

Fixed-Income & FX Strategy

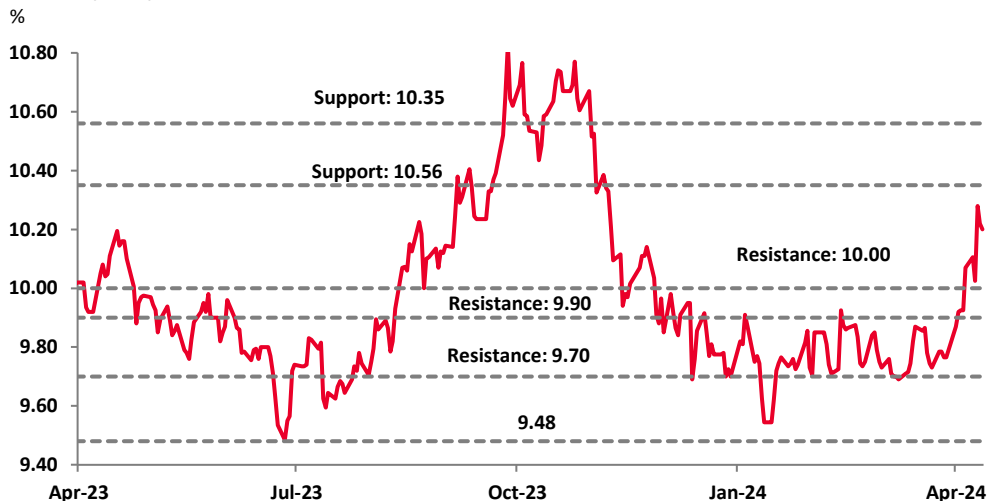
W e e k l y

April 12, 2024

Fixed-Income and FX Weekly

- Uncertainty around the Fed's path.** Markets traversed a week of intense bond pressures worldwide, with the market notably recalibrating its expectations for the Federal Reserve. Adding to the recent hawkish tone by Fed members, March inflation in the US surprised to the upside. Consequently, the USTs curve closed the week with a significant sell-off and averaging losses of 12bps, predominantly driven by the real component relative to inflation breakevens. Friday's session experienced a breather amid a flight to quality following escalating tensions between Israel and Iran. The market now anticipates only two 25bps rate cuts this year from the Fed and the first adjustment not until September, contrasting with the scenario in late March of around three 25bps cuts in 2024 (-67bps), starting in July. Consequently, the local sovereign bonds sold-off by 20bps for Mbonos and 25bps for TIIE-28 IRS, even factoring the positive reaction to [local inflation which came slightly below expectations in March](#). After revising our monetary policy trajectories for the US and Mexico, [we believe the curves will continue steepening, albeit at a much slower pace](#). Likewise, we expect the 10-year UST to respect the 4.00% resistance, at least during the second quarter. Meanwhile, local rates will remain highly sensitive to US financial and monetary conditions. In our view, the recent wave of pressures resulted in some nodes with more interesting valuations, especially in longer-term Mbonos. Also, the decoupling in market pricing for Banxico compared to our estimates (-71bps for 2024 vs. Banorte -100bps) suggests interesting space for short-term relative value strategies, although the negative carry in receiver positions can potentially limit stronger appetite from the market in terms of the potential risk-reward. In spite of the latter, we are closely monitoring the level of the 2-year TIIE-IRS with a receiver intention, and as a possible tactical position after breaching 10.20%, as well as its spread against the same-term UST. The latter stands at its highest relative to recent levels. On the FX market, [we revised downwards our USD/MXN forecasts](#), expecting a year-end at 17.70 from the previous 18.80. Our trajectory implies an average for 2024 of 17.23, below the observed in 2023 of 17.74. Given tight valuations and still-low implied volatilities despite the recent increase, we see levels below 16.40 per dollar as good starting points for hedging ahead of a more challenging second half of the year
- Weekly ranges** – We expect that the 10-year Mbono (Nov'34) to trade between 9.65% and 9.85%, and MXN between 16.30 and 16.90 per dollar

TIIE-IRS (26X1)



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



Marcos Saúl García Hernández
Strategist, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com

Index

Markets summary.....	pg. 3
Fixed-Income	
Market dynamics.....	pg. 4
Supply.....	pg. 6
Demand.....	pg. 7
Technical.....	pg. 10
Foreign exchange	
Market dynamics.....	pg. 12
Market positioning and flows.....	pg. 13
Technical.....	pg. 14



www.banorte.com/analisiseconomico
@analisis_fundam

Winners of the awards as the best economic forecasters in Mexico by LSEG and Focus Economics in 2023



Document for distribution among the general public

Fixed-Income

- **Renewed sell-off in sovereign bonds** – The Treasury yields sharply rose to fresh YTD highs, with the 2- and 10-year benchmarks at 4.90% and 4.52%, respectively. Meanwhile, mid- and long-term Mbonos, as well as TIE-IRS averaged losses of 25bps
- **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 as 2-, and 5-year Bondes F
- **Demand** – In the last four weeks, foreigners recorded higher holdings in Cetes by 6.1%, equivalent to 12.4% of the total amount outstanding. Furthermore, they increased their exposure in Mbonos by 1.9% (31.1% of the total). Pension funds' holdings in Udibonos increased 1.3%, equal to 55.2% of the total. In turn, Mutual funds reduced their exposure to Bondes F by 0.3%, but they remain as the main holders with 54.7% of the total
- **Technicals** – Mbonos' 2s30s spread moved to -64bps from -70bps the previous week, while this reading for Treasuries stood at -38bps from -35bps. In addition, the 10-year spread between Mbonos and Treasuries rose to 529bps from 515bps the previous week, above the 12-month mean of 512bps

Foreign Exchange

- **USD rallying strongly** – The DXY and BBDXY strengthened by 1.7% w/w and 1.3% w/w, respectively, driven by widespread losses for G10 and EM currencies. Within the former, while the EUR (-1.8% w/w) depreciated since Monday, it reacted only marginally to the ECB signaling an imminent cut. Additionally, attention remained on JPY levels (-1.0% w/w) and potential interventions to curb its depreciation which, at -8.0% YTD, leads the negative balance for developed currencies. For EM, risk aversion at this week's close exacerbated losses, with COP (-2.5%) and CLP (-2.1%) underperforming in Latam
- **MXN bouncing from 2015 lows** – The peso broke two consecutive weeks of appreciation for its weakest week since mid-January, closing at 16.64 (-1.1% w/w) after hitting figures as low as 16.26 on Tuesday. It ranked 4th weakest among EM FX, while the implied volatility curve shifted higher and flattened significantly, reflecting increased geopolitical risk and irresolution regarding the Fed's path
- **Market positioning in MXN** – As of April 9th, the MXN CFTC position registered a net long of US\$ 4.3 billion, rising for the fourth week in a row further net longs for the USD. This print is the highest net long registered since February 2020
- **Market positioning in USD** – The IMM USD net long position increased 6% w/w to US\$ 18.0 billion, reaching highs not seen since September 2022. The main driver was strong sales in JPY (-1.9 billion), CHF (-1.3 billion), and JPY (-0.8 billion)
- **Flows** – Our EPFR aggregate for EM registered an increase on its trend of exits, driven this time by widespread equity outflows. A total flow of -\$1.2 billion was recorded, compared to -\$59 million the previous week. Bonds recorded an inflow in most of the regions except emerging Asia. In Mexico, a net outflow of \$34.3 million was observed from an inflow of \$45.4 million the previous week, result of purchases of \$19.2 million in bonds (previous: \$59.8 million) and sales of \$53.5 million in equities (previous: -\$14.4 million)
- **Technicals** – The MXN registered a weekly trading range of 48 cents from 23 the previous week, and almost doubling the twelve-week average of 26 cents, hovering between 16.26 and 16.74 per dollar. Relevant short-term technical levels: 16.50, 16.37, and 16.30 (resistances) and 16.82, 16.94, and 17.00 (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 (%)
Overnight TIIE funding rate							
1-day	11.03	5	-21	-42	11.45	10.98	11.24
28-days ¹	11.14	-6	-16	-17	11.34	11.14	11.30
91-days ¹	11.24	-6	-16	-18	11.45	11.24	11.41
182-days ¹	11.40	-7	-17	-18	11.62	11.40	11.57
Cetes							
28-days	11.11	13	-13	-13	11.49	10.45	11.14
91-days	11.15	3	-8	-9	11.61	10.75	11.35
182-days	11.24	6	4	-9	12.06	10.90	11.49
364-days	11.08	5	-4	-6	12.13	10.88	11.47
728-days	11.25	31	41	34	12.14	10.50	11.15
Mbonos							
Sep'24	11.25	6	2	27	11.57	10.03	10.99
Dec'24	11.17	2	18	51	11.31	9.57	10.66
Mar'25	10.94	12	53	104	11.24	9.56	10.34
Mar'26	10.50	14	41	74	10.92	8.85	9.85
Sep'26	10.35	15	39	86	10.78	9.22	9.90
Mar'27	10.04	17	40	65	10.53	8.58	9.50
Jun'27	10.00	17	40	73	10.49	8.49	9.43
Mar'29	9.83	22	44	77	10.32	9.07	9.64
May'29	9.78	22	50	84	10.24	8.43	9.14
May'31	9.81	24	53	87	10.26	8.45	9.13
May'33	9.80	24	50	87	10.24	8.52	9.13
Nov'34	9.81	26	48	87	10.21	8.49	9.11
Nov'36	9.80	26	49	88	10.20	8.53	9.11
Nov'38	9.84	24	45	80	10.25	8.66	9.23
Nov'42	9.91	24	40	83	10.25	8.71	9.26
Nov'47	9.84	20	37	76	10.17	8.69	9.22
Jul'53	9.87	21	38	80	10.17	8.66	9.23
TIIE-IRS							
3-month (3x1)	11.22	-1	-10	-24	11.62	11.20	11.48
6-month (6x1)	11.13	4	-3	-15	11.65	11.05	11.40
9-month (9x1)	11.01	5	3	-8	11.61	10.89	11.27
1-year (13x1)	10.86	8	14	8	11.46	10.62	11.00
2-year (26x1)	10.22	15	35	52	10.83	9.49	9.97
3-year (39x1)	9.79	21	46	71	10.31	8.72	9.35
4-year (52x1)	9.57	25	57	85	10.02	8.30	9.01
5-year (65x1)	9.45	27	58	89	9.87	8.10	8.83
7-year (91x1)	9.34	27	56	89	9.78	7.98	8.72
10-year (130x1)	9.34	24	56	89	9.78	7.97	8.72
20-year (3x1)	9.40	26	57	90	9.85	8.05	8.79
30-year (390x1)	9.38	27	60	94	9.84	8.07	8.78
Udibonos							
Dec'25	7.47	52	57	149	6.45	4.46	5.67
Dec'26	6.33	38	46	71	6.42	4.36	5.44
Nov'28	5.41	36	29	94	5.62	4.02	4.69
Nov'31	5.26	34	27	79	5.39	3.94	4.58
Aug'34	5.17	30					
Nov'35	5.06	23	24	69	5.06	3.96	4.45
Nov'40	5.00	26	17	68	5.04	3.96	4.48
Nov'43	4.99	23	12	66	5.06	4.30	4.60
Nov'46	4.94	19	17	78	5.04	3.91	4.46
Nov'50	4.99	23	19	77	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 DMS and US Treasuries performance											
UMS					UST				Spreads		CDS
Term	Maturity date	YTM Apr/12/2024	Weekly change (bps)	YTD (bps)	YTM Apr/12/2024	Weekly change (bps)	YTD (bps)	Actual (bps)	Weekly change (bps)	12m Average (bps)	bps
2Y	Jan'26	5.55	+28	+108	4.89	+14	+47	66	+13	24	41
3Y	Mar'27	5.41	+26	+61	4.73	+17	+50	68	+9	31	59
5Y	May'29	5.60	+22	+82	4.55	+16	+55	105	+6	100	101
7Y	Apr'30	5.72	+23	+39	4.54	+13	+57	118	+10	124	140
10Y	May'33	5.93	+21	+37	4.52	+12	+64	141	+10	158	172
20Y	Mar'44	6.47	+17	+10	4.75	+9	+60	173	+8	187	--
30Y	May'54	6.66	+16	+27	4.62	+7	+66	204	+9	225	--

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 as 2-, and 5-year Bondes F
- **We expect better performance in nominal rates versus real rates.** We anticipate Cetes rates consistent with the reference rate level of 11.00%, as well as solid demand for all tenors. It's worth noting real rates of Cetes remain attractive, especially after the [downside surprise in March inflation](#) and despite Banxico's rate cut. As previously mentioned, the recent wave of pressures resulted in attractive valuations in longer-term Mbonos, with the Nov'42 tenor standing out. This bond has sold-off 47bps so far in April, trading at five-month highs. It also reflects a relative cheapening according to a duration-adjusted yield analysis. While there are still risks of additional pressures, we could observe greater appetite from investors with long-term portfolios. In this regard, we expect better demand relative to the last issuance of 1.97x, while the two-year average stands at 2.31x. In real rates, we anticipate the low appetite for short-term Udibonos to intensify considering the period of seasonally low inflations. Demand from its last issuance was close to two-year lows at 1.47x. Additionally, the 3-year inflation breakeven picked-up in recent days to 3.84% from 3.71% at the end of March, making its relative valuation more expensive

Auction specifics (April 16th, 2024)

Security	Maturity	Coupon rate, %	To be auctioned ¹	Previous yield ²
Cetes				
1m	May-16-24	--	10,000	10.92
3m	Jul-18-24	--	10,000	11.09
6m	Oct-17-24	--	11,600	11.19
12m	Apr-03-25	--	17,000	11.03
Bondes F				
2Y	Apr-23-26	--	9,500	0.15
5Y	Apr-19-29	--	2,500	0.21
Bono M				
20Y	Nov-13-42	7.75	7,000	9.48
Udibono				
3Y	Dec-03-26	3.00	UDIS 950	5.90

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

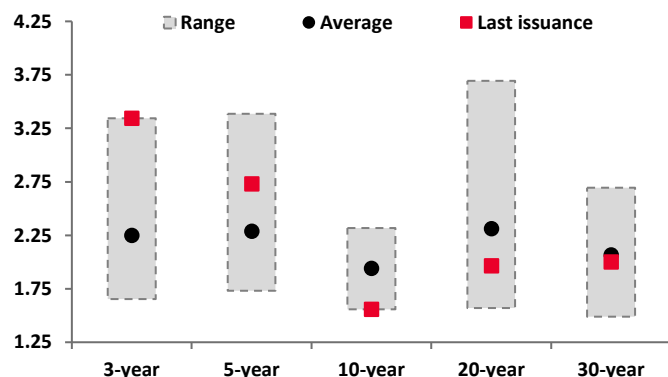
2Q24 Government Securities Auction Calendar*

Date	Cetes	Bonos M	Udibonos	Bondes F
2-Apr	1, 3, 6, and 12M	30Y (Jul'53)	10Y (Aug'34)	2, 5, and 10Y
9-Apr	1, 3, 6, and 24M	3Y (Sep'26)	30Y (Nov'50)	1, and 3Y
16-Apr	1, 3, 6, and 12M	20Y (Nov'42)	3Y (Dec'26)	2, and 5Y
23-Apr	1, 3, 6, and 24M	10Y (Nov'34)	10Y (Aug'34)	1, 3, and 7Y
29-Apr	1, 3, 6, and 12M	5Y (Mar'29)	30Y (Nov'50)	2, 5, and 10Y
7-May	1, 3, 6, and 24M	30Y (Jul'53)	3Y (Dec'26)	1, and 3Y
14-May	1, 3, 6, and 12M	3Y (Sep'26)	20Y (Nov'43)	2, and 5Y
21-May	1, 3, 6, and 24M	10Y (Nov'34)	10Y (Aug'34)	1, 3, and 7Y
28-May	1, 3, 6, and 12M	5Y (Mar'29)	30Y (Nov'50)	2, 5, and 10Y
4-Jun	1, 3, 6, and 24M	20Y (Nov'42)	3Y (Dec'26)	1, and 3Y
11-Jun	1, 3, 6, and 12M	3Y (Sep'26)	20Y (Nov'43)	2, and 5Y
18-Jun	1, 3, 6, and 24M	30Y (Jul'53)	10Y (Aug'34)	1, 3, and 7Y
25-Jun	1, 3, 6, and 12M	5Y (Mar'29)	3Y (Dec'26)	2, 5, and 10Y

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

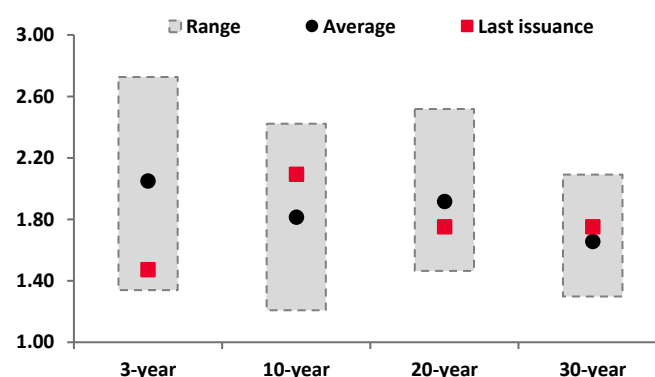
Times



Source: Bloomberg, Banorte

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

Times



Source: Bloomberg, Banorte

Fixed-Income Demand

Government and IPAB securities holdings by type of investor

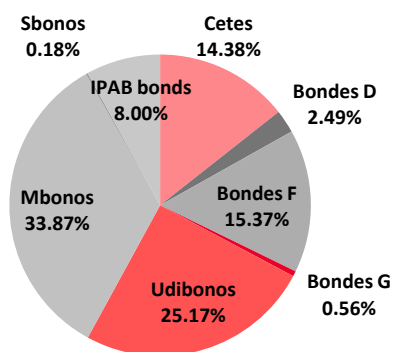
US\$ billion, *UDIS billion, data as of Apr/02/2024

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	113.72	14.14	14.02	18.82	5.66	12.44	4.91	5.04	-	38.69
Bondes D	19.67	0.00	0.71	8.63	0.10	3.63	0.97	0.09	-	5.53
Bondes F	121.56	0.30	6.27	66.48	2.16	10.53	4.57	0.01	-	31.24
Bondes G	4.43	0.00	0.06	1.49	0.34	0.26	1.24	-	-	1.05
Udibonos	199.13	8.98	110.00	7.69	36.96	4.66	1.56	0.23	-	29.05
Mbonos	267.88	83.36	63.86	7.73	7.44	40.20	13.82	1.47	0.90	49.10
Sbonos	1.39	0.67	0.40	0.01	0.03	0.03	-	-	-	0.26
Total	727.79	107.45	195.32	110.84	52.69	71.75	27.07	6.85	0.90	154.92
Udibonos*	405.99	18.30	224.28	15.67	75.36	9.49	3.18	0.48	-	59.22
IPAB bonds	63.25	0.04	1.47	19.67	0.34	9.96	7.33	2.17	-	22.28

Source: Banxico, Banorte

Government issuance by type of instrument

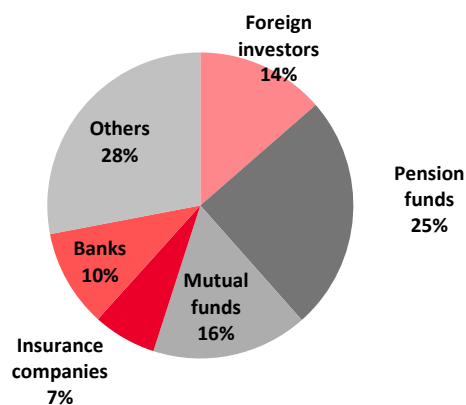
Total amount of US\$ 791 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

Mbonos holdings by type of investor

Total amount of US\$ 791 billion (including IPAB bonds), % of total

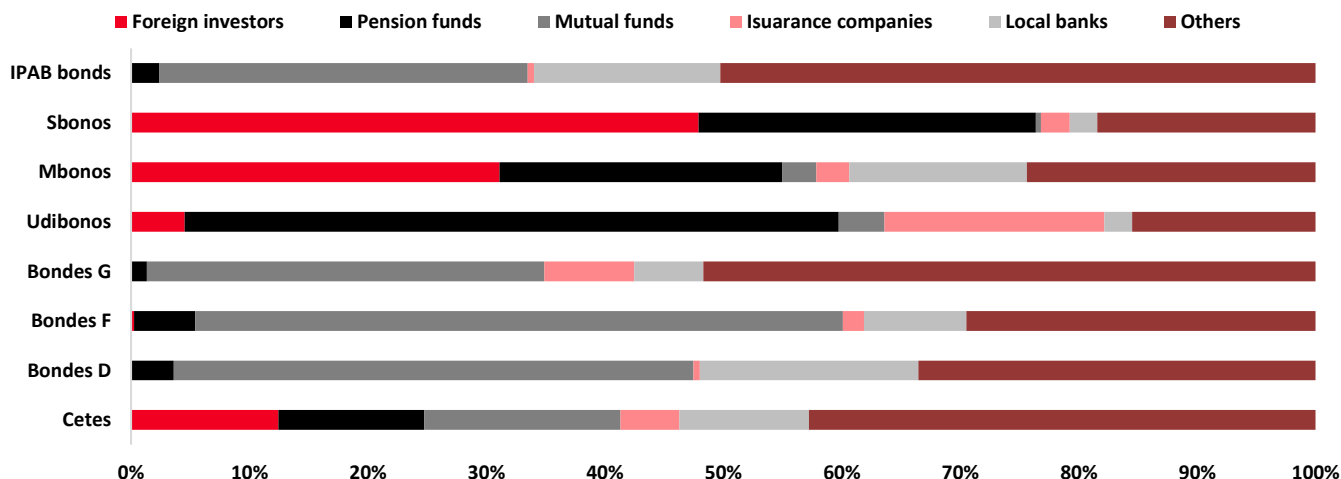


Source: Banxico, Banorte

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\$ 791 billion (including IPAB bonds), % of total



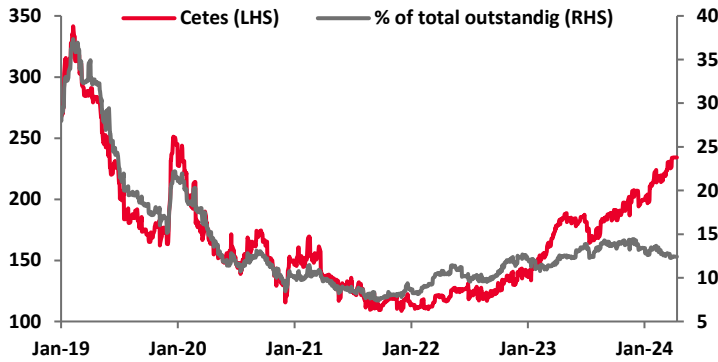
Source: Banxico, Banorte

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

Fixed-Income Demand (continued)

Cetes held by foreigners

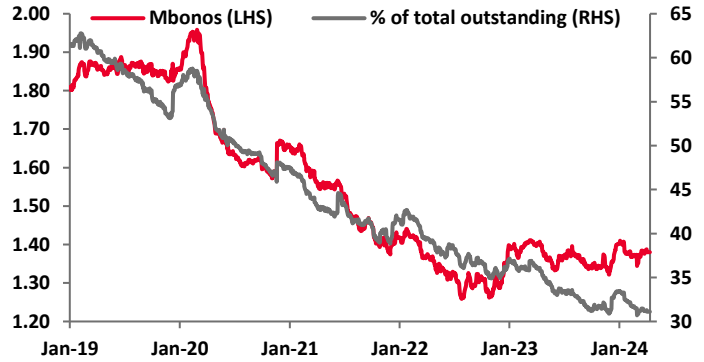
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

Holdings of main investors by type of security

Data as of Apr/02/2024

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	6.14	17.28	4.18	4.31	27.23	48.13
Bondes F	-13.59	4324.50	19.56	-15.62	-0.31	0.98
Udibonos	7.90	-1.01	1.28	6.86	-10.16	2.70
Mbonos	1.91	-1.53	1.07	4.80	22.18	13.71

Source: Banxico, Banorte

Mbonos holdings by type of investor

US\$ billions and %, data as Mar/27/2024

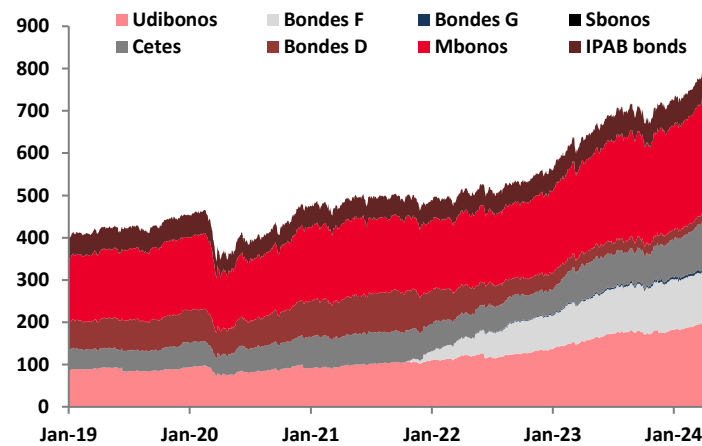
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Sep'24	16.2	24%	9%	14%	53%
Dec'24	12.4	37%	19%	8%	36%
Mar'25	8.2	40%	16%	20%	24%
Mar'26	26.9	38%	25%	11%	26%
Sep'26	13.0	34%	22%	18%	27%
Mar'27	22.7	39%	20%	8%	33%
Jun'27	21.3	9%	33%	25%	33%
Mar'29	9.0	20%	30%	20%	30%
May'29	16.7	4%	52%	22%	22%
May'31	25.0	5%	44%	34%	16%
May'33	17.2	4%	43%	31%	21%
Nov'34	8.0	2%	44%	35%	18%
Nov'36	4.5	0%	24%	48%	28%
Nov'38	13.0	1%	40%	43%	16%
Nov'42	20.4	2%	37%	46%	15%
Nov'47	15.9	0%	36%	46%	18%
Jul'53	14.1	0%	32%	47%	21%
Total	250.4	16%	32%	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

Government securities issuance

USD Billions

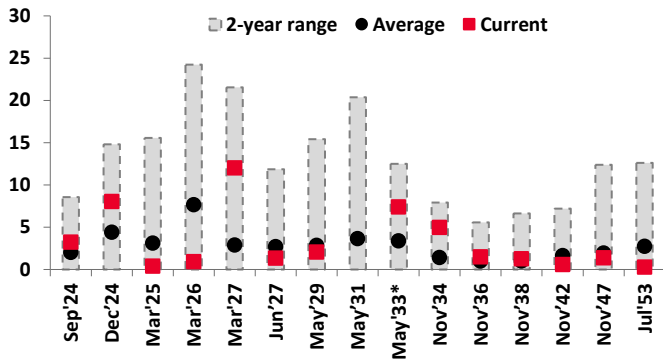


Fuente: Banxico, Banorte

Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

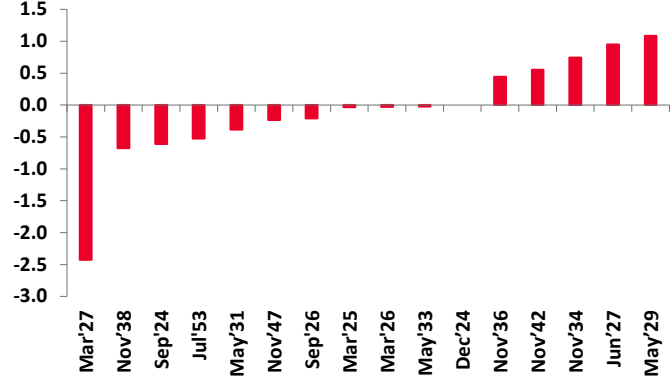
MXN billion



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

Weekly change in market makers' short positions on Mbonos

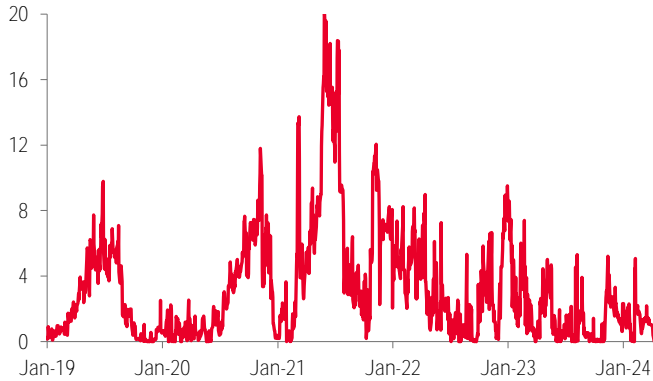
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

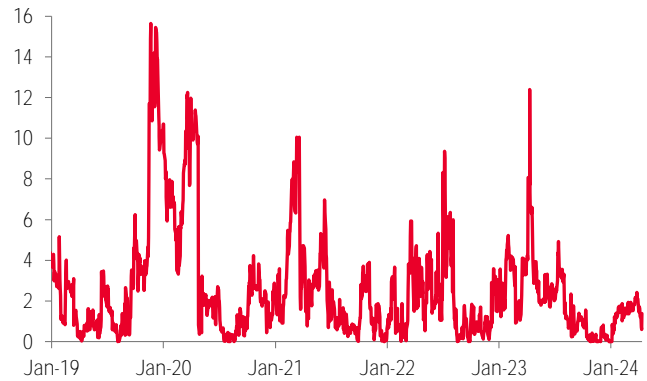
MXN billion



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 Apr/11/2024	Apr/11/2024	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Sep'24	16,336	197	234	327	36	412	0
Dec'24	12,723	489	489	489	25	554	53
Mar'25	8,921	24	26	248	202	621	18
Mar'26	26,807	56	58	285	873	849	56
Sep'26	13,852	487	499	321	0	605	81
Mar'27	22,805	731	878	237	132	899	9
Jun'27	21,483	80	23	43	216	227	0
Mar'29	9,040	353	611	608	0	727	0
May'29	18,102	125	59	177	100	787	0
May'31	25,163	0	23	90	131	317	0
May'33	17,670	449	450	427	62	759	1
Nov'34	8,825	303	258	77	114	481	0
Nov'36	4,609	91	64	28	121	99	0
Nov'38	13,255	77	118	24	2	312	0
Nov'42	20,639	34	0	51	107	230	0
Nov'47	15,910	84	99	97	383	147	0
Jul'53	15,137	16	48	0	35	651	0
Total	271,279	3,581	3,890	3,530	2,504		

Source: Banxico, Banorte

Fixed-Income Technicals

Spread between Cetes and Implied Forward Rates

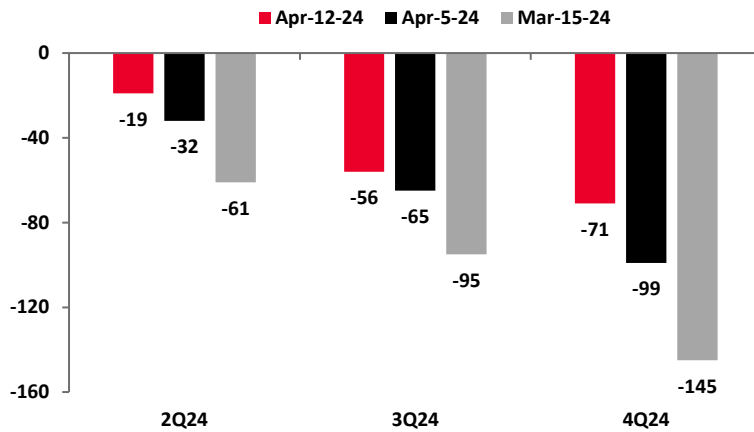
Basis points

Tenor	Actual Apr/12/2024	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	77	73	92	84	243	-20
3 months	25	26	41	33	118	-16
6 months	13	17	22	17	54	-21
12 months	-3	0	21	6	36	-29

Source: PIP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate

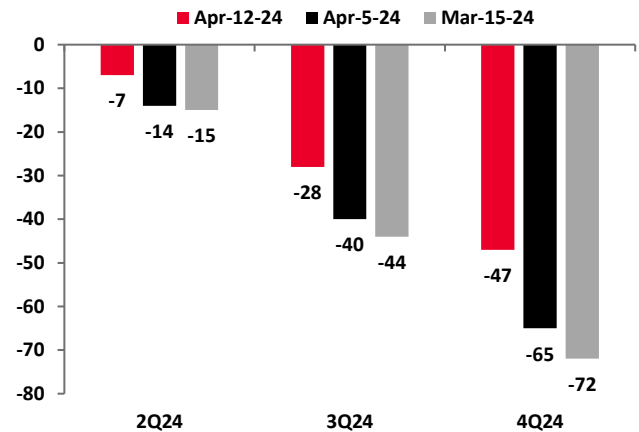
Basis points



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	560	-1	24	10	672	497	569
5 year	527	5	21	5	597	489	536
10 year	529	14	26	23	563	481	517
20 year	516	15	20	27	548	464	499
30 year	524	13	17	19	562	477	514

Source: Bloomberg, PIP, Banorte

10-year Mbono and 10-year UST spread

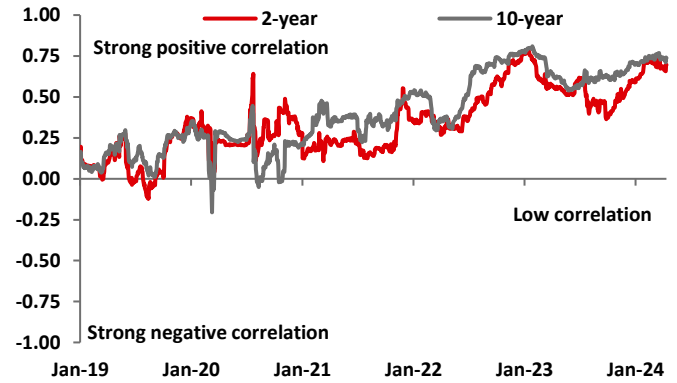
Basis points



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
Mbonos							
2/5	-67	7	3	2	-31	-134	-87
2/10	-69	12	7	13	-40	-197	-116
2/30	-64	6	-4	5	-25	-192	-106
5/10	-2	4	4	11	8	-78	-29
10/30	5	-5	-11	-8	35	-15	10
TIIE IRS							
3m/2Y	-100	15	44	76	-72	-203	-151
2/5	-77	12	24	37	-77	-151	-114
2/10	-88	10	22	37	-88	-167	-125
2/30	-83	12	25	42	-83	-157	-119
5/10	-11	-2	-2	0	-1	-26	-11
10/30	4	2	4	5	17	-4	6
TIIE IRS – Mbonos							
2 year	-29	0	-6	-23	25	-57	-21
5 year	-39	5	14	12	-32	-100	-59
10 year	-47	-2	8	1	-29	-68	-51
20 year	-50	2	16	7	-24	-75	-56
30 year	-48	6	22	14	-14	-78	-56
TIIE IRS – SOFR							
2 year	540	-2	15	-24	614	485	543
5 year	513	11	35	10	537	432	490
10 year	520	13	35	22	540	442	493
20 year	532	17	36	31	551	467	503
30 year	550	19	40	37	575	487	521

Source: Bloomberg, PIP, Banorte

Breakeven inflation using Mbonos & Udibonos

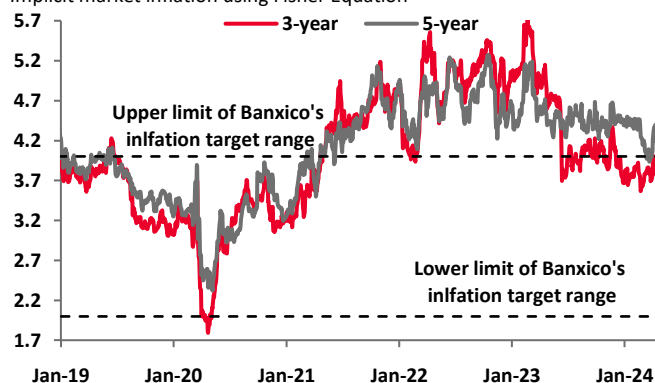
Implicit market inflation using Fisher Equation (%)

Date	Apr/12/2024	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.78	4 (-22bps)	3.86 (-8bps)	5.07 (-129bps)	5.15	3.57	4.06
5Y	4.19	4.34 (-15bps)	4.06 (+13bps)	4.64 (-45bps)	4.72	3.94	4.40
10Y	4.41	4.48 (-7bps)	4.19 (+22bps)	4.3 (+11bps)	4.67	4.04	4.31
20Y	4.68	4.68 (0bps)	4.41 (+27bps)	4.56 (+12bps)	5.08	4.15	4.54
30Y	4.64	4.68 (-4bps)	4.48 (+16bps)	4.47 (+17bps)	5.01	4.15	4.54

Source: PIP, Banorte

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

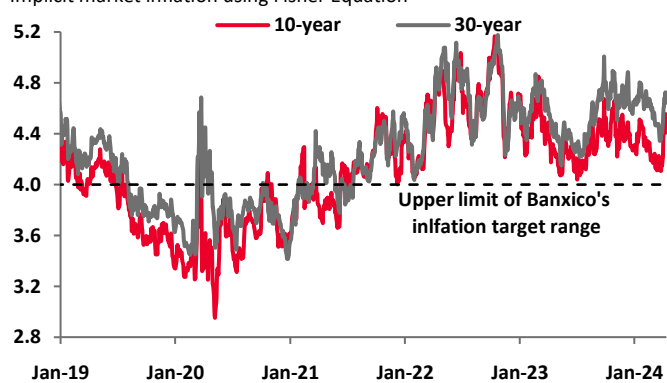
Implicit market inflation using Fisher Equation



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

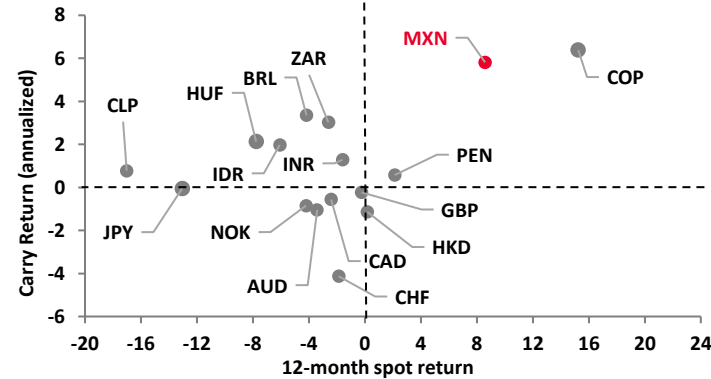
		Close at Apr/12/2024	Daily Change (%) ¹	Weekly change (%) ¹	Monthly change (%) ¹	YTD ¹ (%)
Emerging Markets						
Brazil	USD/BRL	5.12	-0.5	-1.0	-2.9	-5.1
Chile	USD/CLP	969.50	-1.4	-2.1	-2.5	-9.3
Colombia	USD/COP	3,861.60	-0.9	-2.5	1.1	-0.2
Peru	USD/PEN	3.70	-0.4	-0.7	-0.9	0.0
Hungary	USD/HUF	369.17	-1.6	-2.5	-2.0	-5.9
Malaysia	USD/MYR	4.77	-0.5	-0.5	-1.8	-3.7
Mexico	USD/MXN	16.64	-1.2	-1.1	0.1	2.0
Poland	USD/PLN	4.03	-1.4	-2.0	-2.9	-2.3
Russia	USD/RUB	93.30	0.0	-0.8	-2.1	-4.1
South Africa	USD/ZAR	18.86	-0.7	-0.9	-1.5	-2.7
Developed Markets						
Canada	USD/CAD	1.38	-0.6	-1.3	-2.2	-3.9
Great Britain	GBP/USD	1.25	-0.8	-1.5	-2.7	-2.2
Japan	USD/JPY	153.23	0.0	-1.1	-3.6	-8.0
Eurozone	EUR/USD	1.0643	-0.8	-1.8	-2.8	-3.6
Norway	USD/NOK	10.90	-0.6	-1.6	-3.8	-6.7
Denmark	USD/DKK	7.01	-0.8	-1.8	-2.8	-3.7
Switzerland	USD/CHF	0.91	-0.4	-1.3	-3.8	-7.9
New Zealand	NZD/USD	0.59	-0.9	-1.2	-3.5	-6.0
Sweden	USD/SEK	10.89	-1.5	-2.2	-6.1	-7.5
Australia	AUD/USD	0.65	-1.1	-1.7	-2.3	-5.1

Source: Bloomberg, Banorte

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

Performance of selected currencies

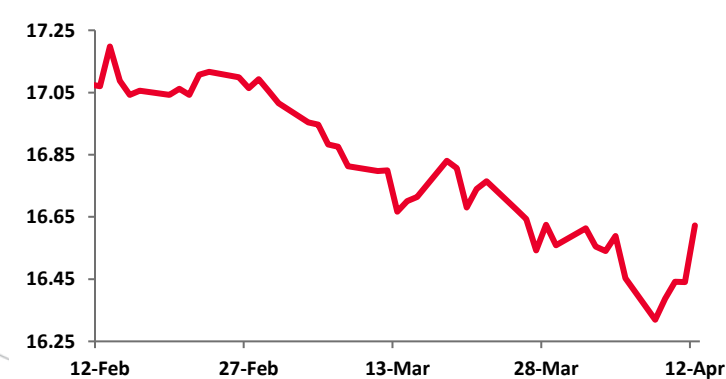
% annualized rate based in 3M forwards



Source: Bloomberg, Banorte

USD/MXN

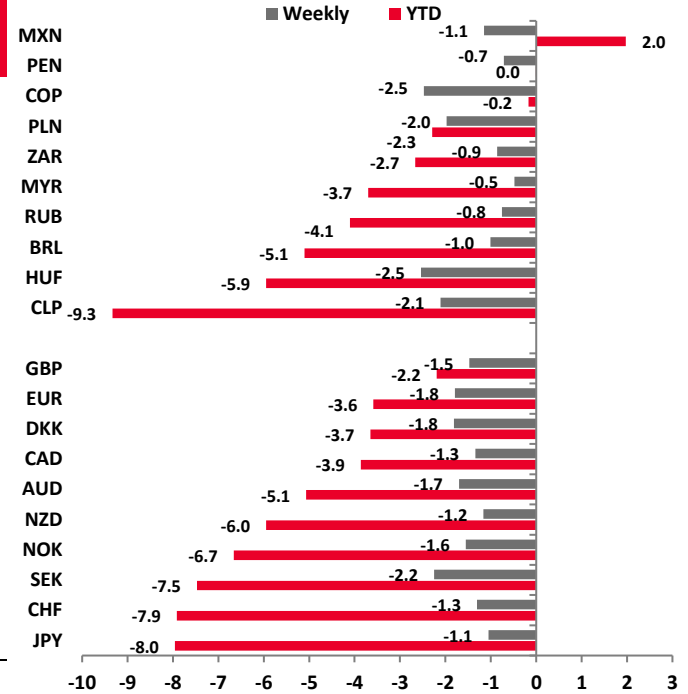
Last 60 days



Source: Bloomberg, Banorte

FX performance

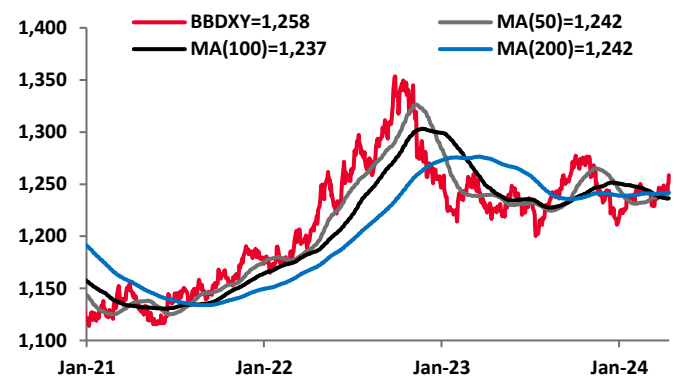
Against USD, %



Source: Bloomberg, Banorte

BBDXY

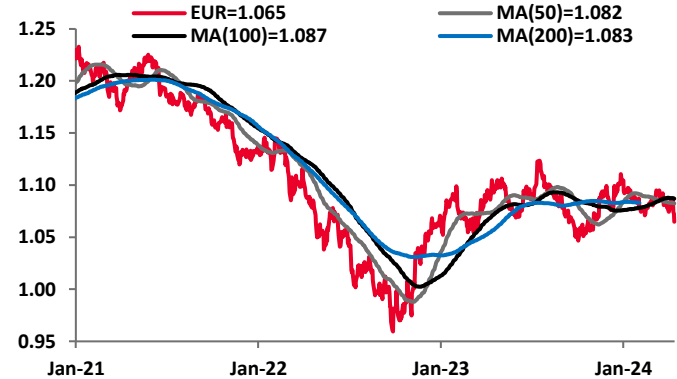
Points



Source: Bloomberg, Banorte

Euro

Dollar per euro

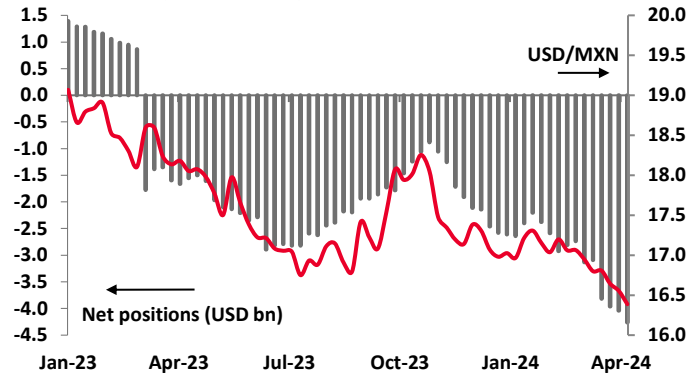


Source: Bloomberg, Banorte

FX positioning and flows

IMM positioning in USD/MXN futures

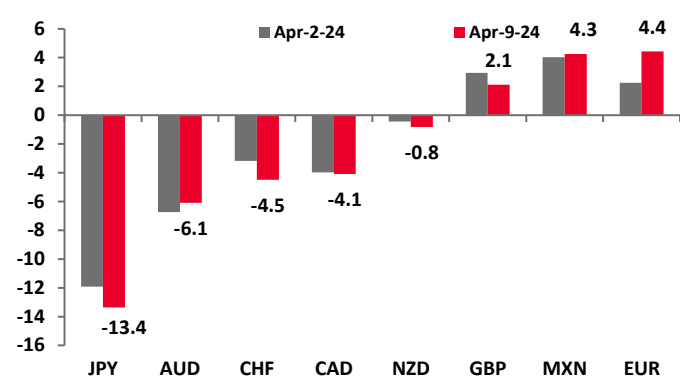
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

IMM positioning by currency*

Billion dollars

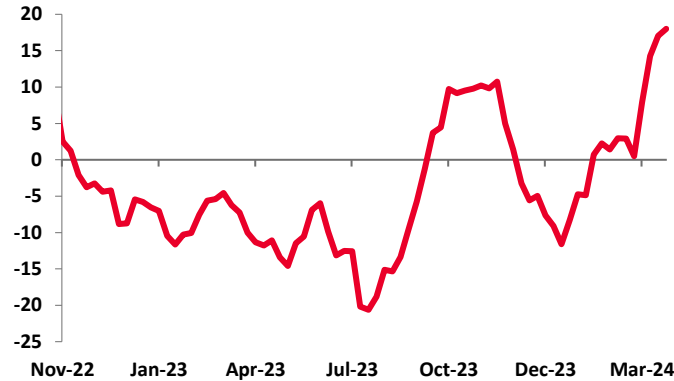


* Positive: Net long in the corresponding currency

Source: CME, Banorte

IMM positioning in USD futures*

Billion dollars, Positive = net long in USD

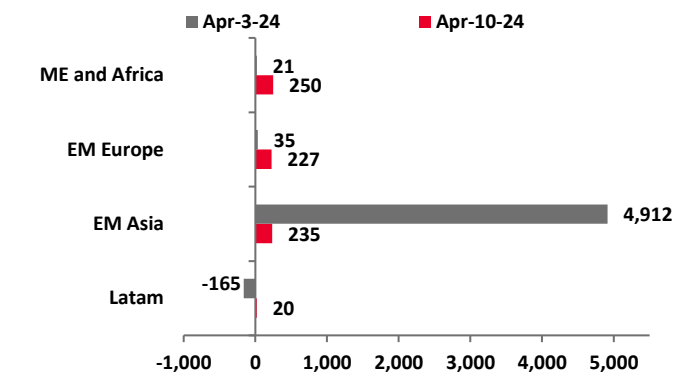


*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

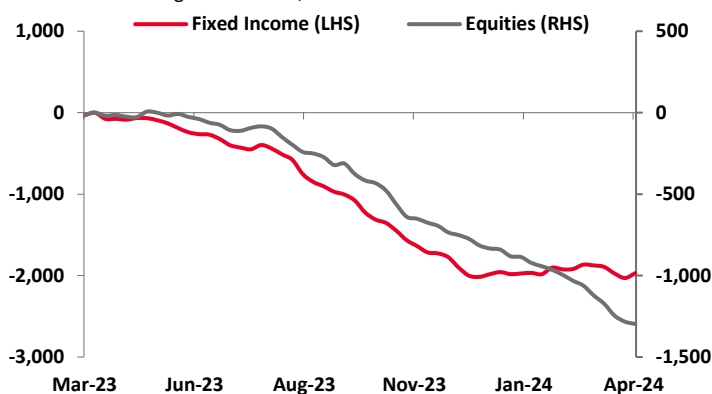
Billion dollars



Source: EPFR Global, Banorte

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

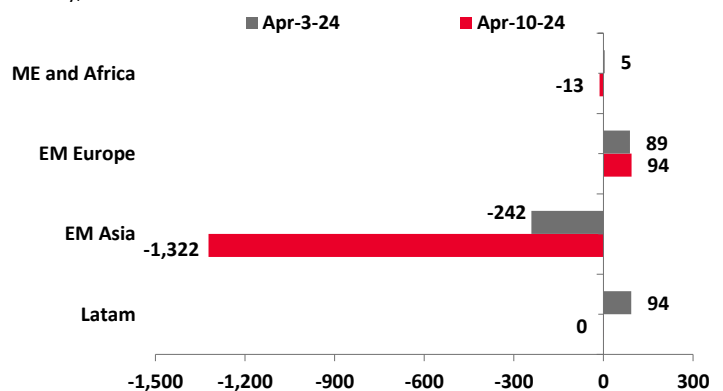
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

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

Weekly, million dollars

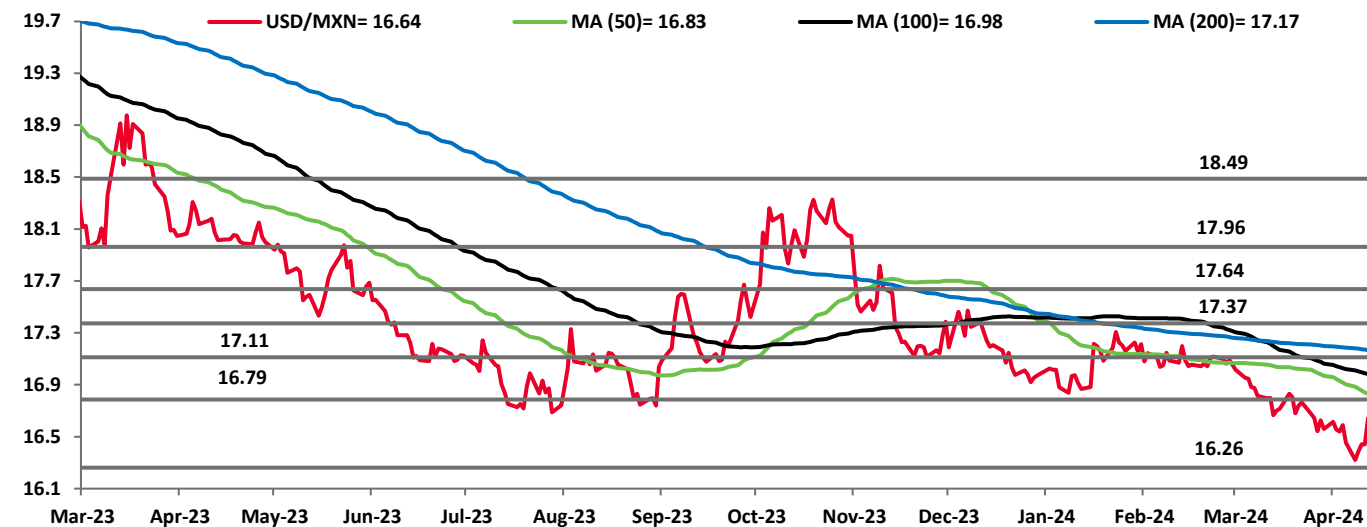


Source: EPFR Global, Banorte

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

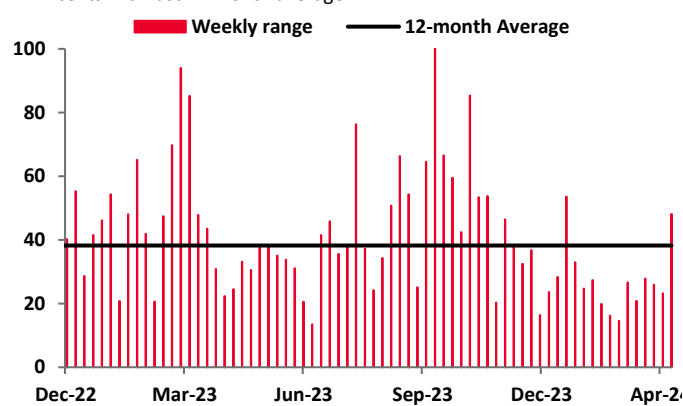
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	66	58	24	72	53
CAD	49	31	17	64	44
ZAR	62	67	2	87	56
BRL	63	58	7	81	61
HUF	71	61	24	71	55
RUB	-9	-14	-23	32	2
VIX	56	32	11	74	45
SPX	35	21	-12	68	39
GSCI	-12	-13	-27	13	-5
Gold	41	41	-28	58	28

* Positive: appreciation of MXN and corresponding asset except VIX

Source: Bloomberg, Banorte

USD/MXN – Weekly trading range

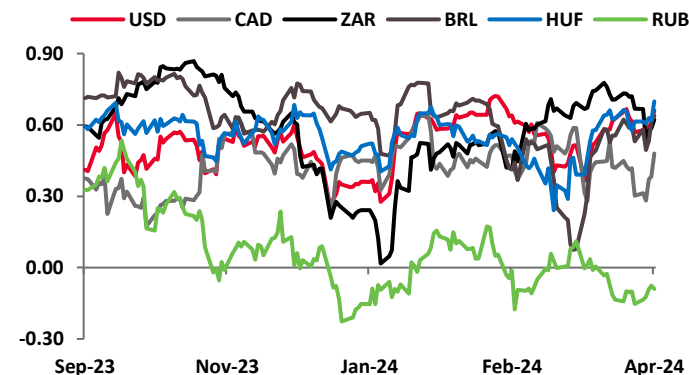
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

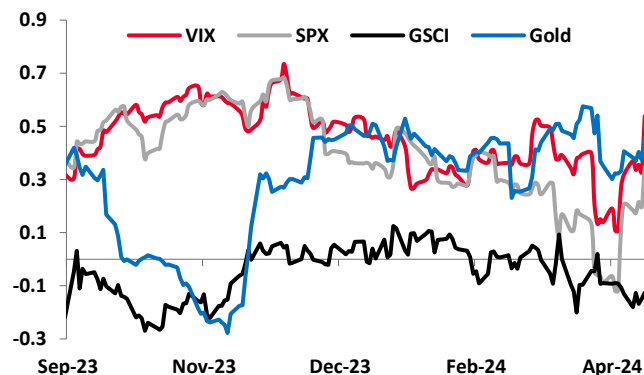


* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

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

Based on daily percentage changes

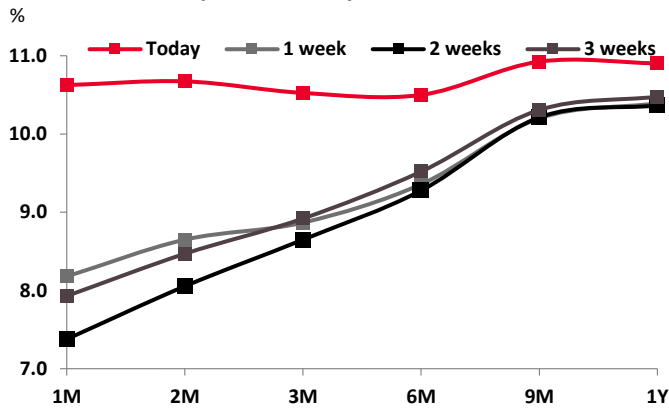


* Positive: appreciation of MXN and corresponding asset except VIX

Source: Bloomberg, Banorte

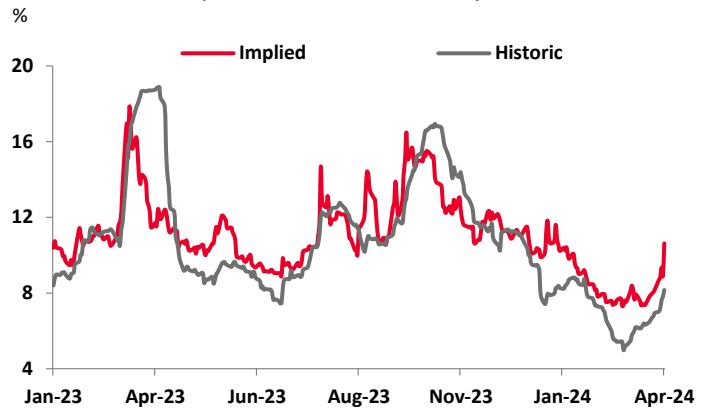
FX technicals (continued)

USD/MXN – ATM options volatility curve



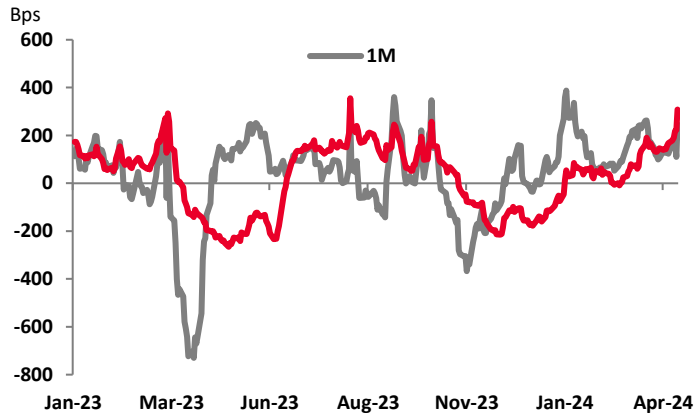
Source: Bloomberg, Banorte

USD/MXN – 1M implied and historical volatility



Source: Bloomberg, Banorte

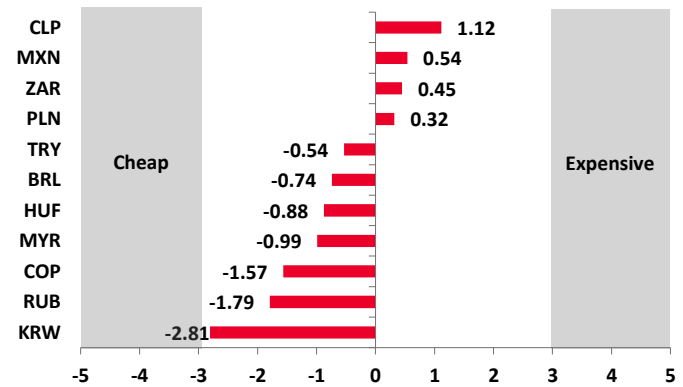
USD/MXN – Spread between implicit and historical volatility



Source: Bloomberg, Banorte

Emerging markets one-month ATM options volatility

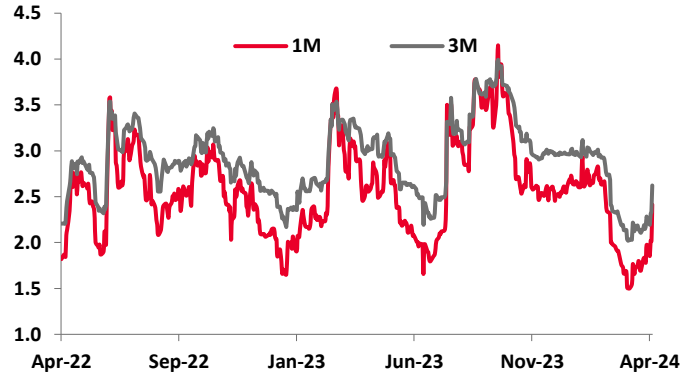
Against USD, in standard deviations relative to last year's average



Source: Bloomberg, Banorte

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

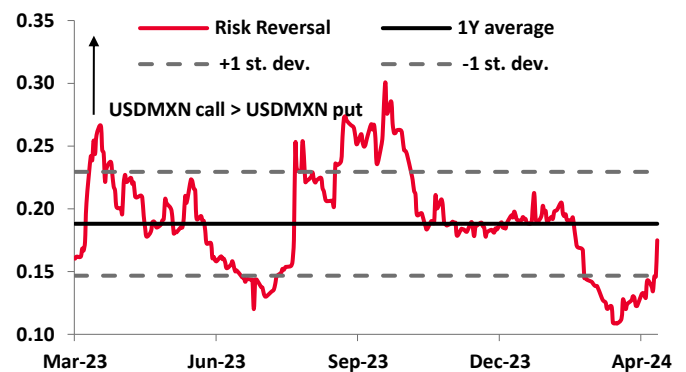
Last 24 months, difference between USD calls and puts, in vols



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 April 19th, 2024

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 15	02:30	US	Fed's Logan Speaks on Panel in Tokyo					
	05:00	EZ	Industrial production*	Feb	% m/m	--	0.8	-3.2
	08:30	US	Empire manufacturing*	Apr	index	-10.0	-5.0	-20.9
	08:30	US	Retail sales*	Mar	% m/m	0.3	0.4	0.6
	08:30	US	Ex autos & gas*	Mar	% m/m	--	0.3	0.3
	08:30	US	Control group*	Mar	% m/m	0.3	0.4	0.0
	20:00	US	Fed's Daly Gives Keynote Remarks					
	22:00	CHI	Gross domestic product	1Q24	% y/y	--	4.8	5.2
	22:00	CHI	Industrial production	Mar	% y/y	--	6.0	--
	22:00	CHI	Retail sales	Mar	% y/y	--	5.0	--
Tue 16	22:00	CHI	Gross fixed investment (YTD)	Mar	% y/y	--	4.0	4.2
	02:00	UK	Unemployment rate*	Feb	%	--	4.0	3.9
	05:00	GER	ZEW Survey (Expectations)	Apr	index	--	35.0	31.7
	05:00	EZ	Trade balance*	Feb	EURbn	--	--	28.1
	08:30	US	Housing starts**	Mar	thousands	--	1,483	1,521
	08:30	US	Building permits**	Mar	thousands	--	1,510	1,524
	09:00	US	Fed's Jefferson Speaks at Monetary Policy Forum					
	09:15	US	Industrial production*	Mar	% m/m	0.4	0.4	0.1
	09:15	US	Manufacturing production*	Mar	% m/m	0.4	0.1	0.8
	11:00	MX	International reserves	Apr 12	US\$bn	--	--	217.3
Wed 17	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					
	02:00	UK	Consumer prices	Mar	% y/y	--	3.1	3.4
	02:00	UK	Core	Mar	% y/y	--	4.1	4.5
	05:00	EZ	Consumer prices	Mar (F)	% y/y	--	2.4	2.4
	05:00	EZ	Core	Mar (F)	% y/y	--	2.9	2.9
	08:00	BZ	Economic activity	Feb	% y/y	--	2.7	3.5
	08:00	BZ	Economic activity*	Feb	% m/m	--	0.4	0.6
	14:00	US	Beige Book					
	17:30	US	Fed's Mester Gives Update on Fed					
	19:15	US	Fed's Bowman Speaks at IIF Global Outlook Forum					
Thu 18	04:00	EZ	Current account*	Feb	US\$bn	--	--	39.4
	08:00	MX	Timely Indicator of Economic Activity*	Mar	% y/y	--	--	2.4
	08:30	US	Philadelphia Fed*	Apr	index	2.0	2.0	3.2
	08:30	US	Initial jobless claims*	Apr 13	thousands	217	215	211
	09:15	US	Fed's Bowman Speaks at SIFMA Roundtable					
	09:15	US	Fed's Williams Participates in Moderated Discussion					
	10:00	US	Existing home sales**	Mar	millions	--	4.2	4.4
	11:00	US	Fed's Bostic Speaks in Fireside Chat on Economy					
	17:45	US	Fed's Bostic Chats About Economy, Monetary Policy					
Fri 19	08:00	MX	Retail sales	Feb	% y/y	4.2	1.6	-0.8
	08:00	MX	Retail sales*	Feb	% m/m	0.7	0.2	-0.6
	10:30	US	Fed's Goolsbee Participates in Q&A					

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally a djusted 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 ²	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% ¹	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, Marcos Saúl García Hernández, Juan Carlos Mercado Garduño, Ana Gabriela Martínez Mosqueda, 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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.



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



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

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



Marcos Saúl García Hernández
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2144



Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 1103 - 4000



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



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



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



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