

# **Fixed-Income & FX Strategy**

**W e e k l y**

## Fixed-Income and FX Weekly

- A more dovish outlook takes shape.** The transition from July to August has been rather active in market catalysts, with participants continuing to digest the soft US labor market data. This has led to increased rate cuts across major central banks, including at least one additional 25bps cut from both the Fed and Banxico before year-end. For the Fed specifically, markets are also absorbing the nomination of Miran to a voting seat through January 2026, while several names continue emerging as candidates to replace Powell next year. Banxico delivered a 25bps cut and maintained its dovish bias, reinforcing our view that the easing cycle will persist. The USD has consolidated within recent ranges but resumed a weaker tone this week, while the US Treasury curve saw upward pressures. Next week's agenda is relatively light, though July US inflation stands out. Additionally, Trump is scheduled to meet with Putin, and August 12<sup>th</sup> marks the expiration of the 90-day reciprocal tariff suspension between the US and China
- We still expect Banxico at 7.00% for year-end, revealing value in the short- and mid-ends of the local nominal curve.** Following the latest US NFP report and [Banxico's rate decision](#), the market recalibrated its expectations towards a lower policy rate in both countries. For Mexico, the implied rate on the TIEE-F swap's curve for year-end 2025 now stands at 7.36%, from 7.57% at the end of July, while this cycle's terminal rate has declined to 7.24% from 7.50%. In the US, markets have solidified their view that the Fed could begin easing as early as September, fueling debate around three 25bps rate cuts in 2025 (total -57bps vs -33bps pre-NFP) and a cumulative -127bps by 2026 vs -113bps previously. Repricing lower has been more pronounced in Mexico, compressing the spread between terminal rates of both countries to ~405bps from 420bps. While the local market has started to converge towards our 7.00% year-end rate view, it still has room to price further cuts. Against this backdrop, Mbonos have posted gains of 20bps during August, with short- and medium-term tenors outperforming, rallying up to 25bps, in line with our expectations. Despite the recent rally, we continue to see value in these segments of the curve, given the persistent mispricing relative to our Banxico's expected path. Although spreads vs Treasuries have narrowed, the bulk of the adjustment has occurred in the long-end of the curve, now sitting at 12-month lows. The 2- to 10-year sector remains roughly 15bps above said metric, providing an additional element for attractiveness in this section of the curve that already counts with a positive carry profile. We maintain our recommendation to receive [2-year TIEE-F](#), which currently show a net gain of 8bps despite a negative carry and roll-down of 5bps per month (entry: 7.52%, target: 7.25%, stop-loss: 7.65%, last: 7.34%)
- MXN testing 18.50 resistance.** USD/MXN closed the week at 18.57 (+1.5% w/w), near its strongest level YTD and underperforming vs broader EM FX gains. The recent confluence of factors, particularly the incorporation of a potentially more dovish Fed path, supports our expectation for continued USD weakness. The MXN vol curve has also stabilized lower. We believe the peso could break below the 18.50 threshold, conditional on next week's US inflation print. However, we remain cautious and refrain from recommending long MXN positions, as we continue to see an asymmetric risk framework for the currency. For the remainder of the year, we expect USD/MXN to trade 18.00 and 19.20
- Weekly ranges.** We expect the 10-year Mbono (Feb'36) to trade between 9.10% and 9.30%, and MXN between 18.40 and 18.80 per dollar



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### Index

Markets summary.....	pg. 3
<b>Fixed-Income</b>	
Market dynamics .....	pg. 4
Supply.....	pg. 6
Demand.....	pg. 7
Technical.....	pg. 10
<b>Foreign exchange</b>	
Market dynamics.....	pg. 12
Market positioning and flows.....	pg. 13
Technical.....	pg. 14



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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	7.99	-6	1	-221	11.00	7.96	9.60
28-days <sup>1</sup>	8.00	0	-27	-226	11.05	8.00	9.74
91-days <sup>1</sup>	8.06	0	-28	-230	11.16	8.06	9.83
182-days <sup>1</sup>	8.14	0	-28	-235	11.31	8.14	9.95
<b>Cetes<sup>2</sup></b>							
28-days	7.71	-17	-26	-230	10.89	7.51	9.40
91-days	7.74	-17	-25	-226	11.01	7.74	9.39
182-days	7.85	-11	-26	-210	11.00	7.85	9.36
364-days	8.00	-13	-34	-207	10.91	8.00	9.40
<b>Mbonos</b>							
Mar'26	7.89	-10	-30	-192	10.29	7.89	9.10
Sep'26	7.87	-3	-22	-191	10.31	7.86	9.02
Mar'27	7.87	-16	-31	-190	10.04	7.87	8.97
Jun'27	7.89	-12	-26	-194	10.01	7.87	8.99
Mar'28 <sup>3</sup>	8.16	-11	-25	-177	9.99	8.11	8.91
Mar'29	8.41	-6	-15	-156	10.09	8.35	9.24
May'29	8.43	-6	-15	-154	10.07	8.38	9.24
Feb'30 <sup>4</sup>	8.57	-4	-14	-113	9.69	8.50	8.95
May'31	8.67	-7	-14	-138	10.08	8.61	9.35
May'33	8.93	-9	-18	-129	10.34	8.88	9.54
Nov'34	9.05	-7	-19	-137	10.45	9.01	9.62
Feb'36 <sup>5</sup>	9.19	-11	-24	-13	9.50	9.14	9.38
Nov'36	9.10	-11	-28	-131	10.45	9.03	9.64
Nov'38	9.44	-9	-26	-111	10.60	9.26	9.85
Nov'42	9.71	-6	-21	-99	10.76	9.44	10.07
Nov'47	9.76	-8	-20	-98	10.79	9.43	10.10
Jul'53	9.77	-8	-19	-102	10.81	9.44	10.11
<b>TIIE-F IRS<sup>6</sup></b>							
3-month (3x1)	7.68	-4	-22	-227	10.62	7.68	9.20
6-month (6x1)	7.56	-7	-25	-217	10.40	7.55	8.96
9-month (9x1)	7.48	-7	-26	-211	10.17	7.47	8.78
1-year (13x1)	7.40	-9	-25	-202	9.95	7.39	8.61
2-year (26x1)	7.34	-5	-22	-181	9.66	7.31	8.34
3-year (39x1)	7.42	-5	-21	-170	9.52	7.38	8.29
4-year (52x1)	7.51	-6	-20	-164	9.46	7.47	8.32
5-year (65x1)	7.61	-4	-20	-158	9.43	7.57	8.36
7-year (91x1)	7.82	-4	-20	-144	9.42	7.77	8.47
10-year (130x1)	8.06	-4	-18	-132	9.46	8.00	8.63
20-year (3x1)	8.32	-3	-15	-117	9.59	8.27	8.81
30-year (390x1)	8.25	-3	-15	-123	9.50	8.19	8.74
<b>Udibonos</b>							
Dec'25	4.37	23	-4	-180	6.62	4.14	5.78
Dec'26	4.40	25	-11	-169	6.23	4.16	5.48
Nov'28	4.63	7	3	-84	5.54	4.48	5.02
Aug'29 <sup>7</sup>	4.61	5	-10	-40	5.17	4.53	4.85
Nov'31	4.86	5	-5	-62	5.53	4.70	5.09
Aug'34	4.93	4	-11	-57	5.76	4.70	5.21
Nov'35	4.88	4	-17	-60	5.62	4.71	5.13
Nov'40	4.85	1	-19	-66	5.72	4.75	5.14
Nov'43	4.89	0	-17	-63	5.73	4.81	5.18
Nov'46	4.74	-2	-22	-77	5.70	4.73	5.13
Nov'50	4.75	-2	-21	-77	5.71	4.75	5.14
Oct'54	4.74	-4	-18	-83	5.71	4.70	5.12

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

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	-3	-57	3.76	+8	-48	62	-11	69	52
3Y	Feb'28	4.60	+2	-113	3.73	+7	-54	87	-6	92	65
5Y	May'30	5.01	-6	-87	3.83	+7	-55	118	-13	137	104
7Y	Jul'32	5.57	-8	-54	4.03	+6	-45	154	-15	155	140
10Y	Feb'35	5.96	-5	-52	4.28	+7	-29	168	-12	186	181
20Y	Jan'45	6.44	-2	-59	4.83	+4	-3	161	-6	194	--
30Y	May'55	7.05	-3	-19	4.85	+3	+7	219	-6	243	--

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 5-year Mbono (Feb'30), the 20-year Udibono (Nov'43), as well as 1- and 3-year Bondes F
- **Strong appetite for short- and medium-term securities.** As widely anticipated, [Banxico](#) cut its policy rate by 25bps to 7.75%. In our view, the easing cycle will continue, and we reaffirm our year-end forecast of 7.00%. While the market is pricing in fewer cuts for the remainder of the year, it continues to imply a policy rate (~7.35%) above our projection. Against this backdrop, Cetes yields are expected to compress further; however, levels remain attractive relative to other EM peers. Accordingly, we anticipate healthy demand, particularly for 1- and 3-month tenors. Notably, Cetes' holdings by Investment Funds and Foreign investors have increased by 14% and 4%, respectively, over the past four weeks. Although most short- and medium-term Mbonos are trading near 24-month lows, we continue to see value in these segments of the curve, especially considering the market's misalignment with our monetary policy trajectory. In this context, we expect a meaningful rebound in demand for the 5-year Mbono (Feb'30), relative to its last auction, which saw the weakest bid-to-cover ratio since mid-2019 of 1.58x. Appetite from the primary holders of Udibonos, Pension Funds, has risen 10% year-to-date. The 20-year tenor (Nov'43) stands out, accounting for 72% of total amount outstanding. As such, we expect demand to remain stable and in line with the 2-year average bid-to-cover ratio of 2.00x

### Auction specifics (August 12<sup>th</sup>, 2025)

Security	Maturity	Coupon rate, %	To be auctioned <sup>1</sup>	Previous yield <sup>2</sup>
<b>Cetes</b>				
1m	Sep-11-25	--	7,000	7.50
3m	Nov-13-25	--	7,000	7.80
6m	Feb-05-26	--	14,200	7.94
24m	Jul-08-27	--	17,000	8.52
<b>Bondes F*</b>				
1Y	Jul-30-26	--	11,300	0.07
3Y	Jun-15-28	--	11,300	0.21
<b>Bono M</b>				
5Y	Feb-28-30	8.50	16,500	8.73
<b>Udibono</b>				
20Y	Nov-12-43	3.25	UDIS 800	5.02

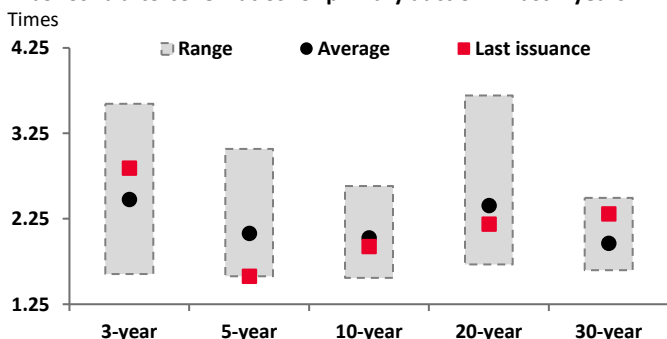
Source: Banxico, Banorte \*Maximum amount to be auctioned among Bondes F together  
 1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.  
 2. Yield-to-maturity reported for Cetes,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

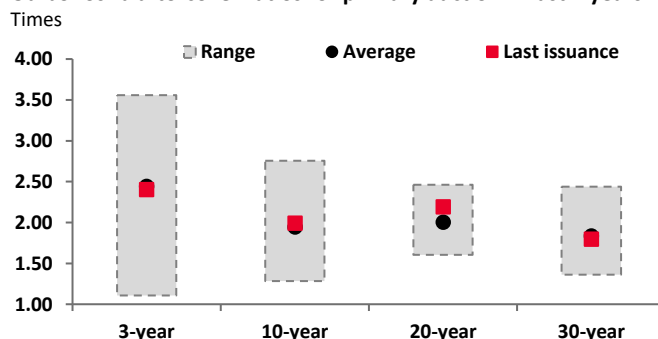
Source: SHCP \*Ministry of Finance \*In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance  
 For more information, refer to [3Q25 Auction Calendar](#)

### 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

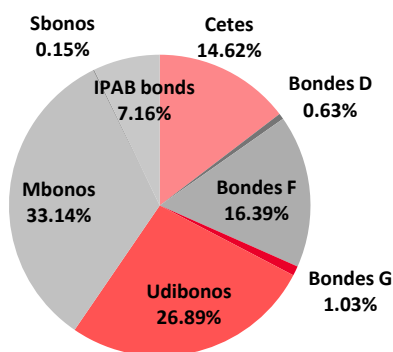
US\$ billion, \*UDIS billion, data as of Jul/29/2025

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	119.72	10.98	18.96	26.98	6.42	12.68	5.76	0.97	-	36.98
Bondev D	5.15	-	0.10	2.98	0.01	1.08	0.00	-	-	0.98
Bondev F	134.20	0.06	5.93	76.95	3.12	12.54	5.73	0.01	-	29.86
Bondev G	8.41	0.00	0.39	3.02	0.44	1.03	2.30	-	-	1.23
Udibonos	220.16	7.66	123.00	9.53	37.95	4.38	0.91	0.28	-	36.44
Mbonos	271.40	74.53	71.44	12.91	10.34	31.05	14.28	1.12	0.80	54.93
Sbonos	1.23	0.57	0.31	0.01	0.07	0.03	-	-	-	0.24
<b>Total</b>	<b>760.26</b>	<b>93.79</b>	<b>220.14</b>	<b>132.37</b>	<b>58.34</b>	<b>62.79</b>	<b>28.98</b>	<b>2.38</b>	<b>0.80</b>	<b>160.66</b>
Udibonos*	484.48	16.85	270.69	20.98	83.51	9.64	2.01	0.62	-	80.19
IPAB bonds	58.59	0.10	1.71	19.98	0.31	6.59	5.56	2.52	-	21.83

Source: Banxico, Banorte

## Government issuance by type of instrument

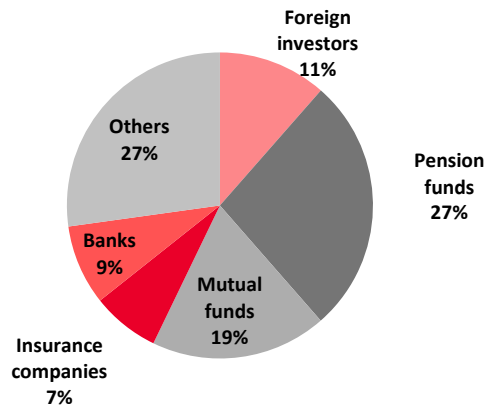
Total amount of US\$ 819 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

## Government issuance by type of investor

Total amount of US\$ 819 billion (including IPAB bonds), % of total

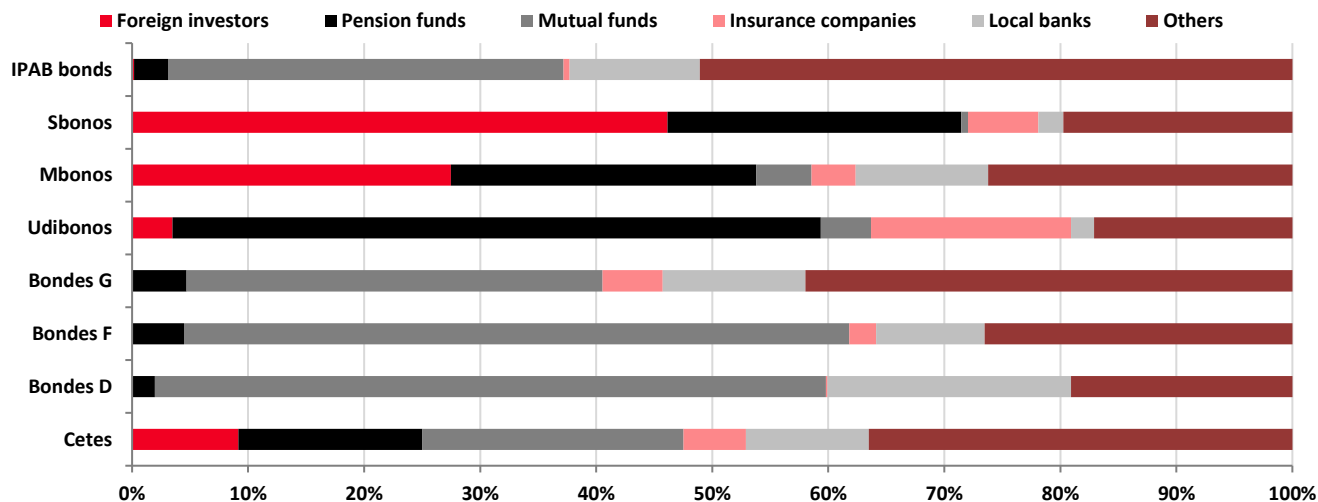


Source: Banxico, Banorte

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\$ 819 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

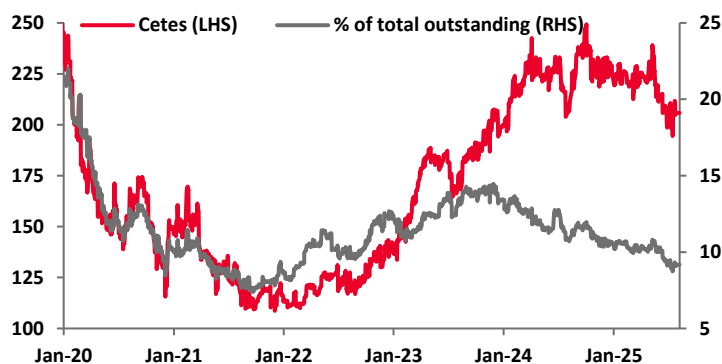
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## Fixed-Income Demand (continued)

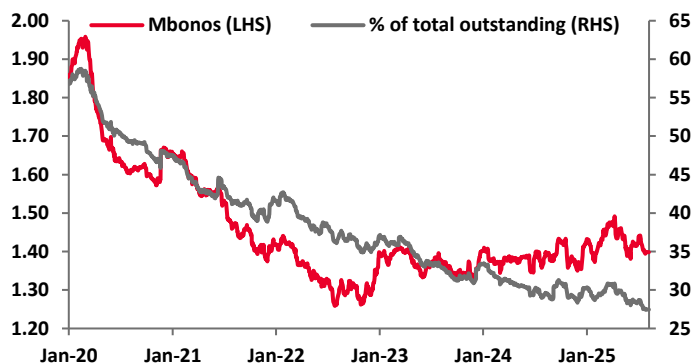
### Cetes held by foreigners

MXN billion, %



### Mbonos held by foreigners

MXN trillion, %



### Holdings of main investors by type of security

Data as of Jul/29/2025

	Foreign investors		Pension funds		Mutual funds	
	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)	Δ last 4 weeks (%)	YTD (%)
Cetes	4.00	-6.67	-5.29	-14.65	13.94	39.64
Bondes F	37.10	128.36	31.46	-6.01	-4.95	7.19
Udibonos	-6.70	-14.53	2.01	10.06	9.73	22.56
Mbonos	-1.95	-2.39	1.92	15.52	5.81	28.62

Source: Banxico, Banorte

### Mbonos holdings by type of investor

US\$ billions and %, data as Jul/24/2025

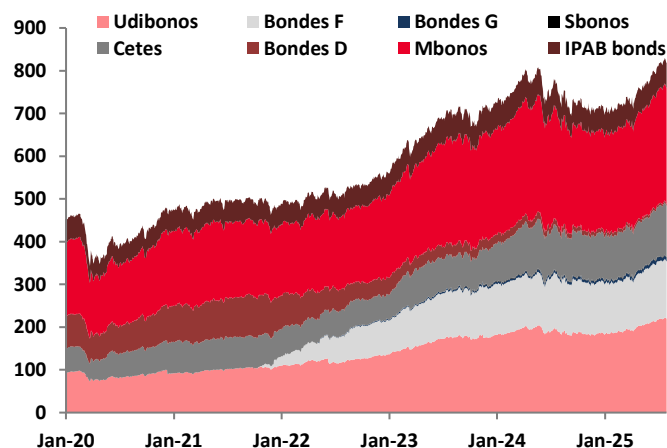
Maturity	Amount Outstanding	Local Banks	Foreign investors	Pension and Mutual funds	Others
Mar'26	15.5	17%	15%	13%	56%
Sep'26	10.0	20%	24%	15%	41%
Mar'27	15.8	34%	15%	9%	42%
Jun'27	18.2	30%	19%	11%	40%
Mar'28	12.6	20%	16%	18%	46%
Mar'29	21.9	10%	32%	27%	31%
May'29	20.8	10%	30%	31%	29%
Feb'30	12.1	11%	23%	36%	30%
May'31	25.2	7%	36%	30%	28%
May'33	17.1	11%	32%	28%	29%
Nov'34	20.9	5%	46%	32%	17%
Feb'36	2.9	22%	22%	20%	35%
Nov'36	5.5	2%	16%	54%	28%
Nov'38	11.8	2%	30%	49%	20%
Nov'42	22.7	3%	31%	47%	19%
Nov'47	14.1	4%	30%	44%	23%
Jul'53	22.0	3%	29%	51%	17%
Total	269.0	11%	28%	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

### Government securities issuance

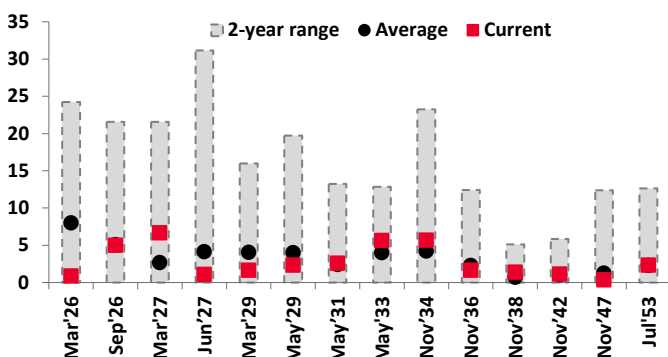
USD Billions



## Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

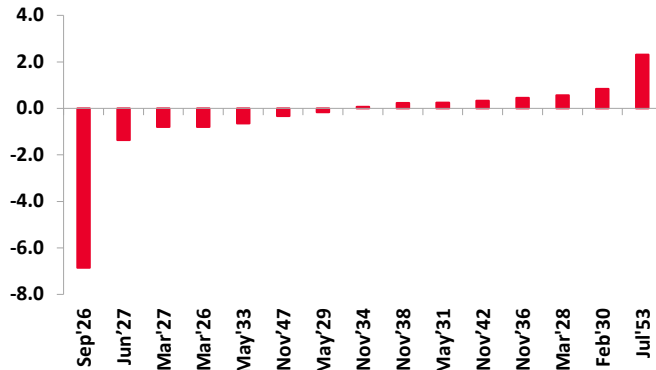
MXN billion



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

Weekly change in market makers' short positions on Mbonos

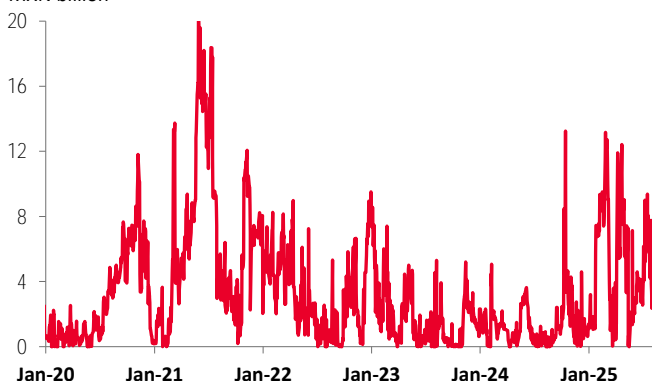
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

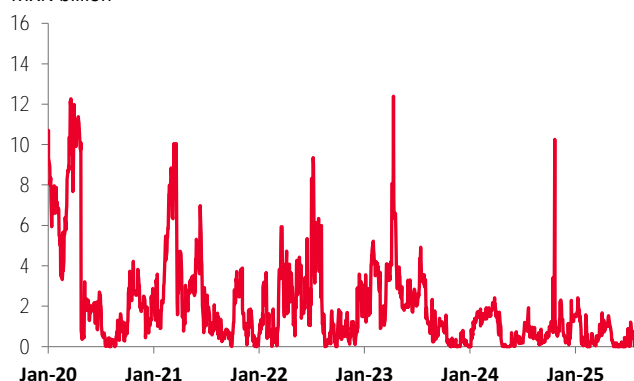
MXN billion



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 Aug/7/2025	Aug/7/2025	Previous Week	Previous Month	Previous Year	6m Max	6m Min
Mar'26	14,987	47	90	96	199	853	0
Sep'26	7,589	267	636	122	585	683	0
Mar'27	15,480	359	402	7	8	446	3
Jun'27	17,973	57	130	72	345	594	6
Mar'28*	13,832	80	50	42	--	287	0
Mar'29	24,446	87	1	60	114	445	0
May'29	21,834	126	135	467	35	1,059	0
May'31	25,735	139	127	483	0	707	0
May'33	17,760	302	337	281	550	446	0
Nov'34	23,636	305	301	721	228	1,165	64
Nov'36	5,448	88	63	104	464	407	5
Nov'38	11,861	75	62	35	0	210	0
Nov'42	23,268	60	43	68	54	210	0
Nov'47	14,083	18	37	2	51	90	0
Jul'53	22,045	124	0	19	47	231	0
<b>Total</b>	<b>259,978</b>	<b>2,011</b>	<b>2,413</b>	<b>2,562</b>	<b>2,631</b>		

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



# Fixed-Income Technicals

## Spread between Cetes and Implied Forward Rates

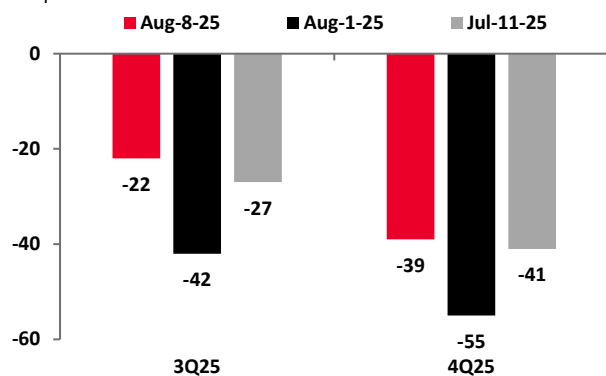
Basis points

Tenor	Actual	Weekly change	Δ last 4 weeks	6m average	6m Max	6m Min
1 month	28	36	7	42	130	-31
3 months	-11	-5	-15	-5	39	-31
6 months	0	2	-6	-9	30	-35
12 months	14	17	18	12	47	-7

Source: PIP, Bloomberg, Banorte

## Cumulative implied moves in Banxico's repo rate

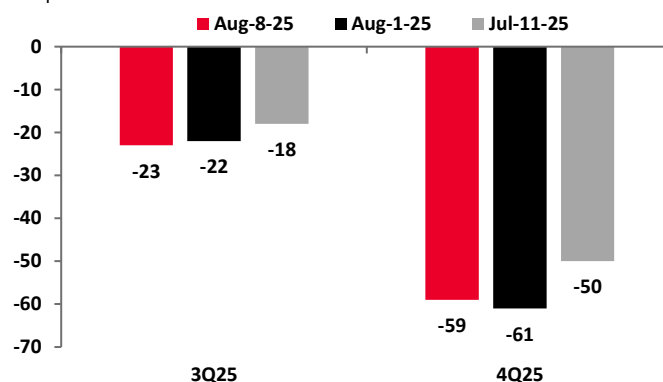
Basis points



Source: Bloomberg, Banorte

## Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

## Spreads between Mbonos and UST

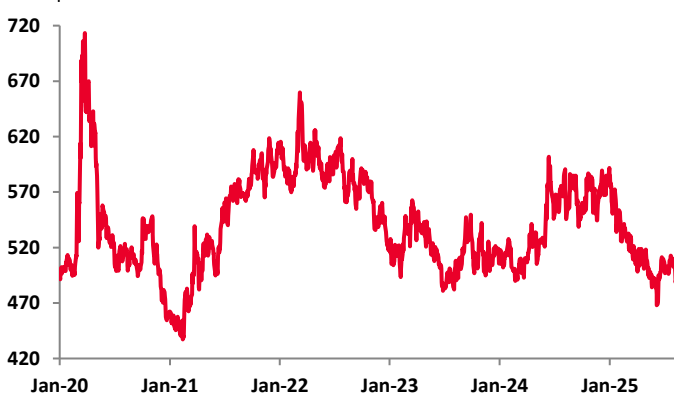
Basis points

Spread	Actual	Weekly change	Δ last 4 weeks	YTD	12m Max	12m Min	12m Average
2 year	411	-24	-18	-142	639	404	509
5 year	473	-12	1	-85	610	452	529
10 year	490	-18	-12	-94	592	468	537
20 year	488	-10	-10	-96	593	487	540
30 year	492	-10	-9	-109	605	490	549

Source: Bloomberg, Banorte

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

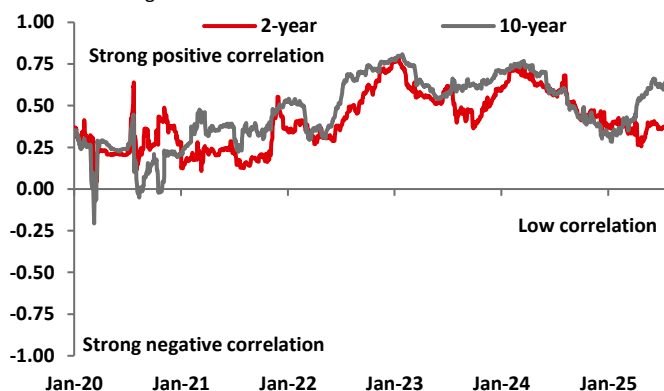
Basis points



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	69	11	17	49	79	-68	22
2/10	132	5	6	67	142	-74	56
2/30	190	8	11	88	207	-53	102
5/10	62	-6	-11	18	74	-8	34
10/30	58	3	5	21	74	21	47
<b>TIIE-F*</b>							
3m/2Y	-34	0	0	46	-22	-191	-86
2/5	27	1	2	23	31	-51	2
2/10	72	1	4	48	76	-46	30
2/30	90	2	7	58	93	-41	40
5/10	45	0	2	26	51	2	28
10/30	18	0	3	9	20	-4	11
<b>TIIE-F – Mbonos*</b>							
2 year	-53	11	9	-17	-26	-107	-64
5 year	-95	1	-6	-32	-60	-125	-92
10 year	-113	7	6	-46	-64	-130	-100
20 year	-139	4	6	-53	-78	-165	-126
30 year	-153	5	4	-62	-83	-180	-137
<b>TIIE-F – SOFR*</b>							
2 year	381	-12	-11	-125	573	370	454
5 year	414	-11	-9	-101	559	397	465
10 year	431	-8	-8	-100	559	419	481
20 year	426	-7	-7	-112	567	423	486
30 year	423	-6	-9	-131	580	419	491

Source: Bloomberg, Banorte

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

### Breakeven inflation using Mbonos & Udibonos

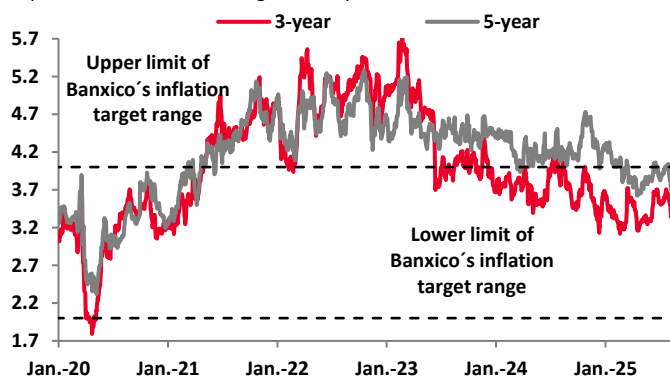
%, Implicit market inflation using Fisher Equation

Date	08/08/2025	Previous week	Previous month	Previous year	12m Max	12m Min	12m Average
3Y	3.39	3.54 (-15bps)	3.52 (-13bps)	4.03 (-64bps)	4.06	3.12	3.51
5Y	3.77	3.87 (-10bps)	3.92 (-15bps)	4.21 (-44bps)	4.73	3.62	4.07
10Y	4.06	4.2 (-14bps)	4.19 (-13bps)	4.48 (-42bps)	4.75	3.92	4.28
20Y	4.60	4.66 (-6bps)	4.64 (-4bps)	4.58 (+2bps)	5.01	4.25	4.65
30Y	4.80	4.84 (-4bps)	4.8 (0bps)	4.64 (+16bps)	5.00	4.37	4.74

Source: Bloomberg, Banorte

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

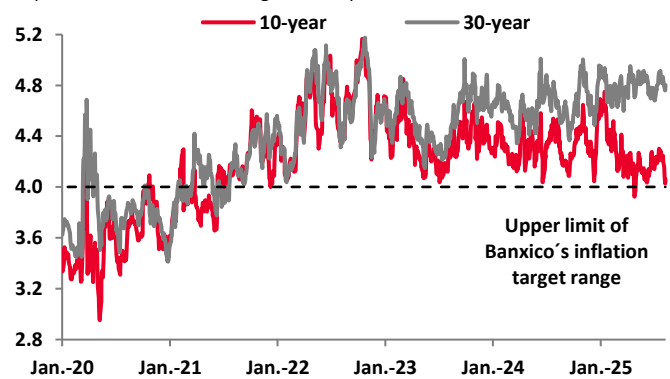
Implicit market inflation using Fisher Equation



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

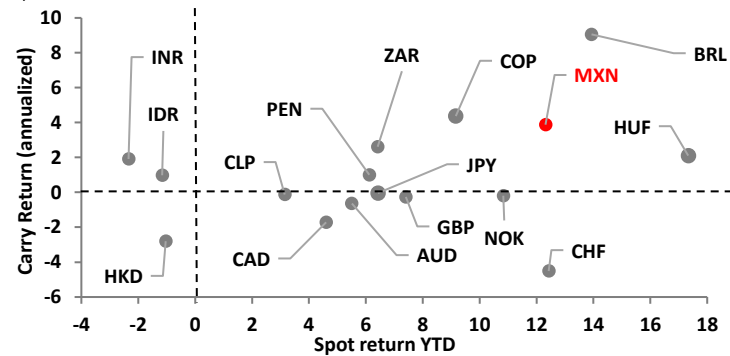
		Current	Daily Change (%) <sup>1</sup>	Weekly change (%) <sup>1</sup>	Monthly change (%) <sup>1</sup>	YTD (%) <sup>1</sup>
<b>Emerging Markets</b>						
Brazil	USD/BRL	5.43	-0.2	2.0	2.5	13.7
Chile	USD/CLP	966.13	0.3	0.3	-1.7	3.0
Colombia	USD/COP	4,050.11	-0.1	1.9	-1.0	8.8
Peru	USD/PEN	3.52	0.5	1.7	0.8	6.2
Hungary	USD/HUF	339.59	0.2	1.2	0.4	17.0
Malaysia	USD/MYR	4.24	-0.2	0.8	0.2	5.4
Mexico	USD/MXN	18.57	0.2	1.5	0.3	12.1
Poland	USD/PLN	3.65	0.0	1.0	-0.8	13.2
South Africa	USD/ZAR	17.75	-0.2	2.1	0.5	6.2
<b>Developed Markets</b>						
Canada	USD/CAD	1.38	-0.1	0.2	-0.5	4.5
Great Britain	GBP/USD	1.35	0.1	1.3	-1.0	7.5
Japan	USD/JPY	147.74	-0.4	-0.2	-1.0	6.4
Eurozone	EUR/USD	1.1641	-0.2	0.5	-0.7	12.4
Norway	USD/NOK	10.28	-0.6	-0.5	-1.8	10.7
Denmark	USD/DKK	6.41	-0.2	0.4	-0.7	12.3
Switzerland	USD/CHF	0.81	-0.2	-0.5	-1.7	12.3
New Zealand	NZD/USD	0.60	-0.1	0.7	-0.7	6.5
Sweden	USD/SEK	9.58	-0.1	0.8	-0.6	15.6
Australia	AUD/USD	0.65	0.0	0.7	-0.2	5.4

Source: Bloomberg, Banorte

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

## Performance of selected currencies

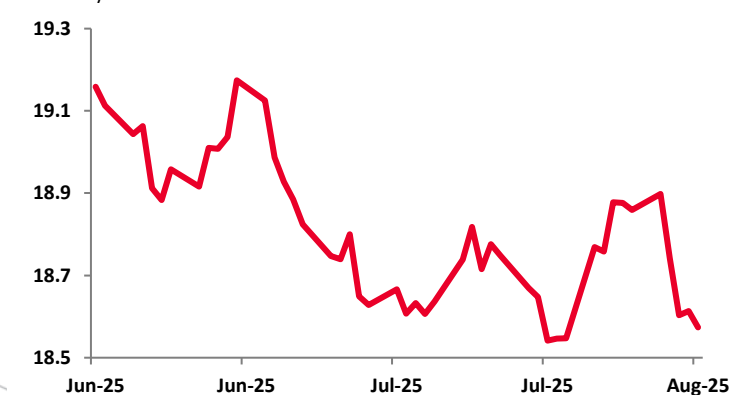
%, annualized rate based in 3M forwards



Source: Bloomberg, Banorte

## USD/MXN

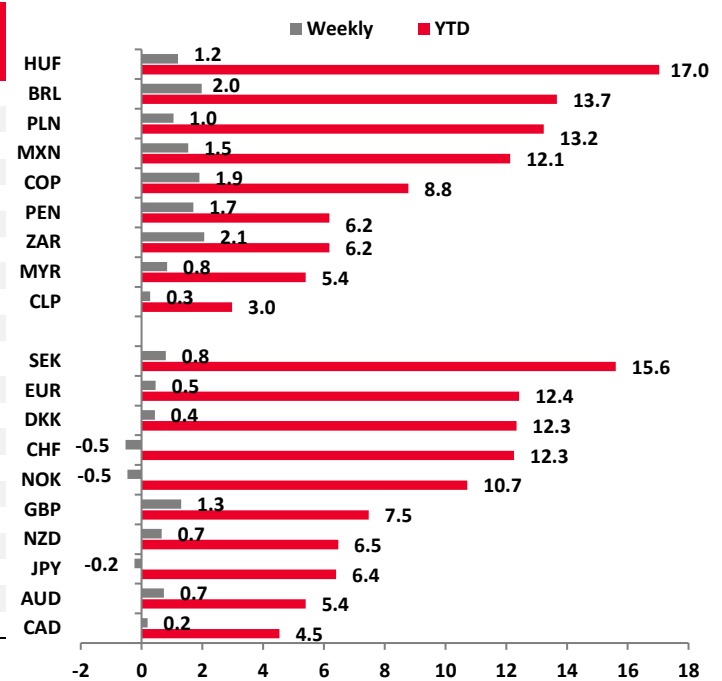
Last 60 days



Source: Bloomberg, Banorte

## FX performance

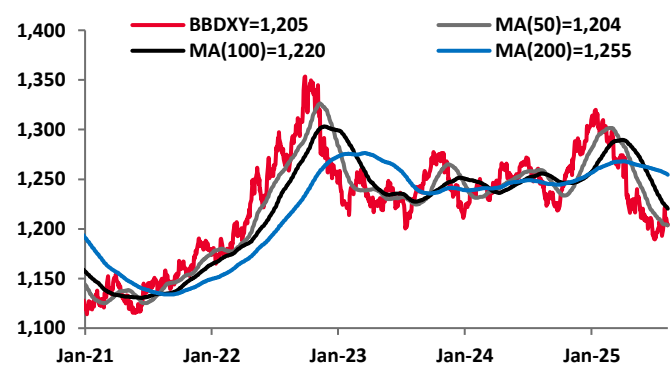
Against USD, %



Source: Bloomberg, Banorte

## BBDXY

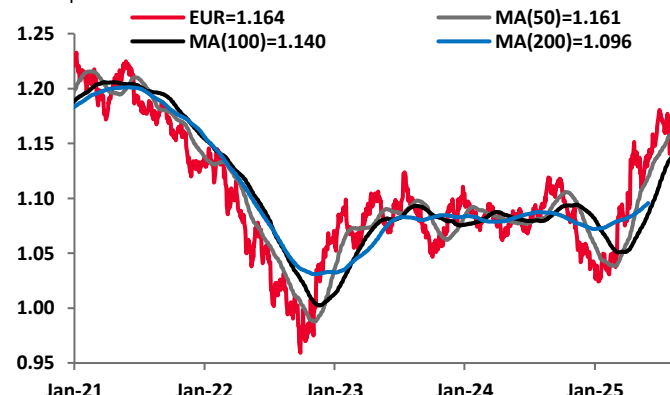
Points



Source: Bloomberg, Banorte

## Euro

Dollar per euro

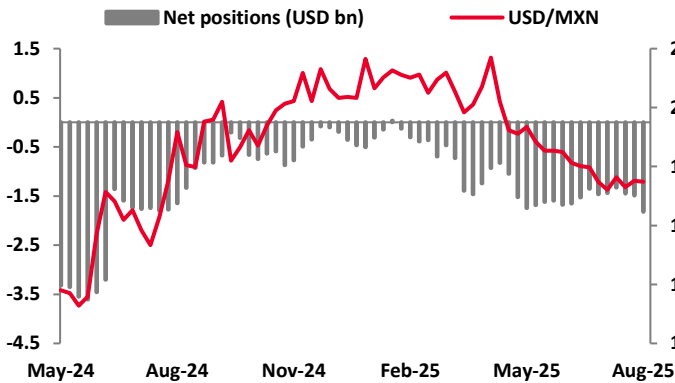


Source: Bloomberg, Banorte

## FX positioning and flows

### IMM positioning in USD/MXN futures

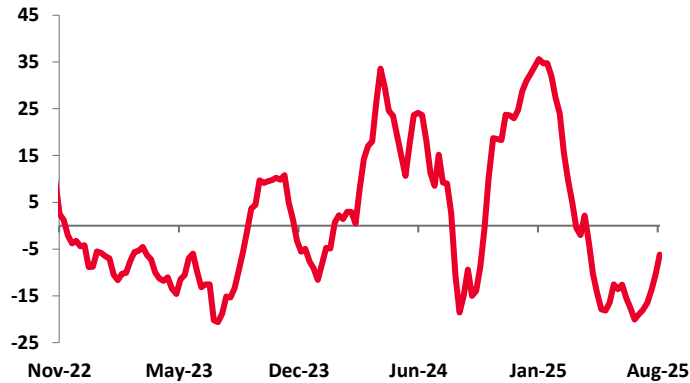
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

### IMM positioning in USD futures\*

Billion dollars, Positive = net long in USD

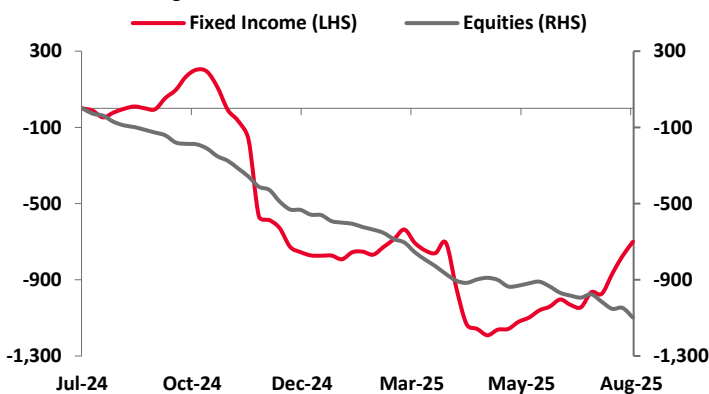


\*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

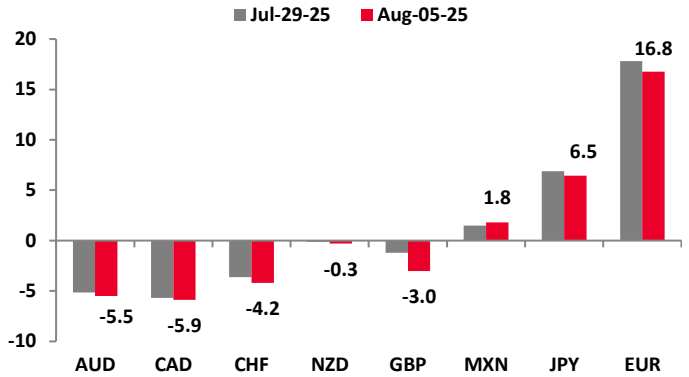
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

### IMM positioning by currency\*

Billion dollars

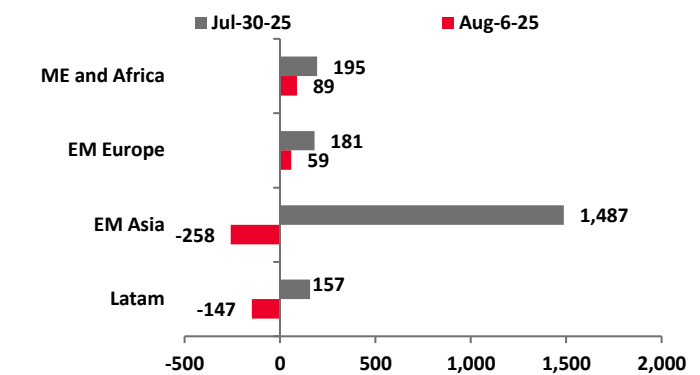


\* Positive: Net long in the corresponding currency

Source: CME, Banorte

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

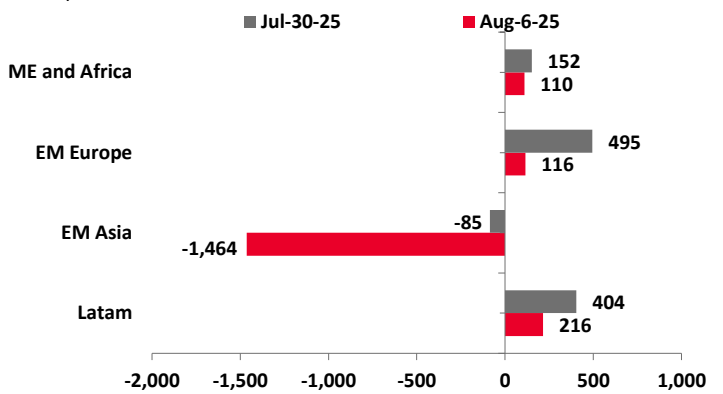
Billion dollars



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 percentage changes

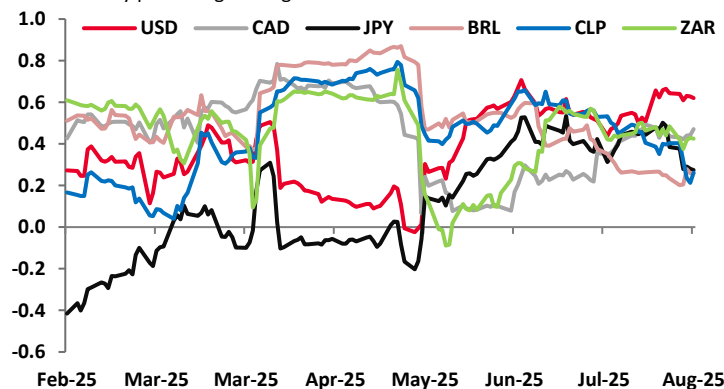
	Actual (%)	Previous week	6m Min	6m Max	6m Average
EUR	62	64	-2	71	37
CAD	47	44	6	78	44
JPY	27	38	-42	53	11
BRL	26	23	20	87	53
CLP	26	40	4	79	46
ZAR	42	48	-9	76	45
VIX	7	22	-17	76	29
SPX	17	37	-13	70	32
GSCI	-28	-37	-46	78	21
Gold	15	5	-25	55	12

\* 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

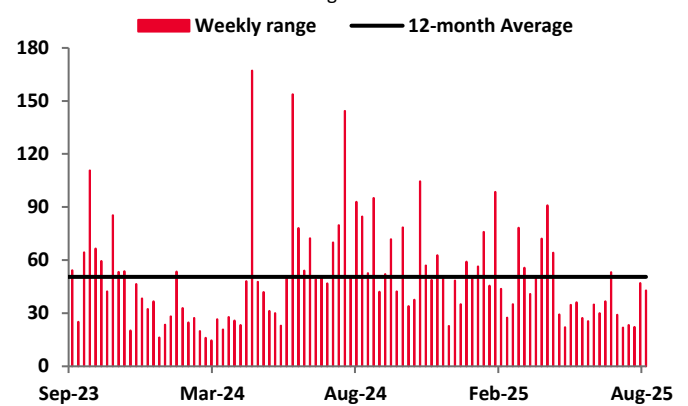


\* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

### USD/MXN – Weekly trading range

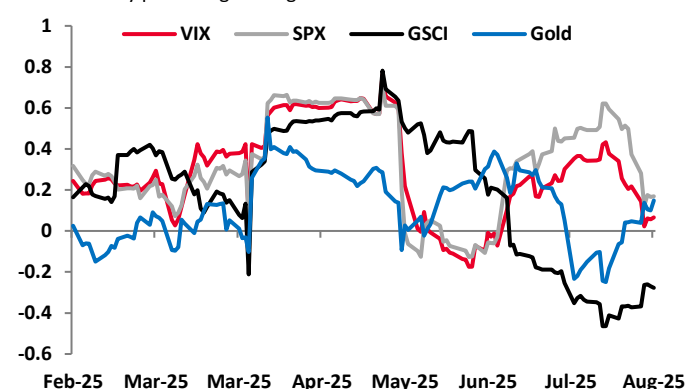
MXN cents with last 12 month average



Source: Bloomberg, Banorte

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

Based on daily percentage changes

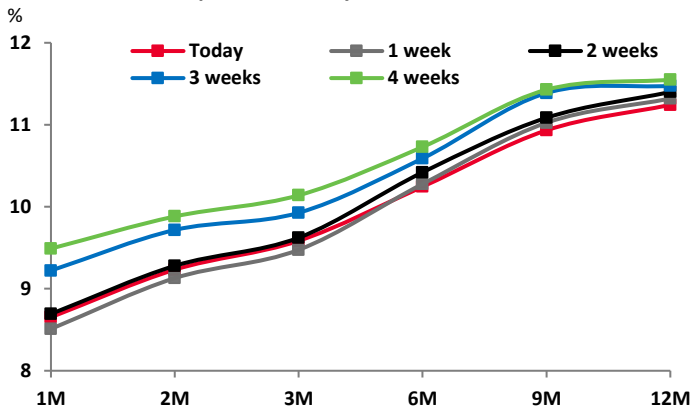


\* Positive: appreciation of MXN and corresponding asset except VIX

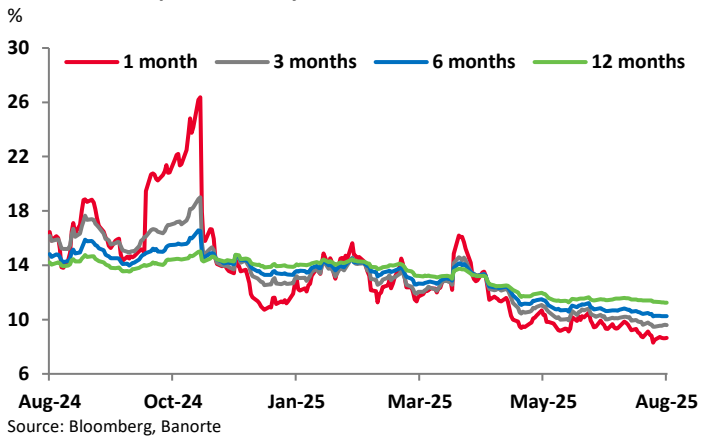
Source: Bloomberg, Banorte

## FX technicals (continued)

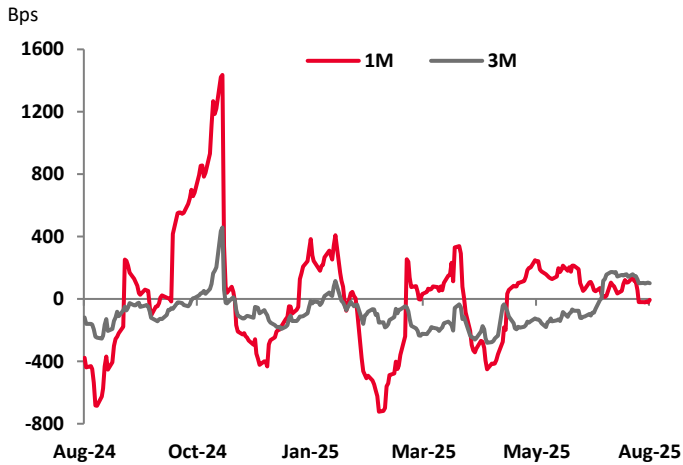
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

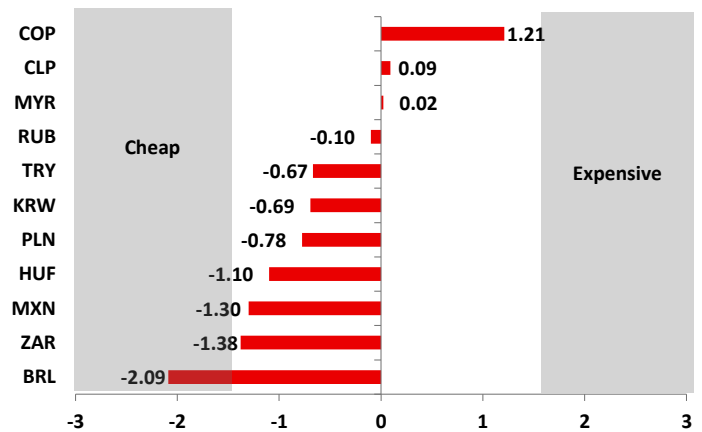


USD/MXN – Spread between implicit and historical volatility



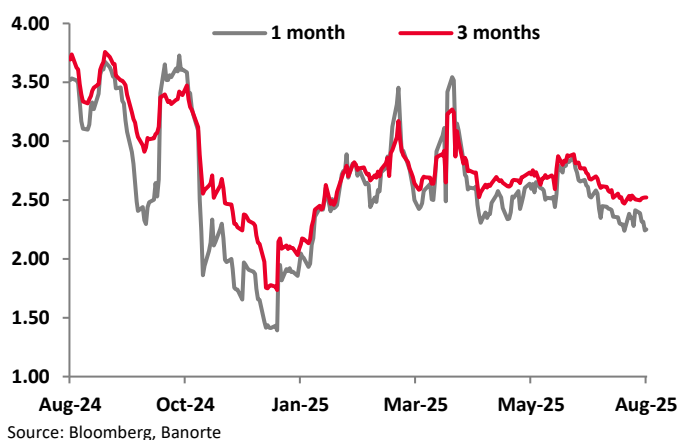
Emerging markets 1-month ATM options volatility

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



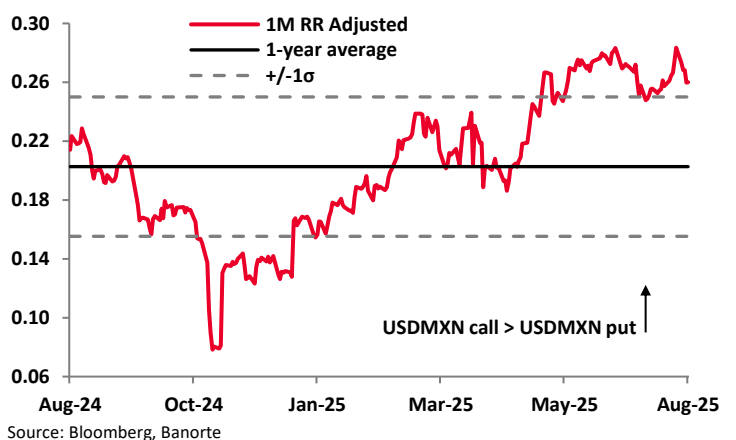
USD/MXN – 25D risk reversals

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 August 17<sup>th</sup>, 2025

	Time		Event	Period	Unit	Banorte	Survey	Previous
Mon 11	08:00	MX	Industrial production	Jun	% y/y	0.2	0.2	-0.8
	08:00	MX	Industrial production*	Jun	% m/m	0.2	0.2	0.6
	08:00	MX	Manufacturing output	Jun	% y/y	1.2	--	0.6
Tue 12	02:00	UK	Unemployment rate*	Jun	%	--	4.7	4.7
	05:00	GER	ZEW Survey (Expectations)	Aug	index	--	39.5	52.7
	08:00	BZ	Consumer prices	Jul	% m/m	--	0.36	0.24
	08:00	BZ	Consumer prices	Jul	% y/y	--	5.34	5.35
	08:30	US	Consumer prices*	Jul	% m/m	0.2	0.2	0.3
	08:30	US	Ex. food & energy*	Jul	% m/m	0.3	0.3	0.2
	08:30	US	Consumer prices	Jul	% y/y	2.8	2.8	2.7
	08:30	US	Ex. food & energy	Jul	% y/y	3.0	3.0	2.9
	10:00	US	Fed's Barkin Speaks on the Economy in Chicago					
	10:30	US	Fed's Schmid Speaks on Monetary Policy and Economic Outlook					
	11:00	MX	International reserves	Aug 8	US\$bn	--	--	242.5
	13:30	MX	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 5-year Mbono (Feb'30), 20-year Udibono (Nov'43) and 1- and 3-year Bondes F					
Wed 13	02:00	GER	Consumer prices	Jul (F)	% y/y	--	2.0	2.0
	08:00	BZ	Retail sales	Jun	% y/y	--	2.8	2.1
	08:00	BZ	Retail sales*	Jun	% m/m	--	0.7	-0.2
	11:00	MX	Banorte's Housing Price Index (INBAPREVI)	Jul				
	13:00	US	Fed's Goolsbee Speaks at Monetary Policy Luncheon					
	14:00	US	Fed's Barkin Speaks in NABE Webinar					
Thu 14	02:00	UK	Gross domestic product	2Q25 (P)	% y/y	--	1.0	1.3
	02:00	UK	Gross domestic product*	2Q25 (P)	% q/q	--	0.1	0.7
	02:00	UK	Industrial production*	Jun	% m/m	--	0.5	-0.9
	05:00	EZ	Gross domestic product	2Q25	% y/y	--	1.4	1.4
	05:00	EZ	Gross domestic product*	2Q25	% q/q	--	0.1	0.1
	05:00	EZ	Industrial production*	Jun	% m/m	--	-0.1	1.7
	08:30	US	Producer prices*	Jul	% m/m	--	0.2	0.0
	08:30	US	Ex. food & energy*	Jul	% m/m	--	0.2	0.0
	08:30	US	Initial jobless claims*	Aug 9	thousands	220	225	226
	14:00	US	Fed's Barkin Speaks in NABE Webinar					
	19:00	PER	Monetary policy decision (BCRP)	Aug 14	%	--	4.50	4.50
	19:50	JN	Gross domestic product*	2Q25 (P)	% q/q	--	0.1	0.0
	22:00	CHI	Industrial production	Jul	% y/y	--	6.0	6.8
	22:00	CHI	Retail sales	Jul	% y/y	--	4.6	4.8
	22:00	CHI	Gross fixed investment (YTD)	Jul	% y/y	--	2.7	2.8
Fri 15	08:30	US	Advance retail sales*	Jul	% m/m	0.5	0.3	0.6
	08:30	US	Ex autos & gas*	Jul	% m/m	--	0.3	0.5
	08:30	US	Control group*	Jul	% m/m	0.3	0.4	0.5
	08:30	US	Empire manufacturing*	Aug	index	3.0	0.0	5.5
	09:15	US	Industrial production*	Jul	% m/m	-0.1	0.0	0.3
	09:15	US	Manufacturing production*	Jul	% m/m	0.0	0.0	0.1
	10:00	US	U. of Michigan confidence*	Aug (P)	index	62.5	62.0	61.7

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 TIIIE-IRS steepener	28bps	43bps	18bps	31bps	P <sup>2</sup>	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% <sup>1</sup>	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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	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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