com  
(55) 1103 - 4000 x 2707



**Víctor Hugo Cortes Castro**  
Senior Strategist, Technical  
victorh.cortes@banorte.com  
(55) 1670 - 1800



**Hugo Armando Gómez Solís**  
Senior Analyst, Corporate Debt  
hugoa.gomez@banorte.com  
(55) 1670 - 2247



**Juan Carlos Mercado Garduño**  
Strategist, Equity  
juan.mercado.garduno@banorte.com  
(55) 1103 - 4000 x 1746



**Miguel Alejandro Calvo Domínguez**  
Senior Analyst, Quantitative Analysis  
miguel.calvo@banorte.com  
(55) 1670 - 2220



**Jazmin Daniela Cuautencos Mora**  
Strategist, Quantitative Analysis  
jazmin.cuautencos.mora@banorte.com  
(55) 1103 - 4000