

# **Fixed-Income & FX Strategy**

**W e e k l y**

March 28, 2025

## Fixed-Income and FX Weekly

- Waiting for April 2<sup>nd</sup>.** Market narratives and price action remain entirely dictated by uncertainty surrounding the impact of tariffs, while sentiment continues to tilt more pessimistic regarding their effects on growth. Rotation into European assets appears to have stalled, with the USD establishing a floor, even as it heads for a third consecutive monthly decline in March. This stabilization after the recent sell-off has coincided with a bear steepening in USTs this week, with the long-end under greater pressure despite a notable rebound in short-term inflation breakevens, which accelerated following the introduction of [25% tariffs on autos](#). The unpredictability of US trade policy is keeping uncertainty at unusually high levels, with reciprocal tariffs expected to be announced by the US next Wednesday, April 2<sup>nd</sup>. The latter are much likely to prompt similar actions from its trading partners. Should measures prove less detrimental than initially feared, risk appetite could see a temporary boost. However, downside risks to growth remain. Next week's agenda will also feature the US March employment report (Banorte: 130K; 4.1%) and a speech from Powell, while in Mexico, focus will be on *2026 Preliminary Policy Criteria*
- Constructive on the local short- and mid-ends.** [Banxico's tone](#) has shifted further into dovish territory, emphasizing that its unanimous 50bps rate cut was accompanied by forward guidance reaffirming that adjustments of a "similar magnitude" could be considered going forward. We now expect the policy rate to end 2025 at 7.75%, lower than our previous forecast of 8.50%. Market pricing is broadly aligned with our view, currently reflecting implied cuts of 127bps for 2025, while incorporating a terminal rate for next year near 7.60%. This would imply a spread vs the Fed of 415bps, after having reached 400bps in January, a level we still see as feasible. We see room for further downside in the short- and mid-term segments, with markets pricing further rate cuts from Banxico. Regarding Mbonos, the [auction calendar update](#) included a reduction in issuance, providing additional support for this sector of the curve. Meanwhile, we find US-Mexico spreads relatively tight, with most tenors trading near recent lows across both bonds and IRS. Given prevailing uncertainty and potential asymmetry, we prefer maintaining relative value strategies rather than outright directional longs in the short and mid-ends. We maintain our recommendation for a [2s10s steepener in TIIE-F IRS](#) (current: 48bps, entry: 30bps, target: 65bps, stop-loss: 15bps) and also maintain our trade of [paying 10-year TIIE-F while receiving SOFR of the same term](#) (current: 458bps, entry: 473bps, target: 505bps, stop-loss: 450bps)
- Cautious on FX.** MXN remains highly vulnerable in the tariff-related backdrop, depreciating 0.7% this week to 20.38 per dollar, with other EM peers underperforming. Meanwhile, the G10 complex has posted a stronger performance. Heading into the April 2<sup>nd</sup> developments, we reiterate our preference for buying USD on dips, acknowledging additional downside risks for MXN throughout the year. Among these, the gradual erosion of both implied and effective carry stands out, amid a broader backdrop of elevated risk aversion and the peso's positive beta to US growth, as the exceptionalism narrative transitions toward stagflation. For USD indices, while further declines cannot be ruled out, the downside appears more constrained given accumulated losses
- Weekly ranges.** We expect the 10-year Mbono (Nov'34) to trade between 9.25% and 9.50%, and MXN between 20.10 and 20.90 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 (%)
<b>Overnight TIIE funding rate</b>							
1-day	9.49	-1	1	-71	11.10	9.45	10.52
28-days <sup>1</sup>	9.52	0	-14	-74	11.26	9.52	10.62
91-days <sup>1</sup>	9.60	0	-14	-76	11.37	9.60	10.72
182-days <sup>1</sup>	9.72	0	-14	-78	11.53	9.72	10.86
<b>Cetes<sup>2</sup></b>							
28-days	9.02	-11	-43	-99	11.11	9.00	10.37
91-days	8.86	-14	-34	-114	11.19	8.86	10.44
182-days	8.78	-12	-32	-117	11.29	8.78	10.44
364-days	8.70	-20	-32	-136	11.44	8.70	10.42
<b>Mbonos</b>							
Mar'26	8.50	-4	-26	-131	11.03	8.50	9.97
Sep'26	8.43	-11	-30	-135	11.03	8.43	9.88
Mar'27	8.50	-11	-32	-127	10.74	8.50	9.68
Jun'27	8.55	-12	-33	-127	10.68	8.55	9.68
Mar'28 <sup>3</sup>	8.71	-15	-36	-122	9.99	8.71	9.45
Mar'29	8.83	-15	-33	-114	10.55	8.83	9.72
May'29	8.84	-16	-34	-114	10.47	8.84	9.69
Feb'30 <sup>4</sup>	8.94	-16	-32	-75	9.69	8.94	9.36
May'31	9.02	-18	-29	-103	10.42	9.02	9.69
May'33	9.22	-13	-19	-100	10.40	9.08	9.77
Nov'34	9.34	-12	-14	-108	10.45	9.10	9.81
Nov'36	9.34	-11	-11	-108	10.45	9.13	9.81
Nov'38	9.60	-9	-10	-95	10.60	9.26	9.94
Nov'42	9.88	-8	-6	-82	10.76	9.44	10.09
Nov'47	9.92	-9	-6	-82	10.79	9.42	10.09
Jul'53	9.93	-10	-9	-86	10.81	9.44	10.10
<b>TIIE-F IRS<sup>5</sup></b>							
3-month (3x1)	8.83	-10	-34	-112	10.62	8.83	9.85
6-month (6x1)	8.50	-14	-34	-123	10.40	8.50	9.59
9-month (9x1)	8.30	-14	-31	-129	10.17	8.30	9.40
1-year (13x1)	8.12	-13	-31	-130	9.95	8.12	9.19
2-year (26x1)	7.90	-12	-30	-125	9.66	7.90	8.84
3-year (39x1)	7.91	-11	-27	-121	9.52	7.91	8.74
4-year (52x1)	7.98	-9	-23	-117	9.46	7.98	8.72
5-year (65x1)	8.05	-9	-21	-114	9.43	8.05	8.72
7-year (91x1)	8.20	-8	-17	-106	9.42	8.17	8.79
10-year (130x1)	8.38	-8	-15	-101	9.46	8.25	8.90
20-year (3x1)	8.57	-8	-16	-92	9.59	8.35	9.03
30-year (390x1)	8.47	-9	-17	-100	9.50	8.32	8.97
<b>Udibonos</b>							
Dec'25	5.98	-6	-19	-19	7.90	5.91	6.50
Dec'26	5.33	-12	-32	-76	7.08	5.32	6.12
Nov'28	4.94	-13	-26	-52	5.96	4.73	5.31
Aug'29 <sup>6</sup>	4.97	-16	-16	-4	5.14	4.97	5.07
Nov'31	4.97	-16	-21	-51	5.80	4.70	5.20
Aug'34	4.89	-15	-21	-60	5.76	4.70	5.24
Nov'35	4.89	-14	-19	-59	5.62	4.71	5.20
Nov'40	4.91	-13	-15	-60	5.72	4.74	5.20
Nov'43	4.99	-10	-11	-52	5.73	4.76	5.23
Nov'46	4.94	-9	-15	-57	5.70	4.72	5.17
Nov'50	4.95	-8	-14	-56	5.71	4.75	5.18
Oct'54 <sup>7</sup>	4.93	-11	-19	-64	5.71	4.79	5.20

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 4<sup>th</sup>, 2024

4: Mbono Feb'30 issued on January 30<sup>th</sup>, 2025

5: TIIE-F IRS history since September 5<sup>th</sup>, 2024

6: Udibono Aug'29 issued on March 13<sup>th</sup>, 2025

7: Udibono Oct'54 issued on May 17<sup>th</sup>, 2024

## Fixed-Income Dynamics (continued)

### USD UMS and US Treasuries performance

USD GMS 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	4.79	-2	-36	3.91	-4	-33	88	+2	71	71
3Y	Feb'28	4.99	-6	-69	3.90	-3	-38	109	-3	88	90
5Y	May'30	5.54	-1	-34	3.98	-3	-40	156	+2	127	137
7Y	Apr'32	5.93	+1	-41	4.11	-1	-37	182	+2	143	173
10Y	Feb'35	6.32	+1	-32	4.25	+0	-32	207	+1	172	212
20Y	Jan'45	6.59	+4	-16	4.65	+4	-21	195	0	190	--
30Y	May'55	7.19	+4	-4	4.63	+4	-15	256	0	230	--

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 10-year Mbono (Nov'34), the 10-year Udibono (Aug'34), as well as 2-,5- and 10-year Bondes F
- **The MoF published the [2Q25 government securities auction calendar](#).** A reduction was observed for debt issuance at both fixed and floating rates vs 1Q25. On the former, the amount to be issued for Mbonos will stand at MXN 181.0 billion (-6% q/q) and for Udibonos will be UDIS 11.75 billion (-4.0% q/q). Altogether, fixed rate issuance will stand at MXN 279.97 billion (-5% t/t). Regarding floating rates, Bondes F will be at MXN 164.15 billion (-2% q/q). As such, total issuance will add MXN 444.12 billion (-3% q/q). In detail, Mbonos represent 41%, Udibonos 22%, and Bondes F 37%. Additionally, the MoF will also seek to place ESG securities at both a floating rate (Bondes G) and a fixed rate (Sbonos). Also, an issuance of a new benchmark for Mbonos will be assessed. For the first primary auction of the quarter, we expect the solid demand for Cetes to be maintained. Although the issuance of Mbonos was reduced, the strong increase in the issuance of the 10-year term to MXN 45 billion (+29% q/q) stood out, despite a reduction in the average amount by MXN 2.5 billion to MXN 15 billion. In this regard, we anticipate stable demand in line with the 2-year average of 2.0x. The average amount to be auctioned of the 10-year Udibono was reduced by UDIS 50 million to UDIS 950 million, with a total issuance of UDIS 3.8 billion (-5% q/q). For this security, the appetite could moderate after reaching a high of 2.76x in its last auction

### Auction specifics (April 1<sup>st</sup>, 2025)

Security	Maturity	Coupon rate, %	To be auctioned <sup>1</sup>	Previous yield <sup>2</sup>
<b>Cetes</b>				
1m	Apr-30-25	--	7,000	9.02
3m	Jul-03-25	--	7,000	8.89
6m	Oct-02-25	--	7,000	8.84
12m	Apr-01-26	--	15,400	8.99
<b>Bondes F</b>				
2Y	Apr-01-27	--	9,600	0.15
5Y	Jan-24-30	--	2,200	0.19
10Y	Apr-19-35	--	550	0.24
<b>Bono M</b>				
10Y	Nov-23-34	7.75	15,000	9.85
<b>Udibono</b>				
10Y	Aug-24-34	4.00	UDIS 950	4.94

Source: Banxico, Banorte

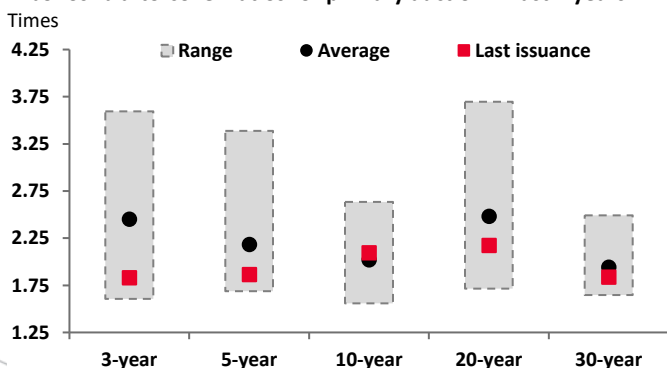
1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.  
2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

### 2Q25 Government Securities Auction Calendar\*

Date	Cetes	Bonos M	Udibonos	Bondes F
1-Apr	1, 3, 6, and 12M	10Y (Nov'34)	10Y (Aug'34)	2, 5 and 10Y
8-Apr	1, 3, 6, and 24M	3Y (Mar'28)	20Y (Nov'43)	1, 3 and 7Y
14-Apr	1, 3, 6, and 12M	30Y (Jul'53)	3Y (Aug'29)	2 and 5Y
22-Apr	1, 3, 6, and 24M	5Y (Feb'30)	30Y (Oct'54)	1 and 3Y
28-Apr	1, 3, 6, and 12M	20Y (Nov'42)	10Y (Aug'34)	2, 5 and 10Y
6-May	1, 3, 6, and 24M	3Y (Mar'28)	20Y (Nov'43)	1, 3 and 7Y
13-May	1, 3, 6, and 12M	10Y (Nov'34)	3Y (Aug'29)	3 and 5Y
20-May	1, 3, 6, and 24M	5Y (Feb'30)	30Y (Oct'54)	2 and 3Y
27-May	1, 3, 6, and 12M	30Y (Jul'53)	10Y (Aug'34)	2, 5 and 10Y
3-Jun	1, 3, 6, and 24M	20Y (Nov'42)	20Y (Nov'43)	1, 3 and 7Y
10-Jun	1, 3, 6, and 12M	3Y (Mar'28)	3Y (Aug'29)	4 and 5Y
17-Jun	1, 3, 6, and 24M	5Y (Feb'30)	30Y (Oct'54)	3 and 3Y
24-Jun	1, 3, 6, and 12M	10Y (Nov'34)	10Y (Aug'34)	2, 5 and 10Y

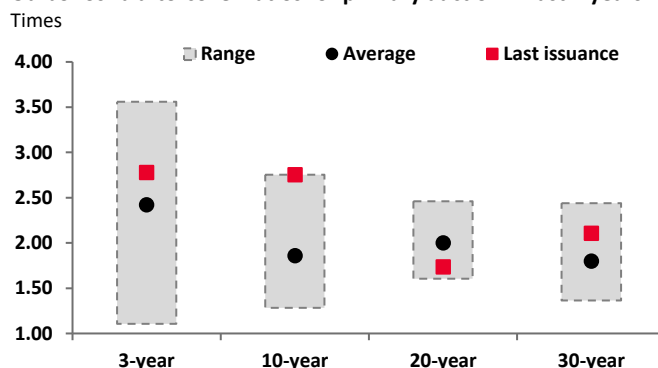
Source: SHCP \*Ministry of Finance \*In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance  
For more information, refer to [2Q25 Auction Calendar](#)

### 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

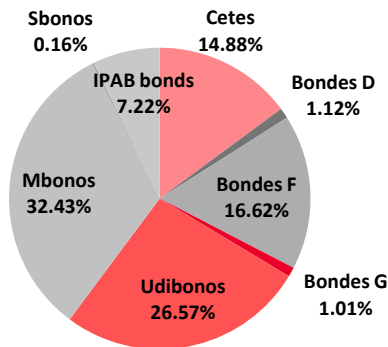
US\$ billion, \*UDIS billion, data as of Mar/18/2025

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	110.00	11.49	18.26	20.38	5.50	14.59	1.86	1.06	-	36.86
Bondes D	8.25	0.00	0.18	4.10	0.01	1.27	-	-	-	2.69
Bondes F	122.84	0.02	3.20	72.54	2.77	14.05	1.46	-	-	28.79
Bondes G	7.50	0.00	0.06	2.49	0.58	1.89	0.85	-	-	1.63
Udibonos	196.42	8.03	108.18	8.11	34.06	4.21	1.35	0.10	-	32.38
Mbonos	239.75	73.46	61.82	8.12	8.26	34.61	6.19	0.76	0.75	45.78
Sbonos	1.15	0.55	0.31	0.01	0.06	0.00	-	-	-	0.23
<b>Total</b>	<b>685.92</b>	<b>93.56</b>	<b>192.00</b>	<b>115.76</b>	<b>51.23</b>	<b>70.61</b>	<b>11.72</b>	<b>1.92</b>	<b>0.75</b>	<b>148.37</b>
Udibonos*	465.08	19.01	256.15	19.19	80.64	9.96	3.20	0.25	-	76.68
IPAB bonds	53.39	0.01	0.38	17.35	0.42	9.23	4.48	1.85	-	19.65

Source: Banxico, Banorte

## Government issuance by type of instrument

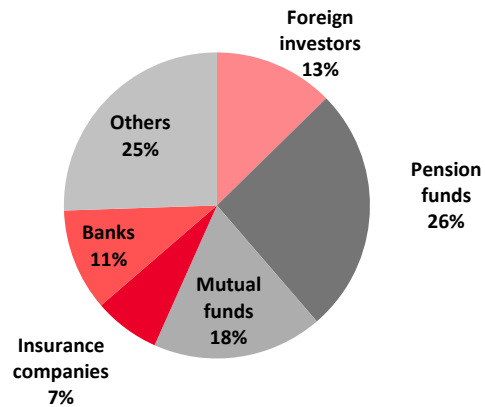
Total amount of US\$ 739 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

## Government issuance by type of investor

Total amount of US\$ 739 billion (including IPAB bonds), % of total

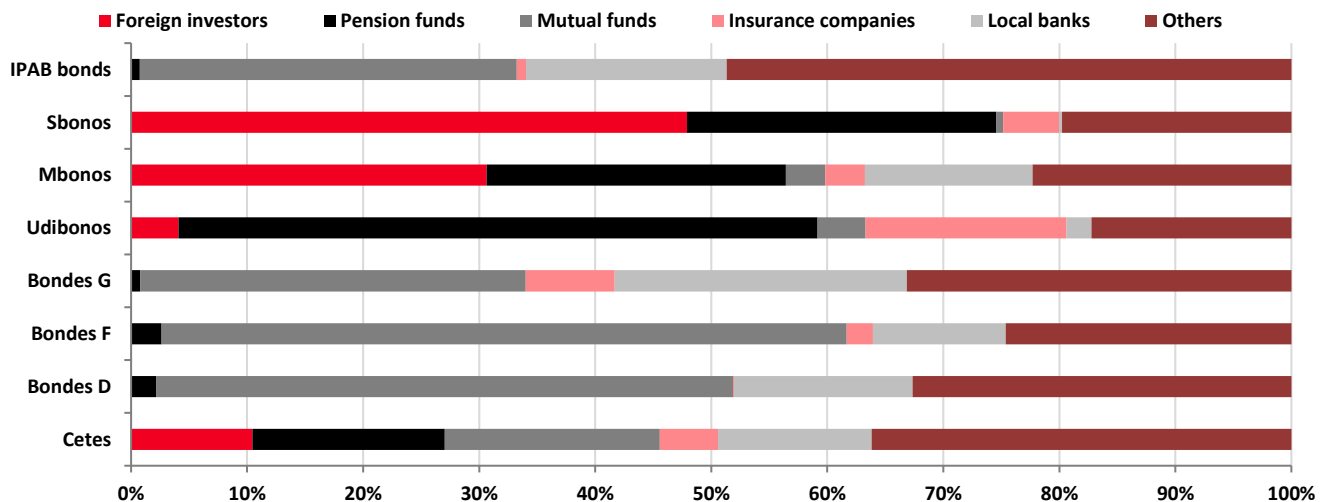


Source: Banxico, Banorte

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\$ 739 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

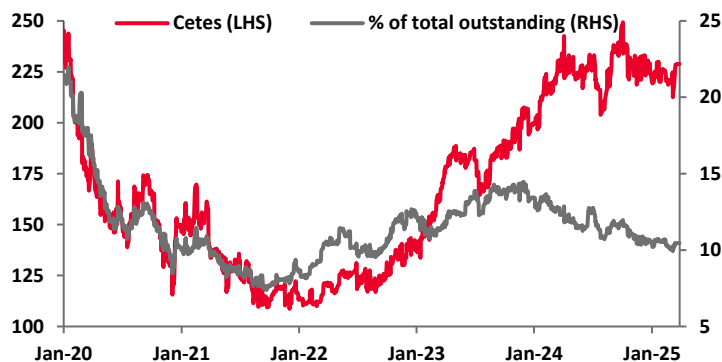
Note: "Others" includes repos, guarantee and securities held by Banxico, as well as other domestic residents



## Fixed-Income Demand (continued)

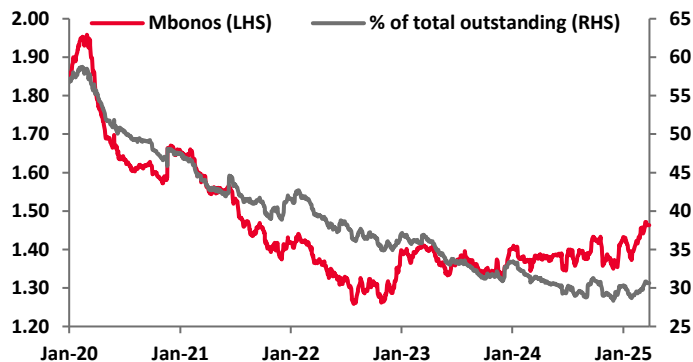
### Cetes held by foreigners

MXN billion, %



### Mbonos held by foreigners

MXN trillion, %



### Holdings of main investors by type of security

Data as of Mar/18/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	3.76	-11.53	-12.73	15.50	12.05
Bondes F	9.24	-10.75	-15.71	-46.25	3.37	7.31
Udibonos	-7.20	-4.84	0.92	2.78	5.34	10.65
Mbonos	2.82	2.16	-0.28	6.15	-12.79	-14.08

Source: Banxico, Banorte

### Mbonos holdings by type of investor

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

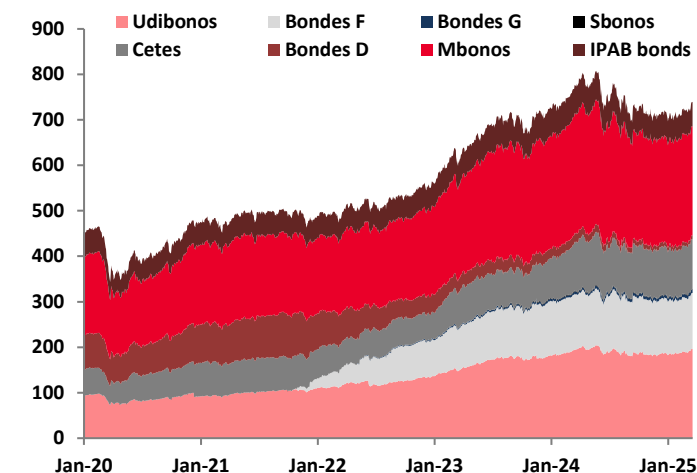
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	16.3	27%	22%	9%	43%
Sep'26	12.0	14%	31%	8%	47%
Mar'27	17.0	29%	19%	6%	47%
Jun'27	17.8	42%	26%	11%	21%
Mar'28	5.9	33%	14%	24%	29%
Mar'29	19.5	20%	33%	24%	22%
May'29	18.8	9%	37%	23%	32%
Feb'30	7.0	24%	20%	41%	16%
May'31	19.9	5%	40%	32%	23%
May'33	15.5	5%	36%	29%	29%
Nov'34	17.2	4%	45%	34%	18%
Nov'36	4.9	2%	17%	54%	27%
Nov'38	10.7	1%	31%	50%	18%
Nov'42	19.8	0%	34%	47%	19%
Nov'47	13.0	0%	29%	48%	22%
Jul'53	18.5	2%	34%	49%	16%
Total	233.9	13%	31%	29%	27%

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

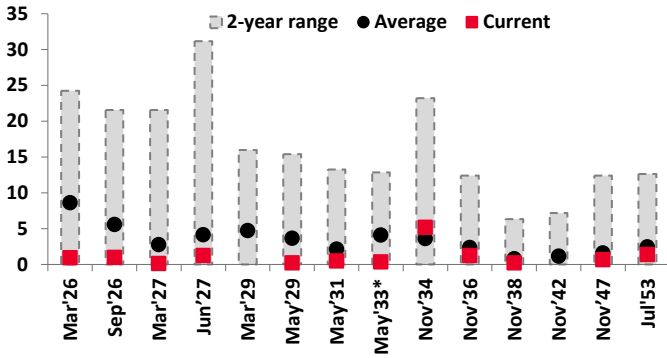
USD Billions



## Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

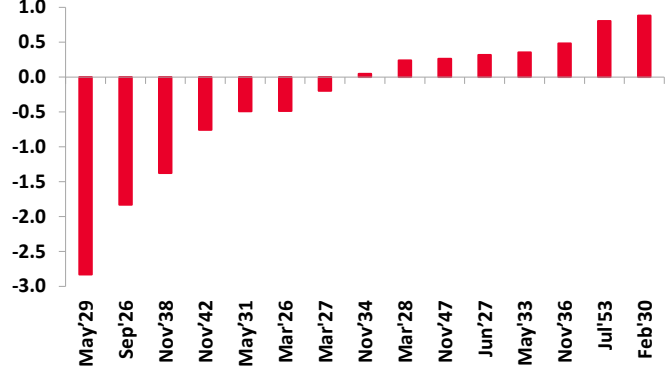
MXN billion



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

Weekly change in market makers' short positions on Mbonos

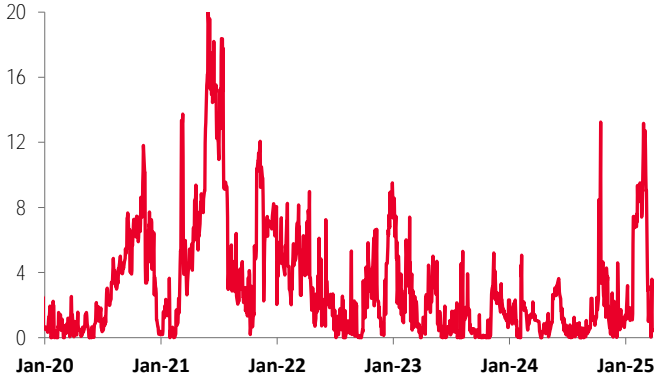
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

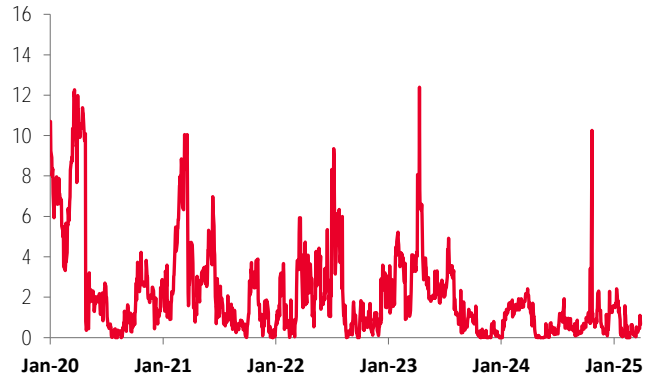
MXN billion



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 Mar/27/2025	Mar/27/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	15,984	45	69	420	228	942	0
Sep'26	11,880	49	139	280	401	660	0
Mar'27	16,853	7	17	263	698	351	0
Jun'27	17,712	60	44	303	48	1,534	23
Mar'28*	6,908	12	0	263	--	335	0
Mar'29	19,314	0	0	20	256	665	0
May'29	19,359	11	150	244	65	572	11
May'31	19,920	24	48	648	49	653	0
May'33	15,372	17	0	178	369	633	0
Nov'34	19,278	255	252	464	181	1,145	0
Nov'36	4,858	61	37	39	65	469	0
Nov'38	10,575	9	77	136	55	193	0
Nov'42	19,980	0	37	67	0	272	0
Nov'47	12,928	32	19	32	72	505	0
Jul'53	18,326	67	27	106	36	392	0
<b>Total</b>	<b>229,247</b>	<b>582</b>	<b>890</b>	<b>3,357</b>	<b>2,488</b>		

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



# Fixed-Income Technicals

## Spread between Cetes and Implied Forward Rates

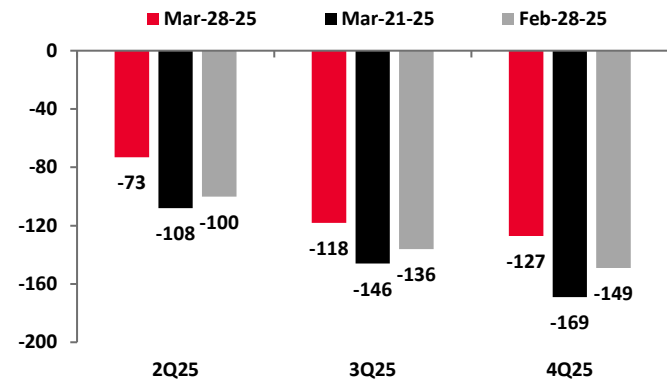
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	35	68	44	60	154	-12
3 months	1	-1	6	6	68	-46
6 months	0	-5	12	4	52	-45
12 months	18	20	25	25	63	-12

Source: PIP, Bloomberg, Banorte

## Cumulative implied moves in Banxico's repo rate

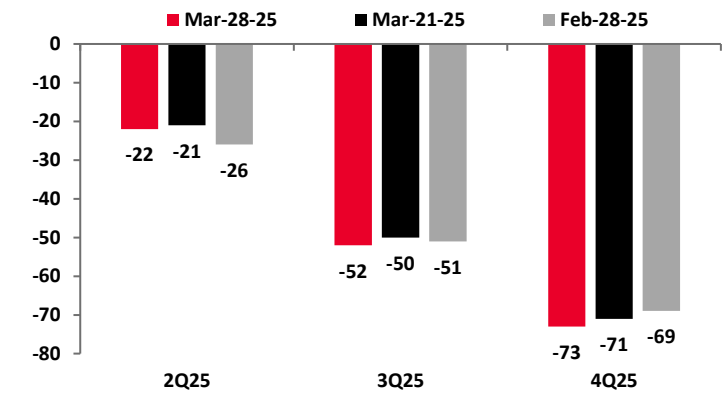
Basis points



Source: Bloomberg, Banorte

## Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

## Spreads between Mbonos and UST

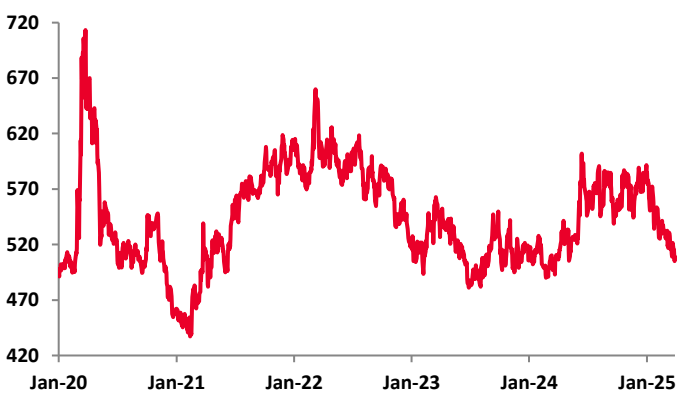
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	459	0	-18	-98	644	450	566
5 year	496	-13	-28	-63	623	494	557
10 year	509	-12	-18	-76	602	505	553
20 year	523	-12	-18	-61	593	493	551
30 year	530	-13	-23	-71	605	501	560

Source: Bloomberg, Banorte

## 10-year Mbono and 10-year UST spread

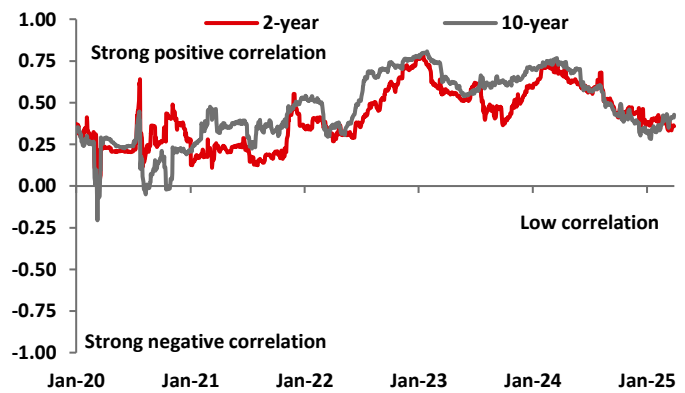
Basis points



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
<b>Mbonos*</b>							
2/5	44	-12	-6	28	69	-79	-24
2/10	84	-9	12	24	99	-94	-16
2/30	143	-6	17	45	157	-86	13
5/10	40	4	18	-4	46	-28	8
10/30	59	3	4	22	67	4	29
<b>TIIE-F*</b>							
3m/2Y	-92	-2	4	-13	-67	-191	-102
2/5	15	3	9	10	15	-51	-11
2/10	48	4	15	24	49	-46	6
2/30	57	3	12	24	60	-41	13
5/10	33	1	5	14	34	2	17
10/30	10	-1	-2	1	20	-4	7
<b>TIIE-F – Mbonos*</b>							
2 year	-60	-8	-4	-24	-26	-107	-65
5 year	-90	7	11	-26	-60	-125	-87
10 year	-97	4	-2	-30	-64	-130	-91
20 year	-132	0	-10	-45	-78	-148	-114
30 year	-146	1	-8	-55	-83	-159	-123
<b>TIIE-F – SOFR*</b>							
2 year	416	-8	-20	-91	573	413	493
5 year	437	-5	-14	-78	559	432	493
10 year	458	-6	-16	-73	559	454	507
20 year	463	-8	-23	-76	567	459	515
30 year	464	-10	-28	-90	580	462	524

Source: Bloomberg, Banorte

Note: TIIE-F IRS history since September 5<sup>th</sup>, 2024

### Breakeven inflation using Mbonos & Udibonos

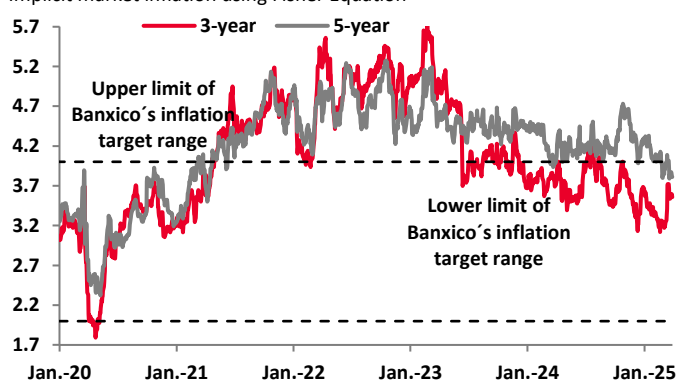
%, Implicit market inflation using Fisher Equation

Date	03/28/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.56	3.54 (+2bps)	3.23 (+33bps)	3.71 (-15bps)	4.21	3.12	3.62
5Y	3.81	3.84 (-3bps)	3.86 (-5bps)	3.99 (-18bps)	4.73	3.79	4.20
10Y	4.24	4.21 (+3bps)	4.16 (+8bps)	4.18 (+6bps)	4.75	4.04	4.34
20Y	4.66	4.64 (+2bps)	4.61 (+5bps)	4.34 (+32bps)	5.01	4.25	4.62
30Y	4.77	4.75 (+2bps)	4.67 (+10bps)	4.4 (+37bps)	5.01	4.37	4.69

Source: Bloomberg, Banorte

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

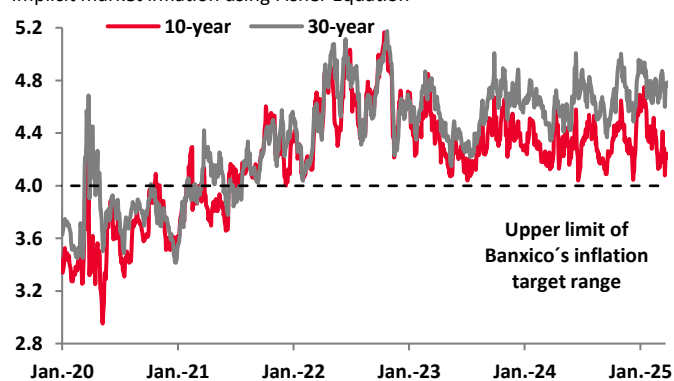
Implicit market inflation using Fisher Equation



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

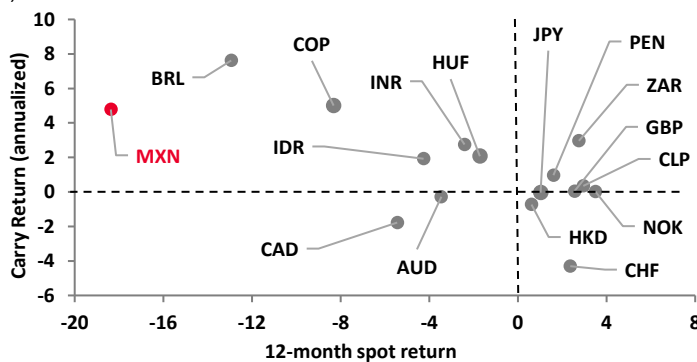
		Current	Daily Change (%) <sup>1</sup>	Weekly change (%) <sup>1</sup>	Monthly change (%) <sup>1</sup>	YTD (%) <sup>1</sup>
<b>Emerging Markets</b>						
Brazil	USD/BRL	5.76	-0.3	-0.6	0.9	7.2
Chile	USD/CLP	951.30	-1.8	-3.2	-1.0	4.6
Colombia	USD/COP	4,201.70	-0.7	-1.4	-2.3	4.9
Peru	USD/PEN	3.66	-0.5	-0.6	0.1	2.2
Hungary	USD/HUF	371.30	0.1	-1.0	2.6	7.0
Malaysia	USD/MYR	4.44	-0.1	-0.4	-0.2	0.8
Mexico	USD/MXN	20.38	-0.4	-0.7	0.2	2.2
Poland	USD/PLN	3.86	0.3	0.4	2.2	6.9
South Africa	USD/ZAR	18.43	-1.1	-1.1	-0.2	2.2
<b>Developed Markets</b>						
Canada	USD/CAD	1.43	-0.1	0.3	0.2	0.5
Great Britain	GBP/USD	1.29	-0.1	0.2	2.1	3.4
Japan	USD/JPY	149.84	0.8	-0.3	-0.5	4.9
Eurozone	EUR/USD	1.0828	0.2	0.1	3.3	4.6
Norway	USD/NOK	10.48	0.0	0.7	6.5	8.7
Denmark	USD/DKK	6.89	0.2	0.1	3.2	4.5
Switzerland	USD/CHF	0.88	0.1	0.2	1.6	3.0
New Zealand	NZD/USD	0.57	-0.4	-0.3	0.4	2.2
Sweden	USD/SEK	10.01	-0.1	1.3	6.3	10.6
Australia	AUD/USD	0.63	-0.3	0.2	-0.3	1.6

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

## USD/MXN

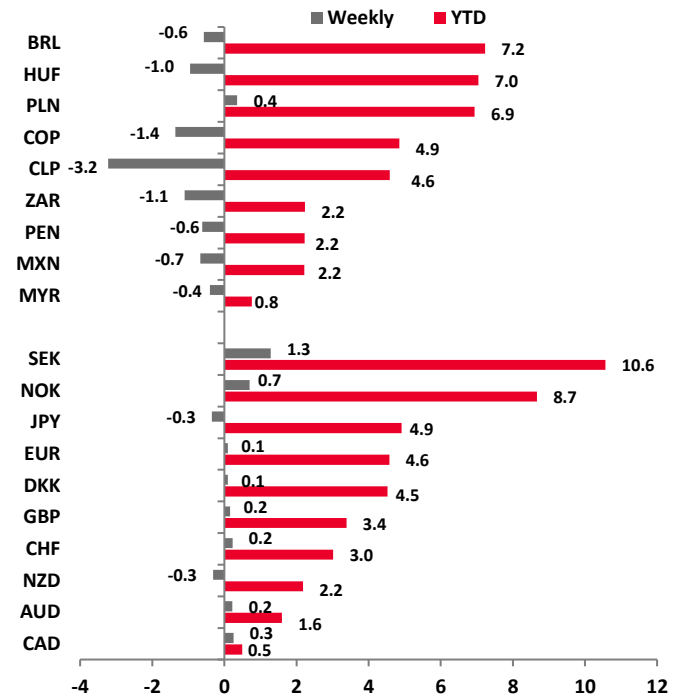
Last 60 days



Source: Bloomberg, Banorte

## FX performance

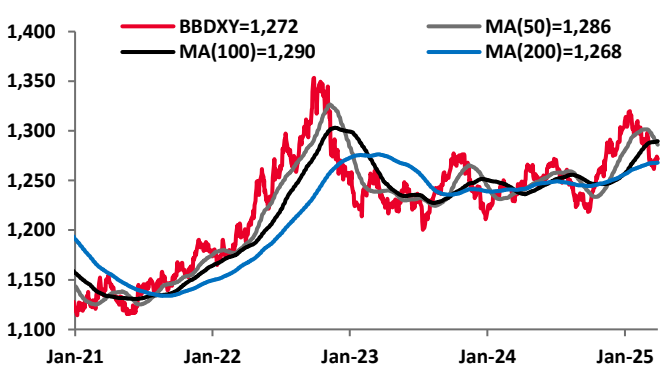
Against USD, %



Source: Bloomberg, Banorte

## BBDXY

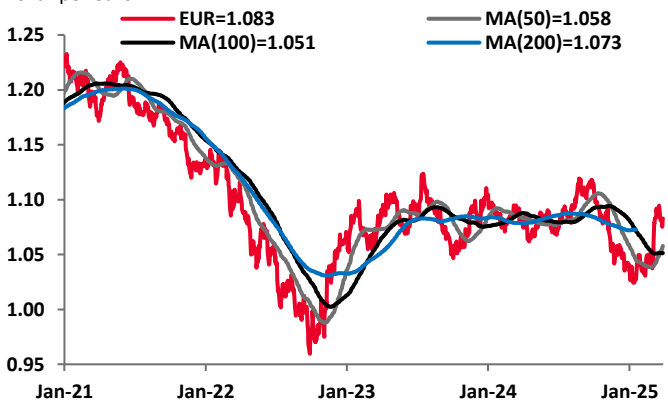
Points



Source: Bloomberg, Banorte

## Euro

Dollar per euro

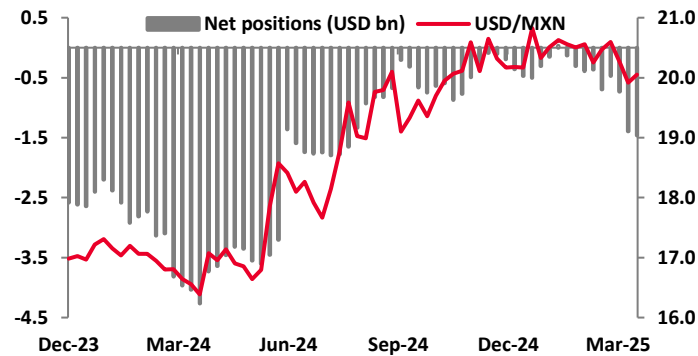


Source: Bloomberg, Banorte

# FX positioning and flows

## IMM positioning in USD/MXN futures

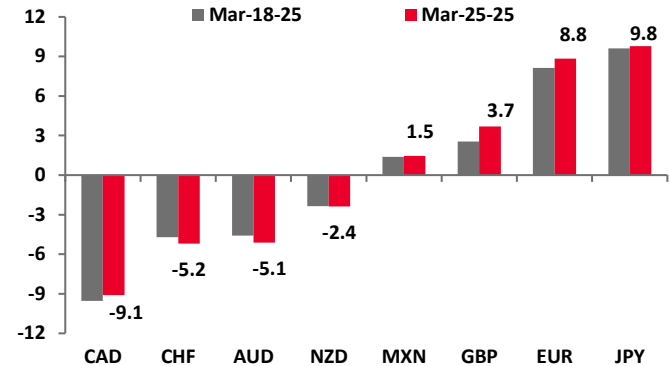
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

## IMM positioning by currency\*

Billion dollars

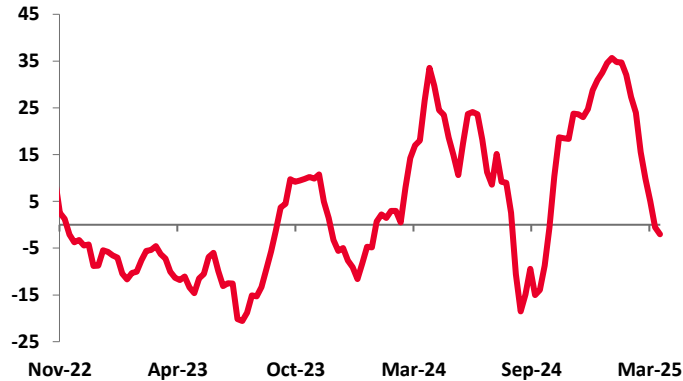


\* Positive: Net long in the corresponding currency

Source: CME, Banorte

## IMM positioning in USD futures\*

Billion dollars, Positive = net long in USD

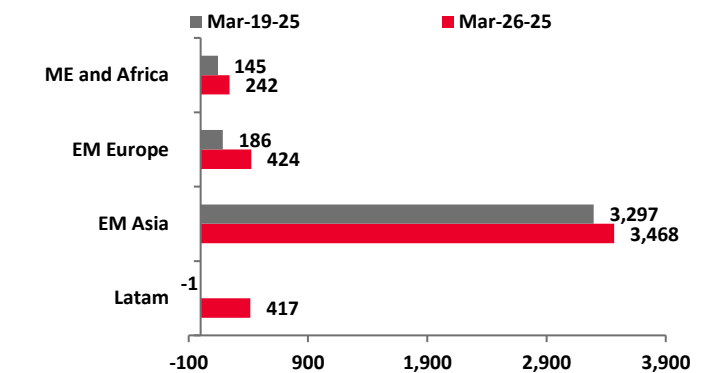


\*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

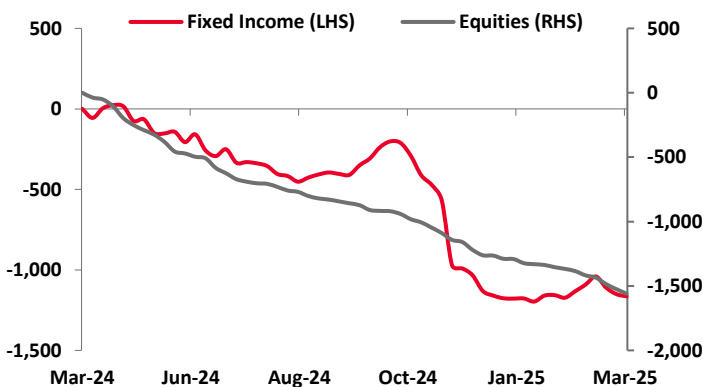
Billion dollars



Source: EPFR Global, Banorte

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

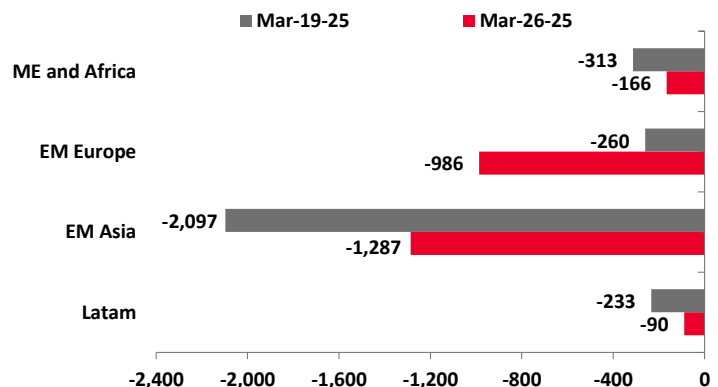
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

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

Weekly, million dollars

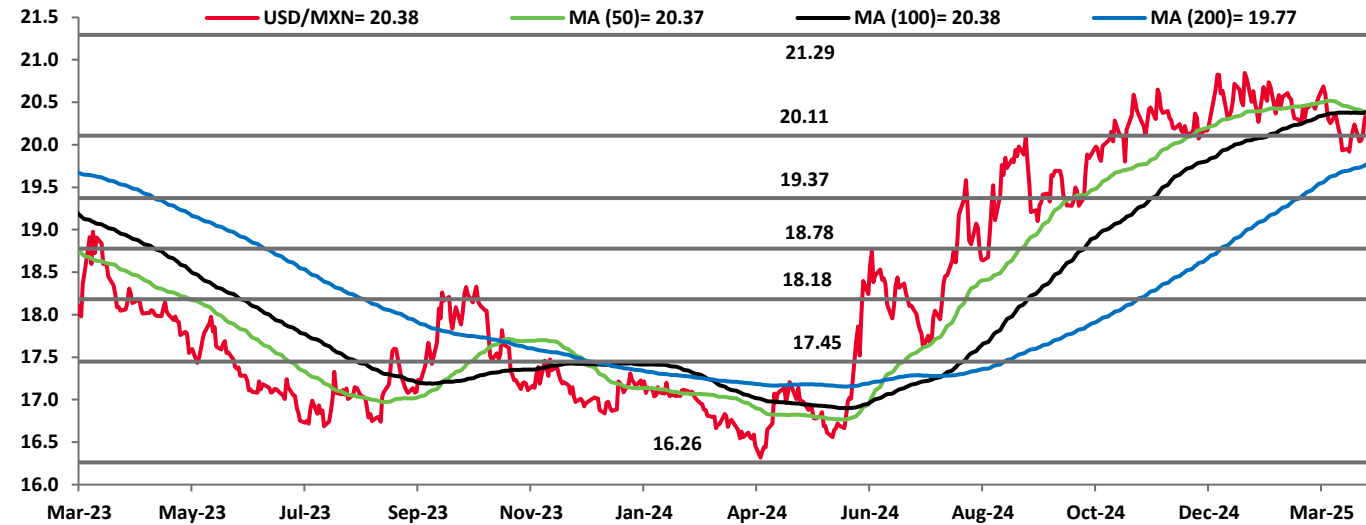


Source: EPFR Global, Banorte

## FX technicals

### USD/MXN – Moving averages and Fibonacci retracement

Last 12 months



Source: Bloomberg, Banorte

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

Based on daily percentage changes

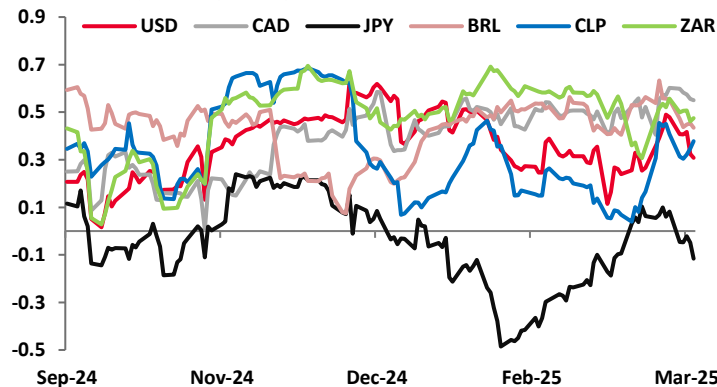
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	31	41	2	62	36
CAD	55	60	1	60	39
JPY	-12	-5	-49	24	-4
BRL	43	47	7	63	42
CLP	38	31	4	69	33
ZAR	47	50	3	69	47
VIX	39	32	-13	51	19
SPX	31	21	-15	53	19
GSCI	14	12	-17	60	25
Gold	5	13	-15	38	12

\* 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

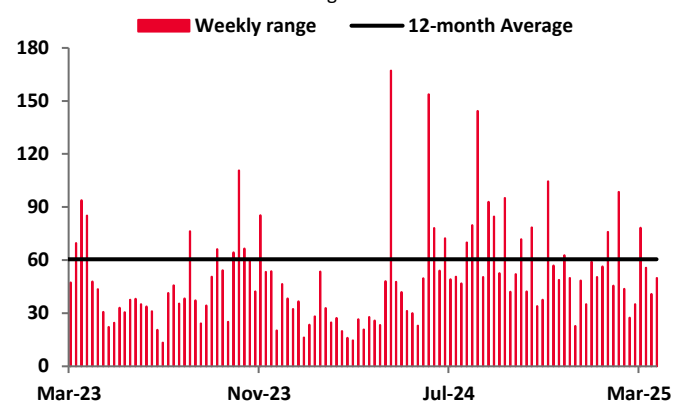


\* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

### USD/MXN – Weekly trading range

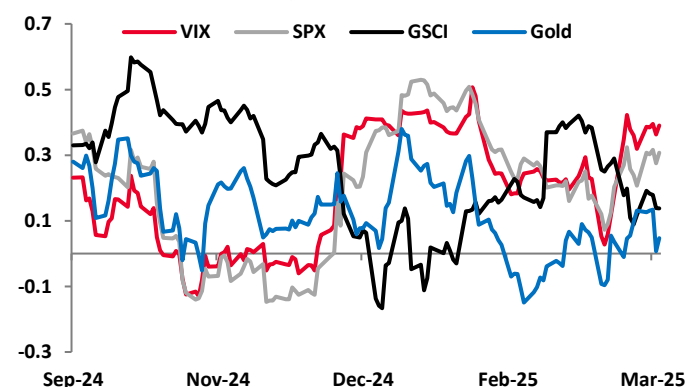
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

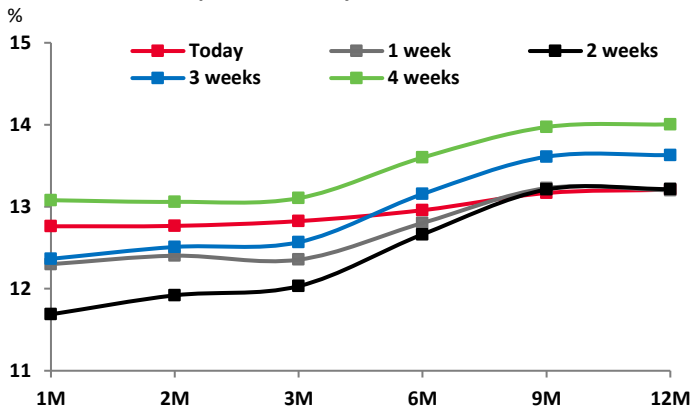


\* Positive: appreciation of MXN and corresponding asset except VIX

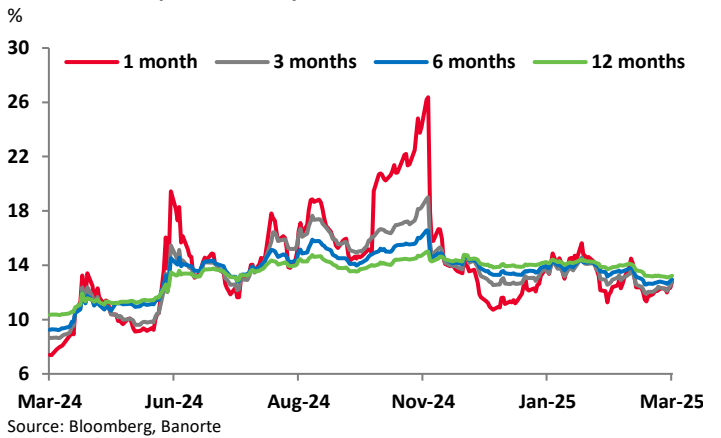
Source: Bloomberg, Banorte

## FX technicals (continued)

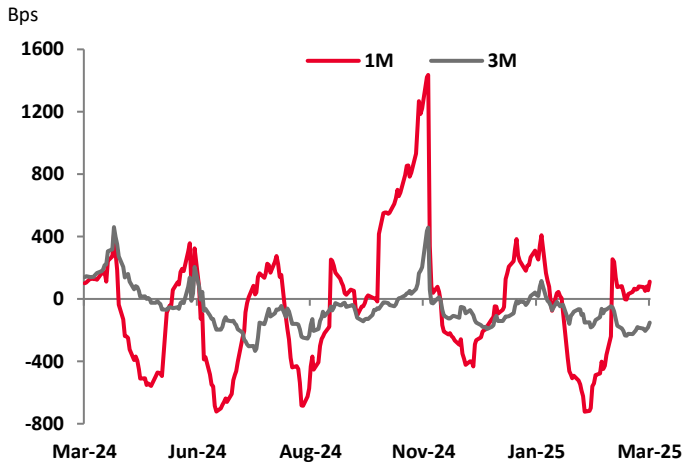
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

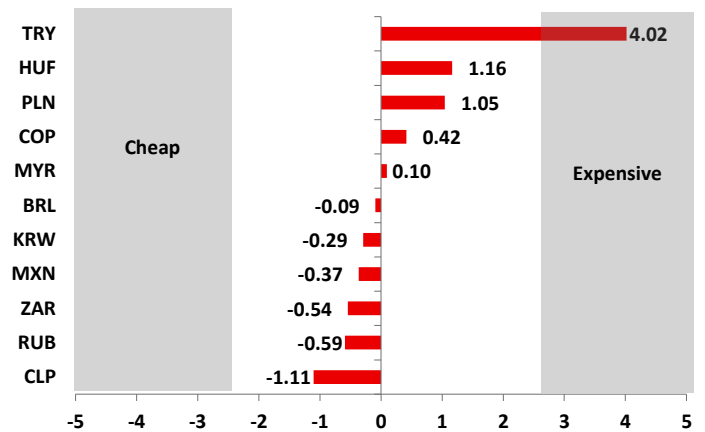


USD/MXN – Spread between implicit and historical volatility



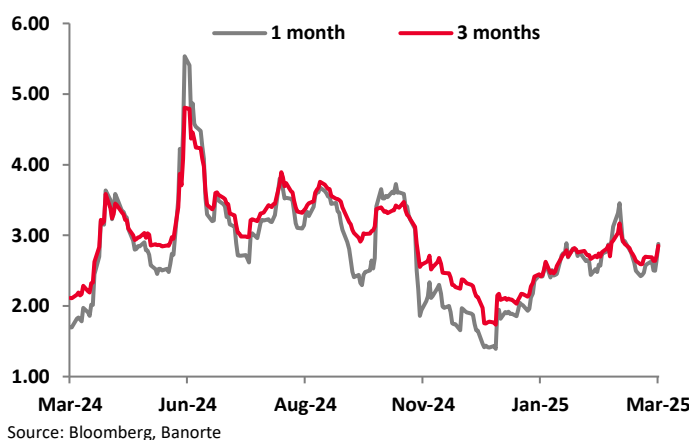
Emerging markets 1-month ATM options volatility

Against USD, in  $\sigma$  relative to last year's average



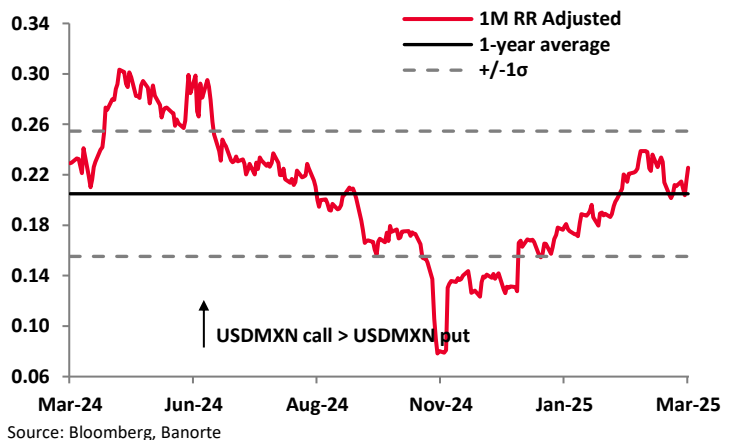
USD/MXN – 25D risk reversals

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 April 4<sup>th</sup>, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 31	08:00	GER	Consumer prices	Mar (P)	% y/y	--	2.2	2.3
	11:00	MX	Banking credit	Feb	% y/y	9.7	--	10.1
	14:00	COL	Monetary policy decision (BanRep)	Mar 31	%	--	9.50	9.50
	21:45	CHI	Manufacturing PMI (Caixin)*	Mar	index	--	50.6	50.8
Tue 1		MX	Deadline for the release of the 2026 Preliminary Policy Criteria					
	03:55	GER	Manufacturing PMI*	Mar (F)	index	--	48.3	48.3
	04:00	EZ	Manufacturing PMI*	Mar (F)	index	--	48.7	48.7
	04:30	UK	Manufacturing PMI*	Mar (F)	index	--	44.6	44.6
	05:00	EZ	Consumer prices	Mar (P)	% y/y	--	2.2	2.3
	05:00	EZ	Core	Mar (P)	% y/y	--	2.5	2.6
	05:00	EZ	Unemployment rate*	Feb	%	--	6.2	6.2
	09:00	US	Fed's Barkin Discusses Policy, Economic Outlook					
	09:00	BZ	Manufacturing PMI*	Mar	index	--	--	53.0
	09:45	US	Manufacturing PMI*	Mar (F)	index	--	49.8	49.8
	10:00	US	JOLTS Job Openings	Feb	thousands	--	7,680	7,740
	10:00	US	ISM manufacturing*	Mar	index	50.1	49.5	50.3
	11:00	MX	International reserves	Mar 28	US\$bn	--	--	236.7
	11:00	MX	Family remittances	Feb	US\$bn	4,577.2	4,578.6	4,660.2
	11:00	MX	Survey of expectations (Banxico)					
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 10-year Mbono (Nov'34), 10-year Udibono (Aug'34) and 2-, 5- and 10-year Bondes F					
	14:00	MX	Manufacturing PMI (IMEF)*	Mar	index	47.3	--	47.0
	14:00	MX	Non-manufacturing PMI (IMEF)*	Mar	index	49.0	--	49.5
		US	Total vehicle sales**	Mar	millions	--	16.0	16.0
Wed 2	08:00	BZ	Industrial production	Feb	% y/y	--	1.4	1.4
	08:00	BZ	Industrial production*	Feb	% m/m	--	0.0	0.0
	08:15	US	ADP employment*	Mar	thousands	100	120	77
	10:00	US	Factory orders*	Feb	% m/m	--	0.5	1.7
	10:00	US	Ex transportation*	Feb	% m/m	--	0.4	0.2
	10:00	US	Durable goods orders*	Feb (F)	% m/m	--	0.0	0.9
	10:00	US	Ex transportation*	Feb (F)	% m/m	--	0.7	0.7
	16:30	US	Fed's Kugler Speaks on Inflation Expectations					
	21:45	CHI	Services PMI (Caixin)*	Mar	index	--	51.5	51.4
	21:45	CHI	Composite PMI (Caixin)*	Mar	index	--	--	51.5
Thu 3	03:55	GER	Services PMI*	Mar (F)	index	--	50.2	50.2
	03:55	GER	Composite PMI*	Mar (F)	index	--	50.9	50.9
	04:00	EZ	Services PMI*	Mar (F)	index	--	50.4	50.4
	04:00	EZ	Composite PMI*	Mar (F)	index	--	50.4	50.4
	04:30	UK	Services PMI*	Mar (F)	index	--	53.2	53.2
	07:30	EZ	ECB publishes account of March 5-6 policy meeting					
	08:00	MX	Gross fixed investment	Jan	% y/y	-6.3	-5.9	-4.0
	08:00	MX	Gross fixed investment*	Jan	% m/m	-1.7	-1.6	-2.6
	08:00	MX	Private consumption	Jan	% y/y	-0.7	0.0	-0.7
	08:00	MX	Private consumption*	Jan	% m/m	0.0	--	-1.1
	08:30	US	Trade balance*	Feb	US\$bn	--	-123.4	-131.4
	08:30	US	Initial jobless claims*	Mar 29	thousands	225	225	224
	09:45	US	Services PMI*	Mar (F)	index	--	54.1	54.3
	09:45	US	Composite PMI*	Mar (F)	index	--	--	53.5
	10:00	US	ISM services*	Mar	index	--	53.0	53.5
	12:30	US	Fed's Jefferson Gives Keynote on Communication					
	14:30	US	Fed's Cook Speaks on Economic Outlook					
	08:00	MX	Consumer confidence*	Mar	index	45.9	--	46.3
	08:30	US	Nonfarm payrolls*	Mar	thousands	130	138	151
Fri 4	08:30	US	Unemployment Rate*	Mar	%	4.1	4.1	4.1
	11:25	US	Fed's Powell Gives Keynote Remarks					
	12:00	US	Fed's Barr Speaks on AI and Banking					
	12:45	US	Fed's Waller Speaks on Payments					

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 TIIE-IRS (130x1), receive 10-year SOFR		Feb-28-25		
2y10y TIIE-F steepener		Jan-17-25		
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	
USD/MXN call spread (European options: long call with K=20.65 & short call with K=21.00)	L	20.55	20.25	Feb-28-25	Mar-7-25	
USD/MXN call spread (American options: long call with K=20.65 & short call with K=21.00)	P	20.55	21.00	Feb-28-25	Mar-4-25	
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 <sup>2</sup>	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% <sup>1</sup>	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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	Reference
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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.

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