BANORTE

Fixed-Income & FX Strategy

Weekly

Economic and Financial Markets Research
Fixed-Income, FX, and *Commodities*

May 30, 2025

Fixed-Income and FX Weekly

- **The evolution of the trade war remains in focus.** Market sentiment was affected by uncertainty on the trade and fiscal fronts. On Wednesday, the US Court of International Trade blocked Trump's imposition of tariffs, ordering that such measures be suspended within 10 days. However, on Thursday morning, they were reinstated by the appeals court. Additionally, tensions between the US and China were reignited after Trump pointed out that the Asian country completely violated a tariff agreement. In this context, the USD extended its weakening (BBDXY -0.6% m/m), marking five months of losses. This has resulted in gains for most developed and emerging currencies, with the MXN consolidating around the 19.40 per dollar zone (+0.9% m/m). Meanwhile, Treasuries accumulated losses of 25bps for the month, impacted by the uncertainty regarding the effect of a larger fiscal deficit in the US While Mexican bonds recorded a defensive performance, even with gains of 8bps m/m at the shorter-end and losses of 5bps m/m at the long-end. As a result, the spreads versus Treasuries continue to compress. The spread between the 10-year Mbono and the Treasury of the same maturity remains in low levels of 492bps, very close to 12-month lows (484bps)
- **We recommend receiving 2-year TIIE-F swaps (26x1).** Following the publication of Banxico's minutes, we believe reductions will be more aggressive than we previously thought due to growth risks. We now anticipate a benchmark rate at the end of the year of 7.00% (previous: 7.75%), much lower than the market expectation of 7.45%. Therefore, we see value at the short-end of the yield curve. In terms of strategy, we recommend receiving 2-year TIIE-F swaps (26x1) with an entry level at 7.52%, target at 7.25%, and stop-loss at 7.65%, despite a negative carry and roll-down of -5bps per month
- **We forecast USD/MXN at 20.10 by end-2025 and 19.30 by end-2026.** We revise our forecasts for the Mexican peso, reflecting (1) further USD weakness and (2) a compression in Mexico's risk premium. Regarding the former, we continue to anticipate a weaker USD driven by shifts in US foreign policy, particularly on the trade front. However, we do not see this adjustment in valuation as significantly undermining the dollar's global reserve currency status. For the latter, the 50bps compression in Mexico's 5-year CDS is a highlight, which has returned to levels last seen prior to the Trump administration and has moved in tandem with a broader decline across other EM names. In addition, we believe that Mexico's relatively stronger position and the prospect of greater trade certainty are key drivers supporting renewed investor optimism toward Mexican assets into 2026. Considering these developments, our models suggest the peso could sustain its relative strength through the first half of the year, followed by a more gradual adjustment in 2H25. As a result, we revise our year-end USD/MXN target to 20.10 from 21.40 for 2025, and to 19.30 from 20.80 for end-2026
- **Weekly ranges**. We expect the 10-year Mbono (Nov'34) to trade between 9.15% and 9.45%, and MXN between 19.20 and 19.65 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	8.51	-2	-57	-169	11.09	8.50	10.16
28-days[1]	8.79	-13	-25	-148	11.06	8.79	10.29
91-days[1]	8.86	-14	-25	-150	11.17	8.86	10.38
182-days[1]	8.96	-14	-26	-154	11.33	8.96	10.52
Cetes[2]							
28-days	8.49	31	-31	-152	11.09	8.08	9.97
91-days	8.14	-15	-38	-186	11.18	8.13	9.99
182-days	8.09	-12	-30	-185	11.29	8.09	9.96
364-days	8.29	-9	-15	-178	11.42	8.26	9.98
Mbonos							
Mar'26	8.20	4	-14	-161	11.03	8.14	9.59
Sep'26	8.15	4	0	-163	11.03	8.04	9.51
Mar'27	8.13	-9	-11	-165	10.74	8.11	9.37
Jun'27	8.14	-10	-12	-168	10.68	8.13	9.38
Mar'28[3]	8.41	-10	-7	-152	9.99	8.39	9.12
Mar'29	8.62	-12	-9	-135	10.55	8.52	9.53
May'29	8.69	-10	-3	-129	10.47	8.52	9.51
Feb'30[4]	8.81	-10	-4	-88	9.69	8.59	9.10
May'31	8.91	-12	-10	-113	10.42	8.66	9.56
May'33	9.19	-13	-8	-104	10.40	8.90	9.70
Nov'34	9.32	-10	-7	-110	10.45	9.01	9.75
Nov'36	9.36	-10	-7	-106	10.45	9.03	9.76
Nov'38	9.73	-3	-3	-82	10.60	9.26	9.93
Nov'42	10.00	0	4	-70	10.76	9.44	10.12
Nov'47	10.04	-3	3	-71	10.79	9.43	10.13
Jul'53	10.05	-4	2	-74	10.81	9.44	10.14
TIIE-F IRS[5]							
3-month (3x1)	8.15	-9	-32	-180	10.62	8.15	9.53
6-month (6x1)	7.92	-7	-22	-180	10.40	7.92	9.26
9-month (9x1)	7.78	-6	-15	-181	10.17	7.78	9.06
1-year (13x1)	7.66	-5	-9	-176	9.95	7.66	8.86
2-year (26x1)	7.52	-9	-3	-163	9.66	7.49	8.55
3-year (39x1)	7.57	-9	1	-155	9.52	7.50	8.48
4-year (52x1)	7.65	-12	0	-150	9.46	7.58	8.49
5-year (65x1)	7.74	-13	0	-145	9.43	7.67	8.51
7-year (91x1)	7.94	-14	-2	-132	9.42	7.87	8.61
10-year (130x1)	8.20	-14	-1	-119	9.46	8.09	8.75
20-year (3x1)	8.46	-12	0	-103	9.59	8.28	8.91
30-year (390x1)	8.38	-11	2	-109	9.50	8.19	8.84
Udibonos							
Dec'25	4.71	-8	-114	-146	7.39	4.71	6.24
Dec'26	4.63	1	-42	-147	7.08	4.61	5.88
Nov'28	4.76	-11	-13	-71	5.96	4.69	5.22
Aug'29[6]	4.95	-9	-7	-6	5.17	4.77	5.04
Nov'31	5.00	-8	-8	-48	5.80	4.70	5.18
Aug'34	5.05	-3	1	-44	5.76	4.70	5.24
Nov'35	5.06	-3	0	-42	5.62	4.71	5.19
Nov'40	5.02	-2	0	-49	5.72	4.75	5.20
Nov'43	5.06	0	-7	-46	5.73	4.81	5.23
Nov'46	4.98	2	-4	-54	5.70	4.75	5.17
Nov'50	4.97	2	-4	-54	5.71	4.76	5.18
Oct'54	4.96	1	0	-61	5.71	4.70	5.17

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

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	4.70	-5	-45	3.90	-10	-35	81	+5	75	64
3Y	Feb'28	4.69	-12	-100	3.86	-10	-42	83	-2	93	79
5Y	May'30	5.26	-12	-62	3.96	-12	-42	130	+1	135	120
7Y	Apr'32	5.94	-6	-40	4.17	-11	-31	177	+5	154	158
10Y	Feb'35	6.37	-12	-27	4.40	-11	-17	197	-1	185	198
20Y	Jan'45	6.82	-12	+7	4.93	-11	+7	189	0	195	--
30Y	May'55	7.44	-13	+21	4.93	-11	+14	252	-1	241	--

Source: Bloomberg, Banorte

5Y USD UMS
%

Source: Bloomberg, Banorte

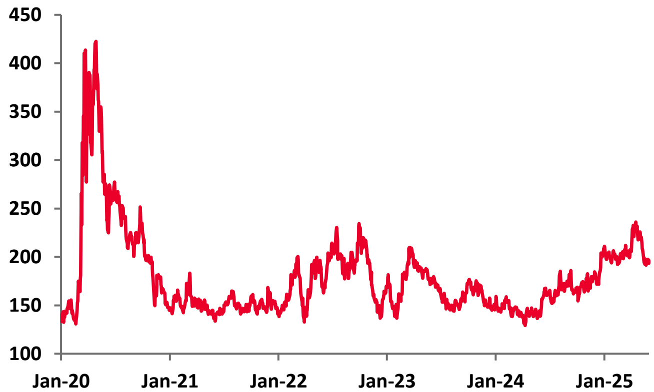
10Y USD UMS
%

Source: Bloomberg, Banorte

5Y UMS-UST Spread
Basis points

Source: Bloomberg, Banorte

10Y UMS-UST Spread
Basis points



Source: Bloomberg, Banorte

Fixed–Income Supply

- **Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 24-month Cetes, the 20-year Mbono (Nov'42), the 20-year Udibono (Nov'43), as well as 1-, 3- and 7-year Bondes F
- **We see a lower benchmark rate for year-end.** The Banxico's minutes maintained a dovish tone, in line with the Quarterly Report, and indicated that moving forward they could continue to calibrate the monetary stance and consider adjusting it by a similar magnitude. Thus, we continue to anticipate a 50bps rate cut at the June meeting. However, we believe the cuts will be more aggressive than we previously thought due to growth risks. We now anticipate the benchmark rate at year-end to be 7.00% (previously: 7.75%). Consequently, the monetary authority would bring forward the cuts we had penciled in for 2026. Despite this, Mexico's real rate (4.40%) remains attractive compared to other emerging countries such as Colombia (3.89%), Peru (2.80%), and Chile (0.46%). It is worth noting that it remains below Brazil (8.74%); however, the Copom may lean towards pausing its hike cycle to consider the effects of its monetary stance. In this environment, we expect demand for Cetes to remain solid across all terms. For the 20-year Mbono (Nov'42), we anticipate stable demand in line with the previous auction of 2.4x. This security shows a valuation with room for greater gains; however, global uncertainty dilutes its appeal. In real rates, appetite for the 20-year Udibono (Nov'43) will be limited due to relatively unattractive valuation

Auction specifics (June 3rd, 2025)

Security	Maturity	Coupon rate, %	To be auctioned[1]	Previous yield[2]
Cetes				
1m	Jul-03-25	--	7,000	8.12
3m	Sep-04-25	--	7,000	8.14
6m	Nov-27-25	--	8,000	8.12
24m	May-13-27	--	19,000	8.55
Bondes F				
1Y	May-28-26	--	8,100	0.07
3Y	Apr-20-28	--	4,800	0.17
7Y	Jan-29-32	--	650	0.21
Bono M				
20Y	Nov-13-42	7.75	7,000	9.86
Udibono				
20Y	Nov-12-43	3.25	UDIS 800	5.09

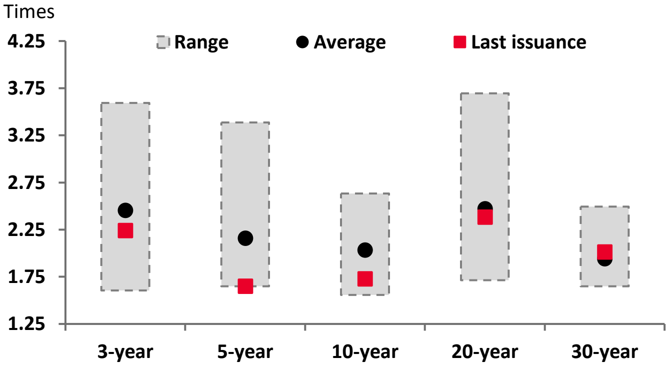
Source: Banxico, Banorte
1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.
2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

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)	2 and 5Y
20-May	1, 3, 6, and 24M	5Y (Feb'30)	30Y (Oct'54)	1 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)	2 and 5Y
17-Jun	1, 3, 6, and 24M	5Y (Feb'30)	30Y (Oct'54)	1 and 3Y
24-Jun	1, 3, 6, and 12M	10Y (Nov'34)	10Y (Aug'34)	2, 5 and 10Y

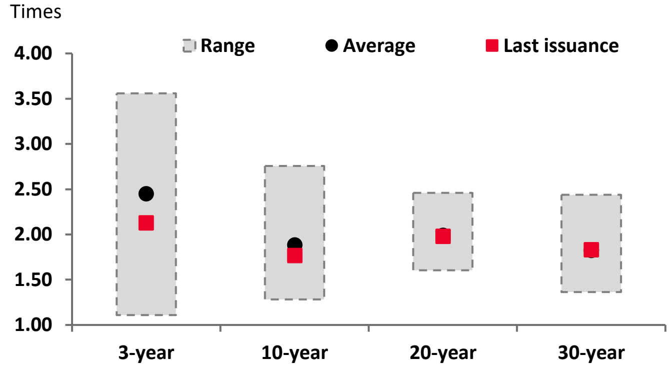
Source: SHCP *Ministry of Finance *In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance
For more information, refer to 2Q25 Auction Calendar

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



Source: Bloomberg, Banorte

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



Source: Bloomberg, Banorte

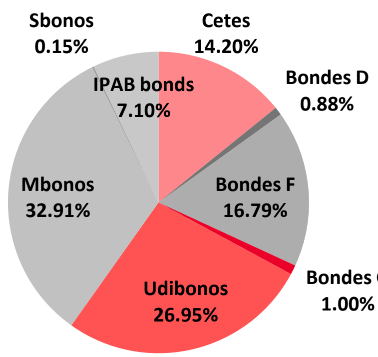
Fixed-Income Demand

Government and IPAB securities holdings by type of investor
US$ billion, *UDIS billion, data as of May/20/2025

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	109.67	11.40	17.06	23.90	5.35	11.53	3.54	1.35	-	35.54
Bondes D	6.80	0.01	0.28	3.30	0.00	1.30	-	-	-	1.90
Bondes F	129.72	0.05	3.70	77.51	2.84	14.59	2.64	-	-	28.38
Bondes G	7.75	0.00	0.22	3.09	0.55	0.87	0.96	-	-	2.04
Udibonos	208.21	7.53	113.94	9.37	35.73	5.30	1.42	0.14	-	34.77
Mbonos	254.23	72.75	65.94	11.01	9.92	30.52	12.03	0.35	0.78	50.93
Sbonos	1.19	0.54	0.33	0.01	0.06	0.03	-	-	-	0.23
Total	**717.58**	**92.27**	**201.48**	**128.20**	**54.46**	**64.15**	**20.60**	**1.84**	**0.78**	**153.80**
Udibonos*	473.69	17.13	259.22	21.33	81.28	12.07	3.24	0.31	-	79.11
IPAB bonds	**54.87**	**0.01**	**0.53**	**16.63**	**0.77**	**7.77**	**4.13**	**2.20**	**-**	**22.83**

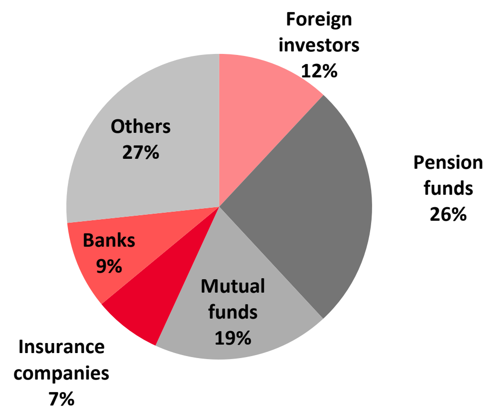
Source: Banxico, Banorte

Government issuance by type of instrument
Total amount of US$ 772 billion (including IPAB bonds), % of total



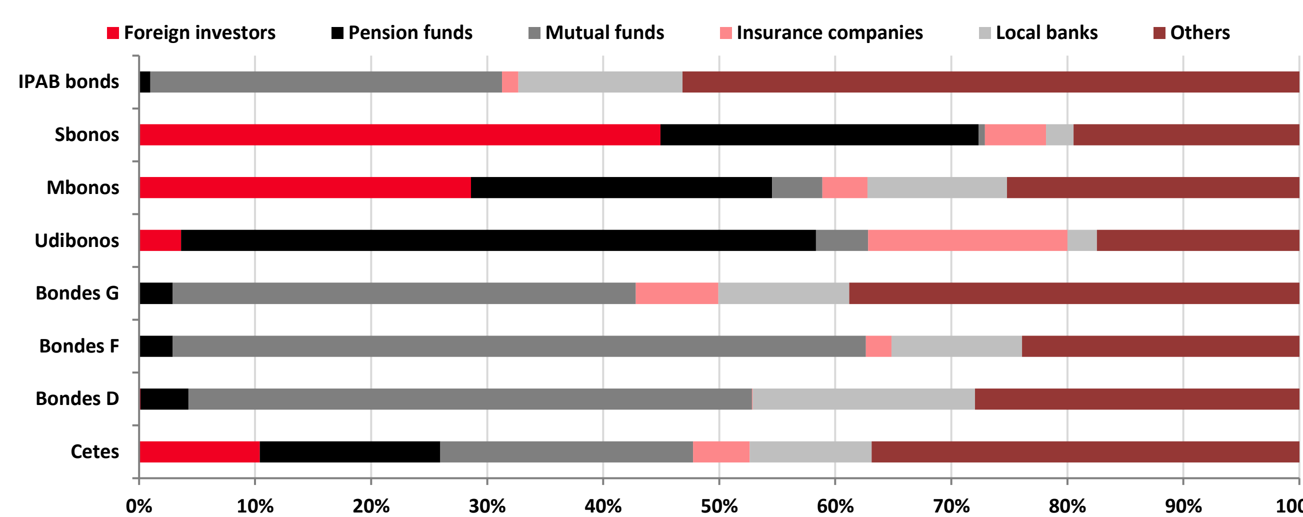
Source: Banxico, Banorte

Government issuance by type of investor
Total amount of US$ 772 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

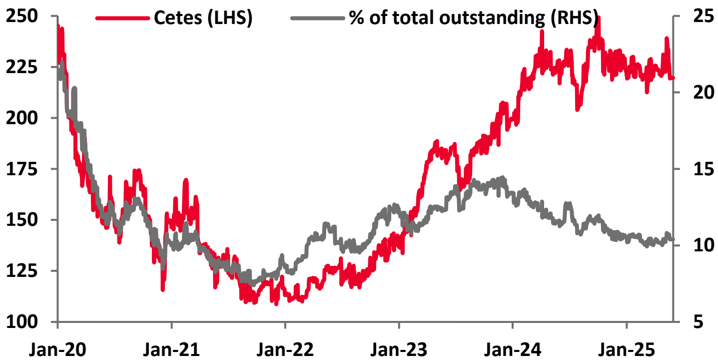
Government securities holdings by type of investor
Total amount of US$ 772 billion (including IPAB bonds), % of total



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

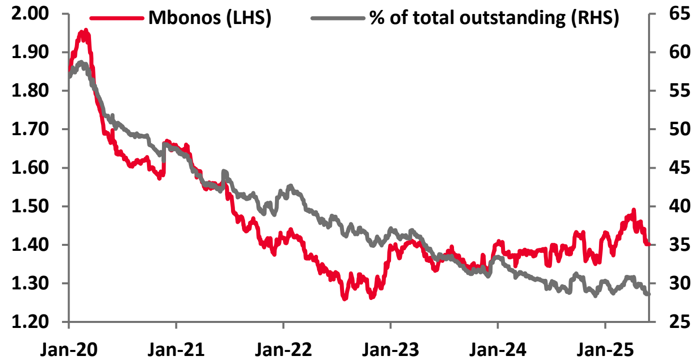
Fixed–Income Demand (continued)

Cetes held by foreigners
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners
MXN trillion, %



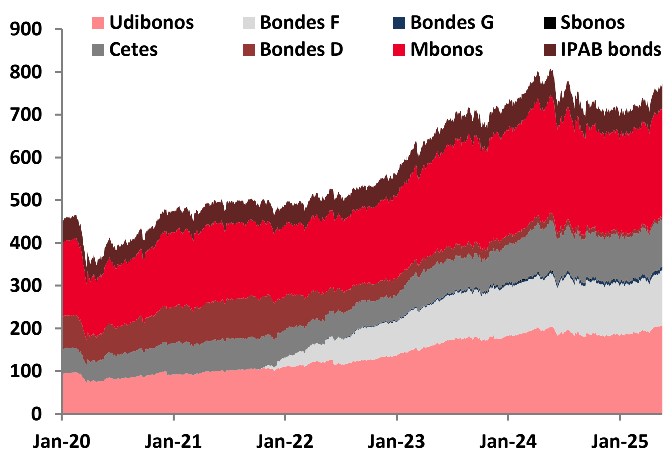
Source: Banxico, Banorte

Holdings of main investors by type of security
Data as of May/20/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	-0.46	-0.46	-21.10	0.44	27.05
Bondes F	45.90	104.36	-4.00	-39.78	4.79	10.91
Udibonos	-0.76	-13.68	0.08	4.72	3.02	23.79
Mbonos	-3.59	-2.14	4.51	9.52	4.14	12.67

Source: Banxico, Banorte

Government securities issuance
USD Billions



Fuente: Banxico, Banorte

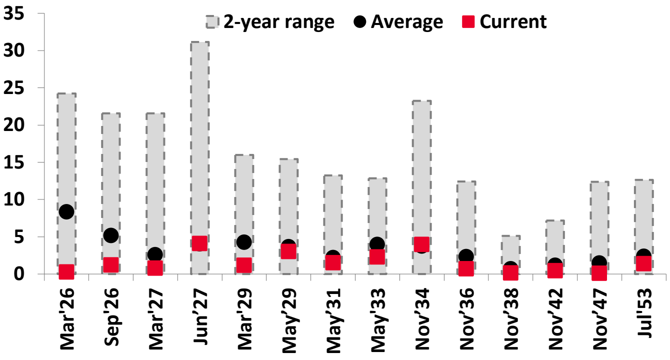
Mbonos holdings by type of investor
US$ billions and %, data as May/15/2025

Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	15.7	22%	16%	12%	50%
Sep'26	10.8	15%	30%	15%	41%
Mar'27	16.3	33%	17%	11%	39%
Jun'27	17.6	30%	23%	11%	36%
Mar'28	10.0	24%	15%	17%	45%
Mar'29	19.6	20%	33%	26%	21%
May'29	19.4	11%	33%	26%	30%
Feb'30	8.7	17%	25%	40%	18%
May'31	22.8	9%	36%	31%	24%
May'33	16.1	7%	33%	29%	31%
Nov'34	19.2	3%	47%	33%	17%
Nov'36	5.1	2%	15%	55%	28%
Nov'38	11.2	3%	29%	50%	18%
Nov'42	21.1	3%	32%	47%	18%
Nov'47	13.4	1%	32%	47%	21%
Jul'53	19.6	1%	33%	50%	17%
Total	**246.7**	**12%**	**30%**	**30%**	**28%**

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

Fixed–Income Demand – Primary dealers

Market makers' short positions on Mbonos
MXN billion

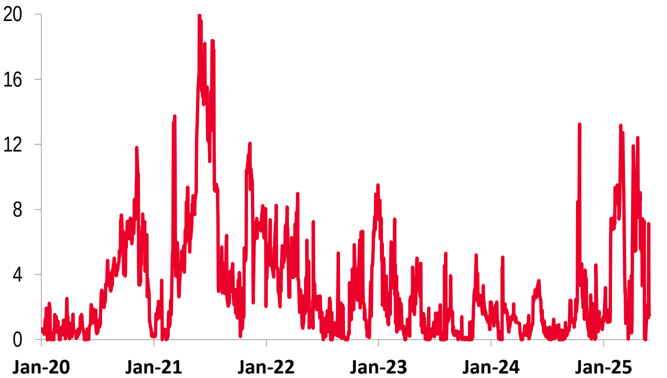


Source: Banxico, Banorte *May'33 issued in December 2022

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

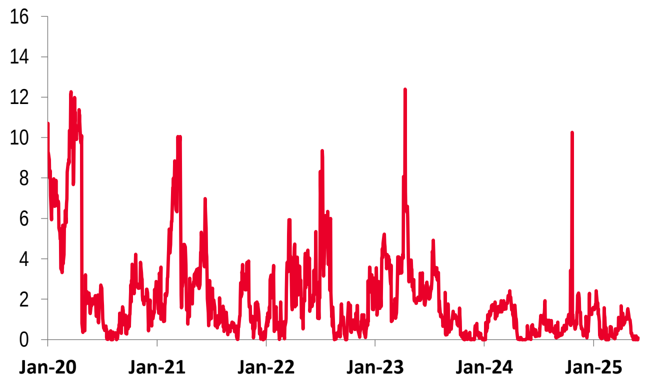
Source: Banxico, Banorte

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 May/29/2025	May/29/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	15,699	14	14	0	228	986	0
Sep'26	10,988	62	29	5	424	400	0
Mar'27	16,507	41	107	16	41	275	0
Jun'27	17,979	211	362	70	195	912	10
Mar'28*	10,118	21	0	4	--	351	0
Mar'29	19,800	60	2	6	346	543	0
May'29	20,470	156	100	37	133	599	0
May'31	23,280	78	79	467	184	679	0
May'33	16,199	119	183	85	190	503	0
Nov'34	21,954	205	199	92	226	1,119	0
Nov'36	5,184	37	42	6	220	492	4
Nov'38	11,324	6	4	17	45	202	0
Nov'42	21,314	23	21	34	30	202	0
Nov'47	13,510	5	0	55	16	125	0
Jul'53	20,420	70	103	47	139	411	0
Total	**244,745**	**1,037**	**1,141**	**894**	**2,278**		

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

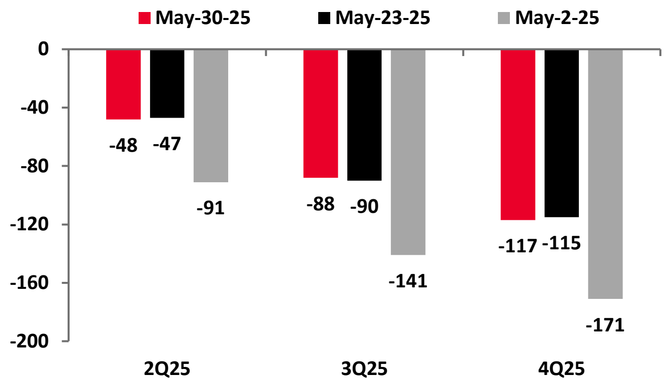
Fixed–Income Technicals

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	49	-31	43	54	154	-31
3 months	-27	-24	-30	-7	52	-46
6 months	-30	-28	-28	-12	30	-45
12 months	-2	-1	-1	12	47	-12

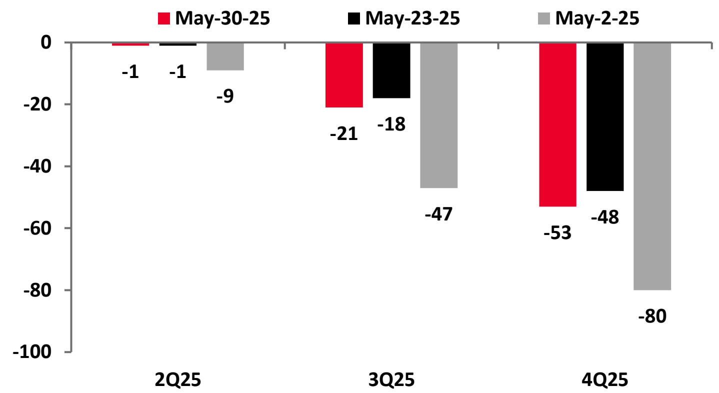
Source: PiP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate
Basis points



Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds
Basis points



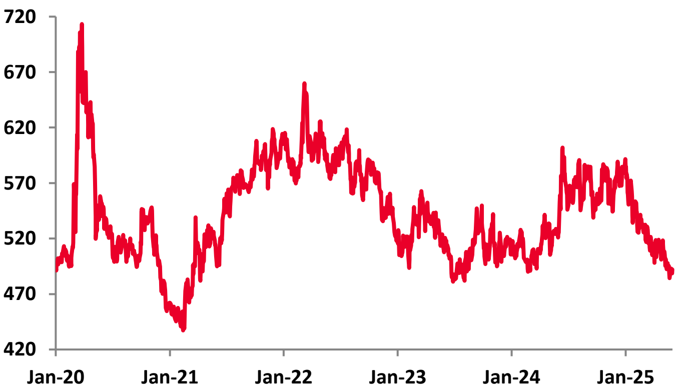
Source: Bloomberg, Banorte

Spreads between Mbonos and UST
Basis ponts

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	423	1	-18	-130	644	417	545
5 year	485	1	-9	-74	623	473	550
10 year	492	1	-17	-93	602	484	550
20 year	507	11	-9	-77	593	491	552
30 year	511	7	-12	-89	605	499	561

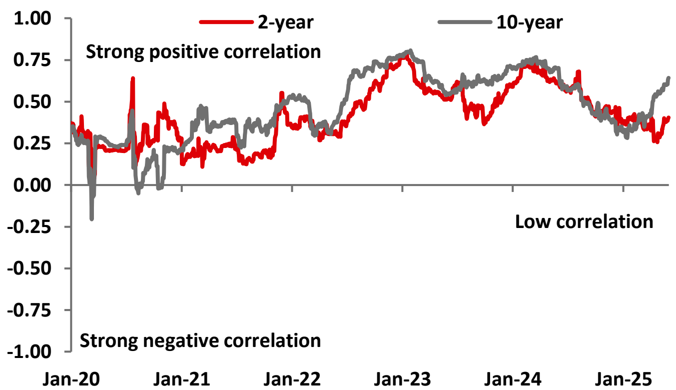
Source: Bloomberg, Banorte

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	69	-2	6	49	79	-72	-1
2/10	120	-1	3	55	136	-93	17
2/30	192	5	13	90	207	-81	56
5/10	51	0	-3	7	61	-28	18
10/30	73	6	9	35	71	5	39
TIIE-F*							
3m/2Y	-63	0	29	17	-61	-191	-98
2/5	22	-4	3	18	29	-51	-4
2/10	68	-5	1	44	76	-46	20
2/30	87	-2	4	54	92	-41	29
5/10	46	-1	-1	27	51	2	24
10/30	19	3	3	10	20	-4	9
TIIE-F – Mbonos*							
2 year	-61	0	8	-25	-26	-107	-65
5 year	-108	-2	5	-44	-60	-125	-91
10 year	-113	-4	6	-46	-64	-130	-96
20 year	-155	-12	-4	-68	-78	-165	-122
30 year	-167	-7	0	-75	-83	-180	-132
TIIE-F – SOFR*							
2 year	384	-1	-12	-123	573	378	471
5 year	413	-4	-6	-101	559	405	476
10 year	434	-5	-10	-97	559	427	492
20 year	435	-4	-12	-104	567	430	499
30 year	434	-3	-12	-120	580	431	506

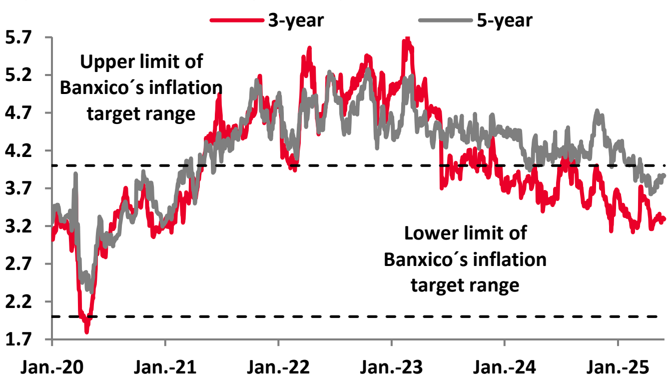
Source: Bloomberg, Banorte
Note: TIIE-F IRS history since September 5th, 2024

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

Date	05/30/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.30	3.3 (0bps)	3.3 (0bps)	3.54 (-24bps)	4.21	3.12	3.57
5Y	3.87	3.86 (+1bp)	3.78 (+9bps)	4.1 (-23bps)	4.73	3.62	4.13
10Y	4.06	4.13 (-7bps)	4.15 (-9bps)	4.31 (-25bps)	4.75	3.92	4.31
20Y	4.71	4.71 (0bps)	4.61 (+10bps)	4.57 (+14bps)	5.01	4.25	4.64
30Y	4.85	4.9 (-5bps)	4.83 (+2bps)	4.64 (+21bps)	5.01	4.37	4.73

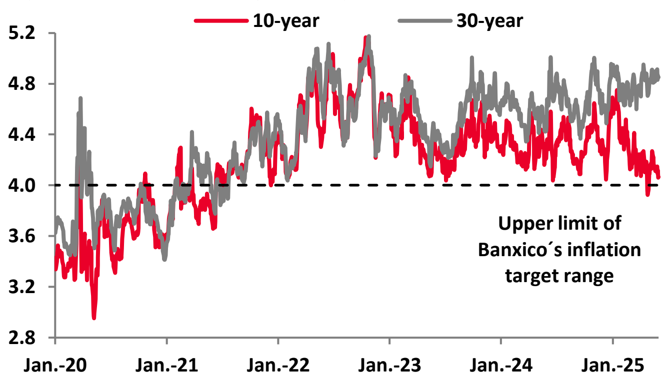
Source: Bloomberg, Banorte

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

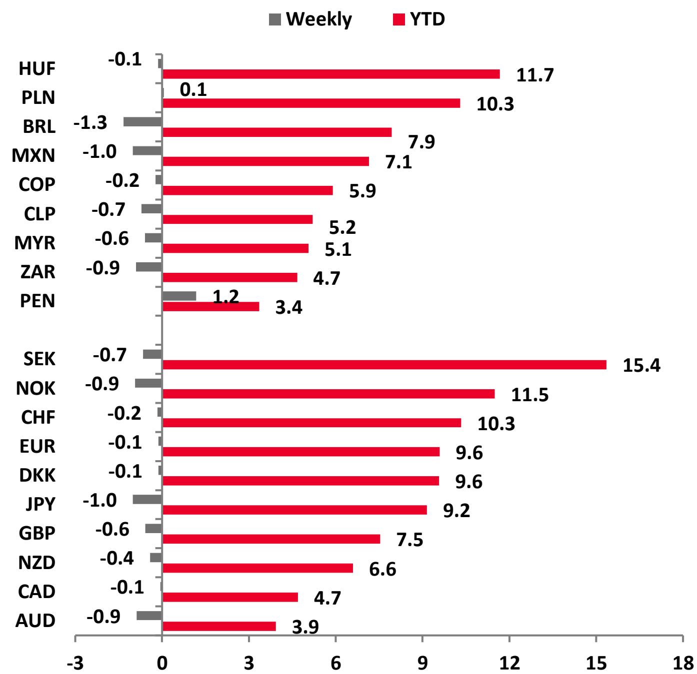
FX dynamics

Foreign Exchange market levels and historical return

		Current	Daily Change (%)[1]	Weekly change (%)[1]	Monthly change (%)[1]	YTD (%)[1]
Emerging Markets						
Brazil	USD/BRL	5.72	-1.0	-1.3	-0.9	7.9
Chile	USD/CLP	945.68	-1.1	-0.7	0.3	5.2
Colombia	USD/COP	4,160.22	-1.0	-0.2	1.6	5.9
Peru	USD/PEN	3.62	0.1	1.2	1.2	3.4
Hungary	USD/HUF	355.90	-0.2	-0.1	0.3	11.7
Malaysia	USD/MYR	4.26	-0.3	-0.6	1.4	5.1
Mexico	**USD/MXN**	**19.44**	**-0.6**	**-1.0**	**0.9**	**7.1**
Poland	USD/PLN	3.74	-0.3	0.1	0.9	10.3
South Africa	USD/ZAR	18.00	-1.1	-0.9	3.3	4.7
Developed Markets						
Canada	USD/CAD	1.37	0.5	-0.1	0.4	4.7
Great Britain	GBP/USD	1.35	-0.2	-0.6	1.0	7.5
Japan	USD/JPY	144.02	0.1	-1.0	-0.7	9.2
Eurozone	EUR/USD	1.1347	-0.2	-0.1	0.2	9.6
Norway	USD/NOK	10.21	-0.9	-0.9	1.9	11.5
Denmark	USD/DKK	6.57	-0.2	-0.1	0.2	9.6
Switzerland	USD/CHF	0.82	0.1	-0.2	0.4	10.3
New Zealand	NZD/USD	0.60	-0.1	-0.4	0.5	6.6
Sweden	USD/SEK	9.60	-0.5	-0.7	0.7	15.4
Australia	AUD/USD	0.64	-0.2	-0.9	0.5	3.9

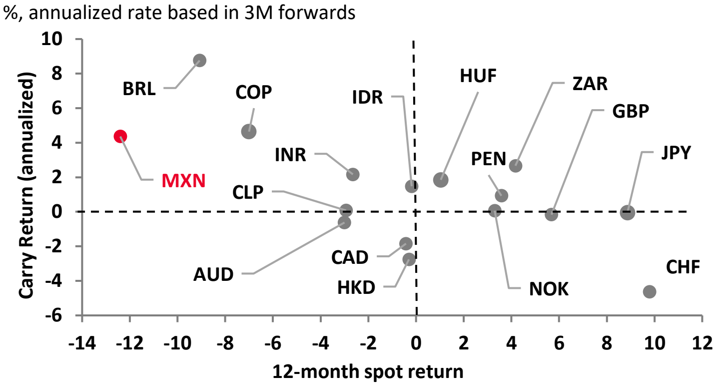
Source: Bloomberg, Banorte
1. Positive (negative) changes mean appreciation (depreciation) of the corresponding currency against the USD.

FX performance
Against USD, %



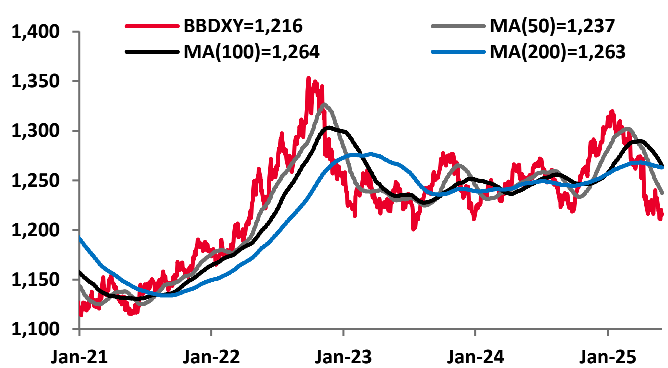
Source: Bloomberg, Banorte

Performance of selected currencies
%, annualized rate based in 3M forwards



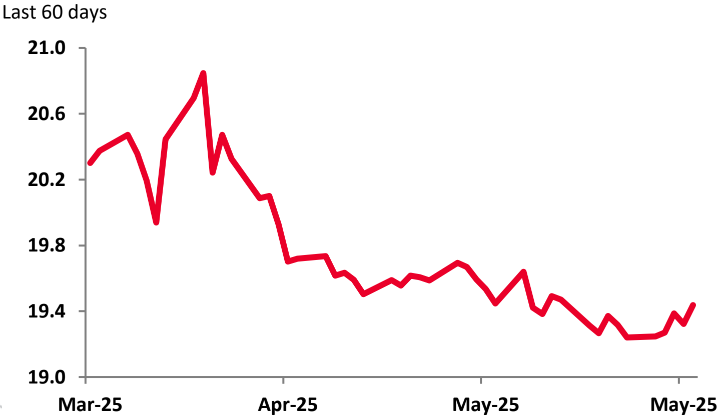
Source: Bloomberg, Banorte

BBDXY
Points



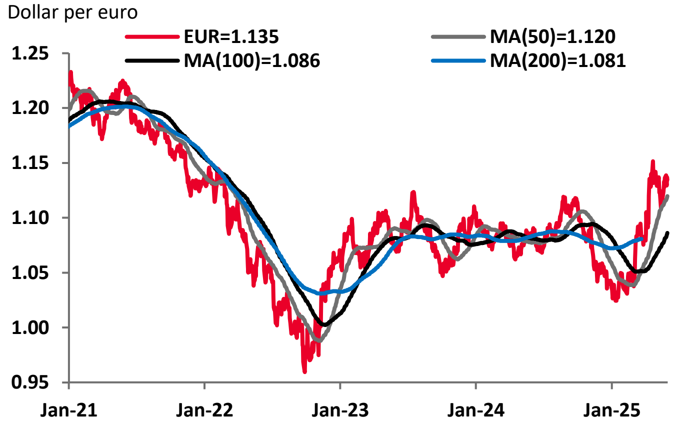
Source: Bloomberg, Banorte

USD/MXN
Last 60 days



Source: Bloomberg, Banorte

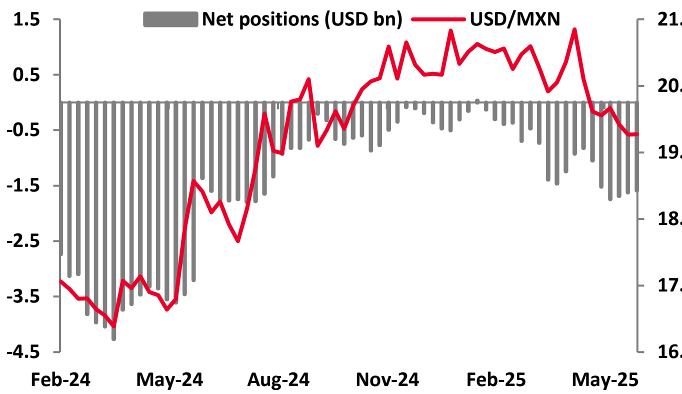
Euro
Dollar per euro



Source: Bloomberg, Banorte

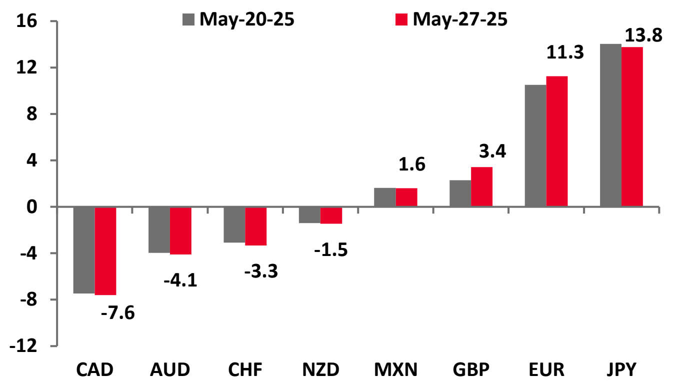
FX positioning and flows

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



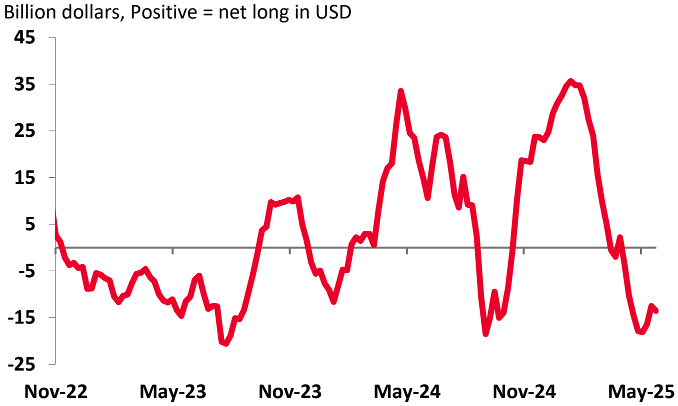
Source: CME, Banorte

IMM positioning by currency*
Billion dollars



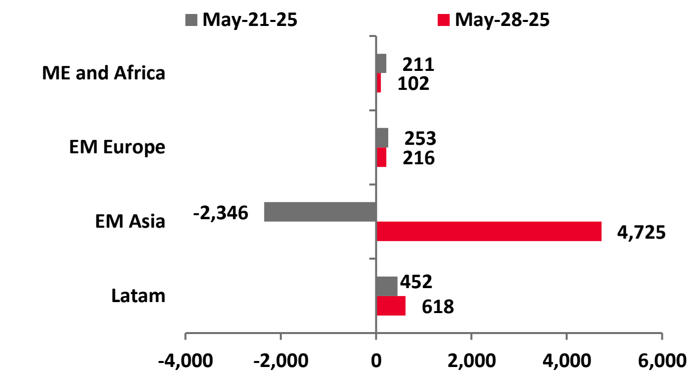
* Positive: Net long in the corresponding currency
Source: CME, Banorte

IMM positioning in USD futures*
Billion dollars, Positive = net long in USD



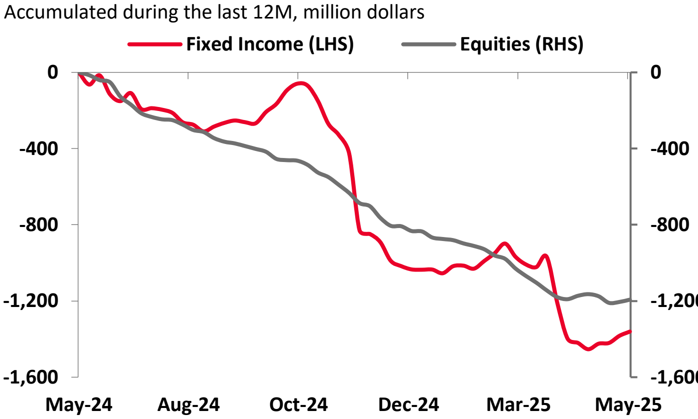
*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF
Source: CME, Banorte

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



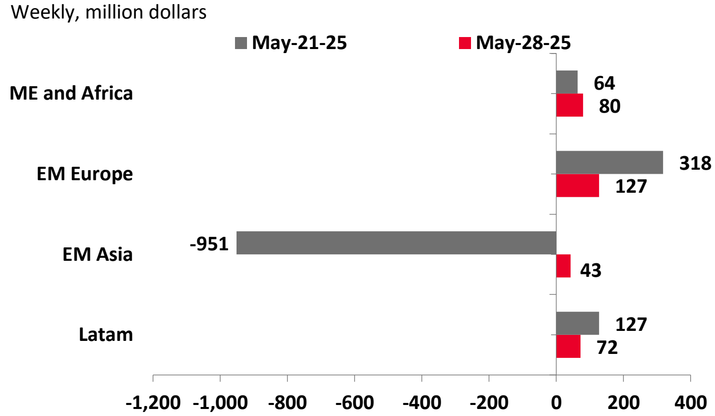
Source: EPFR Global, Banorte

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

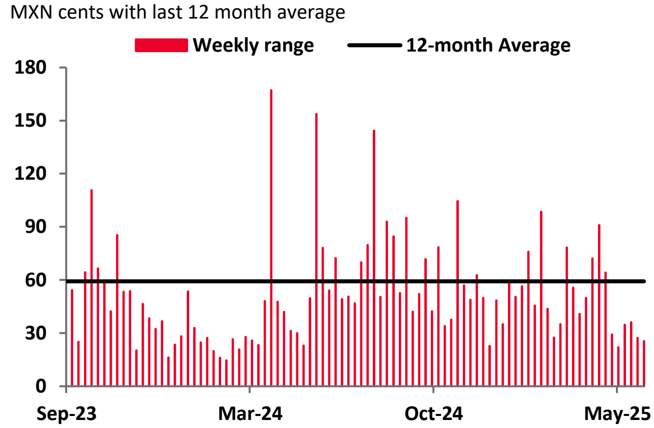
Source: Bloomberg, Banorte

USD/MXN – 1-month correlation with other currencies and assets
Based on daily percentages changes

	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	31	28	-2	62	34
CAD	11	22	6	78	50
JPY	15	13	-49	31	-5
BRL	49	50	7	87	51
CLP	45	41	4	79	41
ZAR	-3	-1	-9	76	52
VIX	2	17	-6	76	34
SPX	6	-6	-14	70	32
GSCI	38	48	-21	78	28
Gold	2	1	-15	55	14

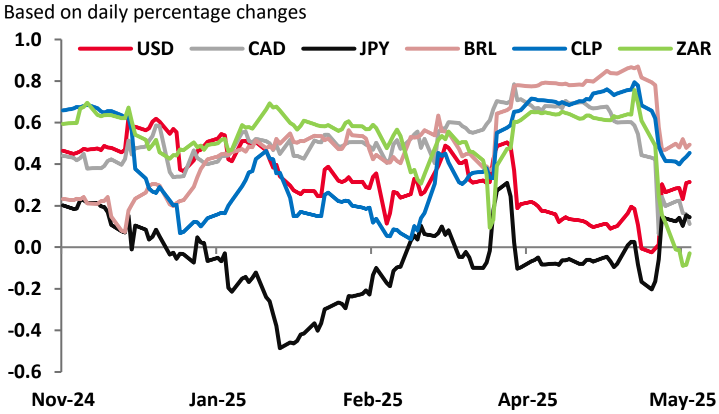
* Positive: appreciation of MXN and corresponding asset except VIX
Source: Bloomberg, Banorte

USD/MXN – Weekly trading range
MXN cents with last 12 month average



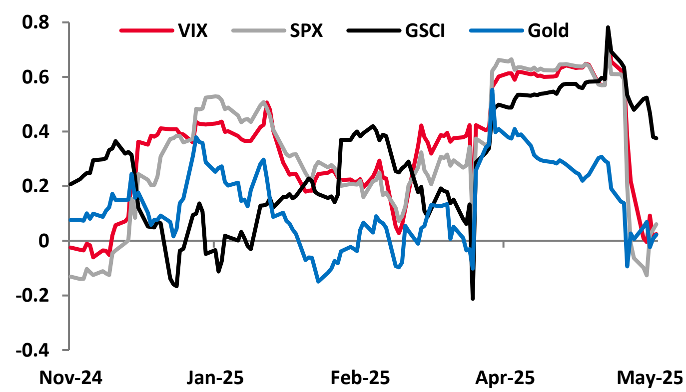
Source: Bloomberg, Banorte

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



* Positive: appreciation of MXN and corresponding currency
Source: Bloomberg, Banorte

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

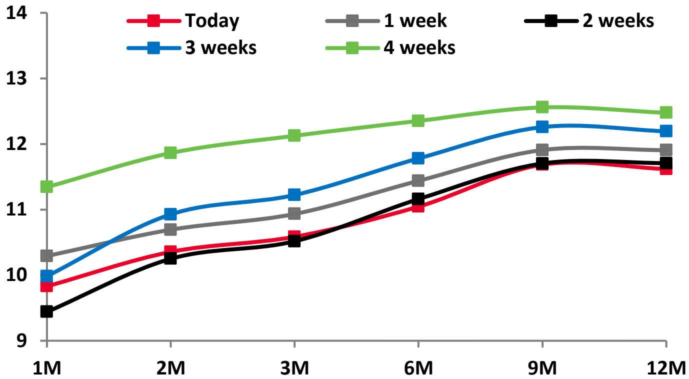


* Positive: appreciation of MXN and corresponding asset except VIX
Source: Bloomberg, Banorte

FX technicals (continued)

USD/MXN – ATM options volatility curve

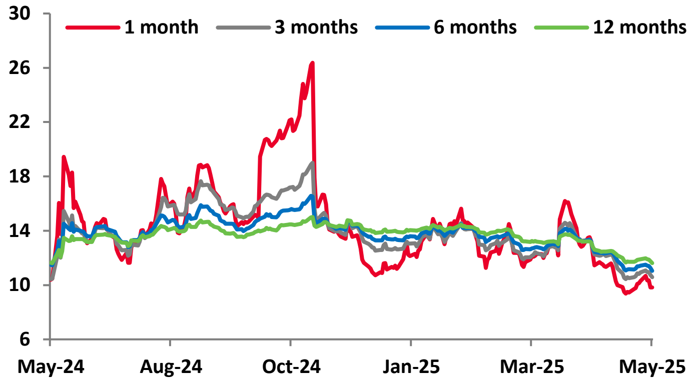
%



Source: Bloomberg, Banorte

USD/MXN – Implied volatility

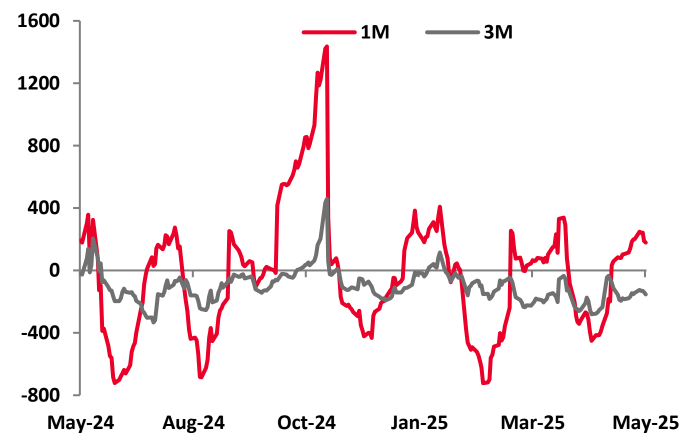
%



Source: Bloomberg, Banorte

USD/MXN – Spread between implicit and historical volatility

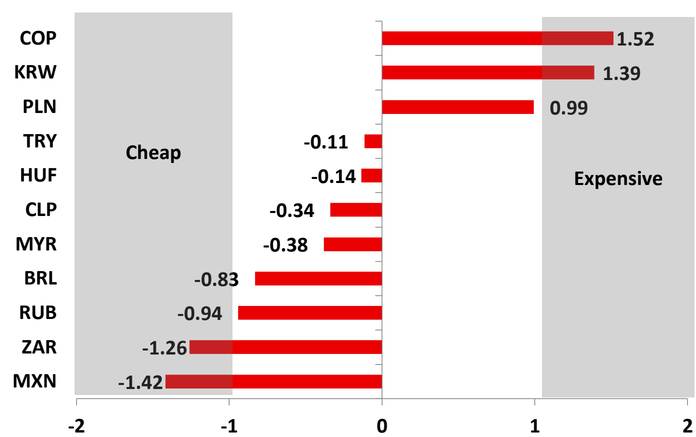
Bps



Source: Bloomberg, Banorte

Emerging markets 1-month ATM options volatility

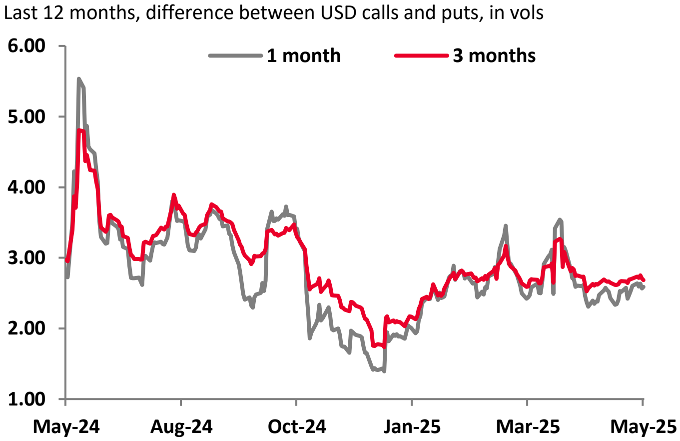
Against USD, in σ relative to last year's average



Source: Bloomberg, Banorte

USD/MXN – 25D risk reversals

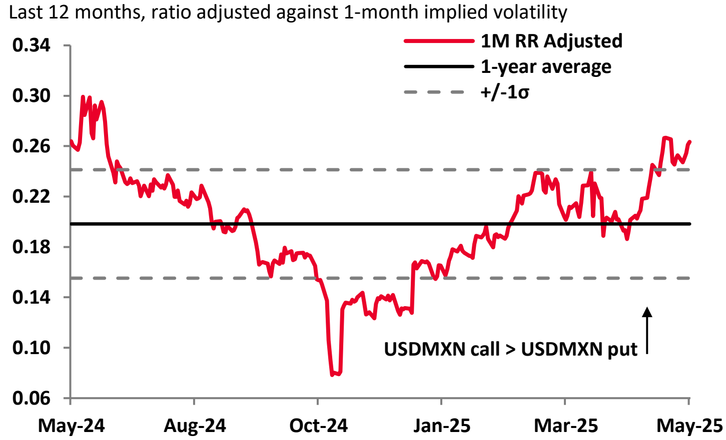
Last 12 months, difference between USD calls and puts, in vols



Source: Bloomberg, Banorte

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

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



Source: Bloomberg, Banorte

Weekly economic calendar

For the week ending June 8th, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 2	03:55	GER	Manufacturing PMI*	May (F)	index	--	48.8	48.8
	04:00	EZ	Manufacturing PMI*	May (F)	index	--	49.4	49.4
	04:30	UK	Manufacturing PMI*	May (F)	index	--	45.1	45.1
	09:00	BZ	Manufacturing PMI*	May	index	--	--	50.3
	09:45	US	Manufacturing PMI*	May (F)	index	52.3	52.3	52.3
	10:00	US	ISM manufacturing*	May	index	49.0	49.5	48.7
	10:15	US	Fed's Logan Participates in Moderated Q&A					
	11:00	MX	Family remittances	Apr	US$bn	4,984.8	5,125.1	5,150.3
	11:00	MX	Survey of expectations (Banxico)					
	12:45	US	Fed's Goolsbee Participates in Moderated Q&A					
	13:00	US	Fed's Powell Gives Opening Remarks at the Board of Governors IF 75th Anniversary Conference					
	14:00	MX	Manufacturing PMI (IMEF)*	May	index	46.4	--	45.5
	14:00	MX	Non-manufacturing PMI (IMEF)*	May	index	49.5	--	49.0
	21:45	CHI	Manufacturing PMI (Caixin)*	May	index	--	50.7	50.4
Tue 3	05:00	EZ	Consumer prices	May (P)	% y/y	--	2.0	2.2
	05:00	EZ	Core	May (P)	% y/y	--	2.5	2.7
	05:00	EZ	Unemployment rate*	Apr	%	--	6.2	6.2
	08:00	BZ	Industrial production	Apr	% y/y	--	0.4	3.1
	08:00	BZ	Industrial production*	Apr	% m/m	--	0.4	1.2
	10:00	US	Factory orders*	Apr	% m/m	--	-3.1	3.4
	10:00	US	Ex transportation*	Apr	% m/m	--	--	-0.4
	10:00	US	Durable goods orders*	Apr (F)	% m/m	--	-6.3	-6.3
	10:00	US	Ex transportation*	Apr (F)	% m/m	--	--	0.2
	10:00	US	JOLTS Job Openings	Apr	thousands	--	7,100	7,192
	11:00	MX	International reserves	May 30	US$bn	--	--	239.9
	12:45	US	Fed's Goolsbee Participates in Moderated Q&A					
	13:00	US	Fed's Cook Discusses Economic Outlook and monetary policy					
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 20-year Mbono (Nov'42), 20-year Udibono (Nov'43) and 1-, 3- and 7-year Bondes F					
	15:00	US	Fed's Logan Gives Opening Remarks at Fed Listens					
		US	Total vehicle sales**	May	millions	--	16.2	17.3
Wed 4	03:55	GER	Services PMI*	May (F)	index	--	47.2	47.2
	03:55	GER	Composite PMI*	May (F)	index	--	48.6	48.6
	04:00	EZ	Services PMI*	May (F)	index	--	48.9	48.9
	04:00	EZ	Composite PMI*	May (F)	index	--	49.5	49.5
	04:30	UK	Services PMI*	May (F)	index	--	50.2	50.2
	08:00	MX	Gross fixed investment	Mar	% y/y	-1.3	-1.3	-7.8
	08:00	MX	Gross fixed investment*	Mar	% m/m	0.1	0.1	0.1
	08:00	MX	Private consumption	Mar	% y/y	1.2	--	-1.9
	08:00	MX	Private consumption*	Mar	% m/m	-0.1	--	1.2
	08:15	US	ADP employment*	May	thousands	100	110	62
	08:30	US	Fed's Bostic, Cook Moderate Fed Listens Event					
	09:45	CAN	Monetary policy decision (BoC)	Jun 4	%	--	2.50	2.75
	09:45	US	Services PMI*	May (F)	index	--	52.3	52.3
	09:45	US	Composite PMI*	May (F)	index	--	--	52.1
	10:00	US	ISM services*	May	index	--	52.1	51.6
	14:00	US	Beige Book					
	21:45	CHI	Services PMI (Caixin)*	May	index	--	51.0	50.7
	21:45	CHI	Composite PMI (Caixin)*	May	index	--	--	51.1
Thu 5	08:00	MX	Consumer confidence*	May	index	45.6	--	45.3
	08:15	EZ	Monetary policy decision (ECB)	Jun 5	%	2.00	2.00	2.25
	08:30	US	Trade balance*	Apr	US$bn		-117.3	-140.5
	08:30	US	Initial jobless claims*	May 31	thousands	233	235	240
	08:45	EZ	ECB President Christine Lagarde Holds Press Conference					
	12:00	US	Fed's Kugler Speaks on Economic Outlook, Policy					
	13:30	US	Fed's Schmid Speaks on Banking Policy					
	13:30	US	Fed's Harker Speaks on Economic Outlook					
	16:30	MX	Citi Survey of Economists					
Fri 6	02:00	GER	Industrial production*	Apr	% m/m	--	-0.9	3.0
	02:00	GER	Trade balance	Apr	EURbn	--	20.0	21.2
	05:00	EZ	Retail sales*	Apr	% m/m	--	0.2	-0.1
	05:00	EZ	Gross domestic product	1Q25	% y/y	--	1.2	1.2
	05:00	EZ	Gross domestic product*	1Q25	% q/q	--	0.4	0.3
	08:30	US	Nonfarm payrolls*	May	thousands	145	125	177
	08:30	US	Unemployment rate*	May	%	4.2	4.2	4.2
	15:00	US	Consumer credit*	Apr	USDbn	--	10.9	10.2
Sun 8	19:50	JN	Gross domestic product*	1Q25 (F)	% q/q	--	--	-0.2
	21:30	CHI	Consumer Prices	May	% y/y	--	--	-0.1
	22:30	CHI	Trade balance	May	USDbn	--	--	96.2
	22:30	CHI	Exports	May	% y/y	--	--	8.1
	22:30	CHI	Imports	May	% y/y	--	--	-0.2

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
Receive 2-year TIIE-F swaps (26x1)		May-30-25	
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 Thalía 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
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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