

# **Fixed-Income & FX Strategy**

**W e e k l y**

## Fixed-Income and FX Weekly

- US policies back on focus.** The geopolitical premia linked to the Middle East tensions has faded, and investor attention has once again pivoted toward the implications of US policies. The 90-day tariff pause is set to expire on July 9<sup>th</sup>, and there's a high likelihood that the One Big Beautiful Bill will pass before July 4<sup>th</sup>. The S&P 500 has rallied 27% off its April trough, while the USD heads to score its sixth consecutive months of losses. Against a backdrop of soft US data -particularly forward-looking indicators- and a more flexible tone from Powell, the US rates curve has fully priced in two 25bps Fed cuts this year and is now discounting -63bps by year-end, its most accommodative pricing since April. Looking into 2H25, we continue to expect lower rates, a steeper curve, and [further downside for the USD](#). Focus next week will be on the ECB Forum in Sintra, where Powell, Bailey, Lagarde, and Ueda are scheduled to speak. Also on deck is the June US jobs report. Should it confirm labor market moderation over the summer, current pricing would consolidate, without ruling additional support for the whole curve that would positively permeate Mexican rates. We expect a print of 125K new jobs versus 139K in May, with the unemployment rate rising to 4.3% from 4.2%
- Stay received in 2-year T1IE-F.** We maintain a favorable view on the front and belly of the nominal Mexican curve for long positions. [Banxico delivered a 50bps rate cut to 8.00%, as we expected](#). By dropping forward guidance, the central bank signaled a more measured path going forward. In post-decision interviews, Governor Rodríguez highlighted the likelihood of smaller clips. We expect the policy rate to end 2025 at 7.00%, with 25bps cuts. Currently, the market implies a terminal rate around 7.50%, supporting [our recommendation to receive 26x1 T1IE-F swaps](#) (entry at 7.52%, target 7.25%, stop-loss at 7.65%, last at 7.55%). The 3-5Y segment in Mbonos also remains attractive, given the lag in market repricing for Banxico cuts. These maturities also offer positive carry, and total [issuance in Mbonos for 3Q25](#) has again been trimmed (-2% q/q, driven by reduced supply in the 30Y tenor). Year-to-date, total Mbonos issuance has fallen 9% vs 4Q24
- MXN at its strongest in 2025.** On Friday, USD/MXN hit a fresh intraday low of 18.81, capping a week of uninterrupted gains that drove a 1.9% w/w appreciation to 18.82. However, part of the day's gains unwound following headlines that US-Canada trade negotiations had broken down. Though the reaction was muted in the peso and more pronounced in equities and CAD (-0.3% d/d), it underscores the FX market's vulnerability to trade headlines despite broader USD weakness. Implied vol curves for MXN remain stable and compressed at the front-end. Meanwhile, the 10-year Mbono-Treasury spread sits nearly 40bps above its monthly low (510bps vs 470bps), offering room for additional MXN tailwinds as this external risk premium narrows. That said, we are not recommending long positions at these levels given the asymmetry in risk. Also notable over the week, EUR/USD touched a new high since 2021 at 1.1753 before closing just above 1.17 (+1.7% w/w), with broad-based G10 appreciation. We maintain a EUR/USD target of 1.20 in the coming months
- Weekly ranges.** We expect the 10-year Mbono (Feb'36) to trade between 9.20% and 9.50%, and MXN between 18.65 and 19.15 per dollar



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# Fixed-Income Dynamics

## Fixed-income securities performance

Security	YTM (%)	Weekly change (bps)	Δ last 4 weeks (bps)	YTD (bps)	12m Max (%)	12m Min (%)	12m Average (%)
<b>Overnight TIIE funding rate</b>							
1-day	8.52	2	1	-168	11.09	8.45	9.96
28-days <sup>1</sup>	8.52	0	-27	-175	11.06	8.52	10.09
91-days <sup>1</sup>	8.58	0	-28	-178	11.17	8.58	10.18
182-days <sup>1</sup>	8.68	0	-28	-182	11.33	8.68	10.31
<b>Cetes<sup>2</sup></b>							
28-days	8.06	-7	-42	-195	11.04	8.01	9.75
91-days	8.08	-2	-6	-192	11.16	7.98	9.75
182-days	8.12	3	2	-183	11.29	8.03	9.72
364-days	8.26	-5	-3	-180	11.38	8.25	9.75
<b>Mbonos</b>							
Mar'26	8.12	-7	-8	-169	10.83	8.10	9.39
Sep'26	8.09	0	-6	-169	10.69	7.95	9.31
Mar'27	8.14	-6	1	-164	10.34	8.06	9.20
Jun'27	8.15	-4	0	-168	10.29	8.04	9.21
Mar'28 <sup>3</sup>	8.36	-11	-5	-157	9.99	8.27	9.02
Mar'29	8.58	-9	-4	-140	10.21	8.45	9.40
May'29	8.60	-9	-9	-138	10.12	8.49	9.40
Feb'30 <sup>4</sup>	8.70	-6	-11	-99	9.69	8.59	9.03
May'31	8.82	-8	-9	-122	10.08	8.66	9.47
May'33	9.09	-11	-10	-113	10.34	8.90	9.63
Nov'34	9.20	-11	-12	-122	10.45	9.01	9.69
Feb'36 <sup>5</sup>	9.38	-9	6	6	9.46	9.31	9.37
Nov'36	9.34	-5	-2	-107	10.45	9.03	9.71
Nov'38	9.62	-9	-11	-93	10.60	9.26	9.90
Nov'42	9.87	-7	-13	-83	10.76	9.44	10.10
Nov'47	9.94	-7	-10	-81	10.79	9.43	10.12
Jul'53	9.93	-8	-12	-86	10.81	9.44	10.13
<b>TIIE-F IRS<sup>6</sup></b>							
3-month (3x1)	7.95	-3	-19	-199	10.62	7.94	9.39
6-month (6x1)	7.86	0	-6	-187	10.40	7.83	9.13
9-month (9x1)	7.78	-1	0	-181	10.17	7.72	8.94
1-year (13x1)	7.69	-3	3	-173	9.95	7.61	8.75
2-year (26x1)	7.57	-5	5	-158	9.66	7.44	8.45
3-year (39x1)	7.59	-8	2	-152	9.52	7.47	8.39
4-year (52x1)	7.68	-9	3	-147	9.46	7.56	8.41
5-year (65x1)	7.75	-11	1	-144	9.43	7.64	8.44
7-year (91x1)	7.94	-11	1	-132	9.42	7.84	8.54
10-year (130x1)	8.18	-11	-2	-121	9.46	8.09	8.69
20-year (3x1)	8.42	-12	-4	-107	9.59	8.28	8.86
30-year (390x1)	8.34	-11	-4	-114	9.50	8.19	8.79
<b>Udibonos</b>							
Dec'25	4.37	6	-35	-180	6.77	4.28	6.03
Dec'26	4.49	9	-14	-160	6.47	4.38	5.70
Nov'28	4.63	5	-13	-84	5.80	4.48	5.13
Aug'29 <sup>7</sup>	4.66	8	-29	-36	5.17	4.55	4.94
Nov'31	4.84	0	-16	-64	5.53	4.70	5.13
Aug'34	4.98	-2	-7	-51	5.76	4.70	5.23
Nov'35	5.00	-1	-6	-48	5.62	4.71	5.16
Nov'40	4.98	-3	-4	-53	5.72	4.75	5.17
Nov'43	5.01	-2	-4	-50	5.73	4.81	5.21
Nov'46	4.92	-6	-5	-59	5.70	4.75	5.16
Nov'50	4.91	-8	-6	-60	5.71	4.76	5.17
Oct'54	4.91	-8	-4	-66	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

Term	Maturity date	UMS			UST			Spreads		CDS
		YTM (%)	Weekly change (bps)	YTD (bps)	YTM (%)	Weekly change (bps)	YTD (bps)	Actual (bps)	Weekly change (bps)	
2Y	Mar'27	4.33	-21	-63	3.75	-16	-49	58	-5	56
3Y	Feb'28	4.52	-12	-121	3.72	-14	-56	80	+2	69
5Y	May'30	5.12	-7	-76	3.83	-13	-55	129	+6	109
7Y	Jul'32	5.69	+0	-42	4.03	-12	-45	166	+12	146
10Y	Feb'35	6.08	-9	-40	4.28	-10	-29	180	+1	184
20Y	Jan'45	6.51	-5	-52	4.84	-7	-2	167	+1	--
30Y	May'55	7.16	-7	-7	4.84	-5	+5	232	-1	--

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 24-month Cetes, the 30-year Mbono (Jul'53), the 3-year Udibono (Aug'29), as well as 1-, 3- and 7-year Bondes F
- **Increased supply for Udibonos in 3Q25.** [The Ministry of Finance \(MoF\) released the 3Q25 government securities auction calendar](#), highlighting an increase in Udibonos issuance, particularly in the 3- and 30-year tenors. Total issuance of fixed- and floating-rate debt, based on the UDI value as of July 1<sup>st</sup>, will amount to MXN 438.1 billion, representing a 7% contraction relative to 2Q25. In a greater detail, Mbonos represent 41%, Udibonos 24%, and Bondes F 35%. The MoF also reiterated its intention to carry out one or two syndicated transactions per quarter for the remainder of the year, focused on ESG-linked fixed-rate securities (Bonos S). For the next primary auction, we expect healthy demand across all Cetes, supported by a sizable volume of upcoming maturities and a reduced weekly auction size, now ranging between MXN 5 billion and MXN 20 billion (previously MXN 25 billion). Issuance of the longest-dated Mbono (Jul'53) will be scaled back, for which we anticipate moderate demand, broadly in line with the 2-year average bid-to-cover ratio of 2.0x. Conversely, we expect a strong appetite for the 3-year Udibono (Aug'29), underpinned by a challenging inflation backdrop, with recent data pointing to persistent pressures in the services component. The most recent auction of this security saw a sharp rebound in demand, with a bid-to-cover ratio of 2.74x, being this segment of the real rate curve particularly attractive to investors

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

Security	Maturity	Coupon rate, %	To be auctioned <sup>1</sup>	Previous yield <sup>2</sup>
<b>Cetes</b>				
1m	Jul-31-25	--	9,000	8.00
3m	Oct-02-25	--	10,000	7.93
6m	Dec-24-25	--	14,200	8.09
24m	May-13-27	--	17,000	8.60
<b>Bondes F</b>				
1Y	May-28-26	--	6,500	0.06
3Y	Jun-15-28	--	4,800	0.17
7Y	Jan-29-32	--	650	0.21
<b>Bono M</b>				
30Y	Jul-31-53	8.00	10,000	10.01
<b>Udibono</b>				
3Y	Aug-30-29	4.00	UDIS 900	4.57

Source: Banxico, Banorte

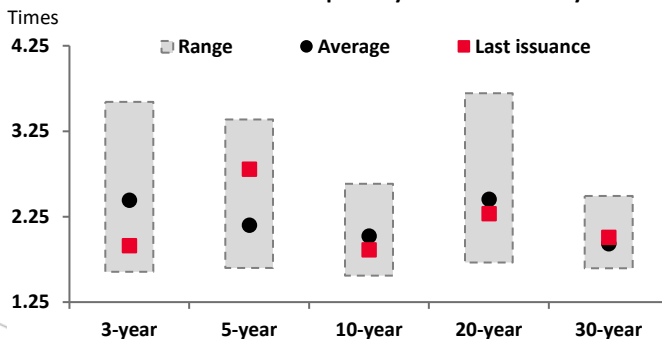
1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.  
2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

### 3Q25 Government Securities Auction Calendar\*

Date	Cetes	Bonos M	Udibonos	Bondes F
1-Jul	1, 3, 6 and 24M	30Y (Jul'53)	3Y (Aug'29)	1, 3 and 7Y
8-Jul	1, 3, 6 and 12M	3Y (Mar'28)	20Y (Nov'43)	2 and 5Y
15-Jul	1, 3, 6 and 24M	5Y (Feb'30)	10Y (Aug'34)	1 and 3Y
22-Jul	1, 3, 6 and 12M	10Y (Feb'36)	3Y (Aug'29)	2, 5 and 10Y
29-Jul	1, 3, 6 and 24M	3Y (Mar'28)	30Y (Oct'54)	1, 3 and 7Y
5-Aug	1, 3, 6 and 12M	20Y (Nov'42)	10Y (Aug'34)	2 and 5Y
12-Aug	1, 3, 6 and 24M	5Y (Feb'30)	20Y (Nov'43)	1 and 3Y
19-Aug	1, 3, 6 and 12M	10Y (Feb'36)	3Y (Aug'29)	2, 5 and 10Y
26-Aug	1, 3, 6 and 24M	3Y (Mar'28)	30Y (Oct'54)	1, 3 and 7Y
2-Sep	1, 3, 6 and 12M	30Y (Jul'53)	10Y (Aug'34)	2 and 5Y
9-Sep	1, 3, 6 and 24M	5Y (Feb'30)	20Y (Nov'43)	1 and 3Y
15-Sep	1, 3, 6 and 12M	10Y (Feb'36)	3Y (Aug'29)	2, 5 and 10Y
23-Sep	1, 3, 6 and 24M	20Y (Nov'42)	30Y (Oct'54)	1, 3 and 7Y

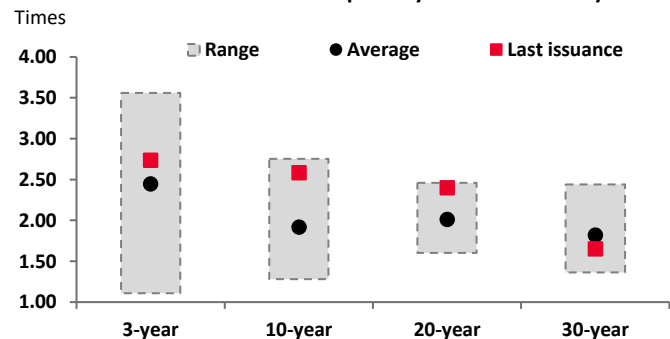
Source: SHCP \*Ministry of Finance \*In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance  
For more information, refer to [3Q25 Auction Calendar](#)

### 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

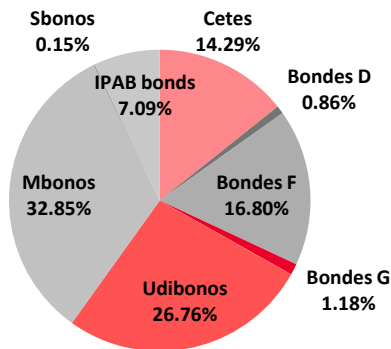
US\$ billion, \*UDIS billion, data as of Jun/16/2025

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	114.48	10.89	18.92	23.63	5.93	13.47	1.47	2.01	-	38.15
Bondes D	6.93	0.01	0.26	3.26	0.01	1.45	-	-	-	1.94
Bondes F	134.57	0.05	5.83	81.06	2.83	13.62	1.47	-	-	29.70
Bondes G	9.48	0.00	0.25	3.75	0.56	1.90	0.95	-	-	2.08
Udibonos	214.30	8.07	118.68	9.49	37.01	3.88	0.81	0.22	-	36.14
Mbonos	263.09	74.82	69.35	12.04	10.47	32.92	11.44	0.41	0.79	50.85
Sbonos	1.22	0.57	0.33	0.01	0.06	0.01	-	-	-	0.24
<b>Total</b>	<b>744.06</b>	<b>94.41</b>	<b>213.62</b>	<b>133.24</b>	<b>56.88</b>	<b>67.26</b>	<b>16.13</b>	<b>2.63</b>	<b>0.79</b>	<b>159.10</b>
Udibonos*	477.58	17.98	264.48	21.16	82.48	8.66	1.81	0.48	-	80.54
IPAB bonds	56.80	0.02	0.59	16.91	0.51	8.27	5.04	2.29	-	23.17

Source: Banxico, Banorte

### Government issuance by type of instrument

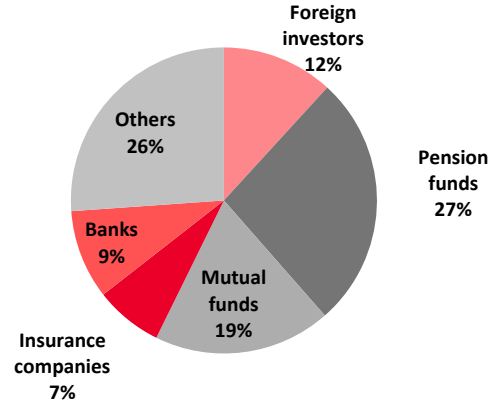
Total amount of US\$ 801 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

### Government issuance by type of investor

Total amount of US\$ 801 billion (including IPAB bonds), % of total

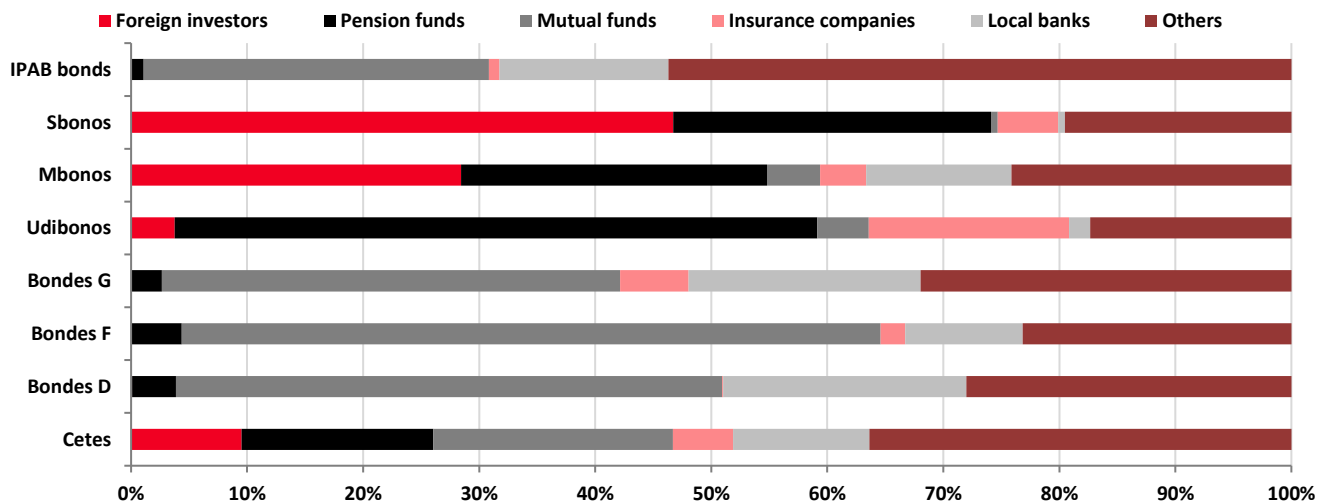


Source: Banxico, Banorte

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\$ 801 billion (including IPAB bonds), % of total



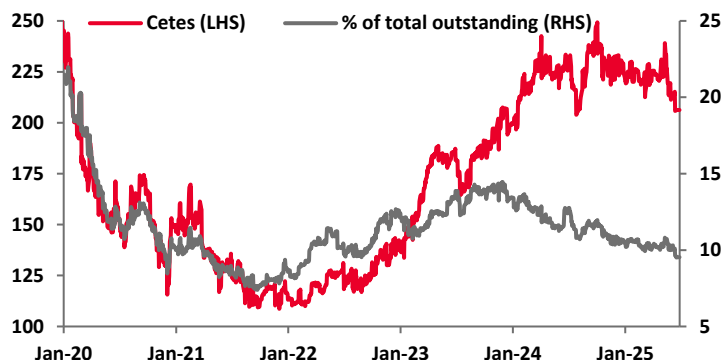
Source: Banxico, Banorte

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

## Fixed-Income Demand (continued)

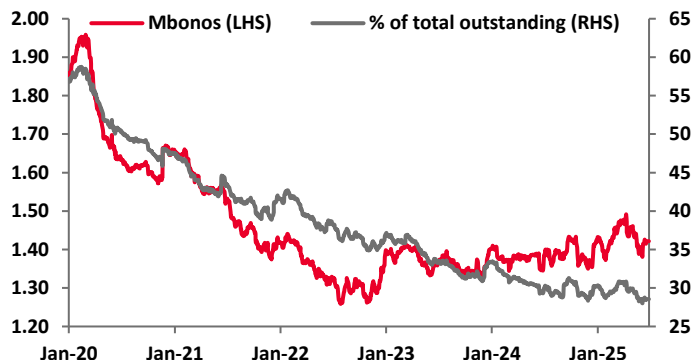
### Cetes held by foreigners

MXN billion, %



### Mbonos held by foreigners

MXN trillion, %



### Holdings of main investors by type of security

Data as of Jun/16/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	-6.57	9.05	-14.09	2.89	23.35
Bondes F	-6.09	113.82	39.31	-6.91	4.09	13.87
Udibonos	7.20	-9.18	2.22	7.08	1.86	23.07
Mbonos	0.18	-1.18	3.55	13.09	-0.88	20.95

Source: Banxico, Banorte

### Mbonos holdings by type of investor

US\$ billions and %, data as Jun/12/2025

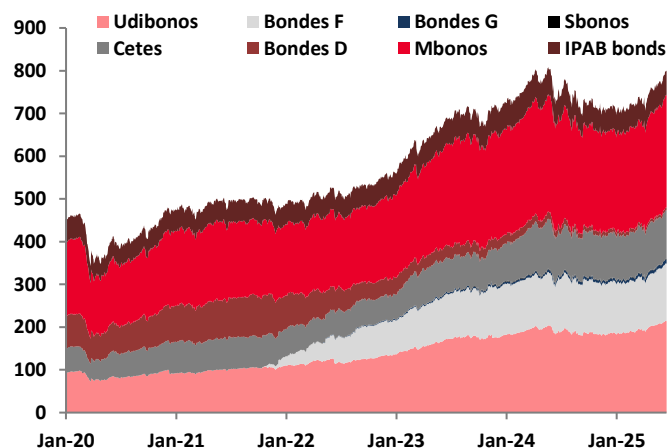
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	16.2	22%	15%	15%	49%
Sep'26	11.2	14%	22%	25%	39%
Mar'27	16.8	35%	14%	10%	41%
Jun'27	18.2	39%	19%	15%	28%
Mar'28	11.5	20%	15%	23%	43%
Mar'29	20.5	14%	34%	28%	24%
May'29	20.1	10%	32%	31%	27%
Feb'30	9.6	7%	27%	47%	18%
May'31	23.8	7%	38%	30%	25%
May'33	16.7	6%	32%	29%	32%
Nov'34	20.0	2%	48%	32%	18%
Nov'36	5.3	2%	15%	55%	28%
Nov'38	11.5	2%	30%	49%	19%
Nov'42	22.3	1%	34%	44%	21%
Nov'47	13.9	2%	31%	45%	22%
Jul'53	20.9	1%	32%	50%	17%
Total	258.3	12%	29%	32%	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

### Government securities issuance

USD Billions

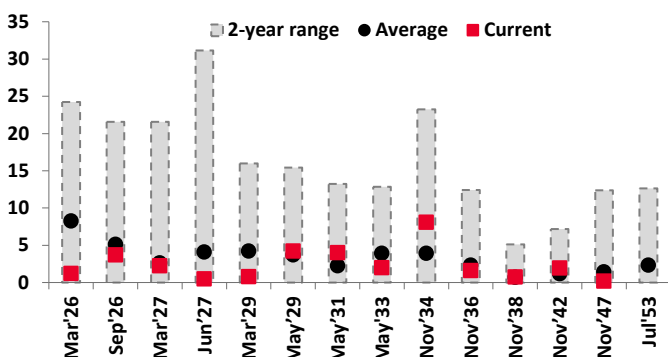




## Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

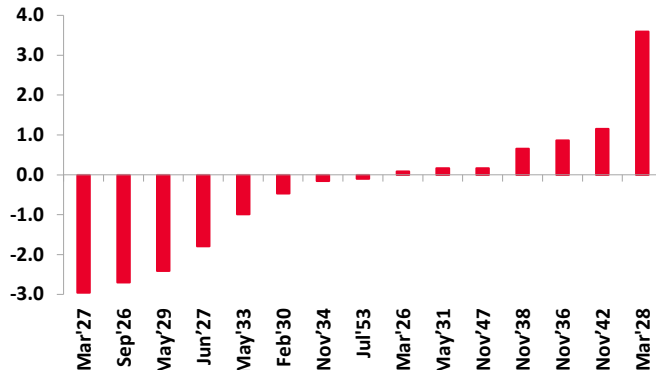
MXN billion



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

Weekly change in market makers' short positions on Mbonos

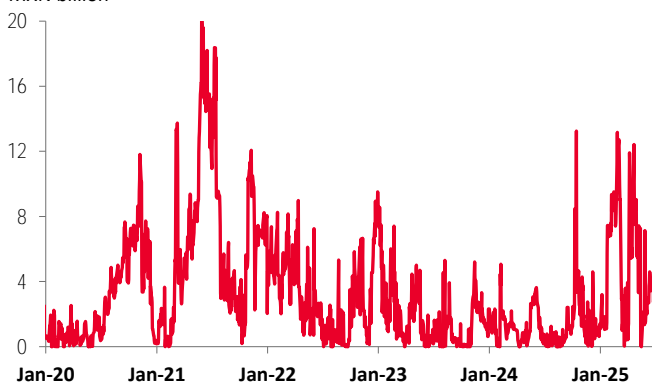
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

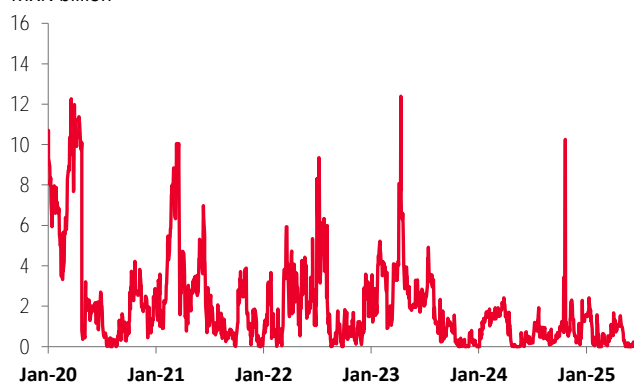
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono Nov'47

MXN billion



Source: Banxico, Banorte

Market makers' position on Mbonos

US\$ million

Maturity date	Total amount outstanding as of Jun/26/2025	Jun/26/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	15,178	64	59	16	347	1,013	0
Sep'26	9,976	197	340	104	426	477	0
Mar'27	15,816	118	274	63	34	283	0
Jun'27	17,909	25	120	202	159	501	11
Mar'28*	11,679	190	0	0	--	360	0
Mar'29	21,438	42	107	37	443	557	0
May'29	21,074	223	350	90	53	615	0
May'31	25,031	211	202	378	21	697	0
May'33	16,610	105	157	210	182	517	0
Nov'34	23,422	427	435	275	586	1,148	63
Nov'36	5,369	85	39	53	357	505	5
Nov'38	11,656	39	4	9	9	207	0
Nov'42	22,462	102	41	38	4	207	0
Nov'47	13,871	9	0	0	10	128	0
Jul'53	20,888	0	6	115	0	228	0
<b>Total</b>	<b>252,380</b>	<b>1,835</b>	<b>2,130</b>	<b>1,475</b>	<b>2,632</b>		

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



# Fixed-Income Technicals

## Spread between Cetes and Implied Forward Rates

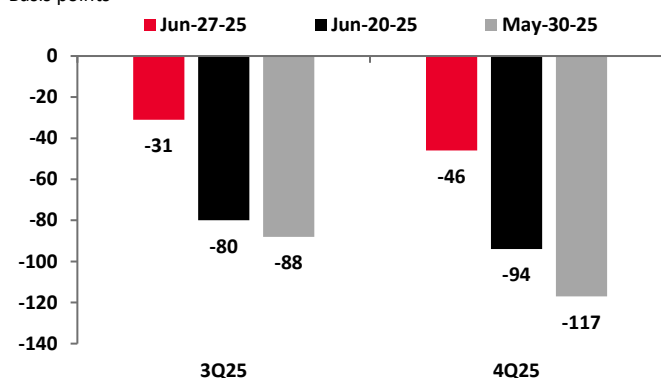
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	56	23	49	49	130	-31
3 months	7	-9	-27	-7	39	-46
6 months	-3	-9	-30	-11	30	-45
12 months	13	13	-2	12	47	-12

Source: PIP, Bloomberg, Banorte

## Cumulative implied moves in Banxico's repo rate

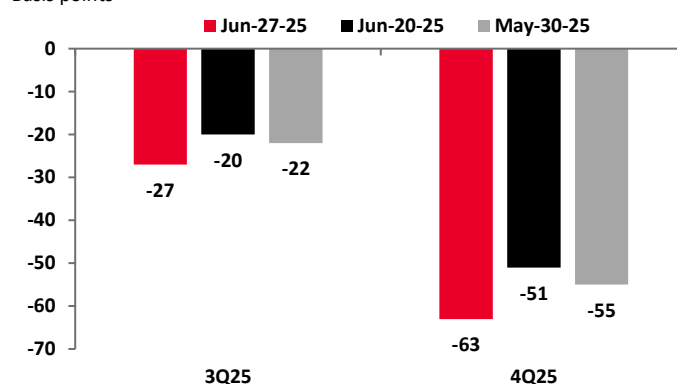
Basis points



Source: Bloomberg, Banorte

## Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

## Spreads between Mbonos and UST

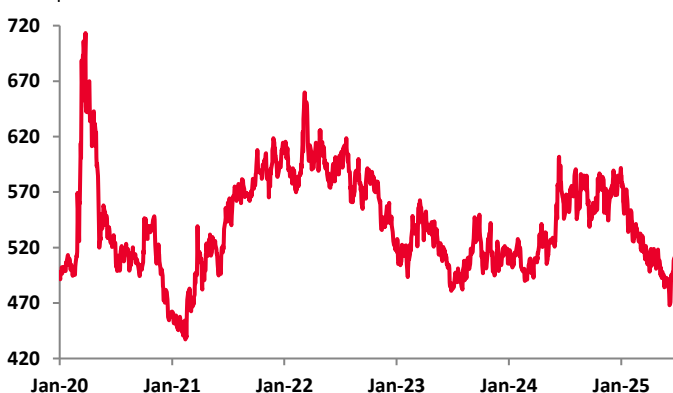
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	439	10	16	-114	644	404	531
5 year	487	7	2	-72	610	452	541
10 year	510	1	18	-75	592	468	544
20 year	503	0	-3	-81	593	489	547
30 year	509	-3	-2	-92	605	494	557

Source: Bloomberg, Banorte

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

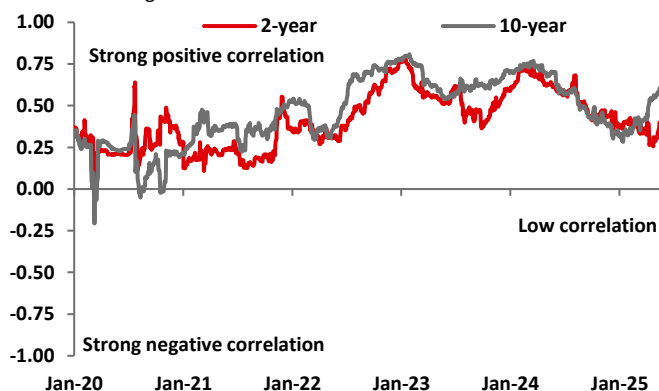
Basis points



Source: PIP, Banorte

## Mexico and US 2- and 10-year bonds correlation

3-month moving correlation



Source: Bloomberg, Banorte

## Fixed-Income Technicals (continued)

### Selected spreads

Basis points

Security	Spread	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
<b>Mbonos*</b>							
2/5	57	0	-12	36	79	-72	8
2/10	124	-3	5	60	136	-87	32
2/30	179	-2	-13	77	207	-69	75
5/10	68	-3	17	23	71	-26	24
10/30	55	1	-17	18	74	13	43
<b>TIIE-F*</b>							
3m/2Y	-39	-2	25	41	-36	-191	-94
2/5	19	-6	-4	14	29	-51	-1
2/10	61	-5	-7	37	76	-46	24
2/30	77	-6	-10	44	92	-41	34
5/10	43	0	-3	23	51	2	26
10/30	16	0	-3	7	20	-4	10
<b>TIIE-F – Mbonos*</b>							
2 year	-57	1	4	-21	-26	-107	-64
5 year	-95	-5	13	-31	-60	-125	-92
10 year	-120	-2	-7	-54	-64	-130	-97
20 year	-146	-5	9	-59	-78	-165	-124
30 year	-159	-3	7	-68	-83	-180	-135
<b>TIIE-F – SOFR*</b>							
2 year	404	11	21	-102	573	370	463
5 year	429	4	16	-85	559	397	470
10 year	445	0	11	-86	559	419	487
20 year	441	-4	6	-97	567	423	493
30 year	438	-6	5	-115	580	422	499

Source: Bloomberg, Banorte

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

### Breakeven inflation using Mbonos & Udibonos

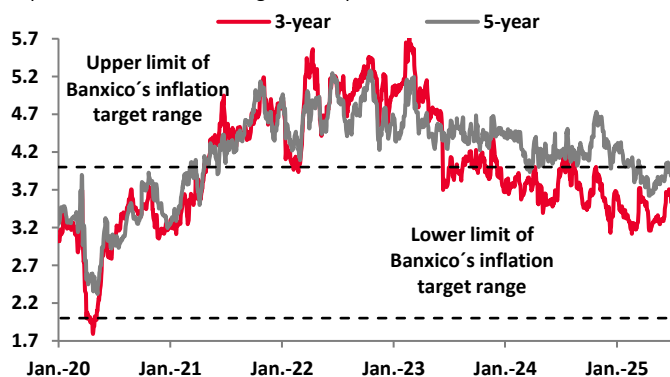
%, Implicit market inflation using Fisher Equation

Date	27/06/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.53	3.71 (-18bps)	3.3 (+23bps)	3.87 (-34bps)	4.21	3.12	3.56
5Y	3.89	4 (-11bps)	3.87 (+2bps)	4.19 (-30bps)	4.73	3.62	4.11
10Y	4.19	4.25 (-6bps)	4.06 (+13bps)	4.32 (-13bps)	4.75	3.92	4.30
20Y	4.63	4.67 (-4bps)	4.71 (-8bps)	4.62 (+1bp)	5.01	4.25	4.64
30Y	4.78	4.78 (0bps)	4.85 (-7bps)	4.85 (-7bps)	5.00	4.37	4.74

Source: Bloomberg, Banorte

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

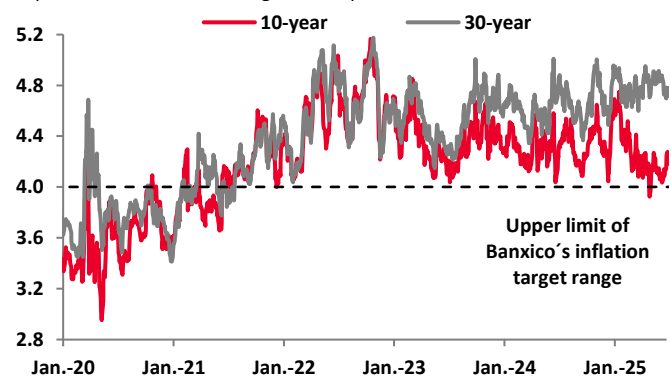
Implicit market inflation using Fisher Equation



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

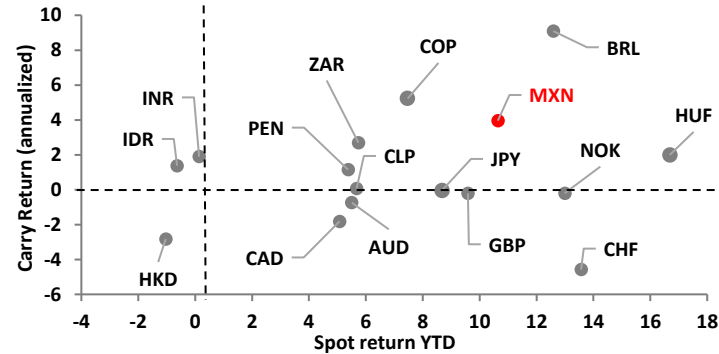
		Current	Daily change (%) <sup>1</sup>	Weekly change (%) <sup>1</sup>	Monthly change (%) <sup>1</sup>	YTD (%) <sup>1</sup>
<b>Emerging Markets</b>						
Brazil	USD/BRL	5.49	0.0	0.5	3.7	12.6
Chile	USD/CLP	941.48	-1.0	0.1	-0.1	5.7
Colombia	USD/COP	4,099.51	-1.4	-0.1	0.6	7.5
Peru	USD/PEN	3.55	0.0	1.5	2.6	5.4
Hungary	USD/HUF	340.63	0.3	2.6	5.0	16.7
Malaysia	USD/MYR	4.23	0.0	0.5	-0.1	5.7
<b>Mexico</b>	<b>USD/MXN</b>	<b>18.82</b>	<b>0.3</b>	<b>1.9</b>	<b>3.0</b>	<b>10.6</b>
Poland	USD/PLN	3.62	0.1	2.3	3.6	14.1
South Africa	USD/ZAR	17.82	0.1	1.0	0.6	5.7
<b>Developed Markets</b>						
Canada	USD/CAD	1.37	-0.3	0.3	1.1	5.1
Great Britain	GBP/USD	1.37	-0.1	2.0	1.8	9.6
Japan	USD/JPY	144.65	-0.2	1.0	0.1	8.7
Eurozone	EUR/USD	1.1718	0.1	1.7	3.8	13.2
Norway	USD/NOK	10.08	0.0	0.2	1.1	13.0
Denmark	USD/DKK	6.37	0.2	1.7	3.7	13.1
Switzerland	USD/CHF	0.80	0.2	2.4	3.5	13.6
New Zealand	NZD/USD	0.61	0.0	1.5	1.5	8.2
Sweden	USD/SEK	9.49	0.1	1.9	1.8	16.7
Australia	AUD/USD	0.65	-0.3	1.2	1.6	5.5

Source: Bloomberg, Banorte

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

## Performance of selected currencies

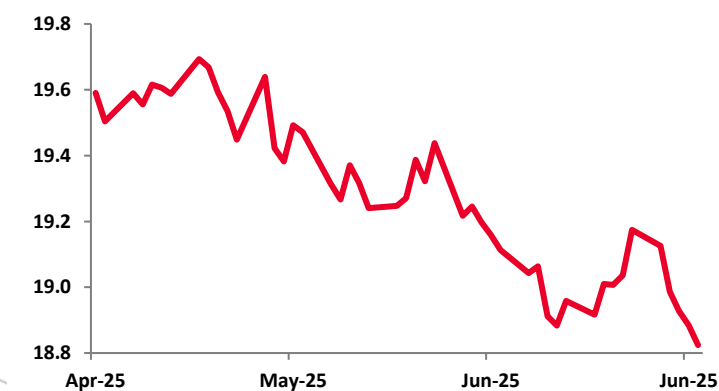
%, annualized rate based in 3M forwards



Source: Bloomberg, Banorte

## USD/MXN

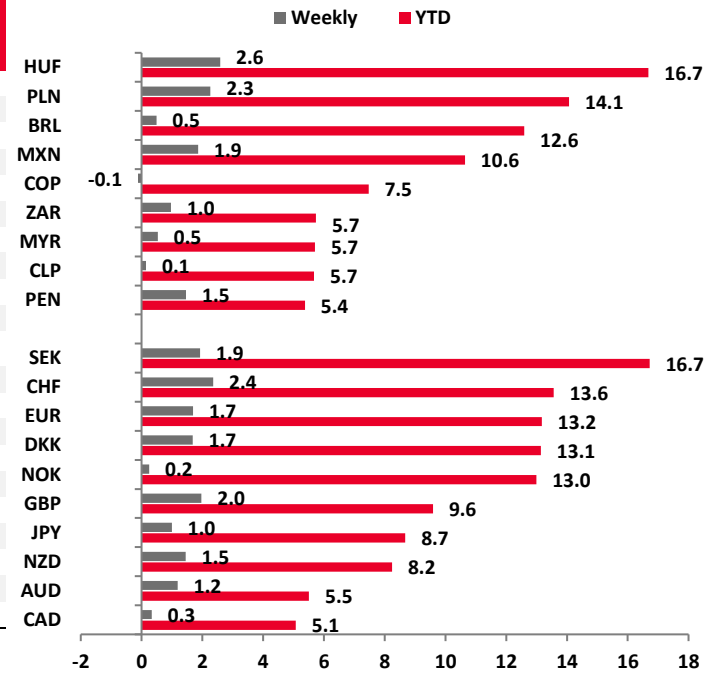
Last 60 days



Source: Bloomberg, Banorte

## FX performance

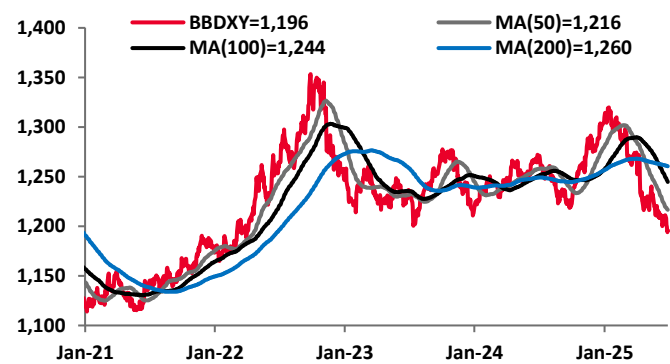
Against USD, %



Source: Bloomberg, Banorte

## BBDXY

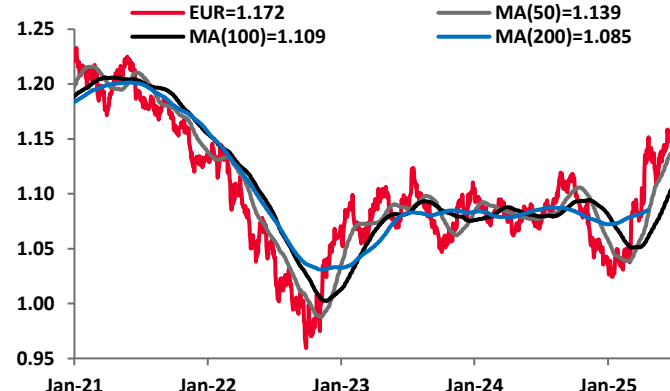
Points



Source: Bloomberg, Banorte

## Euro

Dollar per euro

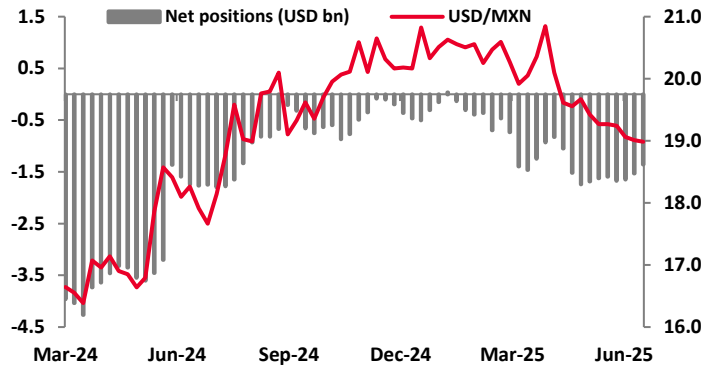


Source: Bloomberg, Banorte

## FX positioning and flows

### IMM positioning in USD/MXN futures

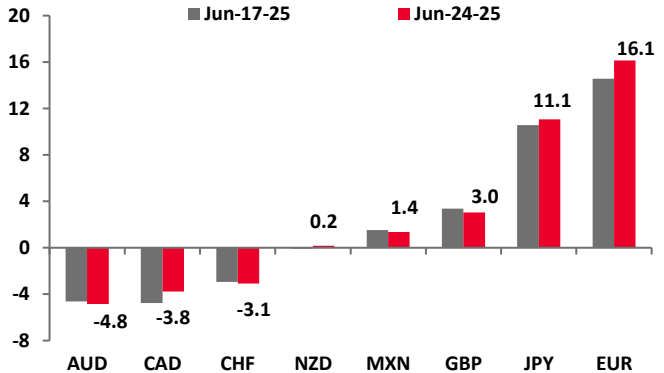
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

### IMM positioning by currency\*

Billion dollars

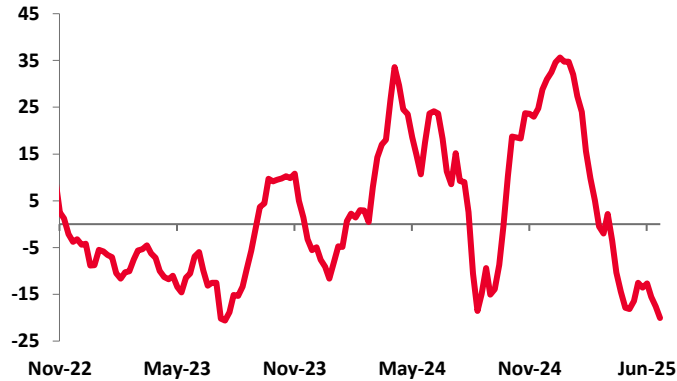


\* Positive: Net long in the corresponding currency

Source: CME, Banorte

### IMM positioning in USD futures\*

Billion dollars, Positive = net long in USD

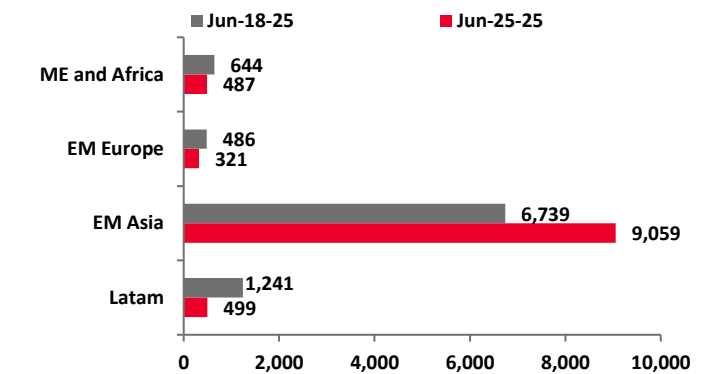


\*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

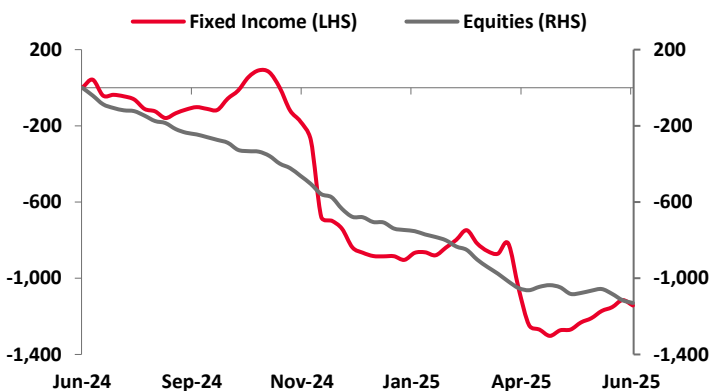
Billion dollars



Source: EPFR Global, Banorte

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

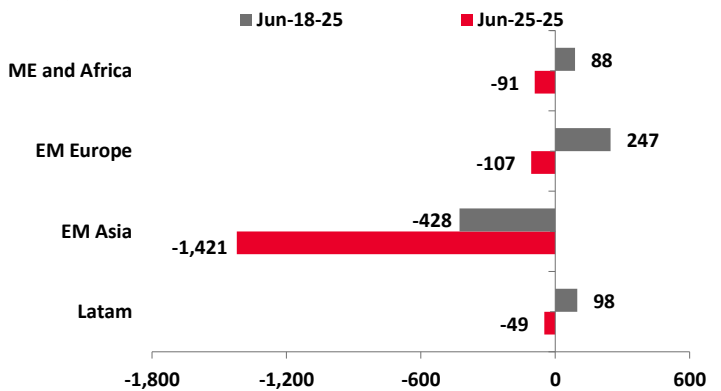
Accumulated during the last 12M, million dollars



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

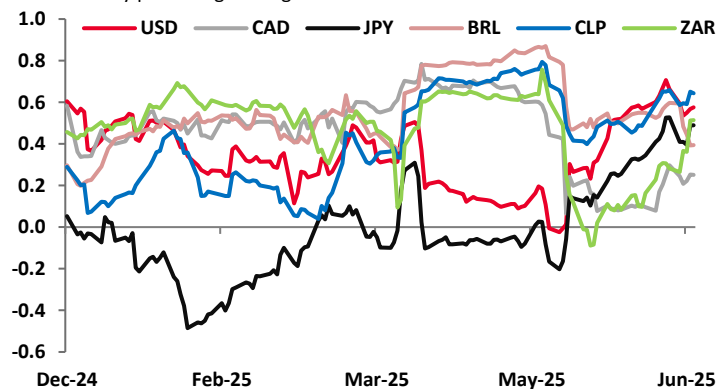
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	58	59	-2	71	35
CAD	25	25	6	78	46
JPY	49	41	-49	53	-2
BRL	39	59	20	87	55
CLP	64	59	4	79	41
ZAR	51	26	-9	76	47
VIX	22	-7	-17	76	32
SPX	34	-3	-13	70	33
GSCI	-11	20	-21	78	28
Gold	33	37	-15	55	16

\* 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

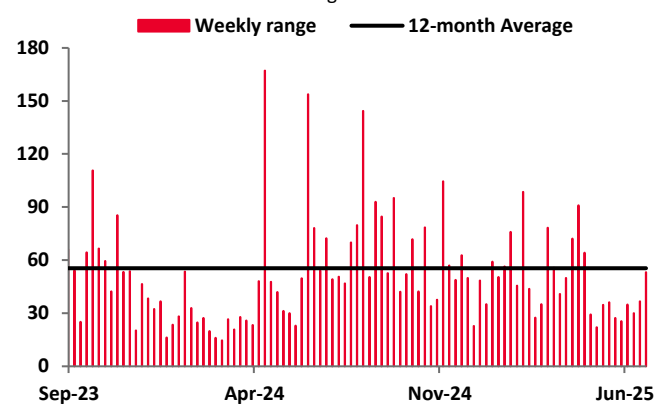


\* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

### USD/MXN – Weekly trading range

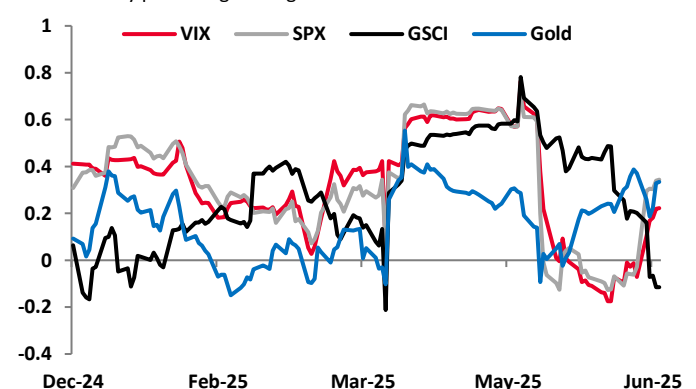
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

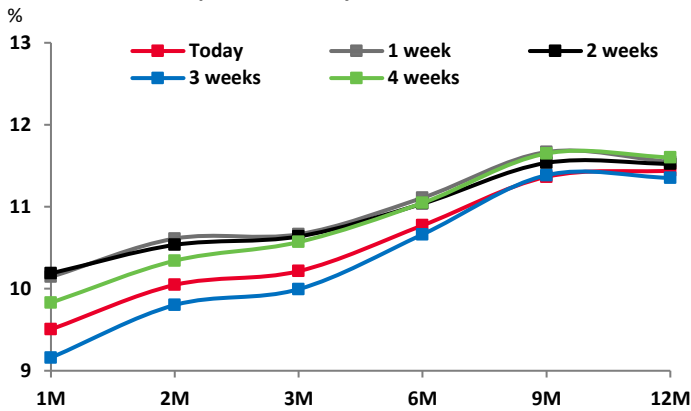


\* Positive: appreciation of MXN and corresponding asset except VIX

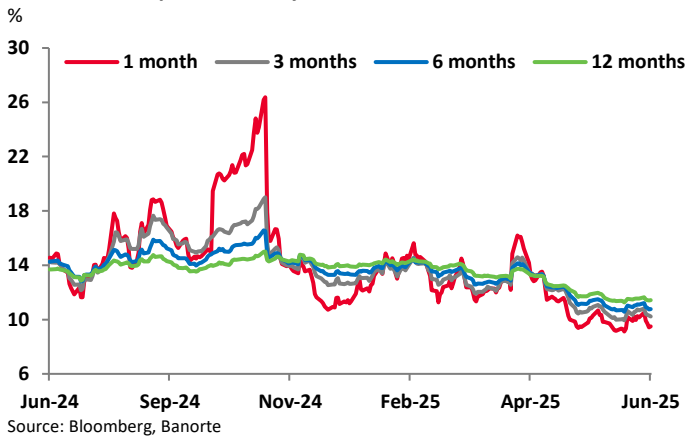
Source: Bloomberg, Banorte

## FX technicals (continued)

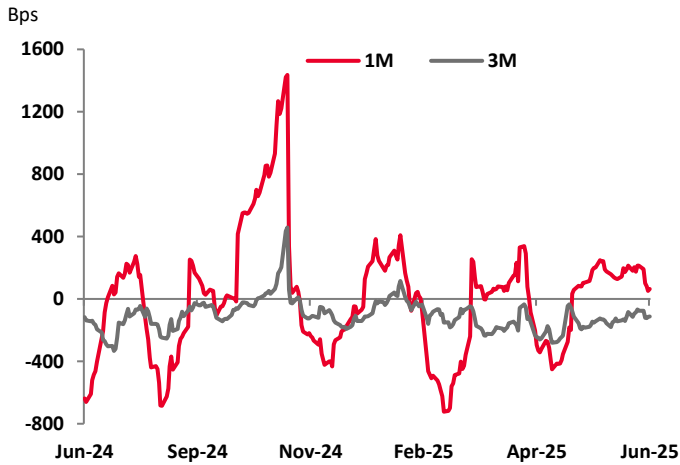
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

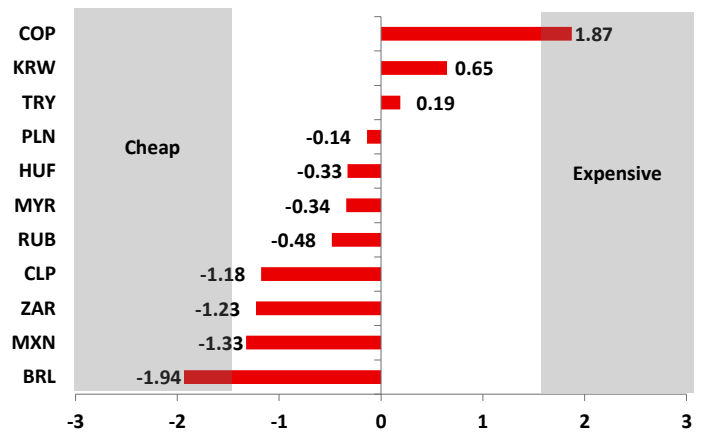


USD/MXN – Spread between implicit and historical volatility



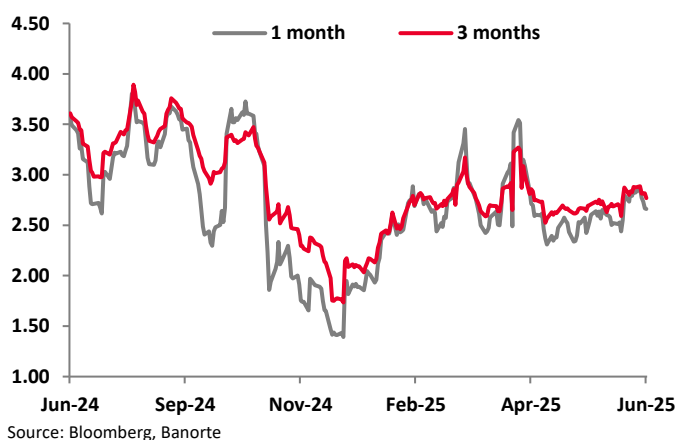
Emerging markets 1-month ATM options volatility

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



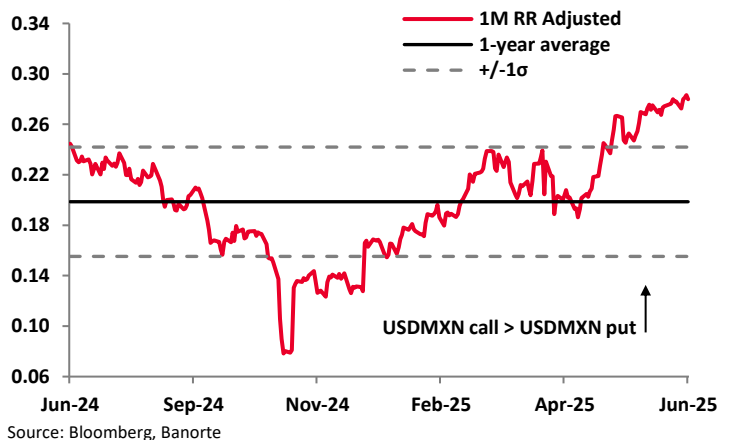
USD/MXN – 25D risk reversals

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

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 30		EZ	ECB forum on Central Banking begins in Sintra, Portugal					
	02:00	UK	Gross domestic product*	1Q25 (F)	% q/q	--	0.7	0.7
	04:00	EZ	Monetary aggregates (M3)*	May	% y/y	--	4.0	3.9
	08:00	GER	Consumer prices	Jun (P)	% y/y	--	2.2	2.1
	10:00	US	Fed's Bostic Speaks on the Economic Outlook					
	11:00	MX	Banking credit	May	% y/y	7.7	--	8.0
	13:00	US	Fed's Goolsbee Speaks in a Moderated Discussion					
	16:30	MX	Public finances (PSBR, year-to-date)	May	MXNbn	--	--	-159.2
Tue 1	21:45	CHI	Manufacturing PMI (Caixin)*	Jun	index	--	49.3	48.3
	03:55	GER	Manufacturing PMI*	Jun (F)	index	--	49.0	49.0
	04:00	EZ	Manufacturing PMI*	Jun (F)	index	--	49.4	49.4
	04:30	UK	Manufacturing PMI*	Jun (F)	index	--	47.7	47.7
	05:00	EZ	Consumer prices	Jun (P)	% y/y	--	2.0	1.9
	05:00	EZ	Core	Jun (P)	% y/y	--	2.3	2.3
	09:00	BZ	Manufacturing PMI*	Jun	index	--	--	49.4
	09:30	US	Powell Participates in Panel with Lagarde, Bailey, Ueda					
	09:45	US	Manufacturing PMI*	Jun (F)	index	52.0	52.0	52.0
	10:00	US	ISM manufacturing*	Jun	index	49.0	48.8	48.5
	10:00	US	JOLTS Job Openings	May	thousands	--	7,300	7,391
	11:00	MX	International reserves	Jun 27	US\$bn	--	--	241.3
	11:00	MX	Family remittances	May	US\$bn	5,083.9	5,200.0	4,761.2
	11:00	MX	Survey of expectations (Banxico)					
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 30-year Mbono (Jul'53), 3-year Udibono (Aug'29) and 1-, 3- and 7-year Bondes F					
	14:00	MX	Manufacturing PMI (IMEF)*	Jun	index	46.8	--	47.4
	14:00	MX	Non-manufacturing PMI (IMEF)*	Jun	index	48.9	--	49.4
Wed 2		US	Total vehicle sales**	Jun	millions	--	15.4	15.7
	05:00	EZ	Unemployment rate*	May	%	--	6.2	6.2
	08:00	BZ	Industrial production	May	% m/m	--	3.4	-0.3
	08:00	BZ	Industrial production*	May	% y/y	--	-0.6	0.1
	08:15	US	ADP employment*	Jun	thousands	75	80	37
	21:45	CHI	Services PMI (Caixin)*	Jun	index	--	51.0	51.1
	21:45	CHI	Composite PMI (Caixin)*	Jun	index	--	--	49.6
Thu 3	03:55	GER	Services PMI*	Jun (F)	index	--	49.4	49.4
	03:55	GER	Composite PMI*	Jun (F)	index	--	50.4	50.4
	04:00	EZ	Services PMI*	Jun (F)	index	--	50.0	50.0
	04:00	EZ	Composite PMI*	Jun (F)	index	--	50.2	50.2
	04:30	UK	Services PMI*	Jun (F)	index	--	51.3	51.3
	07:30	EZ	ECB Minutes					
	08:00	MX	Gross fixed investment	Apr	% y/y	-11.5	-10.4	-0.2
	08:00	MX	Gross fixed investment*	Apr	% m/m	-1.1	--	0.3
	08:00	MX	Private consumption	Apr	% y/y	-2.4	--	1.2
	08:00	MX	Private consumption*	Apr	% m/m	0.7	--	-0.2
	08:30	US	Trade Balance*	May	US\$bn	--	-71.0	-61.6
	08:30	US	Nonfarm payrolls*	Jun	thousands	125	110	139
	08:30	US	Unemployment Rate*	Jun	%	4.3	4.3	4.2
	08:30	US	Initial jobless claims*	Jun 28	thousands	235	240	236
	09:45	US	Services PMI*	Jun (F)	index	53.1	53.1	53.1
	09:45	US	Composite PMI*	Jun (F)	index	52.8	--	52.8
	10:00	US	ISM services*	Jun	index	50.1	50.7	49.9
	10:00	US	Factory orders*	May	% m/m	--	8.0	-3.7
	10:00	US	Ex transportation*	May	% m/m	--	--	-0.5
Fri 4	10:00	US	Durable goods orders*	May (F)	% m/m	--	16.4	16.4
	10:00	US	Ex transportation*	May (F)	% m/m	--	--	0.5
Fri 4		US	Fed's Bostic Gives Speech on Monetary Policy					
	08:00	MX	Markets closed due to Independence Day holiday					
	08:00	MX	Consumer confidence*	Jun	index	46.6	--	46.7

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
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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