Fixed-Income & FX Strategy

Weekly

Fixed-Income and FX Weekly

- **Focus on inflation figures in the US and Mexico.** Sovereign bonds moderated the rally from last week following mixed economic data in the US. Treasuries averaged losses of 5bps. Meanwhile, the market solidified its expectations that the Federal Reserve will cut interest rates by 25bps as soon as September, aligning with our call. However, investors are still weighing the possibility of three cuts of the same magnitude for the rest of the year, incorporating a total adjustment of -63bps, a more optimistic scenario compared to our estimates of -50bps (September and December). Locally, losses were more pronounced. Mbonos depreciated an average of 22bps, with the largest adjustment in the 3-year benchmark (+32bps). Similarly, TIIE-28 IRS marked losses of up to 26bps on the short-end. Additionally, the scenario of a second Trump administration continues to strengthen, revealing more signals that the US would impose new restrictions trade with China. This could manifest in inflationary effects and result in a higher term premium. As such, we continue to expect a steeper curve. Next week, all eyes will be on key figures for interest rate trajectories, highlighting the Federal Reserve's favorite inflation metric, the PCE deflator (Banorte: 0.1% m/m), and July's first bi-weekly CPI print in Mexico (Banorte: 0.42% 2w/2w). Following this week's adjustments in rates, the market is incorporating fewer from Banxico. The curve prices -42bps for the rest of the year, down from -67bps last week, aligning with our expectations. However, we still see room for lower rates in 2025 relative to the curve's pricing, which incorporates only 65% of the cuts we estimate (-200bps). As such, we expect a steeper curve ahead, holding our [trade idea on the 2s10s steepener in TIIE-28 swaps](#). Currently, the spread stands at -84bps (target: -50bps, entry: -84bps, stop-loss: -100bps). Additionally, ahead of the inflation data to be released on Wednesday in Mexico, we hold our [long position in the Udibono Nov'35](#). Despite recent corrections, this security has shown a capital gain of 4bps over the last two weeks. Considering our inflation estimates, UDI's carry for the remainder of the year stands at 2.62% (5.77% annualized). In the FX market, the USD strengthened, extending gains from the previous week. Most EM currencies depreciated, with LatAm pairs underperforming. The MXN started the week strong, even briefly breaking through the 50-day MA (17.70); however, it weakened following the dynamics of its regional peers. The peso closed at 18.05 per dollar (-2.4% w/w), marking its largest weekly decline in the last five weeks. The currency oscillated within a narrow range between 17.63 and 18.11 (48 cents), lower than the average of the last four weeks (63 cents). In face a more volatile second half of the year, we still see buying USD/MXN below 18.00 as appropriate

- **Weekly ranges** – We expect the 10-year Mbono (Nov'34) to trade between 9.85% and 10.10%, and MXN between 17.80 and 18.50 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 award as the best economic forecasters in Mexico by *LSEG* in 2023

LSEG STARMINE AWARD FOR REUTERS POLLS
Best Forecaster
Economic Indicators
for Mexico 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	0	0	-45	11.45	10.98	11.17
28-days[1]	11.06	0	1	-25	11.33	11.05	11.23
91-days[1]	11.17	0	1	-25	11.45	11.15	11.34
182-days[1]	11.32	0	1	-26	11.61	11.31	11.50
Cetes[2]							
28-days	11.04	6	14	-21	11.38	10.55	11.10
91-days	11.14	3	-1	-10	11.45	11.08	11.26
182-days	11.24	2	3	-9	11.66	11.16	11.35
364-days	11.37	12	4	23	11.86	10.53	11.26
Mbonos							
Sep´24	11.27	0	1	30	11.57	10.75	11.19
Dec'24	11.24	1	-1	58	11.40	10.47	10.97
Mar'25	10.72	14	19	83	11.15	9.80	10.40
Mar'26	10.72	21	-14	97	11.03	9.53	10.22
Sep'26	10.67	32	-5	118	11.03	9.41	10.10
Mar'27	10.25	25	-16	86	10.74	9.26	9.84
Jun'27	10.20	24	-18	94	10.68	9.18	9.81
Mar'29	10.13	27	-7	106	10.55	9.01	9.66
May'29	10.04	27	-8	110	10.47	8.80	9.53
May'31	9.98	26	-5	104	10.42	8.77	9.52
May'33	9.98	22	-1	104	10.40	8.76	9.51
Nov'34	9.97	24	1	103	10.41	8.77	9.50
Nov'36	10.00	25	3	108	10.41	8.76	9.50
Nov'38	10.12	25	5	108	10.46	8.85	9.57
Nov'42	10.20	25	9	113	10.51	8.87	9.61
Nov'47	10.17	21	9	110	10.49	8.83	9.58
Jul'53	10.18	21	9	111	10.50	8.86	9.59
TIIE-IRS							
3-month (3x1)	11.17	4	-3	-29	11.55	11.13	11.39
6-month (6x1)	11.07	7	-8	-21	11.55	11.00	11.29
9-month (9x1)	10.97	11	-11	-12	11.55	10.85	11.17
1-year (13x1)	10.81	16	-13	3	11.46	10.62	10.94
2-year (26x1)	10.27	26	-17	57	10.86	9.55	10.10
3-year (39x1)	9.86	25	-20	78	10.48	8.93	9.57
4-year (52x1)	9.63	26	-17	91	10.24	8.52	9.28
5-year (65x1)	9.51	25	-15	95	10.09	8.33	9.12
7-year (91x1)	9.42	24	-12	97	9.98	8.22	9.02
10-year (130x1)	9.42	25	-7	97	9.96	8.16	9.02
20-year (3x1)	9.46	22	-5	96	10.04	8.26	9.07
30-year (390x1)	9.42	25	-8	97	9.98	8.26	9.06
Udibonos							
Dec'25	6.40	-6	-57	42	7.90	5.57	6.41
Dec'26	6.24	11	-46	62	7.08	5.26	6.00
Nov'28	5.42	-5	-37	95	5.96	4.42	5.10
Nov'31	5.20	8	-44	73	5.80	4.43	4.96
Aug'34[3]	5.27	18	-38	40	5.52	4.82	5.10
Nov'35	5.27	16	-18	89	5.60	4.26	4.79
Nov'40	5.24	13	-11	92	5.50	4.26	4.77
Nov'43	5.29	13	-4	96	5.51	4.25	4.79
Nov'46	5.18	5	0	103	5.30	4.15	4.72
Nov'50	5.21	9	4	99	5.32	4.23	4.75
Oct'54[4]	5.20	11	2	19	5.31	4.88	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

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	5.24	-1	+78	4.51	+6	+9	72	-7	37	47
3Y	Mar'27	5.10	+8	+92	4.29	+6	+6	81	+2	39	65
5Y	May'29	5.37	+16	+59	4.17	+6	+16	121	+9	102	108
7Y	Apr'30	5.50	+15	+17	4.18	+6	+22	132	+9	122	145
10Y	May'33	5.89	+18	+33	4.24	+6	+36	165	+13	152	182
20Y	Mar'44	6.46	+19	+9	4.55	+5	+41	191	+14	182	--
30Y	May'54	6.71	+17	+32	4.45	+5	+48	226	+12	218	--

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 12-month Cetes, the 3-year Mbono (Sep'26), the 10-year Udibono (Aug'34), as well as 2-, 5- and 10-year Bondes F

- **Attractive real rates in Mexico despite upcoming cuts from Banxico.** Given the elevated rates, Cetes remain a solid investment option. While we expect Banxico to reduce its benchmark rate by 50bps for the remainder of the year –with the first adjustment of -25bps in August– the expectation of cuts is more subdued compared to other similar EMs (e.g., Colombia). Consequently, Mexico's real rates remain attractive. As such, we anticipate robust demand for Cetes. For the 3-year Mbono (Sep'26), we foresee increased appetite compared to its last issuance (1.9x), as recent pressures have resulted in a more attractive valuation, as seen by adjusting its yield for duration. This node was the most sensitive to this week's sell-off, accumulating losses of up to 32bps and trading back again above 10.65%. Udibonos could be further boosted by the inflation report for the first half of July (Banorte: 0.42% w/w) which will be published on Wednesday. In a greater detail, tenor Dec'26 shows the most interesting valuation, followed by the Nov'35 and Nov'43 nodes. In this context, for the 10-year reference (Aug'34), we expect stable demand with an average of its last two auctions at 1.8x. The breakeven inflation for this term stands at 4.47%, above its 12-month average (4.34%)

Auction specifics (July 23rd, 2024)

| Security	Maturity	Coupon rate, %	To be auctioned[1]	Previous yield[2]
Cetes				
1m	Aug-22-24	--	10,000	10.89
3m	Oct-24-24	--	10,000	11.10
6m	Jan-23-25	--	18,200	11.21
12m	Jul-24-25	--	16,000	11.41
Bondes F				
2Y	Jul-23-26	--	10,700	0.14
5Y	Jul-19-29	--	2,500	0.22
10Y	Mar-23-34	--	800	0.25
Bono M				
3Y	Sep-03-26	7.00	13,500	10.83
Udibono				
10Y	Aug-24-34	4.00	UDIS 900	5.37

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

3Q24 Government Securities Auction Calendar*

| Date	Cetes	Bonos M	Udibonos	Bondes F
2-Jul	1, 3, 6, and 24M	10Y (Nov'34)	10Y (Aug'34)	1 and 3Y
9-Jul	1, 3, 6, and 12M	5Y (Mar'29)	30Y (Oct'54)	2 and 5Y
16-Jul	1, 3, 6, and 24M	30Y (Jul'53)	3Y (Dec'26)	1, 3 and 7Y
23-Jul	1, 3, 6, and 12M	3Y (Sep'26)	10Y (Aug'34)	2, 5 and 10Y
30-Jul	1, 3, 6, and 24M	20Y (Nov'42)	20Y (Nov'43)	1 and 3Y
6-Aug	1, 3, 6, and 12M	10Y (Nov'34)	3Y (Dec'26)	2 and 5Y
13-Aug	1, 3, 6, and 24M	5Y (Mar'29)	10Y (Aug'34)	1, 3 and 7Y
20-Aug	1, 3, 6, and 12M	3Y (Sep'26)	30Y (Oct'54)	2, 5 and 10Y
27-Aug	1, 3, 6, and 24M	20Y (Nov'42)	3Y (Dec'26)	1 and 3Y
3-Sep	1, 3, 6, and 12M	30Y (Jul'53)	10Y (Aug'34)	2 and 5Y
10-Sep	1, 3, 6, and 24M	5Y (Mar'29)	20Y (Nov'43)	1, 3 and 7Y
17-Sep	1, 3, 6, and 12M	3Y (Sep'26)	3Y (Dec'26)	2, 5 and 10Y
24-Sep	1, 3, 6, and 24M	10Y (Nov'34)	30Y (Oct'54)	1 and 3Y

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
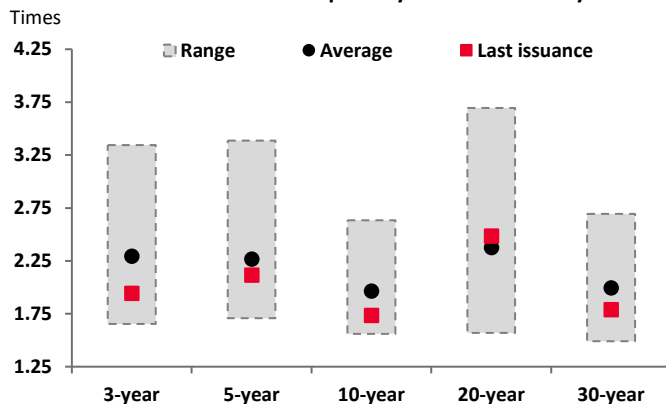
Source: Bloomberg, Banorte

Udibonos' bid-to-cover ratios for primary auction in last 2 years
Times
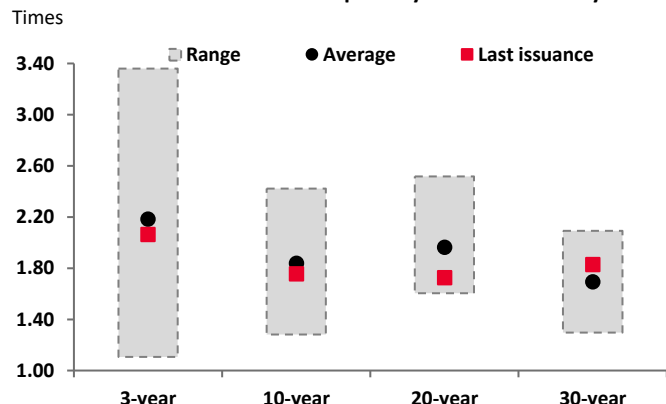
Source: Bloomberg, Banorte

BANORTE

Fixed−Income Demand

Government and IPAB securities holdings by type of investor
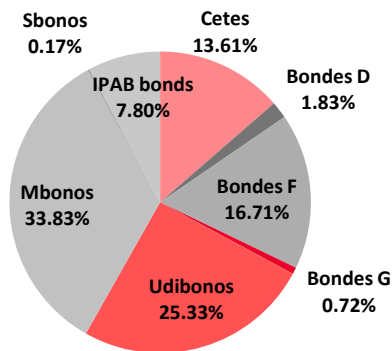US$ billion, *UDIS billion, data as of Jul/9/2024

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	104.09	12.32	13.28	18.17	5.13	12.53	2.91	3.18	-	36.57
Bondes D	13.98	0.00	0.55	6.42	0.08	2.48	0.23	-	-	4.21
Bondes F	127.82	0.19	4.72	68.12	2.12	14.18	1.59	2.54	-	34.37
Bondes G	5.49	0.00	0.43	1.85	0.37	0.19	1.86	-	-	0.79
Udibonos	193.73	9.63	106.59	6.84	34.94	5.24	0.92	0.45	-	29.12
Mbonos	258.77	77.97	60.43	10.61	7.55	40.87	8.35	0.40	0.84	51.77
Sbonos	1.28	0.62	0.34	0.01	0.03	0.03	-	-	-	0.25
Total	705.17	100.73	186.34	112.01	50.21	75.52	15.85	6.57	0.84	157.09
Udibonos*	426.47	21.20	234.63	15.05	76.92	11.54	2.02	1.00	-	64.11
IPAB bonds	59.67	0.01	0.64	19.73	0.35	12.35	5.82	0.77	-	20.01

Source: Banxico, Banorte

Government issuance by type of instrument
Total amount of US$ 765 billion (including IPAB bonds), % of total

Sbonos 0.17%
Cetes 13.61%
IPAB bonds 7.80%
Bondes D 1.83%
Bondes F 16.71%
Mbonos 33.83%
Bondes G 0.72%
Udibonos 25.33%

Source: Banxico, Banorte

Government issuance by type of investor
Total amount of US$ 765 billion (including IPAB bonds), % of total

Foreign investors 13%
Others 27%
Pension funds 24%
Banks 12%
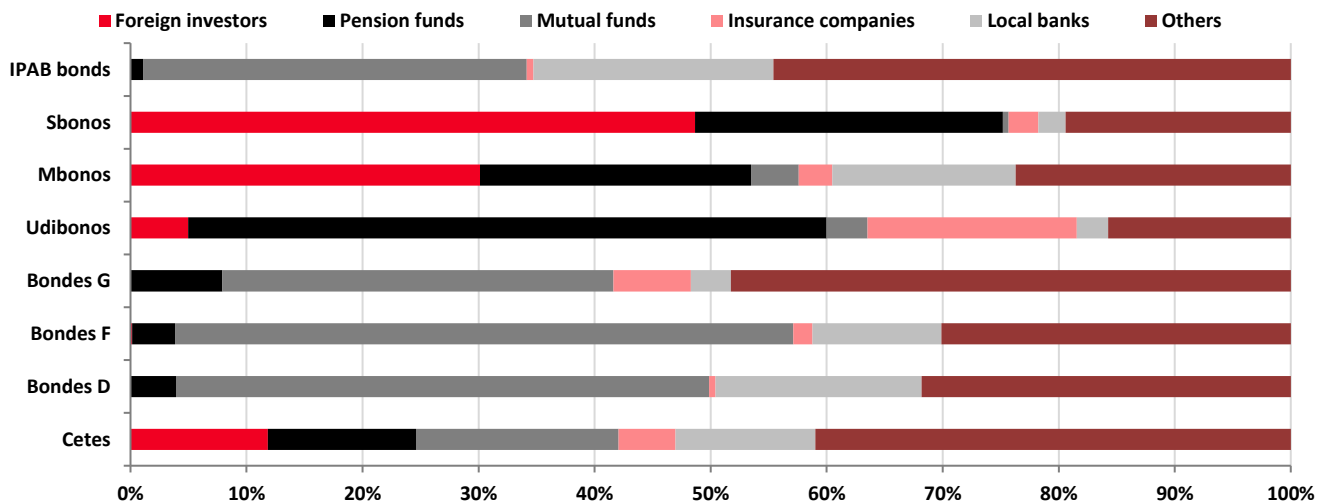Mutual funds 17%
Insurance companies 7%

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
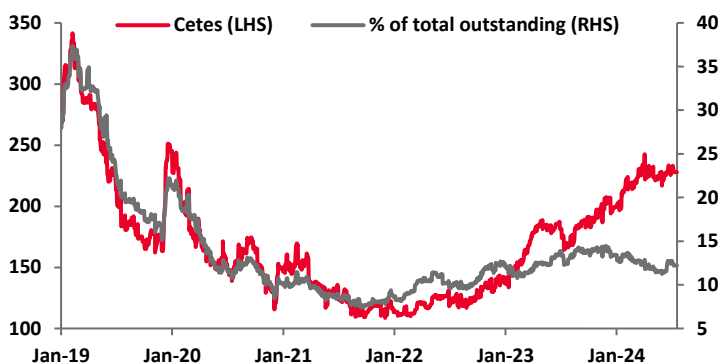Total amount of US$ 765 billion (including IPAB bonds), % of total

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

BANORTE

Fixed–Income Demand (continued)

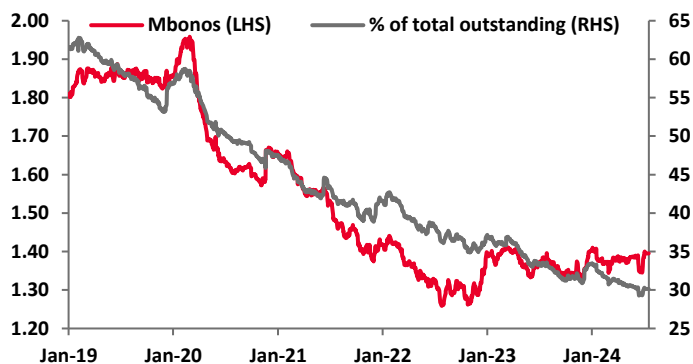## Cetes held by foreigners
MXN billion, %

Source: Banxico, Banorte

Mbonos held by foreigners
MXN trillion, %

Source: Banxico, Banorte

Holdings of main investors by type of security
Data as of Jul/9/2024

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	-3.04	10.57	5.72	6.95	-6.51	54.77
Bondes F	2,225.14	2,863.26	-36.35	-31.19	5.20	11.98
Udibonos	7.27	14.93	1.01	12.05	-13.58	-1.16
Mbonos	1.93	-0.33	-0.12	7.31	20.12	68.94

Source: Banxico, Banorte

Government securities issuance
USD Billions

Fuente: Banxico, Banorte

## Mbonos holdings by type of investor
US$ billions and %, data as Jul/4/2024

Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Sep'24	15.0	31%	5%	18%	45%
Dec'24	11.3	21%	12%	24%	42%
Mar'25	6.3	32%	12%	20%	35%
Mar'26	22.3	38%	28%	10%	23%
Sep'26	14.5	30%	34%	19%	17%
Mar'27	21.3	29%	18%	9%	44%
Jun'27	18.5	26%	32%	22%	20%
Mar'29	12.0	19%	32%	15%	34%
May'29	15.2	6%	46%	22%	25%
May'31	22.2	5%	44%	33%	18%
May'33	17.5	5%	38%	30%	27%
Nov'34	9.5	7%	45%	32%	15%
Nov'36	4.4	2%	22%	49%	27%
Nov'38	11.8	1%	37%	46%	16%
Nov'42	19.7	1%	37%	46%	16%
Nov'47	14.5	0%	32%	48%	19%
Jul'53	15.5	1%	30%	51%	19%
Total	236.1	16%	31%	28%	26%

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

Fixed–Income Demand – Primary dealers

Market makers' short positions on Mbonos
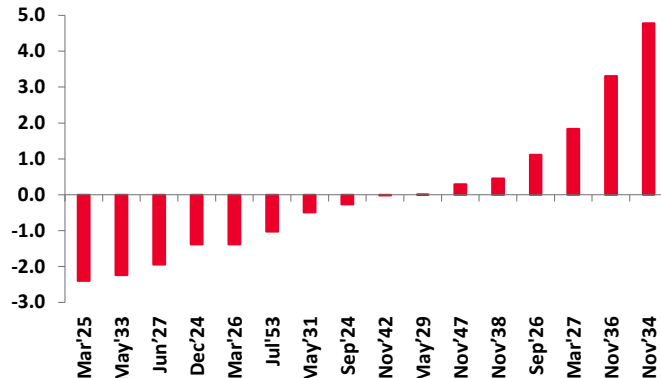MXN billion

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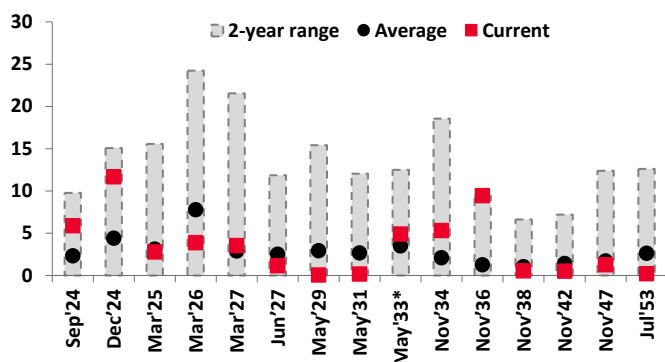
Source: Banxico, Banorte *May'33 issued in December 2022

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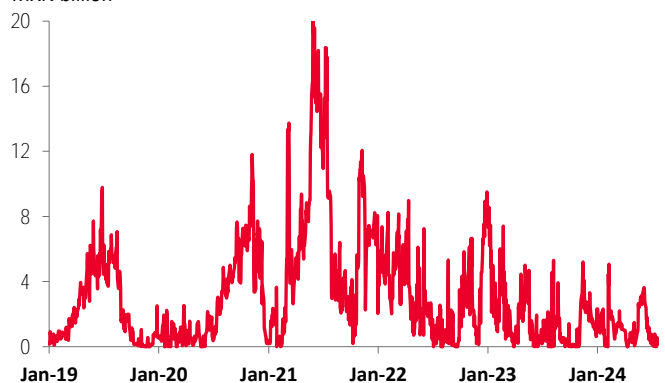MXN billion

Source: Banxico, Banorte

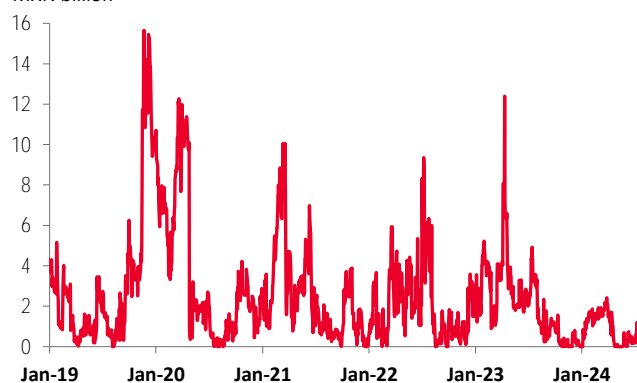**Market makers' short positions on Mbono May'31**
MXN billion

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 Jul/18/2024	Jul/18/2024	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Sep'24	15,076	326	341	446	71	544	88
Dec'24	11,677	649	726	441	86	840	75
Mar'25	7,015	155	288	224	716	409	16
Mar'26	22,415	216	293	289	1,133	634	51
Sep'26	14,623	491	430	435	0	761	180
Mar'27	21,776	196	94	38	295	830	0
Jun'27	18,598	64	172	0	245	319	0
Mar'29	13,251	384	407	426	0	890	35
May'29	16,440	3	3	30	220	355	0
May'31	22,479	8	35	68	24	282	0
May'33	18,008	273	398	332	78	695	0
Nov'34	10,873	295	29	540	23	1,033	0
Nov'36	4,660	525	341	250	8	525	8
Nov'38	11,969	29	4	20	109	174	0
Nov'42	19,949	27	28	3	48	196	0
Nov'47	14,642	70	54	14	183	135	0
Jul'53	16,362	11	68	349	245	376	0
Total	**259,812**	**3,711**	**3,642**	**3,556**	**3,240**		

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	107	108	46	74	152	-7
3 months	39	43	20	29	71	-8
6 months	45	46	4	21	48	-7
12 months	55	53	13	8	56	-40

Source: PiP, Bloomberg, Banorte

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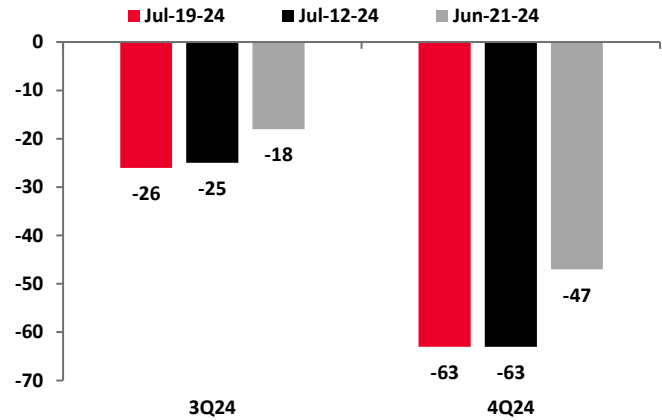Basis points
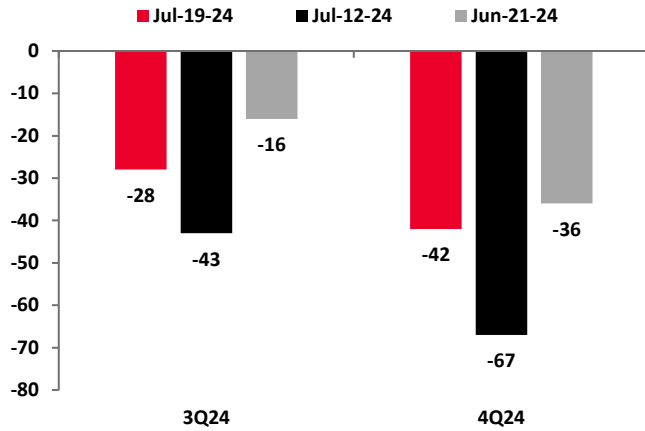
Source: Bloomberg, Banorte

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	621	15	8	70	627	497	553
5 year	596	20	3	74	623	489	531
10 year	573	18	3	68	602	482	520
20 year	565	20	4	76	590	464	501
30 year	573	16	4	69	596	477	514

Source: Bloomberg, Banorte
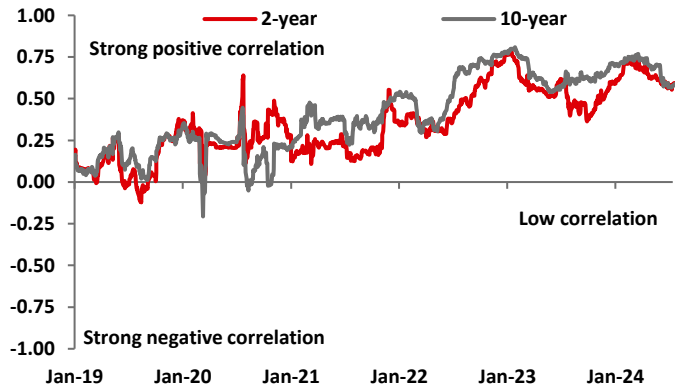
10-year Mbono and 10-year UST spread
Basis points

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	5	6	10	-31	-94	-64
2/10	-75	3	15	7	-40	-135	-78
2/30	-54	0	23	15	-25	-128	-70
5/10	-15	-3	8	-3	10	-59	-13
10/30	21	-3	8	7	24	-11	8
TIIE IRS							
3m/2Y	-90	22	-15	85	-41	-189	-128
2/5	-76	-1	2	38	-71	-133	-99
2/10	-85	-1	10	40	-81	-151	-109
2/30	-85	0	10	40	-73	-145	-105
5/10	-9	0	8	2	-1	-23	-10
10/30	-1	0	0	0	23	-6	4
TIIE IRS – Mbonos							
2 year	-46	4	-4	-40	25	-53	-17
5 year	-62	-2	-8	-11	-5	-100	-52
10 year	-55	1	-8	-7	-7	-66	-49
20 year	-74	-3	-15	-17	-10	-74	-53
30 year	-77	5	-17	-14	-14	-83	-53
TIIE IRS – SOFR							
2 year	594	21	6	30	624	488	547
5 year	563	18	-2	60	602	445	504
10 year	562	19	-2	63	602	457	505
20 year	564	17	-5	62	609	474	514
30 year	576	21	-10	63	625	490	531

Source: Bloomberg, Banorte

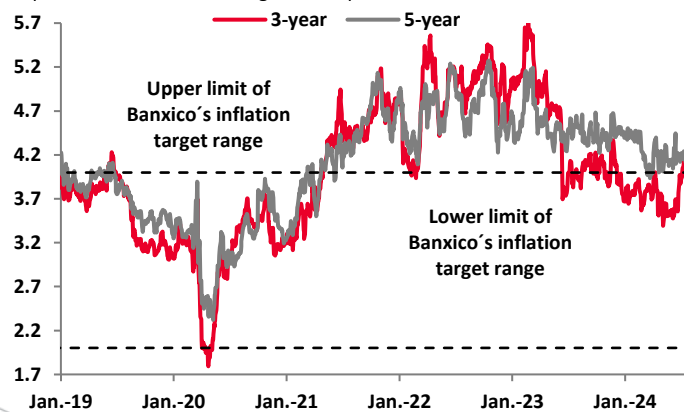**Breakeven inflation using Mbonos & Udibonos**
%, Implicit market inflation using Fisher Equation

Date	Breakevens (%)	Weekly change (bps)	Δ last 4 weeks (bps)	YTD (bps)	12m Max (%)	12m Min (%)	12m Average (%)
3Y	4.17	19	40	21	4.37	3.39	3.87
5Y	4.46	30	29	-5	4.68	3.94	4.33
10Y	4.47	5	39	31	4.67	4.04	4.34
20Y	4.66	11	13	42	5.08	4.24	4.60
30Y	4.74	10	7	51	5.01	4.23	4.63

Source: Bloomberg, Banorte

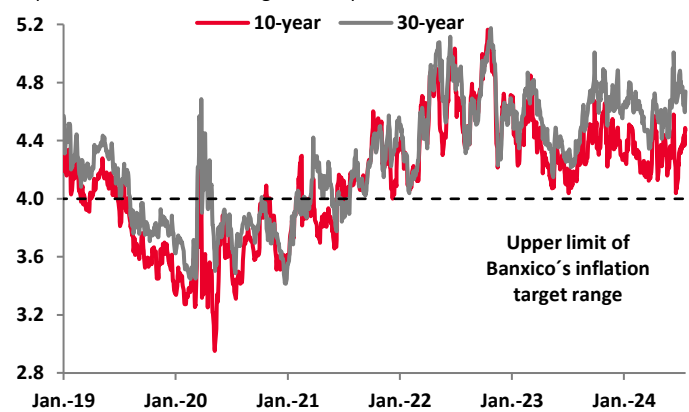**3- and 5-year breakeven inflation using Mbonos & Udibonos**
Implicit market inflation using Fisher Equation

Source: PiP, Banorte

10- and 30-year breakeven inflation using Mbonos & Udibonos
Implicit market inflation using Fisher Equation

Source: PiP, Banorte

FX dynamics
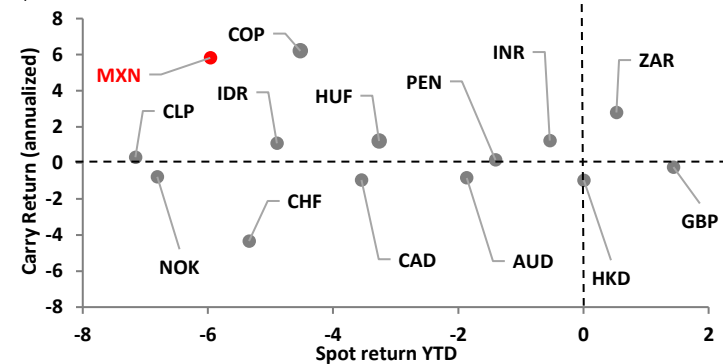
Foreign Exchange market levels and historical return

		Close at Jul/19/24	Daily Change (%)[1]	Weekly change (%)[1]	Monthly change (%)[1]	YTD (%)[1]
Emerging Markets						
Brazil	USD/BRL	5.60	-1.0	-3.0	-2.9	-13.2
Chile	USD/CLP	946.78	-0.4	-4.4	-1.5	-7.2
Colombia	USD/COP	4,037.56	0.2	-2.9	3.1	-4.5
Peru	USD/PEN	3.76	-0.4	-0.8	1.6	-1.4
Hungary	USD/HUF	358.94	-0.1	0.1	2.6	-3.3
Malaysia	USD/MYR	4.69	-0.3	-0.3	0.4	-2.0
Mexico	**USD/MXN**	**18.05**	**-0.5**	**-2.4**	**2.1**	**-6.0**
Poland	USD/PLN	3.94	0.0	-1.0	2.2	-0.1
Russia	USD/RUB	87.90	0.6	0.0	-5.0	1.8
South Africa	USD/ZAR	18.27	0.0	-1.7	-1.7	0.5
Developed Markets						
Canada	USD/CAD	1.37	-0.2	-0.7	-0.2	-3.5
Great Britain	GBP/USD	1.29	-0.2	-0.6	1.5	1.4
Japan	USD/JPY	157.48	-0.1	0.2	0.4	-10.4
Eurozone	EUR/USD	1.0882	-0.1	-0.2	1.3	-1.4
Norway	USD/NOK	10.92	-1.0	-2.0	-3.2	-6.8
Denmark	USD/DKK	6.86	-0.1	-0.2	1.2	-1.5
Switzerland	USD/CHF	0.89	-0.1	0.6	-0.5	-5.3
New Zealand	NZD/USD	0.60	-0.6	-1.8	-2.0	-4.9
Sweden	USD/SEK	10.68	-0.8	-1.6	-2.2	-5.7
Australia	AUD/USD	0.67	-0.3	-1.5	0.2	-1.9

Source: Bloomberg, Banorte

1. Positive (negative) changes mean appreciation (depreciation) of the corresponding currency against the USD.
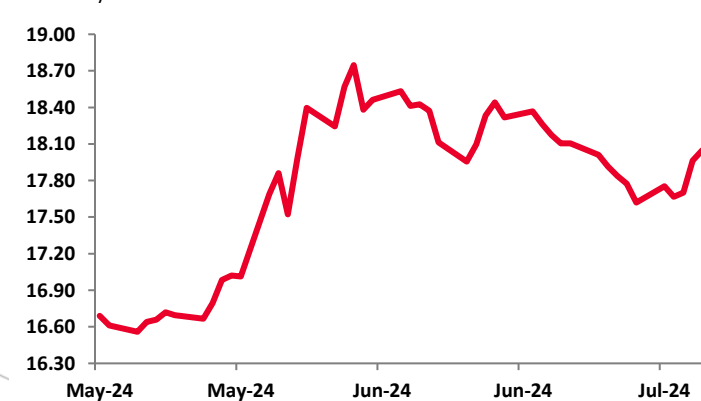
FX performance
Against USD, %

Source: Bloomberg, Banorte

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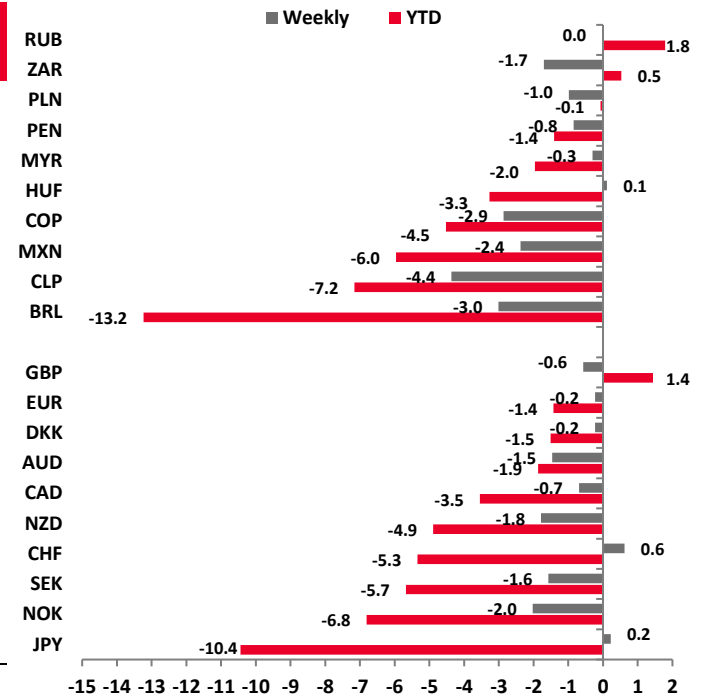
Source: Bloomberg, Banorte
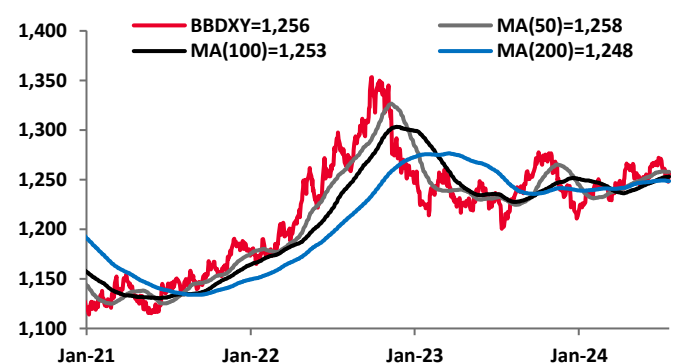
BBDXY
Points

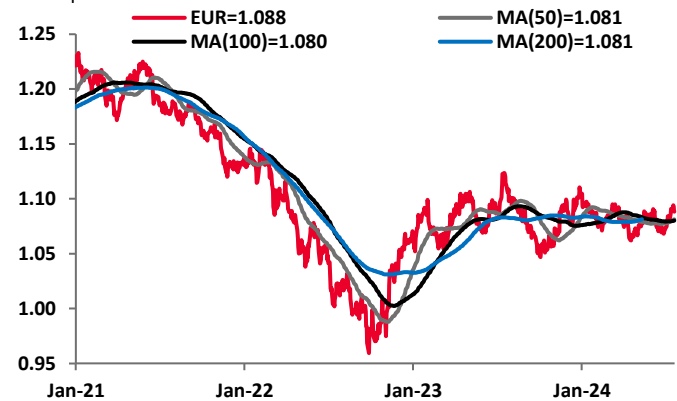Source: Bloomberg, Banorte

USD/MXN
Last 60 days

Source: Bloomberg, Banorte
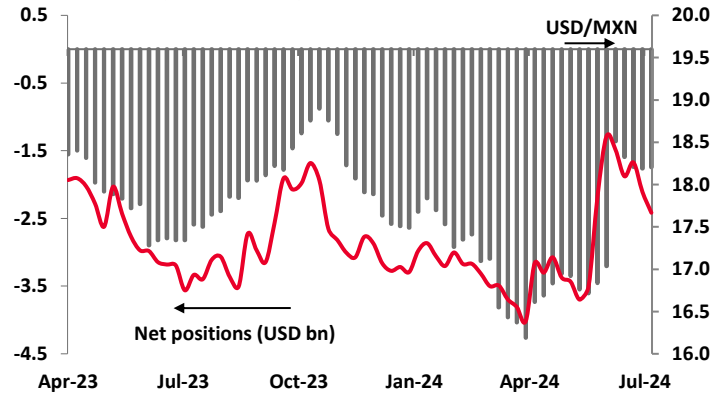
Euro
Dollar per euro

Source: Bloomberg, Banorte

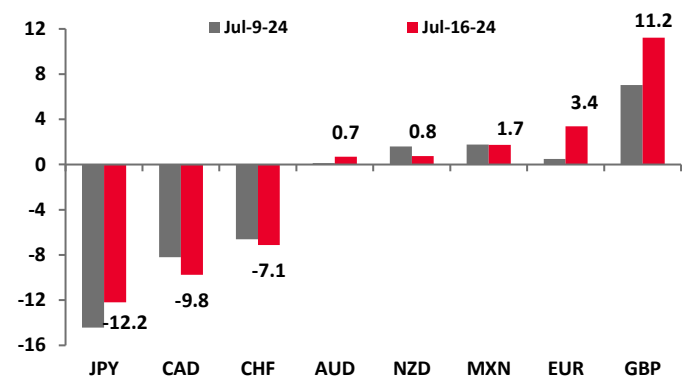# FX positioning and flows

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

Source: CME, Banorte

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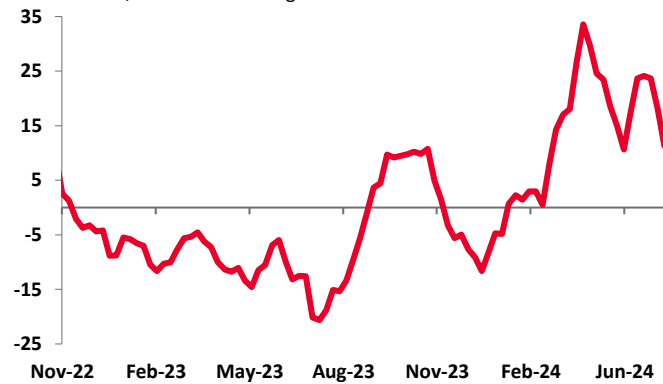
*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF
Source: CME, Banorte

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

Source: EPFR Global, Banorte

IMM positioning by currency*
Billion dollars

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

Net foreign portfolio flows by region (Only ETF's investments)
Billion dollars
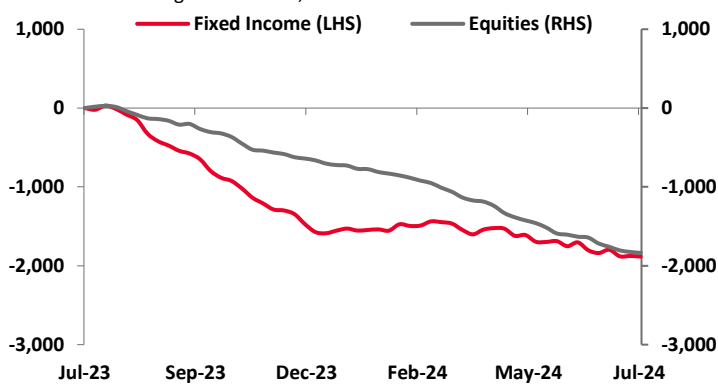
Source: EPFR Global, Banorte

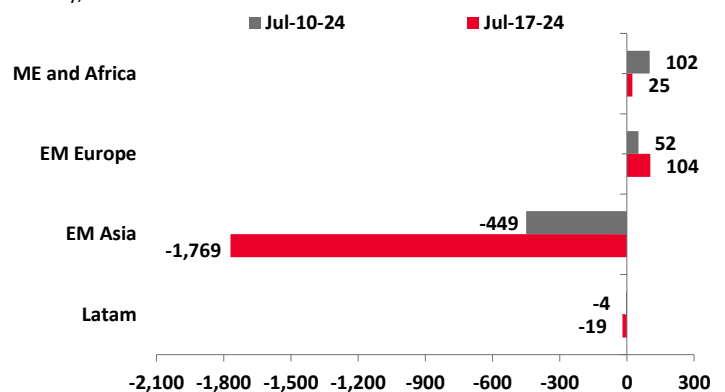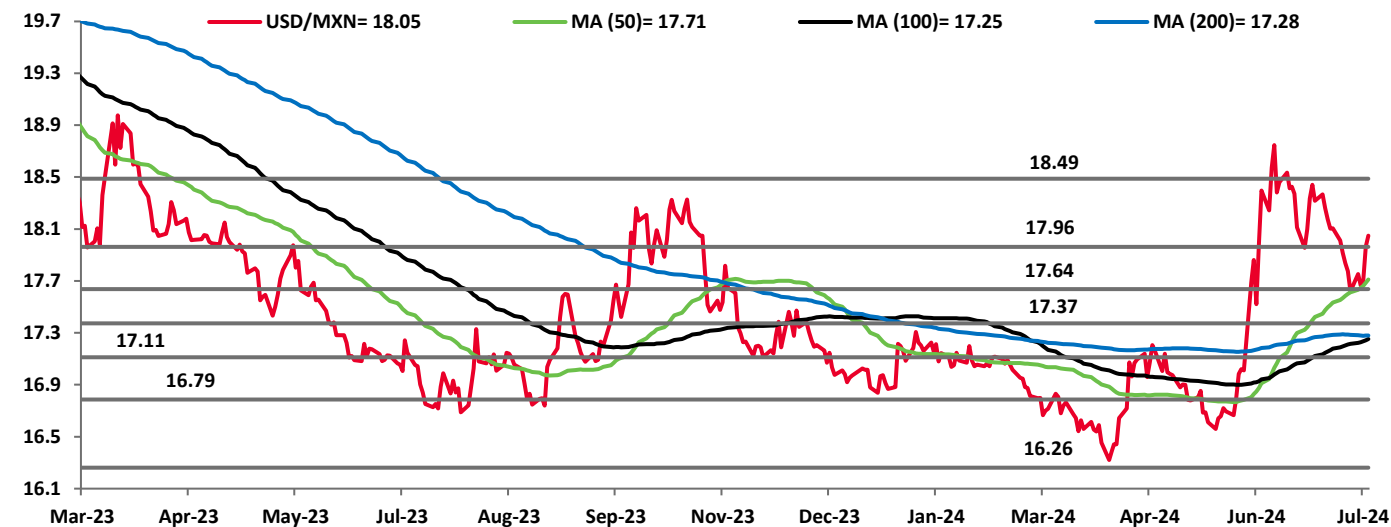## Net foreign portfolio flows by region (excluding ETF's investments)
Weekly, million dollars

Source: EPFR Global, Banorte

FX technicals

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

Legend: USD/MXN= 18.05 | MA (50)= 17.71 | MA (100)= 17.25 | MA (200)= 17.28

Fibonacci levels shown: 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	1	9	-14	69	41
CAD	31	30	20	59	42
JPY	11	-5	-42	62	21
BRL	50	35	-4	73	46
CLP	33	24	-12	53	26
ZAR	14	1	-28	77	36
VIX	17	-3	-12	54	29
SPX	6	11	-12	57	30
GSCI	-4	17	-21	33	1
Gold	1	8	1	58	31

* 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
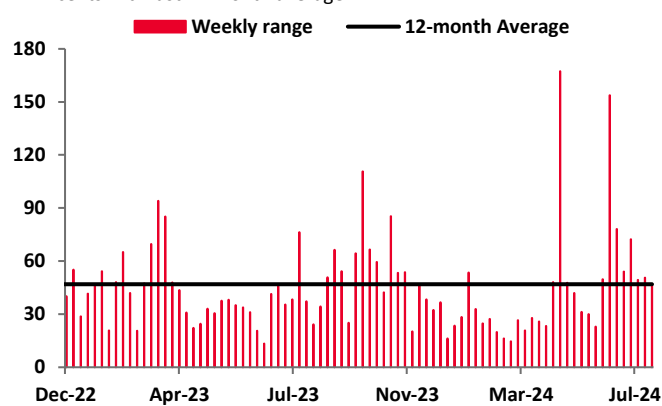
Source: Bloomberg, Banorte

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

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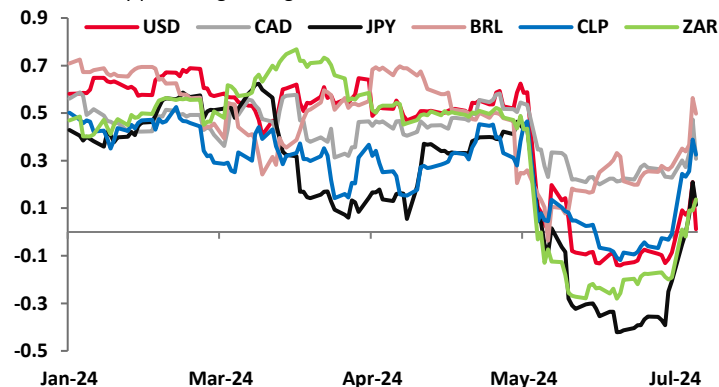
* Positive: appreciation of MXN and corresponding currency
Source: Bloomberg, Banorte

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

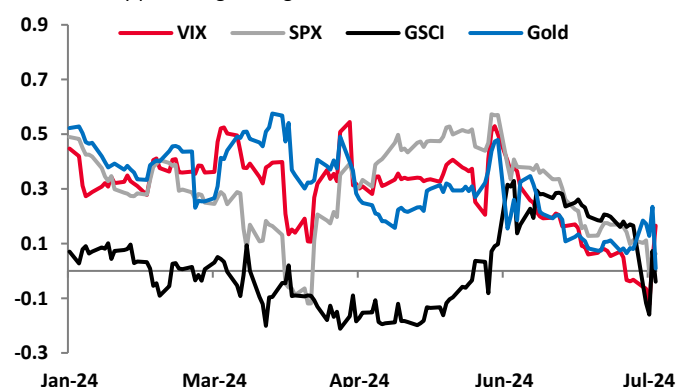Legend: VIX | SPX | GSCI | Gold

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

BANORTE

FX technicals (continued)

USD/MXN – ATM options volatility curve

%

Legend: Today, 1 week, 2 weeks, 3 weeks, 4 weeks

X-axis: 1M, 2M, 3M, 6M, 9M, 12M
Y-axis: 11, 13, 15

Source: Bloomberg, Banorte
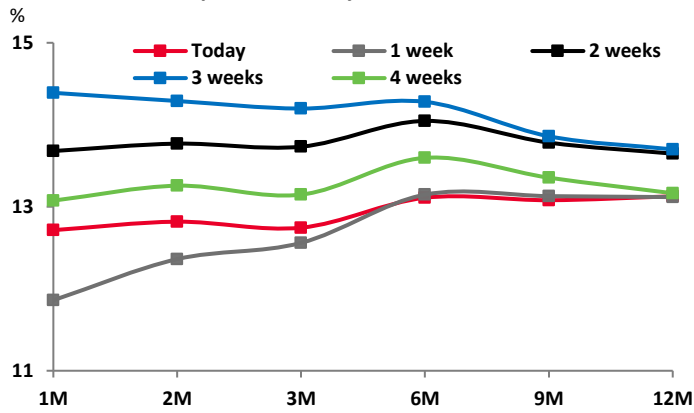
USD/MXN – Implied volatility

%

Legend: 1 month, 3 months, 6 months, 12 months

X-axis: Jul-23, Sep-23, Dec-23, Feb-24, May-24, Jul-24
Y-axis: 7, 9, 11, 13, 15, 17, 19, 21

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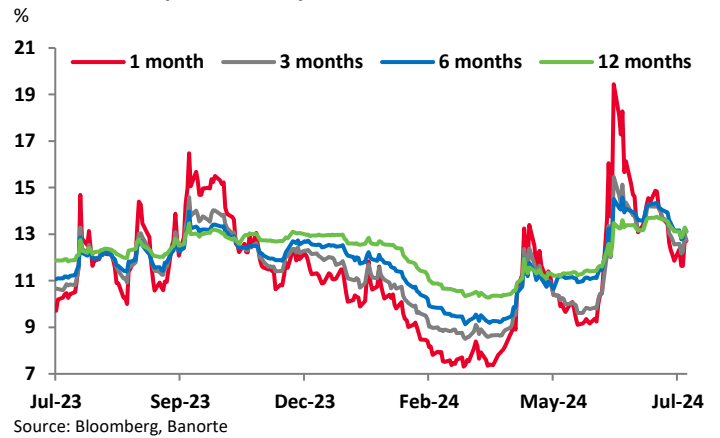
USD/MXN – Spread between implicit and historical volatility

Bps

Legend: 1M, 3M

X-axis: Jul-23, Sep-23, Dec-23, Feb-24, May-24, Jul-24
Y-axis: -800, -600, -400, -200, 0, 200, 400, 600

Source: Bloomberg, Banorte
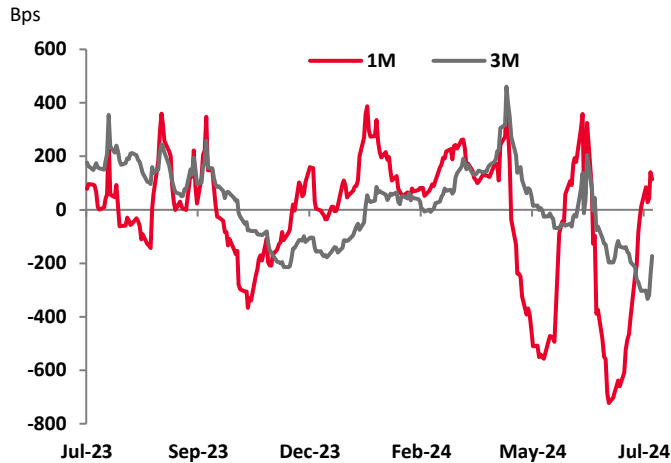
Emerging markets 1-month ATM options volatility

Against USD, in σ relative to last year's average

Currency	Value
BRL	1.05
MXN	0.56
TRY	0.02
COP	-0.43
MYR	-0.59
CLP	-0.73
RUB	-0.91
ZAR	-1.12
PLN	-1.15
HUF	-1.18
KRW	-1.46

Cheap / Expensive

X-axis: -3, -2, -1, 0, 1, 2, 3

Source: Bloomberg, Banorte
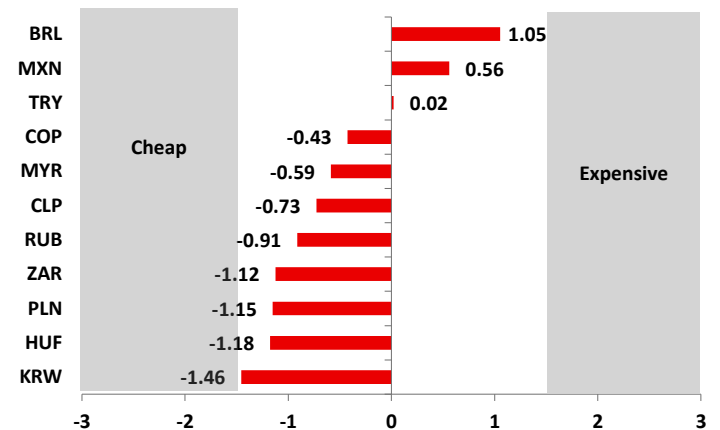
USD/MXN – 25D risk reversals

Last 12 months, difference between USD calls and puts, in vols

Legend: 1 month, 3 months

X-axis: Jul-23, Sep-23, Dec-23, Feb-24, Apr-24, Jul-24
Y-axis: 1.00, 2.00, 3.00, 4.00, 5.00, 6.00

Source: Bloomberg, Banorte
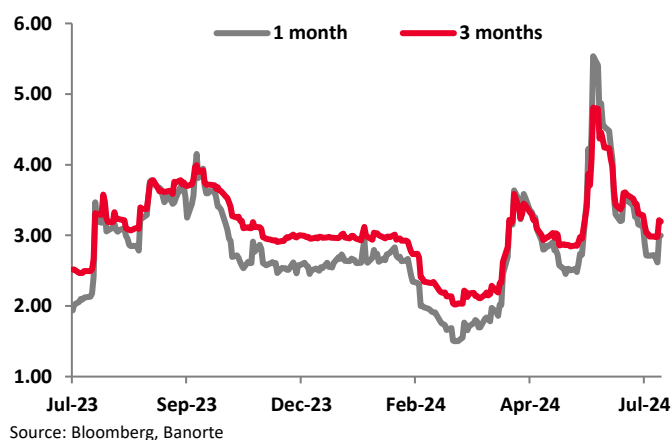
USD/MXN – 1-month 25D volatility-adjusted risk reversal

Last 12 months, ratio adjusted against 1-month implied volatility

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

USDMXN call > USDMXN put

X-axis: Jul-23, Sep-23, Dec-23, Feb-24, Apr-24, Jul-24
Y-axis: 0.18, 0.20, 0.22, 0.24, 0.26, 0.28, 0.30, 0.32, 0.34

Source: Bloomberg, Banorte
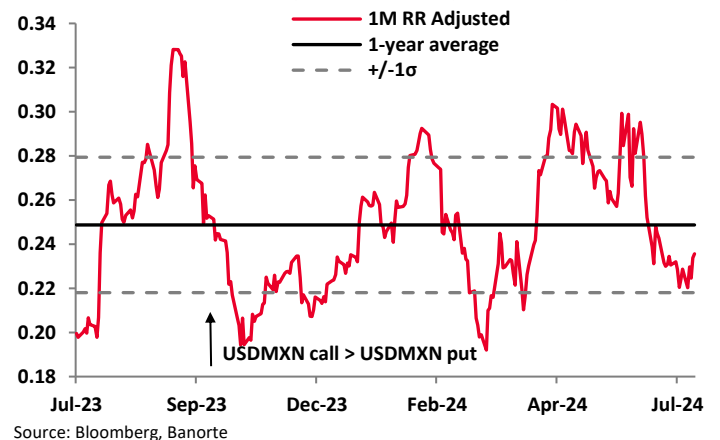
BANORTE

Weekly economic calendar

For the week ending July 26th, 2024

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 22	08:00	MX	Economic activity indicator (IGAE)	May	% y/y	1.8	1.3	5.4
	08:00	MX	Economic activity indicator (IGAE)*	May	% m/m	0.8	0.5	-0.6
	08:00	MX	Retail sales	May	% y/y	2.8	1.8	3.2
	08:00	MX	Retail sales*	May	% m/m	0.9	0.9	0.5
	16:30	MX	Citi Survey of Economists					
Tue 23	07:00	TUR	Monetary policy decision (Central Bank of Turkey)	Jul 25	%	--	50.0	50.0
	10:00	EZ	Consumer Confidence*	Jul (P)	index	--	-13.5	-14.0
	10:00	US	Existing home sales**	Jun	millions	--	4.0	4.1
	11:00	MX	International reserves	Jul 19	US$bn	--	--	221.2
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 3-year Mbono (Sep'26), 10-year Udibono (Aug'34) and 2-, 5-, and 10-year Bondes F					
Wed 24	03:30	GER	Manufacturing PMI*	Jul (P)	index	--	44.0	43.5
	03:30	GER	Services PMI*	Jul (P)	index	--	53.3	53.1
	03:30	GER	Composite PMI*	Jul (P)	index	--	50.6	50.4
	04:00	EZ	Manufacturing PMI*	Jul (P)	index	--	46.1	45.8
	04:00	EZ	Services PMI*	Jul (P)	index	--	53.0	52.8
	04:00	EZ	Composite PMI*	Jul (P)	index	--	50.9	50.9
	04:30	UK	Manufacturing PMI*	Jul (P)	index	--	51.1	50.9
	04:30	UK	Services PMI*	Jul (P)	index	--	52.5	52.1
	08:00	MX	Consumer prices	Jul 15	% 2w/2w	0.42	0.48	0.53
	08:00	MX	Core	Jul 15	% 2w/2w	0.15	0.18	0.13
	08:00	MX	Consumer prices	Jul 15	% y/y	5.31	5.27	5.17
	08:00	MX	Core	Jul 15	% y/y	3.99	4.03	4.08
	08:30	US	Trade balance*	Jun	US$bn	--	-98.0	-99.4
	09:45	US	Manufacturing PMI*	Jul (P)	index	51.5	51.6	51.6
	09:45	US	Services PMI*	Jul (P)	index	--	54.5	55.3
	09:45	US	Composite PMI*	Jul (P)	index	--	--	54.8
	10:00	US	New home sales**	Jun	millions	--	645	619
	16:05	US	Fed's Bowman, Logan Give Opening Remarks in Dallas					
Thu 25	04:00	GER	IFO Survey (business climate)*	Jul	index	--	89.0	88.6
	04:00	EZ	Monetary aggregates (M3)*	Jun	% y/y	--	1.9	1.6
	08:00	BZ	Consumer prices	Jul	% m/m	--	0.2	0.4
	08:00	BZ	Consumer prices	Jul	% y/y	--	4.4	4.1
	08:30	US	Gross domestic product**	2Q24	% q/q	2.2	1.9	1.4
	08:30	US	Personal consumption**	2Q24	% q/q	1.7	1.8	1.5
	08:30	US	Initial jobless claims*	Jul 20	thousands	--	239	243
	08:30	US	Durable goods orders*	Jun (P)	% m/m	--	0.5	0.1
	08:30	US	Ex transportation*	Jun (P)	% m/m	--	0.2	-0.1
Fri 26	08:00	MX	Trade balance	Jun	US$mn	449.6	849.8	1,991.2
	08:30	US	Personal income*	Jun	% m/m	--	0.4	0.5
	08:30	US	Personal spending*	Jun	% m/m	--	0.3	0.2
	08:30	US	Real personal spending*	Jun	% m/m	--	0.2	0.3
	08:30	US	PCE Deflator*	Jun	% m/m	0.1	0.1	0.0
	08:30	US	Core*	Jun	% m/m	0.2	0.2	0.1
	08:30	US	PCE Deflator	Jun	% y/y	2.5	2.4	2.6
	08:30	US	Core	Jun	% y/y	2.6	2.5	2.6
	08:30	US	U. of Michigan confidence*	Jul (F)	index	67.0	66.5	66.0

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

Recent trade ideas			
Trade idea	P/L	Initial date	End date
2y10y TIIE-IRS steepener		Jul-11-24	
Tactical longs in Udibono Nov'35		Jul-5-24	
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

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, 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.

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.

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

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