

Fixed-Income & FX Strategy

W e e k l y

Fixed-Income and FX Weekly

- **The Fed and Banxico to cut rates by 25bps in their final decisions of the year.** This week's inflation figures in the US sent mixed signals that could suggest some moderation in the disinflation process. However, the balance on this front, coupled with signs of cooling in the labor market, supports our expectation of gradual rate cuts. The Fed's decision will also include its SEP update, where we anticipate the dot plot to still reflect -100bps in cuts for 2025, although risk tilts towards fewer reductions in 2026 and beyond. Similarly, we expect Banxico to lower its benchmark rate by 25bps, leaning for steeper cuts next year. The week ended with a sharp bear steepening in Treasuries. The front end sold-off by 12bps, while the long-end adjusted of up to +27bps. In Mexico, short-term Mbonos advanced 4bps, while longer securities lost 16bps. USD/MXN appreciated 0.3% w/w to 20.13
- **Short and intermediate sectors of the local nominal curve remain attractive, although asymmetric risks persist for price action.** We have maintained a cautious stance on initiating directional positions, as policy shifts under the new US administration could lead to adjustments in Mexico's risk premium. This would negatively offset the tailwinds from Banxico's dovish tone and the recent positive news on inflation. Moreover, we believe there is still room for term premia in Treasuries to widen further, driven by increased fiscal pressures, which could spill over to Mexican assets. Regarding Banxico, the market is pricing in -41bps for next Thursday's decision, compared to our forecast of just -25bps. This suggests potential upward corrections at the front-end of the curve, though could prove temporary as expectations for next year still have room reprice further cuts. The curve currently reflects cumulative implied cuts of -145bps for 2025, against our expectation of -200bps in total. Furthermore, we see possible for Banxico to accelerate its pace to cuts of -50bps next year, in line with recent comments from some of its board members. In this context, we find the 2-4 year segment of TIEs attractive. For Mbonos, a reduction in issuance volumes next year is likely, consistent with fiscal consolidation efforts, adding another supportive element to local curves. These securities show tight spreads vs Treasuries in short mid-term tenors, while from 10-year maturities onwards average +44bps relative to their 12-month average
- **Dollar consolidation expected in the coming months.** We anticipate that US policies on tariffs, trade, and immigration will continue to provide structural support for the USD. However, we acknowledge the market may have already priced in much of the short-term impact of Trump's presidency, limiting the effect of these factors for the time being and resulting in a consolidation trend over the next few weeks. We expect the geopolitical backdrop to further weaken the EUR and incorporate higher risk premia for USD/MXN. For the latter, we estimate a year-end level of 19.90 in 2024 and 20.90 in 2025. Looking ahead, we also expect less support via carry. Currently, the implied terminal spread between Banxico and the Fed for 2026 stands close to recent lows of 466bps (down from 511bps a month ago). This could compress further if Banxico accelerates its cuts, and the Fed moderates its easing next year
- **Weekly ranges.** We expect the 10-year Mbono (Nov'34) to trade between 9.90% and 10.15%, and MXN between 19.85 and 20.30 per dollar



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Winners of the award as the best economic forecasters in Mexico by LSEG in 2023



This is the last edition of the year. We will resume this publication on January 17th, 2025.

We wish you a Happy Holidays and all the best next year.

Document for distribution among the general public



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	10.27	7	-25	-118	11.45	10.15	10.93
28-days ¹	10.35	-8	-22	-96	11.33	10.35	11.01
91-days ¹	10.45	-8	-22	-97	11.45	10.45	11.11
182-days ¹	10.58	-8	-23	-100	11.61	10.58	11.27
Cetes²							
28-days	10.02	10	-31	-122	11.38	9.88	10.83
91-days	9.80	-26	-48	-144	11.37	9.84	10.94
182-days	9.85	-8	-45	-147	11.38	9.84	10.97
364-days	9.85	-6	-46	-129	11.44	9.81	10.86
Mbonos							
Mar'25	9.99	-9	-41	10	11.15	9.80	10.38
Mar'26	9.50	-1	-44	-26	11.03	9.44	10.17
Sep'26	9.51	4	-41	1	11.03	9.32	10.03
Mar'27	9.49	-4	-26	11	10.74	9.01	9.75
Jun'27	9.58	-6	-15	32	10.68	9.00	9.72
Mar'28 ⁵	9.66	-2	-2	-2	9.68	9.50	9.60
Mar'29	9.77	-6	-4	70	10.55	9.01	9.63
May'29	9.79	-2	2	85	10.47	8.90	9.57
May'31	9.79	-6	2	85	10.42	8.94	9.56
May'33	10.05	5	14	111	10.40	8.94	9.59
Nov'34	10.10	5	15	115	10.41	8.95	9.60
Nov'36	10.19	14	23	127	10.41	8.92	9.60
Nov'38	10.29	16	25	125	10.46	9.04	9.69
Nov'42	10.53	18	27	146	10.51	9.06	9.79
Nov'47	10.55	18	29	147	10.50	9.04	9.78
Jul'53	10.54	16	28	147	10.51	9.04	9.79
TIIE-IRS							
3-month (3x1)	10.10	-5	-34	-136	11.50	10.09	11.06
6-month (6x1)	9.87	-2	-35	-140	11.36	9.81	10.90
9-month (9x1)	9.63	-7	-46	-146	11.26	9.62	10.73
1-year (13x1)	9.41	-6	-50	-138	11.20	9.37	10.49
2-year (26x1)	9.08	-3	-45	-62	10.86	8.88	9.81
3-year (39x1)	8.95	0	-40	-13	10.48	8.62	9.41
4-year (52x1)	9.01	4	-30	28	10.24	8.49	9.20
5-year (65x1)	8.95	0	-33	39	10.09	8.43	9.09
7-year (91x1)	9.04	3	-25	59	9.98	8.37	9.03
10-year (130x1)	9.13	1	-22	67	9.96	8.40	9.05
20-year (3x1)	9.25	5	-18	75	10.04	8.45	9.11
30-year (390x1)	9.16	4	-22	71	9.98	8.44	9.07
Udibonos							
Dec'25	6.28	15	21	30	7.90	5.90	6.53
Dec'26	6.13	4	2	51	7.08	5.42	6.08
Nov'28	5.50	15	40	103	5.96	4.42	5.14
Nov'31	5.46	15	35	99	5.80	4.44	5.03
Aug'34 ³	5.66	4	28	80	5.76	4.70	5.15
Nov'35	5.61	10	33	124	5.60	4.31	4.98
Nov'40	5.72	16	33	141	5.69	4.26	4.98
Nov'43	5.73	14	39	140	5.66	4.25	5.00
Nov'46	5.70	21	39	155	5.67	4.15	4.92
Nov'50	5.71	20	41	149	5.64	4.23	4.93
Oct'54 ⁴	5.71	21	45	70	5.65	4.79	5.12

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

5: Mbono Mar'28 issued on December 4th, 2024

Fixed-Income Dynamics (continued)

USD UMS and US Treasuries performance

USG OMS 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	4.83	+10	+37	4.24	+14	-19	59	-4	57	55
3Y	Mar'27	4.98	+18	+19	4.22	+16	-1	77	+3	70	75
5Y	May'29	5.61	+24	+82	4.25	+21	+24	136	+3	115	120
7Y	Apr'30	5.77	+28	+44	4.32	+24	+36	145	+4	126	157
10Y	May'33	6.14	+27	+58	4.40	+24	+52	175	+3	157	197
20Y	Mar'44	6.74	+29	+36	4.69	+27	+54	205	+2	186	--
30Y	May'54	6.96	+27	+57	4.61	+27	+65	235	-1	220	--

Source: Bloomberg, Banorte

5Y USD UMS



Source: Bloomberg, Banorte

10Y USD UMS



Source: Bloomberg, Banorte

5Y UMS-UST Spread



Source: Bloomberg, Banorte

10Y UMS-UST Spread



Source: Bloomberg, Banorte

Fixed-Income Supply

- Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 24-month Cetes, the 3-year Mbono (Mar'28), the 30-year Udibono (Oct'54), as well as 1- and 3-year Bondes F
- Focus on the last meetings of the year from the Fed and Banxico.** The market is pricing in a 25bps rate cut in the US, while debating between an adjustment of -25bps and -50bps for Mexico, assigning for the latter scenario a probability of 82% from 100% the previous week. In our view, both central banks will cut rates by 25bps, ending the year at 4.25%-4.50% and 10.00%, respectively. Although most Cetes are trading slightly below 10.00%, real rate levels remain attractive, so we expect healthy demand. The [new 3-year benchmark](#) in the nominal yield curve, Mbono Mar'28, will be offered, whose syndicated auction issued a rate of 9.68% for an amount of MXN 13 billion. It is worth noting that holdings of shorter-term Mbonos are concentrated among residents in the country, with around 75% of the total outstanding. For this tenor, we anticipate lower demand vis-à-vis the last issuance of the previous benchmark (Sep'26) at 3.53x, the highest in two years, as it reflects a relatively fair valuation. For the longer-term Udibono, we anticipate moderate demand given its expensive valuation relative to shorter-term securities, with a breakeven of around 4.50%

Auction specifics (December 17th, 2024)

Security	Maturity	Coupon rate, %	To be auctioned ¹	Previous yield ²
Cetes				
1m	Jan-16-25	--	5,500	9.95
3m	Mar-20-25	--	5,500	9.80
6m	Jun-12-25	--	9,000	9.85
24m	Nov-26-26	--	10,00	10.08
Bondes F				
1Y	Dec-18-25	--	5,500	0.09
3Y	Dec-02-27	--	2,200	0.20
Bono M				
3Y	Mar-02-28	8.50	15,500	9.68
Udibono				
30Y	Oct-29-54	4.00	UDIS 1,150	5.48

Source: Banxico, Banorte

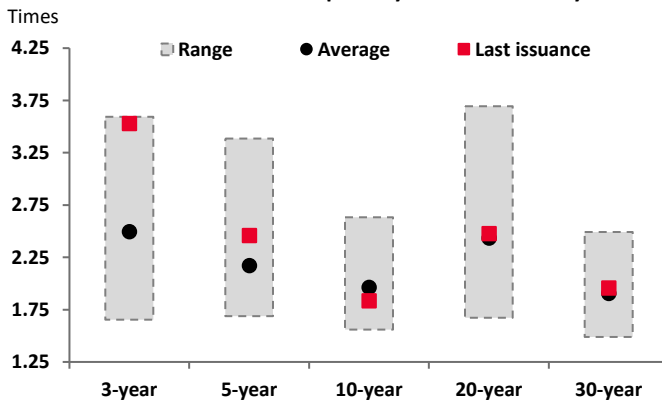
1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.
2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

4Q24 Government Securities Auction Calendar*

Date	Cetes	Bonos M	Udibonos	Bondes F
30-Sep	1, 3, 6, and 12M	20Y (Nov'42)	3Y (Dec'26)	2 and 5Y
8-Oct	1, 3, 6, and 24M	3Y (Sep'26)	20Y (Nov'43)	1, 3 and 7Y
15-Oct	1, 3, 6, and 12M	5Y (Mar'29)	30Y (Oct'54)	2, 5 and 10Y
22-Oct	1, 3, 6, and 24M	30Y (Jul'53)	10Y (Aug'34)	1 and 3Y
29-Oct	1, 3, 6, and 12M	10Y (Nov'34)	3Y (Dec'26)	2 and 5Y
5-Nov	1, 3, 6, and 24M	3Y (Sep'26)	20Y (Nov'43)	1, 3 and 7Y
12-Nov	1, 3, 6, and 12M	5Y (Mar'29)	10Y (Aug'34)	2, 5 and 10Y
19-Nov	1, 3, 6, and 24M	20Y (Nov'42)	3Y (Dec'26)	1 and 3Y
26-Nov	1, 3, 6, and 12M	10Y (Nov'34)	30Y (Oct'54)	2 and 5Y
3-Dec	1, 3, 6, and 24M	30Y (Jul'53)	20Y (Nov'43)	1, 3 and 7Y
9-Dec	1, 3, 6, and 12M	5Y (Mar'29)	10Y (Aug'34)	2, 5 and 10Y
17-Dec	1, 3, 6, and 24M	3Y (Mar'28)	30Y (Oct'54)	1 and 3Y
23-Dec	1, 3, 6, and 12M	10Y (Nov'34)	3Y (Dec'26)	2 and 5Y

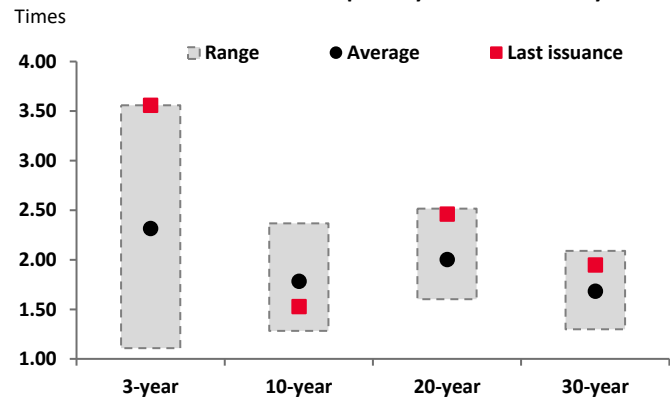
Source: SHCP *Ministry of Finance *In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance

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



Source: Bloomberg, Banorte

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



Source: Bloomberg, Banorte

Fixed-Income Demand

Government and IPAB securities holdings by type of investor

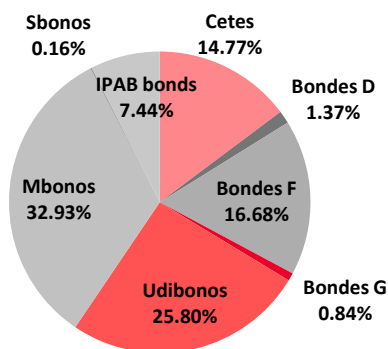
US\$ billion, *UDIS billion, data as of Dec/2/2024

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	104.72	11.40	18.78	18.35	5.00	9.52	4.57	4.46	-	32.64
Bondes D	9.72	0.00	0.59	4.92	0.02	1.40	0.01	-	-	2.76
Bondes F	118.27	0.02	4.62	65.77	2.07	10.22	8.34	0.41	-	26.82
Bondes G	5.95	0.00	0.16	2.17	0.35	0.43	1.64	-	-	1.21
Udibonos	182.92	7.68	101.93	6.78	32.12	3.22	2.13	0.01	-	29.04
Mbonos	233.49	67.29	56.88	7.00	9.06	28.86	15.06	1.15	0.73	47.45
Sbonos	1.13	0.54	0.31	0.01	0.03	0.02	-	-	-	0.22
Total	656.19	86.94	183.27	105.00	48.66	53.67	31.75	6.03	0.73	140.14
Udibonos*	448.36	18.83	249.86	16.62	78.74	7.88	5.23	0.03	-	71.17
IPAB bonds	52.77	0.00	0.33	17.47	0.40	6.82	10.22	0.85	-	16.69

Source: Banxico, Banorte

Government issuance by type of instrument

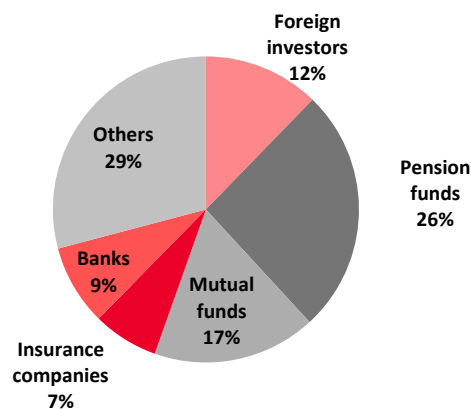
Total amount of US\$ 709 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

Government issuance by type of investor

Total amount of US\$ 709 billion (including IPAB bonds), % of total

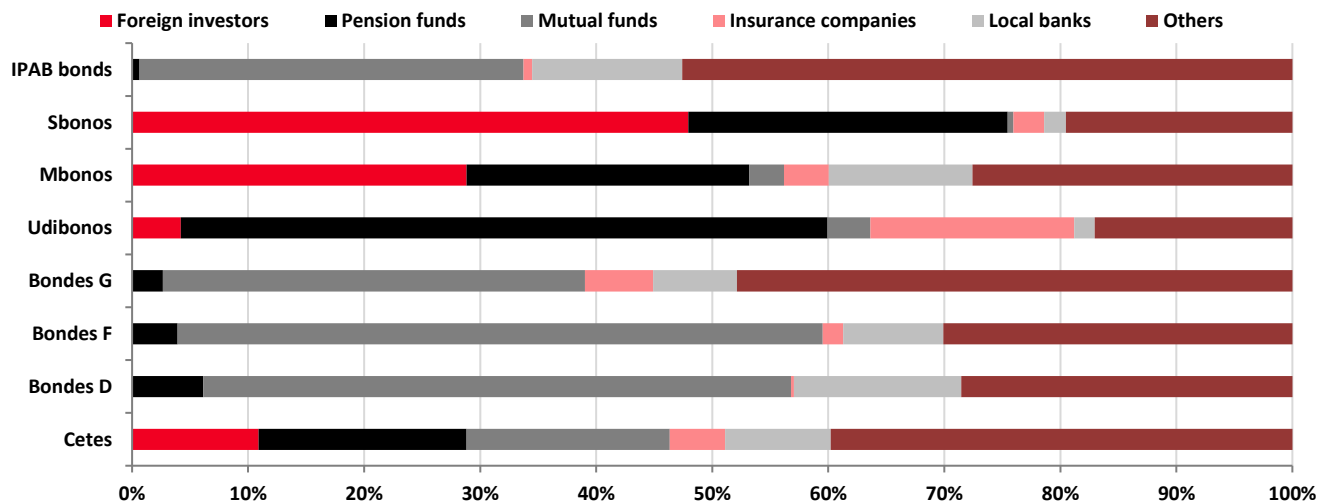


Source: Banxico, Banorte

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\$ 709 billion (including IPAB bonds), % of total



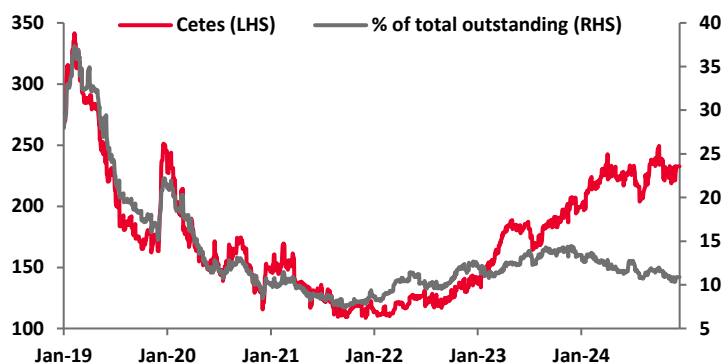
Source: Banxico, Banorte

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

Fixed-Income Demand (continued)

Cetes held by foreigners

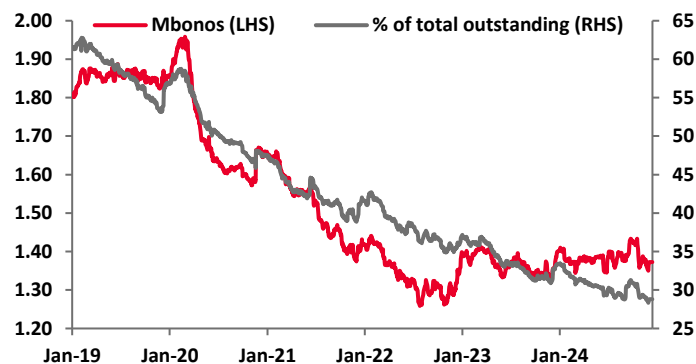
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

Holdings of main investors by type of security

Data as of Dec/2/2024

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.24	16.50	22.74	72.27	2.38	77.98
Bondef F	9.02	291.64	21.09	-23.42	-1.29	23.10
Udibonos	1.86	4.36	0.36	22.01	5.01	11.64
Mbonos	0.06	-2.06	0.88	15.01	-27.32	27.00

Source: Banxico, Banorte

Mbonos holdings by type of investor

US\$ billions and %, data as Nov/28/2024

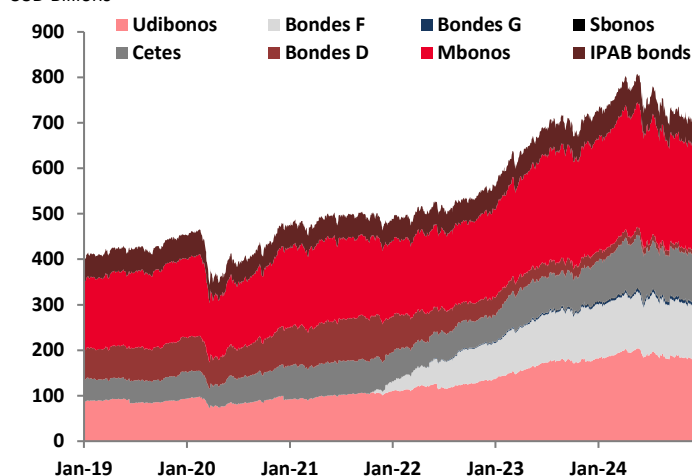
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Dec'24	7.3	27%	11%	11%	51%
Mar'25	4.7	31%	7%	17%	45%
Mar'26	18.0	21%	26%	16%	37%
Sep'26	16.8	23%	27%	18%	32%
Mar'27	20.0	21%	18%	10%	51%
Jun'27	18.2	31%	25%	15%	28%
Mar'29	15.9	13%	34%	16%	36%
May'29	17.1	9%	35%	27%	30%
May'31	19.4	6%	40%	31%	23%
May'33	15.7	7%	32%	31%	29%
Nov'34	12.2	10%	39%	30%	22%
Nov'36	4.4	2%	19%	53%	26%
Nov'38	10.5	2%	31%	46%	21%
Nov'42	19.1	3%	34%	46%	17%
Nov'47	12.8	1%	27%	50%	22%
Jul'53	16.3	3%	26%	50%	21%
Total	212.4	13%	29%	28%	30%

Source: Banxico, Banorte

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

Government securities issuance

USD Billions

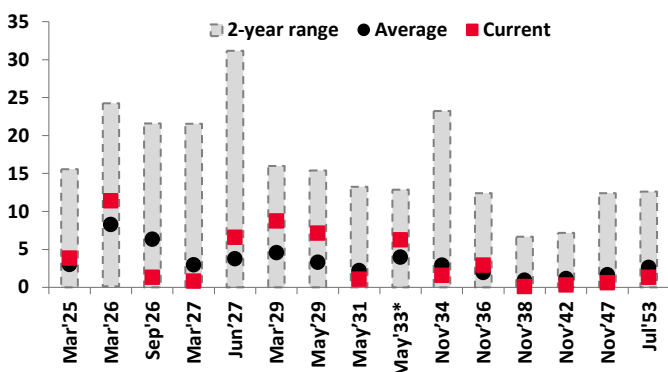


Fuente: Banxico, Banorte

Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

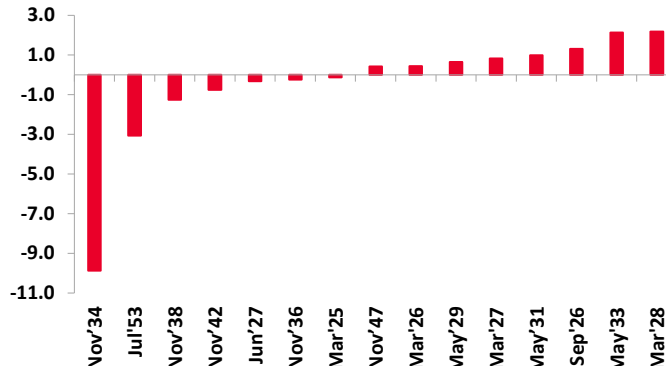
MXN billion



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

Weekly change in market makers' short positions on Mbonos

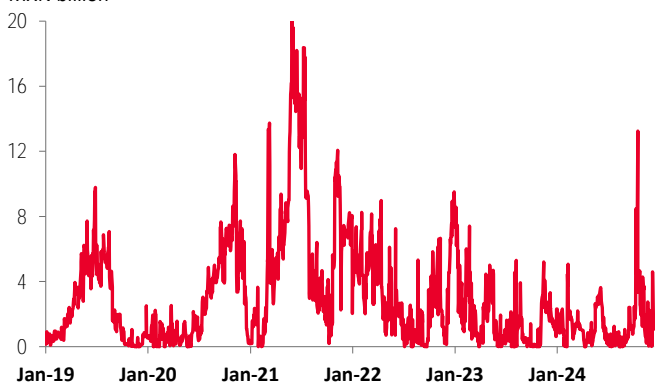
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

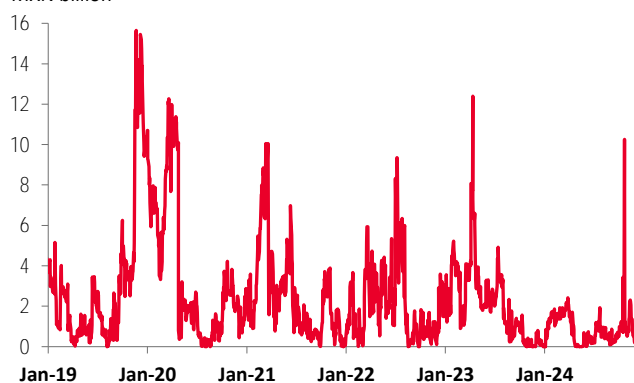
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono Nov'47

MXN billion



Source: Banxico, Banorte

Market makers' position on Mbonos

US\$ million

Maturity date	Total amount outstanding as of Dec/12/2024	Dec/12/2024	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'25	4,774	190	196	241	317	290	40
Mar'26	17,721	563	542	372	338	838	145
Sep'26	15,076	65	0	102	206	663	0
Mar'27	20,334	40	0	0	147	441	0
Jun'27	19,390	326	342	1,171	5	1,541	0
Mar'29	17,368	432	306	416	66	668	96
May'29	18,487	354	322	321	198	516	0
May'31	19,080	54	5	74	60	655	0
May'33	15,726	309	204	118	120	636	0
Nov'34	15,848	77	565	496	128	1,149	0
Nov'36	4,629	144	156	18	0	614	0
Nov'38	10,614	6	68	4	13	103	0
Nov'42	19,237	15	52	167	101	273	0
Nov'47	12,978	31	10	110	8	507	5
Jul'53	17,040	64	216	198	162	394	0
Total	228,301	2,605	2,766	3,610	1,707		

Source: Banxico, Banorte

Fixed-Income Technicals

Spread between Cetes and Implied Forward Rates

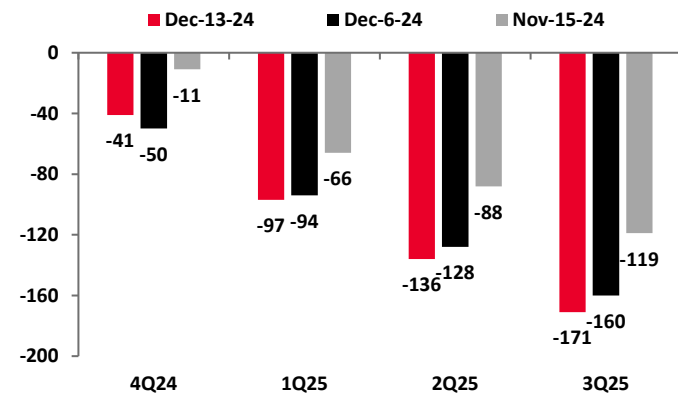
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	24	16	33	69	154	-12
3 months	-39	-10	3	34	76	-39
6 months	-19	-4	19	38	89	-19
12 months	0	17	35	54	94	0

Source: PIP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate

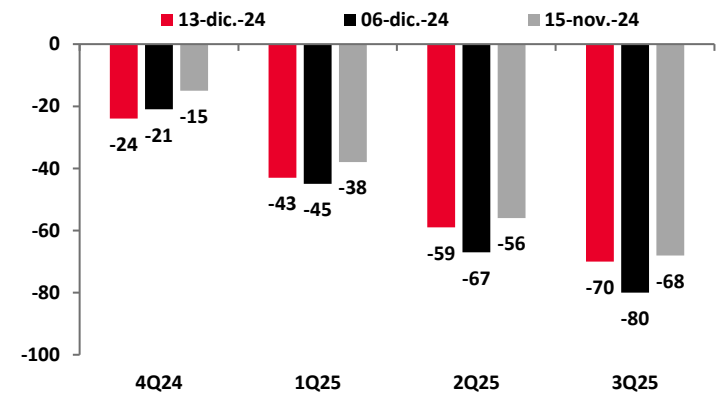
Basis points



Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

Spreads between Mbonos and UST

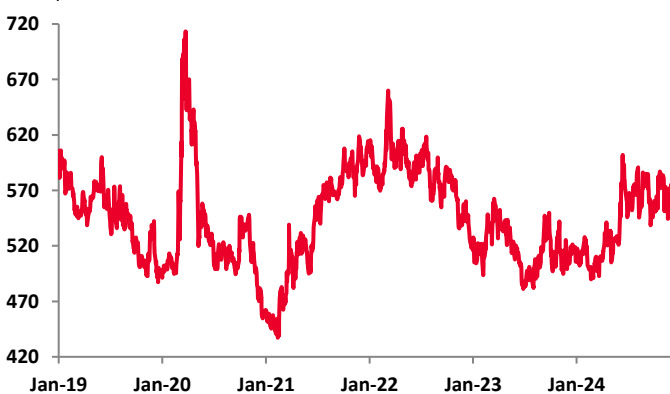
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	525	-16	-38	-25	644	521	578
5 year	552	-28	2	30	623	495	553
10 year	570	-20	19	64	602	490	542
20 year	585	-8	32	97	593	477	532
30 year	594	-11	30	90	605	491	542

Source: Bloomberg, Banorte

10-year Mbono and 10-year UST spread

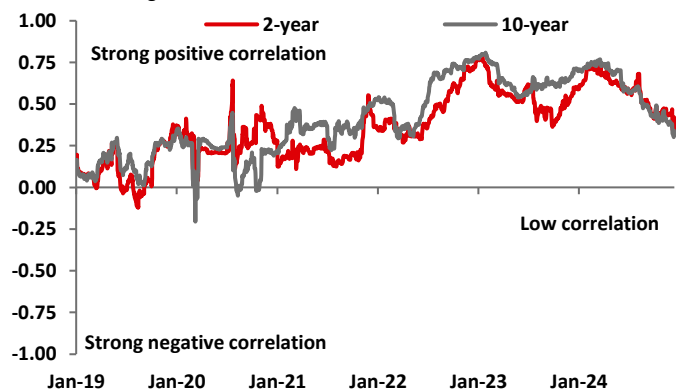
Basis points



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	27	-5	41	96	32	-79	-53
2/10	60	6	59	142	55	-94	-57
2/30	105	17	72	173	98	-86	-37
5/10	33	11	19	46	35	-28	-4
10/30	44	11	13	31	45	1	20
TIIE IRS							
3m/2Y	-102	2	-11	74	-41	-189	-124
2/5	-13	3	12	101	-13	-126	-72
2/10	5	4	24	129	5	-137	-77
2/30	8	8	23	133	10	-135	-74
5/10	18	0	12	28	18	-21	-4
10/30	3	4	-1	4	23	-22	2
TIIE IRS – Mbonos							
2 year	-43	-3	-2	-37	7	-75	-34
5 year	-88	0	-36	-37	-5	-99	-54
10 year	-92	1	-32	-44	-7	-105	-54
20 year	-110	5	-27	-53	-10	-123	-68
30 year	-123	5	-34	-60	-14	-137	-72
TIIE IRS – SOFR							
2 year	502	-17	-41	-61	624	500	558
5 year	503	-21	-30	0	602	465	526
10 year	522	-22	-19	24	602	472	529
20 year	532	-18	-16	31	609	479	534
30 year	539	-18	-20	26	625	494	547

Source: Bloomberg, Banorte

Breakeven inflation using Mbonos & Udibonos

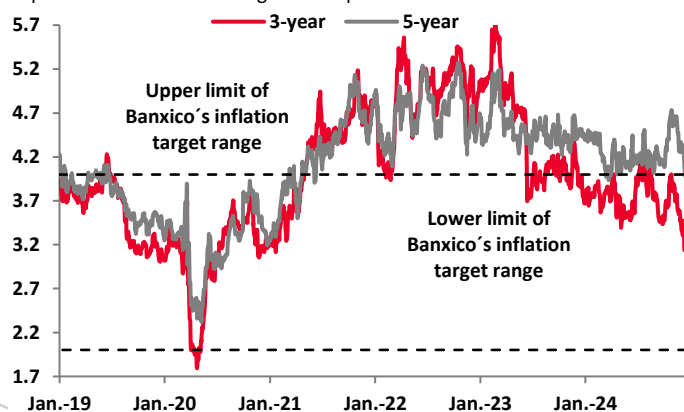
%, Implicit market inflation using Fisher Equation

Date	Breakevens (%)	Weekly change (bps)	Δ last 4 weeks (bps)	YTD (bps)	12m Max (%)	12m Min (%)	12m Average (%)
3Y	3.33	-5	-27	-63	4.21	3.13	3.73
5Y	4.04	-21	-43	-47	4.73	3.94	4.27
10Y	4.20	2	-13	-18	4.65	4.04	4.31
20Y	4.54	3	-13	-1	4.98	4.25	4.57
30Y	4.57	-6	-18	-6	5.01	4.34	4.64

Source: Bloomberg, Banorte

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

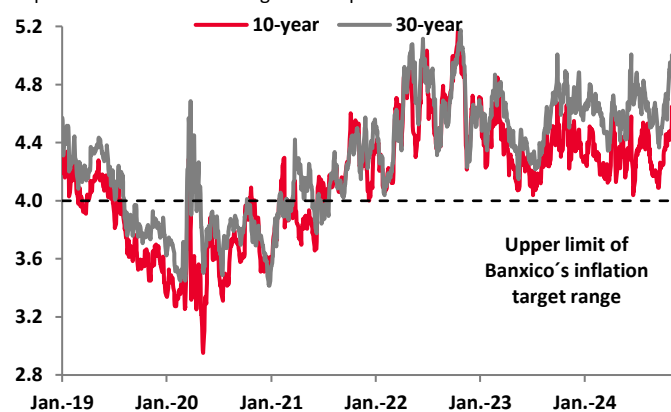
Implicit market inflation using Fisher Equation



Source: PIP, Banorte

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

Implicit market inflation using Fisher Equation



Source: PIP, Banorte

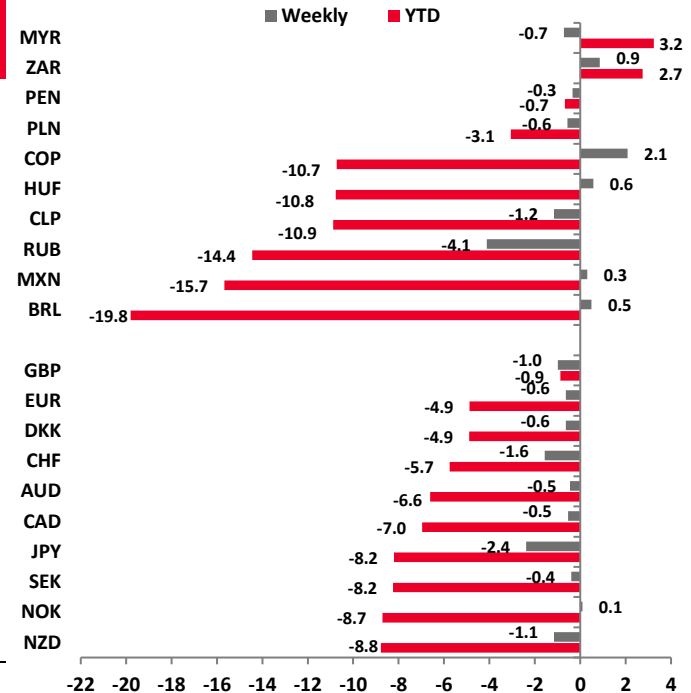
FX dynamics

Foreign Exchange market levels and historical return

		Close at Dec/13/24	Daily Change (%) ¹	Weekly change (%) ¹	Monthly change (%) ¹	YTD (%) ¹
Emerging Markets						
Brazil	USD/BRL	6.06	-1.0	0.5	-4.3	-19.8
Chile	USD/CLP	986.38	-0.8	-1.2	-0.8	-10.9
Colombia	USD/COP	4,317.91	0.7	2.1	3.7	-10.7
Peru	USD/PEN	3.73	0.2	-0.3	2.2	-0.7
Hungary	USD/HUF	389.11	0.5	0.6	-0.8	-10.8
Malaysia	USD/MYR	4.45	-0.3	-0.7	0.0	3.2
Mexico	USD/MXN	20.13	0.5	0.3	1.9	-15.7
Poland	USD/PLN	4.06	0.6	-0.6	1.2	-3.1
Russia	USD/RUB	104.58	0.5	-4.1	-5.7	-14.4
South Africa	USD/ZAR	17.87	-0.4	0.9	2.0	2.7
Developed Markets						
Canada	USD/CAD	1.42	-0.1	-0.5	-1.7	-7.0
Great Britain	GBP/USD	1.26	-0.4	-1.0	-0.7	-0.9
Japan	USD/JPY	153.65	-0.7	-2.4	1.2	-8.2
Eurozone	EUR/USD	1.0501	0.3	-0.6	-0.6	-4.9
Norway	USD/NOK	11.14	0.3	0.1	-0.1	-8.7
Denmark	USD/DKK	7.10	0.3	-0.6	-0.6	-4.9
Switzerland	USD/CHF	0.89	-0.1	-1.6	-0.8	-5.7
New Zealand	NZD/USD	0.58	-0.1	-1.1	-2.0	-8.8
Sweden	USD/SEK	10.98	0.4	-0.4	0.1	-8.2
Australia	AUD/USD	0.64	-0.1	-0.5	-1.9	-6.6

FX performance

Against USD, %

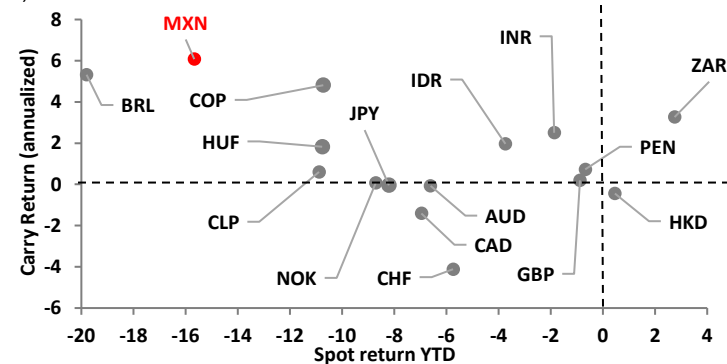


Source: Bloomberg, Banorte

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

Performance of selected currencies

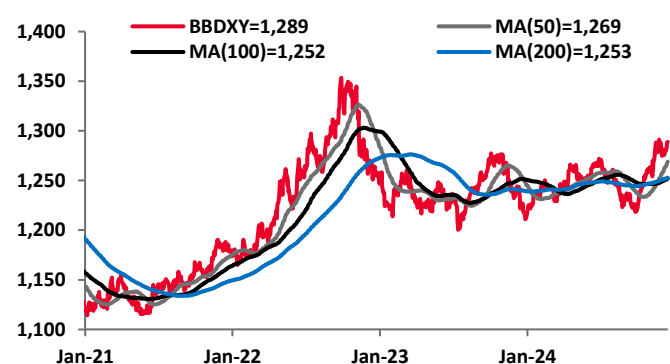
%, annualized rate based in 3M forwards



4Source: Bloomberg, Banorte

BBDXY

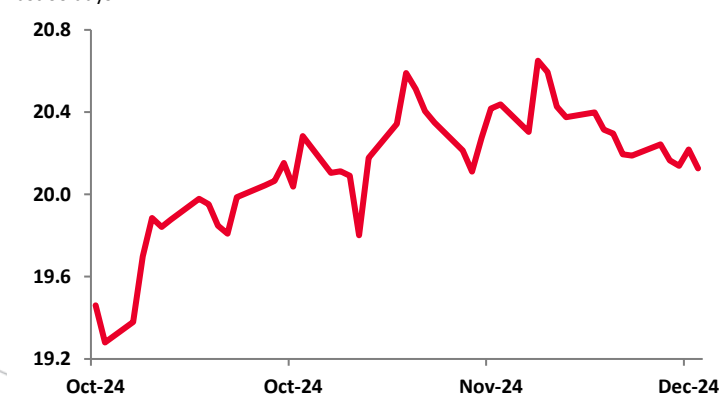
Points



Source: Bloomberg, Banorte

USD/MXN

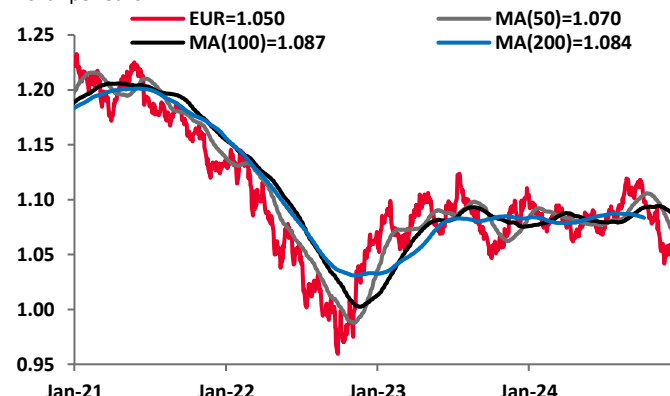
Last 60 days



Source: Bloomberg, Banorte

Euro

Dollar per euro

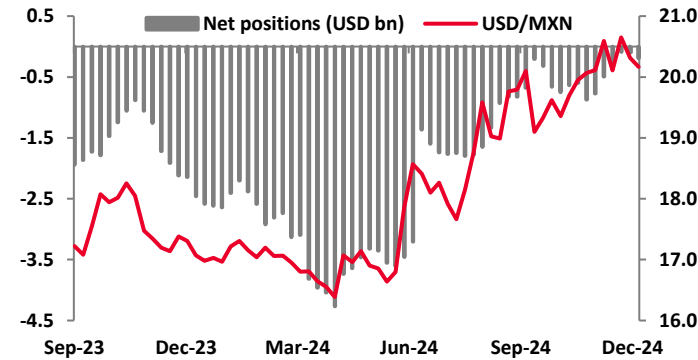


Source: Bloomberg, Banorte

FX positioning and flows

IMM positioning in USD/MXN futures

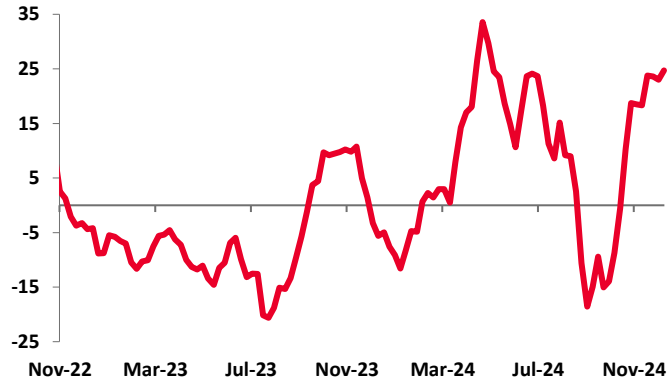
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

IMM positioning in USD futures*

Billion dollars, Positive = net long in USD

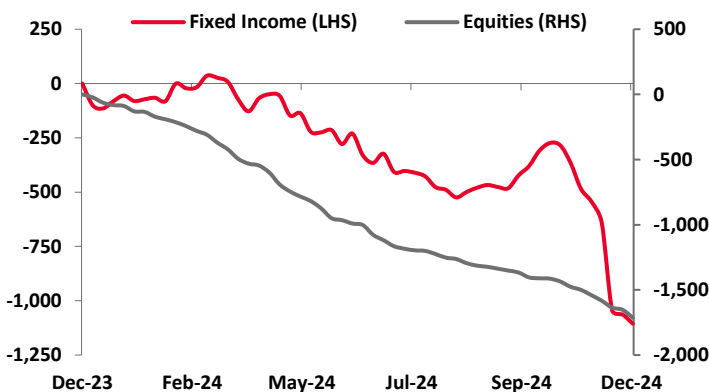


*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

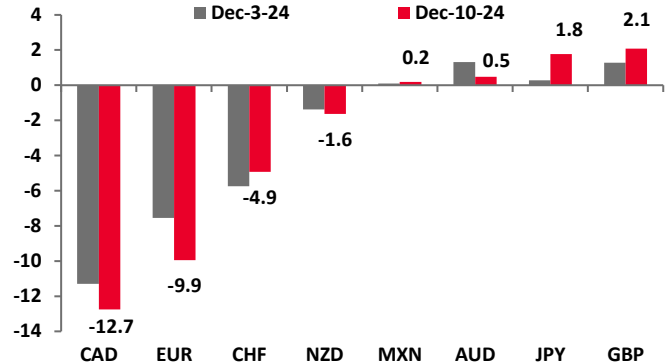
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

IMM positioning by currency*

Billion dollars

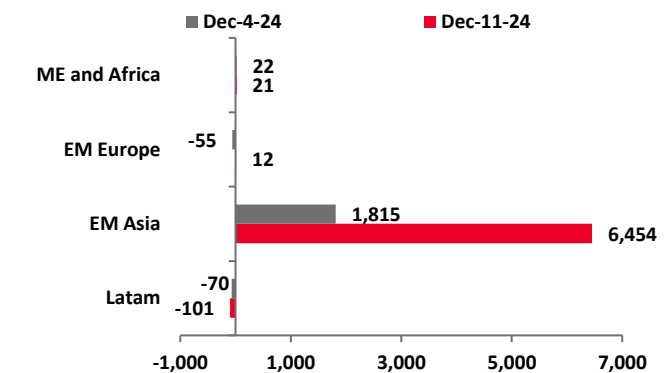


* Positive: Net long in the corresponding currency

Source: CME, Banorte

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

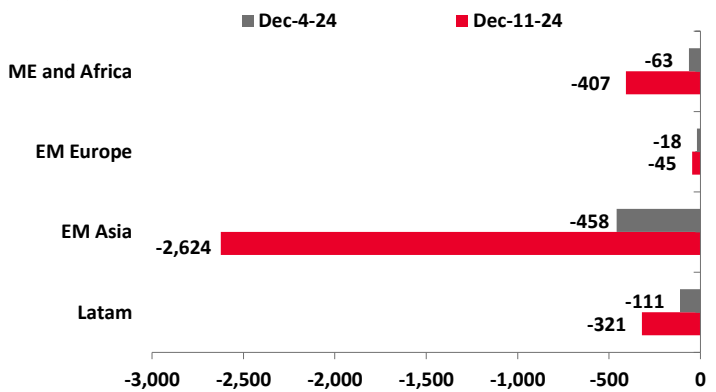
Billion dollars



Source: EPFR Global, Banorte

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

Weekly, million dollars

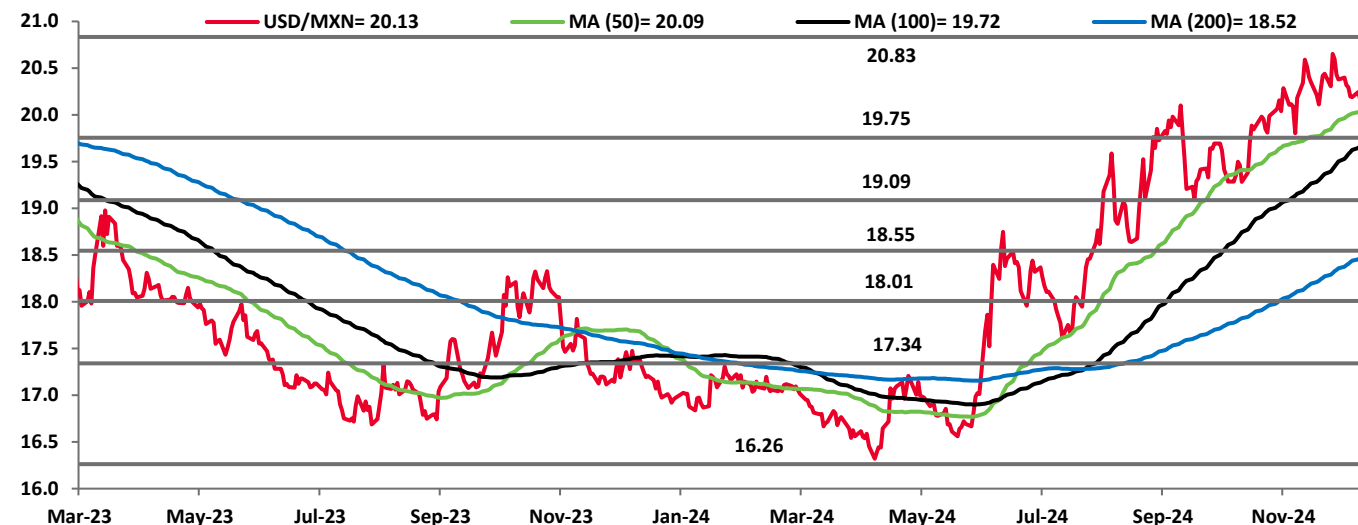


Source: EPFR Global, Banorte

FX technicals

USD/MXN – Moving averages and Fibonacci retracement

Last 12 months



Source: Bloomberg, Banorte

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

Based on daily percentage changes

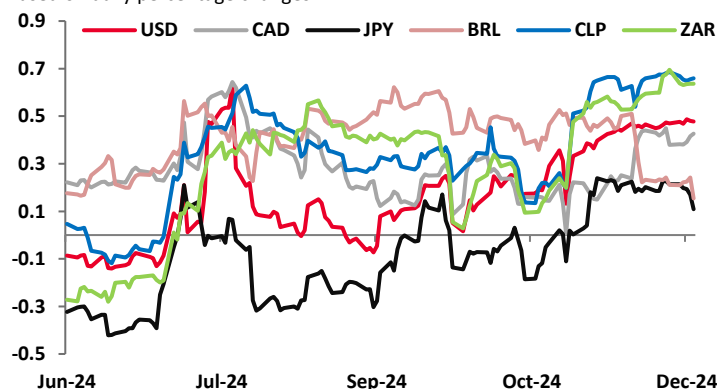
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	48	48	-14	63	17
CAD	43	38	1	64	29
JPY	11	21	-42	24	-8
BRL	15	21	15	62	41
CLP	66	67	-12	69	34
ZAR	64	64	-28	69	29
VIX	6	-6	-13	58	17
SPX	-3	-13	-15	60	23
GSCI	35	29	-16	60	30
Gold	15	10	-5	39	18

* Positive: appreciation of MXN and corresponding asset except VIX

Source: Bloomberg, Banorte

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

Based on daily percentage changes

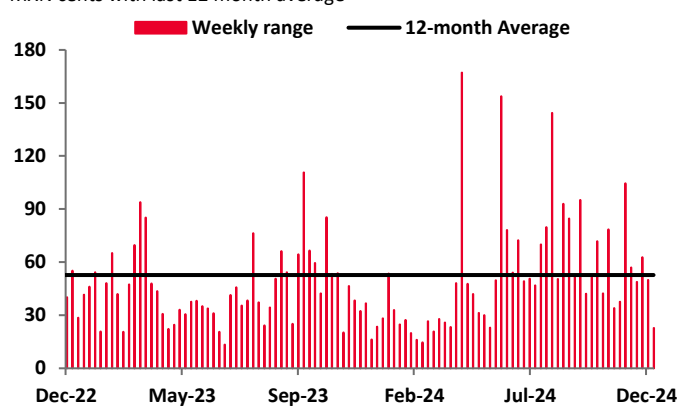


* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

USD/MXN – Weekly trading range

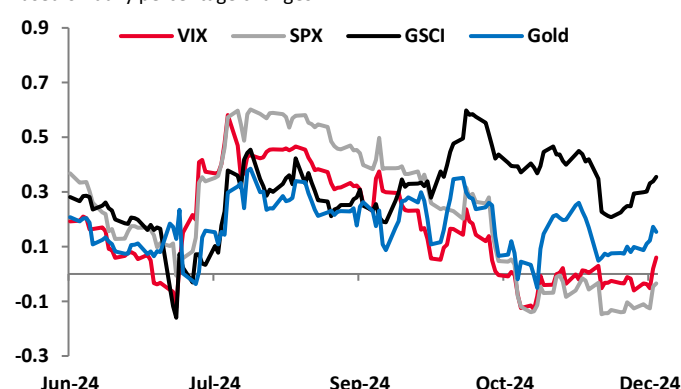
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

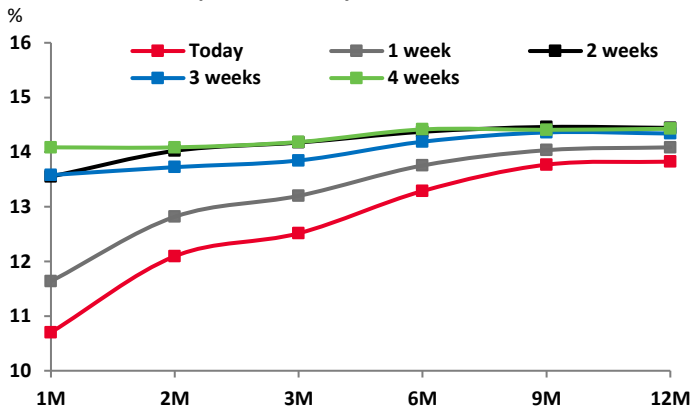


* Positive: appreciation of MXN and corresponding asset except VIX

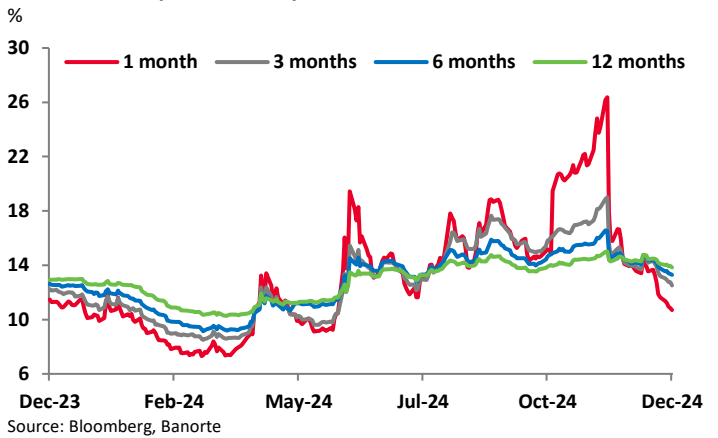
Source: Bloomberg, Banorte

FX technicals (continued)

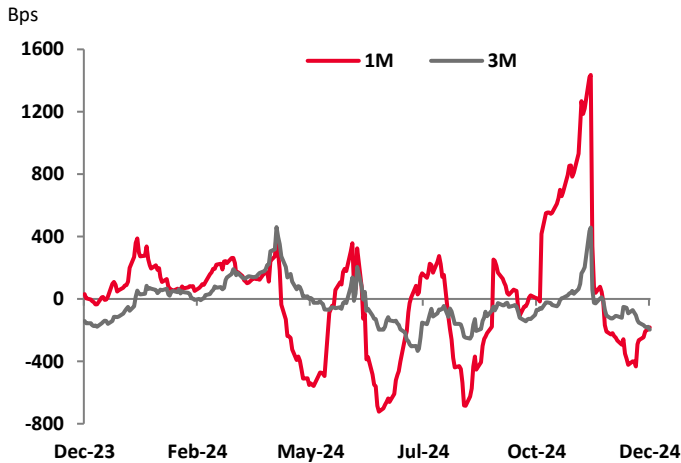
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

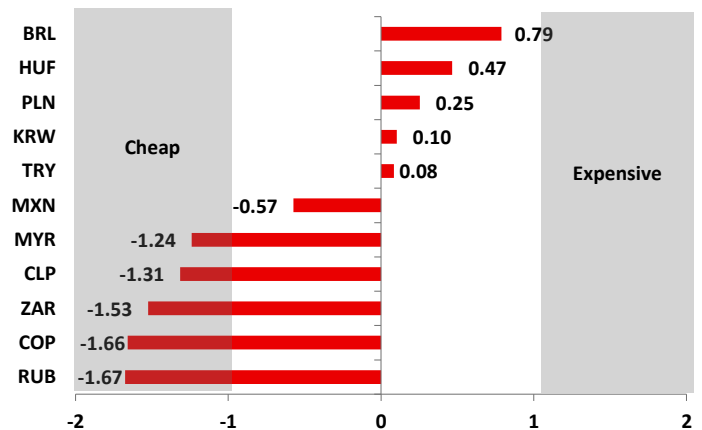


USD/MXN – Spread between implicit and historical volatility



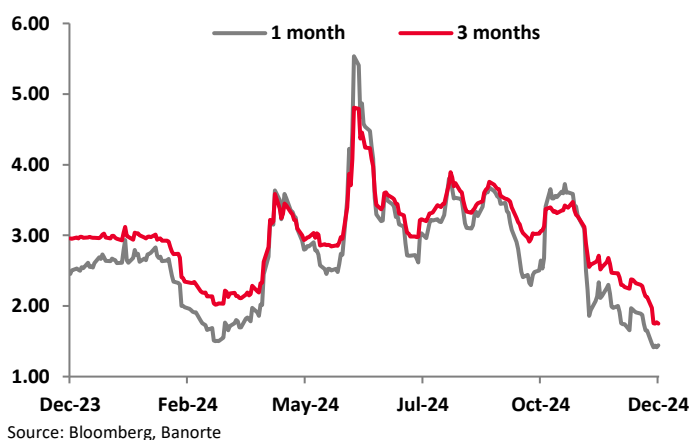
Emerging markets 1-month ATM options volatility

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



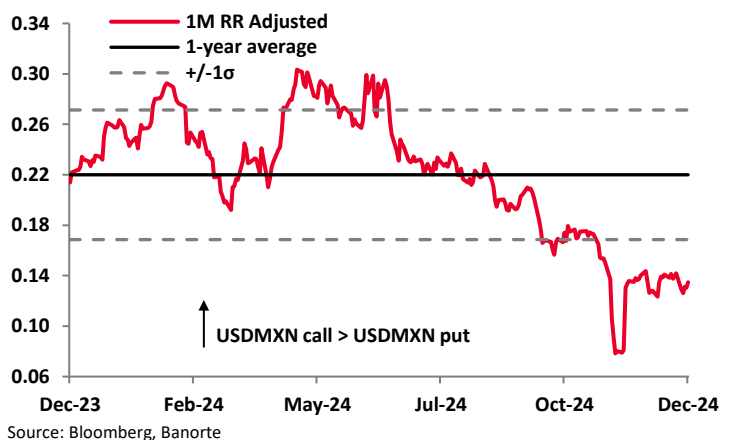
USD/MXN – 25D risk reversals

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



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

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



Weekly economic calendar

For the weeks ending January 5th, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 16	03:30	GER	Manufacturing PMI*	Dec (P)	index	--	43.1	43.0
	03:30	GER	Services PMI*	Dec (P)	index	--	49.3	49.3
	03:30	GER	Composite PMI*	Dec (P)	index	--	47.5	47.2
	04:00	EZ	Manufacturing PMI*	Dec (P)	index	--	48.2	45.2
	04:00	EZ	Services PMI*	Dec (P)	index	--	49.5	49.5
	04:00	EZ	Composite PMI*	Dec (P)	index	--	48.2	48.3
	04:30	UK	Manufacturing PMI*	Dec (P)	index	--	48.5	48.0
	04:30	UK	Services PMI*	Dec (P)	index	--	51.0	50.8
	08:30	US	Empire Manufacturing*	Dec	index	--	10.0	31.2
	09:45	US	Manufacturing PMI*	Dec (P)	index	--	49.5	49.7
	09:45	US	Services PMI*	Dec (P)	index	--	55.7	56.1
	09:45	US	Composite PMI*	Dec (P)	index	--	55.1	54.9
Tue 17	10:00	MX	Survey of expectations (Banxico)					
	02:00	UK	Unemployment rate*	Oct	%	--	4.3	4.3
	04:00	GER	IFO Survey (business climate)*	Dec	index	--	85.5	85.7
	05:00	GER	ZEW Survey (Expectations)	Dec	index	--	6.6	7.4
	05:00	EZ	Trade balance*	Oct	EURbn	--	10.0	13.6
	06:00	BZ	COPOM minutes					
	07:00	MX	Retail sales	Oct	% y/y	-0.9	-0.1	-1.5
	07:00	MX	MX Retail sales*	Oct	% m/m	-0.1	0.2	0.1
	08:30	US	Advance retail sales*	Nov	% m/m	0.5	0.5	0.4
	08:30	US	Ex autos & gas*	Nov	% m/m	--	0.4	0.1
	08:30	US	Control Group*	Nov	% m/m	0.4	0.4	-0.1
	09:15	US	Industrial production*	Nov	% m/m	0.2	0.3	-0.3
Wed 18	09:15	US	Manufacturing production*	Nov	% m/m	--	0.5	-0.5
	10:00	MX	International reserves	Dec 13	US\$bn	--	--	228.8
	12:30	MX	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 3-year Mbono (Mar'28), 30-year Udibono (Oct'54) and 1- and 3-year Bondes F					
	16:00	CL	Monetary policy decision (BCCh)	Dec 17	%	--	5.00	5.25
	02:00	UK	Consumer prices	Nov	% y/y	--	2.6	2.3
	02:00	UK	Core	Nov	% y/y	--	3.6	3.3
	05:00	EZ	Consumer prices	Nov (F)	% y/y	--	2.3	2.3
	05:00	EZ	Core	Nov (F)	% y/y	--	2.7	2.7
	07:00	MX	Aggregate supply and demand	3Q24	% y/y	2.3	--	2.1
	08:30	US	Housing starts**	Nov	thousands	--	1,343	1,311
	08:30	US	Building permits**	Nov	thousands	--	1,430	1,416
	14:00	US	FOMC Rate Decision (Upper Bound)	Dec 18	%	4.50	4.50	4.75
Thu 19	14:00	US	FOMC Rate Decision (Lower Bound)	Dec 18	%	4.25	4.25	4.50
	14:00	US	Interest Rate on Excess Reserves (IOER)	Dec 18	%	4.40	4.40	4.65
	15:30	MX	Citi Survey of Economists					
		JN	Monetary policy decision (BoJ)	Dec 19	%	--	0.25	0.25
	04:00	EZ	Current account*	Oct	EURbn	--	--	37.0
	06:00	BZ	Central Bank Quarterly Inflation Report					
	07:00	UK	Monetary policy decision (BoE)	Dec 19	%	--	4.75	4.75
	07:00	MX	Timely Indicator of Economic Activity*	Dec	% y/y	--	--	0.4
	08:30	US	Gross domestic product**	3Q24	% q/q	--	2.8	2.8
	08:30	US	Personal consumption**	3Q24	% q/q	--	3.7	3.5
	08:30	US	Philadelphia Fed*	Dec	index	--	3.0	-5.5
	08:30	US	Initial jobless claims*	Dec 14	thousands	--	228	242
Fri 20	10:00	US	Existing home sales**	Nov	millions	--	4.1	4.0
	14:00	MX	Monetary policy decision (Banxico)	Dec 19	%	10.00	10.00	10.25
	20:00	CHI	Rate decision 1-year Loan Prime Rate	Dec 20	%	--	3.10	3.10
	20:00	CHI	Rate decision 5-year Loan Prime Rate	Dec 20	%	--	3.60	3.60
	08:30	US	Personal income*	Nov	% m/m	--	0.4	0.6
	08:30	US	Personal spending*	Nov	% m/m	--	0.5	0.4
	08:30	US	Real personal spending*	Nov	% m/m	--	0.3	0.1
	08:30	US	PCE Deflator*	Nov	% m/m	--	0.2	0.2
	08:30	US	Core*	Nov	% m/m	--	0.2	0.3
	08:30	US	PCE Deflator	Nov	% y/y	--	2.5	2.3
	08:30	US	Core	Nov	% y/y	--	2.9	2.8
	10:00	EZ	Consumer confidence*	Dec (P)	index	--	-14.0	-13.7
	10:00	US	U. of Michigan confidence*	Dec (F)	index	--	74.0	74.0
	13:00	COL	Monetary policy decision (BanRep)	Dec 20	%	--	9.25	9.75

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 23	02:00	UK	Gross domestic product*	3Q24 (F)	% q/q	--	--	0.1
	07:00	MX	Trade balance	Nov	US\$m	652.7	--	370.8
	07:00	MX	Economic activity indicator (IGAE)	Oct	% y/y	0.8	--	0.3
	07:00	MX	Economic activity indicator (IGAE)*	Oct	% m/m	-0.6	--	0.2
	07:00	MX	Consumer prices	Dec 15	% 2w/2w	0.48	--	-0.12
	07:00	MX	Core	Dec 15	% 2w/2w	0.55	--	-0.05
	07:00	MX	Consumer prices	Dec 15	% y/y	4.49	--	4.55
	07:00	MX	Core	Dec 15	% y/y	3.67	--	3.57
	10:00	US	Consumer confidence*	Dec	index	--	113.0	111.7
	12:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 10-year Mbono (Nov'34), 3-year Udibono (Dec'26) and 2- and 5-year Bondes F					
Tue 24	18:50	JP	BOJ minutes					
	08:30	US	Durable goods orders*	Nov (P)	% m/m	--	-0.4	0.3
	08:30	US	Ex transportation*	Nov (P)	% m/m	--	--	0.2
	10:00	MX	International reserves	dic-20	US\$bn	--	--	--
Wed 25	10:00	US	New home sales**	Nov	millions	--	652	610
			Markets closed on Christmas Day					
Thu 26	06:00	TUR	Monetary policy decision (Central Bank of Turkey)	Dec 26	%	--	--	50.00
	08:30	US	Initial jobless claims*	Dec 21	thousands	--	--	--
Fri 27	07:00	BZ	Consumer prices	Dec	% m/m	--	--	0.62
	07:00	BZ	Consumer prices	Dec	% y/y	--	--	4.77
	07:00	BZ	Unemployment rate	Nov	%	--	--	6.2
	08:30	US	Trade balance*	Nov	US\$bn	--	-100.0	-98.3
Mon 30	12:30	MX	Government weekly auction					
	15:30	MX	Public finances (PSBR, year-to-date)	Nov	MXNbn	--	--	-1,243.6
	20:30	CHI	Manufacturing PMI*	Dec	index	--	--	50.3
	20:30	CHI	Non-manufacturing PMI*	Dec	index	--	--	50.0
	20:30	CHI	Composite PMI*	Dec	index	--	--	50.8
Tue 31	09:00	US	S&P/CoreLogic housing prices	Oct	% y/y	--	--	4.6
	10:00	MX	International reserves	Dec 27	US\$bn	--	--	--
	10:00	MX	Banking credit	Nov	% y/y	7.4	--	7.2
Wed 1			Markets closed on New Year's Day					
	20:45	CHI	Manufacturing PMI (Caixin)*	Dec (F)	index	--	--	51.5
Thu 2	03:55	GER	Manufacturing PMI*	Dec (F)	index	--	--	--
	04:00	EZ	Manufacturing PMI*	Dec (F)	index	--	--	--
	04:00	EZ	Monetary aggregates (M3)*	Nov	% y/y	--	--	3.4
	04:30	UK	Manufacturing PMI*	Dec (F)	index	--	--	--
	08:00	BZ	Manufacturing PMI*	Dec	index	--	--	52.3
	08:30	US	Initial jobless claims*	Dec 28	thousands	--	--	--
	09:45	US	Manufacturing PMI*	Dec (F)	index	--	--	--
	10:00	MX	Family remittances	Nov	US\$bn	5,682.4		5,722.7
	13:00	MX	Manufacturing PMI (IMEF)*	Dec	index	47.9	--	48.3
	13:00	MX	Non-manufacturing PMI (IMEF)*	Dec	index	50.4	--	50.5
Fri 3	07:00	MX	Unemployment rate	Nov	%	2.54	--	2.50
	10:00	US	ISM manufacturing*	Dec	index	--	--	48.4
	11:00	US	Fed's Barkin Gives Keynote Address					
		US	Total vehicle sales**	Dec	millions	--	--	16.5
Sun 5	20:45	CHI	Services PMI (Caixin)*	Dec	index	--	--	51.5
	20:45	CHI	Composite PMI (Caixin)*	Dec	index	--	--	52.3

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

Recent trade ideas				
Trade idea	P/L	Initial date	End date	
3y10y TIIE-IRS steepener	L	Sep-27-24	Oct-7-24	
Tactical longs in Udibono Dec'26	L	Sep-27-24	Oct-24-24	
2y10y TIIE-IRS steepener	P	Jul-11-24	Sep-17-24	
Tactical longs in Udibono Nov'35	P	Jul-5-24	Aug-02-24	
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 Thalia Orozco Vélez, Hugo Armando Gómez Solís, Carlos Hernández García, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, 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, Ana Laura Zaragoza Félix, Jazmin Daniela Cuautencos Mora, Andrea Muñoz Sánchez and Paula Lozoya Valadez, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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