Fixed-Income & FX Strategy

Weekly

Fixed-Income and FX Weekly

▪ **We now call for only one 25bps cut from the Fed this year.** Dynamics in global sovereign bonds widened trading ranges once again and closed with gains across most of the curves from developed regions. Treasuries ended averaging a 20bps rally, distributed with a better performance for short- and mid-term securities. In this context, the 2-year note resumed its strengthening seen in May, closing at 4.70% (-18bps w/w). The 10-year note experienced a similar performance, ending the week at 4.22% (-21bps). In both cases, these levels are near their lowest since April. The nominal change was a result of declines in both the real and the inflation breakeven components. For the latter, compression was slightly greater for shorter terms, in line with significant downside surprises in May's consumer and producer inflation, also reported for the US this week. In this context, the Federal Reserve's decision was the focus of attention. On balance, both the statement and Powell's tone remained relatively hawkish, reaffirming that future decisions will be data-dependent. Furthermore, our NLP model classified Powell's presser with a more restrictive tone. The SEP update kept growth projections unchanged and included slightly higher inflation expectations for this year and the next one. In this sense, and more surprisingly for the markets, the median rate estimates at the end of the year in the dot plot showed only one -25bps cut for 2024 (March: -75bps). For 2025, it reflected -100bps, a cut higher than the previous -75bps. Also illustrative of a higher neutral rate scenario, the long-term rate in the dot plot rose to 2.75% from 2.56% previously. Taking these elements into account, along with mixed inflation figures and the strength of the labor market, we revise our monetary policy expectations, anticipating only one Fed cut this year of -25bps for December (previously: -25bps in September and December). Meanwhile, the market continues to price nearly two 25bps cuts by year-end. The short-end closed the week pricing -51bps, after averaging -44bps since early April. This situation suggests risk of additional pressures for rates, potentially limiting risk appetite and resulting in a stronger dollar. For more guidance on the FOMC's direction, the market will be watching a busy Fedspeak agenda next week, along with hard activity data for May being published for the US, ahead of the PCE deflator to be released a week later. Locally, the Mbonos' curve closed with a mixed balance, with a 9bps rally at the long-end. The MoF carried out a swap auction considering Cetes, Mbonos, Udibonos, and Bondes F. Meanwhile, the TIIE curve flattened due to gains of 4bps in long-term nodes. In this context, the market pricing for Banxico's cuts this year finished at -33bps. We suggest taking advantage of the wider ranges in Mbonos for short-term tactical trading operations. Also, we reiterate our view favoring nominal rates over real rates for the remainder of the quarter. In currencies, the DXY added a second week of strengthening, and the BBDXY four consecutive weeks of gains. The USD/MXN closed at 18.46 per dollar (-0.4% w/w), trading between 18.22 and 18.99. The most relevant short-term technical levels for the peso are: 18.70, 18.85, and 19.00 (supports); 18.30, 18.22, and 18.00 (resistances)

▪ **Weekly ranges** – We expect the 10-year Mbono (Nov'34) to trade between 9.90% and 10.30%, and MXN between 18.00 and 19.00 per dollar

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 Hernandez
Strategist, Fixed Income, FX and Commodities
marcos.garcía.hernandez@banorte.com

www.banorte.com/analisiseconomico
@analisis_fundam

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

LSEG STARMINE AWARD FOR REUTERS POLLS
Best Forecaster Economic Indicators for Mexico 2023

FOCUS ECONOMICS ANALYST FORECAST AWARDS 2023

BANORTE

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	11.00	2	0	-45	11.45	10.98	11.20
28-days[1]	11.05	-1	-1	-26	11.33	11.05	11.25
91-days[1]	11.16	-1	-1	-27	11.45	11.16	11.36
182-days[1]	11.31	-1	-1	-27	11.61	11.31	11.53
Cetes[2]							
28-days	11.04	0	7	-21	11.40	10.54	11.12
91-days	11.14	2	1	-9	11.44	11.09	11.28
182-days	11.22	4	-1	-11	11.66	11.16	11.36
364-days	11.29	-9	57	15	11.87	10.72	11.29
Mbonos							
Sep´24	11.37	-5	-4	50	11.60	10.67	11.15
Dec'24	11.29	-11	12	70	11.40	10.37	10.91
Mar'25	10.66	-10	-2	76	11.08	9.79	10.38
Mar'26	10.96	15	37	124	11.03	9.36	10.13
Sep'26	10.89	9	50	135	11.03	9.22	10.00
Mar'27	10.59	20	52	125	10.74	8.91	9.74
Jun'27	10.58	18	56	131	10.68	8.81	9.70
Mar'29	10.36	4	56	130	10.55	9.02	9.61
May'29	10.27	3	53	134	10.47	8.55	9.42
May'31	10.24	3	53	130	10.42	8.57	9.42
May'33	10.18	-1	47	124	10.40	8.55	9.41
Nov'34	10.16	-4	50	122	10.41	8.58	9.40
Nov'36	10.17	-3	51	122	10.41	8.57	9.39
Nov'38	10.22	-5	51	119	10.46	8.75	9.47
Nov'42	10.24	-11	46	117	10.51	8.81	9.51
Nov'47	10.24	-8	49	118	10.49	8.80	9.48
Jul'53	10.25	-8	50	119	10.50	8.83	9.49
TIIE-IRS							
3-month (3x1)	11.22	-1	4	-23	11.55	11.16	11.42
6-month (6x1)	11.21	2	13	-6	11.55	11.05	11.33
9-month (9x1)	11.13	1	18	4	11.55	10.89	11.19
1-year (13x1)	11.05	6	27	27	11.46	10.62	10.96
2-year (26x1)	10.62	9	44	92	10.86	9.49	10.05
3-year (39x1)	10.22	4	48	114	10.48	8.72	9.49
4-year (52x1)	9.96	4	51	123	10.24	8.30	9.17
5-year (65x1)	9.81	2	52	125	10.09	8.10	9.01
7-year (91x1)	9.69	0	51	124	9.98	7.98	8.90
10-year (130x1)	9.66	-4	51	120	9.96	7.97	8.90
20-year (3x1)	9.69	-4	50	119	10.04	8.05	8.96
30-year (390x1)	9.65	-4	48	120	9.98	8.07	8.95
Udibonos							
Dec'25	7.29	9	26	128	7.84	5.56	6.32
Dec'26	7.00	-1	36	137	7.07	5.21	5.91
Nov'28	5.90	13	46	141	5.90	4.43	5.00
Nov'31	5.71	19	57	122	5.71	4.25	4.88
Aug'34[3]	5.63	14	50	77	5.63	4.82	5.18
Nov'35	5.48	3	36	110	5.50	4.15	4.70
Nov'40	5.41	8	40	108	5.41	4.27	4.70
Nov'43	5.40	6	38	107	5.41	4.27	4.72
Nov'46	5.21	3	25	106	5.22	4.15	4.66
Nov'50	5.21	4	25	98	5.24	4.23	4.69
Oct'54[4]	5.18	17	17	17	5.24	4.94	5.10

Source: Bloomberg, Banxico, Banorte
1: Compounded in advance Overnight TIIE Funding rate for "n" days
2: 1-day lag
3: Udibono Aug'34 issued on March 14th, 2024
4: Udibono Oct'54 issued on May 17th, 2024

BANORTE

Fixed–Income Dynamics (continued)

USD UMS and US Treasuries performance

		UMS			UST			Spreads			CDS
Term	Maturity date	YTM (%)	Weekly change (bps)	YTD (bps)	YTM (%)	Weekly change (bps)	YTD (bps)	Actual (bps)	Weekly change (bps)	12m Average (bps)	bps
2Y	Jan'26	5.38	-29	+91	4.70	-18	+28	68	-11	30	48
3Y	Mar'27	5.31	-21	+51	4.44	-23	+21	87	+2	36	67
5Y	May'29	5.48	-19	+69	4.24	-23	+23	124	+3	100	110
7Y	Apr'30	5.61	-20	+27	4.21	-23	+25	139	+3	121	147
10Y	May'33	5.89	-11	+33	4.22	-21	+34	167	+10	152	179
20Y	Mar'44	6.43	-9	+5	4.47	-18	+32	196	+9	182	--
30Y	May'54	6.67	-8	+28	4.35	-20	+39	232	+13	219	--

Source: Bloomberg, Banorte

5Y USD UMS
%
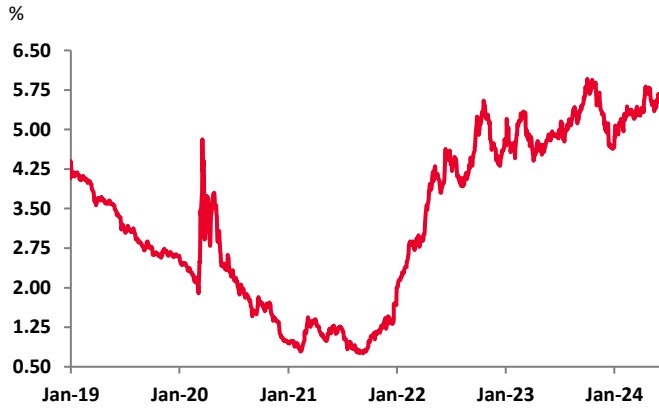
Source: Bloomberg, Banorte

10Y USD UMS
%

Source: Bloomberg, Banorte

5Y UMS-UST Spread
Basis points

Source: Bloomberg, Banorte

10Y UMS-UST Spread
Basis points

Source: Bloomberg, Banorte

BANORTE

Fixed–Income Supply

- **Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 24-month Cetes, the 30-year Mbono (Jul'53), the 10-year Udibono (Aug'34), as well as 1-, 3- and 7-year Bondes F

- **Better demand for nominal vs real rates.** With rates expected to remain higher for longer, we foresee solid appetite for Cetes. In the last issuance, terms of 1 and 3 months stood out with bid-to-cover ratios of 4.50x and 3.91x, respectively. In our opinion, Banxico's reference rate will close the year at 10.50% after two 25bps cuts in the September and December meetings. Market is pricing-in a reference rate around 10.70%, fully discounting only a 25bps cut until December. This week, the long-term Mbonos modestly offset part of the sell-off seen in the previous week; however, bonds are still trading $+2\sigma$ above its 90-day moving average with spreads vs. Treasuries close to 12-month highs. The 30-year benchmark is at 10.25%, after hitting record levels of 10.50% on Tuesday, reflecting modest relative undervaluation with room to extend the recent adjustment according to our duration-adjusted yield analysis. In this sense, demand could print above average of its last four placements of 1.91x. For the 10-year benchmark on the real yield curve we anticipate weak appetite in line with its latest issuance of 1.28x. The breakeven for this term is located at 4.30% from 4.45% last week. As such, we reiterate our preference for nominal vs. real rates in the period of seasonally low inflation

Auction specifics (June 18th, 2024)

| Security	Maturity	Coupon rate, %	To be auctioned[1]	Previous yield[2]
Cetes				
1m	Jul-18-24	--	10,000	11.00
3m	Sep-19-24	--	12,000	11.11
6m	Dec-11-24	--	13,000	11.22
24m	Jun-11-26	--	15,200	11.54
Bondes F				
1Y	Apr-03-25	--	9,300	0.07
3Y	May-20-27	--	4,500	0.18
7Y	Mar-20-31	--	900	0.21
Bono M				
30Y	Jul-31-53	8.00	12,500	9.65
Udibono				
10Y	Aug-24-34	4.00	UDIS 1,100	5.30

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 (Oct'54)	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
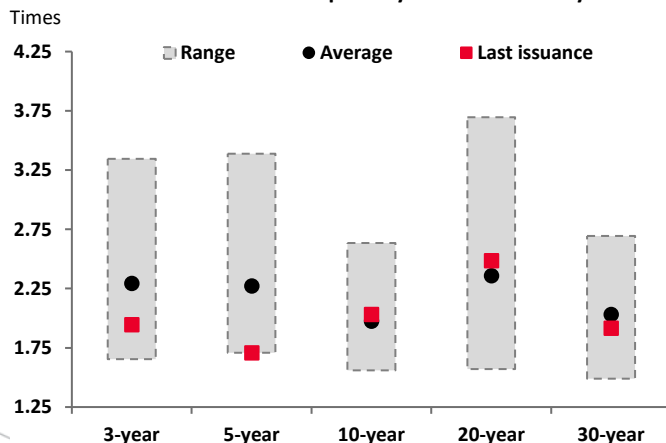
Udibonos' bid-to-cover ratios for primary auction in last 2 years
Times

Source: Bloomberg, Banorte
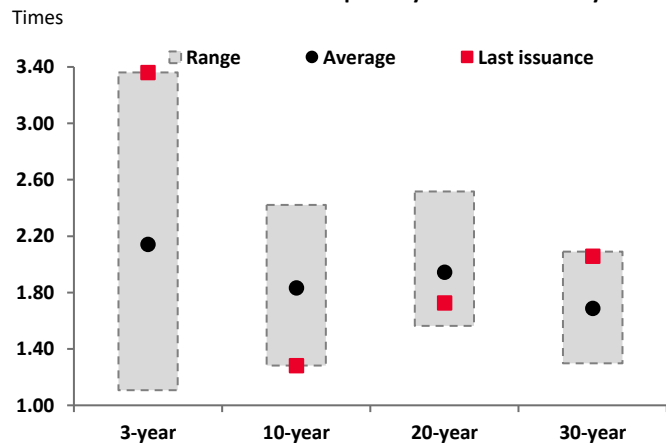
Source: Bloomberg, Banorte

BANORTE

Fixed–Income Demand

**Government and IPAB securities holdings by type of investor**
US$ billion, *UDIS billion, data as of Jun/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	109.88	12.67	11.00	18.93	5.08	13.39	3.70	6.49	-	38.62
Bondes D	15.80	0.00	0.46	8.18	0.10	2.24	0.15	-	-	4.67
Bondes F	117.67	0.01	6.15	66.77	2.00	10.82	1.70	0.00	-	30.22
Bondes G	5.62	0.00	0.33	1.83	0.44	0.73	1.31	-	-	0.98
Udibonos	195.31	8.91	108.52	7.82	35.79	5.81	0.13	0.28	-	28.04
Mbonos	261.91	79.16	60.86	8.77	7.62	40.09	13.85	1.90	0.85	48.80
Sbonos	1.31	0.63	0.37	0.01	0.03	0.03	-	-	-	0.24
Total	**707.51**	**101.39**	**187.70**	**112.31**	**51.05**	**73.10**	**20.84**	**8.68**	**0.85**	**151.58**
Udibonos*	420.21	19.17	233.48	16.83	77.01	12.50	0.28	0.61	-	60.33
IPAB bonds	**59.61**	**0.16**	**0.52**	**19.54**	**0.24**	**10.43**	**6.48**	**0.91**	**-**	**21.34**

Source: Banxico, Banorte
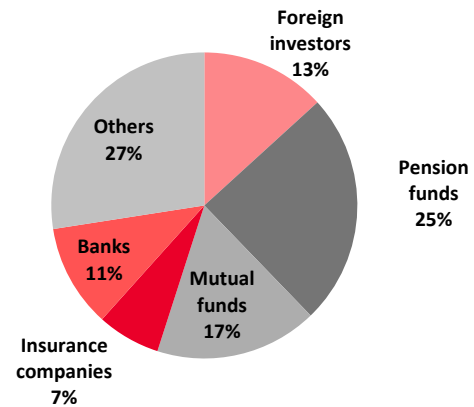
Government issuance by type of instrument
Total amount of US$ 767 billion (including IPAB bonds), % of total
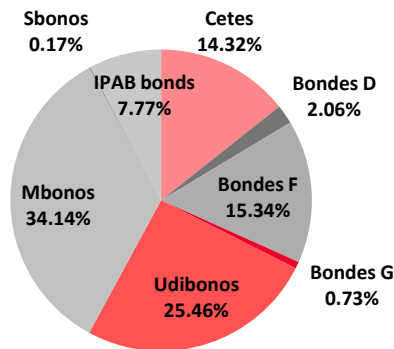
Source: Banxico, Banorte

Government issuance by type of investor
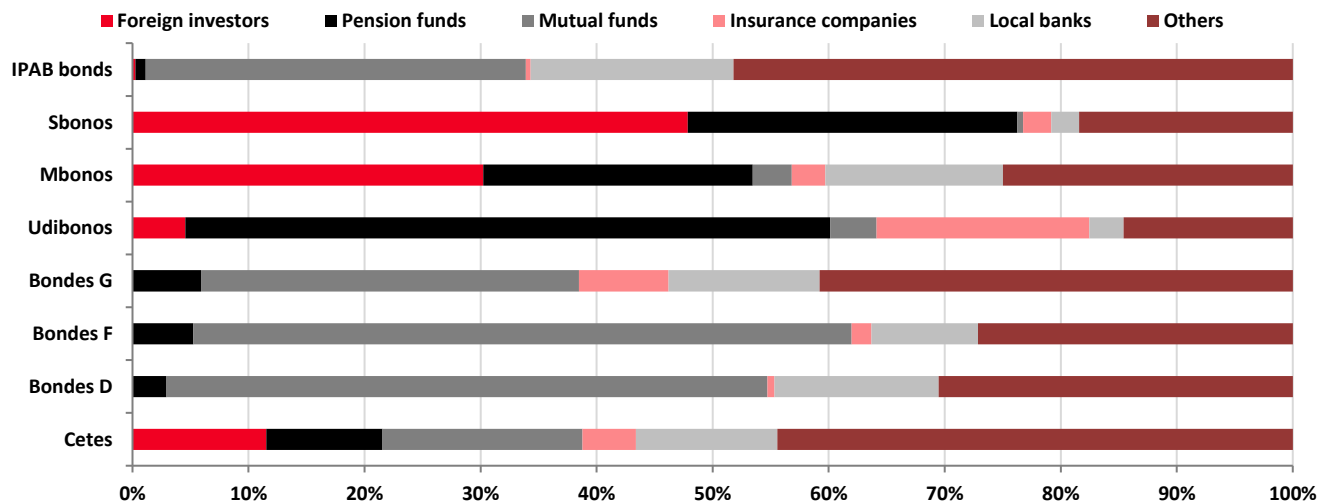Total amount of US$ 767 billion (including IPAB bonds), % of total

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
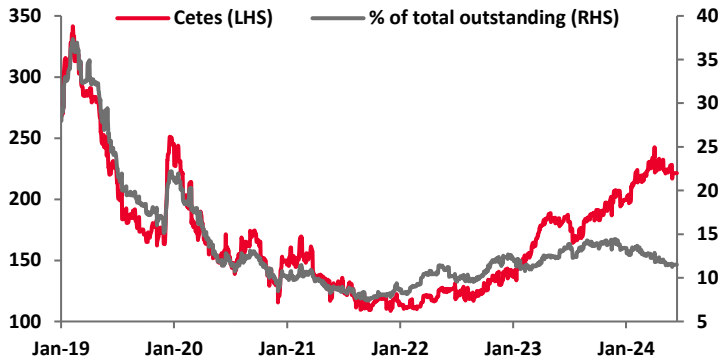Total amount of US$ 767 billion (including IPAB bonds), % of total

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

BANORTE

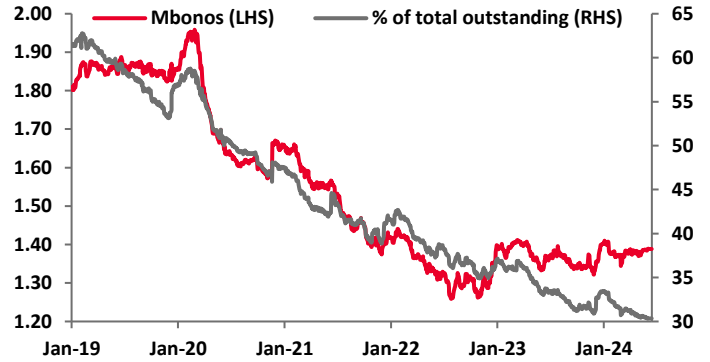# Fixed–Income Demand (continued)

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 Jun/05/2024

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	0.06	11.22	-4.88	-13.35	-1.58	57.66
Bondes F	-51.95	80.27	28.48	-12.42	0.45	7.35
Udibonos	-4.36	4.01	2.38	11.58	4.32	10.64
Mbonos	0.41	-1.02	0.36	5.71	6.05	36.54

Source: Banxico, Banorte

Mbonos holdings by type of investor
US$ billions and %, data as May/30/2024

Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Sep'24	16.0	37%	5%	19%	39%
Dec'24	11.9	30%	15%	10%	45%
Mar'25	7.1	27%	13%	21%	39%
Mar'26	24.3	37%	27%	10%	26%
Sep'26	14.5	30%	29%	20%	21%
Mar'27	22.7	27%	17%	11%	46%
Jun'27	20.3	7%	33%	23%	38%
Mar'29	11.4	20%	31%	16%	34%
May'29	16.4	5%	49%	22%	24%
May'31	23.9	5%	45%	32%	18%
May'33	18.4	5%	39%	29%	28%
Nov'34	9.0	4%	45%	34%	17%
Nov'36	4.5	1%	23%	49%	28%
Nov'38	12.6	1%	38%	45%	16%
Nov'42	20.4	1%	38%	46%	16%
Nov'47	15.4	1%	33%	48%	19%
Jul'53	15.6	1%	31%	48%	19%
Total	**248.7**	**15%**	**31%**	**27%**	**28%**

Government securities issuance
USD Billions

Fuente: Banxico, Banorte

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
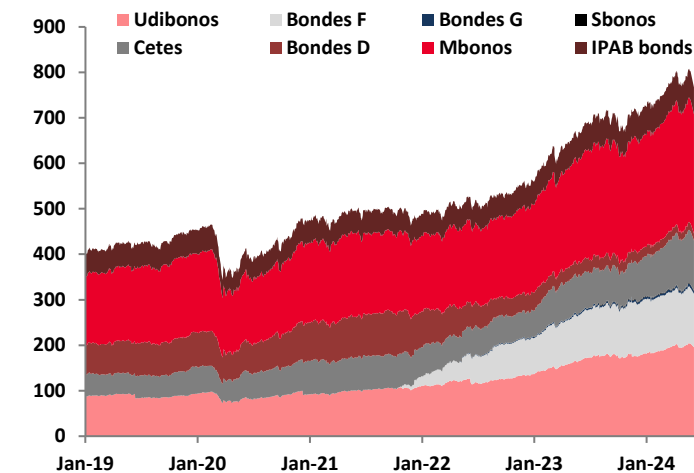
Fixed–Income Demand – Primary dealers

Market makers' short positions on Mbonos
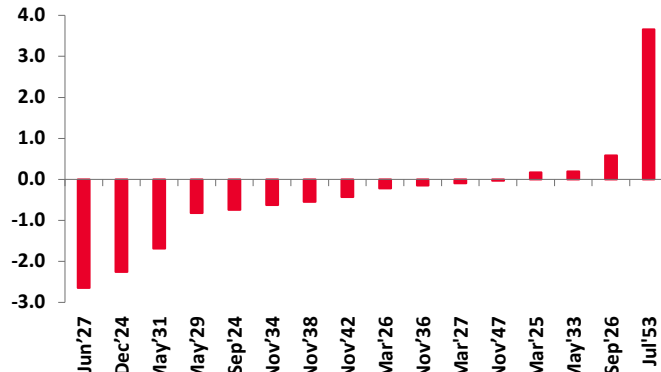MXN billion

Legend: 2-year range, ● Average, ■ Current
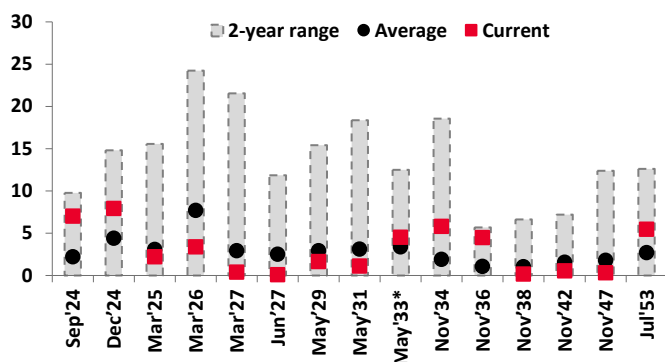
Source: Banxico, Banorte *May'33 issued in December 2022

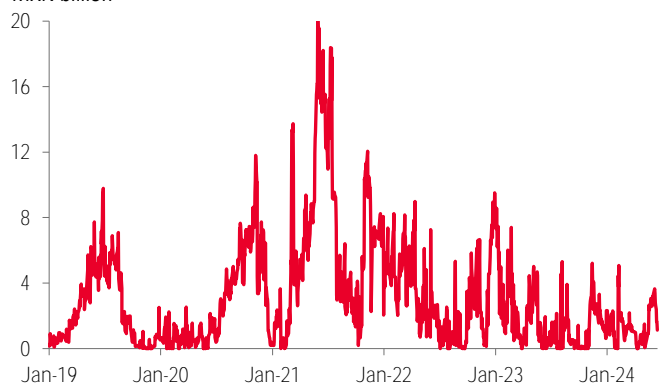**Weekly change in market makers' short positions on Mbonos**
MXN billion

Source: Banxico, Banorte

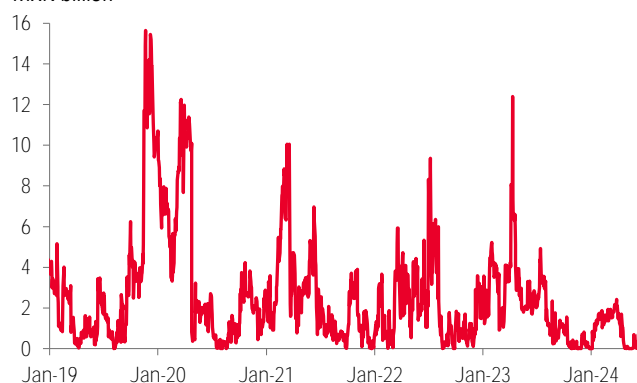**Market makers' short positions on Mbono May'31**
MXN billion

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 Jun/14/2024	Jun/14/2024	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Sep'24	14,796	382	422	171	16	532	86
Dec'24	11,209	431	554	432	15	554	48
Mar'25	7,379	119	110	35	298	400	16
Mar'26	22,475	183	195	130	1,189	696	50
Sep'26	14,364	552	520	743	64	743	72
Mar'27	21,153	22	27	72	84	811	0
Jun'27	18,575	4	148	95	327	294	0
Mar'29	10,551	402	331	494	0	870	0
May'29	16,300	90	134	64	285	446	0
May'31	22,133	61	153	50	9	276	0
May'33	17,578	246	236	6	115	679	0
Nov'34	9,330	315	349	844	58	1,010	0
Nov'36	4,284	243	252	190	14	310	0
Nov'38	11,676	8	38	61	43	279	2
Nov'42	19,500	30	54	5	0	191	0
Nov'47	14,259	17	19	0	114	132	0
Jul'53	14,629	296	97	67	58	296	0
Total	**250,190**	**3,107**	**3,542**	**3,393**	**2,631**		

Source: Banxico, Banorte

BANORTE

Fixed–Income Technicals

Spread between Cetes and Implied Forward Rates

Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	96	77	44	73	152	-7
3 months	22	27	19	28	71	-8
6 months	7	20	15	18	46	-8
12 months	-2	24	-40	3	36	-40

Source: PiP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate
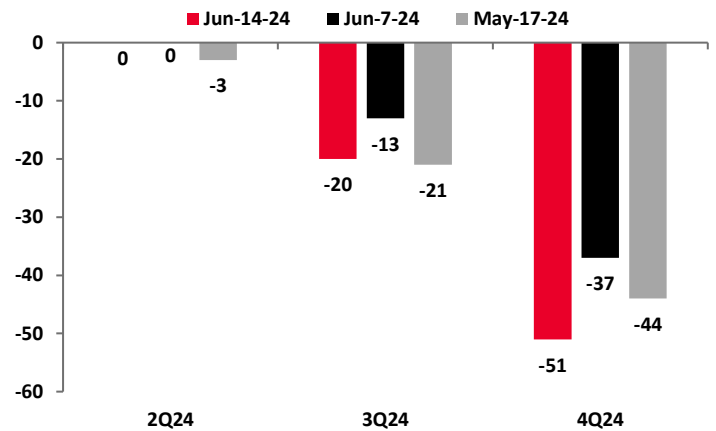
Basis points
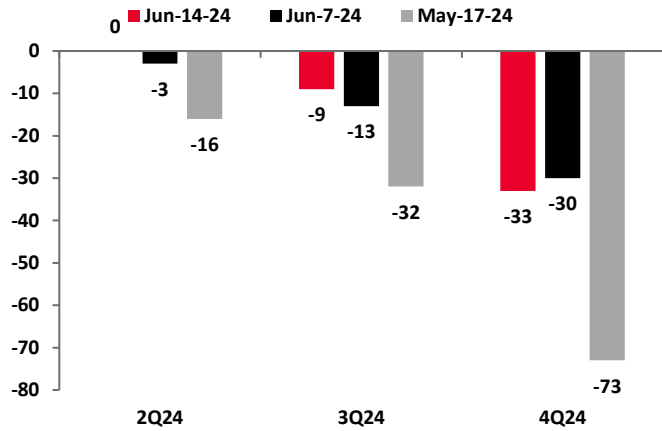
Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds

Basis points

Source: Bloomberg, Banorte

Spreads between Mbonos and UST

Basis ponts

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	626	33	49	61	626	518	555
5 year	612	39	76	91	623	489	524
10 year	594	36	69	88	602	482	513
20 year	577	28	66	89	586	462	495
30 year	590	37	71	87	598	475	508

Source: Bloomberg, Banorte

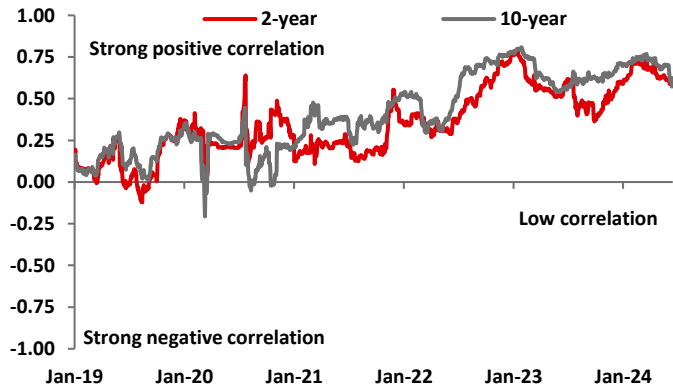**10-year Mbono and 10-year UST spread**

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	-60	-9	19	23	-34	-110	-76
2/10	-80	-15	13	16	-55	-152	-92
2/30	-71	-18	13	13	-50	-133	-84
5/10	-20	-6	-6	-6	7	-59	-15
10/30	9	-3	0	-3	29	-9	8
TIIE IRS							
3m/2Y	-61	8	40	115	-41	-203	-137
2/5	-81	-6	8	33	-72	-142	-104
2/10	-96	-10	7	28	-83	-165	-115
2/30	-97	-12	4	28	-73	-157	-110
5/10	-15	-4	-1	-4	-1	-26	-11
10/30	-1	-2	-4	0	23	-6	5
TIIE IRS – Mbonos							
2 year	-35	-3	7	-15	19	-52	-28
5 year	-56	0	-4	-4	-11	-100	-55
10 year	-51	2	1	-2	-5	-67	-51
20 year	-56	7	3	2	-12	-75	-55
30 year	-61	3	-3	1	-14	-78	-54
TIIE IRS – SOFR							
2 year	607	30	63	44	624	485	540
5 year	584	30	76	81	602	432	493
10 year	584	26	75	86	602	442	496
20 year	591	25	74	90	609	467	506
30 year	607	23	72	94	625	487	524

Source: Bloomberg, Banorte

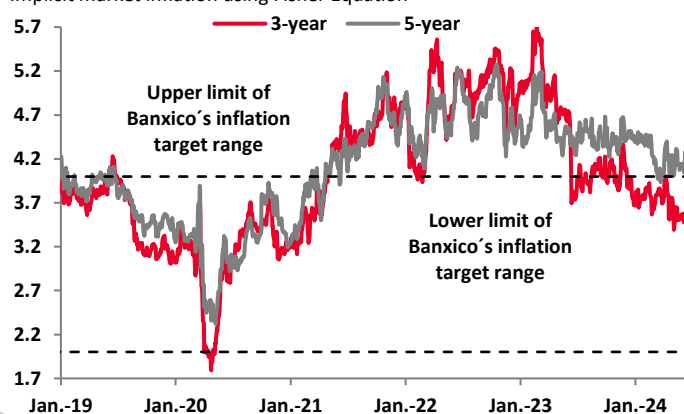**Breakeven inflation using Mbonos & Udibonos**
%, Implicit market inflation using Fisher Equation

Date	Breakevens (%)	Weekly change (bps)	Δ last 4 weeks (bps)	YTD (bps)	12m Max (%)	12m Min (%)	12m Average (%)
3Y	3.63	15	12	-7	4.37	3.24	3.83
5Y	4.21	15	7	-16	4.69	3.91	4.35
10Y	4.29	-1	-2	3	4.64	4.03	4.32
20Y	4.59	1	6	4	5.07	4.21	4.57
30Y	4.82	18	26	18	5.04	4.22	4.59

Source: Bloomberg, Banorte

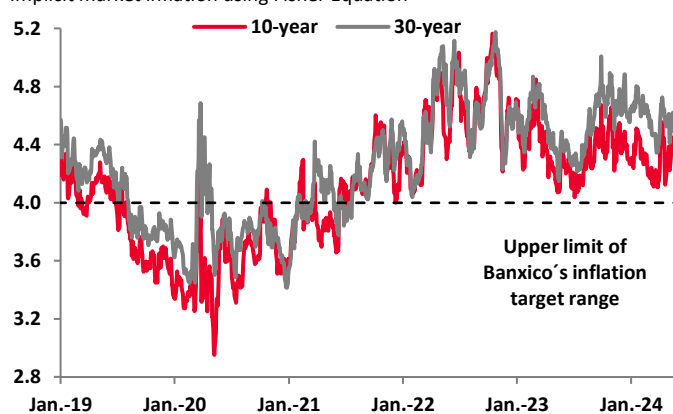**3- and 5-year breakeven inflation using Mbonos & Udibonos**
Implicit market inflation using Fisher Equation

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 Jun/14/24	Daily Change (%)[1]	Weekly change (%)[1]	Monthly change (%)[1]	YTD (%)[1]
Emerging Markets						
Brazil	USD/BRL	5.38	-0.2	-0.6	-4.5	-9.7
Chile	USD/CLP	934.80	-1.9	-1.6	-3.2	-6.0
Colombia	USD/COP	4,139.44	0.2	-5.0	-7.6	-6.9
Peru	USD/PEN	3.78	-0.3	-0.8	-1.7	-2.1
Hungary	USD/HUF	372.16	-0.7	-2.6	-4.8	-6.7
Malaysia	USD/MYR	4.72	-0.2	-0.6	-0.3	-2.7
Mexico	**USD/MXN**	**18.46**	**-0.4**	**-0.4**	**-9.6**	**-8.1**
Poland	USD/PLN	4.09	-1.1	-2.4	-4.3	-3.8
Russia	USD/RUB	89.63	-2.0	-0.7	1.7	-0.2
South Africa	USD/ZAR	18.39	0.3	2.8	-0.6	-0.1
Developed Markets						
Canada	USD/CAD	1.37	0.1	0.2	-1.0	-3.6
Great Britain	GBP/USD	1.27	-0.6	-0.3	0.0	-0.3
Japan	USD/JPY	157.40	-0.2	-0.4	-1.6	-10.4
Eurozone	EUR/USD	1.0703	-0.3	-0.9	-1.7	-3.0
Norway	USD/NOK	10.67	-0.2	0.4	0.0	-4.7
Denmark	USD/DKK	6.97	-0.3	-0.9	-1.6	-3.1
Switzerland	USD/CHF	0.89	0.4	0.7	1.3	-5.5
New Zealand	NZD/USD	0.61	-0.4	0.6	0.3	-2.8
Sweden	USD/SEK	10.52	-0.4	0.3	1.4	-4.2
Australia	AUD/USD	0.66	-0.3	0.5	-1.2	-2.9

Source: Bloomberg, Banorte

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

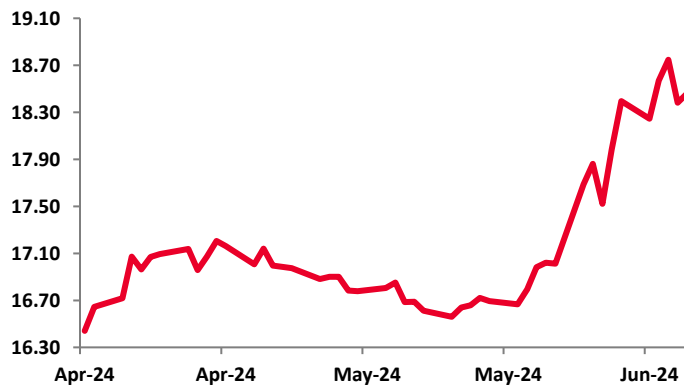## Performance of selected currencies
%, annualized rate based in 3M forwards
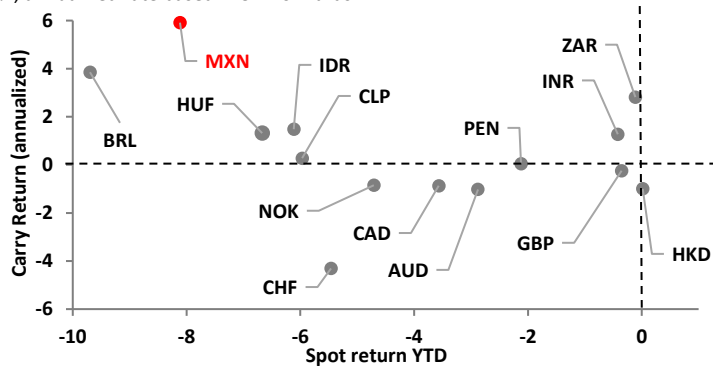
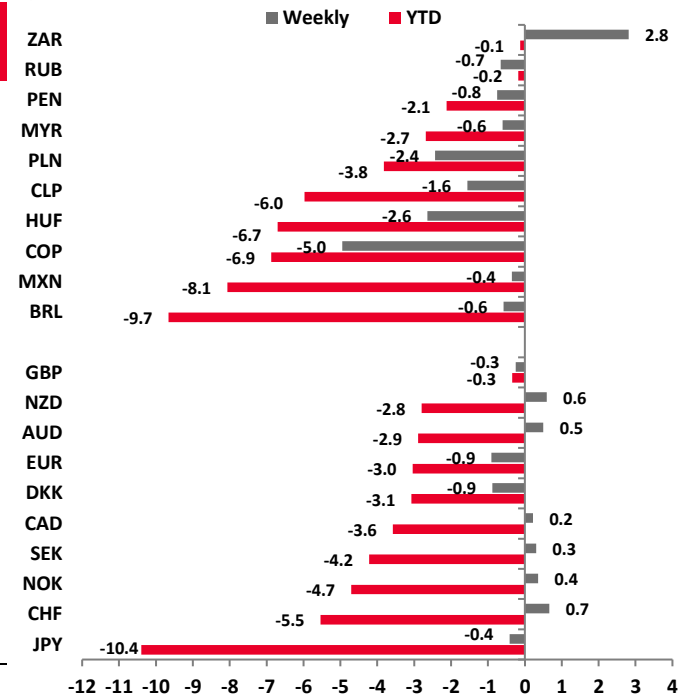Source: Bloomberg, Banorte

USD/MXN
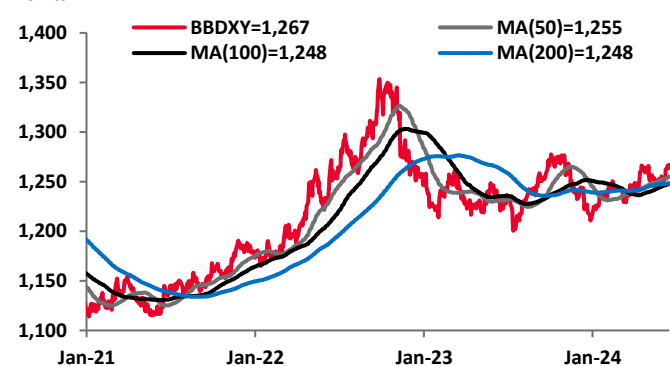Last 60 days

Source: Bloomberg, Banorte

FX performance
Against USD, %

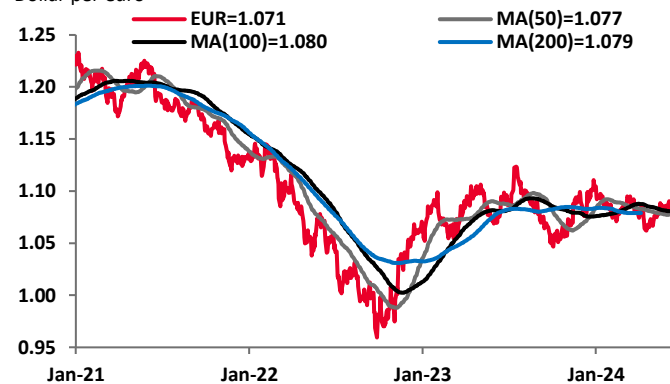Source: Bloomberg, Banorte

BBDXY
Points

Source: Bloomberg, Banorte
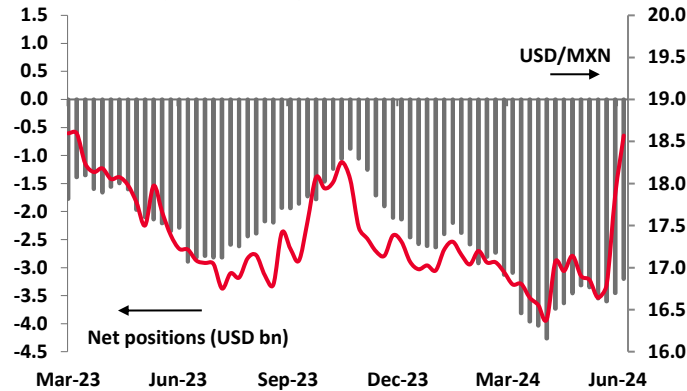
Euro
Dollar per euro

Source: Bloomberg, Banorte

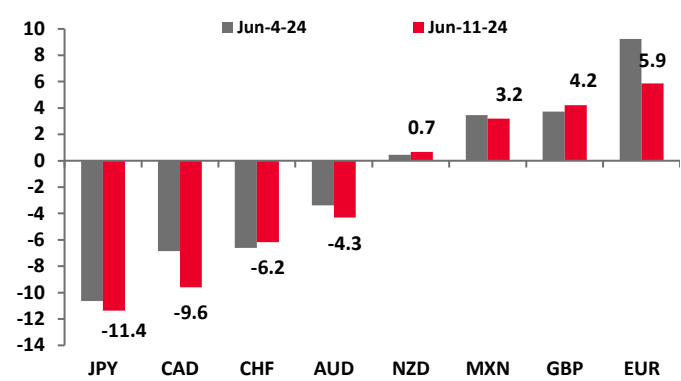# FX positioning and flows

IMM positioning in USD/MXN futures
Billion dollars, Negative = net long in MXN

USD/MXN →
← Net positions (USD bn)

Source: CME, Banorte

IMM positioning by currency*
Billion dollars

Jun-4-24 / Jun-11-24

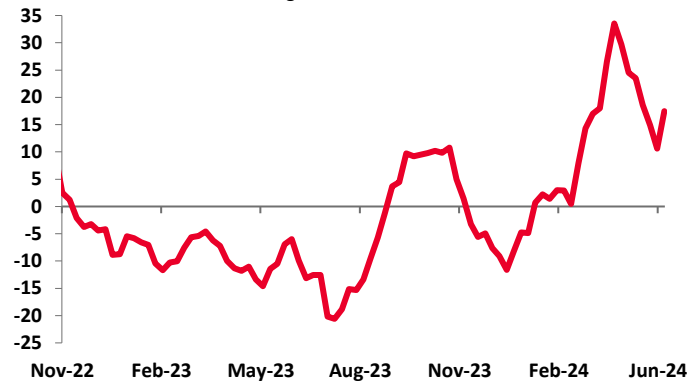JPY -11.4, CAD -9.6, CHF -6.2, AUD -4.3, NZD 0.7, MXN 3.2, GBP 4.2, EUR 5.9

* Positive: Net long in the corresponding currency
Source: CME, Banorte

IMM positioning in USD futures*
Billion dollars, Positive = net long in USD
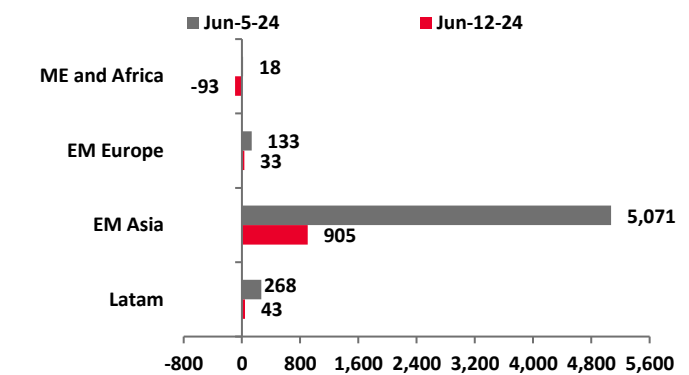
*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF
Source: CME, Banorte

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

Jun-5-24 / Jun-12-24

Region	Jun-5-24	Jun-12-24
ME and Africa	-93	18
EM Europe	133	33
EM Asia	5,071	905
Latam	268	43

Source: EPFR Global, Banorte

Foreign portfolio flows into Mexico (excluding ETF's investments)
Accumulated during the last 12M, million dollars

Fixed Income (LHS) — Equities (RHS)
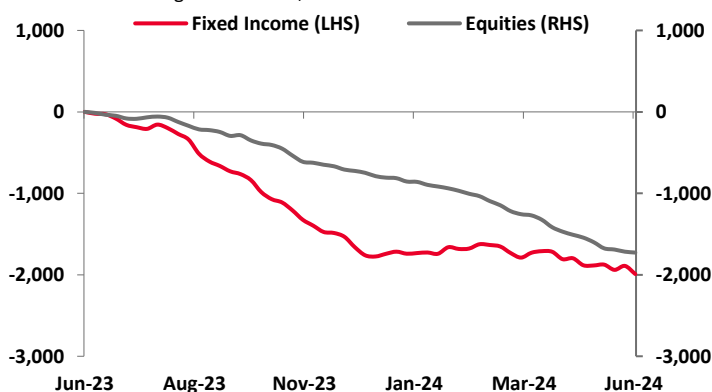
Source: EPFR Global, Banorte

Net foreign portfolio flows by region (excluding ETF's investments)
Weekly, million dollars

Jun-5-24 / Jun-12-24
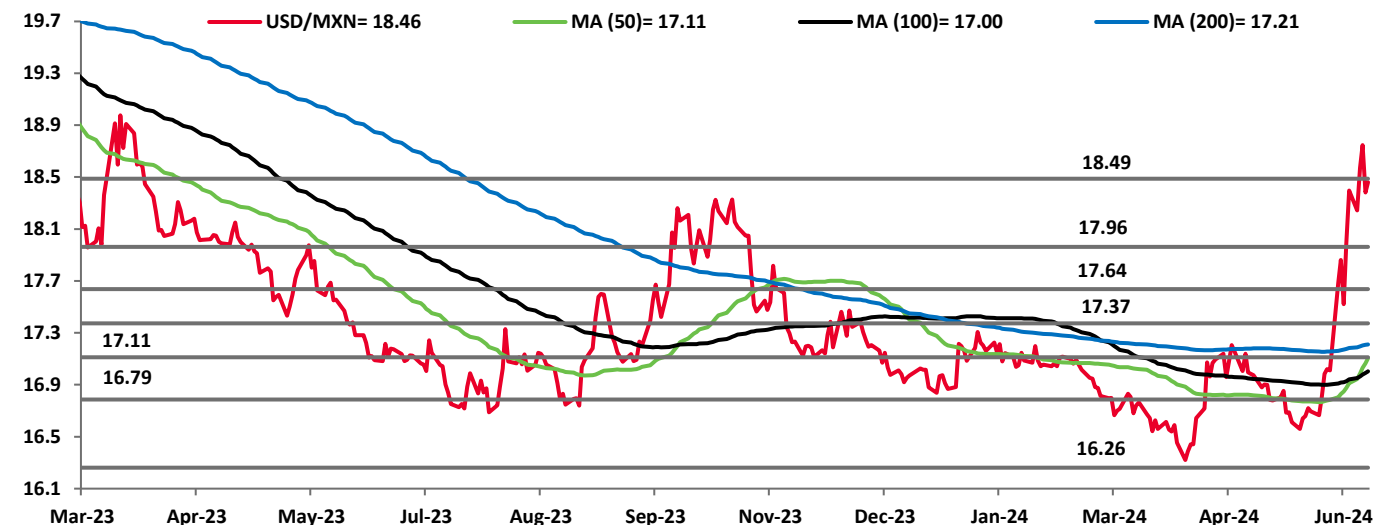
Region	Jun-5-24	Jun-12-24
ME and Africa	20	-324
EM Europe	222	-142
EM Asia	-304	483
Latam	117	-510
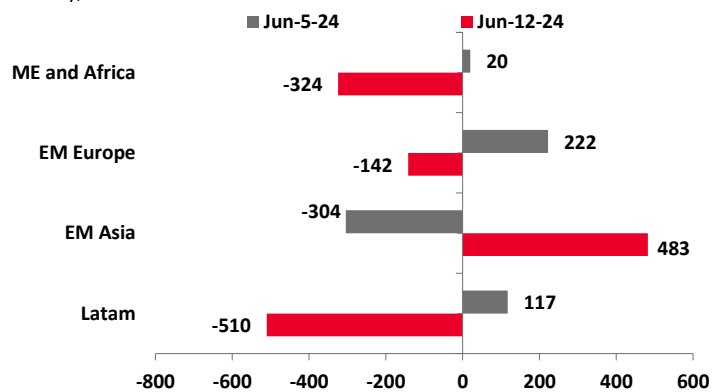
Source: EPFR Global, Banorte

BANORTE

FX technicals

USD/MXN – Moving averages and Fibonacci retracement
Last 12 months

Legend: USD/MXN= 18.46 — MA (50)= 17.11 — MA (100)= 17.00 — MA (200)= 17.21

Fibonacci levels: 18.49, 17.96, 17.64, 17.37, 17.11, 16.79, 16.26

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	-8	13	-8	69	50
CAD	22	33	22	59	45
JPY	-32	-6	-32	62	27
BRL	18	10	-4	73	53
CLP	6	10	4	62	35
ZAR	-27	-13	-27	77	44
VIX	20	31	11	63	38
SPX	37	38	-12	61	34
GSCI	28	17	-21	33	-1
Gold	20	33	16	58	37

* Positive: appreciation of MXN and corresponding asset except VIX
Source: Bloomberg, Banorte

USD/MXN – Weekly trading range
MXN cents with last 12 month average

Legend: Weekly range — 12-month Average
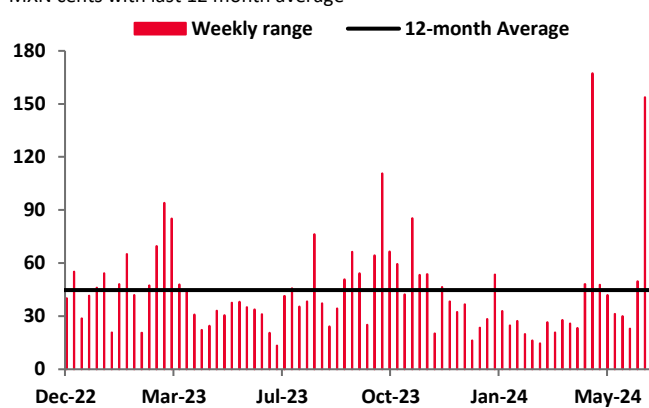
Source: Bloomberg, Banorte

USD/MXN – 1-month correlation with other currencies*
Based on daily percentage changes

Legend: USD, CAD, JPY, BRL, CLP, ZAR
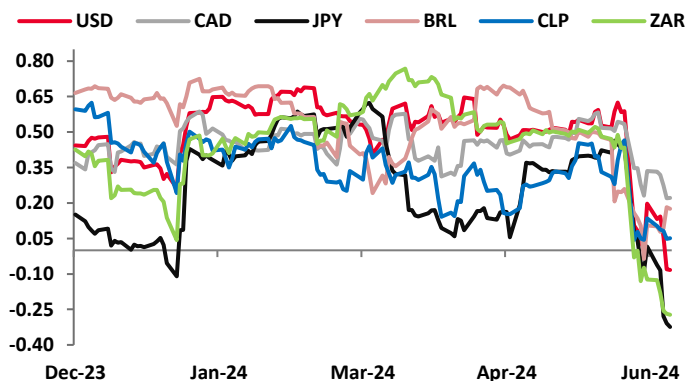
* Positive: appreciation of MXN and corresponding currency
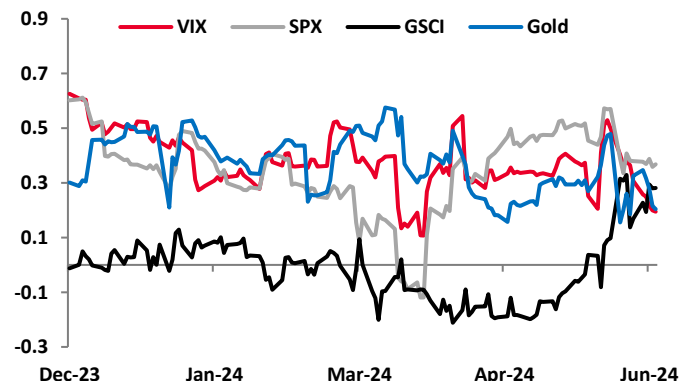Source: Bloomberg, Banorte

USD/MXN – 1-month correlation with other assets*
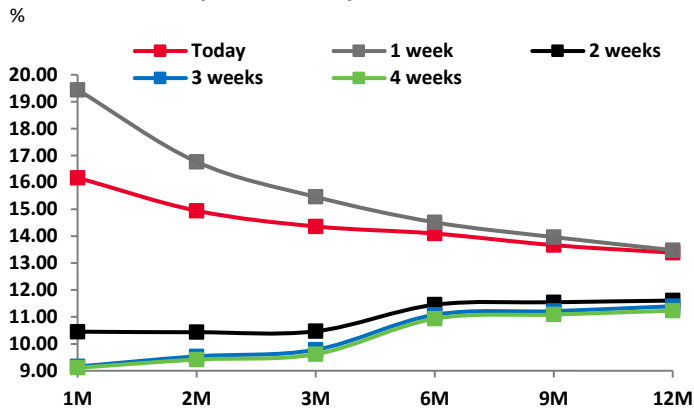Based on daily percentage changes

Legend: VIX, SPX, GSCI, Gold

* Positive: appreciation of MXN and corresponding asset except VIX
Source: Bloomberg, Banorte

BANORTE

FX technicals (continued)

USD/MXN – ATM options volatility curve
%

Source: Bloomberg, Banorte

USD/MXN – Implied volatility
%

Source: Bloomberg, Banorte
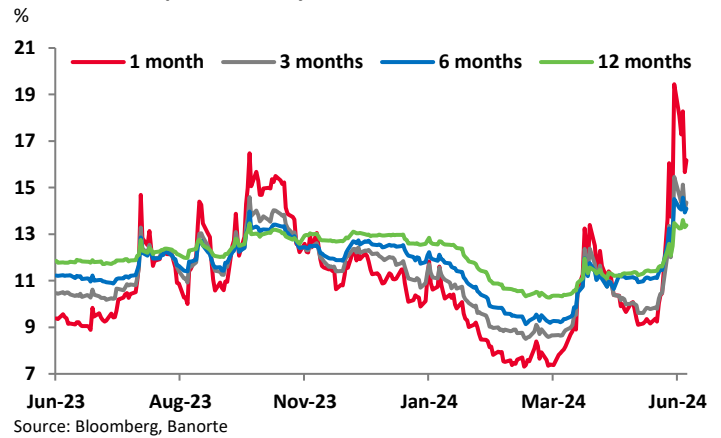
USD/MXN – Spread between implicit and historical volatility
Bps

Source: Bloomberg, Banorte
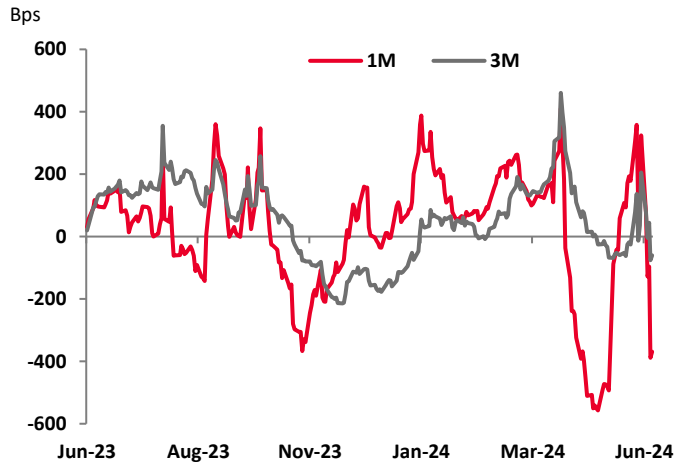
Emerging markets 1-month ATM options volatility
Against USD, in σ relative to last year's average

	σ
MXN	2.28
COP	1.07
PLN	0.96
BRL	0.84
TRY	0.65
MYR	0.40
HUF	0.18
ZAR	-0.11
CLP	-1.01
RUB	-1.11
KRW	-1.22

Cheap / Expensive

Source: Bloomberg, Banorte
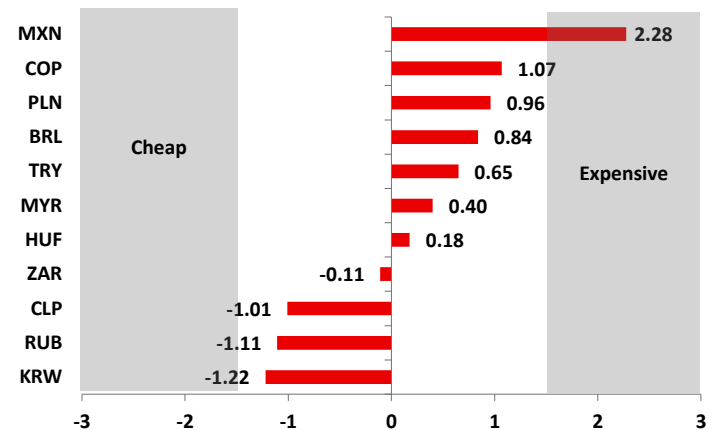
USD/MXN – 25D risk reversals
Last 12 months, difference between USD calls and puts, in vols

Source: Bloomberg, Banorte
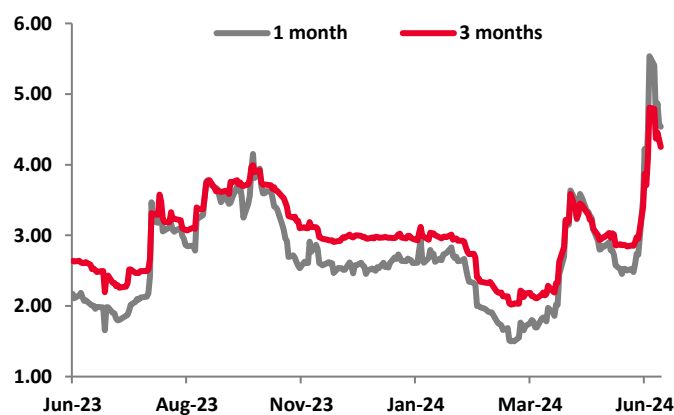
USD/MXN – 1-month 25D volatility-adjusted risk reversal
Last 12 months, ratio adjusted against 1-month implied volatility

Legend: 1M RR Adjusted, 1-year average, +/-1σ

USDMXN call > USDMXN put

Source: Bloomberg, Banorte
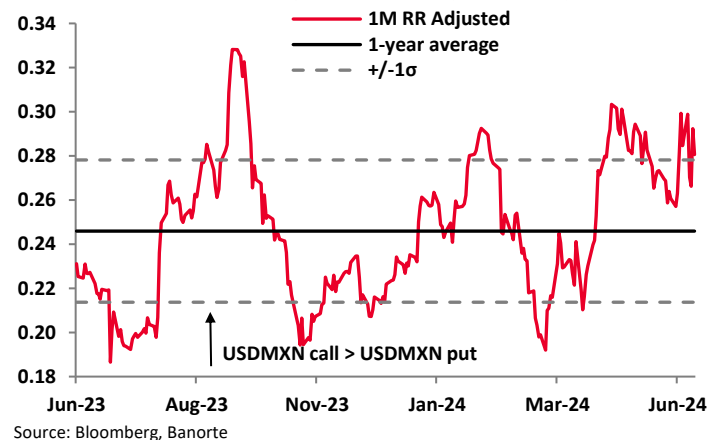
BANORTE

Weekly economic calendar

For the week ending June 21st, 2024

	Time		Event	Period	Unit	Banorte	Survey	Previous
Sun 16	21:20	CHI	1-Yr Medium-Term Lending Facility Rate (MLF)	Jun 17	%	--	2.50	2.50
	22:00	CHI	Industrial production	May	% y/y	--	6.2	6.7
	22:00	CHI	Retail sales	May	% y/y	--	3.0	2.3
	22:00	CHI	Gross fixed investment (YTD)	May	% y/y	--	4.2	4.2
Mon 17	08:30	US	Empire manufacturing*	Jun	index	-12.0	-10.5	-15.6
	13:00	US	Fed's Harker Speaks on Economic Outlook					
	21:00	US	Fed´s Cook gives acceptance remarks at the 2024 Marshall Forum					
Tue 18	05:00	GER	ZEW Survey (Expectations)	Jun	index	--	49.5	47.1
	05:00	EZ	Consumer prices	May (F)	% y/y	--	2.6	2.6
	05:00	EZ	Core	May (F)	% y/y	--	2.9	2.9
	08:00	MX	Aggregate supply and demand	1Q24	% y/y	2.1	--	2.6
	08:30	US	Advance retail sales*	May	% m/m	0.3	0.3	0.0
	08:30	US	Ex autos & gas*	May	% m/m	--	0.4	-0.1
	08:30	US	Control group*	May	% m/m	0.2	0.4	-0.3
	09:15	US	Industrial production*	May	% m/m	0.4	0.3	0.0
	09:15	US	Manufacturing production*	May	% m/m	0.2	0.3	-0.3
	10:00	US	Fed's Barkin Discusses US Economy, Fed					
	11:00	MX	International reserves	Jun 14	US$bn	--	--	219.3
	11:40	US	Fed´s Collins Collins gives keynote remarks at the Lawrence Partnership Annual Meeting					
	13:00	US	Fed's Logan Speaks in Austin					
	13:00	US	Fed's Kugler Speaks on Economy, Monetary Policy					
	13:20	US	Fed's Musalem Gives Speech on Economy, Monetary Policy					
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 30-year Mbono (Jul'53), 10-year Udibono (Aug'34) and 1-, 3-, and 7-year Bondes F					
	14:00	US	Fed's Goolsbee Speaks in Panel Discussion					
	18:00	CHL	Monetary policy decision (BCCh)	Jun 18	%	--	5.75	6.00
	19:50	JP	BoJ minutes					
Wed 19		US	Markets closed for Juneteenth Day					
	02:00	UK	Consumer prices	May	% y/y	--	2.0	2.3
	02:00	UK	Core	May	% y/y	--	3.5	3.9
	04:00	EZ	Current account*	Apr	EURbn	--	--	35.8
	17:30	BZ	Monetary policy decision (Central bank of Brazil)	Jun 19	%	10.50	10.50	10.50
	21:15	CHI	Rate decision 1-year Loan Prime Rate	Jun 20	%	--	3.45	3.45
	21:15	CHI	Rate decision 5-year Loan Prime Rate	Jun 20	%	--	3.95	3.95
Thu 20	07:00	UK	Monetary policy decision (BoE)	Jun 20	%	--	5.25	5.25
	08:00	MEX	Timely Indicator of Economic Activity*	May	% y/y	--	--	1.7
	08:00	MX	Retail sales	Apr	% y/y	0.9	--	-1.7
	08:00	MX	Retail sales*	Apr	% m/m	-0.3	--	-0.2
	08:30	US	Housing starts**	May	thousands	--	1,375	1,360
	08:30	US	Building permits**	May	thousands	--	1,450	1,440
	08:30	US	Initial jobless claims*	Jun 15	thousands	225	235	242
	08:30	US	Philadelphia Fed*	Jun	index	4.0	4.8	4.5
	10:00	EZ	Consumer confidence	Jun (P)	index	--	-13.8	-14.3
	14:00	US	Fed's Barkin Speaks on Economic Outlook					
	16:30	MX	Citibanamex Survey of Economists					
Fri 21	03:30	GER	Manufacturing PMI*	Jun (P)	index	--	46.4	45.4
	03:30	GER	Services PMI*	Jun (P)	index	--	54.4	54.2
	03:30	GER	Composite PMI*	Jun (P)	index	--	52.8	52.4
	04:00	EZ	Manufacturing PMI*	Jun (P)	index	--	47.9	47.3
	04:00	EZ	Services PMI*	Jun (P)	index	--	53.5	53.2
	04:00	EZ	Composite PMI*	Jun (P)	index	--	52.5	52.2
	04:30	UK	Manufacturing PMI*	Jun (P)	index	--	51.3	51.2
	04:30	UK	Services PMI*	Jun (P)	index	--	53.0	52.9
	08:00	MX	Economic activity indicator (IGAE)	Apr	% y/y	5.6	--	-1.3
	08:00	MX	Economic activity indicator (IGAE)*	Apr	% m/m	-0.6	--	0.3
	09:45	US	Manufacturing PMI*	Jun (P)	index	51.1	51.0	51.3
	09:45	US	Services PMI*	Jun (P)	index	--	53.4	54.8
	09:45	US	Composite PMI*	Jun (P)	index	--	--	54.5
	10:00	US	Existing home sales**	May	millions	--	4.1	4.1

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

BANORTE

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 TIIE-IRS steepener	28bps	43bps	18bps	31bps	P[2]	Feb-15-17	Mar-15-17
5y10y TIIE-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 TIIE-IRS (13x1)	3.92%	3.67%	4.10%	3.87%[1]	P	Nov-12-15	Feb-8-16
Long spread 10-year TIIE-IRS *vs* US Libor	436bps	410bps	456bps	410bps	P	Sep-30-15	Oct-23-15
Receive 9-month TIIE-IRS (9x1)	3.85%	3.65%	4.00%	3.65%	P	Sep-3-15	Sep-18-15
Spread TIIE 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 TIIE-IRS (3x1)	3.24%	3.32%	3.20%	3.30%	P	Jan-29-15	Jan-29-15
Pay 9-month TIIE-IRS (9x1)	3.28%	3.38%	3.20%	3.38%	P	Jan-29-15	Jan-29-15
Pay 5-year TIIE-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 TIIE-IRS (26x1)	3.75%	3.55%	3.90%	3.90%	L	Jul-11-14	Sep-10-14
Receive 1-year TIIE-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 TIIE-IRS (6x1)	3.83%	3.65%	4.00%	3.81%	P	Oct-10-13	Oct-25-13
Receive 1-year TIIE-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 TIIE-IRS (9x1)	4.50%	4.32%	4.65%	4.31%	P	Jun-21-13	Jul-12-13
Spread TIIE-Libor (10-year)	390bps	365bps	410bps	412bps	L	Jun-7-13	Jun-11-13
Receive 1-year TIIE-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 TIIE-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 TIIE-IRS (13x1)	4.87%	4.70%	5.00%	4.69%	P	Jan-11-13	Jan-24-13
Receive TIIE Pay Mbono (10-year)	46bps	35bps	54bps	54bps	L	Oct-19-12	Mar-8-13
Spread TIIE-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

BANORTE

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 Hernandez, 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.

BANORTE

Directory
Research and Strategy

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

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

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

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

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

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

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

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

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438

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

Market Strategy

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

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

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

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

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

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

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

Marcos Saúl García Hernandez
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296

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

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

Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 5261 - 4882

Paula Lozoya Valadez
Analyst, Equity
paula.lozoya.valadez@banorte.com
(55) 1103 - 4000 x 2060

Quantitative Analysis

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

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

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

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

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

Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1670 - 2904

Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430

BANORTE