

Fixed-Income & FX Strategy

W e e k l y

Fixed-Income and FX Weekly

- **Trade war remains as main driver.** Uncertainty about tariffs prevails amid conflicting messages to ease tensions. Meanwhile, Trump declared he has no intention to fire Powell, although he pointed that he was wrong by not lowering interest rates. This partially tempered the nervousness on markets. Currently, the front-end of the US yield curve is pricing total cuts for 2025 of 89bps, virtually unchanged from last week, assigning a probability of 57% to a 25bps cut in June. We expect the Fed to cut 50bps this year, with adjustments of -25bps in June and December leaving the Fed funds range at 3.75%-4.00%. This week, sovereign curves in both the US and Mexico flattened with few changes at the short-end and broader gains at the long-end despite a major sell-off on Monday. The 30-year Treasury closed at 4.70% (-10bps w/w) after starting the week at its highest level since January (4.90%), rebounding from its best level in the year reached at the beginning of the month (4.40%). Locally, longer-term bonds outperformed their US peers with adjustments of up to -22bps. The 30-year Mbono returned to trade below the 10.00% figure from 10.26% on Monday, after reaching its best level in the year in early April (9.62%). Mbono-UST spreads compressed for all maturities, although greatly for longer tenors. The 10-year figure stands at 500bps, close to the 12-month lows (498bps), moving away from a mean and median of ~555bps
- **We see value in Mbonos but prefer to remain neutral.** Locally, the market anticipates Banxico's year-end rate of around 7.40% (Banorte: 7.75%) and by the end of 2026 close to 7.30% (Banorte: 7.00%). In this sense, we see room for lower rates along the Mbonos' curve, screening greater value in the belly (5 years) and long-end (20 years). Particularly, Mar'29 and May'29 nodes stand out with potential gains of 10bps, as well as the Nov'42 node with an undervaluation of 12bps. However, given the uncertainty of the global backdrop, we prefer to remain neutral while waiting for better entry levels for relative value strategies that capitalize a steeper curve
- **Weaker USD ahead, while MXN still faces risks.** The narrative on structural weakening of the USD is gaining traction, with the DXY heading for its fourth consecutive monthly decline. This has translated into broad-based gains for G10 currencies in April and a widely favorable performance for EM. MXN is trading at 19.50 per dollar (+5.0% MTD). We agree that the bias for the USD remains tilted to the downside. Drag on US growth from tariffs continues to support investment prospects outside the country, and the rotation away from the US is likely to persist. Meanwhile, any deterioration in activity data -particularly in the labor market- would likely trigger a more dovish response from the Fed, while current ECB pricing seems more adequate. For the USD/MXN, the 19.40-19.50 range could serve as a key resistance level while a break lower would open the door towards 19.20, aligning with the strongest levels since October. Our fair value models already suggest MXN is screens expensive on a short-term basis. Elevated uncertainty and headline risk tied to Trump could cap further appreciation, compounded by a weaker carry advantage in the coming months as Banxico is expected to deliver additional rate cuts
- **Weekly ranges.** We expect the 10-year Mbono (Nov'34) to trade between 9.15% and 9.45%, and MXN between 19.30 and 19.85 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	9.01	1	-48	-119	11.09	8.98	10.37
28-days ¹	9.03	-16	-49	-124	11.07	9.03	10.48
91-days ¹	9.10	-16	-50	-126	11.18	9.10	10.58
182-days ¹	9.21	-17	-51	-129	11.33	9.21	10.72
Cetes²							
28-days	8.81	-16	-21	-119	11.09	8.76	10.21
91-days	8.61	-4	-25	-139	11.18	8.58	10.25
182-days	8.43	-4	-35	-152	11.29	8.43	10.24
364-days	8.51	-2	-19	-155	11.44	8.51	10.23
Mbonos							
Mar'26	8.35	5	-15	-146	11.03	8.30	9.82
Sep'26	8.17	1	-26	-161	11.03	8.15	9.73
Mar'27	8.20	2	-31	-158	10.74	8.18	9.56
Jun'27	8.22	-3	-33	-160	10.68	8.20	9.56
Mar'28 ³	8.46	-3	-25	-147	9.99	8.42	9.27
Mar'29	8.69	-4	-14	-128	10.55	8.52	9.64
May'29	8.70	-4	-14	-128	10.47	8.52	9.62
Feb'30 ⁴	8.80	-8	-14	-89	9.69	8.59	9.20
May'31	8.87	-13	-15	-117	10.42	8.66	9.64
May'33	9.17	-15	-5	-105	10.40	8.90	9.74
Nov'34	9.27	-20	-7	-115	10.45	9.01	9.79
Nov'36	9.33	-20	-1	-109	10.45	9.03	9.79
Nov'38	9.67	-18	7	-88	10.60	9.26	9.94
Nov'42	9.91	-19	3	-79	10.76	9.44	10.10
Nov'47	9.93	-22	1	-81	10.79	9.43	10.11
Jul'53	9.94	-21	1	-85	10.81	9.44	10.12
TIIE-F IRS⁵							
3-month (3x1)	8.55	-6	-28	-140	10.62	8.55	9.71
6-month (6x1)	8.24	-4	-26	-149	10.40	8.24	9.44
9-month (9x1)	8.02	-1	-28	-157	10.17	8.01	9.24
1-year (13x1)	7.83	2	-29	-160	9.95	7.80	9.03
2-year (26x1)	7.62	5	-29	-153	9.66	7.56	8.70
3-year (39x1)	7.62	4	-29	-150	9.52	7.58	8.61
4-year (52x1)	7.67	0	-31	-148	9.46	7.64	8.60
5-year (65x1)	7.76	-1	-29	-143	9.43	7.72	8.62
7-year (91x1)	7.93	-7	-27	-133	9.42	7.87	8.70
10-year (130x1)	8.18	-10	-20	-120	9.46	8.09	8.82
20-year (3x1)	8.42	-10	-15	-107	9.59	8.28	8.97
30-year (390x1)	8.34	-8	-14	-114	9.50	8.19	8.90
Udibonos							
Dec'25	5.91	-9	-6	-26	7.39	5.85	6.40
Dec'26	5.12	-20	-21	-97	7.08	5.07	6.05
Nov'28	4.97	-11	3	-50	5.96	4.69	5.28
Aug'29 ⁶	5.06	-10	9	4	5.17	4.77	5.05
Nov'31	5.17	0	20	-31	5.80	4.70	5.20
Aug'34	5.15	4	26	-35	5.76	4.70	5.24
Nov'35	5.15	-1	26	-33	5.62	4.71	5.20
Nov'40	5.09	-7	18	-42	5.72	4.75	5.20
Nov'43	5.14	-6	15	-38	5.73	4.81	5.24
Nov'46	5.07	-7	13	-44	5.70	4.75	5.18
Nov'50	5.06	-9	11	-45	5.71	4.76	5.19
Oct'54 ⁷	5.00	-8	8	-57	5.71	4.70	5.19

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'29 issued on March 13th, 2025

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	4.58	-18	-57	3.75	-4	-49	82	-13	73	74
3Y	Feb'28	4.75	-23	-94	3.75	-5	-53	100	-18	92	93
5Y	May'30	5.40	-24	-47	3.88	-6	-51	153	-17	132	139
7Y	Apr'32	5.88	-20	-45	4.06	-6	-42	183	-14	149	176
10Y	Feb'35	6.43	-17	-21	4.25	-7	-32	218	-10	179	215
20Y	Jan'45	6.80	-11	+4	4.73	-10	-13	207	-1	192	--
30Y	May'55	7.42	-11	+19	4.72	-8	-6	270	-2	235	--

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 Monday, the MoF will auction 1-, 3-, 6-, and 12-month Cetes, the 20-year Mbono (Nov'42), the 10-year Udibono (Aug'34), as well as 2-,5- and 10-year Bondes F
- **Strong appetite for Cetes.** We believe appetite for Cetes will remain strong for all maturities on the back of Banxico's easing cycle, where we expect additional cuts of 125bps in the remainder of the year to conclude with a benchmark rate of 7.75%. In the last primary auction, demand for the 1-month Cetes stood at 12-month highs of 4.67x, well above the 2-year average of 3.36x, while settling at a rate of 8.80%. For the 20-year Mbono (Nov'42), we anticipate an improvement in appetite relative to its last issuance where demand was very close to 12-month lows of 1.43x. This security was one of the most benefited these days with gains of almost 20bps w/w that led the rate below the 10.00% figure, extending the good performance of the year. Despite this adjustment, it trades undervalued vis-à-vis the rest of the curve when analyzing its yield adjusted by modified duration, reflecting room for gains of 12bps. As such, we could see demand approaching the 2-year average of 2.00x. In real rates, long-term inflation breakevens were compressed; however, Udibonos continue to show an unattractive relative valuation. In this sense, for the 10-year term we expect demand in line with its last placement of 1.97x

Auction specifics (April 28th, 2025)

Security	Maturity	Coupon rate, %	To be auctioned ¹	Previous yield ²
Cetes				
1m	May-29-25	--	7,000	8.80
3m	Jul-31-25	--	7,000	8.63
6m	Oct-30-25	--	9,000	8.43
12m	Apr-30-26	--	15,400	8.57
Bondes F				
2Y	Apr-01-27	--	9,600	0.15
5Y	Jan-24-30	--	2,200	0.19
10Y	Apr-19-35	--	550	0.24
Bono M				
20Y	Nov-13-42	7.75	7,000	9.96
Udibono				
10Y	Aug-24-34	4.00	UDIS 950	4.89

Source: Banxico, Banorte

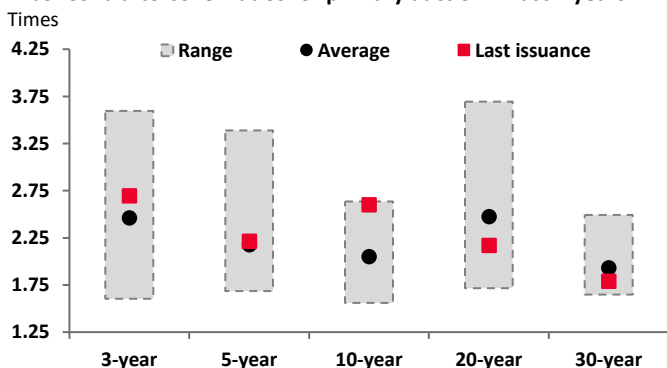
1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.
2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

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

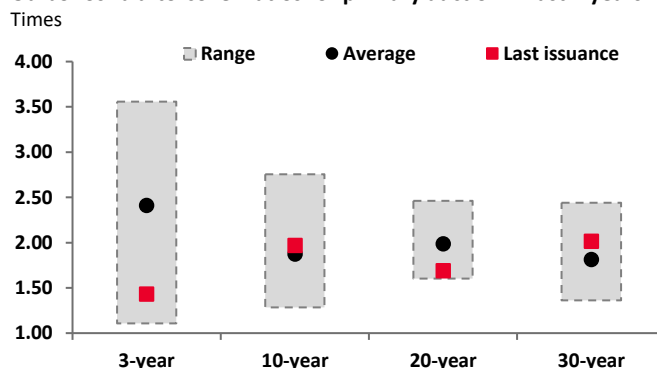
Source: SHCP *Ministry of Finance *In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance
For more information, refer to [2Q25 Auction Calendar](#)

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

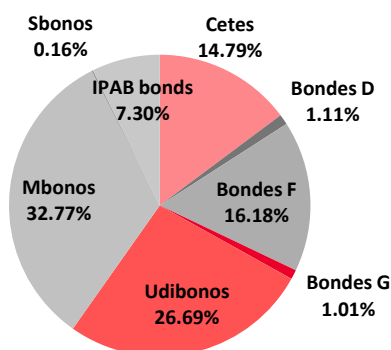
US\$ billion, *UDIS billion, data as of Apr/11/2025

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	107.68	11.01	16.19	22.26	5.28	14.47	3.58	0.91	-	33.98
Bondes D	8.09	0.01	0.24	4.32	0.00	1.40	-	-	-	2.11
Bondes F	117.78	0.03	3.55	69.53	2.56	13.71	1.46	-	-	26.94
Bondes G	7.35	0.00	0.35	2.88	0.54	1.18	0.99	-	-	1.42
Udibonos	194.30	7.24	107.22	8.06	33.66	3.97	1.64	0.08	-	32.42
Mbonos	238.54	71.10	60.50	10.16	9.29	26.55	13.78	0.94	0.74	45.49
Sbonos	1.13	0.51	0.31	0.01	0.06	0.03	-	-	-	0.22
Total	674.86	89.90	188.36	117.21	51.39	61.31	21.44	1.92	0.74	142.59
Udibonos*	468.47	17.47	258.52	19.43	81.15	9.57	3.96	0.19	-	78.17
IPAB bonds	53.17	0.01	0.69	17.27	0.50	7.20	4.06	1.59	-	21.85

Source: Banxico, Banorte

Government issuance by type of instrument

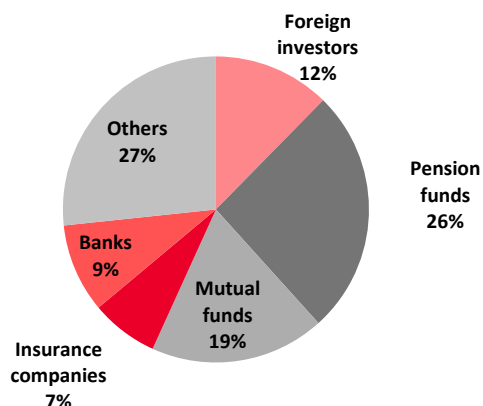
Total amount of US\$ 728 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

Government issuance by type of investor

Total amount of US\$ 728 billion (including IPAB bonds), % of total

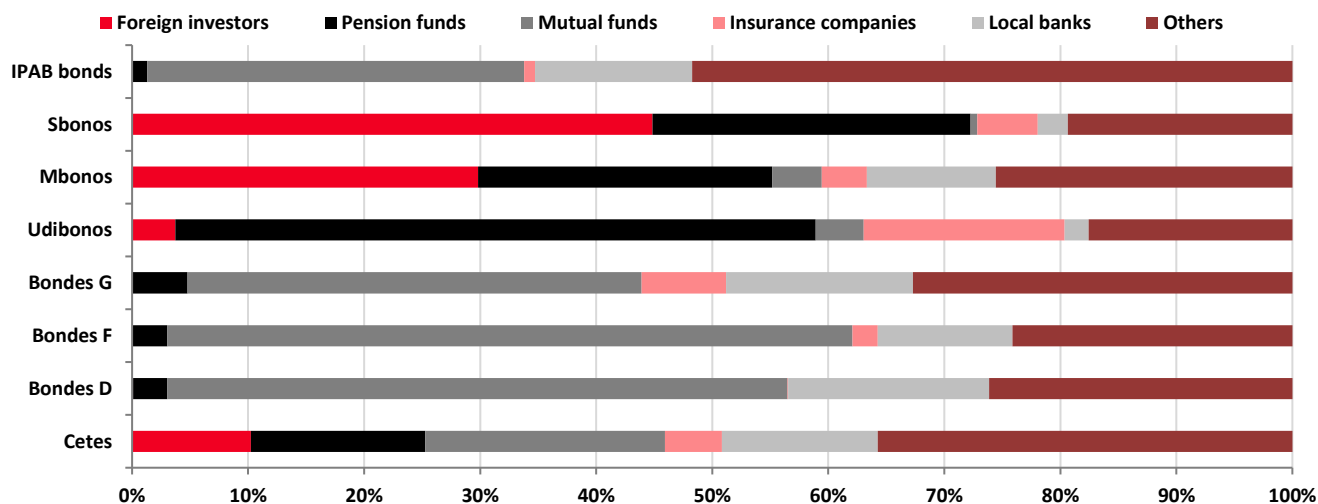


Source: Banxico, Banorte

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\$ 728 billion (including IPAB bonds), % of total



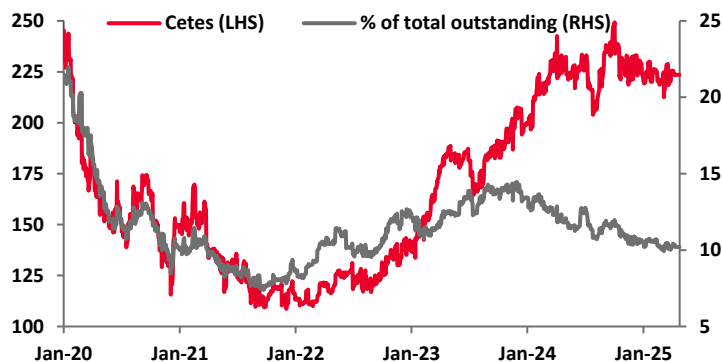
Source: Banxico, Banorte

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

Fixed-Income Demand (continued)

Cetes held by foreigners

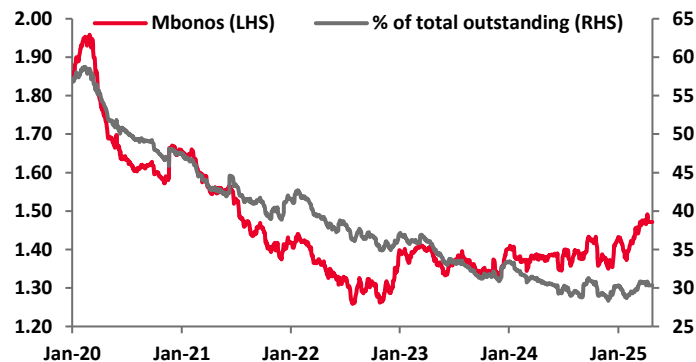
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

Holdings of main investors by type of security

Data as of Apr/11/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	1.46	-9.40	-21.03	14.21	24.86
Bondes F	61.58	34.67	10.13	-39.01	-4.09	4.96
Udibonos	-11.55	-12.38	1.68	3.96	14.61	12.28
Mbonos	-1.81	0.91	-0.26	6.01	30.29	9.61

Source: Banxico, Banorte

Mbonos holdings by type of investor

US\$ billions and %, data as Apr/10/2025

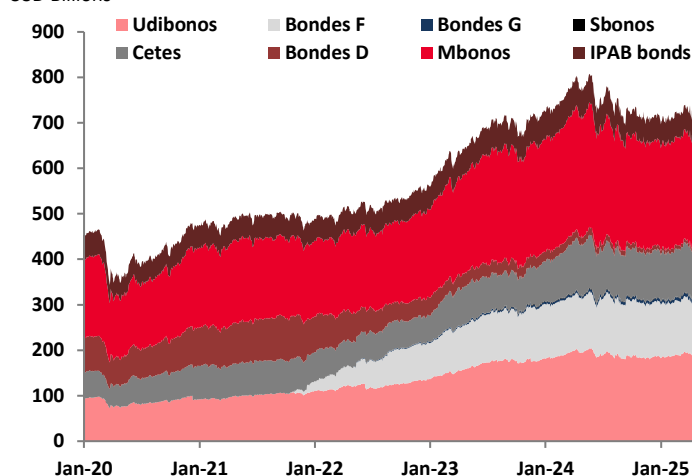
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	15.8	28%	17%	7%	49%
Sep'26	11.7	10%	28%	20%	42%
Mar'27	16.6	21%	17%	7%	55%
Jun'27	17.5	33%	25%	11%	31%
Mar'28	8.0	24%	16%	21%	39%
Mar'29	19.2	12%	33%	22%	32%
May'29	18.4	12%	42%	17%	29%
Feb'30	7.1	16%	25%	41%	18%
May'31	19.7	5%	41%	32%	22%
May'33	15.3	5%	35%	30%	30%
Nov'34	17.6	4%	44%	35%	17%
Nov'36	4.8	3%	15%	56%	25%
Nov'38	10.4	2%	30%	49%	18%
Nov'42	19.7	2%	32%	47%	18%
Nov'47	12.8	1%	31%	48%	21%
Jul'53	18.2	1%	35%	49%	15%
Total	232.8	11%	31%	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

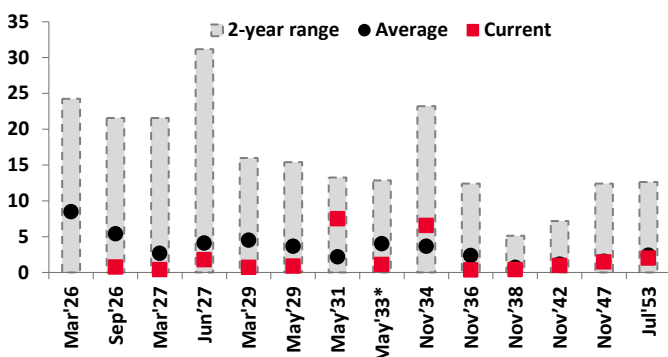


Fuente: Banxico, Banorte

Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

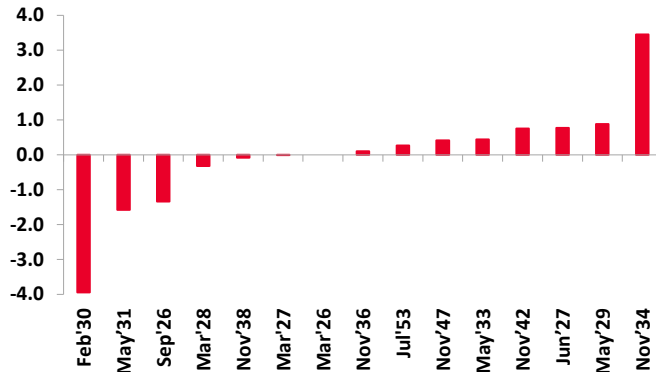
MXN billion



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

Weekly change in market makers' short positions on Mbonos

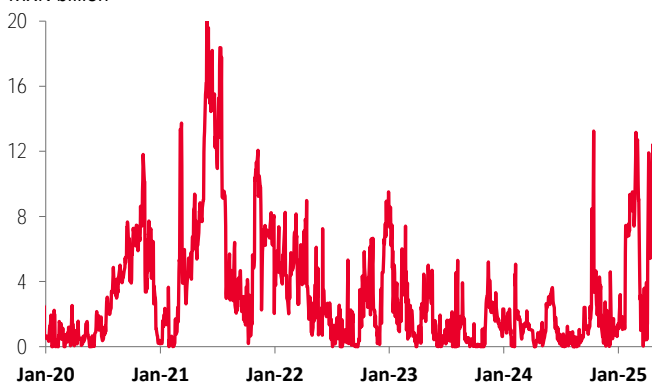
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

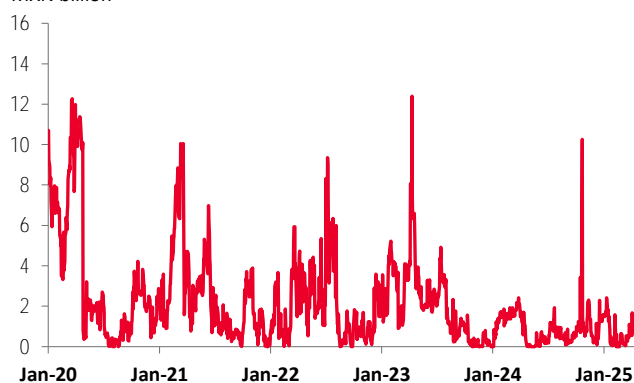
MXN billion



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 Apr/24/2025	Apr/24/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	16,516	0	0	0	73	976	0
Sep'26	12,299	39	107	6	481	413	0
Mar'27	17,476	20	20	14	34	272	0
Jun'27	18,381	90	50	26	84	1,590	10
Mar'28*	8,287	2	18	0	--	347	0
Mar'29	20,049	35	1	4	605	689	0
May'29	20,095	45	0	82	2	593	0
May'31	21,000	383	463	29	51	672	0
May'33	15,967	56	33	0	0	498	0
Nov'34	21,083	334	158	253	477	1,186	0
Nov'36	4,988	17	12	46	102	486	0
Nov'38	10,968	20	24	26	57	200	0
Nov'42	20,753	49	11	38	11	282	0
Nov'47	13,436	74	52	56	0	123	0
Jul'53	19,531	103	89	114	103	406	0
Total	240,830	1,163	949	580	1,976		

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

Fixed-Income Technicals

Spread between Cetes and Implied Forward Rates

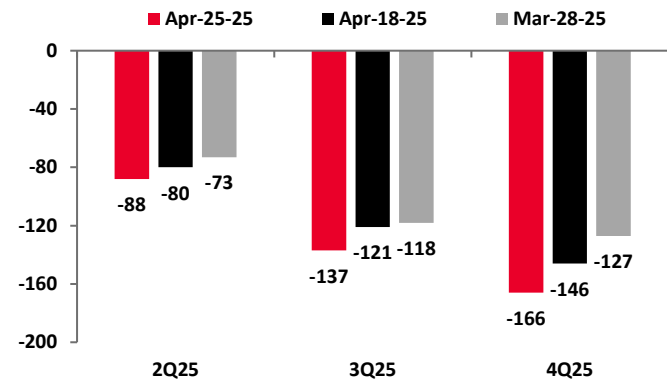
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	18	24	35	56	154	-12
3 months	-24	-25	1	-2	52	-46
6 months	-35	-34	0	-4	42	-45
12 months	-1	5	18	18	59	-12

Source: PIP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate

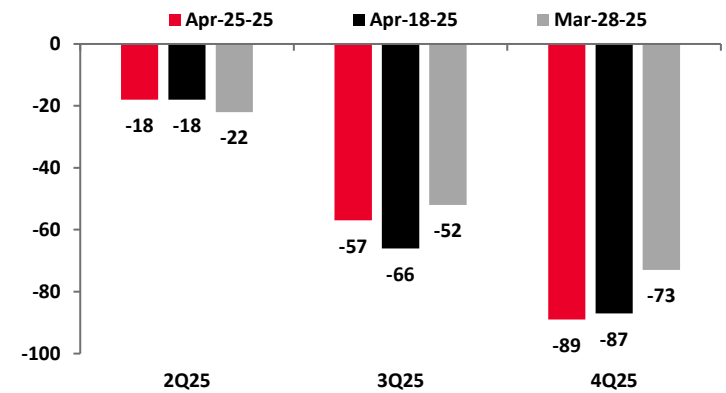
Basis points



Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

Spreads between Mbonos and UST

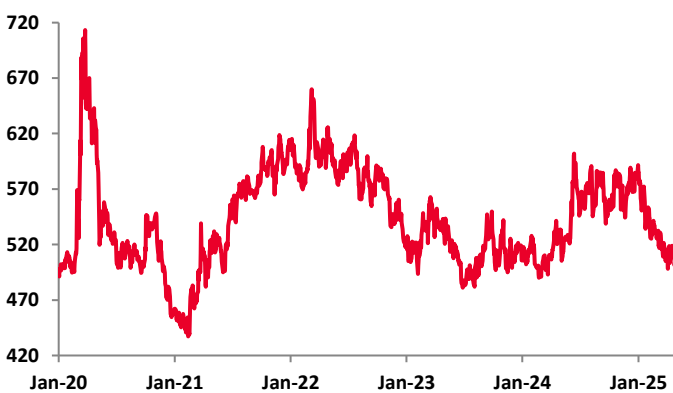
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	445	7	-14	-108	644	431	558
5 year	494	0	-2	-65	623	485	554
10 year	503	-11	-6	-81	602	498	552
20 year	519	-7	-4	-65	593	493	552
30 year	524	-11	-6	-77	605	501	562

Source: Bloomberg, Banorte

10-year Mbono and 10-year UST spread

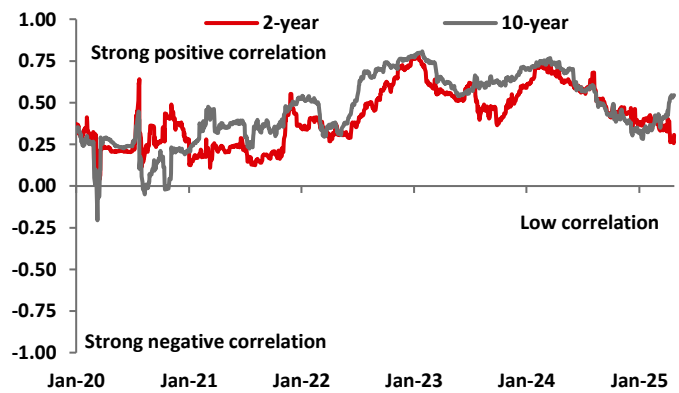
Basis points



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	61	-10	17	40	79	-79	-14
2/10	108	-21	23	43	136	-94	-2
2/30	175	-23	31	73	207	-86	31
5/10	47	-12	7	3	61	-28	12
10/30	67	-2	8	30	71	4	34
TIIE-F*							
3m/2Y	-93	11	-1	-14	-67	-191	-102
2/5	14	-6	0	10	26	-51	-8
2/10	57	-15	9	33	75	-46	13
2/30	72	-13	15	40	90	-41	21
5/10	43	-8	9	23	51	2	21
10/30	16	2	6	7	20	-4	8
TIIE-F – Mbonos*							
2 year	-58	3	2	-22	-26	-107	-65
5 year	-105	7	-15	-41	-60	-125	-89
10 year	-109	10	-13	-43	-64	-130	-93
20 year	-149	9	-17	-63	-78	-165	-118
30 year	-161	13	-14	-69	-83	-180	-128
TIIE-F – SOFR*							
2 year	411	8	-6	-96	573	395	483
5 year	426	6	-11	-88	559	412	485
10 year	446	-2	-12	-85	559	436	500
20 year	449	-3	-14	-90	567	441	508
30 year	449	-1	-15	-105	580	441	516

Source: Bloomberg, Banorte

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

Breakeven inflation using Mbonos & Udibonos

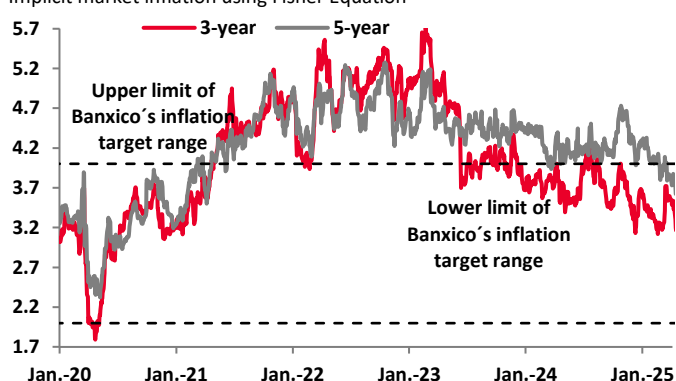
%, Implicit market inflation using Fisher Equation

Date	04/25/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.23	3.16 (+7bps)	3.56 (-33bps)	3.75 (-52bps)	4.21	3.12	3.59
5Y	3.65	3.62 (+3bps)	3.81 (-16bps)	4.25 (-60bps)	4.73	3.62	4.16
10Y	3.92	4.15 (-23bps)	4.24 (-32bps)	4.34 (-42bps)	4.75	3.92	4.33
20Y	4.54	4.66 (-12bps)	4.66 (-12bps)	4.56 (-2bps)	5.01	4.25	4.63
30Y	4.70	4.82 (-12bps)	4.77 (-7bps)	4.59 (+11bps)	5.01	4.37	4.70

Source: Bloomberg, Banorte

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

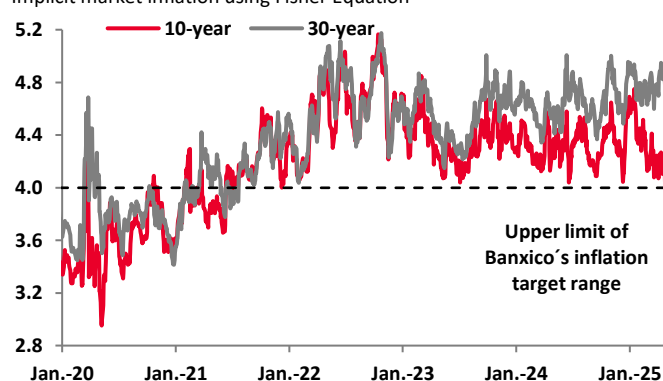
Implicit market inflation using Fisher Equation



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

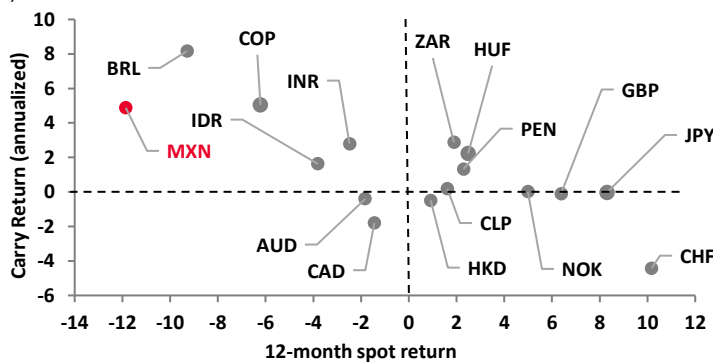
		Current	Daily Change (%) ¹	Weekly change (%) ¹	Monthly change (%) ¹	YTD (%) ¹
Emerging Markets						
Brazil	USD/BRL	5.68	0.0	2.2	0.9	8.7
Chile	USD/CLP	934.42	0.0	3.3	-0.9	6.5
Colombia	USD/COP	4,217.75	1.2	2.1	-2.1	4.5
Peru	USD/PEN	3.67	0.1	1.6	-0.9	1.9
Hungary	USD/HUF	356.91	0.0	0.3	4.3	11.4
Malaysia	USD/MYR	4.37	0.0	0.9	1.3	2.3
Mexico	USD/MXN	19.50	0.4	1.1	3.1	6.8
Poland	USD/PLN	3.76	-0.3	0.0	3.5	9.9
South Africa	USD/ZAR	18.71	0.5	0.8	-2.4	0.7
Developed Markets						
Canada	USD/CAD	1.39	-0.1	-0.1	2.9	3.8
Great Britain	GBP/USD	1.33	-0.2	0.1	3.3	6.4
Japan	USD/JPY	143.67	-0.7	-1.0	4.8	9.4
Eurozone	EUR/USD	1.1365	-0.2	-0.2	5.7	9.8
Norway	USD/NOK	10.44	-0.4	0.4	1.2	9.1
Denmark	USD/DKK	6.57	-0.2	-0.3	5.6	9.6
Switzerland	USD/CHF	0.83	-0.2	-1.4	6.7	9.5
New Zealand	NZD/USD	0.60	-0.6	0.4	4.1	6.6
Sweden	USD/SEK	9.70	-1.0	-0.9	3.6	14.2
Australia	AUD/USD	0.64	-0.2	0.3	1.5	3.3

Source: Bloomberg, Banorte

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

Performance of selected currencies

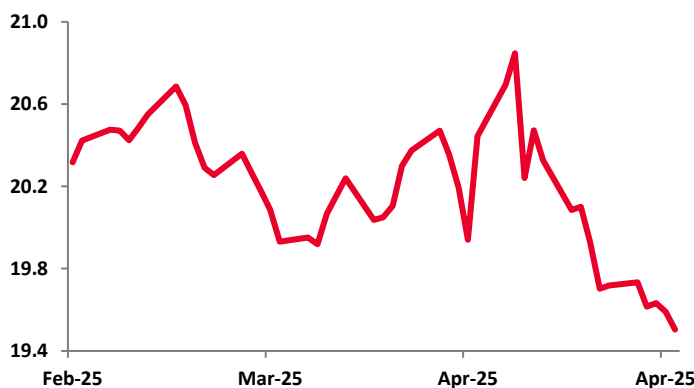
%, annualized rate based in 3M forwards



4Source: Bloomberg, Banorte

USD/MXN

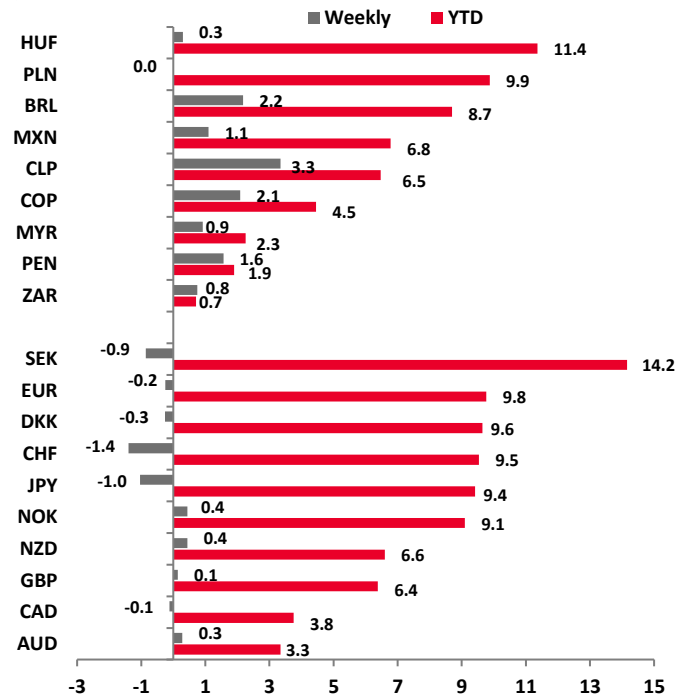
Last 60 days



Source: Bloomberg, Banorte

FX performance

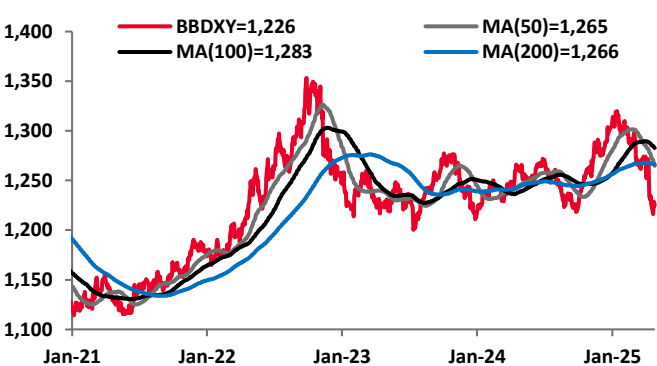
Against USD, %



Source: Bloomberg, Banorte

BBDXY

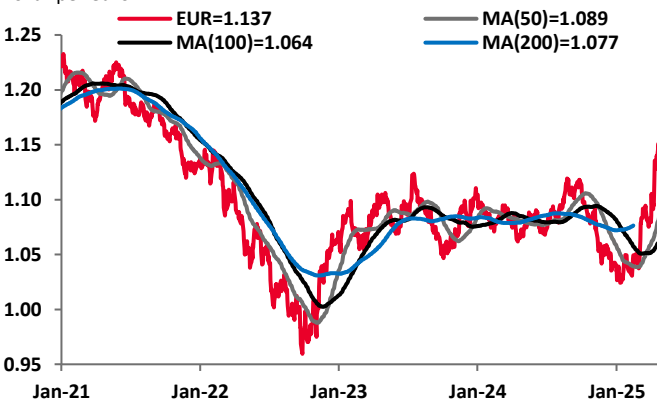
Points



Source: Bloomberg, Banorte

Euro

Dollar per euro

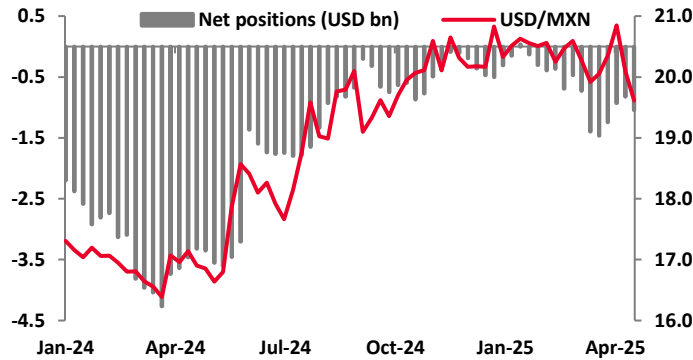


Source: Bloomberg, Banorte

FX positioning and flows

IMM positioning in USD/MXN futures

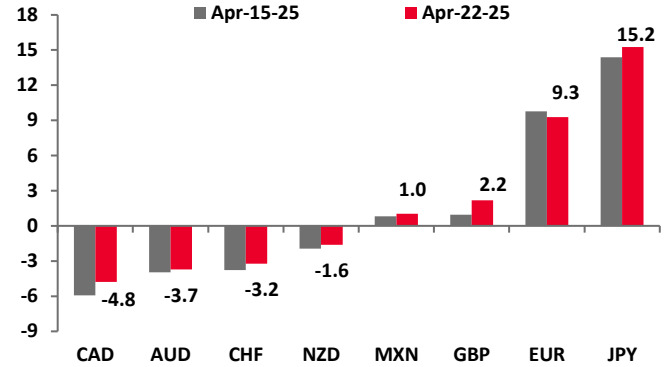
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

IMM positioning by currency*

Billion dollars

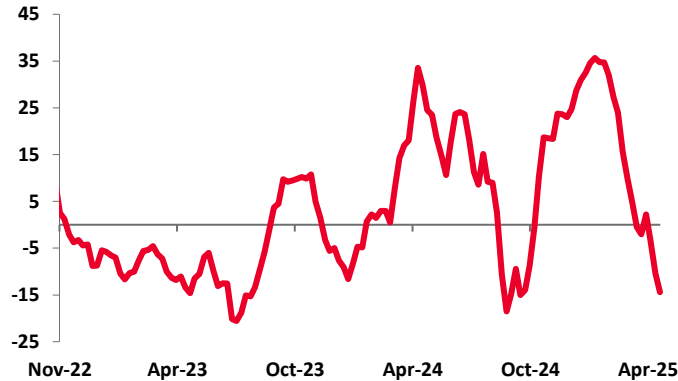


* Positive: Net long in the corresponding currency

Source: CME, Banorte

IMM positioning in USD futures*

Billion dollars, Positive = net long in USD

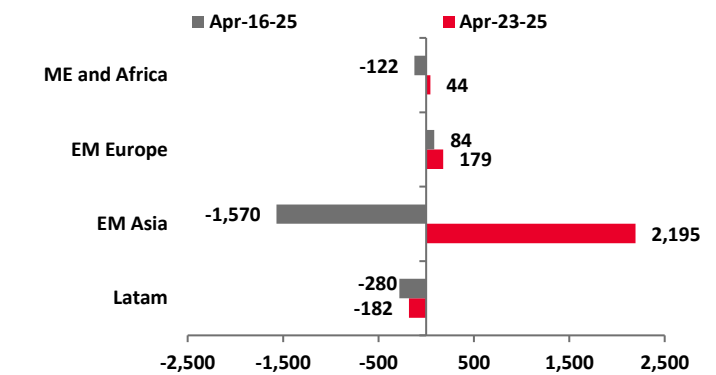


*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

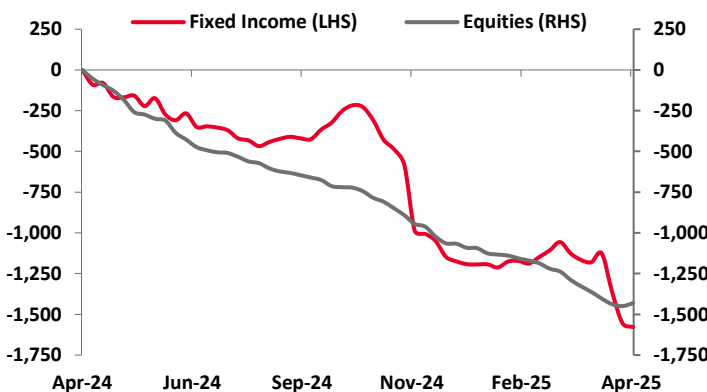
Billion dollars



Source: EPFR Global, Banorte

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

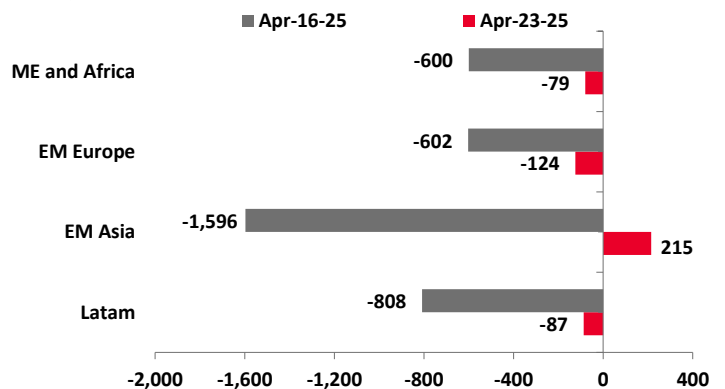
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

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

Weekly, million dollars

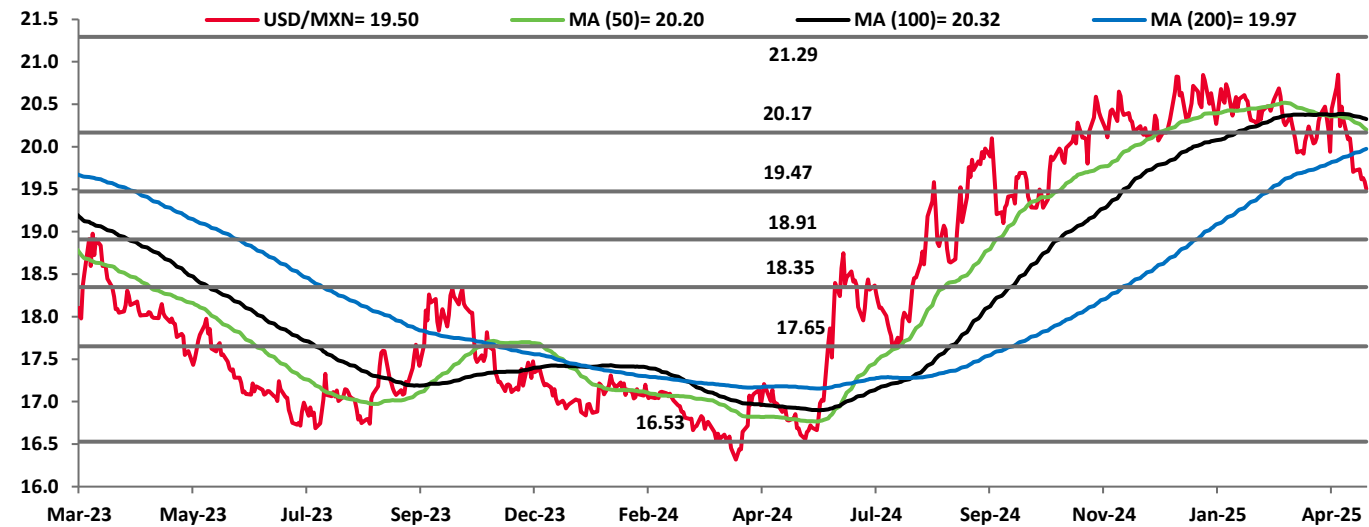


Source: EPFR Global, Banorte

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

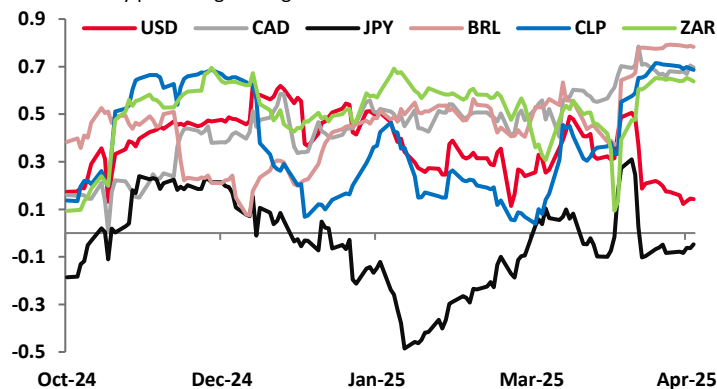
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	14	16	11	62	37
CAD	70	68	1	78	46
JPY	-5	-8	-49	31	-4
BRL	78	79	7	79	45
CLP	69	70	4	71	38
ZAR	64	64	9	69	52
VIX	60	62	-13	62	25
SPX	62	64	-15	66	23
GSCI	54	53	-21	54	24
Gold	29	39	-15	55	13

* 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

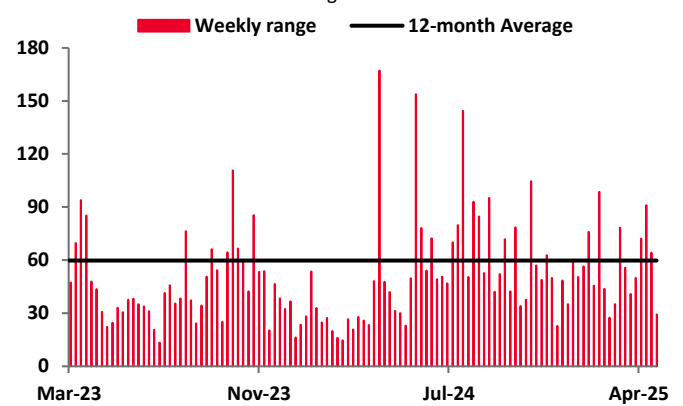


* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

USD/MXN – Weekly trading range

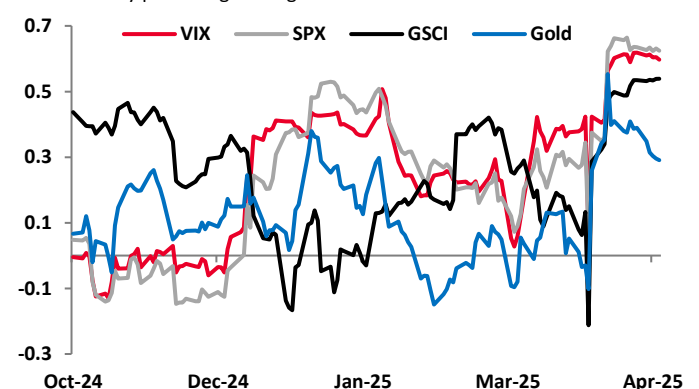
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

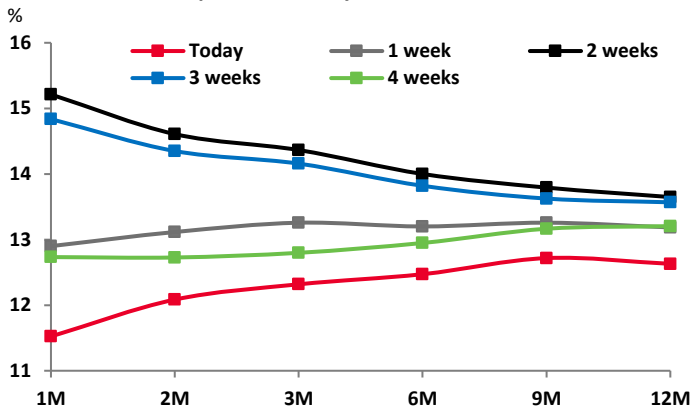


* Positive: appreciation of MXN and corresponding asset except VIX

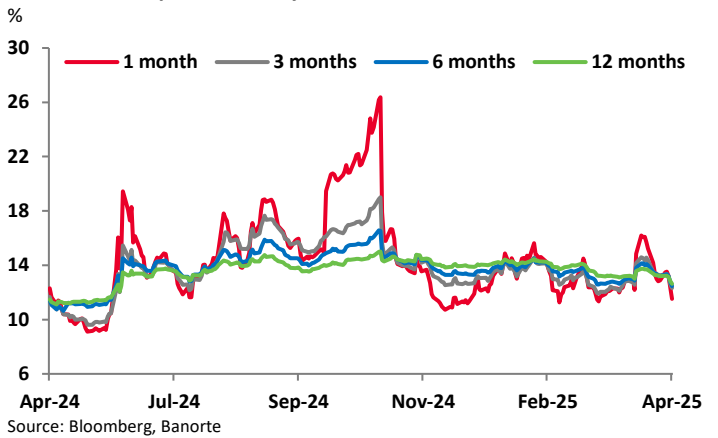
Source: Bloomberg, Banorte

FX technicals (continued)

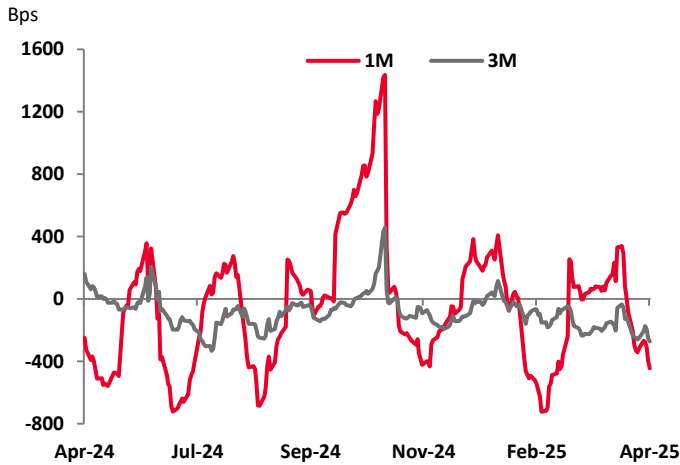
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

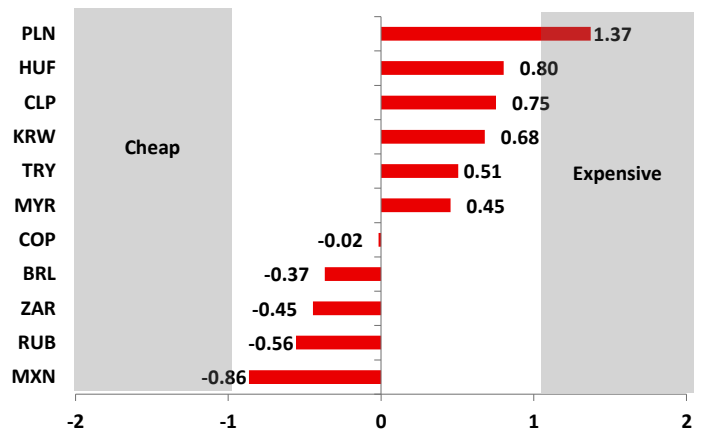


USD/MXN – Spread between implicit and historical volatility



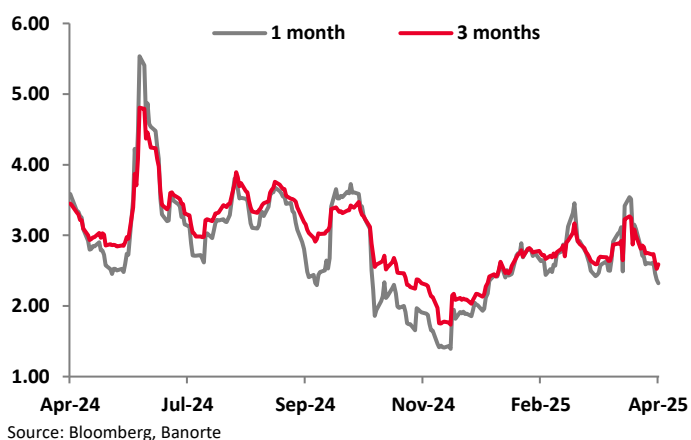
Emerging markets 1-month ATM options volatility

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



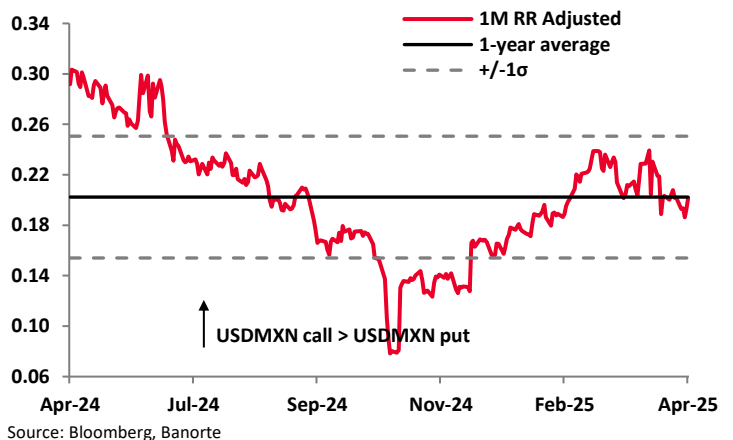
USD/MXN – 25D risk reversals

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 May 2nd, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Lun 28	08:00	MX	Unemployment rate	Mar	%	2.35	2.35	2.51
	08:00	MX	Trade balance	Mar	US\$m	2,800.2	2,800.2	2,212.4
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 20-year Mbono (Nov'42), 10-year Udibono (Aug'34) and 2-, 5- and 10-year Bondes F					
Mar 29	04:00	EZ	Monetary aggregates (M3)*	Mar	% y/y	--	4.0	4.0
	05:00	EZ	Consumer confidence*	Apr (F)	index	--	--	-16.7
	05:00	EZ	Economic confidence*	Apr	index	--	94.5	95.2
	08:30	US	Trade balance*	Mar	US\$bn	--	-145.0	-147.8
	09:00	US	S&P/CoreLogic housing prices	Feb	% y/y	--	4.7	4.7
	10:00	US	JOLTS Job Openings	Mar	thousands	--	7,490	7,568
	10:00	US	Consumer confidence*	Apr	index	89.0	87.8	92.9
	11:00	MX	International reserves	Apr 25	US\$bn	--	--	238.9
	18:00	CHI	Monetary policy decision (BCCh)	Apr 29	%	--	5.00	5.00
	21:30	CHI	Manufacturing PMI*	Apr	index	--	49.8	50.5
	21:30	CHI	Non-manufacturing PMI*	Apr	index	--	50.7	50.8
	21:30	CHI	Composite PMI*	Apr	index	--	--	51.4
	21:45	CHI	Manufacturing PMI (Caixin)*	Apr	index	--	49.8	51.2
	04:00	GER	Gross domestic product*	1Q25 (F)	% q/q	--	0.2	-0.2
	05:00	EZ	Gross domestic product	1Q25 (F)	% y/y	--	1.1	1.2
Mié 30	05:00	EZ	Gross domestic product*	1Q25 (F)	% q/q	--	0.2	0.2
	08:00	BZ	Unemployment rate	Mar	%	--	7.0	6.8
	08:00	MX	Gross domestic product	1Q25 (P)	% y/y	0.66	0.7	0.48
	08:00	MX	Gross domestic product*	1Q25 (P)	% q/q	0.04	0.1	-0.63
	08:00	GER	Consumer prices	Apr (P)	% y/y	--	2.0	2.2
	08:15	US	ADP employment*	Apr	thousands	125	125	155
	08:30	US	Gross domestic product**	1Q25 (F)	% q/q	0.5	0.4	2.4
	08:30	US	Personal consumption**	1Q25 (F)	% q/q	0.8	1.2	4.0
	10:00	US	Personal income*	Mar	% m/m	--	0.4	0.8
	10:00	US	Personal spending*	Mar	% m/m	--	0.6	0.4
	10:00	US	Real personal spending*	Mar	% m/m	--	0.5	0.1
	10:00	US	PCE Deflator*	Mar	% m/m	--	0.0	0.3
	10:00	US	Core*	Mar	% m/m	--	0.1	0.4
	10:00	US	PCE Deflator	Mar	% y/y	--	2.2	2.5
	10:00	US	Core	Mar	% y/y	--	2.6	2.8
	11:00	MX	Banking credit	Mar	% y/y	9.6	--	9.7
	14:00	COL	Monetary policy decision (BanRep)	Apr 30	%	--	9.50	9.50
	16:30	MX	Public finances (PSBR, year-to-date)	Mar	MXNbn	--	--	-83.9
		JN	Monetary policy decision (BoJ)	May 1	%	--	0.50	0.50
Jue 1		MX	Markets closed for Labor Day					
	08:30	US	Initial jobless claims*	Apr 26	thousands	--	222	222
	09:45	US	Manufacturing PMI*	Apr (F)	index	--	50.7	50.7
	10:00	US	ISM manufacturing*	Apr	index	49.7	48.0	49.0
		US	Total vehicle sales**	Apr	millions	--	17.1	17.8
Vie 2	03:55	GER	Manufacturing PMI*	Apr (F)	index	--	48.0	48.0
	04:00	EZ	Manufacturing PMI*	Apr (F)	index	--	48.7	48.7
	04:30	UK	Manufacturing PMI*			--	44.0	44.0
	05:00	EZ	Consumer prices	Apr (P)	% y/y	--	2.1	2.2
	05:00	EZ	Core	Apr (P)	% y/y	--	2.5	2.4
	05:00	EZ	Unemployment rate*	Mar	%	--	6.1	6.1
	08:30	US	Nonfarm payrolls*	Apr	thousands	155	130	228
	08:30	US	Unemployment rate*	Apr	%	4.2	4.2	4.2
	09:00	BZ	Manufacturing PMI*	Apr	index	--	--	51.8
	10:00	US	Factory orders*	Mar	% m/m	--	4.4	0.6
	10:00	US	Ex transportation*	Mar	% m/m	--	--	0.4
	10:00	US	Durable goods orders*	Mar (F)	% m/m	--	9.2	9.2
	10:00	US	Ex transportation*	Mar (F)	% m/m	--	--	0.7
	11:00	MX	Family remittances	Mar	US\$bn	5,028.6	5,000.0	4,458.5
	11:00	MX	Survey of expectations (Banxico)					
	14:00	MX	Manufacturing PMI (IMEF)*	Apr	index	46.7	--	47.2
	14:00	MX	Non-manufacturing PMI (IMEF)*	Apr	index	48.9	--	48.6

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

Recent trade ideas				
Trade idea	P/L	Initial date	End date	
Pay TIIE-IRS (130x1), receive 10-year SOFR	L	Feb-28-25	Apr-11-25	
2y10y TIIE-F steepener	P	Jan-17-25	Apr-10-25	
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 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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	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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