

# **Fixed-Income & FX Strategy**

**W e e k l y**

## Fixed-Income and FX Weekly

- Banxico in focus.** With geopolitical tensions taking front seat in the global narrative, risk asset positioning reflected heightened caution. Trump's early departure from the G7 meetings and speculation around potential direct US involvement in the Israel-Iran conflict kept equity ranges narrow. The White House is expected to announce a decision on this matter within the next two weeks. Oil extended its rally, now up +21% in June. Safe haven demand was not notably aggressive, suggesting markets perceive the conflict as likely to remain regionally contained. Gold, in fact, pulled back 1.9% w/w, halting a two-week advance. That said, US assets found greater support, which throughout the year had exhibited a shift in the typical correlations that historically linked them to a safe-haven performance. On Tuesday, the DXY posted its strongest gain in nearly a month, while US Treasuries maintained a constructive tone before the Fed. In this context, the FOMC stood pat, and the dot plot preserved two 25bps cuts for this year. Powell struck an even more cautious tone regarding tariff-related inflation uncertainty, which pushed both the dollar and Treasury yields higher. We now expect the first rate cut in October (previously September), with the second still projected for December. Against this backdrop, Banxico's decision on Thursday takes the spotlight. [We anticipate a 50bps cut to the policy rate](#), bringing it to 8.00%. A split decision and potential adjustments to forward guidance are likely. Ahead of Banxico, May's first-half inflation print will be released on Tuesday, which we forecast at +0.06% w/w. The week is also heavy on global data, with particular focus on the US personal income and spending report, which includes the Fed's preferred inflation gauge, the core PCE. Powell will also testify before Congress, adding further insight into the Fed's rate path
- We hold receivers on the short-end of the nominal curve.** External dynamics have exerted upward pressure on local risk premia, with the 10-year Mbono-Treasury spread extending its recent widening. The spread currently stands at 508bps, up from 491bps last Friday and 470bps a week before. The market has also pared back some of the expected cuts from Banxico this year. The curve prices -43bps for Thursday and -94bps by year-end, implying a terminal rate of 7.56%. We maintain our year-end Banxico rate forecast at 7.00%, which supports attractive valuations in the short and belly segments of the nominal curve. As such, we hold our [recommendation to receive 2-year TIIE-F swaps \(26x1\)](#), with an entry level at 7.52%, target of 7.25%, stop-loss at 7.65%, and current at 7.62%. Recent supply in the belly and long-end, along with swap auctions, has contributed to the widening of Mbono spreads in this segment, suggesting potential for compression should external risk premia eases
- USD weakness to persist.** The recent rebound in the dollar (DXY +0.5% w/w) supports our view of a transitory strengthening not driven by structural shifts in its role as the ultimate reserve currency. Once geopolitical tensions in the Middle East subside, the [weakening bias should resume](#), potentially supporting MXN performance in the near term. We expect the 18.80–18.85 region to remain the key technical resistance zone for now
- Weekly ranges.** We expect the 10-year Mbono (Nov'34) to trade between 9.30% and 9.55%, and MXN between 18.85 and 19.35 per dollar



**Alejandro Padilla Santana**  
Chief Economist and Head of Research  
alejandro.padilla@banorte.com



**Juan Carlos Alderete Macal, CFA**  
Executive Director of Economic Research and Market Strategy  
juan.alderete.macal@banorte.com



**Santiago Leal Singer**  
Director of Market Strategy  
santiago.leal@banorte.com



**Leslie Thalía Orozco Vélez**  
Senior Strategist, Fixed Income and FX  
leslie.orozco.velez@banorte.com



**Marcos Saúl García Hernández**  
Strategist, Fixed Income, FX and Commodities  
marcos.garcia.hernandez@banorte.com

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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	8.50	3	-3	-170	11.09	8.45	10.01
28-days <sup>1</sup>	8.52	-1	-40	-175	11.06	8.52	10.14
91-days <sup>1</sup>	8.59	-1	-41	-177	11.17	8.59	10.23
182-days <sup>1</sup>	8.68	-1	-42	-182	11.33	8.68	10.36
<b>Cetes<sup>2</sup></b>							
28-days	8.13	0	-5	-188	11.04	8.06	9.81
91-days	8.10	2	-19	-190	11.16	8.02	9.81
182-days	8.08	-4	-14	-187	11.29	8.03	9.78
364-days	8.31	0	-6	-175	11.38	8.26	9.81
<b>Mbonos</b>							
Mar'26	8.19	3	3	-162	10.90	8.14	9.44
Sep'26	8.09	14	-2	-169	10.75	7.95	9.36
Mar'27	8.20	14	-2	-158	10.40	8.06	9.24
Jun'27	8.18	10	-6	-164	10.40	8.04	9.25
Mar'28 <sup>3</sup>	8.46	5	-4	-147	9.99	8.27	9.04
Mar'29	8.66	1	-7	-131	10.24	8.45	9.44
May'29	8.69	1	-10	-129	10.14	8.49	9.42
Feb'30 <sup>4</sup>	8.76	-3	-15	-93	9.69	8.59	9.04
May'31	8.91	0	-13	-114	10.08	8.66	9.49
May'33	9.20	0	-12	-103	10.34	8.90	9.64
Nov'34	9.31	3	-12	-111	10.45	9.01	9.71
Feb'36 <sup>5</sup>	9.46	15	15	15	9.46	9.31	9.35
Nov'36	9.39	4	-6	-102	10.45	9.03	9.72
Nov'38	9.71	5	-4	-84	10.60	9.26	9.90
Nov'42	9.94	3	-6	-76	10.76	9.44	10.10
Nov'47	10.01	6	-6	-73	10.79	9.43	10.12
Jul'53	10.01	4	-7	-78	10.81	9.44	10.13
<b>TIIE-F IRS<sup>6</sup></b>							
3-month (3x1)	7.98	-6	-25	-196	10.62	7.98	9.43
6-month (6x1)	7.86	-1	-13	-186	10.40	7.85	9.16
9-month (9x1)	7.79	2	-4	-180	10.17	7.72	8.97
1-year (13x1)	7.72	2	0	-170	9.95	7.61	8.78
2-year (26x1)	7.62	4	2	-153	9.66	7.44	8.47
3-year (39x1)	7.67	4	2	-144	9.52	7.47	8.41
4-year (52x1)	7.77	4	1	-138	9.46	7.56	8.43
5-year (65x1)	7.86	4	0	-133	9.43	7.64	8.45
7-year (91x1)	8.05	4	-3	-121	9.42	7.84	8.56
10-year (130x1)	8.29	5	-4	-110	9.46	8.09	8.71
20-year (3x1)	8.53	4	-4	-96	9.59	8.28	8.87
30-year (390x1)	8.45	4	-4	-102	9.50	8.19	8.80
<b>Udibonos</b>							
Dec'25	4.31	-10	-49	-186	7.24	4.31	6.09
Dec'26	4.40	-3	-21	-169	6.97	4.40	5.74
Nov'28	4.58	2	-29	-89	5.83	4.48	5.16
Aug'29 <sup>7</sup>	4.59	-3	-45	-43	5.17	4.57	4.97
Nov'31	4.84	-1	-24	-64	5.66	4.70	5.15
Aug'34	5.00	-2	-8	-49	5.76	4.70	5.24
Nov'35	5.01	0	-8	-47	5.62	4.71	5.17
Nov'40	5.01	4	-3	-50	5.72	4.75	5.18
Nov'43	5.03	-5	-2	-48	5.73	4.81	5.22
Nov'46	4.98	-1	3	-53	5.70	4.75	5.16
Nov'50	4.99	-3	4	-52	5.71	4.76	5.17
Oct'54	4.99	2	4	-58	5.71	4.70	5.15

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: Mbono Feb'36 issued on June 12<sup>th</sup>, 2025

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

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

## Fixed-Income Dynamics (continued)

USD UMS and US Treasuries performance

USD GMS and GS 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	4.54	-4	-42	3.91	-4	-33	63	+0	71	54
3Y	Feb'28	4.64	+2	-109	3.86	-4	-41	78	+6	93	67
5Y	May'30	5.19	+3	-69	3.96	-4	-42	123	+7	137	108
7Y	Apr'32	5.69	+2	-42	4.15	-3	-33	153	+4	151	145
10Y	Feb'35	6.17	+4	-31	4.38	-2	-19	179	+7	184	183
20Y	Jan'45	6.56	+2	-46	4.90	-1	+4	166	+3	197	--
30Y	May'55	7.22	+4	-1	4.89	0	+11	233	+4	242	--

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 (Feb'36), the 10-year Udibono (Aug'34), as well as 2-, 5- and 10-year Bondes F
- Preference for mid-tenor Cetes and 10-year Mbonos.** We expect continued preference for 3- and 6-month Cetes over curve extremes, reflecting in stronger demand for these maturities amid a heavy maturity schedule over the next three months. In Mbonos, following [its syndicated issuance](#) a week ago, the new 10-year benchmark (Feb'36) will be auctioned. We anticipate solid demand, with potential upside from attractive valuations that could benefit from a pause in global risk aversion. The last issuance in this maturity printed a bid-to-cover ratio of 1.73x, below the 4-auction average of 2.32x and the 2-year average of 2.03x. The 10-year Udibono (Aug'34) will also be issued. With recent inflation surprises to the upside, short-dated Udibonos have outperformed longer peers and the nominal curve, slightly richening valuations in the short Udibono segment. This dynamic could support Tuesday's auction, which will likely be dominated by June's first-half CPI, which we expect to be more favorable than prior readings (+0.06% w/w). This combination may keep bid-to-cover ratios contained. Last auction saw demand of 1.77x, with the last four averaging 2.12x, and the 2-year average at 1.89x

### Auction specifics (June 24<sup>th</sup>, 2025)

Security	Maturity	Coupon rate, %	To be auctioned <sup>1</sup>	Previous yield <sup>2</sup>
<b>Cetes</b>				
1m	Jul-24-25	--	7,000	8.14
3m	Sep-25-25	--	7,000	8.03
6m	Dec-24-25	--	8,000	8.06
12m	Jun-25-26	--	15,000	8.31
<b>Bondes F</b>				
2Y	Jun-24-27	--	9,600	0.14
5Y	Jan-24-30	--	2,200	0.19
10Y	Apr-19-35	--	550	0.24
<b>Bono M</b>				
10Y	Feb-21-36	8.00	15,000	9.31
<b>Udibono</b>				
10Y	Aug-24-34	4.00	UDIS 950	5.07

Source: Banxico, Banorte

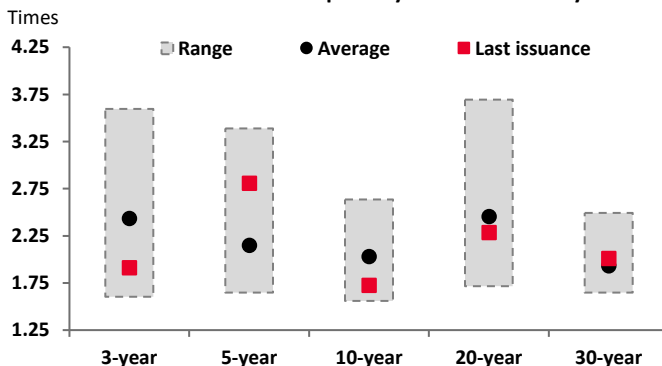
1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.  
2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

### 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 (Feb'36)	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

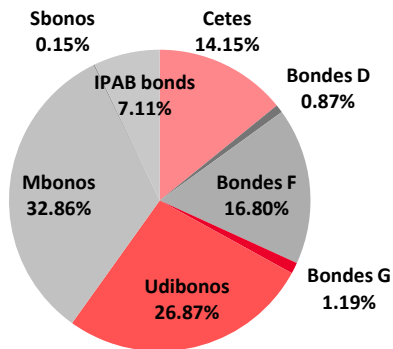
US\$ billion, \*UDIS billion, data as of Jun/10/2025

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	111.75	11.22	18.47	23.01	5.84	13.02	1.75	1.50	-	36.94
Bondes D	6.87	0.00	0.27	3.06	0.00	1.26	-	-	-	2.28
Bondes F	132.67	0.04	6.38	78.55	3.06	13.48	2.43	-	-	28.73
Bondes G	9.41	0.00	0.50	3.12	0.55	2.20	1.19	-	-	1.85
Udibonos	212.26	7.53	117.42	9.62	36.61	4.32	0.81	0.19	-	35.77
Mbonos	259.54	74.42	67.67	13.54	10.48	29.61	11.80	0.25	0.79	50.98
Sbonos	1.21	0.56	0.33	0.01	0.06	0.01	-	-	-	0.24
<b>Total</b>	<b>733.72</b>	<b>93.78</b>	<b>211.03</b>	<b>130.91</b>	<b>56.62</b>	<b>63.90</b>	<b>17.97</b>	<b>1.94</b>	<b>0.79</b>	<b>156.78</b>
Udibonos*	477.07	16.93	263.90	21.63	82.28	9.70	1.81	0.42	-	80.39
IPAB bonds	56.13	0.09	0.74	16.65	0.20	7.05	4.66	2.28	-	24.46

Source: Banxico, Banorte

## Government issuance by type of instrument

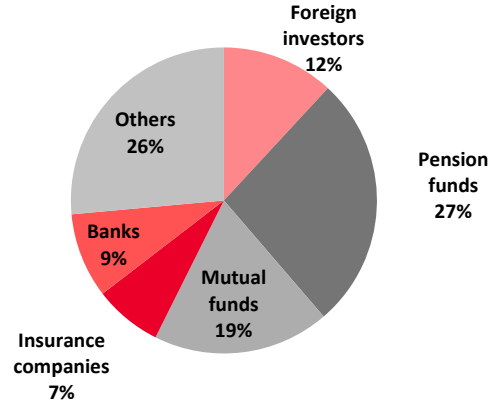
Total amount of US\$ 790 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

## Government issuance by type of investor

Total amount of US\$ 790 billion (including IPAB bonds), % of total

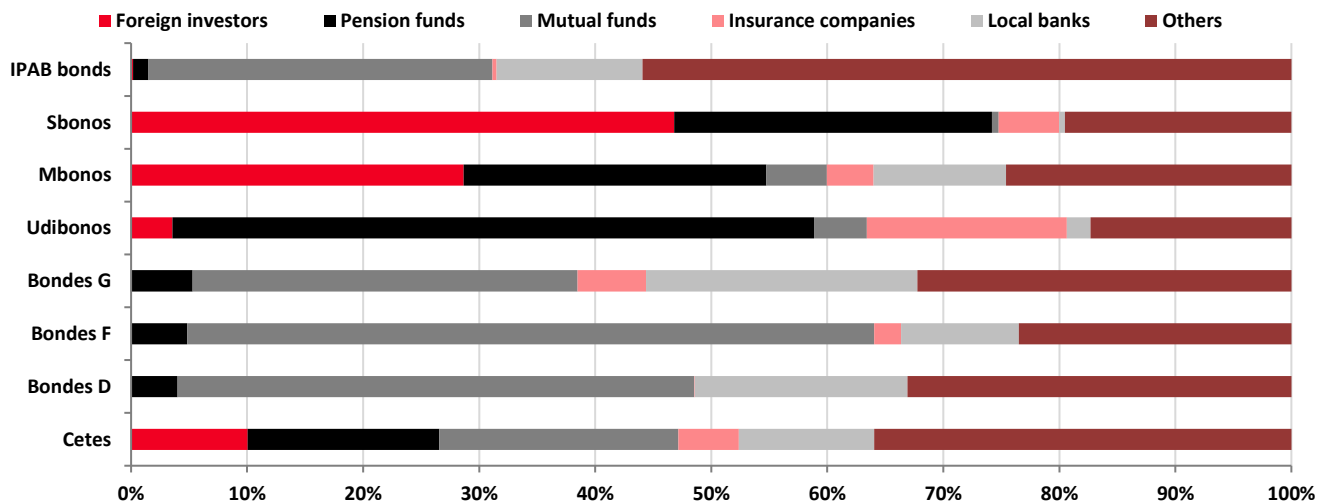


Source: Banxico, Banorte

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\$ 790 billion (including IPAB bonds), % of total



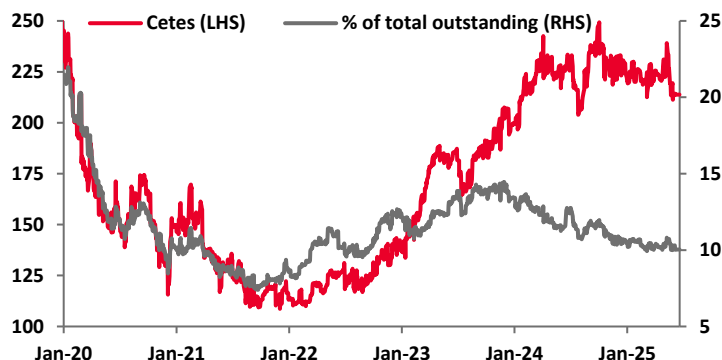
Source: Banxico, Banorte

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

## Fixed-Income Demand (continued)

### Cetes held by foreigners

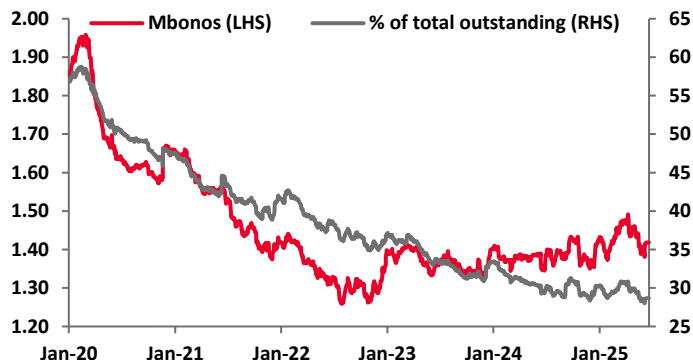
MXN billion, %



Source: Banxico, Banorte

### Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

### Holdings of main investors by type of security

Data as of Jun/10/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	-3.06	3.58	-15.49	-6.20	21.06
Bondes F	-19.11	83.23	87.81	2.66	0.93	11.20
Udibonos	2.62	-14.54	2.03	6.77	12.10	25.73
Mbonos	-1.52	-0.95	2.99	11.20	11.26	37.08

Source: Banxico, Banorte

### Mbonos holdings by type of investor

US\$ billions and %, data as Jun/5/2025

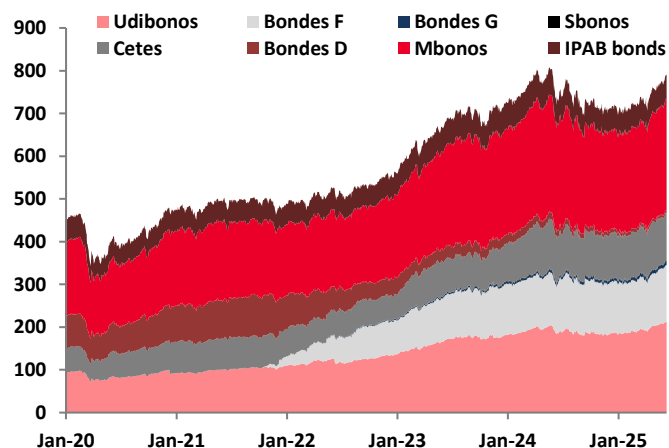
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	15.9	18%	15%	11%	57%
Sep'26	11.0	15%	22%	22%	41%
Mar'27	16.5	25%	15%	12%	48%
Jun'27	18.0	38%	19%	20%	23%
Mar'28	10.3	16%	16%	25%	43%
Mar'29	20.3	14%	33%	28%	25%
May'29	19.7	10%	32%	28%	30%
Feb'30	9.4	17%	28%	36%	20%
May'31	23.3	8%	38%	30%	24%
May'33	16.4	8%	32%	28%	32%
Nov'34	19.6	2%	45%	34%	19%
Nov'36	5.2	3%	15%	54%	28%
Nov'38	11.4	3%	29%	49%	18%
Nov'42	21.9	3%	33%	45%	20%
Nov'47	13.7	2%	30%	46%	23%
Jul'53	20.6	1%	33%	50%	17%
<b>Total</b>	<b>253.3</b>	<b>11%</b>	<b>29%</b>	<b>32%</b>	<b>28%</b>

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

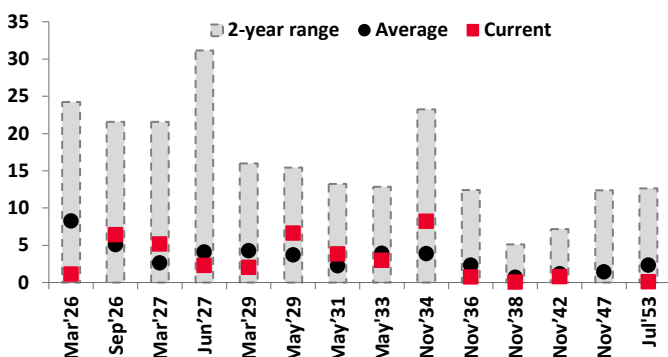


Fuente: Banxico, Banorte

## Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

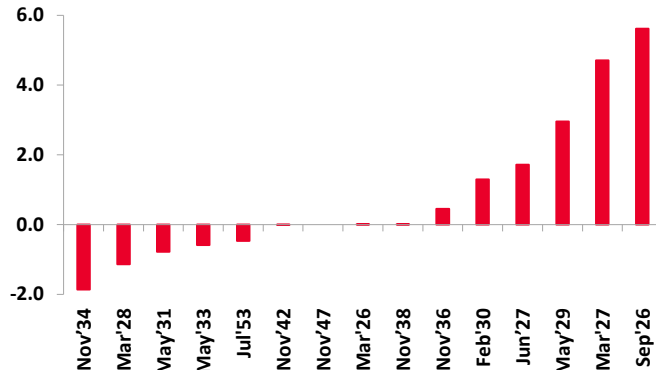
MXN billion



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

Weekly change in market makers' short positions on Mbonos

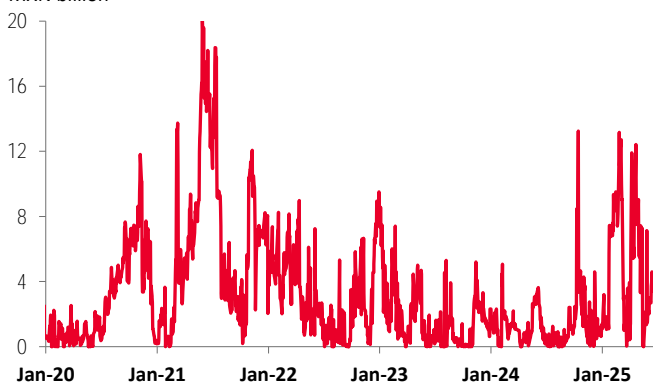
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

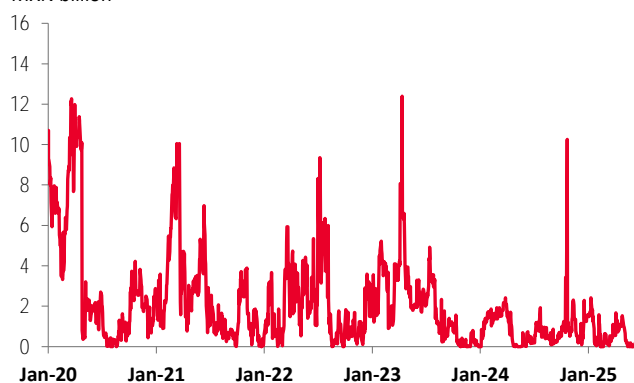
MXN billion



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 Jun/19/2025	Jun/19/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	15,174	59	59	15	366	1,013	0
Sep'26	10,120	340	43	29	393	411	0
Mar'27	15,973	274	25	20	38	283	0
Jun'27	18,005	120	29	263	69	502	11
Mar'28*	11,490	0	60	29	--	360	0
Mar'29	21,503	107	266	0	413	557	0
May'29	21,202	350	194	160	20	615	0
May'31	25,024	202	243	112	17	697	0
May'33	16,663	157	188	182	295	517	0
Nov'34	23,432	435	534	177	706	1,148	63
Nov'36	5,323	39	15	75	379	505	5
Nov'38	11,621	4	4	14	64	207	0
Nov'42	22,402	41	41	31	8	207	0
Nov'47	13,863	0	0	0	16	128	0
Jul'53	20,895	6	30	118	23	228	0
<b>Total</b>	<b>252,692</b>	<b>2,130</b>	<b>1,701</b>	<b>1,107</b>	<b>2,784</b>		

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

# Fixed-Income Technicals

## Spread between Cetes and Implied Forward Rates

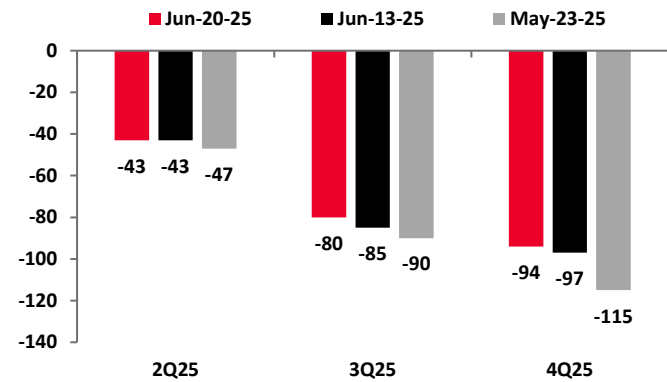
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	23	27	-31	53	154	-31
3 months	-9	-8	-24	-6	39	-46
6 months	-9	-8	-28	-11	30	-45
12 months	13	11	-1	12	47	-12

Source: PIP, Bloomberg, Banorte

## Cumulative implied moves in Banxico's repo rate

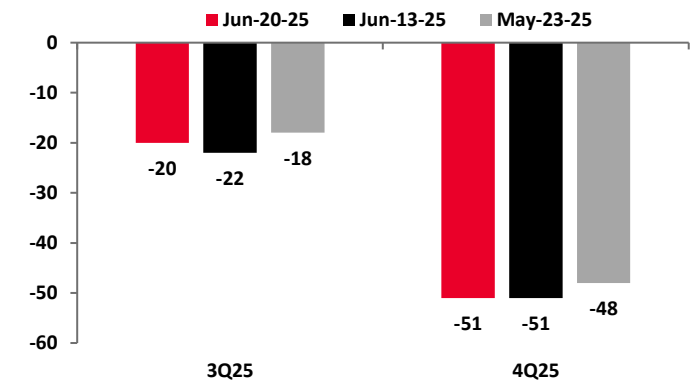
Basis points



Source: Bloomberg, Banorte

## Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

## Spreads between Mbonos and UST

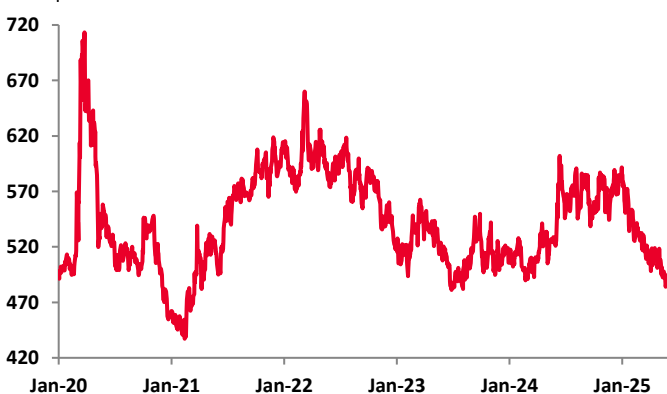
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	429	17	7	-124	644	404	534
5 year	480	1	-3	-79	610	452	543
10 year	508	17	18	-76	592	468	545
20 year	503	4	8	-81	593	489	548
30 year	512	5	7	-89	605	494	558

Source: Bloomberg, Banorte

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

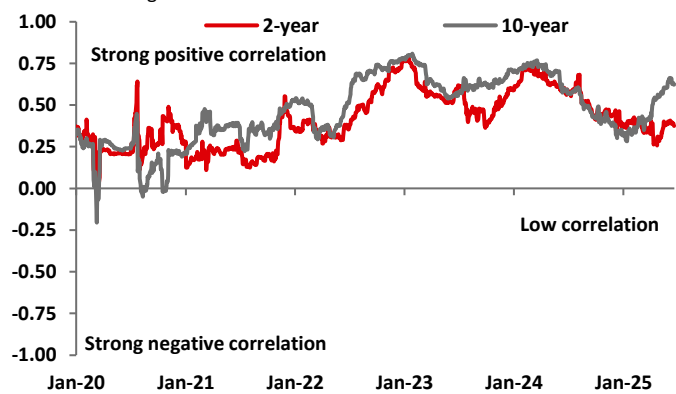
Basis points



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	57	-16	-14	36	79	-72	5
2/10	127	2	6	62	136	-93	28
2/30	181	-9	-6	79	207	-81	70
5/10	70	18	20	26	68	-28	23
10/30	55	-11	-12	17	74	11	42
<b>TIIE-F*</b>							
3m/2Y	-36	10	27	44	-36	-191	-95
2/5	24	0	-2	20	29	-51	-2
2/10	67	1	-7	43	76	-46	23
2/30	83	0	-6	50	92	-41	33
5/10	43	1	-4	23	51	2	25
10/30	16	-1	0	7	20	-4	10
<b>TIIE-F – Mbonos*</b>							
2 year	-58	-9	4	-21	-26	-107	-65
5 year	-90	7	15	-26	-60	-125	-92
10 year	-118	-10	-9	-51	-64	-130	-97
20 year	-141	1	2	-54	-78	-165	-123
30 year	-156	0	3	-65	-83	-180	-134
<b>TIIE-F – SOFR*</b>							
2 year	394	7	9	-113	573	370	464
5 year	426	8	9	-89	559	397	471
10 year	445	8	6	-86	559	419	488
20 year	445	6	7	-93	567	423	494
30 year	444	6	7	-110	580	422	500

Source: Bloomberg, Banorte

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

### Breakeven inflation using Mbonos & Udibonos

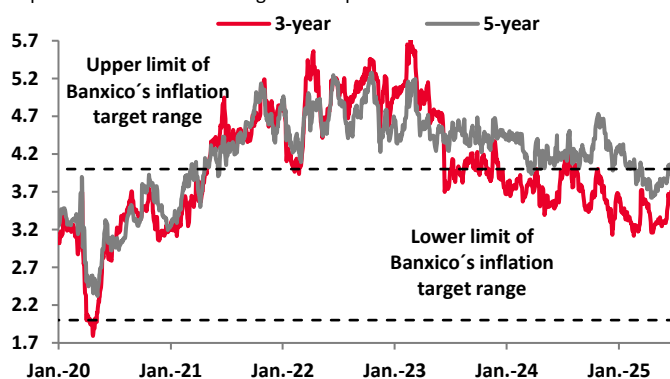
%, Implicit market inflation using Fisher Equation

Date	20/06/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.71	3.63 (+8bps)	3.3 (+41bps)	3.77 (-6bps)	4.21	3.12	3.56
5Y	4.00	4.05 (-5bps)	3.86 (+14bps)	4.17 (-17bps)	4.73	3.62	4.11
10Y	4.25	4.08 (+17bps)	4.13 (+12bps)	4.08 (+17bps)	4.75	3.92	4.30
20Y	4.67	4.59 (+8bps)	4.71 (-4bps)	4.53 (+14bps)	5.01	4.25	4.64
30Y	4.78	4.75 (+3bps)	4.9 (-12bps)	4.67 (+11bps)	5.00	4.37	4.73

Source: Bloomberg, Banorte

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

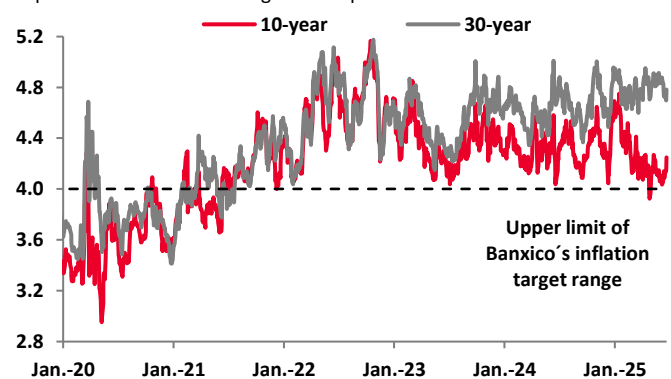
Implicit market inflation using Fisher Equation



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

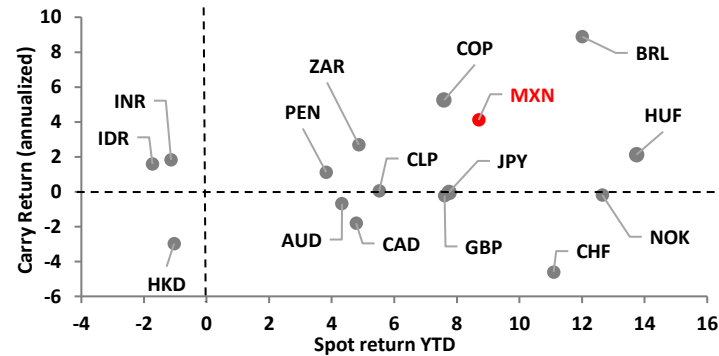
		Current	Daily change (%) <sup>1</sup>	Weekly change (%) <sup>1</sup>	Monthly change (%) <sup>1</sup>	YTD (%) <sup>1</sup>
<b>Emerging Markets</b>						
Brazil	USD/BRL	5.51	-0.4	0.5	2.4	12.0
Chile	USD/CLP	942.88	-0.3	-0.3	0.1	5.5
Colombia	USD/COP	4,094.82	-0.4	0.9	2.0	7.6
Peru	USD/PEN	3.60	-0.3	0.6	2.1	3.9
Hungary	USD/HUF	349.44	0.4	-0.2	1.8	13.7
Malaysia	USD/MYR	4.25	0.2	-0.2	0.4	5.1
Mexico	USD/MXN	19.17	-0.7	-1.1	1.0	8.6
Poland	USD/PLN	3.70	0.4	-0.1	1.1	11.5
South Africa	USD/ZAR	17.99	0.2	-0.3	-0.2	4.7
<b>Developed Markets</b>						
Canada	USD/CAD	1.37	-0.3	-1.1	0.9	4.7
Great Britain	GBP/USD	1.35	-0.1	-0.9	0.2	7.5
Japan	USD/JPY	146.09	-0.4	-1.4	-1.6	7.6
Eurozone	EUR/USD	1.1523	0.2	-0.2	1.7	11.3
Norway	USD/NOK	10.10	-0.6	-1.9	0.7	12.7
Denmark	USD/DKK	6.47	0.2	-0.2	1.7	11.3
Switzerland	USD/CHF	0.82	-0.1	-0.8	0.9	11.0
New Zealand	NZD/USD	0.60	-0.4	-0.8	0.5	6.7
Sweden	USD/SEK	9.67	-0.3	-1.9	-0.9	14.5
Australia	AUD/USD	0.65	-0.5	-0.5	0.2	4.3

Source: Bloomberg, Banorte

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

## Performance of selected currencies

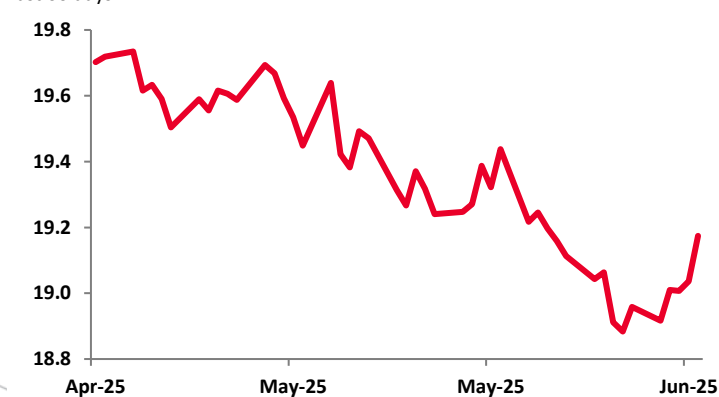
%, annualized rate based in 3M forwards



Source: Bloomberg, Banorte

## USD/MXN

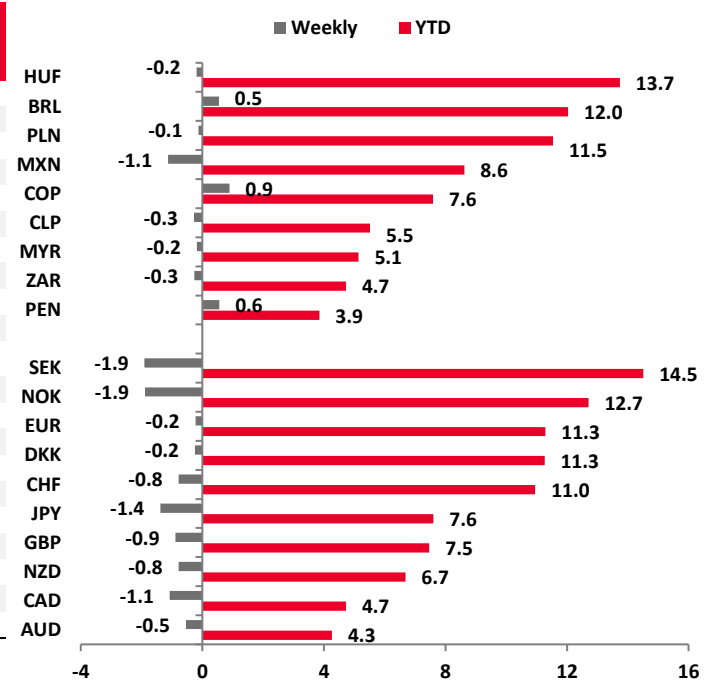
Last 60 days



Source: Bloomberg, Banorte

## FX performance

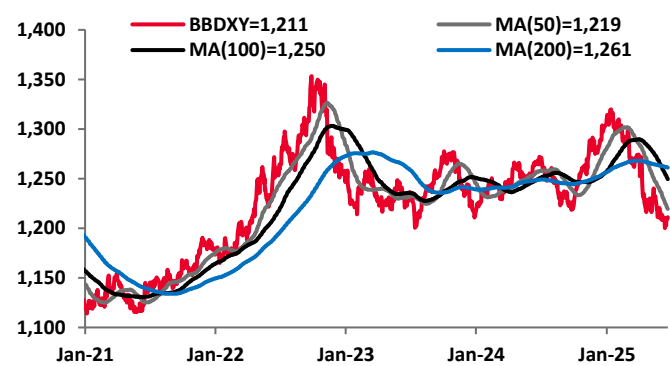
Against USD, %



Source: Bloomberg, Banorte

## BBDXY

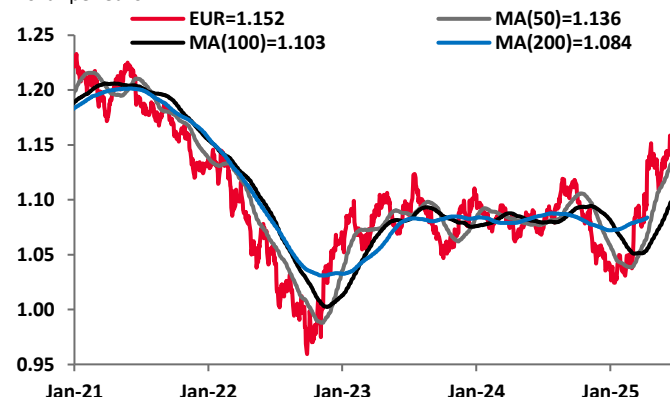
Points



Source: Bloomberg, Banorte

## Euro

Dollar per euro

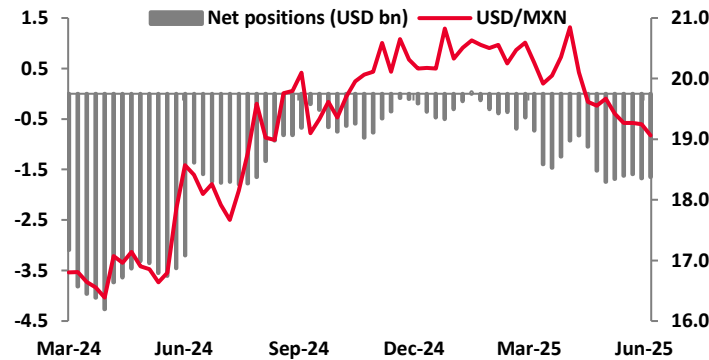


Source: Bloomberg, Banorte

# FX positioning and flows

## IMM positioning in USD/MXN futures

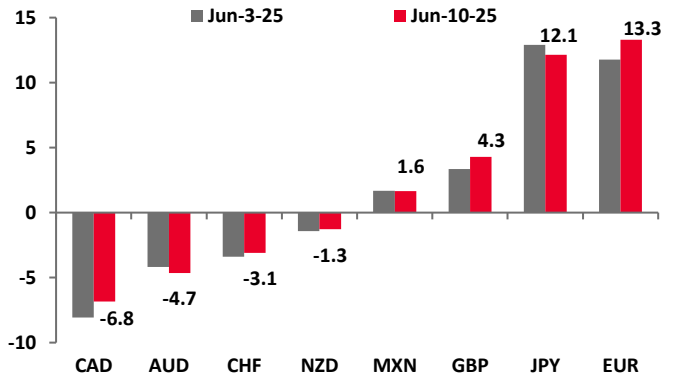
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

## IMM positioning by currency\*

Billion dollars

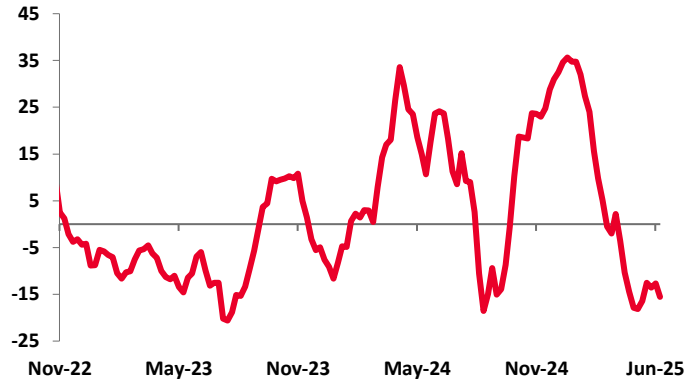


\* Positive: Net long in the corresponding currency

Source: CME, Banorte

## IMM positioning in USD futures\*

Billion dollars, Positive = net long in USD

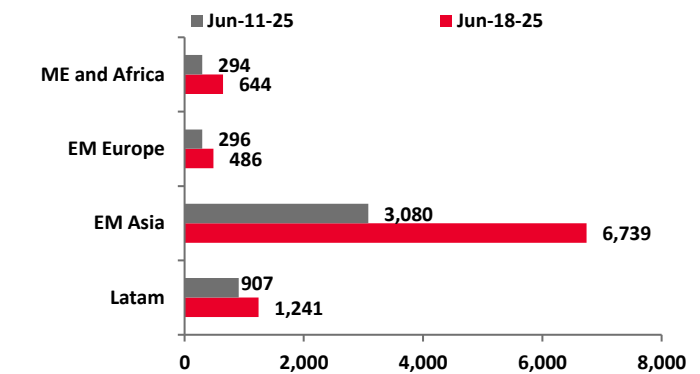


\*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

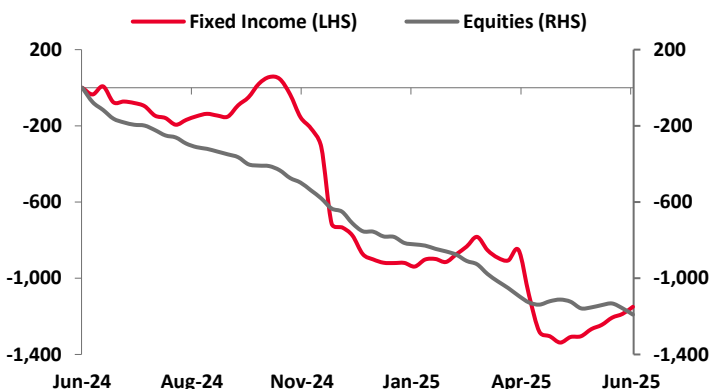
Billion dollars



Source: EPFR Global, Banorte

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

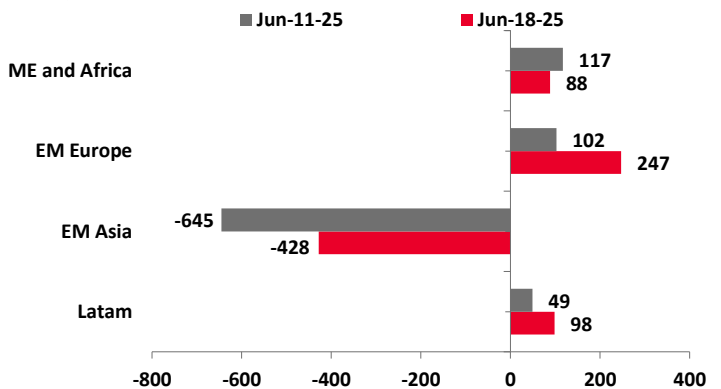
Accumulated during the last 12M, million dollars



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

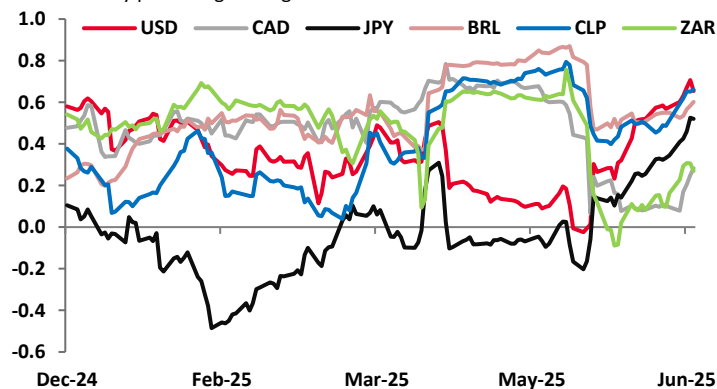
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	65	60	-2	71	35
CAD	28	8	6	78	47
JPY	52	41	-49	53	-3
BRL	60	53	20	87	55
CLP	66	59	4	79	40
ZAR	27	23	-9	76	47
VIX	-8	-7	-17	76	33
SPX	-4	-7	-13	70	32
GSCI	20	30	-21	78	29
Gold	38	21	-15	55	15

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

Source: Bloomberg, Banorte

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

Based on daily percentage changes

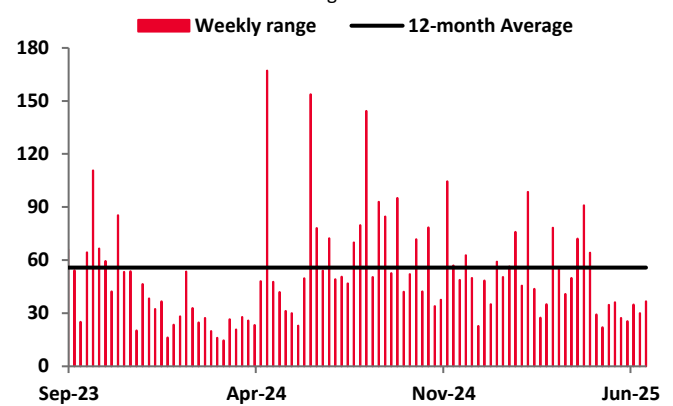


\* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

### USD/MXN – Weekly trading range

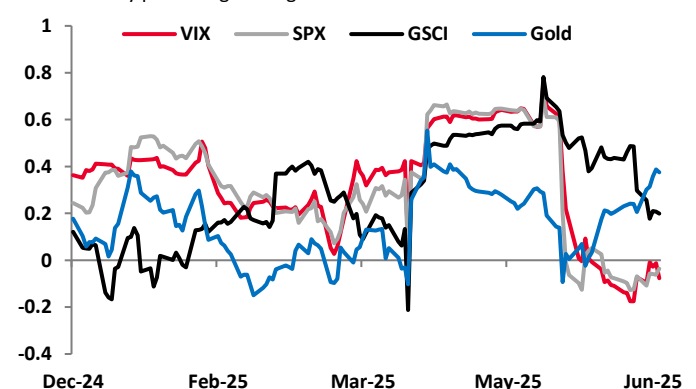
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

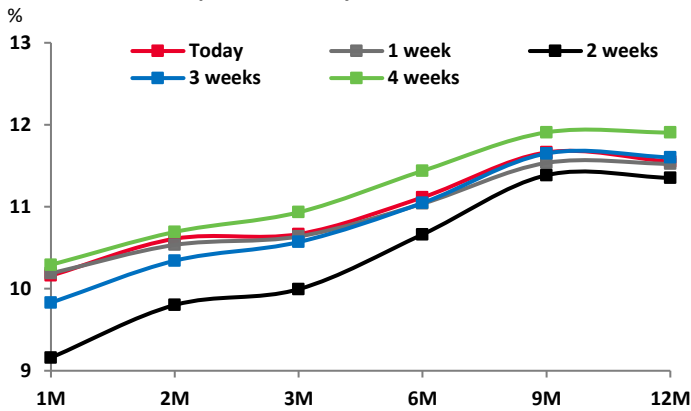


\* Positive: appreciation of MXN and corresponding asset except VIX

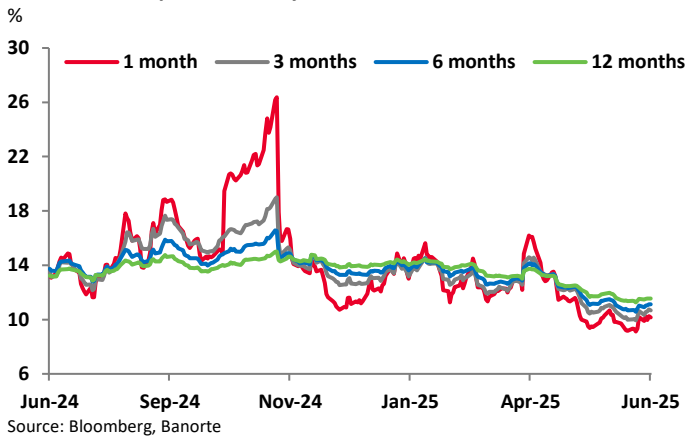
Source: Bloomberg, Banorte

## FX technicals (continued)

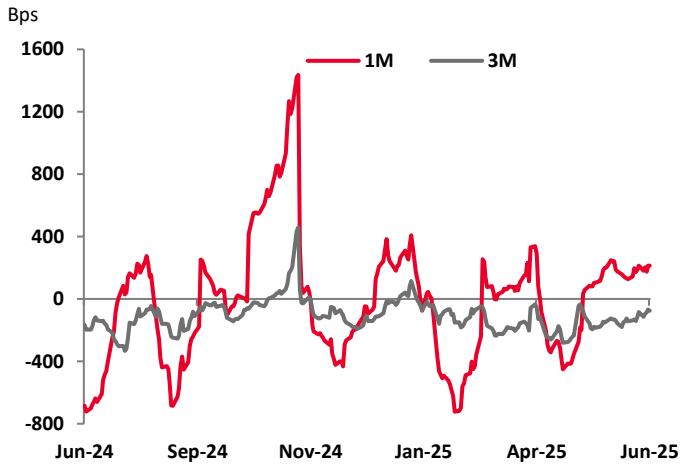
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

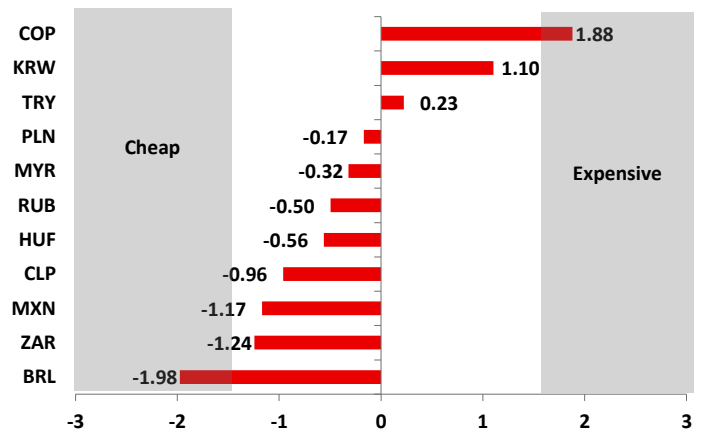


USD/MXN – Spread between implicit and historical volatility



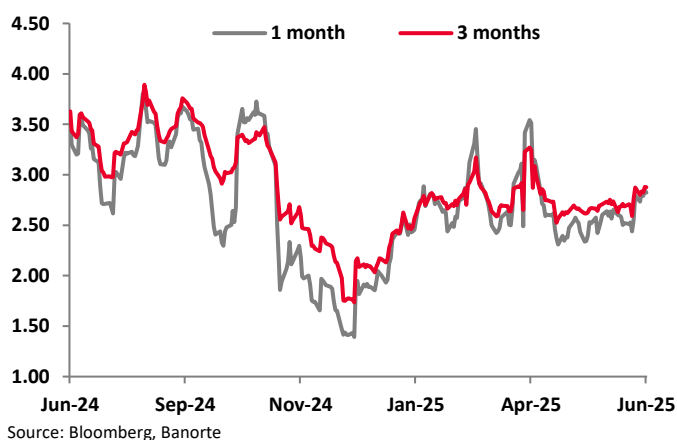
Emerging markets 1-month ATM options volatility

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



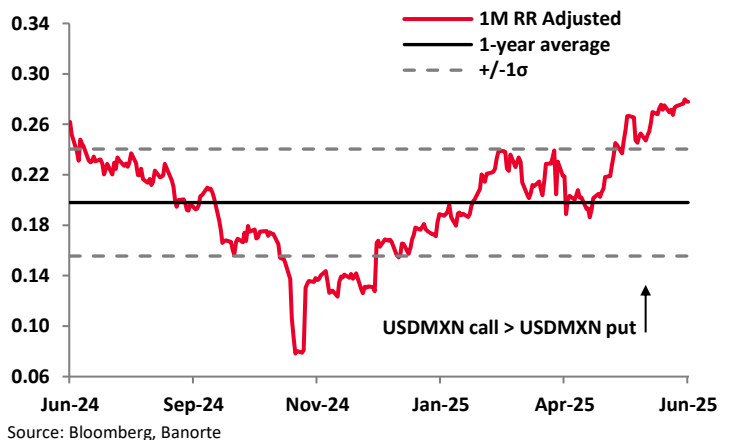
USD/MXN – 25D risk reversals

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 June 29<sup>th</sup>, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 23	03:00	US	Fed's Waller gives opening remarks at 2025 International Journal of Central Banking Conference					
	03:30	GER	Manufacturing PMI*	Jun (P)	index	--	49.0	48.3
	03:30	GER	Services PMI*	Jun (P)	index	--	47.9	47.1
	03:30	GER	Composite PMI*	Jun (P)	index	--	49.1	48.5
	04:00	EZ	Manufacturing PMI*	Jun (P)	index	--	49.8	49.4
	04:00	EZ	Services PMI*	Jun (P)	index	--	50.0	49.7
	04:00	EZ	Composite PMI*	Jun (P)	index	--	50.5	50.2
	04:30	UK	Manufacturing PMI*	Jun (P)	index	--	46.9	46.4
	04:30	UK	Services PMI*	Jun (P)	index	--	51.3	50.9
	08:00	MX	Retail sales	Apr	% y/y	-0.2	-0.5	4.3
	08:00	MX	Retail sales*	Apr	% m/m	-0.1	0.1	0.5
	08:00	MX	Economic activity indicator (IGAE)	Apr	% y/y	-2.1	-2.0	2.5
	08:00	MX	Economic activity indicator (IGAE)*	Apr	% m/m	0.4	-0.1	-0.4
	09:45	US	Manufacturing PMI*	Jun (P)	index	51.5	51.0	52.0
	09:45	US	Services PMI*	Jun (P)	index	--	52.7	53.7
	09:45	US	Composite PMI*	Jun (P)	index	--	52.2	53.0
Tue 24	10:00	US	Fed's Bowman speaks at 2025 International Journal of Central Banking Conference					
	10:00	US	Existing home sales**	May	millions	--	4.0	4.0
	13:10	US	Fed's Goolsbee Speaks in Moderated Discussion					
	14:30	US	Fed's Williams and Kugler host a Fed Listens event at SUNY Schenectady Community College					
	04:00	GER	IFO Survey (business climate)*	Jun	index	--	88.2	87.5
	07:00	BZ	COPOM minutes					
	08:00	MX	Consumer prices	Jun 15	% 2w/2w	0.06	0.12	0.19
	08:00	MX	Core	Jun 15	% 2w/2w	0.17	0.18	0.15
	08:00	MX	Consumer prices	Jun 15	% y/y	4.47	4.52	4.62
	08:00	MX	Core	Jun 15	% y/y	4.15	4.15	4.15
	09:00	US	S&P/CoreLogic housing prices	Apr	% y/y	--	--	4.1
	09:15	US	Fed's Hammack Speaks on Monetary Policy					
	10:00	US	Fed's Powell Testifies Before House Committee					
	10:00	US	Consumer confidence*	Jun	index	97.0	99.0	98.0
	11:00	MX	International reserves	Jun 20	US\$bn	--	--	241.2
Wed 25	12:30	US	Fed's Williams Gives Keynote Remarks					
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 10-year Mbono (Feb'36), 10-year Udibono (Ago'34) and 2-, 5- and 10-year Bondes F					
	14:00	US	Fed's Collins speaks at event co-hosted by the Joint Center for Housing Studies at Harvard University					
	16:00	US	Fed's Barr gives welcoming remarks at Kansas City Fed's Fed listens event					
	10:00	US	Fed's Powell Testifies Before Senate Committee					
	10:00	US	New home sales**	May	thousands	--	691	743
	--	US	Fed's Barkin speaks on the economy during an event hosted by the New York Association for Business Economics					
	08:00	BZ	Consumer prices	Jun	% m/m	--	0.28	0.36
	08:00	BZ	Consumer prices	Jun	% y/y	--	5.31	5.40
	08:00	MX	Trade balance	May	US\$m	279.9	360.0	-88.1
	08:30	US	Gross domestic product**	1Q25 (F)	% q/q	-0.2	-0.2	-0.2
	08:30	US	Personal consumption**	1Q25 (F)	% q/q	1.2	1.2	1.2
	08:30	US	Durable goods orders*	May (P)	% m/m	--	8.3	-6.3
	08:30	US	Ex transportation*	May (P)	% m/m	--	0.0	0.2
	08:30	US	Trade balance*	May	US\$bn	--	--	-61.6
Thu 26	08:30	US	Initial jobless claims*	Jun 21	thousands	245	247	245
	09:00	US	Fed's Hammack Gives Opening Remarks					
	13:15	US	Fed's Barr Speaks on Community Development					
	15:00	MX	Monetary policy decision (Banxico)	Jun 26	%	8.00	8.00	8.50
	05:00	EZ	Consumer confidence	Jun (F)	index	--	--	-15.3
	05:00	EZ	Economic confidence	Jun	index	--	95.0	94.8
	07:30	US	Fed's Williams Serves as Session Chair					
	08:00	BZ	Unemployment rate	May	%	--	6.4	6.6
	08:00	MX	Unemployment rate	May	%	2.48	2.55	2.54
	08:30	US	Personal income*	May	% m/m	--	0.3	0.8
	08:30	US	Personal spending*	May	% m/m	--	0.1	0.2
	08:30	US	Real personal spending*	May	% m/m	--	0.1	0.1
	08:30	US	PCE Deflator*	May	% m/m	0.1	0.1	0.1
	08:30	US	Core*	May	% m/m	0.1	0.1	0.1
	08:30	US	PCE Deflator	May	% y/y	2.3	2.3	2.1
Fri 27	08:30	US	Core	May	% y/y	2.6	2.6	2.5
	09:15	US	Fed's Hammack, Cook Participate in Fed Listens					
	10:00	US	U. of Michigan confidence*	Jun (F)	index	--	60.5	60.5
	14:00	COL	Monetary policy decision (BanRep)	Jun 27	%	--	9.25	9.25
	21:30	CHI	Manufacturing PMI*	Jun	index	--	--	49.5
	21:30	CHI	Non-manufacturing PMI*	Jun	index	--	--	50.3
	21:30	CHI	Composite PMI*	Jun	index	--	--	50.4

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-linked 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-linked 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-linked 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, 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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**Raquel Vázquez Godínez**  
Assistant  
raquel.vazquez@banorte.com  
(55) 1670 - 2967



**María Fernanda Vargas Santoyo**  
Analyst  
maria.vargas.santoyo@banorte.com  
(55) 1103 - 4000 x 2586

#### Economic Research



**Juan Carlos Alderete Macal, CFA**  
Executive Director of Economic Research and  
Market Strategy  
juan.alderete.macal@banorte.com  
(55) 1103 - 4046



**Yazmín Selene Pérez Enríquez**  
Senior Economist, Mexico  
yazmin.perez.enriquez@banorte.com  
(55) 5268 - 1694

#### Market Strategy



**Santiago Leal Singer**  
Director of Market Strategy  
santiago.leal@banorte.com  
(55) 1670 - 1751



**Carlos Hernández García**  
Senior Strategist, Equity  
carlos.hernandez.garcia@banorte.com  
(55) 1670 - 2250



**Marcos Saúl García Hernández**  
Analyst, Fixed Income, FX and Commodities  
marcos.garcia.hernandez@banorte.com  
(55) 1670 - 2296



**Ana Gabriela Martínez Mosqueda**  
Strategist, Equity  
ana.martinez.mosqueda@banorte.com  
(55) 5261 - 4882

#### Quantitative Analysis



**Alejandro Cervantes Llamas**  
Executive Director of Quantitative Analysis  
alejandro.cervantes@banorte.com  
(55) 1670 - 2972



**Daniel Sebastián Sosa Aguilar**  
Senior Analyst, Quantitative Analysis  
daniel.sosa@banorte.com  
(55) 1103 - 4000 x 2124



**Alejandro Padilla Santana**  
Chief Economist and Head of  
Research  
alejandro.padilla@banorte.com  
(55) 1103 - 4043



**Itzel Martínez Rojas**  
Analyst  
itzel.martinez.rojas@banorte.com  
(55) 1670 - 2251



**Francisco José Flores Serrano**  
Director of Economic Research, Mexico  
francisco.flores.serrano@banorte.com  
(55) 1670 - 2957



**Cintia Gisela Nava Roa**  
Senior Economist, Mexico  
cintia.nava.roa@banorte.com  
(55) 1105 - 1438



**Marissa Garza Ostos**  
Director of Equity Strategy  
marissa.garza@banorte.com  
(55) 1670 - 1719



**Hugo Armando Gómez Solís**  
Senior Strategist, Equity  
hugo.gomez@banorte.com  
(55) 1670 - 2247



**Gerardo Daniel Valle Trujillo**  
Senior Analyst, Corporate Debt  
gerardo.valle.trujillo@banorte.com  
(55) 1670 - 2248



**Paula Lozoya Valadez**  
Analyst, Equity  
paula.lozoya.valadez@banorte.com  
(55) 1103 - 4000 x 2060



**José Luis García Casales**  
Director of Quantitative Analysis  
jose.garcia.casales@banorte.com  
(55) 8510 - 4608



**Jazmin Daniela Cuautencos Mora**  
Strategist, Quantitative Analysis  
jazmin.cuautencos.mora@banorte.com  
(55) 1670 - 2904



**Lourdes Calvo Fernández**  
Analyst (Edition)  
lourdes.calvo@banorte.com  
(55) 1103 - 4000 x 2611



**Katia Celina Goya Ostos**  
Director of Economic Research,  
Global  
katia.goya@banorte.com  
(55) 1670 - 1821



**Luis Leopoldo López Salinas**  
Economist, Global  
luis.lopez.salinas@banorte.com  
(55) 1103 - 4000 x 2707



**Víctor Hugo Cortes Castro**  
Senior Strategist, Technical  
victorh.cortes@banorte.com  
(55) 1670 - 1800



**Leslie Thalía Orozco Vélez**  
Senior Strategist, Fixed Income and FX  
leslie.orozco.velez@banorte.com  
(55) 5268 - 1698



**Juan Carlos Mercado Garduño**  
Strategist, Equity  
juan.mercado.garduno@banorte.com  
(55) 1103 - 4000 x 1746



**José De Jesús Ramírez Martínez**  
Senior Analyst, Quantitative Analysis  
jose.ramirez.martinez@banorte.com  
(55) 1103 - 4000



**Andrea Muñoz Sánchez**  
Strategist, Quantitative Analysis  
andrea.muñoz.sanchez@banorte.com  
(55) 1105 - 1430