Fixed-Income & FX Strategy

Weekly

July 11, 2025

Fixed-Income and FX Weekly

- **Trade tensions remain central to market narratives ahead of next week's inflation prints across several regions**. A cautious tone prevailed throughout the week, as the expiration of reciprocal US tariffs was postponed to August 1st. Nonetheless, multiple threats and the implementation of new tariff levels progressed across various countries. Notably, Brazil (+50%), Canada (+25%), and Japan (+25%) were affected, alongside copper (+50%) and pharmaceuticals (+200%). In this context, it also emerged that USCMA goods would remain exempt. The US dollar picked up modestly (BBDXY +0.7% w/w), in hand with by a steepening in the Treasury curve and relatively tight trading ranges across most currencies, except those directly exposed to the new tariffs (BRL, CLP, JPY depreciating by 2-3% w/w). Gradually, equities continued grinding higher, extending gains to fresh all-time highs amid increased sector rotation and ahead of an earnings season that is broadly expected to deliver positive results. In Mexico, June's second-half inflation continued to show resistance to further compression in the core component, a dynamic that has prompted a partial unwinding of the market's accumulated pricing for Banxico rate cuts for year-end. Currently, the curve prices a year-end policy rate near 7.60% (Banorte: 7.00%). Overall, the minutes from Banxico's latest decision reinforce our conviction in this outlook. Next week brings inflation data from several regions. The US stands out, where recent prints have consistently surprised to the downside and have yet to reflect a clear impact from trade policy shifts. The US calendar also includes hard data releases such as June's industrial production and retail sales, alongside forward-looking surveys that will help shape expectations ahead of the July 30th FOMC decision. The final round of Fed speakers is also scheduled, with the blackout period beginning Saturday 20th. Markets continue to price in -50bps, in line with our forecast for 25bps reductions in both October and December meetings
- **Receiving 2-year TIIE-F swaps.** We continue to favor long positions in sort- and mid-term tenors in the Mexican nominal curve as given the market's decoupling with our call for Banxico. We hold our trade recommendation to receive 26x1 TIIE-F swaps (entry at 7.52%, target 7.25%, stop-loss at 7.65%, last at 7.56%). Beyond potential capital gains as market pricing converges with view, the 3-5 year sector in Mbonos also offers attractive carry, in addition to a context of reduced net issuance (-9% vs 4Q 2024)
- **MXN remains defensive, though asymmetric risks persist.** We expect the USD to remain on a weakening path through the year, albeit at a more gradual pace compared to the first semester. This backdrop continues to favor the MXN, which has traded with a more defensive tone, reflecting Mexico's relatively stronger position amid renewed tariff headwinds. This week, the peso ended virtually unchanged at 18.64 per dollar, trading within its narrowest weekly range since May (22 cents vs. a 12-month average of 54 cents). However, we believe the risk asymmetry limits the appeal of long MXN positions, despite a still attractive carry profile. We expect the USD/MXN trading range to remain between 18.00 and 19.50 for the remainder of the year. Meanwhile, we maintain a EUR/USD target of 1.20 over the coming months
- **Weekly ranges**. We expect the 10-year Mbono (Feb'36) to trade between 9.35% and 9.55%, and MXN between 18.50 and 18.85 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 Hernandez
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 (%)
Overnight TIIE funding rate							
1-day	7.98	2	-49	-222	11.05	7.96	9.84
28-days[1]	8.28	-12	-25	-199	11.06	8.28	9.98
91-days[1]	8.34	-12	-25	-202	11.17	8.34	10.07
182-days[1]	8.43	-13	-26	-207	11.33	8.43	10.20
Cetes[2]							
28-days	7.96	0	-17	-205	11.04	7.71	9.64
91-days	7.98	-11	-10	-202	11.16	7.98	9.64
182-days	8.10	-6	-2	-185	11.26	8.03	9.60
364-days	8.34	0	3	-173	11.37	8.25	9.63
Mbonos							
Mar’26	8.19	-1	3	-162	10.78	8.10	9.29
Sep’26	8.09	-3	14	-169	10.69	7.95	9.21
Mar'27	8.18	0	12	-160	10.26	8.06	9.12
Jun'27	8.15	-3	6	-168	10.20	8.04	9.13
Mar'28[3]	8.40	5	-1	-153	9.99	8.27	8.98
Mar’29	8.57	0	-9	-141	10.13	8.45	9.34
May'29	8.58	-2	-10	-139	10.08	8.49	9.34
Feb’30[4]	8.70	4	-9	-99	9.69	8.59	8.99
May'31	8.81	4	-10	-124	10.08	8.66	9.42
May’33	9.11	8	-9	-111	10.34	8.90	9.59
Nov’34	9.24	8	-4	-118	10.45	9.01	9.66
Feb'36[5]	9.43	11	12	12	9.46	9.28	9.36
Nov'36	9.38	12	3	-104	10.45	9.03	9.68
Nov'38	9.70	14	4	-85	10.60	9.26	9.88
Nov'42	9.92	14	2	-78	10.76	9.44	10.09
Nov'47	9.96	13	1	-78	10.79	9.43	10.11
Jul’53	9.96	15	0	-83	10.81	9.44	10.12
TIIE-F IRS[6]							
3-month (3x1)	7.89	-4	-15	-205	10.62	7.89	9.32
6-month (6x1)	7.80	-2	-7	-192	10.40	7.79	9.07
9-month (9x1)	7.73	0	-4	-186	10.17	7.71	8.89
1-year (13x1)	7.65	2	-5	-177	9.95	7.61	8.70
2-year (26x1)	7.56	3	-2	-159	9.66	7.44	8.41
3-year (39x1)	7.62	3	0	-149	9.52	7.47	8.35
4-year (52x1)	7.71	4	-2	-144	9.46	7.56	8.38
5-year (65x1)	7.81	5	-1	-138	9.43	7.64	8.41
7-year (91x1)	8.02	8	1	-124	9.42	7.84	8.52
10-year (130x1)	8.24	8	1	-114	9.46	8.09	8.67
20-year (3x1)	8.47	8	-2	-102	9.59	8.28	8.84
30-year (390x1)	8.40	8	-1	-108	9.50	8.19	8.77
Udibonos							
Dec'25	4.40	-8	0	-177	6.62	4.28	5.95
Dec'26	4.51	-6	8	-159	6.36	4.38	5.63
Nov'28	4.60	-3	4	-87	5.65	4.48	5.09
Aug’29[7]	4.71	3	10	-31	5.17	4.55	4.91
Nov'31	4.91	8	6	-57	5.53	4.70	5.11
Aug’34	5.03	9	1	-46	5.76	4.70	5.22
Nov'35	5.05	11	4	-43	5.62	4.71	5.15
Nov'40	5.04	8	7	-47	5.72	4.75	5.16
Nov'43	5.05	4	-4	-46	5.73	4.81	5.20
Nov'46	4.96	6	-3	-55	5.70	4.75	5.15
Nov'50	4.96	4	-6	-56	5.71	4.76	5.16
Oct'54	4.92	2	-5	-65	5.71	4.70	5.14

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: Mbono Feb’36 issued on June 12th, 2025

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

7: 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	4.39	-1	-57	3.89	+1	-35	50	-1	70	50
3Y	Feb'28	4.54	-3	-119	3.86	+2	-41	67	-5	92	63
5Y	May'30	5.11	0	-77	3.98	+4	-41	113	-4	137	103
7Y	Jul'32	5.68	+7	-42	4.18	+6	-30	150	+1	153	140
10Y	Feb'35	6.03	+3	-45	4.42	+7	-15	161	-4	185	177
20Y	Jan'45	6.50	+6	-53	4.95	+8	+9	155	-2	196	--
30Y	May'55	7.17	+8	-6	4.95	+9	+17	222	-1	243	--

Source: Bloomberg, Banorte

5Y USD UMS
%

Source: Bloomberg, Banorte

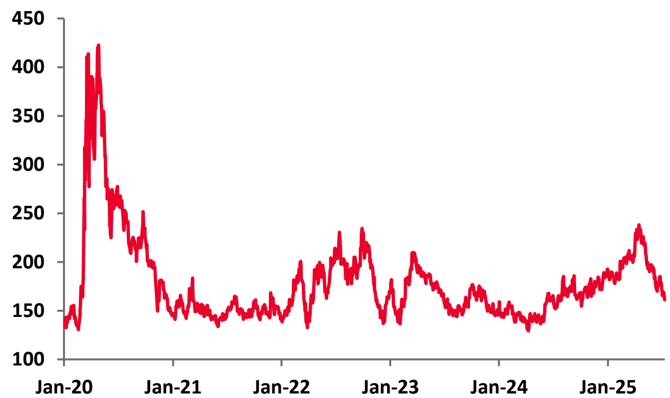
10Y USD UMS
%

Source: Bloomberg, Banorte

5Y UMS-UST Spread
Basis points

Source: Bloomberg, Banorte

10Y UMS-UST Spread
Basis points



Source: Bloomberg, Banorte

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Fixed–Income Supply

- **Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 24-month Cetes, the 5-year Mbono (Feb'30), the 10-year Udibono (Aug'34), as well as 1- and 3-year Bondes F
- **Preference for nominal over real rates.** The insights embedded in the latest Fed and Banxico minutes had already been largely priced in by the markets, leaving rate cut expectations firmly anchored. For the remainder of the year, the curve is pricing in 50bps of easing in the US and approximately 40bps rate cuts in Mexico, bringing policy rates to 3.75%-4.00% and 7.60%, respectively. This diverges from our base case, which sees Banxico's benchmark rate ending the year at 7.00%, implying a narrower rate spread of 300bps. Cetes have yet to fully reflect our outlook, and yields remain compelling relative to other EM peers. Against this backdrop, we anticipate healthy demand across the curve, though investor appetite has skewed toward the front-end. Within the Mbonos' curve, we see value in the short to mid tenors (3–5 years), as there is still room for further gains should the market converge toward our lower Banxico rate scenario. We expect strong demand for the 5-year Mbono (Feb'30), consistent with the sharp rebound in bid-to-cover at its latest auction, which rose to 2.81x from a prior 1.65x. In the current environment, we reiterate our preference for nominal over real rates. As for the 10-year Udibono (Aug'34), we anticipate subdued demand, likely hovering around the 2-year average bid-to-cover of 1.94x, as current valuation does not offer sufficient attractiveness. The breakeven rate for this tenor stands around 4.20%

Auction specifics (July 15th, 2025)

Security	Maturity	Coupon rate, %	To be auctioned[1]	Previous yield[2]
Cetes				
1m	Aug-14-25	--	7,000	7.85
3m	Oct-16-25	--	7,000	8.00
6m	Jan-08-26	--	14,200	8.11
24m	Jul-08-27	--	17,000	8.33
Bondes F*				
1Y	May-28-26	--	11,300	0.07
3Y	Jun-15-28	--	11,300	0.18
Bono M				
5Y	Feb-28-30	8.50	16,500	8.74
Udibono				
10Y	Aug-24-34	4.00	UDIS 1,050	4.95

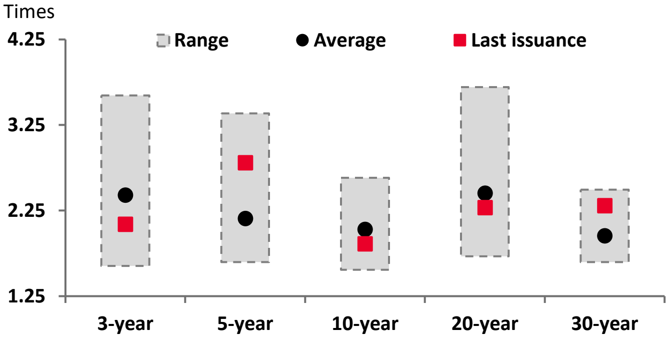
Source: Banxico, Banorte *Maximum amount to be auctioned among Bondes F together
1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.
2. Yield-to-maturity reported for Cetes, Mbonos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

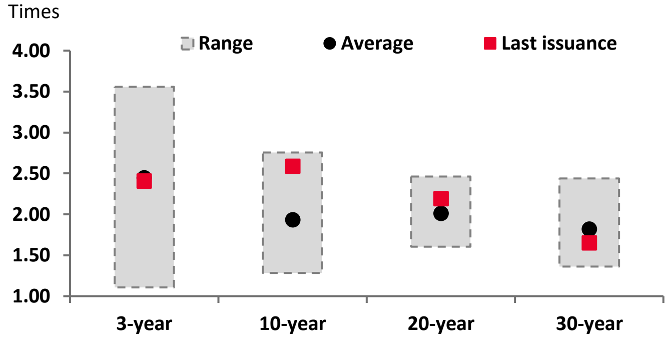
Source: SHCP *Ministry of Finance *In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance
For more information, refer to 3Q25 Auction Calendar

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



Source: Bloomberg, Banorte

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



Source: Bloomberg, Banorte

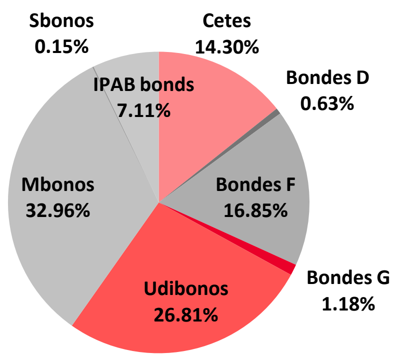
Fixed–Income Demand

Government and IPAB securities holdings by type of investor
US$ billion, *UDIS billion, data as of Jul/1/2025

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	116.21	10.88	20.04	23.70	5.90	11.78	4.54	1.61	-	37.77
Bondes D	5.16	-	0.50	2.09	0.00	0.87	0.00	-	-	1.68
Bondes F	136.92	0.04	4.52	81.03	3.21	12.60	6.90	-	-	28.62
Bondes G	9.57	0.00	0.28	4.24	0.57	1.33	2.14	-	-	1.01
Udibonos	217.78	8.22	120.69	8.70	37.79	4.55	0.98	0.06	-	36.80
Mbonos	267.79	76.09	70.17	12.22	10.31	32.31	13.02	0.42	0.80	52.45
Sbonos	1.23	0.57	0.34	0.01	0.07	0.00	-	-	-	0.24
Total	**754.65**	**95.80**	**216.54**	**131.98**	**57.84**	**63.44**	**27.58**	**2.09**	**0.80**	**158.57**
Udibonos*	480.04	18.11	266.04	19.17	83.30	10.02	2.17	0.13	-	81.12
IPAB bonds	**57.79**	**0.02**	**0.80**	**16.32**	**0.24**	**8.99**	**6.36**	**2.31**	**-**	**22.76**

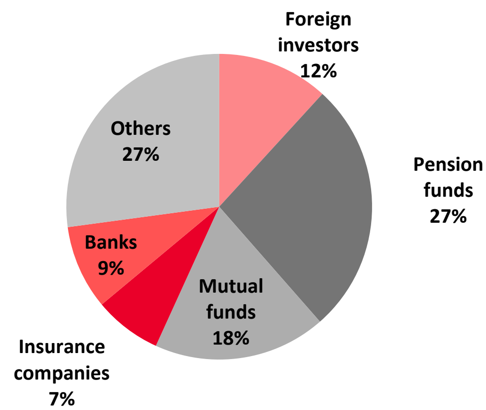
Source: Banxico, Banorte

Government issuance by type of instrument
Total amount of US$ 812 billion (including IPAB bonds), % of total



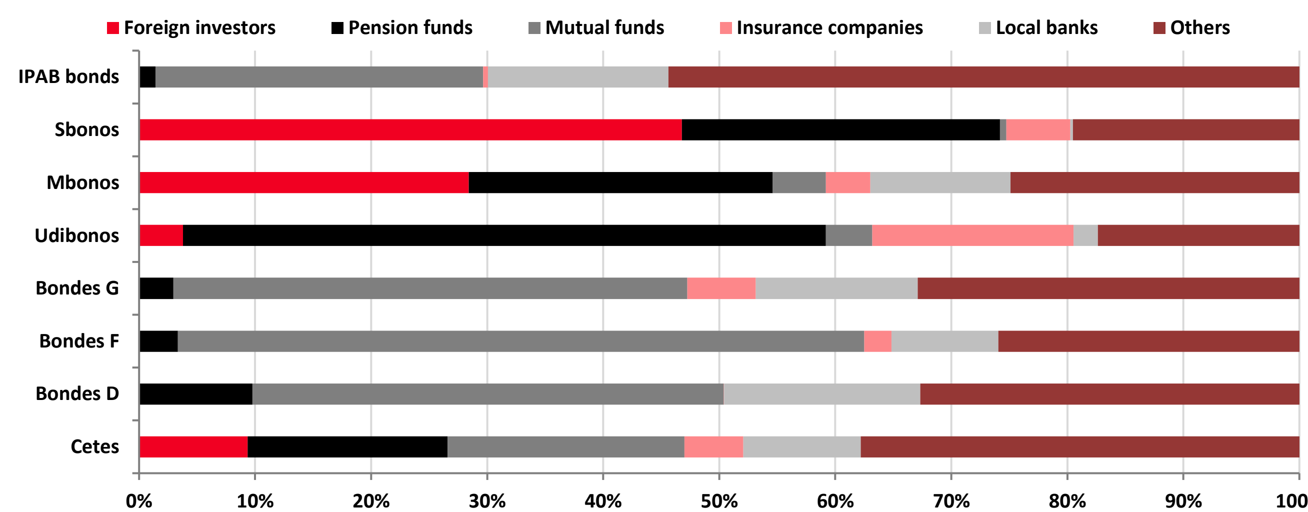
Source: Banxico, Banorte

Government issuance by type of investor
Total amount of US$ 812 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

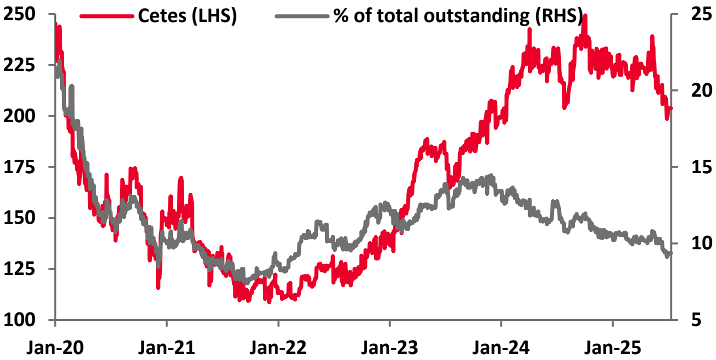
Government securities holdings by type of investor
Total amount of US$ 812 billion (including IPAB bonds), % of total



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

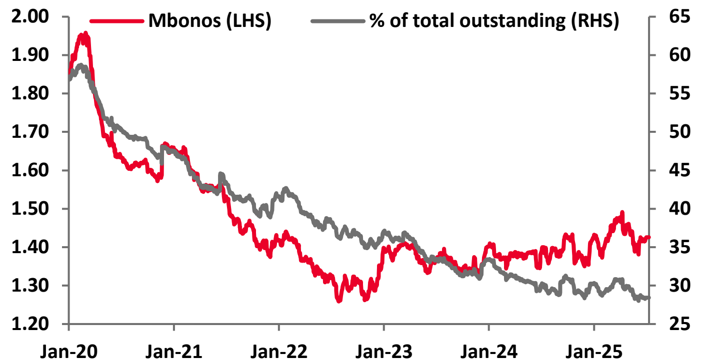
Fixed–Income Demand (continued)

Cetes held by foreigners
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners
MXN trillion, %



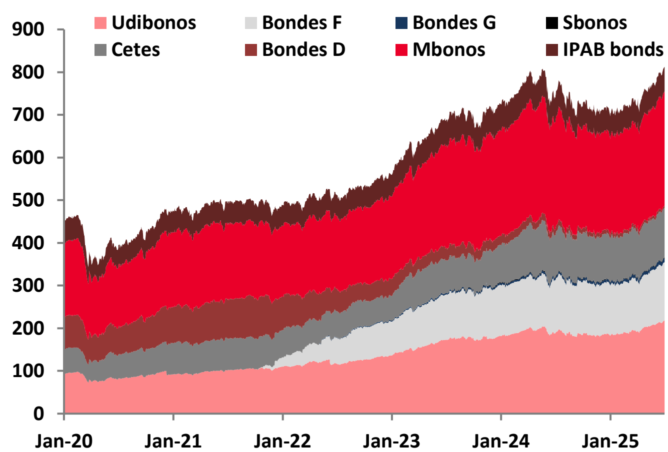
Source: Banxico, Banorte

Holdings of main investors by type of security
Data as of Jul/1/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	-7.61	11.73	-9.88	2.63	22.55
Bondes F	-19.23	66.57	-12.07	-28.50	4.27	12.77
Udibonos	8.39	-8.39	2.09	7.89	-10.88	11.69
Mbonos	3.07	-0.44	1.79	13.35	-10.52	21.56

Source: Banxico, Banorte

Government securities issuance
USD Billions



Fuente: Banxico, Banorte

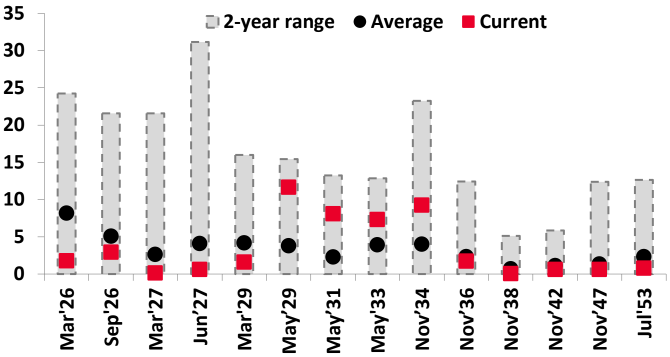
Mbonos holdings by type of investor
US$ billions and %, data as Jun/26/2025

Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	15.2	17%	16%	14%	54%
Sep'26	9.9	14%	25%	19%	42%
Mar'27	15.7	29%	16%	8%	47%
Jun'27	17.8	31%	19%	15%	35%
Mar'28	11.6	17%	14%	20%	49%
Mar'29	21.4	10%	33%	27%	31%
May'29	20.1	9%	31%	32%	28%
Feb'30	10.8	4%	24%	41%	31%
May'31	24.8	9%	36%	30%	25%
May'33	16.6	10%	32%	29%	30%
Nov'34	20.6	2%	46%	33%	19%
Feb'36	2.0	36%	10%	18%	36%
Nov'36	5.3	3%	15%	55%	28%
Nov'38	11.5	2%	30%	50%	18%
Nov'42	22.3	2%	33%	45%	20%
Nov'47	13.9	1%	32%	46%	21%
Jul'53	20.9	1%	32%	51%	16%
Total	**260.5**	**10%**	**29%**	**31%**	**30%**

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

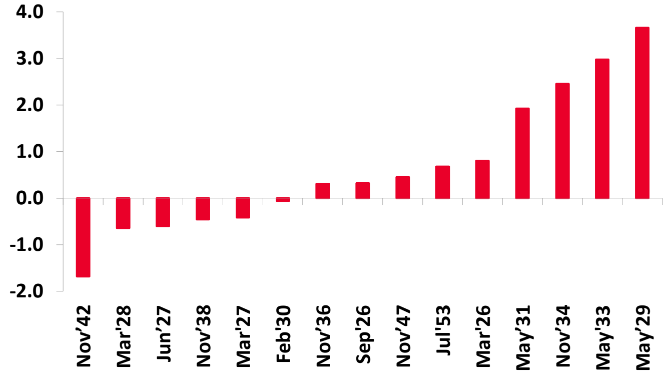
Fixed–Income Demand – Primary dealers

Market makers' short positions on Mbonos
MXN billion



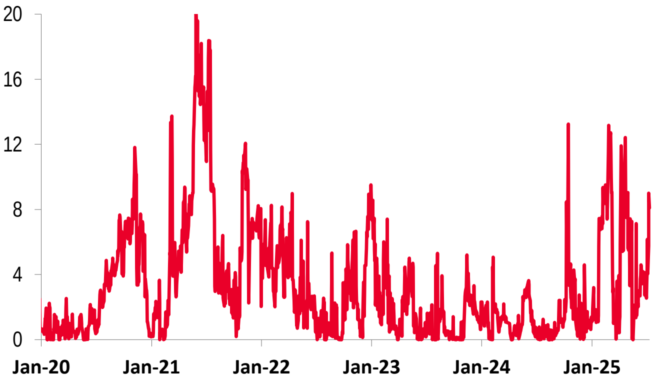
Source: Banxico, Banorte *May'33 issued in December 2022

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



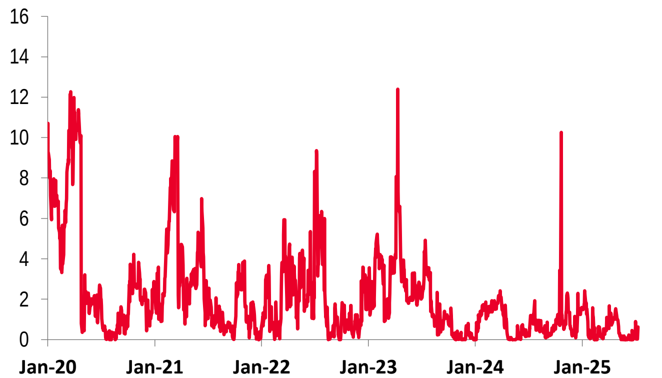
Source: Banxico, Banorte

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 Jul/10/2025	Jul/3/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	15,435	95	51	18	261	1,028	0
Sep'26	10,084	159	141	43	387	484	0
Mar'27	15,940	8	30	25	107	287	1
Jun'27	18,185	33	66	86	213	494	11
Mar'28*	12,613	55	90	46	--	366	0
Mar'29	21,801	85	80	279	281	566	0
May'29	21,788	625	428	138	15	625	0
May'31	25,627	435	332	200	5	707	0
May'33	17,146	393	233	170	292	393	0
Nov'34	23,835	496	364	494	223	1,166	64
Nov'36	5,455	92	76	24	377	477	5
Nov'38	11,793	2	27	36	19	210	0
Nov'42	22,727	33	123	24	54	210	0
Nov'47	14,103	34	10	3	51	130	0
Jul'53	21,971	43	6	59	118	231	0
Total	**258,504**	**2,545**	**2,051**	**1,587**	**2,286**		

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

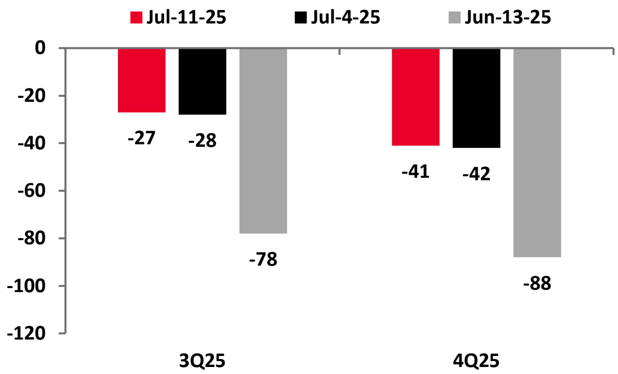
Fixed–Income Technicals

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	8	51	27	49	130	-31
3 months	-15	11	-8	-4	39	-31
6 months	-6	8	-8	-8	30	-35
12 months	17	22	11	14	47	-7

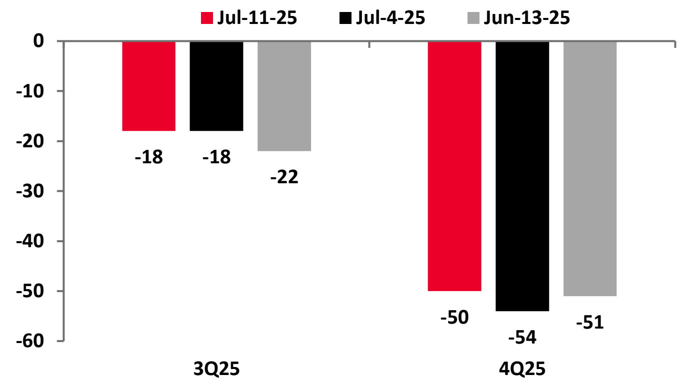
Source: PiP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate
Basis points



Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds
Basis points



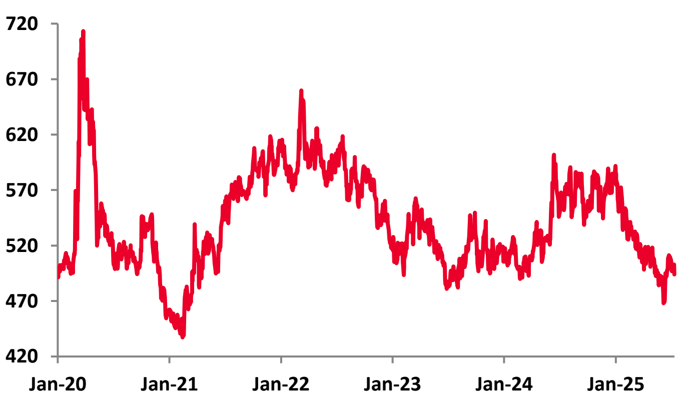
Source: Bloomberg, Banorte

Spreads between Mbonos and UST
Basis ponts

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	429	-1	18	-124	644	404	524
5 year	473	0	-6	-86	610	452	537
10 year	502	5	11	-83	592	468	542
20 year	498	5	-2	-87	593	489	545
30 year	501	6	-6	-100	605	494	554

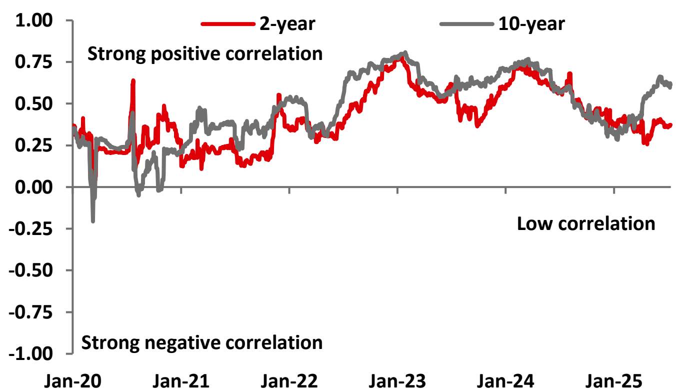
Source: Bloomberg, Banorte

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	52	4	-21	32	79	-72	12
2/10	126	11	0	61	136	-85	40
2/30	179	15	-12	77	207	-69	84
5/10	73	7	21	29	74	-18	28
10/30	53	4	-12	16	74	16	44
TIIE-F*							
3m/2Y	-33	6	13	47	-33	-191	-91
2/5	25	2	1	21	29	-51	0
2/10	68	5	3	44	76	-46	26
2/30	84	5	1	51	92	-41	36
5/10	43	3	1	24	51	2	26
10/30	15	0	-2	6	20	-4	10
TIIE-F – Mbonos*							
2 year	-62	3	-14	-26	-26	-107	-64
5 year	-89	1	8	-25	-60	-125	-92
10 year	-119	-3	-11	-53	-64	-130	-98
20 year	-145	-6	-4	-58	-78	-165	-125
30 year	-157	-7	-1	-66	-83	-180	-136
TIIE-F – SOFR*							
2 year	392	2	6	-114	573	370	459
5 year	423	2	5	-92	559	397	468
10 year	439	3	1	-92	559	419	485
20 year	434	0	-6	-105	567	423	490
30 year	431	0	-7	-122	580	422	496

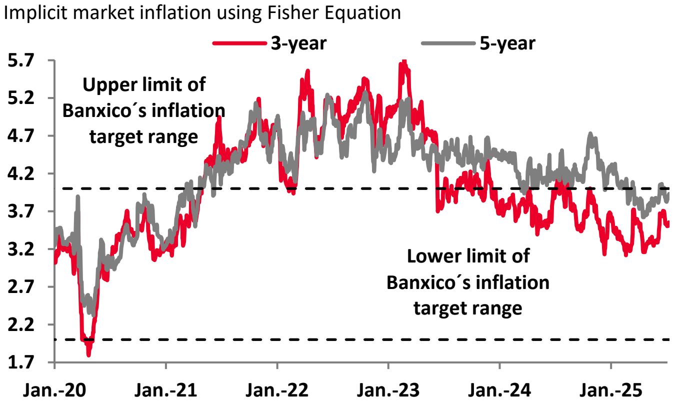
Source: Bloomberg, Banorte
Note: TIIE-F IRS history since September 5th, 2024

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

Date	07/10/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.52	3.50 (+2bps)	3.63 (-11bps)	3.98 (-46bps)	4.21	3.12	3.54
5Y	3.92	3.85 (+7bps)	4.05 (-13bps)	4.16 (-24bps)	4.73	3.62	4.10
10Y	4.19	4.17 (+2bps)	4.08 (+11bps)	4.42 (-23bps)	4.75	3.92	4.29
20Y	4.64	4.55 (+9bps)	4.59 (+5bps)	4.55 (+9bps)	5.01	4.25	4.64
30Y	4.80	4.68 (+12bps)	4.75 (+5bps)	4.64 (+16bps)	5.00	4.37	4.73

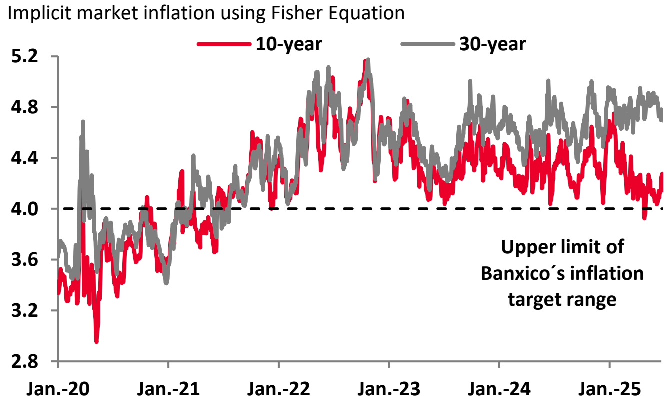
Source: Bloomberg, Banorte

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

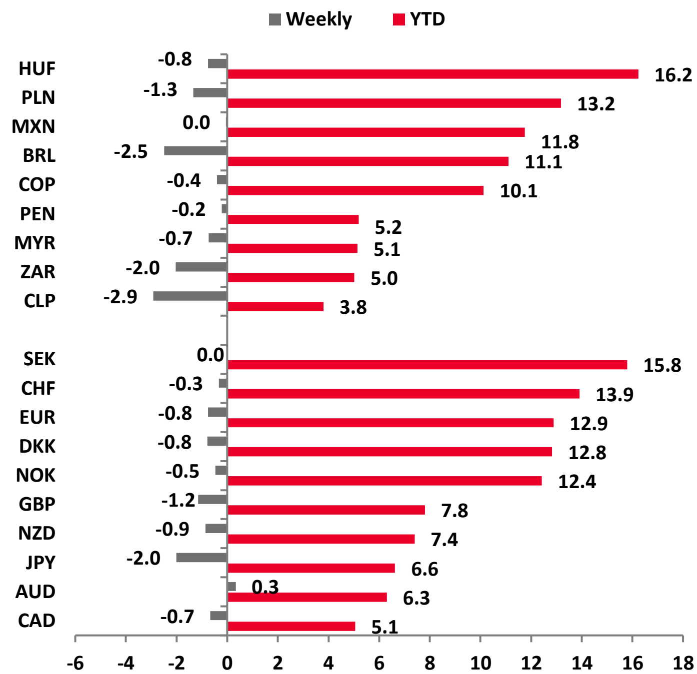
FX dynamics

Foreign Exchange market levels and historical return

		Current	Daily Change (%)[1]	Weekly change (%)[1]	Monthly change (%)[1]	YTD (%)[1]
Emerging Markets						
Brazil	USD/BRL	5.56	-0.5	-2.5	-0.4	11.1
Chile	USD/CLP	958.48	-0.9	-2.9	-2.5	3.8
Colombia	USD/COP	4,000.65	0.3	-0.4	4.5	10.1
Peru	USD/PEN	3.56	-0.3	-0.2	1.9	5.2
Hungary	USD/HUF	341.94	-0.3	-0.8	1.8	16.2
Malaysia	USD/MYR	4.25	-0.1	-0.7	-0.4	5.1
Mexico	**USD/MXN**	**18.64**	**-0.2**	**0.0**	**1.5**	**11.8**
Poland	USD/PLN	3.65	-0.4	-1.3	1.4	13.2
South Africa	USD/ZAR	17.94	-1.1	-2.0	-1.2	5.0
Developed Markets						
Canada	USD/CAD	1.37	-0.3	-0.7	-0.1	5.1
Great Britain	GBP/USD	1.35	-0.6	-1.2	-0.4	7.8
Japan	USD/JPY	147.43	-0.8	-2.0	-1.9	6.6
Eurozone	EUR/USD	1.1689	-0.1	-0.8	1.8	12.9
Norway	USD/NOK	10.13	-0.5	-0.5	-0.6	12.4
Denmark	USD/DKK	6.38	-0.1	-0.8	1.7	12.8
Switzerland	USD/CHF	0.80	0.1	-0.3	3.0	13.9
New Zealand	NZD/USD	0.60	-0.4	-0.9	-0.4	7.4
Sweden	USD/SEK	9.56	-0.6	0.0	0.0	15.8
Australia	AUD/USD	0.66	-0.2	0.3	1.2	6.3

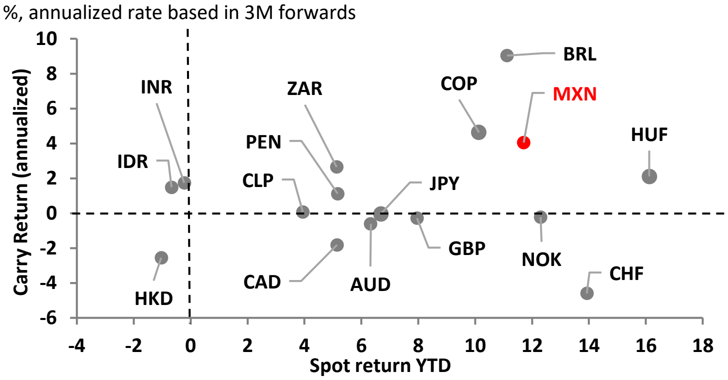
Source: Bloomberg, Banorte
1. Positive (negative) changes mean appreciation (depreciation) of the corresponding currency against the USD.

FX performance
Against USD, %



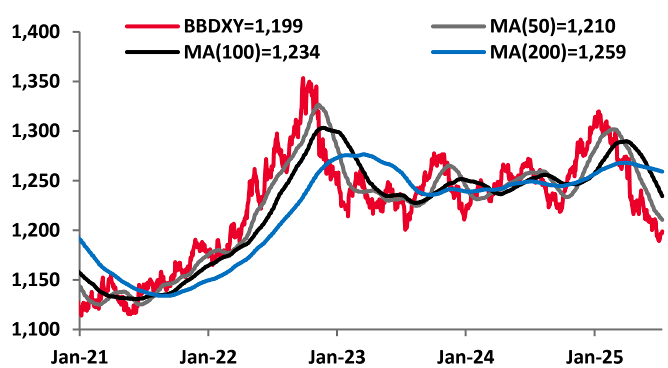
Source: Bloomberg, Banorte

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



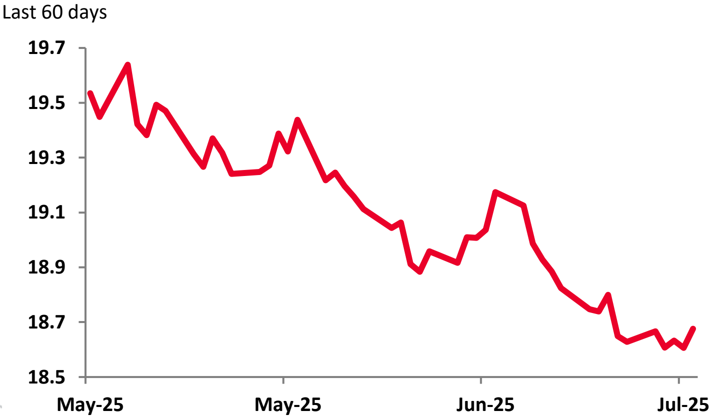
Source: Bloomberg, Banorte

BBDXY
Points



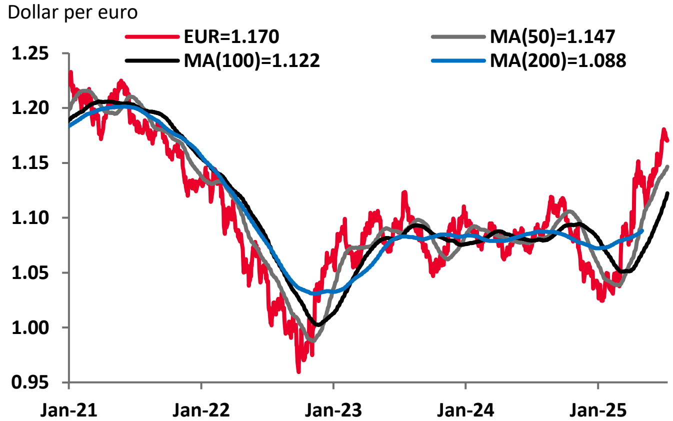
Source: Bloomberg, Banorte

USD/MXN
Last 60 days



Source: Bloomberg, Banorte

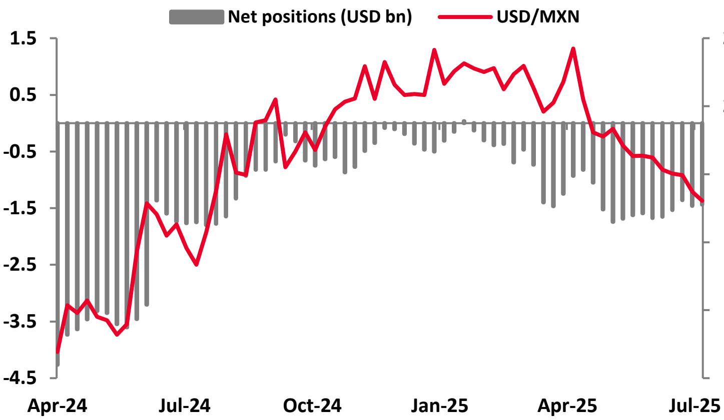
Euro
Dollar per euro



Source: Bloomberg, Banorte

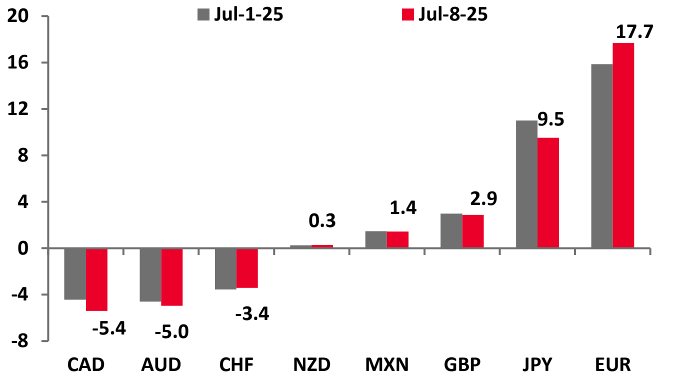
FX positioning and flows

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



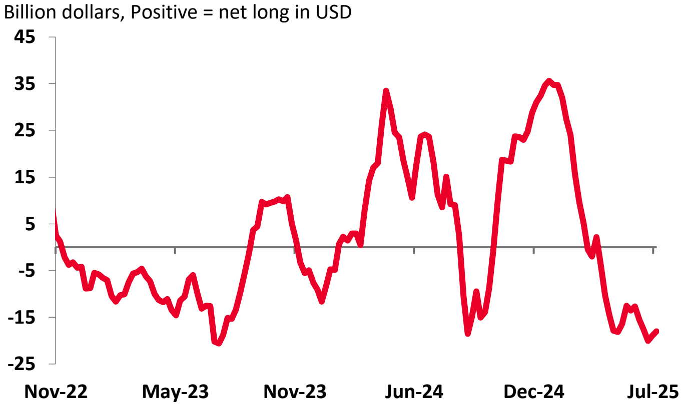
Source: CME, Banorte

IMM positioning by currency*
Billion dollars



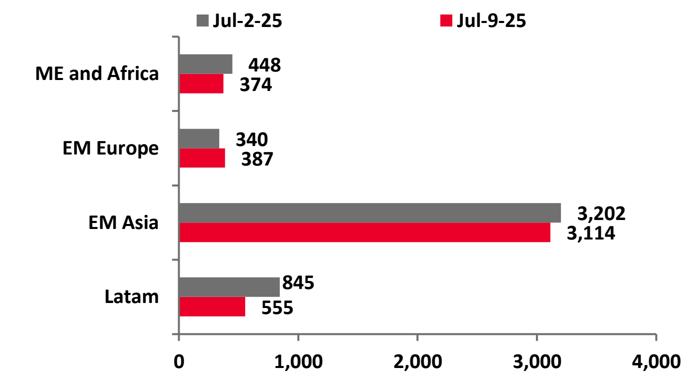
* Positive: Net long in the corresponding currency
Source: CME, Banorte

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



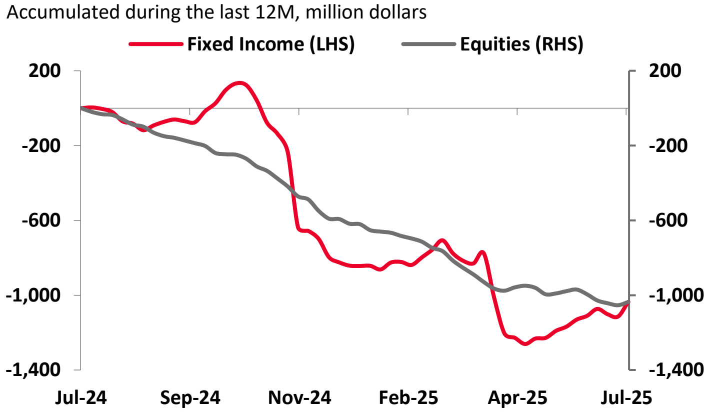
*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF
Source: CME, Banorte

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



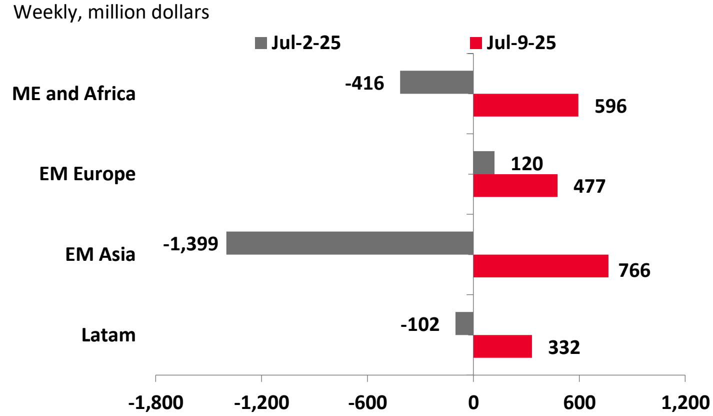
Source: EPFR Global, Banorte

Foreign portfolio flows into Mexico (excluding ETF's investments)
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

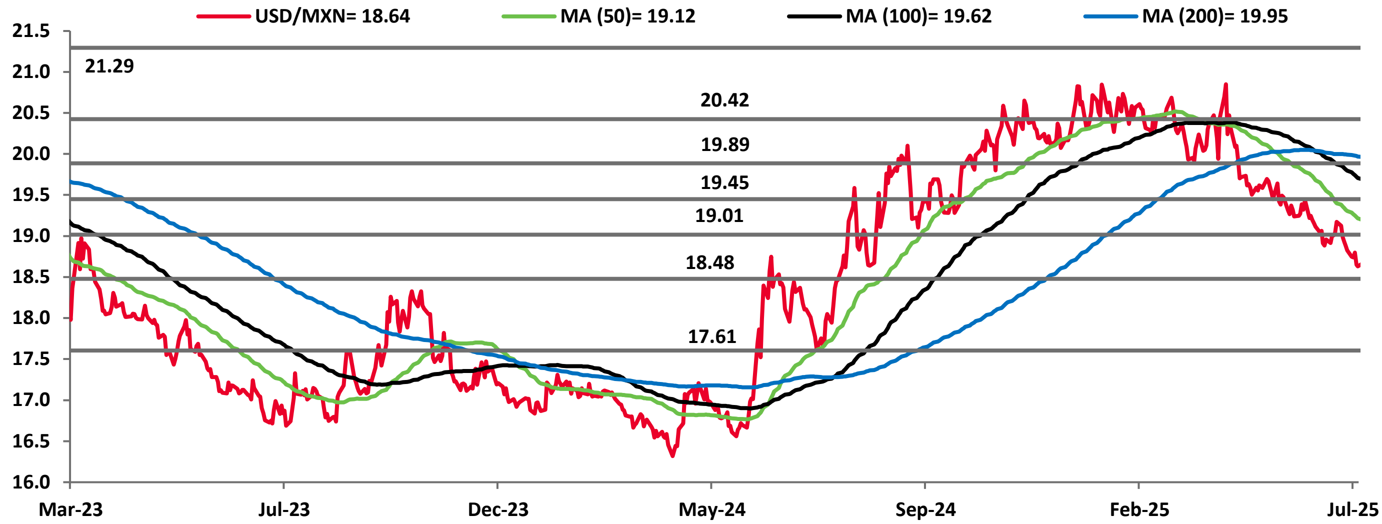
Net foreign portfolio flows by region (excluding ETF's investments)
Weekly, million dollars



Source: EPFR Global, Banorte

FX technicals

USD/MXN – Moving averages and Fibonacci retracement
Last 12 months



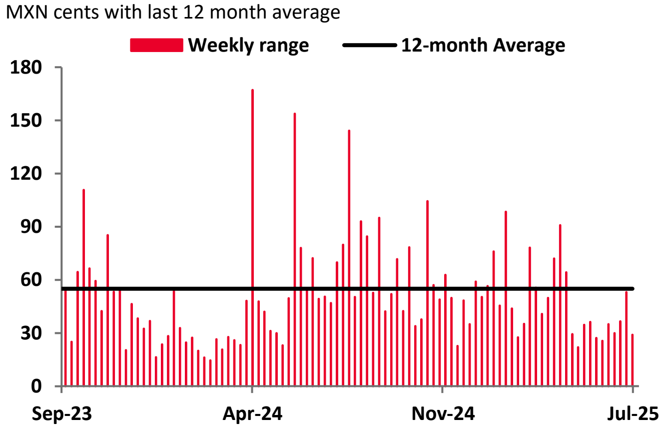
Source: Bloomberg, Banorte

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	51	55	-2	71	35
CAD	36	26	6	78	45
JPY	44	41	-49	53	1
BRL	40	47	37	87	57
CLP	54	55	4	79	44
ZAR	55	53	-9	76	47
VIX	31	21	-17	76	31
SPX	46	37	-13	70	33
GSCI	-23	-19	-23	78	27
Gold	3	21	-15	55	16

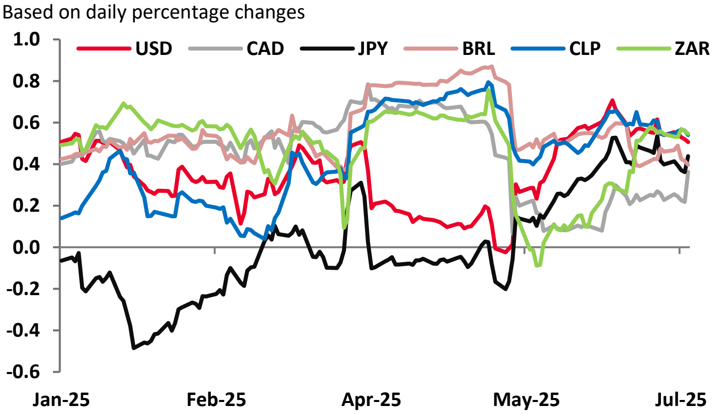
* Positive: appreciation of MXN and corresponding asset except VIX
Source: Bloomberg, Banorte

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



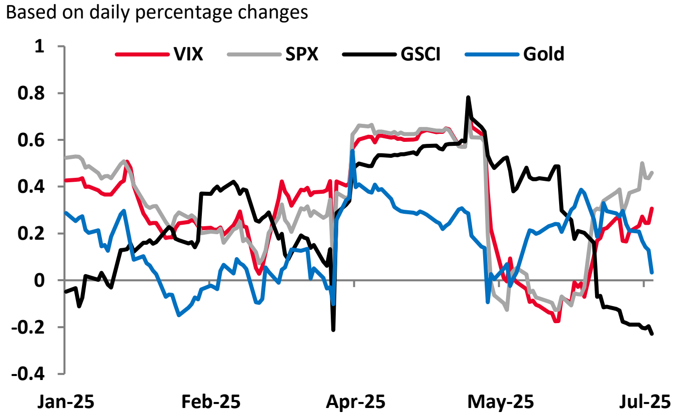
Source: Bloomberg, Banorte

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



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

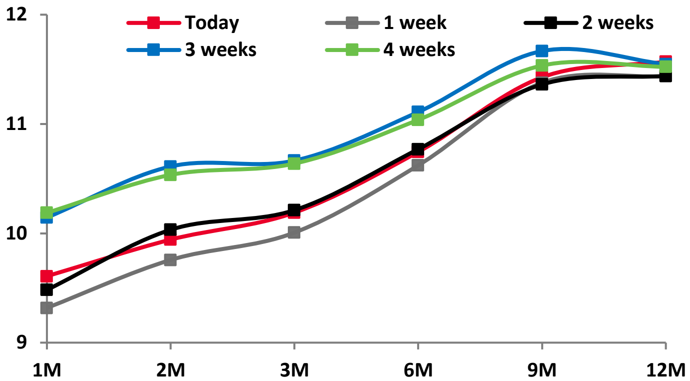
USD/MXN – 1-month correlation with other assets*
Based on daily percentage changes



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

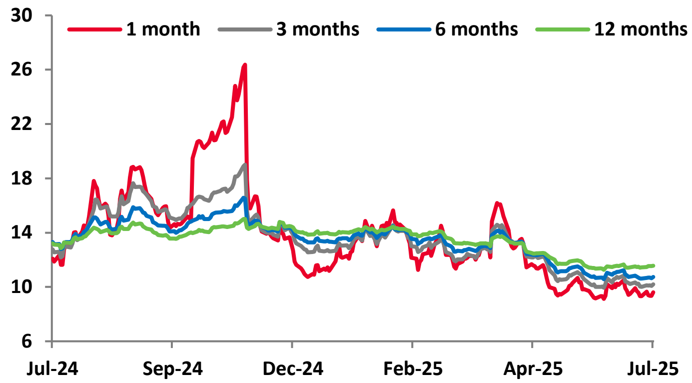
FX technicals (continued)

USD/MXN – ATM options volatility curve



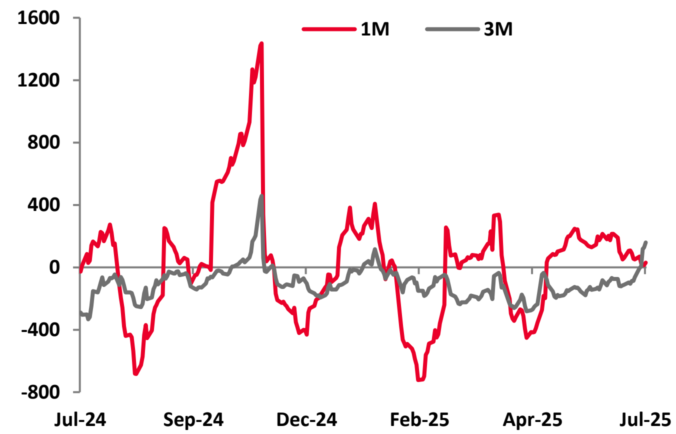
Source: Bloomberg, Banorte

USD/MXN – Implied volatility



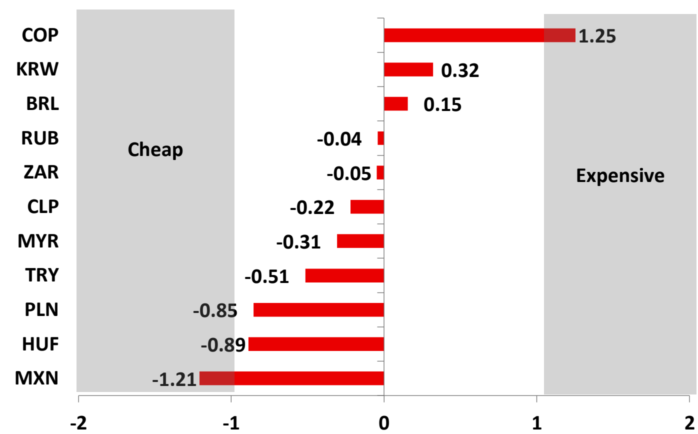
Source: Bloomberg, Banorte

USD/MXN – Spread between implicit and historical volatility



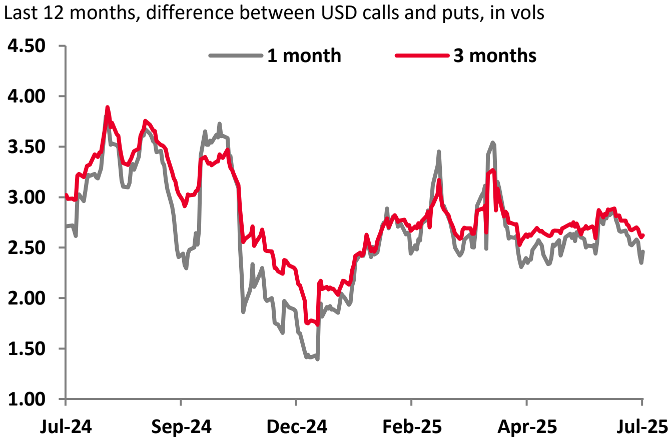
Source: Bloomberg, Banorte

Emerging markets 1-month ATM options volatility



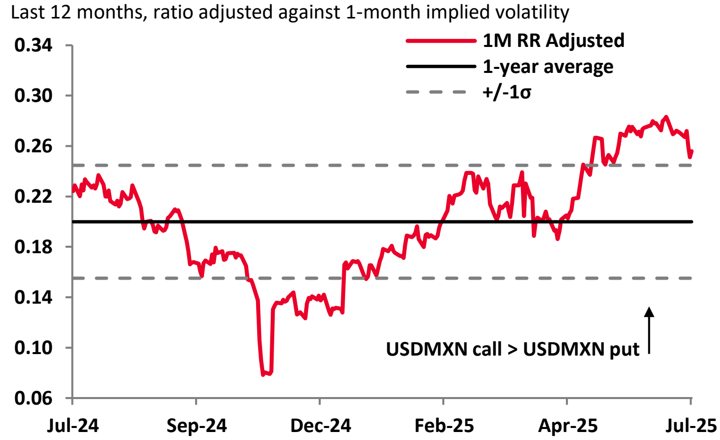
Source: Bloomberg, Banorte

USD/MXN – 25D risk reversals



Source: Bloomberg, Banorte

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



Source: Bloomberg, Banorte

Weekly economic calendar

For the week ending July 20th, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 14	08:00	BZ	Economic activity	May	% y/y	--	4.1	2.5
	08:00	BZ	Economic activity*	May	% m/m	--	-0.1	0.2
	22:00	CHI	Gross domestic product	2Q25	% y/y	--	5.1	5.4
	22:00	CHI	Gross domestic product	2Q25	% t/t	--	0.9	1.2
	22:00	CHI	Industrial production	Jun	% y/y	--	5.6	5.8
	22:00	CHI	Retail sales	Jun	% y/y	--	5.2	6.4
	22:00	CHI	Gross fixed investment (YTD)	Jun	% y/y	--	3.6	3.7
Tue 15	05:00	GER	ZEW Survey (Expectations)	Jul	index	--	50.7	47.5
	05:00	EZ	Industrial production*	May	% m/m	--	0.7	-2.4
	08:30	US	Empire Mmanufacturing*	Jul	index	-11.0	-9.0	-16.0
	08:30	US	Consumer prices*	Jun	% m/m	0.3	0.3	0.1
	08:30	US	Ex. food & energy*	Jun	% m/m	0.3	0.3	0.1
	08:30	US	Consumer prices	Jun	% y/y	2.6	2.6	2.4
	08:30	US	Ex. food & energy	Jun	% y/y	2.9	2.9	2.8
	09:15	US	Fed´s Bowman gives welcoming remarks at Fed conference					
	11:00	MX	International reserves	Jul 11	US$bn	--	--	241.9
	12:45	US	Fed´s Barr speaks on financial inclusion at Fed's conference					
	13:00	US	Fed's Barkin Gives Speech in Baltimore					
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 5-year Mbono (Feb'30), 10-year Udibono (Aug'34) and 1- and 3-year Bondes F					
	14:45	US	Fed's Collins Gives Keynote Remarks					
	19:45	EUA	Fed's Logan Speaks on the Economy					
Wed 16	02:00	UK	Consumer prices	Jun	% y/y	--	3.4	3.4
	02:00	UK	Core	Jun	% y/y	--	3.5	3.5
	05:00	EZ	Trade balance*	May	EURbn	--	13.0	14.0
	08:30	US	Producer prices*	Jun	% m/m	--	0.2	0.1
	08:30	US	Ex. food & energy prod*	Jun	% m/m	--	0.2	0.1
	09:15	US	Industrial production*	Jun	% m/m	0.0	0.1	-0.2
	09:15	US	Manufacturing production*	Jun	% m/m	0.1	0.0	0.1
	09:15	US	Fed's Hammack Speaks on Community Development					
	10:00	US	Fed´s Barr speaks at Brookings event on financial regulation					
	14:00	US	*Beige Book*					
	17:30	US	Fed's Williams Speaks on Economic Outlook, Policy					
		US	Fed's Barkin Gives Speech in Westminister, MD					
Thu 17	02:00	UK	Unemployment rate*	May	%	--	4.6	4.6
	05:00	EZ	Consumer prices	Jun (F)	% y/y	--	2.0	2.0
	05:00	EZ	Core	Jun (F)	% y/y	--	2.3	2.3
	08:30	US	Advance retail sales*	Jun	% m/m	0.0	0.1	-0.9
	08:30	US	Ex autos & gas*	Jun	% m/m	--	0.3	-0.1
	08:30	US	Control group*	Jun	% m/m	0.3	0.3	0.4
	08:30	US	Philadelphia Fed*	Jul	index	-2.5	0.0	-4.0
	08:30	US	Initial jobless claims*	Jul 12	thousands	230	232	227
	10:00	US	Fed´s Kugler speaks on housing and the US economic outlook					
	13:30	US	Fed´s Cook speaks on AI and innovation					
	10:00	US	Fed´s Waller speaks on US economic outlook and monetary policy					
Fri 18	04:00	EZ	Current account*	May	EURbn	--	--	19.8
	08:00	MX	Timely Indicator of Economic Activity*	Jun	% y/y	--	--	-0.3
	08:30	US	Housing starts**	Jun	thousands	--	1,300	1,256
	08:30	US	Building permits**	Jun	thousands	--	1,389	1,394
	10:00	US	U. of Michigan confidence*	Jul (P)	index	60.5	61.5	60.7
Sun 20	21:00	CHI	Rate decision 1-year Loan Prime Rate	Jul 21	%	--	3.00	3.00
	21:00	CHI	Rate decision 5-year Loan Prime Rate	Jul 21	%	--	3.50	3.50

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, 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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Guide for investment recommendations.

	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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Directory

Research and Strategy

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

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

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

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

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

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

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

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

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

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

Market Strategy

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

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

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

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

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

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

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

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

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

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

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

Quantitative Analysis

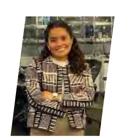
Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

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

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

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

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



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

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