

Fixed-Income & FX Strategy

W e e k l y

Fixed-Income and FX Weekly

- **All eyes on the commercial front.** Global tariff risks remain as the main catalyst for markets, inducing greater volatility. Trump reiterated that 25% tariffs on imports from Mexico and Canada will take effect on March 4th, reversing comments at the cabinet meeting days earlier. With this, the VIX index, also known as Wall Street's 'fear indicator', rose to its highest levels of the year followed by broad gains for Treasuries and losses in both stocks and most currencies. The Treasury's curve rallied 20bps w/w on average, with adjustments of up to -25bps w/w at the belly. In particular, the front-end reflected greater bets on cuts by the Fed, pricing-in -69bps for 2025 from -46bps last week amid inflation figures that came in line with estimates. For their part, Mbonos marked a rally of 23bps w/w with those of longer duration advancing up to 33bps w/w. Consequently, spreads vs. Treasuries compressed. We consider that these metrics look tight, especially the long-term ones, so given the current situation we expect them to expand at least until they are above the 12-month average. Next week, the evolution of the tariff threats will be key, as well as the US employment report and inflation in Mexico
- **We recommend paying 10-year TIIE-F (130x1) and receiving 10-year SOFR.** Given the high volatility, we reiterate our preference for relative value strategies. In this sense, we recommend paying 10-year TIIE-F (130x1) and simultaneously receiving the SOFR swap for the same term with an entry level of 473bps, target of 505bps, and stop-loss of 450bps. We believe that there is room for upward pressure on long-term rates, especially for local rates, given the uncertainty about how the US tariff policy will affect global growth and economic and political alliances. Furthermore, we also see favorable technical and entry levels for an upward correction in this spread. This metric has decreased significantly so far this year and is currently operating at six-month lows. In particular, the 10-year TIIE-F are trading at their lowest level since October at 8.53%, practically 50bps below their historical average, after trading at 9.40% at the beginning of January. Meanwhile, the 10-year SOFR operates at the lowest level of the year at around 3.80% after falling 45bps since mid-February. Additionally, we [maintain our recommendation of a 2s10s steepener in TIIE-F derivatives](#)
- **We see value in USD/MXN call spread.** The dollar stopped three weeks of losses after trading at the lowest levels of the year, while MXN closed at 20.55 per dollar (-0.6% w/w). The 1-month risk reversal reached its highest level since November, reflecting a greater appetite for hedging against a greater depreciation of MXN against USD. Given a potential rebound in volatility and pressure on the Mexican peso due to the situation regarding the tariff issue –which could be temporary– coupled with the lower attractiveness for carry and a very low net long positioning, we see value in strategies that benefit from longs in USD/MXN. We highlight the investment idea of a very short-term USD/MXN call spread for investors with a low degree of risk aversion. The strategy consists of buying a call option with a strike of 20.65 and selling a call option with a strike of 21.00, both expiring in 1 week (March 7th). The investment idea will result in profits if the USD/MXN is pressured to levels above 20.73, while the downside is limited to the net premium paid
- **Weekly ranges.** We expect the 10-year Mbono (Nov'34) to trade between 9.35% and 9.75%, and MXN between 20.45 and 21.00 per dollar



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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	9.48	0	-52	-72	11.27	9.48	10.65
28-days ¹	9.66	-13	-37	-61	11.29	9.66	10.75
91-days ¹	9.74	-13	-38	-62	11.41	9.74	10.85
182-days ¹	9.86	-14	-39	-64	11.57	9.86	11.00
Cetes²							
28-days	9.45	0	-47	-56	11.26	9.35	10.52
91-days	9.20	-3	-42	-80	11.27	9.19	10.60
182-days	9.10	-10	-49	-85	11.29	9.11	10.62
364-days	9.02	-15	-54	-104	11.44	9.04	10.57
Mbonos							
Mar'25	9.50	0	-18	-45	11.15	9.43	10.32
Mar'26	8.76	-10	-55	-106	11.03	8.74	10.07
Sep'26	8.72	-11	-48	-106	11.03	8.72	9.97
Mar'27	8.82	-11	-51	-95	10.74	8.81	9.74
Jun'27	8.88	-13	-56	-94	10.68	8.88	9.74
Mar'28 ³	9.06	-14	-49	-87	9.99	9.07	9.61
Mar'29	9.17	-18	-51	-81	10.55	9.08	9.73
May'29	9.18	-20	-52	-79	10.47	9.03	9.70
Feb'30 ⁴	9.26	-43	-43	-43	9.69	9.30	9.57
May'31	9.30	-25	-49	-74	10.42	9.02	9.69
May'33	9.42	-29	-55	-81	10.40	9.08	9.76
Nov'34	9.48	-30	-60	-94	10.45	9.10	9.79
Nov'36	9.45	-32	-60	-97	10.45	9.10	9.79
Nov'38	9.70	-31	-55	-85	10.60	9.15	9.90
Nov'42	9.94	-32	-57	-76	10.76	9.21	10.04
Nov'47	9.99	-33	-55	-76	10.79	9.21	10.04
Jul'53	10.02	-32	-56	-77	10.81	9.23	10.05
TIIE-F IRS⁵							
3-month (3x1)	9.16	-6	-34	-78	10.62	9.16	9.99
6-month (6x1)	8.83	-4	-41	-89	10.40	8.83	9.74
9-month (9x1)	8.60	-3	-45	-99	10.17	8.60	9.54
1-year (13x1)	8.43	-5	-45	-99	9.95	8.43	9.33
2-year (26x1)	8.20	-10	-49	-95	9.66	8.20	8.96
3-year (39x1)	8.17	-14	-54	-94	9.52	8.17	8.84
4-year (52x1)	8.21	-18	-55	-93	9.46	8.21	8.82
5-year (65x1)	8.25	-19	-56	-94	9.43	8.16	8.81
7-year (91x1)	8.37	-20	-55	-89	9.42	8.17	8.87
10-year (130x1)	8.53	-21	-57	-86	9.46	8.25	8.96
20-year (3x1)	8.73	-20	-52	-76	9.59	8.35	9.09
30-year (390x1)	8.65	-21	-53	-83	9.50	8.32	9.03
Udibonos							
Dec'25	6.16	8	1	0	7.90	5.95	6.56
Dec'26	5.65	-9	-34	-44	7.08	5.62	6.15
Nov'28	5.20	-6	-23	-27	5.96	4.73	5.31
Nov'31	5.18	-9	-22	-31	5.80	4.68	5.19
Aug'34 ⁶	5.10	-16	-29	-39	5.76	4.70	5.21
Nov'35	5.08	-17	-29	-40	5.62	4.52	5.18
Nov'40	5.06	-19	-29	-45	5.72	4.52	5.17
Nov'43	5.10	-21	-32	-41	5.73	4.58	5.20
Nov'46	5.09	-19	-32	-42	5.70	4.47	5.14
Nov'50	5.09	-24	-36	-42	5.71	4.52	5.15
Oct'54 ⁷	5.12	-23	-40	-45	5.71	4.79	5.22

Source: Bloomberg, Banxico, Banorte

1: Compounded in advance Overnight TIIE Funding rate for "n" days

2: 1-day lag

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

4: Mbono Feb'30 issued on January 30th, 2025

5: TIIE-F IRS history since September 5th, 2024

6: Udibono Aug'34 issued on March 14th, 2024

7: 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	Mar'27	4.91	-14	-24	3.99	-21	-25	92	+7	68	60
3Y	Feb'28	5.11	-20	-57	3.97	-24	-30	114	+4	84	80
5Y	May'30	5.53	-15	-35	4.02	-26	-37	152	+10	124	122
7Y	Apr'32	5.91	-21	-42	4.11	-24	-36	180	+2	138	161
10Y	Feb'35	6.24	-19	-40	4.21	-22	-36	203	+4	168	203
20Y	Jan'45	6.50	-19	-25	4.53	-18	-33	197	-1	189	--
30Y	May'55	7.01	-22	-22	4.49	-19	-29	252	-3	227	--

Source: Bloomberg, Banorte

5Y USD UMS



Source: Bloomberg, Banorte

10Y USD UMS



Source: Bloomberg, Banorte

5Y UMS-UST Spread



Source: Bloomberg, Banorte

10Y UMS-UST Spread



Source: Bloomberg, Banorte

Fixed-Income Supply

- **Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 12-month Cetes, the 30-year Mbono (Jul'53), the 3-year Udibono (Dec'26), as well as 2-, 5- and 10-year Bondes F
- **Uncertainty on the foreign front could limit the appetite for Mexican debt.** The US tariff policy has induced volatility, with investors opting for safe assets. In this sense, EPFR flows show for the fourth consecutive week sales of bonds and stocks from emerging economies around US\$1.35 billion, with Asia reflecting the largest outflows. However, the appetite for local assets has remained stable, although low, resulting in modest bond purchases (+US\$17 million) and slight stock sales (-US\$20 million). In this sense, we expect the demand for Cetes to remain stable given the attractiveness of their real rates compared to other emerging economies. Additionally, we maintain our view that Banxico will cut 50bps in March, with the rate closing the year at 8.50%. For the longer-term Mbono (Jul'53) we anticipate moderate demand and lower than the average of the last two years of 1.9x. The risks of upward pressures that will eventually correct part of the 80bps rally so far this year remain latent given the uncertainty on the commercial and geopolitical front. Finally, the 3-year Udibono (Dec'26) reflects a more attractive relative valuation, which could encourage demand. The breakeven for this term is at 3.23% from 3.32% at the end of January, remaining well below the 12-month average of 3.65%, while longer-term readings are around 4.60%

Auction specifics (March 4th, 2025)

Security	Maturity	Coupon rate, %	To be auctioned ¹	Previous yield ²
Cetes				
1m	Apr-03-25	--	9,000	9.44
3m	Jun-05-25	--	10,000	9.19
6m	Sep-04-25	--	8,000	9.10
12m	Mar-05-26	--	17,000	9.31
Bondes F				
2Y	Feb-11-27	--	9,500	0.16
5Y	Jan-24-30	--	2,200	0.20
10Y	Mar-23-34	--	650	0.25
Bono M				
30Y	Jul-31-53	8.00	11,500	10.32
Udibono				
3Y	Dec-03-26	3.00	UDIS 900	5.90

Source: Banxico, Banorte

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

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

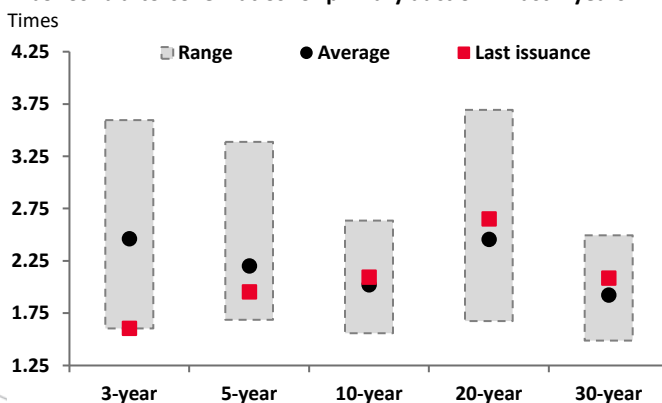
1Q25 Government Securities Auction Calendar*

Date	Cetes	Bonos M	Udibonos	Bondes F
30-Dec	1, 3, 6, and 24M	3Y (Mar'28)	10Y (Aug'34)	1 and 3Y
7-Jan	1, 3, 6, and 12M	10Y (Nov'34)	3Y (Dec'26)	2, 5 and 10Y
14-Jan	1, 3, 6, and 24M	5Y (Mar'29)	20Y (Nov'43)	1, 3 and 7Y
21-Jan	1, 3, 6, and 12M	20Y (Nov'42)	10Y (Aug'34)	2 and 5Y
28-Jan	1, 3, 6, and 24M	3Y (Mar'28)	30Y (Oct'54)	1 and 3Y
4-Feb	1, 3, 6, and 12M	30Y (Jul'53)	3Y (Dec'26)	2, 5 and 10Y
11-Feb	1, 3, 6, and 24M	5Y (Feb'30)	20Y (Nov'43)	1, 3 and 7Y
18-Feb	1, 3, 6, and 12M	10Y (Nov'34)	10Y (Aug'34)	2 and 5Y
25-Feb	1, 3, 6, and 24M	3Y (Mar'28)	30Y (Oct'54)	1 and 3Y
4-Mar	1, 3, 6, and 12M	30Y (Jul'53)	3Y (Dec'26)	2, 5 and 10Y
11-Mar	1, 3, 6, and 24M	5Y (Feb'30)	10Y (Aug'34)	1, 3 and 7Y
18-Mar	1, 3, 6, and 12M	3Y (Mar'28)	20Y (Nov'43)	2 and 5Y
25-Mar	1, 3, 6, and 24M	20Y (Nov'42)	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

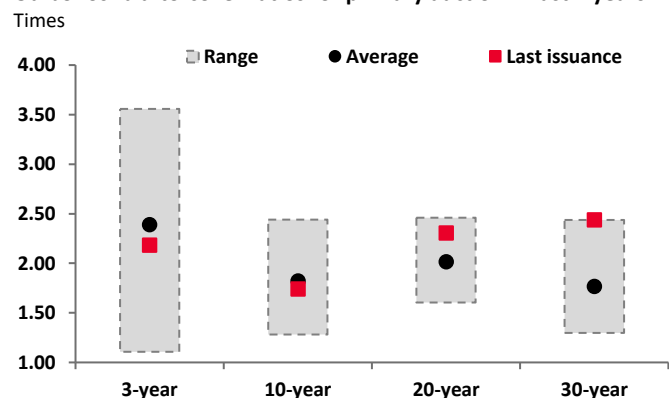
For more information, refer to [1Q25 Auction Calendar](#)

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

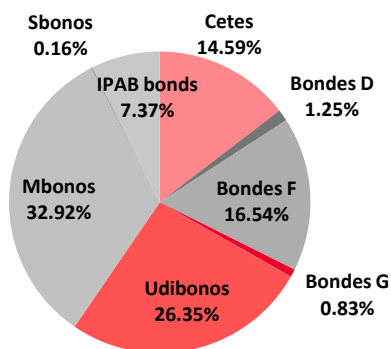
US\$ billion, *UDIS billion, data as of Feb/18/2025

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	105.85	10.91	20.04	17.48	5.12	9.46	3.03	3.30	-	36.49
Bondes D	9.07	0.00	0.44	4.70	0.05	1.81	-	-	-	2.07
Bondes F	119.95	0.01	3.82	69.85	2.72	12.08	2.79	0.01	-	28.68
Bondes G	5.99	0.00	0.24	2.74	0.38	0.70	0.60	-	-	1.35
Udibonos	191.13	8.43	105.96	8.04	33.33	3.23	1.61	0.11	-	30.42
Mbonos	238.83	70.32	60.73	8.25	8.15	30.36	12.44	1.21	0.74	46.62
Sbonos	1.14	0.53	0.31	0.01	0.05	0.01	-	-	-	0.22
Total	671.96	90.21	191.54	111.06	49.81	57.66	20.46	4.63	0.74	145.84
Udibonos*	461.40	20.35	255.79	19.42	80.46	7.80	3.88	0.26	-	73.44
IPAB bonds	53.43	0.13	0.37	17.54	0.50	8.10	4.96	2.25	-	19.59

Source: Banxico, Banorte

Government issuance by type of instrument

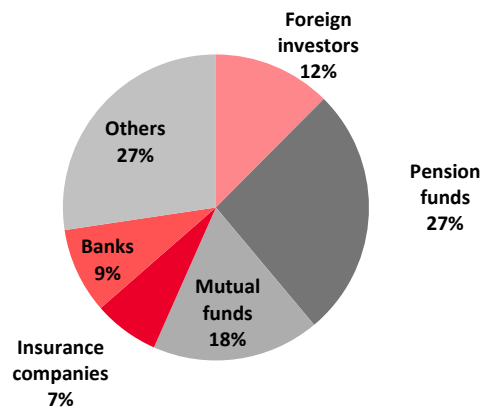
Total amount of US\$ 725 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

Government issuance by type of investor

Total amount of US\$ 725 billion (including IPAB bonds), % of total

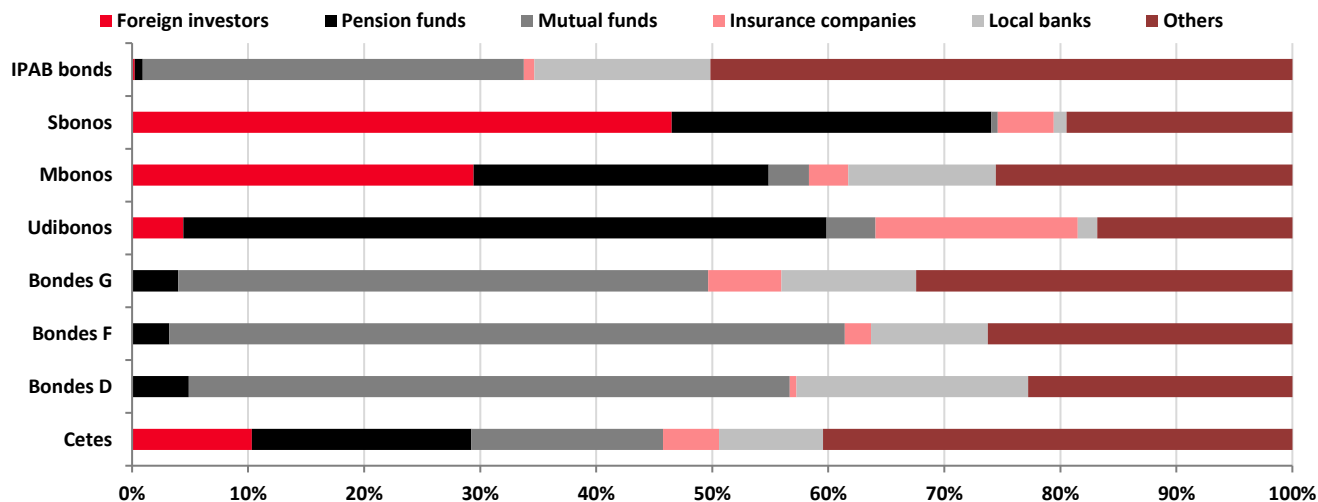


Source: Banxico, Banorte

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\$ 725 billion (including IPAB bonds), % of total



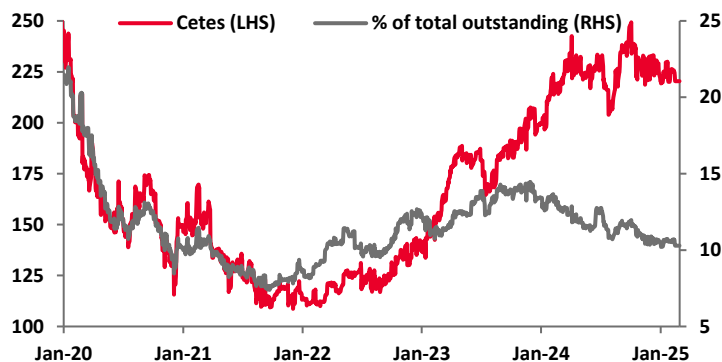
Source: Banxico, Banorte

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

Fixed-Income Demand (continued)

Cetes held by foreigners

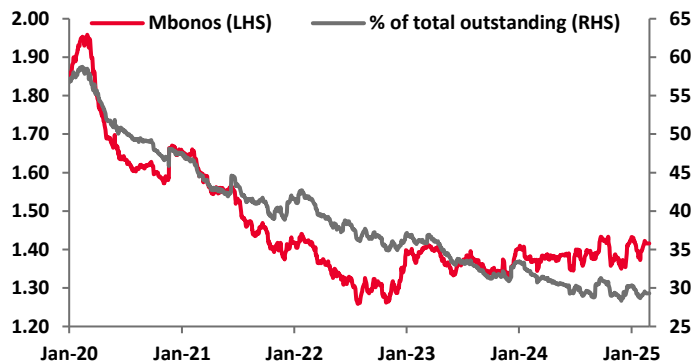
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

Holdings of main investors by type of security

Data as of Feb/18/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	-3.92	0.20	-2.91	-2.60	-6.33	-2.32
Bondef F	-6.25	-41.34	-19.99	-34.69	4.31	5.04
Udibonos	-0.15	1.60	0.99	2.36	12.91	11.63
Mbonos	2.03	-0.57	3.25	6.02	-11.87	-11.26

Source: Banxico, Banorte

Mbonos holdings by type of investor

US\$ billions and %, data as Feb/13/2025

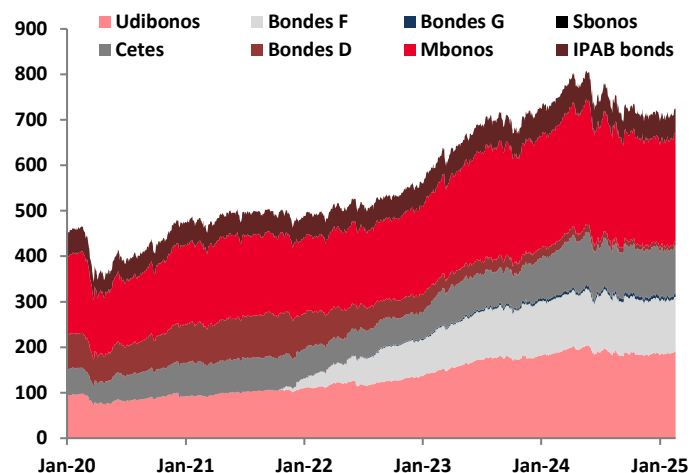
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'25	4.5	32%	6%	14%	48%
Mar'26	16.5	24%	24%	8%	44%
Sep'26	13.6	21%	29%	14%	37%
Mar'27	17.5	30%	19%	12%	39%
Jun'27	18.7	30%	24%	13%	34%
Mar'28	4.7	27%	13%	30%	30%
Mar'29	18.2	13%	33%	23%	32%
May'29	17.5	7%	35%	27%	30%
Feb'30	6.0	13%	5%	34%	48%
May'31	19.0	6%	42%	30%	22%
May'33	15.5	5%	35%	30%	30%
Nov'34	16.4	4%	46%	33%	16%
Nov'36	4.7	2%	18%	54%	26%
Nov'38	10.4	2%	31%	47%	20%
Nov'42	19.5	1%	33%	48%	18%
Nov'47	12.8	1%	28%	48%	23%
Jul'53	17.4	1%	33%	49%	18%
Total	233.1	12%	30%	29%	29%

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

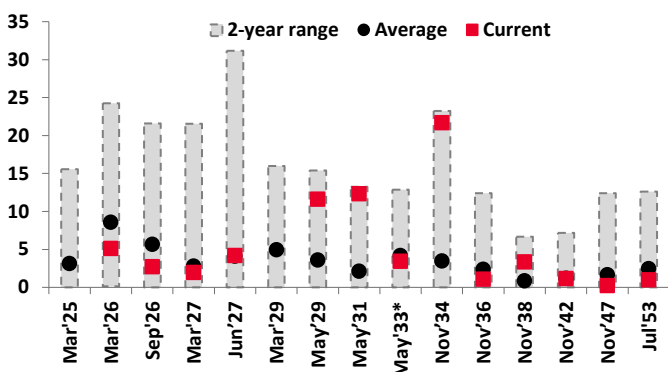


Fuente: Banxico, Banorte

Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

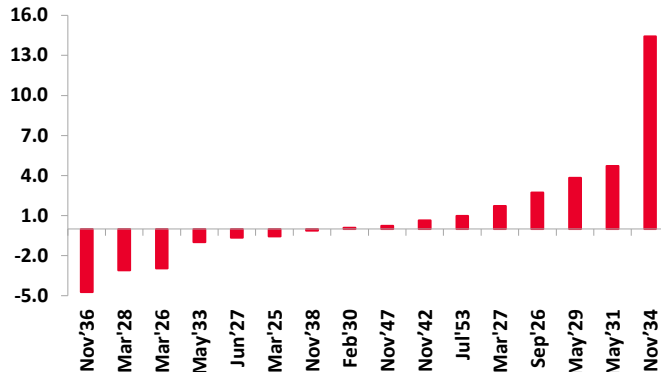
MXN billion



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

Weekly change in market makers' short positions on Mbonos

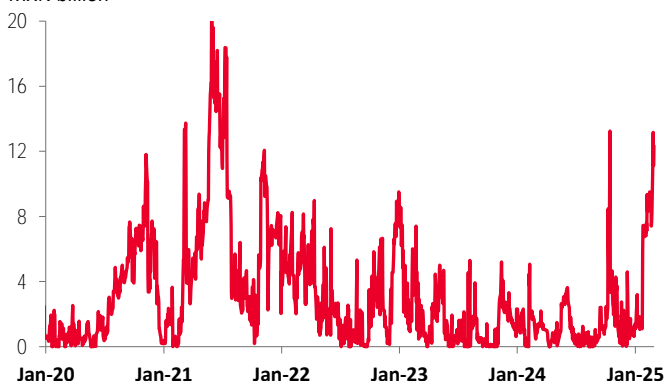
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

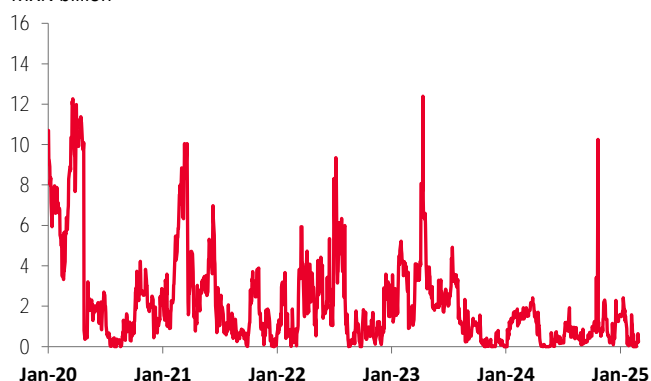
MXN billion



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 Feb/27/2025	Feb/27/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'25	4,344	0	27	141	280	286	0
Mar'26	16,043	249	394	435	355	933	208
Sep'26	11,857	133	0	0	359	655	0
Mar'27	16,789	94	10	15	616	436	0
Jun'27	17,697	204	237	218	29	1,521	34
Mar'28*	5,720	10	161	249	--	332	0
Mar'29	19,139	0	291	412	325	659	0
May'29	19,741	567	381	225	110	567	93
May'31	20,318	602	372	330	54	647	0
May'33	15,383	167	215	250	452	627	0
Nov'34	19,910	1,059	355	263	193	1,134	0
Nov'36	4,806	52	284	433	47	559	0
Nov'38	10,634	164	170	31	71	170	0
Nov'42	19,494	57	25	76	19	269	0
Nov'47	12,791	12	0	8	80	501	0
Jul'53	17,375	48	0	7	0	389	0
Total	232,040	3,370	2,921	3,086	2,991		

Source: Banxico, Banorte *Mar'28 issued in December 2024

Fixed-Income Technicals

Spread between Cetes and Implied Forward Rates

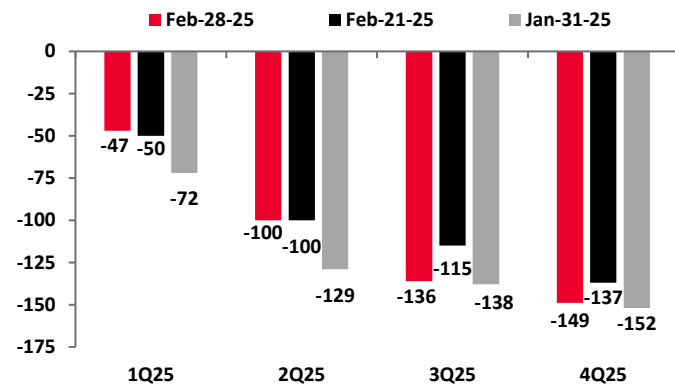
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	44	59	71	64	154	-12
3 months	6	4	-10	13	76	-46
6 months	12	18	-5	12	69	-45
12 months	26	34	11	31	88	-12

Source: PIP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate

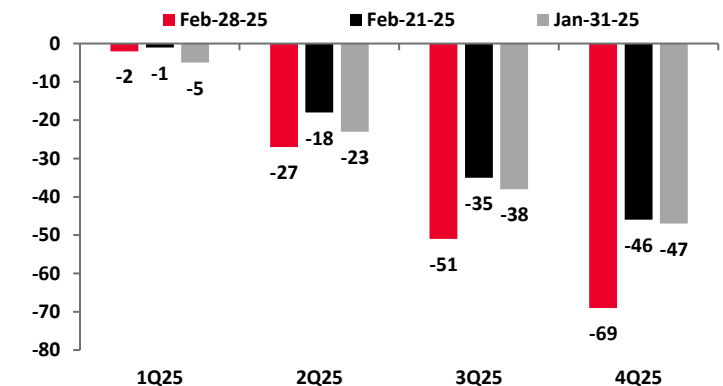
Basis points



Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

Spreads between Mbonos and UST

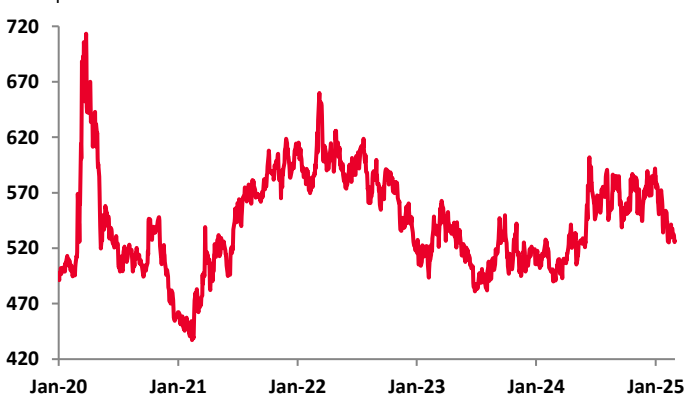
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	477	11	-34	-80	644	463	572
5 year	524	1	-13	-35	623	495	557
10 year	527	-7	-27	-58	602	491	552
20 year	542	-13	-25	-43	593	477	547
30 year	553	-13	-26	-48	605	493	557

Source: Bloomberg, Banorte

10-year Mbono and 10-year UST spread

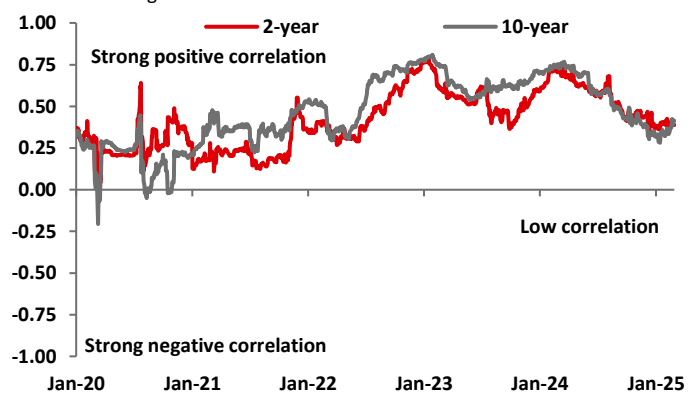
Basis points



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	50	-15	11	34	69	-79	-33
2/10	72	-20	-5	12	99	-94	-28
2/30	127	-22	-2	29	157	-86	-2
5/10	22	-5	-17	-23	46	-28	5
10/30	55	-2	4	17	59	4	26
TIIE-F*							
3m/2Y	-97	-4	-15	-17	-67	-191	-103
2/5	5	-9	-6	1	15	-51	-15
2/10	33	-11	-8	9	44	-46	0
2/30	45	-11	-4	12	56	-41	7
5/10	28	-2	-2	8	30	2	15
10/30	12	0	4	3	20	-4	7
TIIE-F – Mbonos*							
2 year	-56	0	5	-20	-26	-107	-66
5 year	-101	5	-12	-37	-60	-125	-86
10 year	-95	9	3	-29	-64	-130	-90
20 year	-122	13	5	-35	-78	-148	-111
30 year	-138	11	3	-47	-83	-159	-120
TIIE-F – SOFR*							
2 year	436	10	-28	-71	573	425	503
5 year	451	6	-26	-63	559	445	501
10 year	474	4	-28	-57	559	469	514
20 year	486	3	-25	-53	567	482	522
30 year	491	1	-29	-62	580	490	531

Source: Bloomberg, Banorte

Note: TIIE-F IRS history since September 5th, 2024

Breakeven inflation using Mbonos & Udibonos

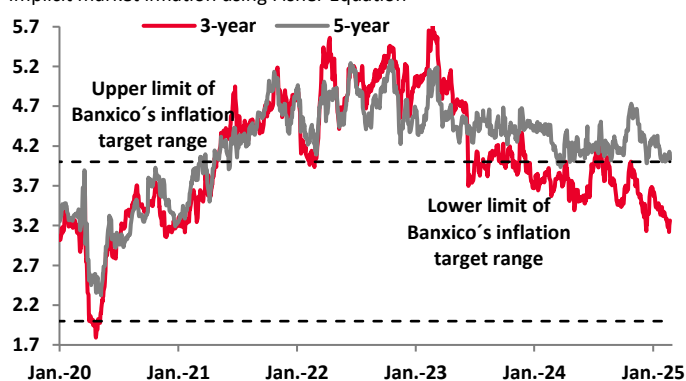
%, Implicit market inflation using Fisher Equation

Date	02/28/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.23	3.26 (-3bps)	3.37 (-14bps)	3.65 (-42bps)	4.21	3.12	3.65
5Y	3.86	4.03 (-17bps)	4.05 (-19bps)	4.16 (-30bps)	4.73	3.80	4.21
10Y	4.16	4.28 (-12bps)	4.45 (-29bps)	4.18 (-2bps)	4.75	4.04	4.34
20Y	4.61	4.7 (-9bps)	4.83 (-22bps)	4.4 (+21bps)	5.01	4.25	4.60
30Y	4.67	4.74 (-7bps)	4.8 (-13bps)	4.52 (+15bps)	5.01	4.34	4.66

Source: Bloomberg, Banorte

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

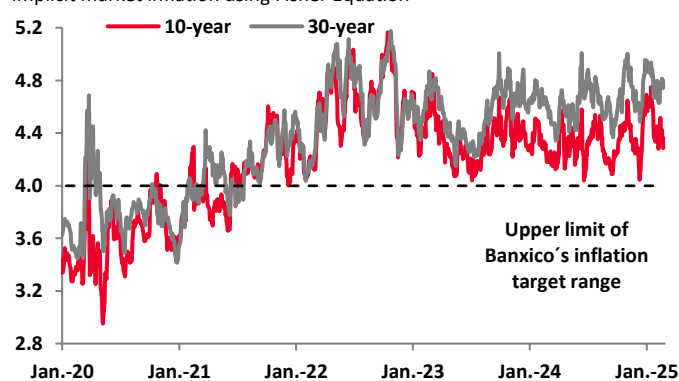
Implicit market inflation using Fisher Equation



Source: PIP, Banorte

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

Implicit market inflation using Fisher Equation



Source: PIP, Banorte

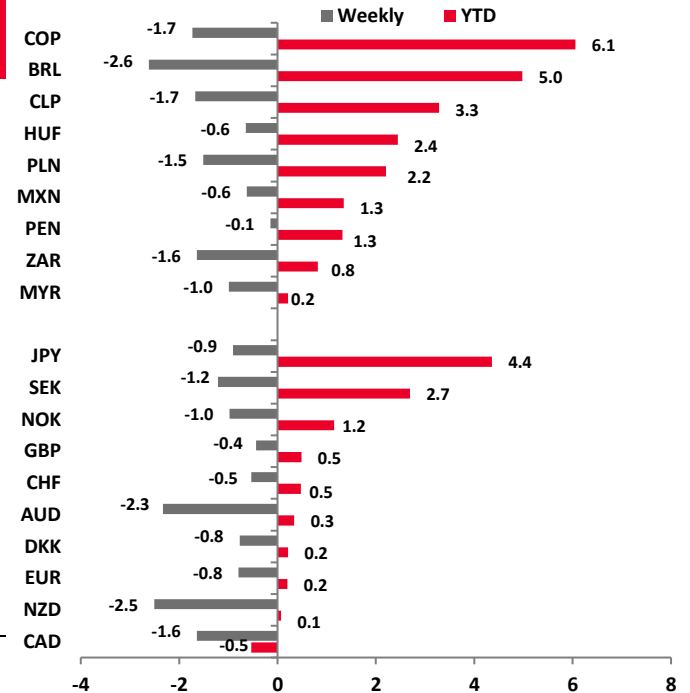
FX dynamics

Foreign Exchange market levels and historical return

		Current	Daily Change (%) ¹	Weekly change (%) ¹	Monthly change (%) ¹	YTD (%) ¹
Emerging Markets						
Brazil	USD/BRL	5.88	-0.9	-2.6	-0.3	5.0
Chile	USD/CLP	963.30	-1.1	-1.7	3.0	3.3
Colombia	USD/COP	4,154.14	-0.5	-1.7	0.4	6.1
Peru	USD/PEN	3.69	-0.5	-0.1	0.7	1.3
Hungary	USD/HUF	387.97	-0.7	-0.6	1.0	2.4
Malaysia	USD/MYR	4.46	-0.5	-1.0	-1.5	0.2
Mexico	USD/MXN	20.55	-0.3	-0.6	-0.2	1.3
Poland	USD/PLN	4.04	-0.9	-1.5	-0.2	2.2
South Africa	USD/ZAR	18.69	-1.2	-1.6	-0.8	0.8
Developed Markets						
Canada	USD/CAD	1.45	-0.2	-1.6	-0.3	-0.5
Great Britain	GBP/USD	1.26	-0.2	-0.4	1.0	0.5
Japan	USD/JPY	150.63	-0.5	-0.9	3.0	4.4
Eurozone	EUR/USD	1.0375	-0.2	-0.8	-0.4	0.2
Norway	USD/NOK	11.26	-0.1	-1.0	0.3	1.2
Denmark	USD/DKK	7.19	-0.2	-0.8	-0.4	0.2
Switzerland	USD/CHF	0.90	-0.4	-0.5	0.4	0.5
New Zealand	NZD/USD	0.56	-0.6	-2.5	-1.1	0.1
Sweden	USD/SEK	10.78	-0.3	-1.2	2.0	2.7
Australia	AUD/USD	0.62	-0.4	-2.3	-0.4	0.3

FX performance

Against USD, %

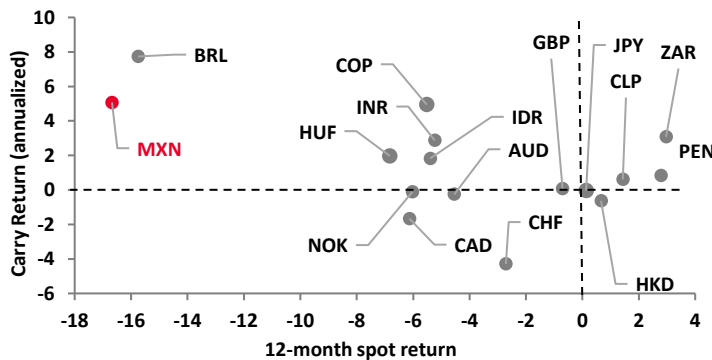


Source: Bloomberg, Banorte

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

Performance of selected currencies

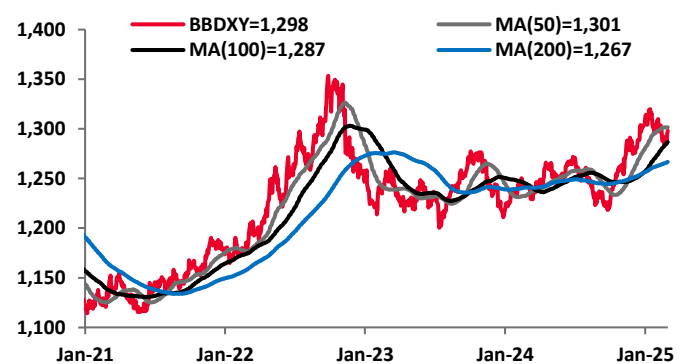
%, annualized rate based in 3M forwards



4Source: Bloomberg, Banorte

BBDXY

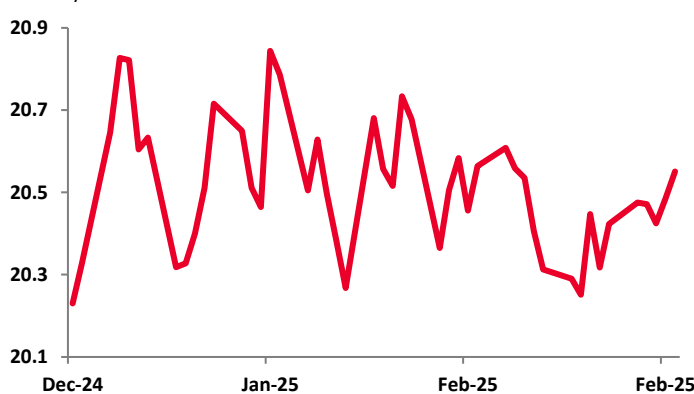
Points



Source: Bloomberg, Banorte

USD/MXN

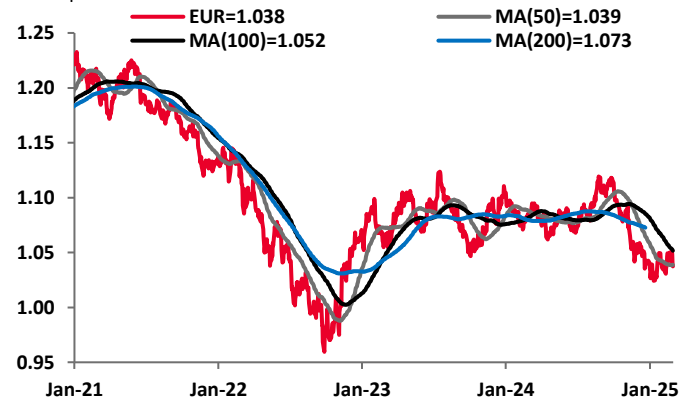
Last 60 days



Source: Bloomberg, Banorte

Euro

Dollar per euro

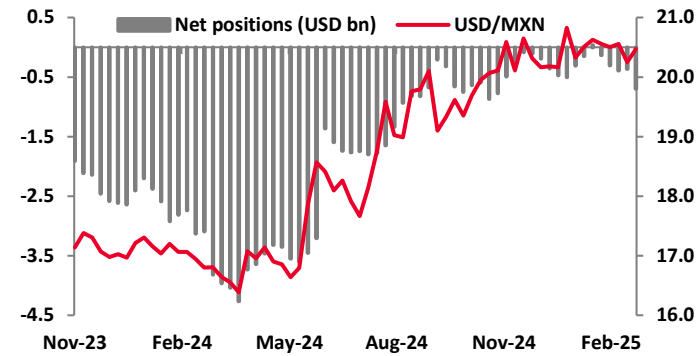


Source: Bloomberg, Banorte

FX positioning and flows

IMM positioning in USD/MXN futures

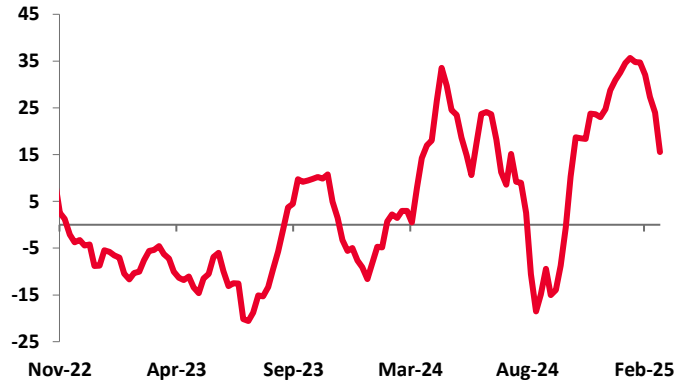
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

IMM positioning in USD futures*

Billion dollars, Positive = net long in USD

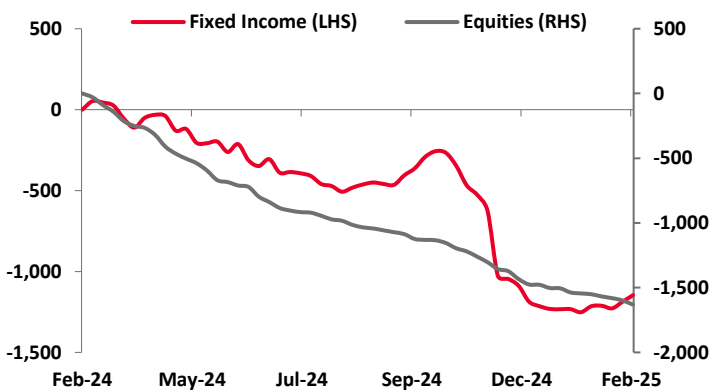


*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

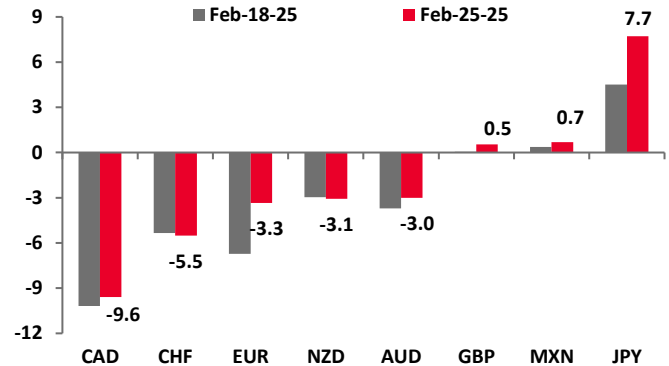
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

IMM positioning by currency*

Billion dollars

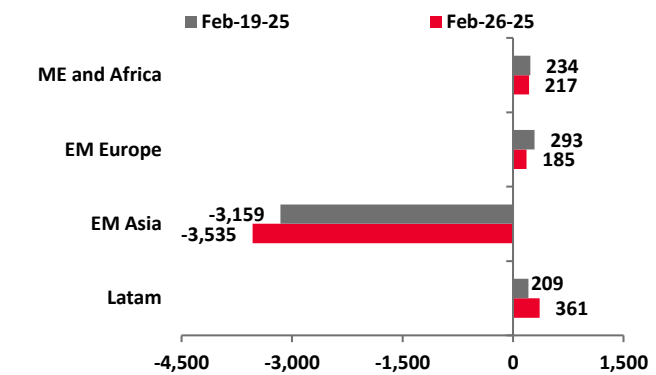


* Positive: Net long in the corresponding currency

Source: CME, Banorte

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

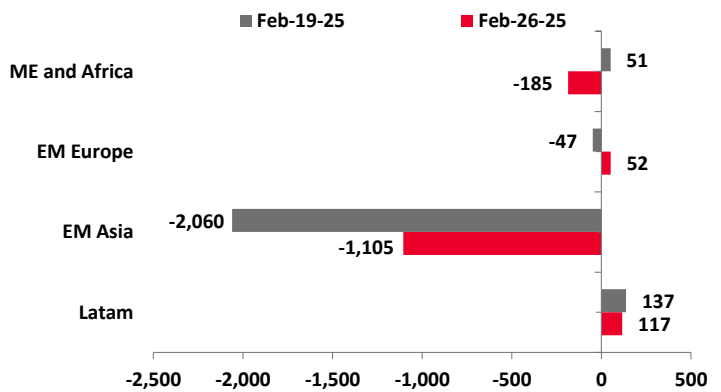
Billion dollars



Source: EPFR Global, Banorte

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

Weekly, million dollars

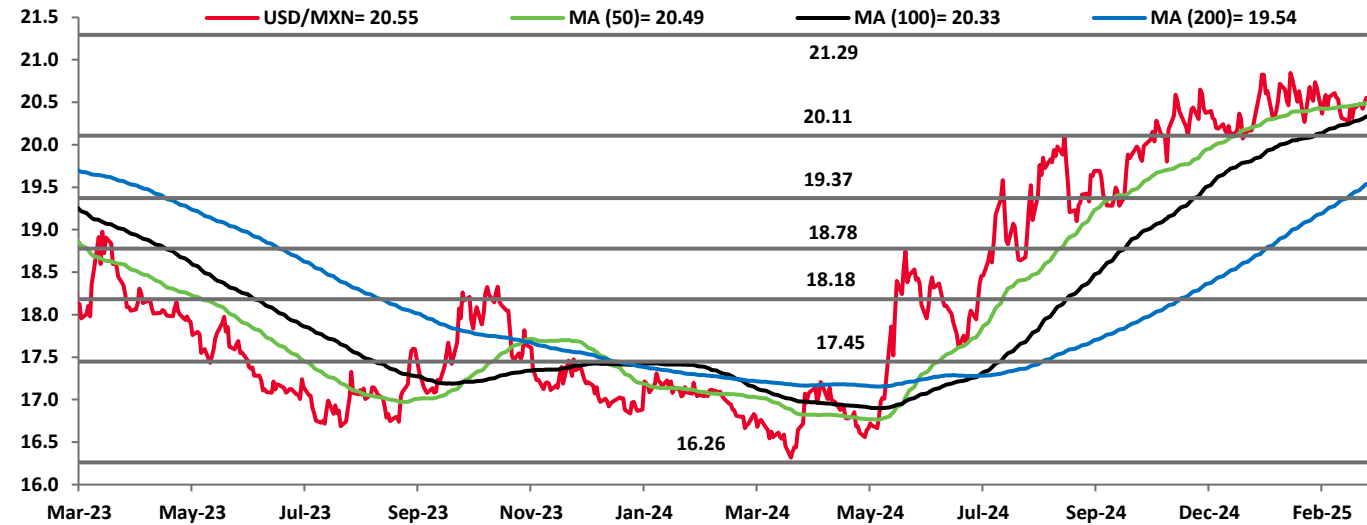


Source: EPFR Global, Banorte

FX technicals

USD/MXN – Moving averages and Fibonacci retracement

Last 12 months



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

Based on daily percentages changes

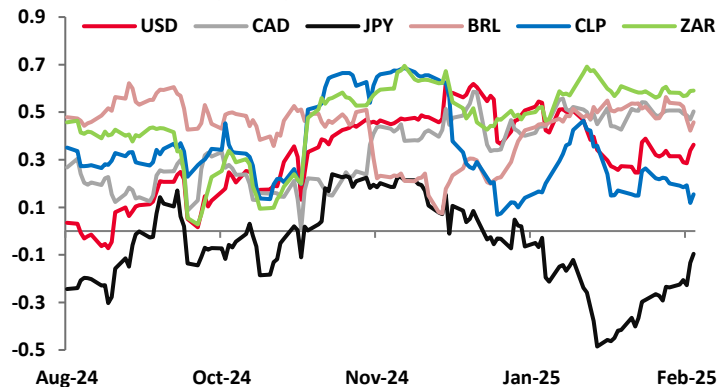
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	36	32	-7	62	32
CAD	50	51	1	59	34
JPY	-10	-22	-49	24	-6
BRL	46	54	7	62	43
CLP	15	19	7	69	34
ZAR	59	58	3	69	46
VIX	23	22	-13	51	20
SPX	21	20	-15	55	23
GSCI	38	37	-17	60	26
Gold	9	-4	-15	38	15

* 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

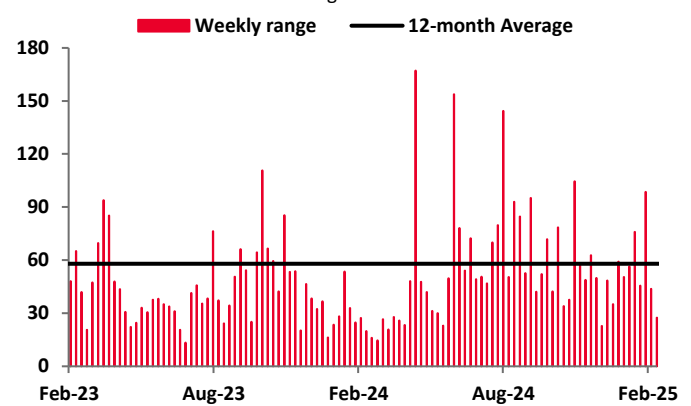


* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

USD/MXN – Weekly trading range

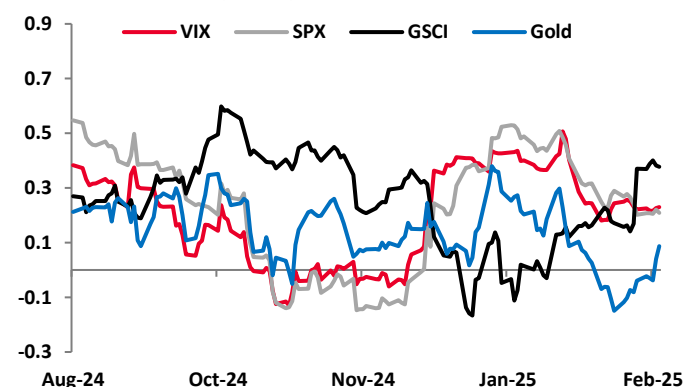
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

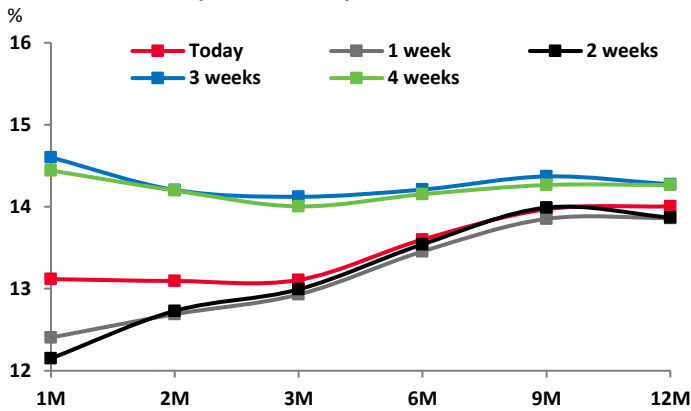


* Positive: appreciation of MXN and corresponding asset except VIX

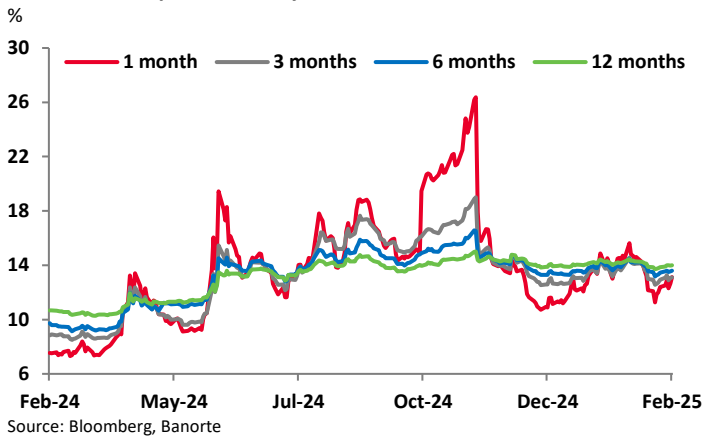
Source: Bloomberg, Banorte

FX technicals (continued)

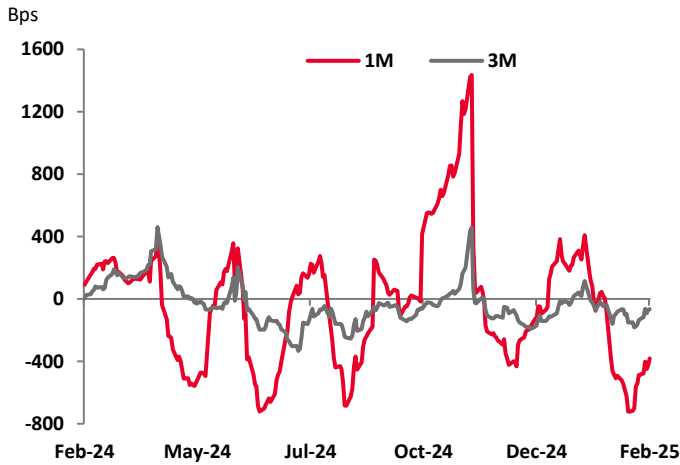
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

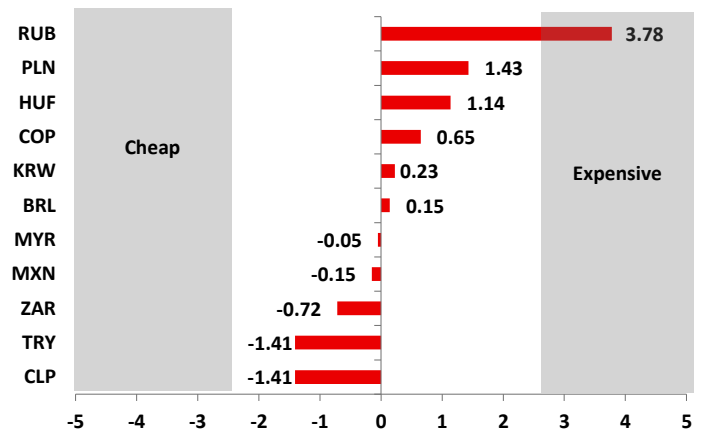


USD/MXN – Spread between implicit and historical volatility



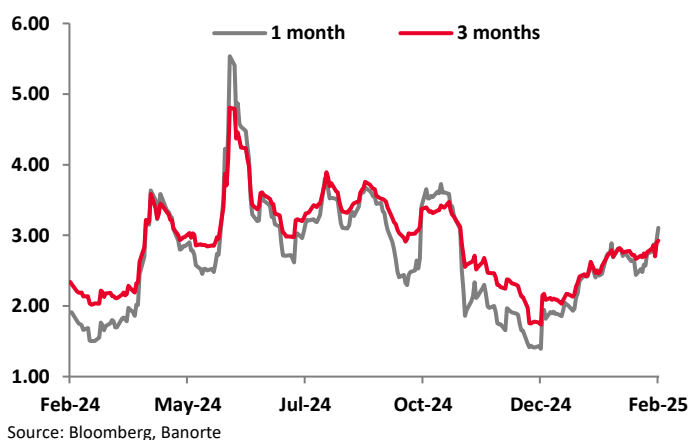
Emerging markets 1-month ATM options volatility

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



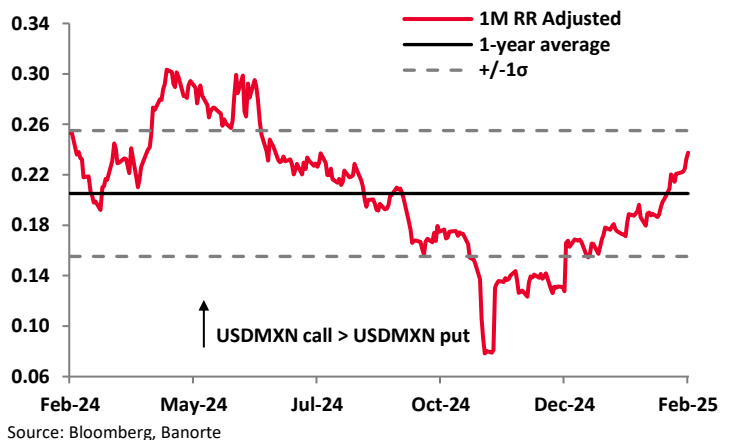
USD/MXN – 25D risk reversals

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 week ending March 9th, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 3	03:55	GER	Manufacturing PMI*	Feb (F)	index	--	46.1	46.1
	04:00	EZ	Manufacturing PMI*	Feb (F)	index	--	47.3	47.3
	04:30	UK	Manufacturing PMI*	Feb (F)	index	--	46.4	46.4
	05:00	EZ	Consumer prices	Feb (P)	% y/y	--	2.3	2.5
	05:00	EZ	Core	Feb (P)	% y/y	--	2.5	2.7
	08:00	BZ	BRA Manufacturing PMI*	Feb	index	--	--	50.7
	09:45	US	Manufacturing PMI*	Feb (F)	index	51.6	51.6	51.6
	10:00	US	ISM Manufacturing*	Feb	index	50.5	50.5	50.9
	10:00	MX	Family remittances	Jan	US\$bn	4,612.3	4,727.0	5,227.8
	10:00	MX	Survey of expectations (Banxico)					
	12:35	US	Fed's Musalem Gives Keynote Speech					
	13:00	MX	Manufacturing PMI (IMEF)*	Feb	index	46.3	--	45.6
	13:00	MX	Non-manufacturing PMI (IMEF)*	Feb	index	49.3	--	49.1
		US	Total vehicle sales**	Feb	millions	--	16.0	15.6
Tue 4	05:00	EZ	Unemployment rate*	Jan	%	--	6.3	6.3
	10:00	MX	International reserves	Feb 28	US\$bn	--	--	233.9
	12:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 30-year Mbono (Jul'53), 3-year Udibono (Dec'26) and 2-, 5- and 10-year Bondes F					
	14:20	US	Fed's Williams Speaks at Bloomberg Invest Forum					
	20:45	CHI	Services PMI (Caixin)*	Feb	index	--	50.8	51.0
	20:45	CHI	Composite PMI (Caixin)*	Feb	index	--	--	51.1
Wed 5	03:55	GER	Services PMI*	Feb (F)	index	--	52.2	52.2
	03:55	GER	Composite PMI*	Feb (F)	index	--	51.0	51.0
	04:00	EZ	Services PMI*	Feb (F)	index	--	50.7	50.7
	04:00	EZ	Composite PMI*	Feb (F)	index	--	50.2	50.2
	04:30	UK	Services PMI*	Feb (F)	index	--	51.1	51.1
	07:00	MX	Gross fixed investment	Dec	% y/y	-2.8	-2.7	-0.7
	07:00	MX	Gross fixed investment*	Dec	% m/m	-2.1	-2.1	0.1
	07:00	MX	Private consumption	Dec	% y/y	-0.2	0.5	0.3
	07:00	MX	Private consumption*	Dec	% m/m	-0.8	--	0.5
	08:15	US	ADP employment*	Feb	thousands	150	145	183
	09:45	US	Services PMI*	Feb (F)	index	49.7	49.7	49.7
	09:45	US	Composite PMI*	Feb (F)	index	50.4	--	50.4
	10:00	US	Factory orders*	Jan	% m/m	--	1.6	-0.9
	10:00	US	Ex transportation*	Jan	% m/m	--	--	0.3
	10:00	US	Durable goods orders*	Jan (F)	% m/m	--	--	3.1
	10:00	US	Ex transportation*	Jan (F)	% m/m	--	--	0.0
	10:00	US	ISM services*	Feb	index	53.3	53.0	52.8
	14:00	US	Beige Book					
	15:30	MX	Citi Survey of Economists					
Thu 6	05:00	EZ	Retail sales*	Jan	% m/m	--	0.1	-0.2
	06:00	TUR	Monetary policy decision (Central Bank of Turkey)	Mar 6	%	--	42.50	45.00
	08:15	EZ	Monetary policy decision (ECB)	Mar 6	%	2.50	2.50	2.75
	08:30	US	Trade balance*	Jan	US\$bn	--	-92.8	-98.4
	08:30	US	Initial jobless claims*	Mar 1	thousands	235	235	242
	08:45	EZ	ECB President Christine Lagarde Holds Press Conference					
	08:45	US	Fed's Harker Gives Speech on Economic Education					
	15:30	US	Fed's Waller Speaks on the Economic Outlook					
	19:00	US	Fed's Bostic Speaks on Economy, Birmingham					
	21:30	CHI	Trade balance	Jan-Feb	USDbn	--	140.4	124.6
Fri 7	21:30	CHI	Exports	Jan-Feb	% y/y	--	6.8	5.9
	21:30	CHI	Imports	Jan-Feb	% y/y	--	1.0	1.1
	05:00	EZ	Gross domestic product	4Q24 (F)	% y/y	--	0.9	0.9
	05:00	EZ	Gross domestic product*	4Q24 (F)	% q/q	--	0.1	0.1
	07:00	BZ	Gross domestic product*	4Q24	% q/q	--	0.4	0.9
	07:00	MX	Consumer prices	Feb	% m/m	0.26	0.27	0.29
	07:00	MX	Core	Feb	% m/m	0.47	0.46	0.41
	07:00	MX	Consumer prices	Feb	% y/y	3.75	3.78	3.59
	07:00	MX	Core	Feb	% y/y	3.63	3.63	3.66
	08:30	US	Nonfarm payrolls*	Feb	thousands	140	155	143
	08:30	US	Unemployment Rate*	Feb	%	4.1	4.0	4.0
	10:15	US	Fed's Bowman Speaks on Policy Transmission					
	10:45	US	Fed's Williams Speaks on Panel on Policy Transmission					
	12:20	US	Fed's Kugler Speaks on Rebalancing Labor Markets					
	12:30	US	Fed's Powell Speaks on the Economic Outlook at Chicago Booth's 2025 US Monetary Policy Forum					
	15:00	US	Consumer credit*	Jan	US\$bn	--	14.5	40.8
Sat 8	20:30	CHI	Consumer Prices	Feb	% y/y	--	--	0.5
Sun 9		US	Daylight Saving Time starts in the US					

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	
Pay TIE-IRS (130x1), receive 10-year SOFR		Feb-28-25		
2y10y TIE-F steepener		Jan-17-25		
3y10y TIE-IRS steepener	L	Sep-27-24	Oct-7-24	
Tactical longs in Udibono Dec'26	L	Sep-27-24	Oct-24-24	
2y10y TIE-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 TIE-IRS (13x1)	P	Jan-12-24	Jan-19-24	
2y10y TIE-IRS steepener	L	Oct-13-23	Feb-23-24	
Long positions in Mbono Dec'24	P	Jun-16-23	Jun-22-23	
Pay TIE-IRS (26x1), receive 2-year SOFR	L	Aug-18-22	Oct-28-22	
Pay 2-year TIE-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 TIE-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 TIE-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	
USD/MXN call spread (long call with K=20.65 & short call with K=21.00)		20.55		Feb-28-25		
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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