

Fixed-Income & FX Strategy

W e e k l y

Fixed-Income and FX Weekly

- Trade progress and earnings backing optimism.** Equity markets continued to rally to fresh highs, supported by a weekly backdrop that included USD consolidation (DXY - 0.8% w/w) and flattening in the USTs curve. Market focus remains on the trade front, ahead of the August 1st deadline for the potential reciprocal US tariffs. Sentiment has improved following progress in bilateral negotiations highlighting Japan and the prospect of a similar agreement with the European Union that would establish a general 15% tariff. In parallel, earnings season continues to reveal notable resilience. So far, approximately 34% of S&P 500 companies have reported results, with aggregate earnings growth of 8.3%, well above the 2.8% initially projected for the period. Moreover, the positive surprise rate stands at 83%, compared to 78% in the previous quarter. Against this backdrop and with July's first half [inflation surprising to the downside](#), shorter-term Mbonos rallied ~9bps w/w, TIIE swaps advanced 4bps, and the MXN appreciated 1.1% to 18.55, touching new YTD lows of 18.53 intraday
- Next week: Fed, labor market, and tariffs.** We do not expect changes in the Fed's policy decision on Wednesday; however, given recent commentary, Waller and Bowman could dissent in favor of a rate cut. The US calendar will be heavy, with key releases including July's labor data, PCE, and GDP. Following the US-Japan trade agreement, the BoJ may adopt a more hawkish tone. Other central bank decisions are due from Brazil, Canada, South Africa, Chile, and Colombia. As the August 1st tariff deadline approaches, Bessent is scheduled to meet with Chinese officials. In Mexico, focus will be on the preliminary 2Q25 GDP and PEMEX's quarterly results
- Value in the short-end and belly of the nominal curve.** The market prices close to 50bps of cumulative Fed cuts in 2025, consistent with our call. In our view, the Fed's cautious stance has kept Treasury yields elevated, leaving room for a downward correction if the economy weakens. [We now see the 10-year UST at 4.10%](#) by the end of the year (current: 4.39%), revised higher from our previous estimate of 3.80%. We see a more modest downside in yields due to the US growing fiscal deficit and the Treasury's financing needs. Term premia at this tenor rose sharply in 2Q25 and reached its highest since mid-2014 in May. Domestically, the market has discounted a year-end Banxico rate of ~7.60% and a terminal interest rate of ~7.50% in 2026, both above [our estimate of 7.00%](#). Additionally, we anticipate that policy rate differentials between Mexico and the US will stand at 300bps and 350bps at the end of 2025 and 2026, respectively, below the ~355bps and ~410bps currently implied by market pricing. As such, we reiterate our directional preference for the short-end and belly segments of the nominal curve (up to 3–5 years). In addition to our open [2-year TIIE-F](#) recommendation, the belly of the Mbonos curve offers an attractive carry profile for positioning ahead of a potential convergence between market pricing and our Banxico outlook
- USD/MXN forecasts revised lower, with the peso supported by further compression in risk premia.** [We now forecast USD/MXN at 19.50](#) by year-end 2025 (previously: 20.10), with a floor of 18.00 over the coming months. For 2026, we project the peso at 19.20. USD weakness has coincided with a broad-based decline in global risk premia. Amid risk asymmetry, we do not see MXN longs attractive. Moreover, MXN begins to exhibit some degree of overvaluation according to our fair value models and measures of idiosyncratic risk premia
- Weekly ranges.** We expect the 10-year Mbono (Feb'36) to trade between 9.40% and 9.60%, and MXN between 18.40 and 18.80 per dollar



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Fixed-Income Dynamics

Fixed-income securities performance

Security	YTM (%)	Weekly change (bps)	Δ last 4 weeks (bps)	YTD (bps)	12m Max (%)	12m Min (%)	12m Average (%)
Overnight TIIE funding rate							
1-day	8.00	3	-52	-220	11.05	7.96	9.72
28-days ¹	8.02	-13	-50	-225	11.06	8.02	9.87
91-days ¹	8.07	-13	-51	-229	11.17	8.07	9.95
182-days ¹	8.16	-14	-52	-234	11.33	8.16	10.08
Cetes²							
28-days	7.89	-9	-18	-212	11.03	7.67	9.52
91-days	8.00	1	-8	-200	11.14	7.94	9.52
182-days	8.02	-6	-10	-193	11.24	8.02	9.48
364-days	8.17	-13	-9	-190	11.34	8.17	9.52
Mbonos							
Mar'26	8.10	-8	-2	-171	10.71	8.10	9.20
Sep'26	7.94	-15	-15	-184	10.61	7.94	9.12
Mar'27	8.10	-5	-4	-167	10.16	8.06	9.04
Jun'27	8.08	-6	-6	-174	10.10	8.04	9.06
Mar'28 ³	8.43	0	7	-150	9.99	8.27	8.94
Mar'29	8.68	6	11	-129	10.09	8.45	9.29
May'29	8.70	7	10	-127	10.07	8.49	9.29
Feb'30 ⁴	8.82	6	12	-88	9.69	8.59	8.97
May'31	8.91	5	9	-113	10.08	8.66	9.39
May'33	9.22	7	13	-100	10.34	8.90	9.57
Nov'34	9.31	4	11	-111	10.45	9.01	9.64
Feb'36 ⁵	9.49	-1	11	17	9.50	9.28	9.39
Nov'36	9.39	1	5	-102	10.45	9.03	9.66
Nov'38	9.69	1	7	-86	10.60	9.26	9.87
Nov'42	9.93	0	6	-77	10.76	9.44	10.08
Nov'47	9.99	-1	4	-76	10.79	9.43	10.11
Jul'53	9.99	-1	6	-81	10.81	9.44	10.12
TIIE-F IRS⁶							
3-month (3x1)	7.81	-7	-14	-213	10.62	7.81	9.26
6-month (6x1)	7.71	-9	-15	-201	10.40	7.71	9.01
9-month (9x1)	7.66	-9	-12	-193	10.17	7.66	8.84
1-year (13x1)	7.62	-8	-7	-180	9.95	7.61	8.66
2-year (26x1)	7.58	-4	1	-157	9.66	7.44	8.38
3-year (39x1)	7.66	-4	7	-146	9.52	7.47	8.33
4-year (52x1)	7.77	-4	9	-138	9.46	7.56	8.35
5-year (65x1)	7.88	-3	13	-131	9.43	7.64	8.38
7-year (91x1)	8.09	-2	15	-117	9.42	7.84	8.50
10-year (130x1)	8.32	-3	15	-106	9.46	8.09	8.65
20-year (3x1)	8.57	0	16	-91	9.59	8.28	8.83
30-year (390x1)	8.49	-2	15	-98	9.50	8.19	8.76
Udibonos							
Dec'25	4.20	-14	-17	-197	6.62	4.20	5.87
Dec'26	4.30	-13	-19	-179	6.36	4.29	5.56
Nov'28	4.61	4	-2	-86	5.54	4.48	5.06
Aug'29 ⁷	4.60	-3	-6	-42	5.17	4.53	4.88
Nov'31	4.97	13	13	-51	5.53	4.70	5.10
Aug'34	5.06	8	8	-43	5.76	4.70	5.22
Nov'35	5.02	5	2	-46	5.62	4.71	5.14
Nov'40	4.99	5	2	-52	5.72	4.75	5.15
Nov'43	5.05	6	4	-46	5.73	4.81	5.19
Nov'46	4.93	7	1	-58	5.70	4.75	5.14
Nov'50	4.92	6	1	-59	5.71	4.76	5.15
Oct'54	4.91	6	0	-66	5.71	4.70	5.13

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

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	4.40	+2	-56	3.91	+5	-33	49	-3	69
3Y	Feb'28	4.63	+9	-110	3.86	+2	-41	77	+7	92
5Y	May'30	5.16	+2	-72	3.95	+0	-44	121	+2	137
7Y	Jul'32	5.77	+4	-34	4.15	-2	-33	163	+6	154
10Y	Feb'35	6.17	+4	-31	4.38	-3	-19	179	+7	185
20Y	Jan'45	6.59	-1	-44	4.92	-6	+6	167	+5	195
30Y	May'55	7.21	-5	-2	4.92	-7	+14	228	+2	243

Source: Bloomberg, Banorte

5Y USD UMS



10Y USD UMS



5Y UMS-UST Spread



10Y UMS-UST Spread



Fixed-Income Supply

- **Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 24-month Cetes, the 3-year Mbono (Mar'28), the 30-year Udibono (Oct'54), as well as 1-, 3- and 7-year Bondes F
- **Robust demand for short-term securities.** We anticipate sustained appetite for Cetes, particularly for the 1- and 3-month tenors. Yields remain attractive relative to other EM peers and have yet to fully price in Banxico's expected easing cycle. In this context, we forecast the benchmark rate to end the year at 7.00%, below market expectations of 7.60%, assuming a deceleration in the pace of rate cuts from 50bps to 25bps starting with the August meeting. Additionally, demand should continue to be supported by sizable upcoming maturities. This week, the short-end of the Mbonos' curve exhibited a more defensive performance relative to other segments. The 3-year Mbono (Mar'28) is trading around 8.40% (unchanged w/w). We see further room for gains as the market aligns with our lower rate outlook. Accordingly, we expect stronger demand relative to the previous auction, which saw a bid-to-cover ratio of 2.09x. Conversely, we anticipate limited appetite in the long-end Udibono (Oct'54), as current valuations screen unattractive. The latest auction drew a bid-to-cover of 1.65x, below the 2-year average of 1.84x. Meanwhile, the 30-year breakeven inflation rate stands near 4.80%, remaining above the 12-month average, whereas shorter-dated breakevens are trading below the 4.00% threshold

Auction specifics (July 29th, 2025)

Security	Maturity	Coupon rate, %	To be auctioned ¹	Previous yield ²
Cetes				
1m	Aug-28-25	--	7,000	7.65
3m	Oct-30-25	--	7,000	7.95
6m	Jan-22-26	--	14,200	8.06
24m	Jul-08-27	--	17,000	8.23
Bondes F*				
1Y	Jul-30-26	--	11,950	0.06
3Y	Jun-15-28	--	11,950	0.21
7Y	Jan-29-32	--	11,950	0.23
Bono M				
3Y	Mar-02-28	8.50	16,500	8.38
Udibono				
30Y	Oct-29-54	4.00	UDIS 1,150	4.99

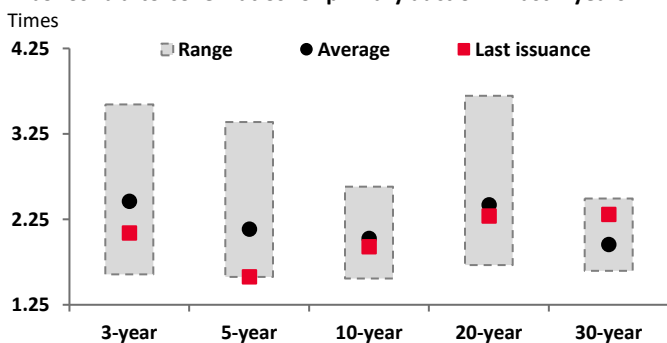
Source: Banxico, Banorte *Maximum amount to be auctioned among Bondes F together
 1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.
 2. Yield-to-maturity reported for Cetes,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

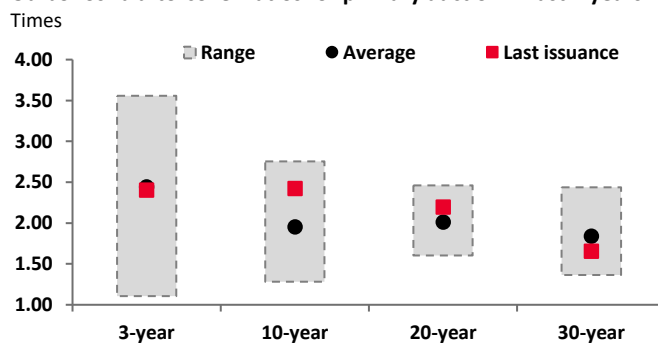
Source: SHCP *Ministry of Finance *In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance
 For more information, refer to [3Q25 Auction Calendar](#)

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



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

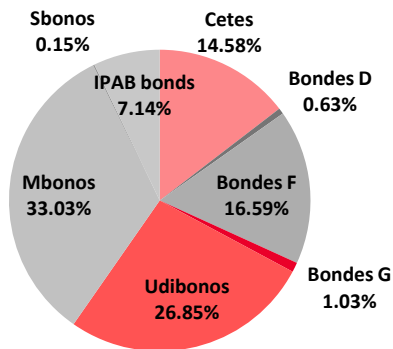
US\$ billion, *UDIS billion, data as of Jul/15/2025

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	118.43	10.33	19.15	24.44	6.18	14.06	2.99	2.04	-	39.25
Bondev D	5.13	-	0.18	2.84	0.17	1.19	0.00	-	-	0.76
Bondev F	134.74	0.04	6.13	77.30	2.92	14.29	4.69	0.00	-	29.36
Bondev G	8.38	0.00	0.15	3.24	0.43	1.88	1.76	-	-	0.92
Udibonos	218.13	7.65	121.05	10.08	37.69	4.28	0.94	0.08	-	36.35
Mbonos	268.27	75.04	69.89	12.02	10.02	35.71	9.74	0.69	0.80	54.35
Sbonos	1.22	0.57	0.32	0.01	0.07	0.01	-	-	-	0.24
Total	754.30	93.64	216.88	129.93	57.48	71.43	20.12	2.81	0.80	161.23
Udibonos*	482.25	16.91	267.62	22.28	83.33	9.47	2.09	0.17	-	80.38
IPAB bonds	57.98	0.01	0.88	19.21	0.22	6.05	5.53	2.46	-	23.61

Source: Banxico, Banorte

Government issuance by type of instrument

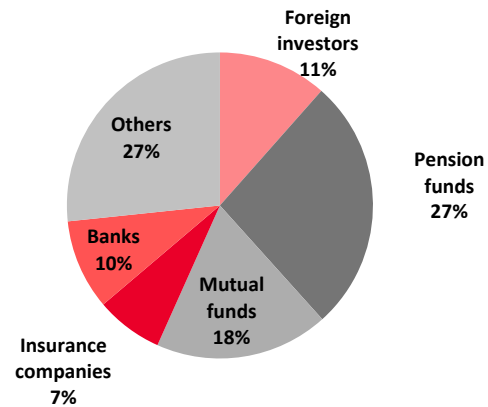
Total amount of US\$ 812 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

Government issuance by type of investor

Total amount of US\$ 812 billion (including IPAB bonds), % of total

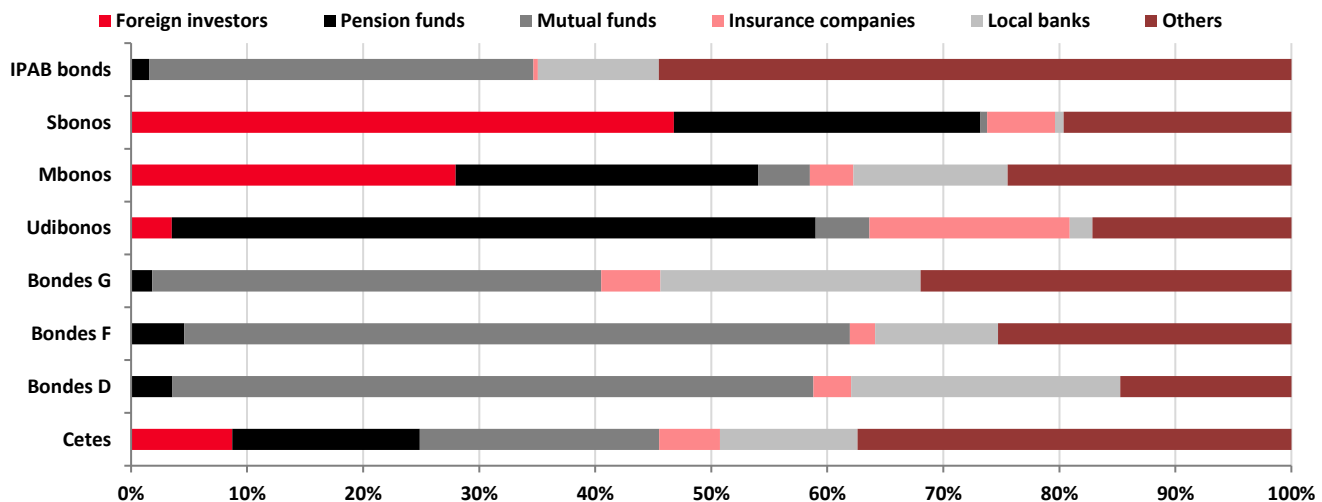


Source: Banxico, Banorte

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



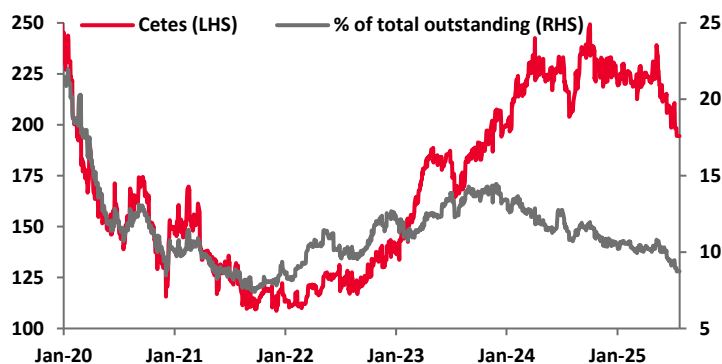
Source: Banxico, Banorte

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

Fixed-Income Demand (continued)

Cetes held by foreigners

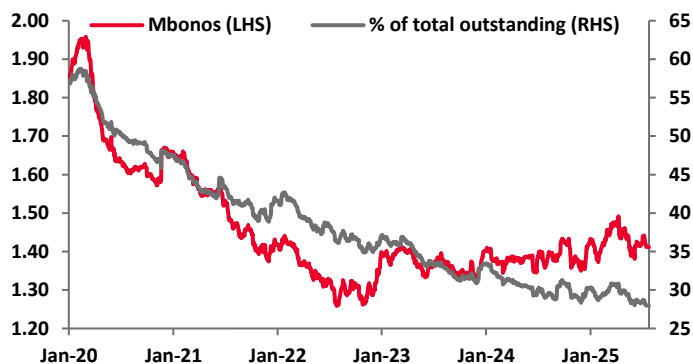
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

Holdings of main investors by type of security

Data as of Jul/15/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	-11.85	-0.94	-13.54	1.29	26.89
Bondes F	-29.24	55.76	10.63	-2.54	-0.52	8.03
Udibonos	-6.22	-14.34	1.46	8.65	11.70	29.99
Mbonos	-0.67	-1.41	0.11	13.38	-10.88	20.13

Source: Banxico, Banorte

Mbonos holdings by type of investor

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

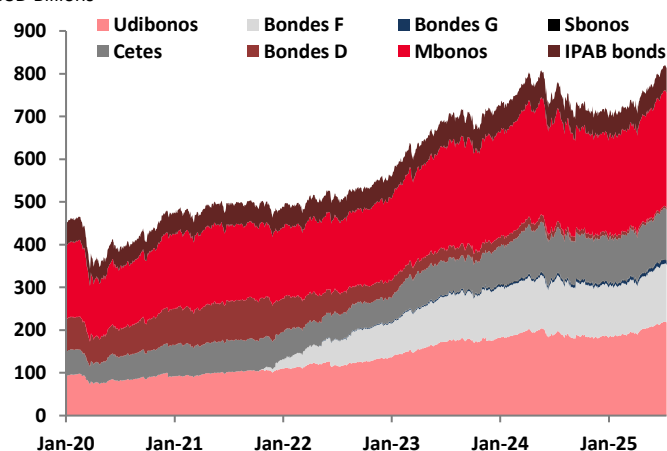
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	15.4	20%	15%	14%	52%
Sep'26	10.0	13%	24%	26%	38%
Mar'27	15.8	37%	15%	8%	39%
Jun'27	18.1	38%	19%	12%	31%
Mar'28	12.6	18%	17%	18%	47%
Mar'29	21.8	18%	33%	28%	21%
May'29	20.8	9%	30%	32%	29%
Feb'30	10.9	10%	24%	40%	26%
May'31	25.2	16%	36%	29%	19%
May'33	17.1	10%	32%	28%	30%
Nov'34	20.9	4%	46%	32%	17%
Feb'36	2.0	38%	20%	17%	25%
Nov'36	5.4	2%	16%	54%	28%
Nov'38	11.7	2%	29%	49%	19%
Nov'42	22.6	2%	32%	48%	19%
Nov'47	14.1	2%	31%	44%	23%
Jul'53	22.0	2%	31%	51%	16%
Total	266.6	13%	29%	31%	27%

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

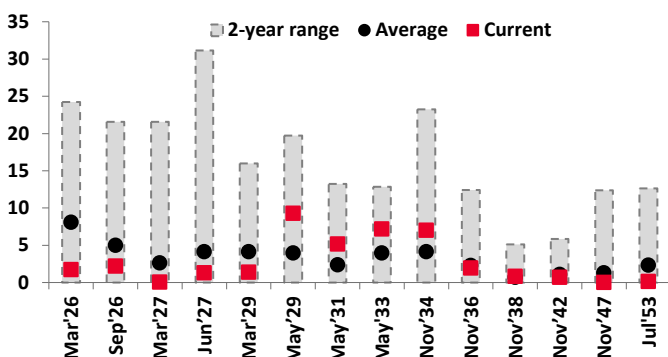


Fuente: Banxico, Banorte

Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

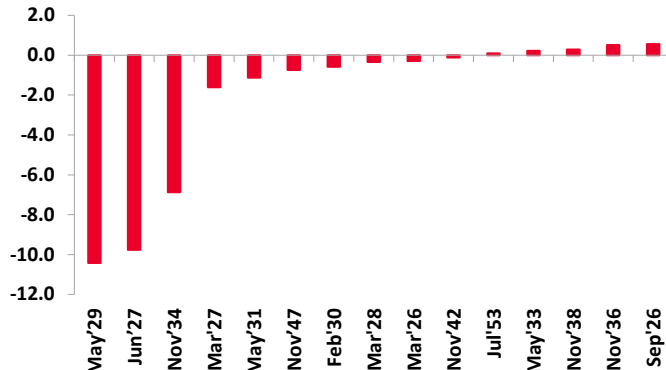
MXN billion



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

Weekly change in market makers' short positions on Mbonos

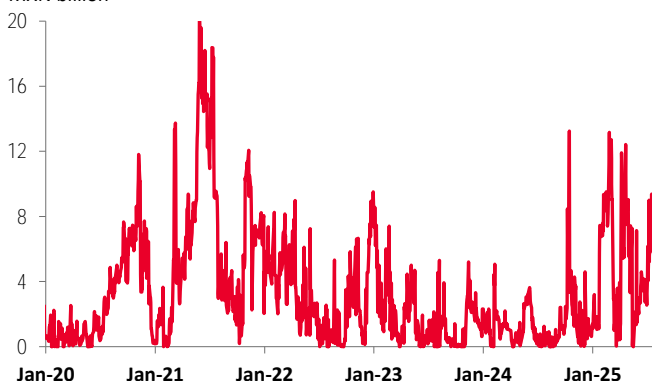
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

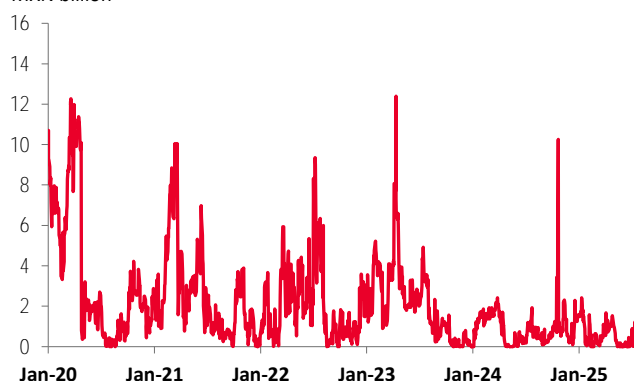
MXN billion



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 Jul/24/2025	Jul/24/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	15,484	94	110	69	208	1,031	0
Sep'26	10,076	118	88	316	672	486	0
Mar'27	15,988	3	90	174	206	288	3
Jun'27	18,280	70	596	32	383	596	11
Mar'28*	12,621	23	41	0	--	355	0
Mar'29	21,860	74	137	0	220	568	0
May'29	21,732	500	1,063	177	194	1,063	0
May'31	25,552	279	340	222	22	710	0
May'33	17,193	387	374	193	374	420	0
Nov'34	23,793	378	748	524	324	1,169	65
Nov'36	5,485	105	77	88	376	479	5
Nov'38	11,874	46	30	2	7	211	0
Nov'42	22,805	37	43	199	103	211	0
Nov'47	14,117	1	42	12	25	90	0
Jul'53	22,008	8	3	0	0	232	0
Total	258,868	2,114	3,780	2,009	3,115		

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

Fixed-Income Technicals

Spread between Cetes and Implied Forward Rates

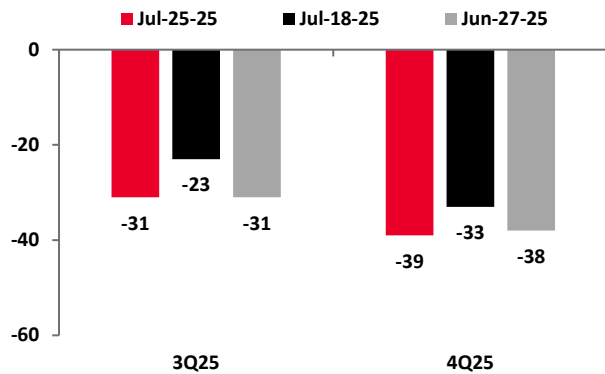
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	7	30	56	45	130	-31
3 months	-9	-17	7	-5	39	-31
6 months	-14	-15	-3	-8	30	-35
12 months	-4	6	13	13	47	-7

Source: PIP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate

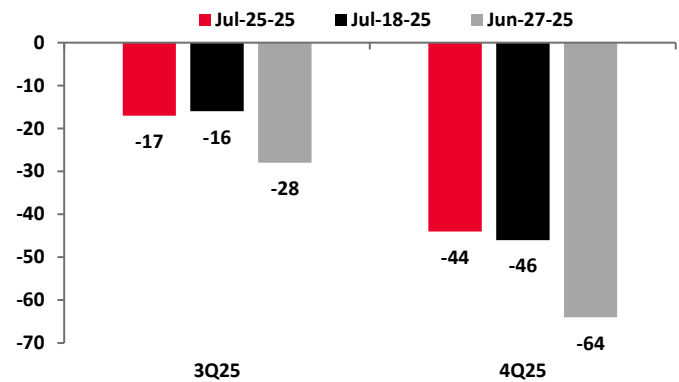
Basis points



Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

Spreads between Mbonos and UST

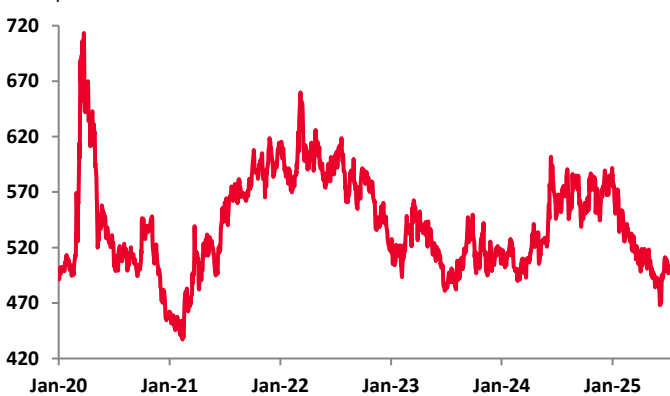
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	418	-11	-21	-135	644	404	517
5 year	486	5	-1	-73	610	452	533
10 year	510	2	0	-75	592	468	539
20 year	501	6	-3	-84	593	488	543
30 year	506	5	-3	-95	605	492	552

Source: Bloomberg, Banorte

10-year Mbono and 10-year UST spread

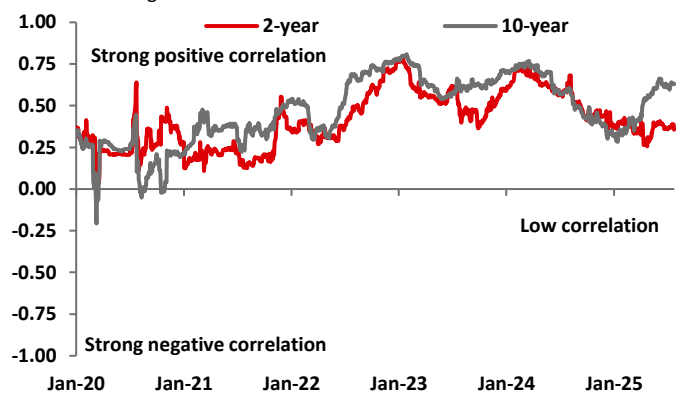
Basis points



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	72	11	15	51	79	-72	17
2/10	139	4	14	74	142	-79	48
2/30	189	5	9	87	207	-56	93
5/10	67	-7	-1	23	74	-9	31
10/30	50	0	-5	13	74	21	46
TIIE-F*							
3m/2Y	-23	3	16	57	-23	-191	-88
2/5	30	0	12	26	31	-51	1
2/10	74	1	13	50	76	-46	28
2/30	91	2	14	58	92	-41	38
5/10	44	0	1	25	51	2	27
10/30	17	1	1	8	20	-4	10
TIIE-F – Mbonos*							
2 year	-52	2	5	-16	-26	-107	-64
5 year	-94	-9	1	-30	-60	-125	-91
10 year	-117	-2	4	-50	-64	-130	-99
20 year	-136	0	10	-49	-78	-165	-125
30 year	-150	-1	10	-58	-83	-180	-136
TIIE-F – SOFR*							
2 year	391	-8	-14	-116	573	370	457
5 year	428	-5	-1	-86	559	397	467
10 year	446	-2	1	-85	559	419	483
20 year	442	1	1	-97	567	423	488
30 year	439	1	0	-115	580	422	493

Source: Bloomberg, Banorte

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

Breakeven inflation using Mbonos & Udibonos

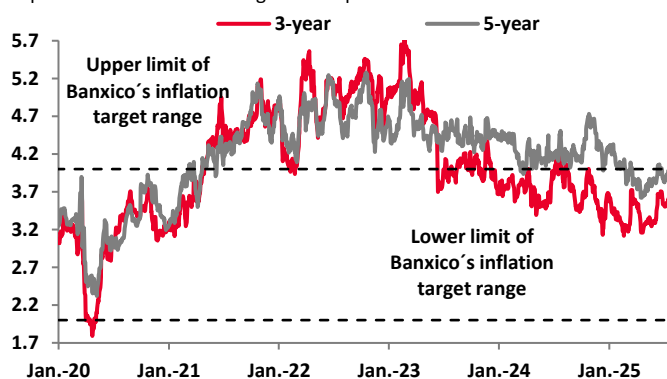
%, Implicit market inflation using Fisher Equation

Date	07/25/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.66	3.63 (+3bps)	3.53 (+13bps)	4.01 (-35bps)	4.10	3.12	3.52
5Y	4.02	4 (+2bps)	3.89 (+13bps)	4.23 (-21bps)	4.73	3.62	4.09
10Y	4.21	4.3 (-9bps)	4.19 (+2bps)	4.44 (-23bps)	4.75	3.92	4.29
20Y	4.65	4.71 (-6bps)	4.63 (+2bps)	4.55 (+10bps)	5.01	4.25	4.65
30Y	4.84	4.9 (-6bps)	4.78 (+6bps)	4.79 (+5bps)	5.00	4.37	4.74

Source: Bloomberg, Banorte

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

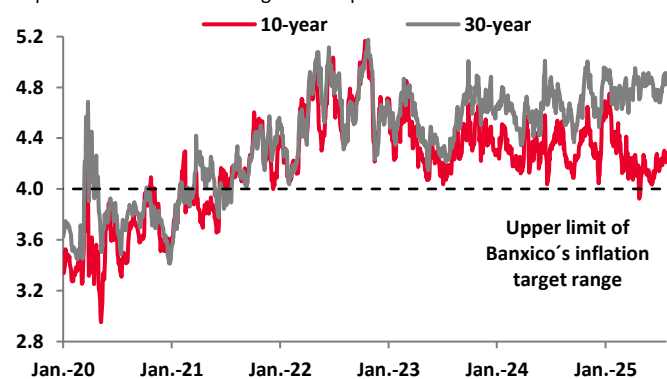
Implicit market inflation using Fisher Equation



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

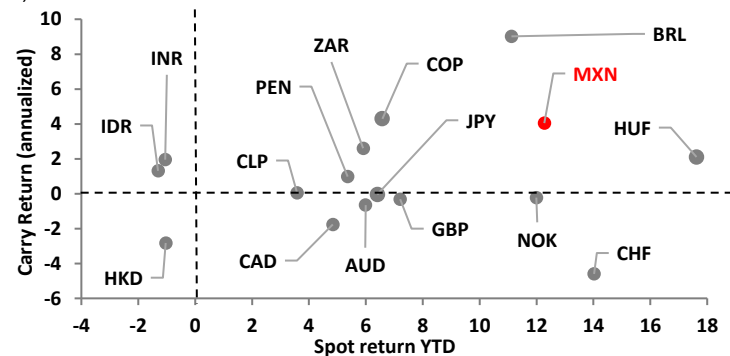
		Current	Daily Change (%) ¹	Weekly change (%) ¹	Monthly change (%) ¹	YTD (%) ¹
Emerging Markets						
Brazil	USD/BRL	5.56	-0.8	0.3	0.0	11.0
Chile	USD/CLP	963.50	-1.4	0.1	-2.7	3.3
Colombia	USD/COP	4,140.37	-1.6	-3.0	-1.9	6.4
Peru	USD/PEN	3.55	-0.1	0.6	0.8	5.5
Hungary	USD/HUF	337.84	0.0	1.6	1.7	17.6
Malaysia	USD/MYR	4.22	-0.1	0.5	0.3	5.9
Mexico	USD/MXN	18.55	0.0	1.1	2.1	12.3
Poland	USD/PLN	3.62	0.2	1.0	0.8	14.2
South Africa	USD/ZAR	17.77	-0.8	-0.3	-0.1	6.1
Developed Markets						
Canada	USD/CAD	1.37	-0.5	0.2	0.2	5.0
Great Britain	GBP/USD	1.34	-0.5	0.2	-1.7	7.4
Japan	USD/JPY	147.69	-0.5	0.8	-1.7	6.4
Eurozone	EUR/USD	1.1742	-0.1	1.0	0.7	13.4
Norway	USD/NOK	10.16	-0.3	0.3	-0.3	12.0
Denmark	USD/DKK	6.36	-0.1	1.0	0.7	13.3
Switzerland	USD/CHF	0.80	0.0	0.7	1.2	14.1
New Zealand	NZD/USD	0.60	-0.2	0.9	-0.4	7.6
Sweden	USD/SEK	9.53	0.1	1.4	-0.5	16.2
Australia	AUD/USD	0.66	-0.4	0.9	0.8	6.1

Source: Bloomberg, Banorte

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

Performance of selected currencies

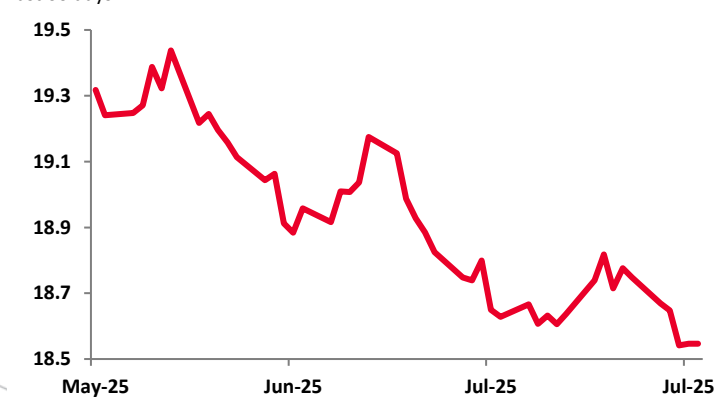
%, annualized rate based in 3M forwards



Source: Bloomberg, Banorte

USD/MXN

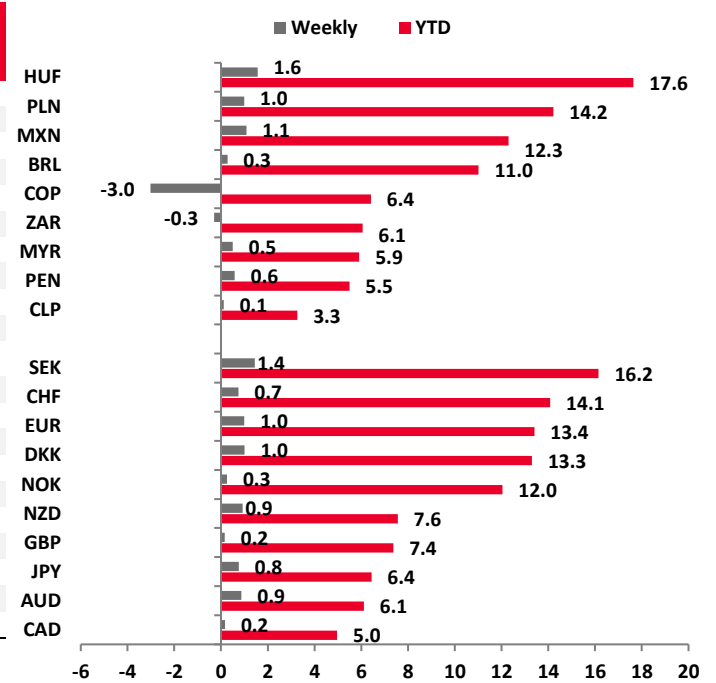
Last 60 days



Source: Bloomberg, Banorte

FX performance

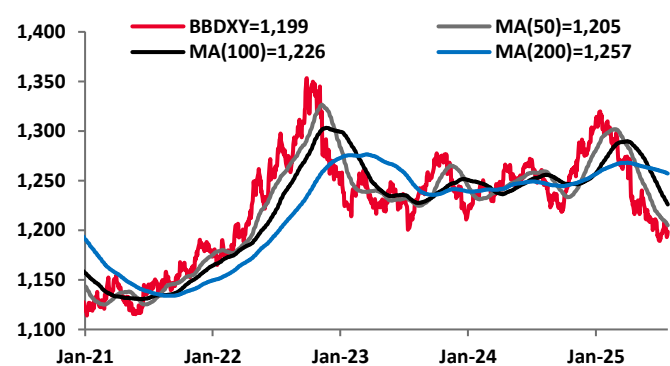
Against USD, %



Source: Bloomberg, Banorte

BBDXY

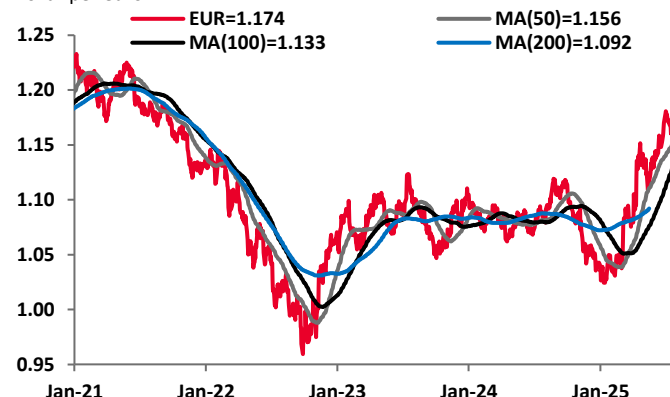
Points



Source: Bloomberg, Banorte

Euro

Dollar per euro

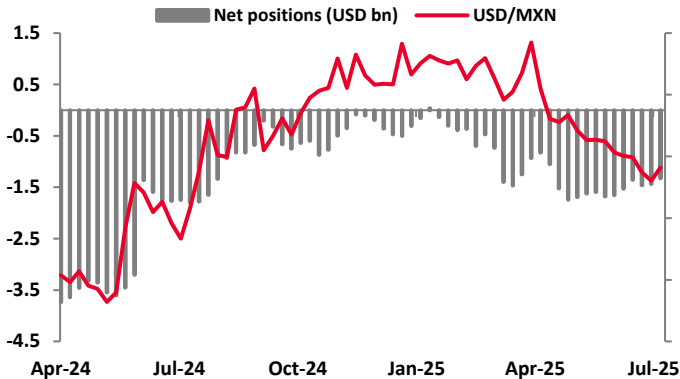


Source: Bloomberg, Banorte

FX positioning and flows

IMM positioning in USD/MXN futures

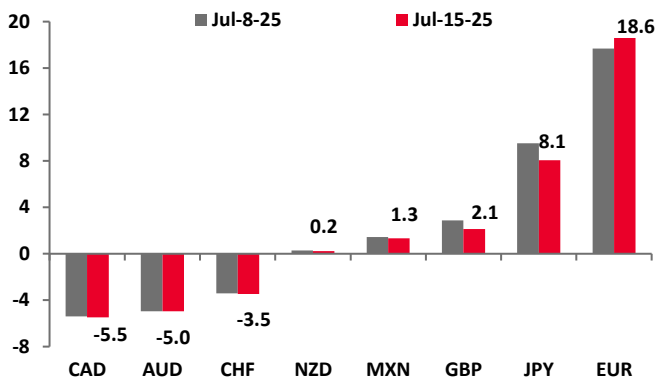
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

IMM positioning by currency*

Billion dollars

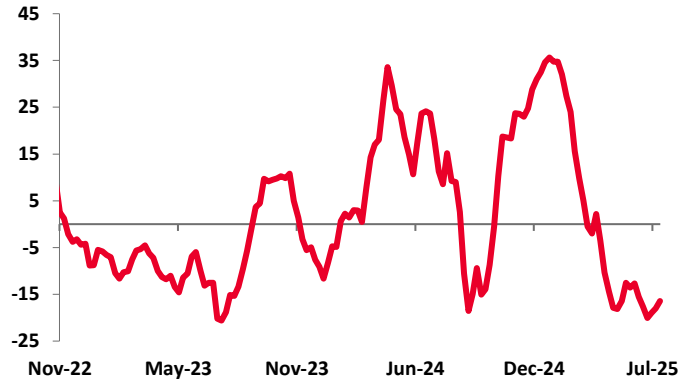


* Positive: Net long in the corresponding currency

Source: CME, Banorte

IMM positioning in USD futures*

Billion dollars, Positive = net long in USD

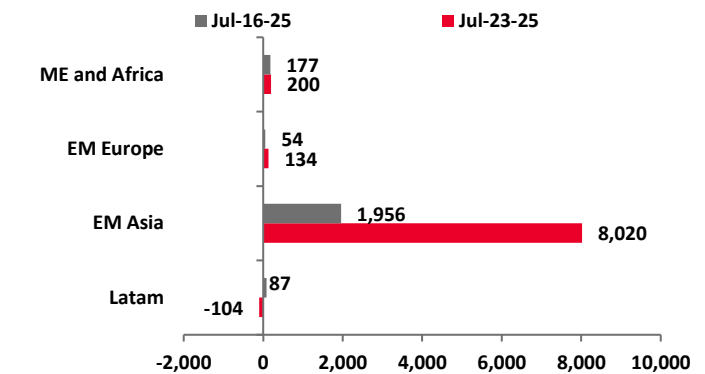


*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

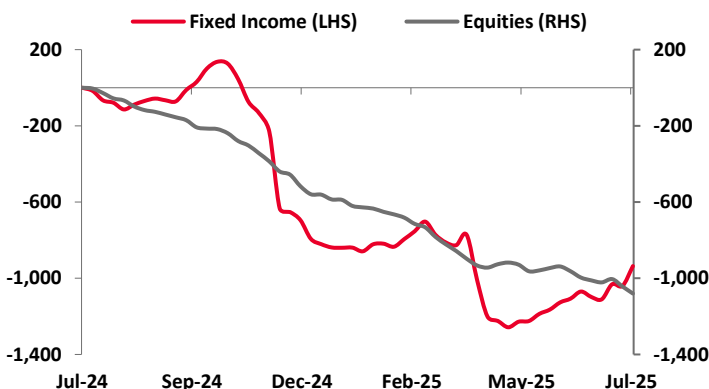
Billion dollars



Source: EPFR Global, Banorte

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

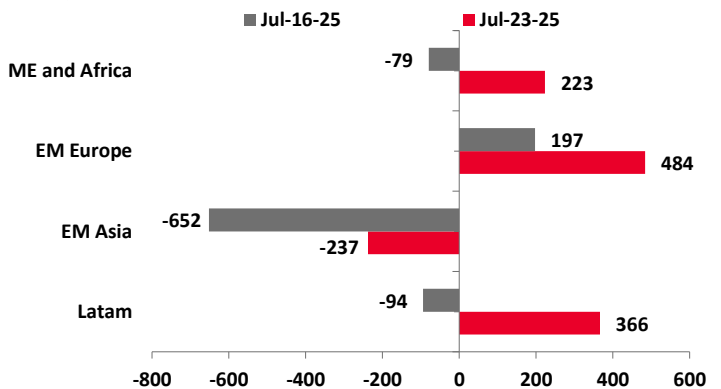
Accumulated during the last 12M, million dollars



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



USD/MXN – 1-month correlation with other currencies and assets

Based on daily percentages changes

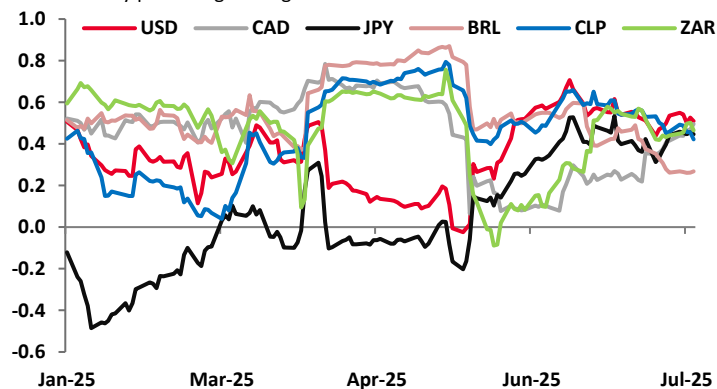
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	51	55	-2	71	35
CAD	49	44	6	78	44
JPY	45	46	-49	53	5
BRL	27	27	26	87	55
CLP	42	49	4	79	46
ZAR	47	45	-9	76	47
VIX	38	34	-17	76	31
SPX	59	49	-13	70	33
GSCI	-42	-34	-46	78	24
Gold	-17	-15	-25	55	13

* Positive: appreciation of MXN and corresponding asset except VIX

Source: Bloomberg, Banorte

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

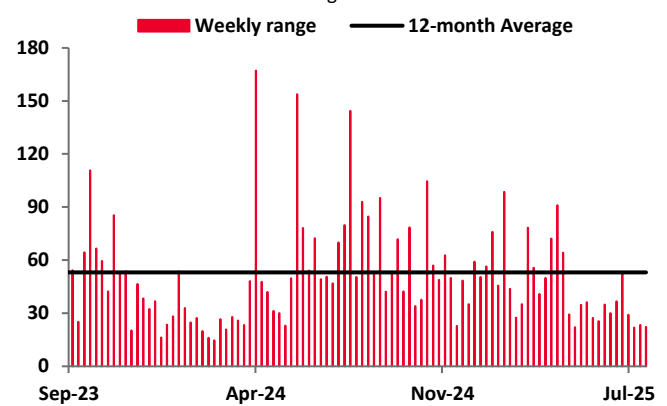
Based on daily percentage changes



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

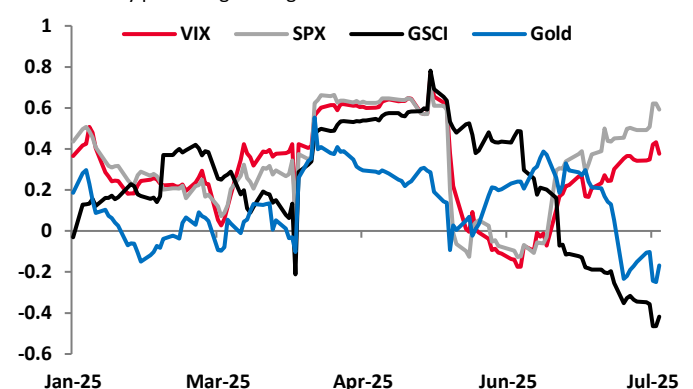
USD/MXN – Weekly trading range

MXN cents with last 12 month average



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

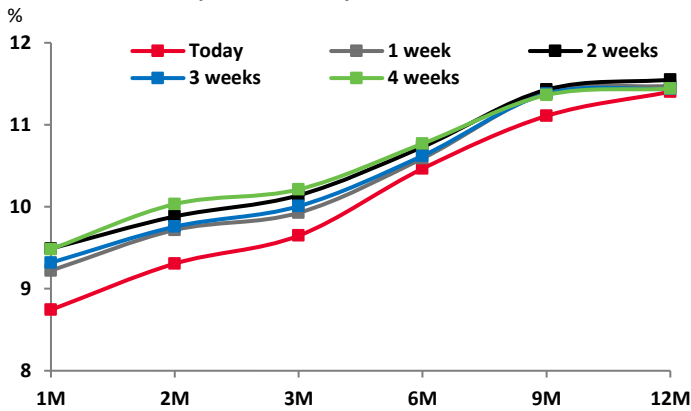
Based on daily percentage changes



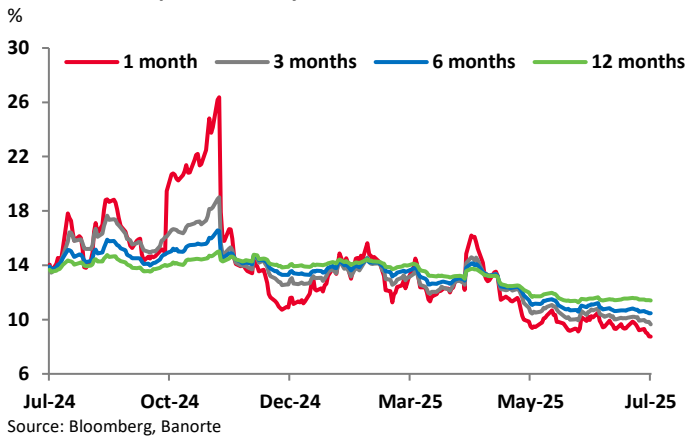
* Positive: appreciation of MXN and corresponding asset except VIX
Source: Bloomberg, Banorte

FX technicals (continued)

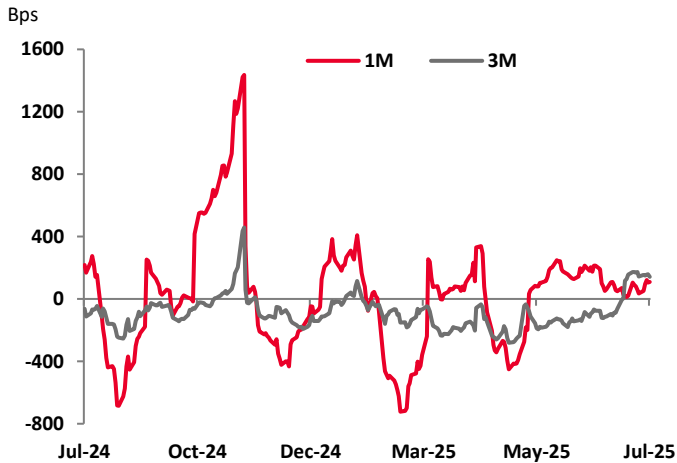
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

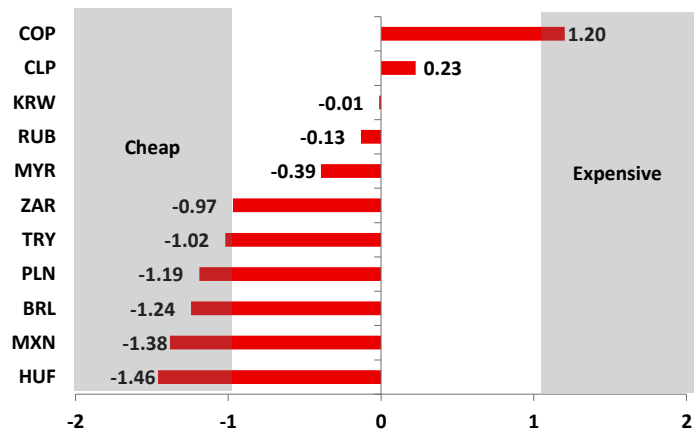


USD/MXN – Spread between implicit and historical volatility



Emerging markets 1-month ATM options volatility

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



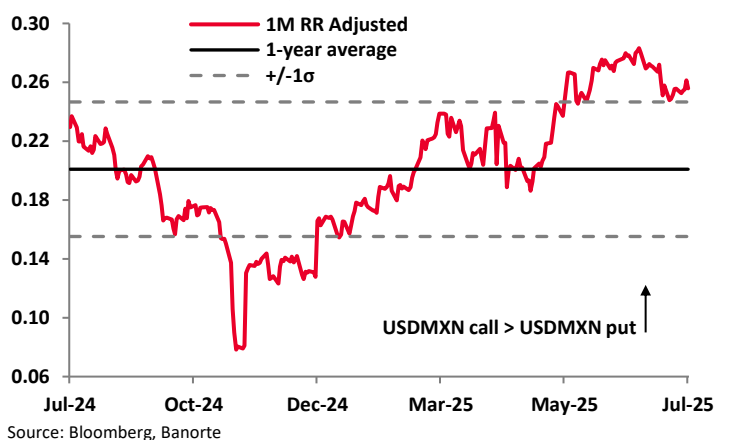
USD/MXN – 25D risk reversals

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



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

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



Weekly economic calendar

For the week ending August 1st, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 28	08:00	MX	Unemployment rate	Jun	%	2.82	--	2.75
	08:00	MX	Trade balance	Jun	US\$m	-419.9	950.0	1,029.4
Tue 29	08:30	US	Trade balance*	Jun	US\$b	--	-98.0	-96.4
	09:00	US	S&P/CoreLogic housing prices	May	% y/y	--	3.0	3.4
	10:00	US	JOLTS Job Openings	Jun	thousands	--	7,450	7,769
	10:00	US	Consumer confidence*	Jul	index	--	96.0	93.0
	11:00	MX	International reserves	Jul 25	US\$b	--	--	242.1
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 3-year Mbono (Mar'28), 30-year Udibono (Oct'54) and 1-, 3- and 7-year Bondes F					
Wed 30	18:00	CL	Monetary policy decision (BCCh)	Jul 29	%	--	4.75	5.00
	04:00	GER	Gross domestic product*	2Q25 (P)	% y/y	--	-0.1	0.4
	05:00	EZ	Economic confidence*	Jul (F)	index	--	--	-14.7
	05:00	EZ	Consumer confidence	Jul	index	--	94.5	94.0
	05:00	EZ	Gross domestic product	2Q25 (P)	% y/y	--	1.2	1.5
	05:00	EZ	Gross domestic product*	2Q25 (P)	% q/q	--	0.0	0.6
	08:00	MX	Gross domestic product	2Q25 (P)	% y/y	-0.3	-0.1	0.8
	08:00	MX	Gross domestic product*	2Q25 (P)	% q/q	0.4	0.4	0.2
	08:15	US	ADP employment*	Jul	thousands	--	80	-33.0
	08:30	US	Gross domestic product**	2Q25 (P)	% y/y	1.8	2.4	-0.5
	08:30	US	Personal consumption**	2Q25 (P)	% y/y	1.9	1.5	0.5
	09:45	CA	Monetary policy decision (BoC)	Jul 30	%	--	2.75	2.75
	14:00	US	FOMC Rate Decision (Upper Bound)	Jul 30	%	4.50	4.50	4.50
	14:00	US	FOMC Rate Decision (Lower Bound)	Jul 30	%	4.25	4.25	4.25
	14:00	US	Interest Rate on Excess Reserves (IOER)	Jul 30	%	4.40	4.40	4.40
	14:30	US	Fed Chair Powell Holds Post-Meeting Press Conference					
	18:00	MX	Public finances (PSBR, year-to-date)	Jun	MXNbn	--	--	-356.7
	17:30	BZ	Monetary policy decision (Central bank of Brazil)	Jul 30	%	15.00	15.00	15.00
	21:30	CHI	Manufacturing PMI*	Jul	index	--	49.7	49.7
	21:30	CHI	Non-manufacturing PMI*	Jul	index	--	50.3	50.5
	21:30	CHI	Composite PMI*	Jul	index	--	--	50.7
Thu 31	JN		Monetary policy decision (BoJ)	Jul 31	%	--	0.50	0.50
	05:00	EZ	Unemployment rate*	Jun	%	--	6.3	6.3
	08:00	GER	Consumer prices	Jul (P)	% y/y	--	2.0	2.0
	08:00	BZ	Unemployment rate	Jun	%	--	--	6.2
	08:30	US	Personal income*	Jun	% m/m	--	0.2	-0.4
	08:30	US	Personal spending*	Jun	% m/m	--	0.4	-0.1
	08:30	US	Real personal spending*	Jun	% m/m	--	0.2	-0.3
	08:30	US	PCE Deflator*	Jun	% m/m	--	0.3	0.1
	08:30	US	Core PCE*	Jun	% m/m	--	0.3	0.2
	08:30	US	PCE Deflator	Jun	% y/y	--	2.5	2.3
	08:30	US	Core	Jun	% y/y	--	2.7	2.7
	08:30	US	Initial jobless claims*	Jul 26	thousands	--	225	217
	09:00	SA	Monetary policy decision (South African Reserve Bank)	Jul 31	%	--	7.00	7.25
	11:00	MX	Banking credit	Jun	% y/y	7.1	--	7.3
	14:00	COL	Monetary policy decision (BanRep)	Jul 31	%	--	9.00	9.25
	21:45	CHI	Manufacturing PMI (Caixin)*	Jul	index	--	50.2	50.4
Fri 1	03:55	GER	Manufacturing PMI*	Jul (F)	index	--	49.2	49.2
	04:00	EZ	Manufacturing PMI*	Jul (F)	index	--	49.8	49.8
	04:30	UK	Manufacturing PMI*	Jul (F)	index	--	48.2	48.2
	05:00	EZ	Consumer prices	Jul (P)	% y/y	--	1.9	2.0
	05:00	EZ	Core	Jul (P)	% y/y	--	2.3	2.3
	08:00	BZ	Industrial production	Jun	% y/y	--	--	3.3
	08:00	BZ	Industrial production*	Jun	% m/m	--	--	-0.5
	08:30	US	Nonfarm payrolls*	Jul	thousands	125	110	147
	08:30	US	Unemployment Rate*	Jul	%	4.2	4.2	4.1
	09:00	BZ	Manufacturing PMI*	Jul	index	--	--	48.3
	09:45	US	Manufacturing PMI*	Jul (F)	index	--	--	49.5
	10:00	US	ISM manufacturing*	Jul	index	--	49.5	49.0
	10:00	US	U. of Michigan confidence*	Jul (F)	index	--	61.8	61.8
	11:00	MX	Family remittances	Jun	US\$b	5,126.4	5,306.5	5,360.1
	11:00	MX	Survey of expectations (Banxico)					
	14:00	MX	Manufacturing PMI (IMEF)*	Jul	index	48.2	--	47.8
	14:00	MX	Non-manufacturing PMI (IMEF)*	Jul	index	48.4	--	48.7
		US	Total vehicle sales**	Jul	millions	--	15.6	15.3

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 TIIIE-IRS steepener	28bps	43bps	18bps	31bps	P ²	Feb-15-17	Mar-15-17	
5y10y TIIIE-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 TIIIE-IRS (13x1)	3.92%	3.67%	4.10%	3.87% ¹	P	Nov-12-15	Feb-8-16	
Long spread 10-year TIIIE-IRS vs US Libor	436bps	410bps	456bps	410bps	P	Sep-30-15	Oct-23-15	
Receive 9-month TIIIE-IRS (9x1)	3.85%	3.65%	4.00%	3.65%	P	Sep-3-15	Sep-18-15	
Spread TIIIE 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 TIIIE-IRS (3x1)	3.24%	3.32%	3.20%	3.30%	P	Jan-29-15	Jan-29-15	
Pay 9-month TIIIE-IRS (9x1)	3.28%	3.38%	3.20%	3.38%	P	Jan-29-15	Jan-29-15	
Pay 5-year TIIIE-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 TIIIE-IRS (26x1)	3.75%	3.55%	3.90%	3.90%	L	Jul-11-14	Sep-10-14	
Receive 1-year TIIIE-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 TIIIE-IRS (6x1)	3.83%	3.65%	4.00%	3.81%	P	Oct-10-13	Oct-25-13	
Receive 1-year TIIIE-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 TIIIE-IRS (9x1)	4.50%	4.32%	4.65%	4.31%	P	Jun-21-13	Jul-12-13	
Spread TIIIE-Libor (10-year)	390bps	365bps	410bps	412bps	L	Jun-7-13	Jun-11-13	
Receive 1-year TIIIE-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 TIIIE-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 TIIIE-IRS (13x1)	4.87%	4.70%	5.00%	4.69%	P	Jan-11-13	Jan-24-13	
Receive TIIIE Pay Mbono (10-year)	46bps	35bps	54bps	54bps	L	Oct-19-12	Mar-8-13	
Spread TIIIE-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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