

Fixed-Income & FX Strategy

W e e k l y

Fixed-Income and FX Weekly

- **Equities and sovereign bonds rallied following Powell's remarks.** Comments from Federal Reserve Chair Jerome Powell at Jackson Hole hinted that the Fed could begin cutting rates as early as September, particularly as he expressed heightened concern over labor market dynamics and noted that the shift in the balance of risks could warrant a policy adjustment. Markets responded swiftly, pricing in an 80% implied probability of a 25bps cut in September (up from 70% pre-speech), and a cumulative easing of -54bps for the year. In response, 2-year Treasuries, most sensitive to monetary policy shifts, posted gains of up to 11bps, while longer-duration securities advanced by just 4bps. On average, the curve registered a weekly gain of 6bps. Simultaneously, major US equity indices rebounded, with the S&P 500 and DJIA trading near fresh all-time highs, while the dollar slipped to a 1-month low. Against this backdrop, we now expect the first 25bps cut in September (previously October), followed by another 25bps reduction in December, as previously anticipated. This implies a total easing of -50bps for the year, broadly in line with market pricing
- **We continue to see value in the short and belly segments of the yield curve.** The Fed's dovish pivot also spilled over into Banxico rate expectations. Market recalibrated its outlook, opening the door to further rate cuts ahead. The year-end policy rate forecast now stands at 7.25%, down from 7.32% last week, while the terminal rate for 2026 was revised to 7.12% from 7.17%. This adjustment was also supported by dovish commentary from Banxico board members in the [latest minutes](#). As a result, market pricing is gradually converging with our view of a 7.00% policy rate by end-2025, a level we expect to hold through 2026. Meanwhile, Mbonos posted gains of 11bps w/w, extending the monthly rally to 35bps. Following these moves, the entire curve appears to have richened, with yields falling to multi-year lows and breaching the lower bound of two standard deviations relative to the 90-day moving average. Nonetheless, we believe there is still room for lower rates. In particular, the short and belly segments of the curve remain attractive, especially when factoring in the Fed's dovish momentum and the persistent gap between market's expected rate path for Banxico and our forecasts. Next week, attention will be focused on the Fed's preferred inflation gauge, the PCE deflator, as well as US GDP figures. Locally, Banxico's Quarterly Report will be in focus and could reinforce the market's bias toward lower rates
- **Dollar weakens ahead of rate cuts.** The dollar continued to lose ground through August amid growing signals that the Fed may soon begin easing, with the BBDXY down 1.7% and the DXY off 2.2%. Still, both indices remain above the lows seen in July. Meanwhile, MXN broke through the 18.60 resistance level, closing at 18.58 per dollar (+0.9% w/w). USD/MXN implied volatility remains subdued, suggesting the market is relatively comfortable with the near-term risk outlook. In this environment, we reaffirm our expectation for further dollar weakness and see scope for the MXN to break below 18.50 per dollar. However, we do not recommend long MXN positions given the asymmetric risk profile. For the remainder of the year, we expect the USD/MXN to trade within a range of 18.00-19.50
- **Weekly ranges.** We expect the 10-year Mbono (Feb'36) to trade between 8.95% and 9.20%, 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 | 7.76 | 1 | -24 | -244 | 11.00 | 7.74 | 9.48 |
| 28-days ¹ | 7.89 | -6 | -13 | -238 | 10.94 | 7.89 | 9.62 |
| 91-days ¹ | 7.95 | -6 | -13 | -241 | 11.04 | 7.95 | 9.71 |
| 182-days ¹ | 8.03 | -6 | -13 | -247 | 11.20 | 8.03 | 9.83 |
| Cetes² | | | | | | | |
| 28-days | 7.63 | -15 | -26 | -238 | 10.76 | 7.35 | 9.28 |
| 91-days | 7.65 | -9 | -35 | -235 | 10.86 | 7.65 | 9.27 |
| 182-days | 7.75 | -4 | -26 | -220 | 10.82 | 7.75 | 9.24 |
| 364-days | 7.83 | -13 | -34 | -223 | 10.72 | 7.83 | 9.29 |
| Mbonos | | | | | | | |
| Mar'26 | 7.77 | -11 | -33 | -204 | 10.29 | 7.77 | 9.02 |
| Sep'26 | 7.69 | -11 | -25 | -209 | 10.31 | 7.69 | 8.94 |
| Mar'27 | 7.79 | -6 | -31 | -198 | 10.04 | 7.79 | 8.90 |
| Jun'27 | 7.78 | -7 | -30 | -204 | 10.01 | 7.78 | 8.92 |
| Mar'28 ³ | 8.03 | -10 | -40 | -190 | 9.99 | 8.03 | 8.86 |
| Mar'29 | 8.26 | -10 | -42 | -171 | 10.09 | 8.26 | 9.20 |
| May'29 | 8.29 | -10 | -41 | -169 | 10.07 | 8.29 | 9.20 |
| Feb'30 ⁴ | 8.41 | -11 | -40 | -128 | 9.69 | 8.41 | 8.92 |
| May'31 | 8.51 | -11 | -40 | -153 | 10.08 | 8.51 | 9.31 |
| May'33 | 8.77 | -13 | -45 | -145 | 10.34 | 8.77 | 9.51 |
| Nov'34 | 8.88 | -12 | -44 | -154 | 10.45 | 8.88 | 9.60 |
| Feb'36 ⁵ | 9.02 | -14 | -47 | -29 | 9.50 | 9.02 | 9.33 |
| Nov'36 | 8.98 | -7 | -41 | -143 | 10.45 | 8.98 | 9.63 |
| Nov'38 | 9.28 | -11 | -41 | -127 | 10.60 | 9.26 | 9.84 |
| Nov'42 | 9.56 | -12 | -38 | -115 | 10.76 | 9.44 | 10.07 |
| Nov'47 | 9.60 | -13 | -39 | -115 | 10.79 | 9.43 | 10.10 |
| Jul'53 | 9.61 | -13 | -38 | -118 | 10.81 | 9.44 | 10.11 |
| TIIE-F IRS⁶ | | | | | | | |
| 3-month (3x1) | 7.62 | -4 | -19 | -233 | 10.62 | 7.62 | 9.14 |
| 6-month (6x1) | 7.47 | -4 | -25 | -226 | 10.40 | 7.47 | 8.90 |
| 9-month (9x1) | 7.37 | -5 | -29 | -222 | 10.17 | 7.37 | 8.73 |
| 1-year (13x1) | 7.30 | -5 | -32 | -212 | 9.95 | 7.30 | 8.56 |
| 2-year (26x1) | 7.22 | -9 | -37 | -193 | 9.66 | 7.22 | 8.29 |
| 3-year (39x1) | 7.28 | -8 | -38 | -183 | 9.52 | 7.28 | 8.25 |
| 4-year (52x1) | 7.40 | -7 | -38 | -175 | 9.46 | 7.40 | 8.28 |
| 5-year (65x1) | 7.48 | -9 | -40 | -171 | 9.43 | 7.48 | 8.32 |
| 7-year (91x1) | 7.70 | -6 | -39 | -156 | 9.42 | 7.70 | 8.44 |
| 10-year (130x1) | 7.96 | -5 | -37 | -143 | 9.46 | 7.94 | 8.61 |
| 20-year (3x1) | 8.27 | -1 | -30 | -122 | 9.59 | 8.22 | 8.79 |
| 30-year (390x1) | 8.20 | 0 | -30 | -128 | 9.50 | 8.13 | 8.72 |
| Udibonos | | | | | | | |
| Dec'25 | 4.33 | -1 | 13 | -184 | 6.62 | 3.95 | 5.71 |
| Dec'26 | 4.30 | -5 | 0 | -180 | 6.23 | 4.16 | 5.43 |
| Nov'28 | 4.60 | -4 | -1 | -87 | 5.54 | 4.48 | 5.01 |
| Aug'29 ⁷ | 4.62 | -2 | 2 | -40 | 5.17 | 4.53 | 4.83 |
| Nov'31 | 4.77 | -10 | -20 | -71 | 5.53 | 4.71 | 5.09 |
| Aug'34 | 4.87 | -8 | -19 | -63 | 5.76 | 4.70 | 5.19 |
| Nov'35 | 4.84 | -7 | -18 | -64 | 5.62 | 4.71 | 5.12 |
| Nov'40 | 4.84 | -6 | -15 | -67 | 5.72 | 4.76 | 5.14 |
| Nov'43 | 4.86 | -7 | -19 | -65 | 5.73 | 4.81 | 5.18 |
| Nov'46 | 4.78 | -1 | -15 | -73 | 5.70 | 4.73 | 5.12 |
| Nov'50 | 4.79 | 0 | -13 | -72 | 5.71 | 4.74 | 5.13 |
| Oct'54 | 4.79 | -1 | -13 | -78 | 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 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

| USD GMS and GS Treasuries performance | | | | | | | | | | | |
|---------------------------------------|---------------|---------|---------------------|-----------|---------|---------------------|-----------|--------------|---------------------|-------------------|-----|
| UMS | | | | | UST | | | | Spreads | | CDS |
| Term | Maturity date | YTM (%) | Weekly change (bps) | YTD (bps) | YTM (%) | Weekly change (bps) | YTD (bps) | Actual (bps) | Weekly change (bps) | 12m Average (bps) | bps |
| 2Y | Mar'27 | 4.33 | -4 | -63 | 3.69 | -6 | -55 | 63 | +2 | 68 | 46 |
| 3Y | Feb'28 | 4.46 | -4 | -127 | 3.64 | -7 | -63 | 82 | +3 | 93 | 59 |
| 5Y | May'30 | 4.86 | -3 | -102 | 3.76 | -8 | -62 | 110 | +5 | 137 | 96 |
| 7Y | Jul'32 | 5.45 | -2 | -66 | 3.97 | -8 | -51 | 148 | +6 | 155 | 134 |
| 10Y | Feb'35 | 5.85 | 0 | -63 | 4.25 | -6 | -32 | 160 | +6 | 185 | 174 |
| 20Y | Jan'45 | 6.44 | +7 | -59 | 4.84 | -5 | -2 | 159 | +13 | 192 | -- |
| 30Y | May'55 | 6.94 | +0 | -29 | 4.88 | -4 | +9 | 206 | +5 | 242 | -- |

Source: Bloomberg, Banorte

5Y USD UMS



Source: Bloomberg, Banorte

10Y USD UMS



Source: Bloomberg, Banorte

5Y UMS-UST Spread



Source: Bloomberg, Banorte

10Y UMS-UST Spread



Source: Bloomberg, Banorte

Fixed-Income Supply

- **Mexico's weekly auction.** On Tuesday, the MoF will auction 1-, 3-, 6-, and 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
- **Strong demand for Cetes.** We anticipate continued healthy demand for Cetes, as real rates remain attractive relative to other emerging markets. [Banxico's latest meeting minutes](#) retained a dovish tone, reinforcing our year-end policy rate forecast of 7.00%, which stands below the 7.25% currently priced-in by the market. Following the dovish shift from the Fed and the persistent gap between market's view for Banxico and our expectations, we continue to see value in the short and belly segments of the Mbonos' curve. In this context, we expect solid appetite for the 3-year Mbono (Mar'28), consistent with the 2.84x bid-to-cover ratio observed in its last auction and well above the 2-year average of 2.51x. Demand has been supported by local banks, foreign investors, and institutional players (Pension and mutual funds), each holding approximately 20% of the total amount outstanding. This security has rallied 30bps month-to-date, currently trading near the 8.00% handle, its lowest yield in three years. Regarding real rates, we expect subdued demand for the long-duration Udibono, in line with the average bid-to-cover ratio of 1.80x over the past four auctions. While the 30-year breakeven rate declined to 4.60% from 4.84% the previous month it remains elevated, suggesting a relatively unattractive valuation

Auction specifics (August 26th, 2025)

| Security | Maturity | Coupon rate, % | To be auctioned ¹ | Previous yield ² |
|------------------|-----------|----------------|------------------------------|-----------------------------|
| Cetes | | | | |
| 1m | Sep-25-25 | -- | 7,000 | 7.40 |
| 3m | Nov-27-25 | -- | 7,000 | 7.66 |
| 6m | Feb-19-26 | -- | 13,600 | 7.81 |
| 24m | Jul-08-27 | -- | 16,000 | 8.30 |
| Bondes F* | | | | |
| 1Y | Jul-30-26 | -- | 11,950 | 0.07 |
| 3Y | Jun-15-28 | -- | 11,950 | 0.20 |
| 7Y | Jan-29-32 | -- | 11,950 | 0.23 |
| Bono M | | | | |
| 3Y | Mar-02-28 | 8.50 | 16,500 | 8.40 |
| Udibono | | | | |
| 30Y | Oct-29-54 | 4.00 | UDIS 1,150 | 4.90 |

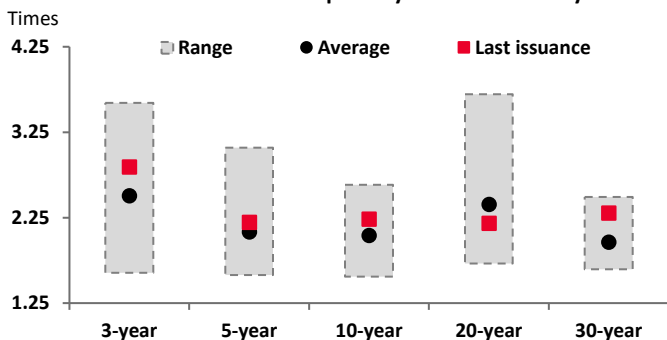
Source: Banxico, Banorte *Maximum amount to be auctioned among Bondes F together
 1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.
 2. Yield-to-maturity reported for Cetes,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

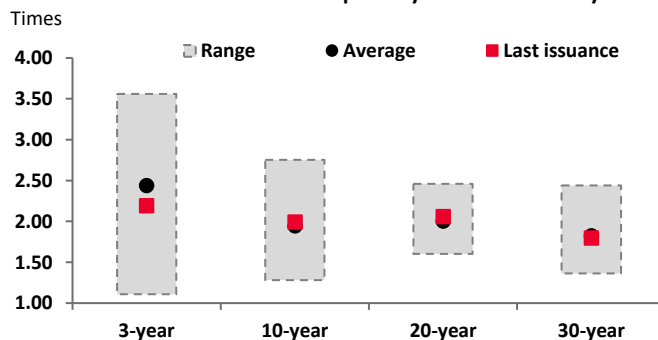
Source: SHCP *Ministry of Finance *In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance
 For more information, refer to [3Q25 Auction Calendar](#)

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

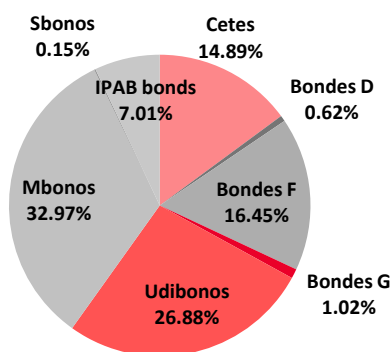
US\$ billion, *UDIS billion, data as of Aug/12/2025

| 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 | 124.03 | 11.41 | 18.77 | 28.96 | 6.91 | 13.88 | 3.19 | 1.06 | - | 39.86 |
| Bondes D | 5.19 | 0.00 | 0.05 | 2.66 | 0.00 | 1.64 | 0.00 | - | - | 0.83 |
| Bondes F | 137.00 | 0.02 | 5.36 | 81.21 | 3.37 | 13.25 | 6.28 | 0.00 | - | 27.51 |
| Bondes G | 8.48 | 0.00 | 0.97 | 2.71 | 0.44 | 0.70 | 1.50 | - | - | 2.15 |
| Udibonos | 223.88 | 7.16 | 125.58 | 9.45 | 38.32 | 4.41 | 1.51 | 0.24 | - | 37.21 |
| Mbonos | 274.52 | 77.06 | 71.79 | 11.47 | 10.46 | 33.84 | 12.29 | 0.64 | 0.81 | 56.17 |
| Sbonos | 1.24 | 0.59 | 0.29 | 0.01 | 0.08 | 0.02 | - | - | - | 0.24 |
| Total | 774.34 | 96.24 | 222.82 | 136.47 | 59.58 | 67.74 | 24.77 | 1.94 | 0.81 | 163.98 |
| Udibonos* | 487.87 | 15.59 | 273.66 | 20.60 | 83.52 | 9.61 | 3.28 | 0.53 | - | 81.08 |
| IPAB bonds | 58.41 | 0.01 | 1.17 | 18.20 | 0.37 | 6.70 | 6.35 | 2.56 | - | 23.07 |

Source: Banxico, Banorte

Government issuance by type of instrument

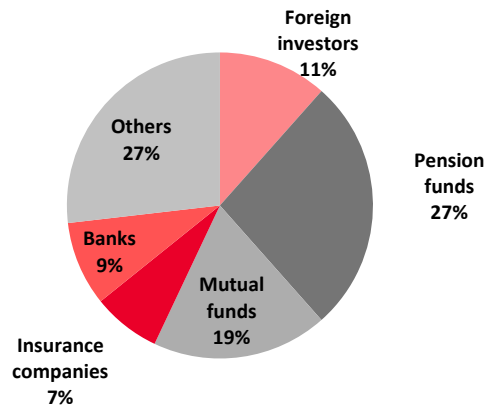
Total amount of US\$ 833 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

Government issuance by type of investor

Total amount of US\$ 833 billion (including IPAB bonds), % of total

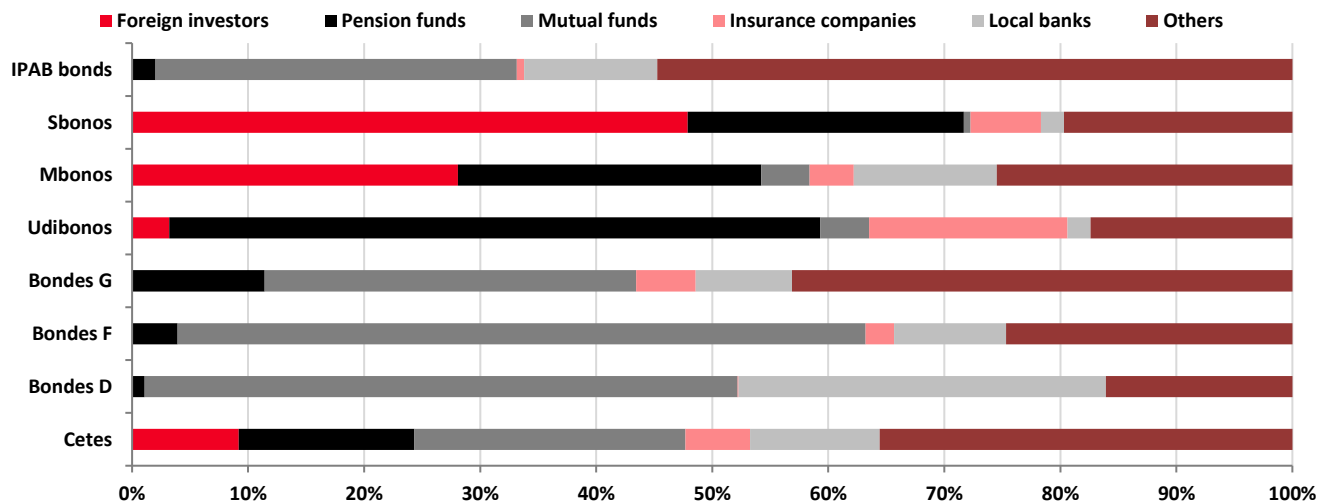


Source: Banxico, Banorte

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\$ 833 billion (including IPAB bonds), % of total



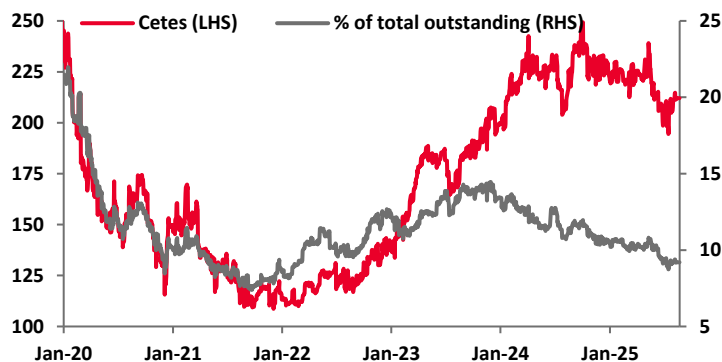
Source: Banxico, Banorte

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

Fixed-Income Demand (continued)

Cetes held by foreigners

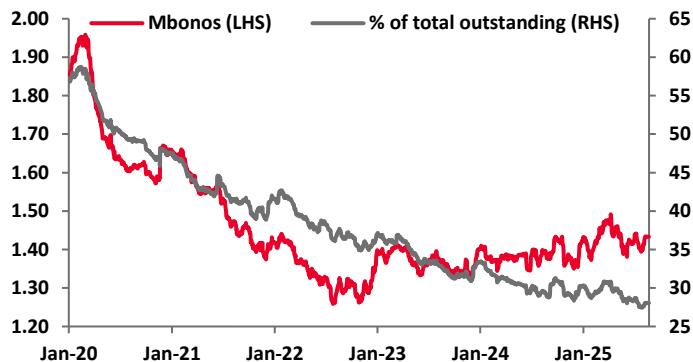
MXN billion, %



Source: Banxico, Banorte

Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

Holdings of main investors by type of security

Data as of Aug/12/2025

| | Foreign investors | | Pension funds | | Mutual funds | |
|----------|--------------------|---------|--------------------|---------|--------------------|---------|
| | Δ last 4 weeks (%) | YTD (%) | Δ last 4 weeks (%) | YTD (%) | Δ last 4 weeks (%) | YTD (%) |
| Cetes | 4.00 | -3.84 | -3.11 | -16.22 | 17.13 | 48.63 |
| Bondes F | -43.05 | -11.30 | -13.59 | -15.78 | 3.83 | 12.16 |
| Udibonos | -7.56 | -20.82 | 2.53 | 11.40 | -7.33 | 20.47 |
| Mbonos | 1.49 | 0.06 | 1.51 | 15.09 | -5.76 | 13.22 |

Source: Banxico, Banorte

Mbonos holdings by type of investor

US\$ billions and %, data as Aug/7/2025

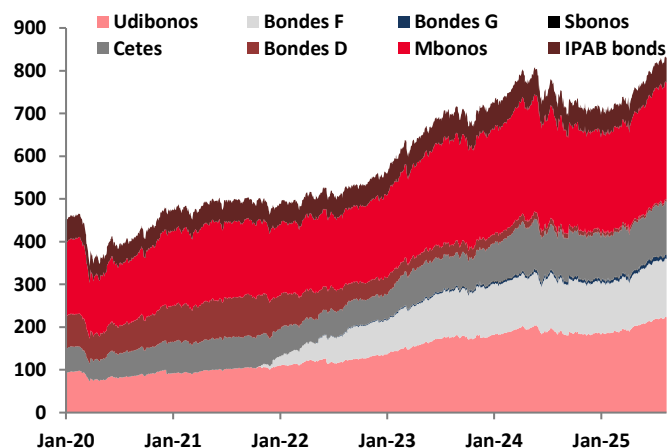
| Maturity | Amount Outstanding | Local Banks | Foreign investors | Pension and Mutual funds | Others |
|----------|--------------------|-------------|-------------------|--------------------------|--------|
| Mar'26 | 15.0 | 16% | 15% | 16% | 53% |
| Sep'26 | 7.5 | 10% | 29% | 11% | 49% |
| Mar'27 | 15.3 | 26% | 17% | 9% | 48% |
| Jun'27 | 17.9 | 37% | 18% | 14% | 31% |
| Mar'28 | 13.8 | 19% | 19% | 19% | 43% |
| Mar'29 | 24.4 | 16% | 30% | 27% | 28% |
| May'29 | 20.9 | 12% | 30% | 31% | 27% |
| Feb'30 | 12.1 | 11% | 24% | 38% | 26% |
| May'31 | 25.4 | 9% | 35% | 28% | 28% |
| May'33 | 17.7 | 12% | 32% | 27% | 29% |
| Nov'34 | 20.8 | 4% | 46% | 33% | 17% |
| Feb'36 | 2.9 | 13% | 35% | 25% | 27% |
| Nov'36 | 5.4 | 2% | 16% | 53% | 29% |
| Nov'38 | 11.8 | 3% | 28% | 49% | 20% |
| Nov'42 | 23.1 | 4% | 30% | 47% | 19% |
| Nov'47 | 14.1 | 1% | 31% | 44% | 24% |
| Jul'53 | 22.0 | 3% | 31% | 51% | 16% |
| Total | 270.2 | 12% | 28% | 31% | 29% |

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

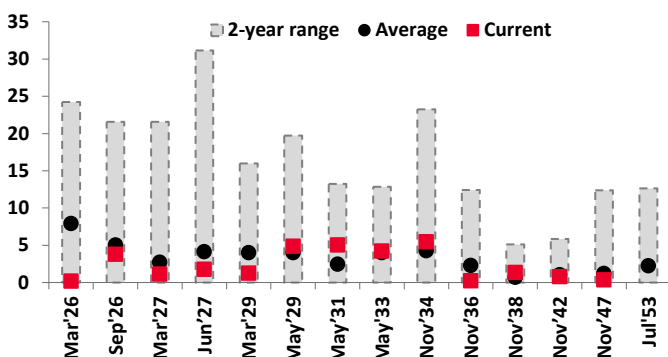


Fuente: Banxico, Banorte

Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

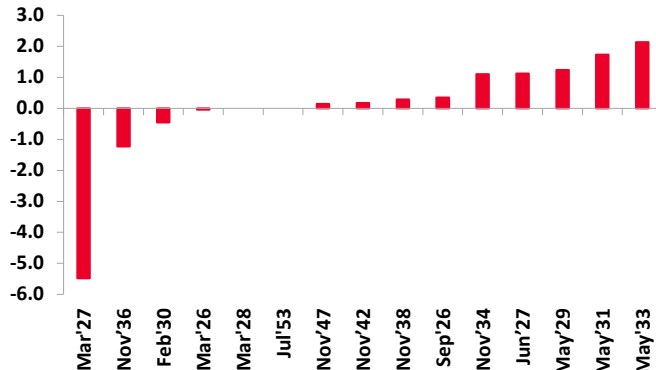
MXN billion



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

Weekly change in market makers' short positions on Mbonos

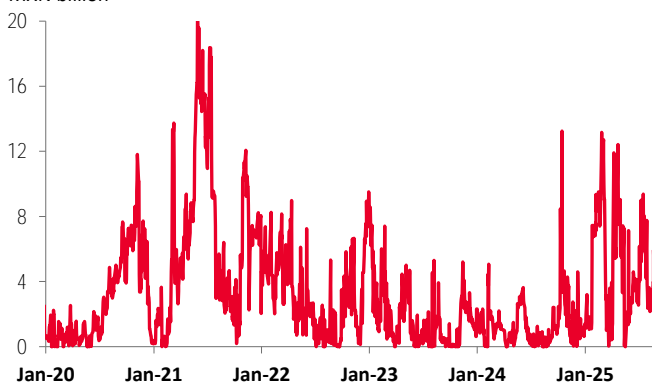
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

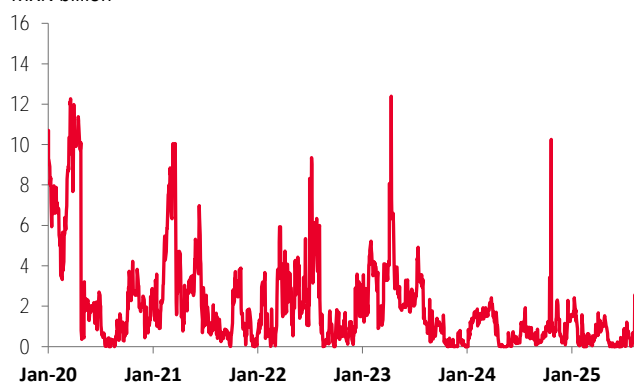
MXN billion



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 Aug/21/2025 | Aug/21/2025 | Previous Week | Previous Month | Previous Year | 6m Max | 6m Min |
|---------------|--|--------------|---------------|----------------|---------------|--------|--------|
| Mar'26 | 14,836 | 11 | 13 | 95 | 314 | 466 | 0 |
| Sep'26 | 7,468 | 202 | 183 | 117 | 619 | 678 | 0 |
| Mar'27 | 15,065 | 59 | 351 | 9 | 9 | 443 | 3 |
| Jun'27 | 17,875 | 96 | 36 | 35 | 360 | 590 | 6 |
| Mar'28* | 13,647 | 0 | 0 | 2 | -- | 284 | 0 |
| Mar'29 | 24,239 | 67 | 43 | 92 | 169 | 337 | 0 |
| May'29 | 21,801 | 260 | 194 | 634 | 73 | 1,051 | 0 |
| May'31 | 25,668 | 268 | 176 | 308 | 8 | 702 | 0 |
| May'33 | 17,550 | 225 | 112 | 373 | 618 | 442 | 0 |
| Nov'34 | 23,443 | 291 | 232 | 388 | 93 | 1,156 | 64 |
| Nov'36 | 5,332 | 13 | 78 | 67 | 560 | 360 | 5 |
| Nov'38 | 11,768 | 72 | 57 | 49 | 0 | 209 | 0 |
| Nov'42 | 23,073 | 42 | 33 | 46 | 86 | 197 | 0 |
| Nov'47 | 13,976 | 19 | 11 | 20 | 37 | 137 | 0 |
| Jul'53 | 21,753 | 0 | 0 | 1 | 30 | 229 | 0 |
| Total | 257,493 | 1,624 | 1,518 | 2,233 | 2,947 | | |

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

Fixed-Income Technicals

Spread between Cetes and Implied Forward Rates

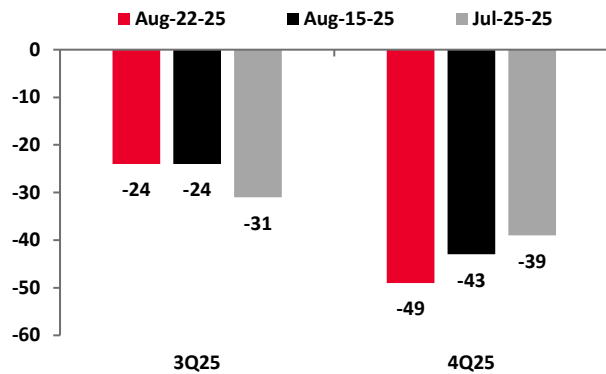
Basis points

| Tenor | Actual | Weekly change | Δ last 4 weeks | 6m average | 6m Max | 6m Min |
|-----------|--------|---------------|----------------|------------|--------|--------|
| 1 month | 10 | 31 | 7 | 37 | 98 | -31 |
| 3 months | -18 | -13 | -9 | -8 | 39 | -31 |
| 6 months | -11 | -3 | -14 | -11 | 27 | -35 |
| 12 months | 4 | 18 | -4 | 11 | 47 | -7 |

Source: PIP, Bloomberg, Banorte

Cumulative implied moves in Banxico's repo rate

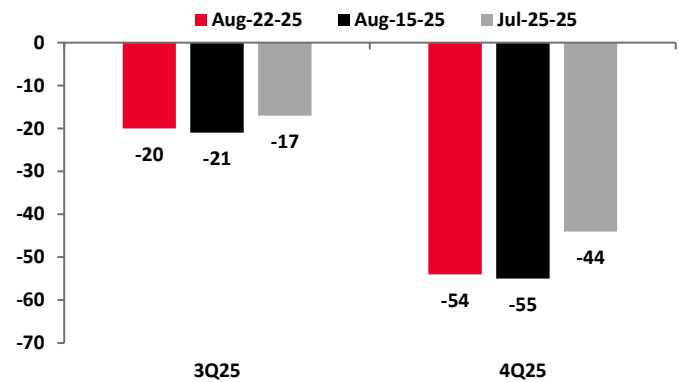
Basis points



Source: Bloomberg, Banorte

Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

Spreads between Mbonos and UST

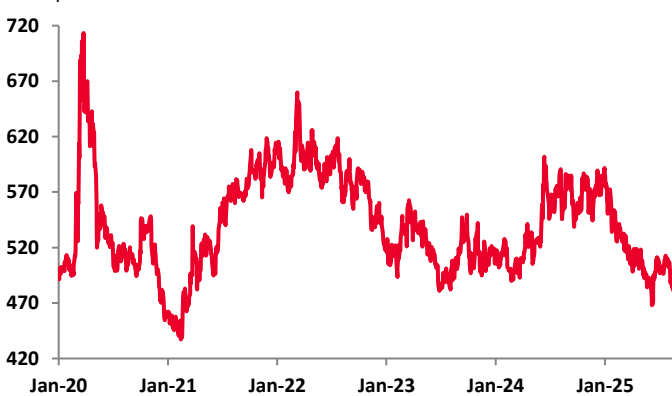
Basis points

| Spread | Actual | Weekly change | Δ last 4 weeks | YTD | 12m Max | 12m Min | 12m Average |
|---------|--------|---------------|----------------|------|---------|---------|-------------|
| 2 year | 409 | -1 | -8 | -143 | 636 | 404 | 501 |
| 5 year | 465 | -3 | -21 | -94 | 610 | 452 | 524 |
| 10 year | 477 | -8 | -33 | -108 | 592 | 468 | 534 |
| 20 year | 471 | -7 | -29 | -113 | 593 | 475 | 538 |
| 30 year | 473 | -8 | -32 | -127 | 605 | 479 | 546 |

Source: Bloomberg, Banorte

10-year Mbono and 10-year UST spread

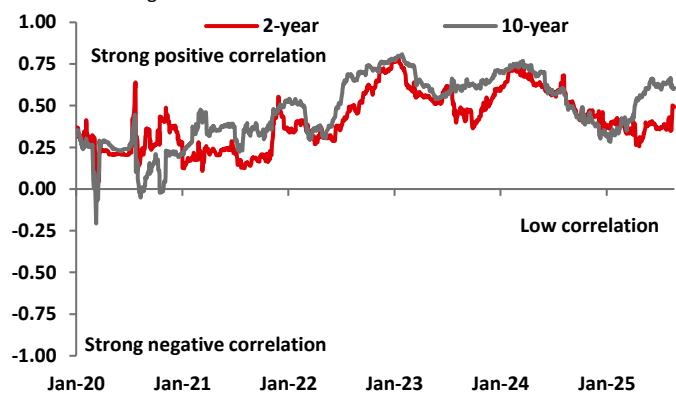
Basis points



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 | 62 | -5 | -9 | 42 | 79 | -63 | 27 |
| 2/10 | 123 | -8 | -16 | 59 | 142 | -64 | 63 |
| 2/30 | 182 | -7 | -7 | 80 | 207 | -34 | 111 |
| 5/10 | 61 | -3 | -6 | 17 | 74 | -6 | 37 |
| 10/30 | 59 | 2 | 9 | 22 | 74 | 23 | 48 |
| TIIE-F* | | | | | | | |
| 3m/2Y | -40 | -4 | -17 | 40 | -22 | -191 | -84 |
| 2/5 | 27 | 0 | -3 | 23 | 31 | -51 | 3 |
| 2/10 | 74 | 3 | 0 | 50 | 76 | -46 | 31 |
| 2/30 | 98 | 9 | 7 | 65 | 100 | -41 | 42 |
| 5/10 | 48 | 3 | 3 | 28 | 51 | 2 | 28 |
| 10/30 | 24 | 5 | 7 | 15 | 25 | -4 | 11 |
| TIIE-F – Mbonos* | | | | | | | |
| 2 year | -58 | -3 | -6 | -21 | -26 | -107 | -64 |
| 5 year | -93 | 2 | 0 | -29 | -60 | -125 | -92 |
| 10 year | -107 | 9 | 10 | -40 | -64 | -130 | -100 |
| 20 year | -129 | 11 | 7 | -42 | -78 | -165 | -126 |
| 30 year | -142 | 13 | 8 | -50 | -83 | -180 | -137 |
| TIIE-F – SOFR* | | | | | | | |
| 2 year | 377 | -2 | -13 | -129 | 573 | 370 | 451 |
| 5 year | 408 | -1 | -21 | -107 | 559 | 397 | 463 |
| 10 year | 422 | 1 | -23 | -108 | 559 | 418 | 479 |
| 20 year | 420 | 4 | -22 | -119 | 567 | 412 | 483 |
| 30 year | 414 | 4 | -24 | -139 | 580 | 407 | 488 |

Source: Bloomberg, Banorte

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

Breakeven inflation using Mbonos & Udibonos

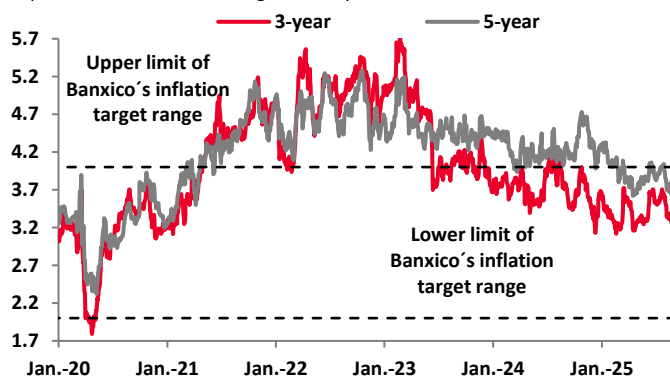
%, Implicit market inflation using Fisher Equation

| Date | 08/22/2025 | Previous week | Previous month | Previous year | 12m Max | 12m Min | 12m Average |
|------|------------|---------------|----------------|---------------|---------|---------|-------------|
| 3Y | 3.26 | 3.34 (-8bps) | 3.66 (-40bps) | 3.77 (-51bps) | 4.00 | 3.12 | 3.49 |
| 5Y | 3.65 | 3.72 (-7bps) | 4.02 (-37bps) | 4.02 (-37bps) | 4.73 | 3.62 | 4.06 |
| 10Y | 3.96 | 4.02 (-6bps) | 4.21 (-25bps) | 4.18 (-22bps) | 4.75 | 3.92 | 4.27 |
| 20Y | 4.48 | 4.52 (-4bps) | 4.65 (-17bps) | 4.47 (+1bp) | 5.01 | 4.25 | 4.65 |
| 30Y | 4.60 | 4.71 (-11bps) | 4.84 (-24bps) | 4.52 (+8bps) | 5.00 | 4.37 | 4.75 |

Source: Bloomberg, Banorte

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

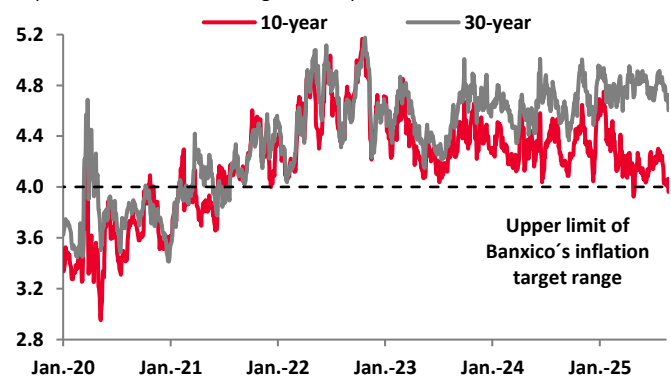
Implicit market inflation using Fisher Equation



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

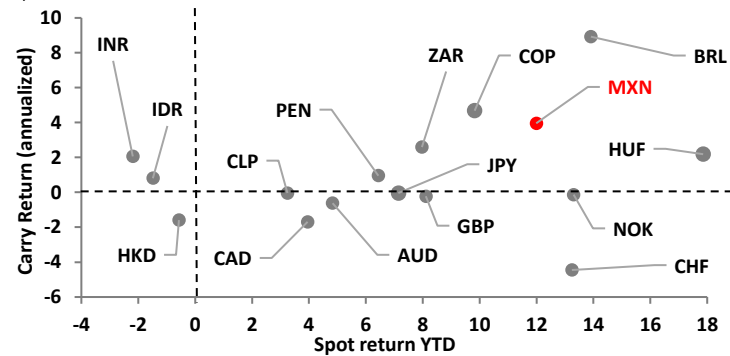
| | | Current | Daily Change (%) ¹ | Weekly change (%) ¹ | Monthly change (%) ¹ | YTD (%) ¹ |
|--------------------------|----------------|--------------|-------------------------------|--------------------------------|---------------------------------|----------------------|
| Emerging Markets | | | | | | |
| Brazil | USD/BRL | 5.43 | 0.9 | -0.5 | 1.7 | 13.8 |
| Chile | USD/CLP | 958.78 | 1.3 | 0.8 | -1.0 | 3.8 |
| Colombia | USD/COP | 4,010.80 | 0.5 | 0.1 | 0.8 | 9.8 |
| Peru | USD/PEN | 3.52 | 0.6 | 1.1 | 1.0 | 6.3 |
| Hungary | USD/HUF | 338.61 | 0.9 | -0.3 | 0.0 | 17.4 |
| Malaysia | USD/MYR | 4.23 | -0.1 | -0.3 | 0.0 | 5.8 |
| Mexico | USD/MXN | 18.58 | 0.9 | 0.9 | -0.2 | 12.1 |
| Poland | USD/PLN | 3.64 | 0.8 | 0.0 | -0.8 | 13.5 |
| South Africa | USD/ZAR | 17.45 | 1.5 | 0.8 | 0.5 | 8.0 |
| Developed Markets | | | | | | |
| Canada | USD/CAD | 1.38 | 0.6 | -0.1 | -1.7 | 4.0 |
| Great Britain | GBP/USD | 1.35 | 0.8 | -0.2 | -0.4 | 8.1 |
| Japan | USD/JPY | 146.94 | 1.0 | 0.2 | -0.3 | 7.0 |
| Eurozone | EUR/USD | 1.1718 | 1.0 | 0.1 | -0.5 | 13.2 |
| Norway | USD/NOK | 10.06 | 1.2 | 1.3 | 0.4 | 13.2 |
| Denmark | USD/DKK | 6.37 | 1.0 | 0.1 | -0.5 | 13.1 |
| Switzerland | USD/CHF | 0.80 | 0.9 | 0.7 | -1.1 | 13.2 |
| New Zealand | NZD/USD | 0.59 | 0.8 | -0.9 | -3.0 | 4.9 |
| Sweden | USD/SEK | 9.50 | 1.4 | 0.6 | 0.1 | 16.6 |
| Australia | AUD/USD | 0.65 | 1.1 | -0.3 | -1.7 | 4.9 |

Source: Bloomberg, Banorte

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

Performance of selected currencies

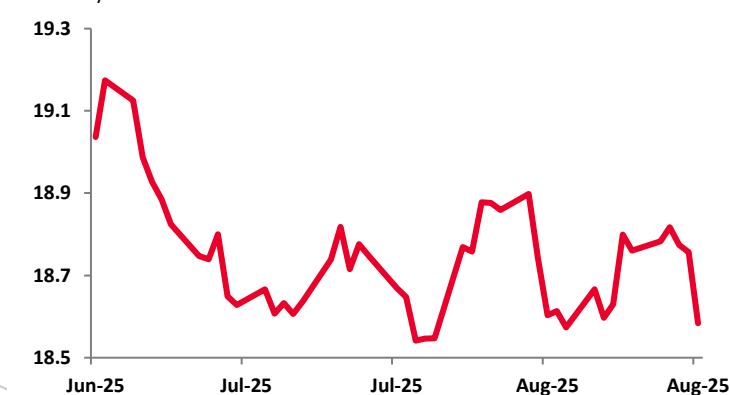
%, annualized rate based in 3M forwards



Source: Bloomberg, Banorte

USD/MXN

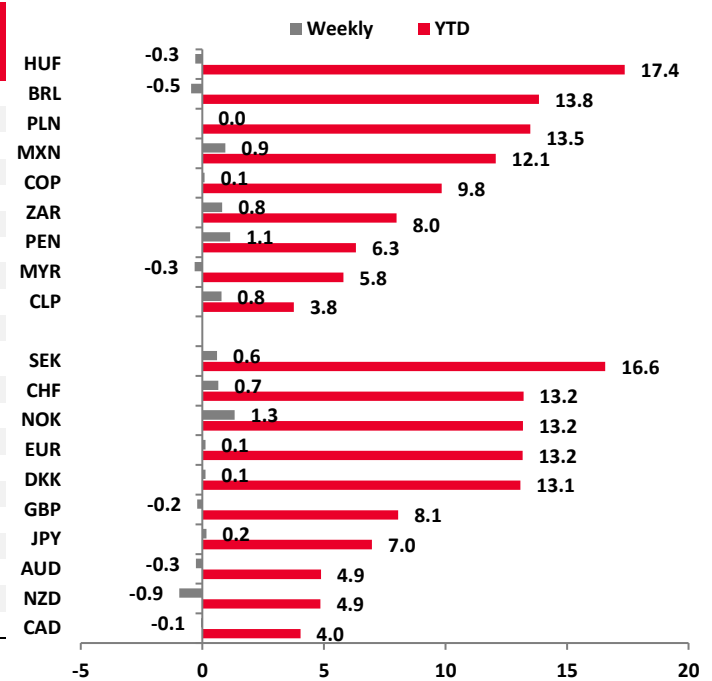
Last 60 days



Source: Bloomberg, Banorte

FX performance

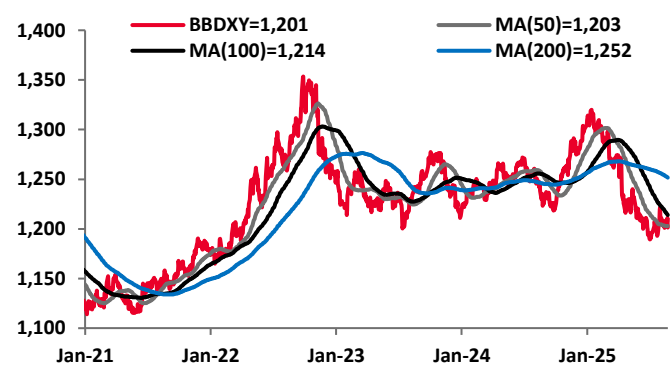
Against USD, %



Source: Bloomberg, Banorte

BBDXY

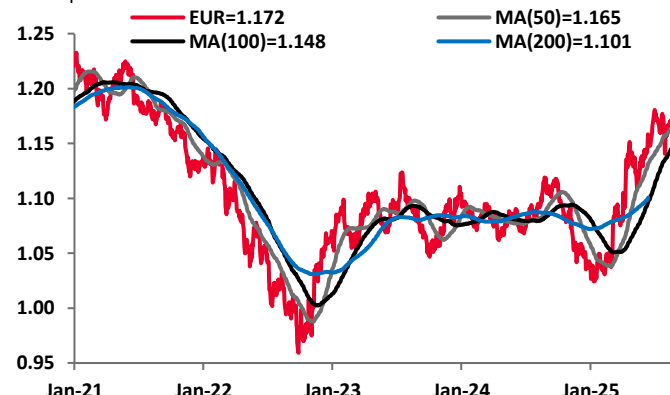
Points



Source: Bloomberg, Banorte

Euro

Dollar per euro

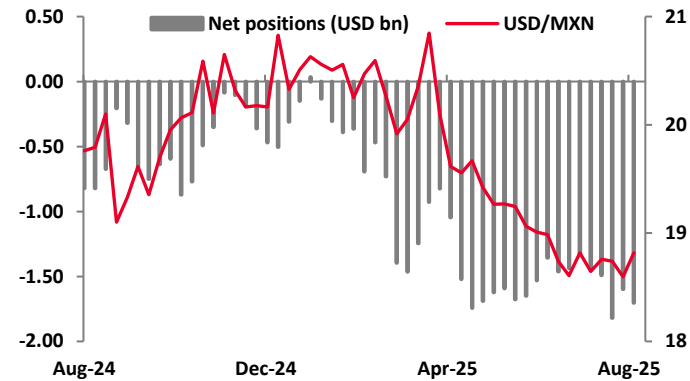


Source: Bloomberg, Banorte

FX positioning and flows

IMM positioning in USD/MXN futures

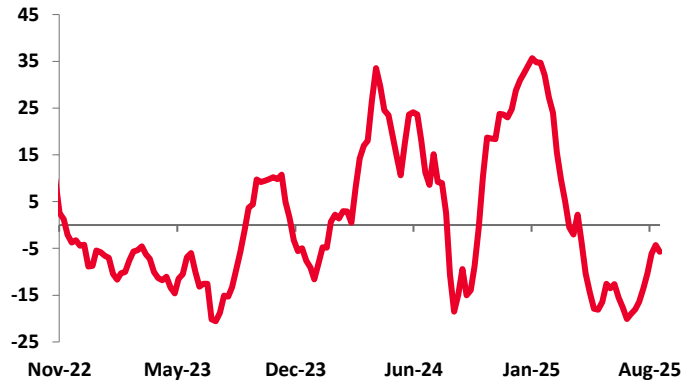
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

IMM positioning in USD futures*

Billion dollars, Positive = net long in USD

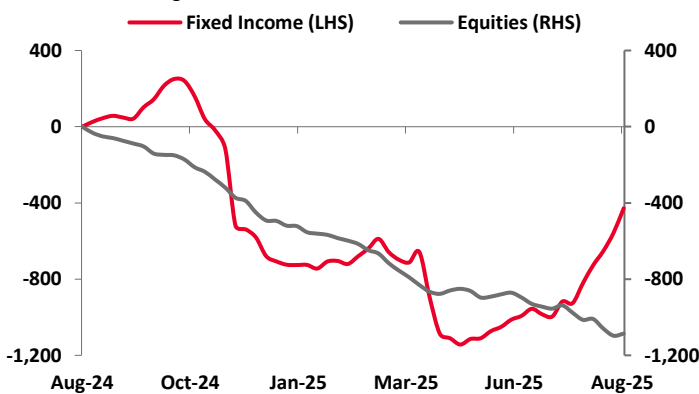


*Respect to EUR, AUD, GBP, NZD, MXN, CAD, JPY, and CHF

Source: CME, Banorte

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

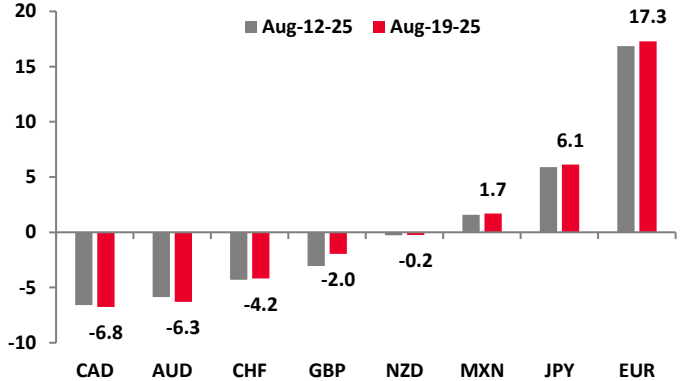
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

IMM positioning by currency*

Billion dollars

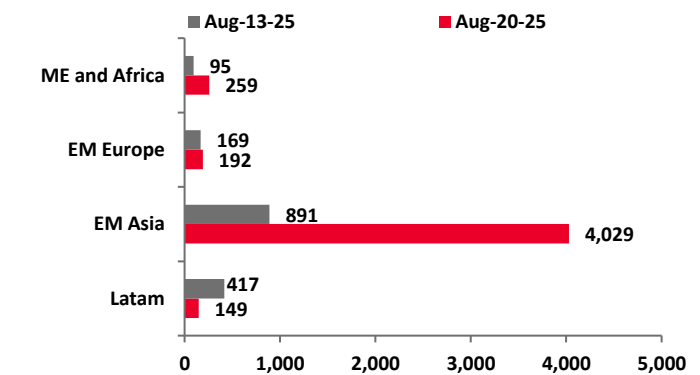


* Positive: Net long in the corresponding currency

Source: CME, Banorte

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

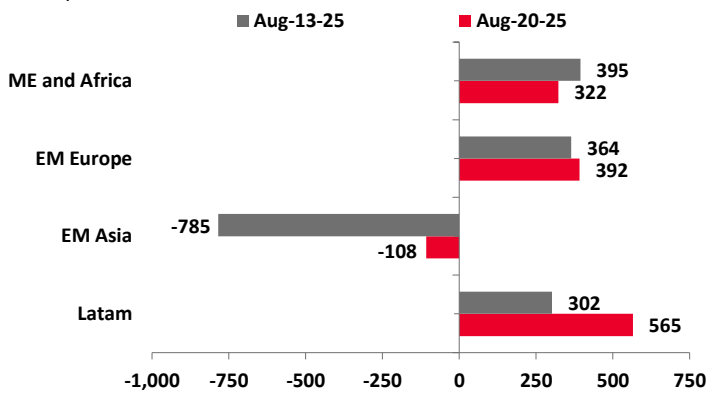
Billion dollars



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

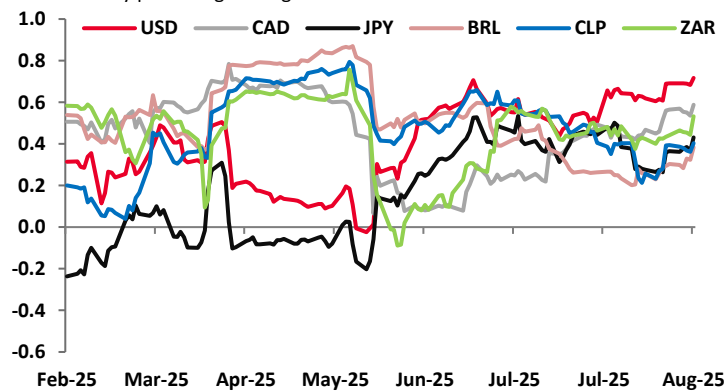
| | Actual (%) | Previous week | 6m Min | 6m Max | 6m Average |
|------|------------|---------------|--------|--------|------------|
| EUR | 72 | 69 | -2 | 72 | 40 |
| CAD | 59 | 56 | 6 | 78 | 45 |
| JPY | 43 | 36 | -24 | 53 | 16 |
| BRL | 38 | 30 | 20 | 87 | 52 |
| CLP | 40 | 39 | 4 | 79 | 47 |
| ZAR | 53 | 44 | -9 | 76 | 44 |
| VIX | 24 | 18 | -17 | 76 | 29 |
| SPX | 25 | 14 | -13 | 70 | 32 |
| GSCI | -15 | -25 | -46 | 78 | 17 |
| Gold | 44 | 32 | -25 | 55 | 15 |

* Positive: appreciation of MXN and corresponding asset except VIX

Source: Bloomberg, Banorte

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

Based on daily percentage changes

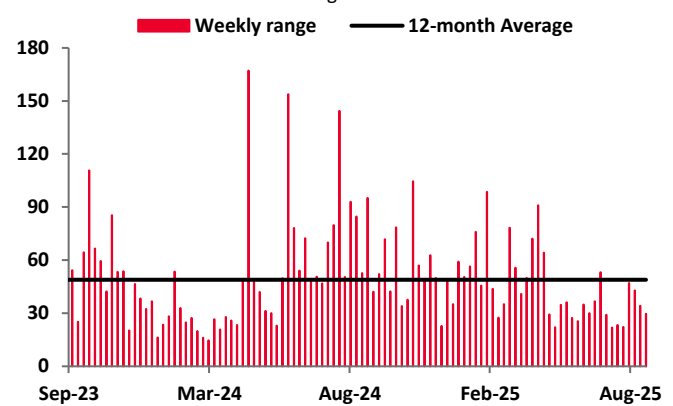


* Positive: appreciation of MXN and corresponding currency

Source: Bloomberg, Banorte

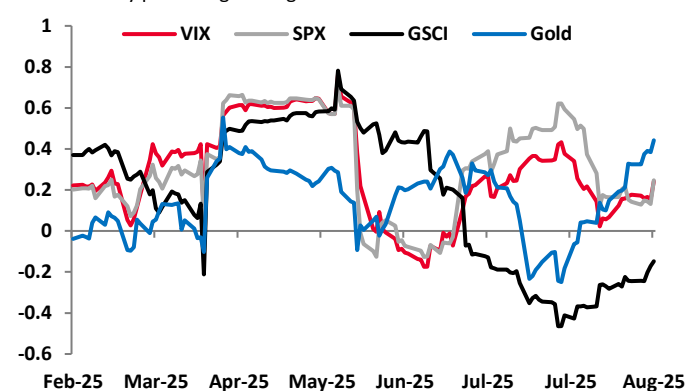
USD/MXN – Weekly trading range

MXN cents with last 12 month average



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

Based on daily percentage changes

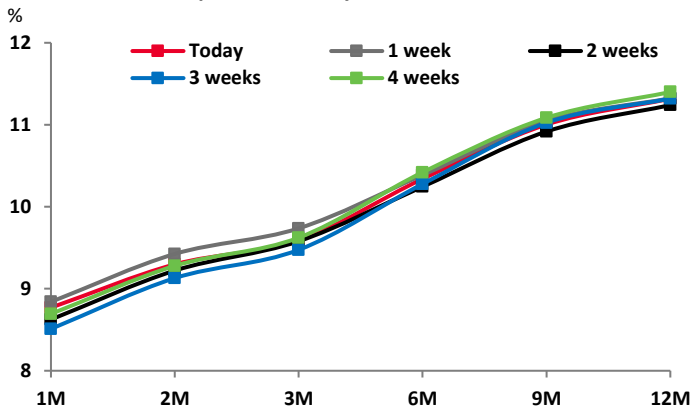


* Positive: appreciation of MXN and corresponding asset except VIX

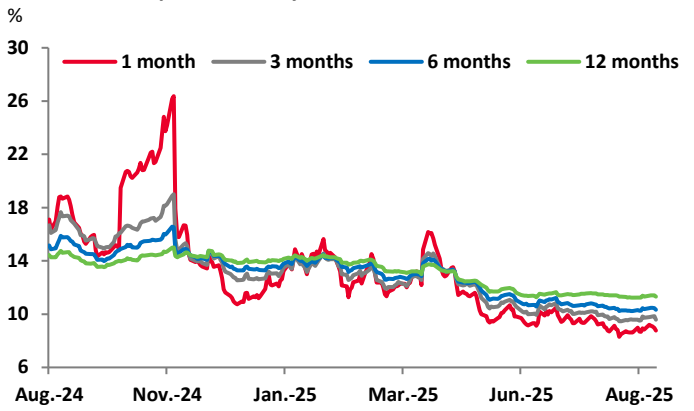
Source: Bloomberg, Banorte

FX technicals (continued)

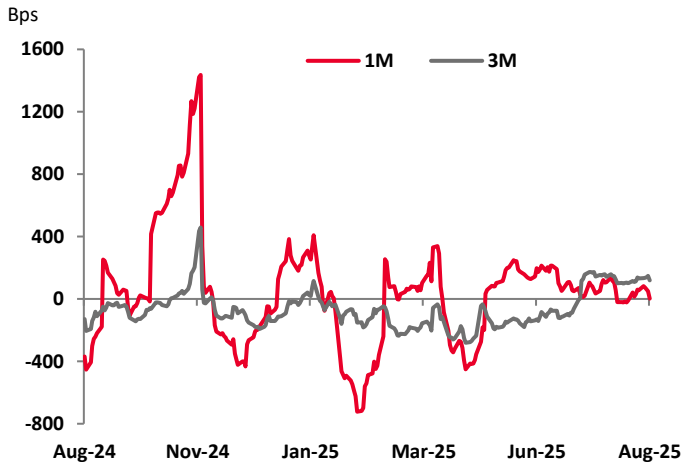
USD/MXN – ATM options volatility curve



USD/MXN – Implied volatility

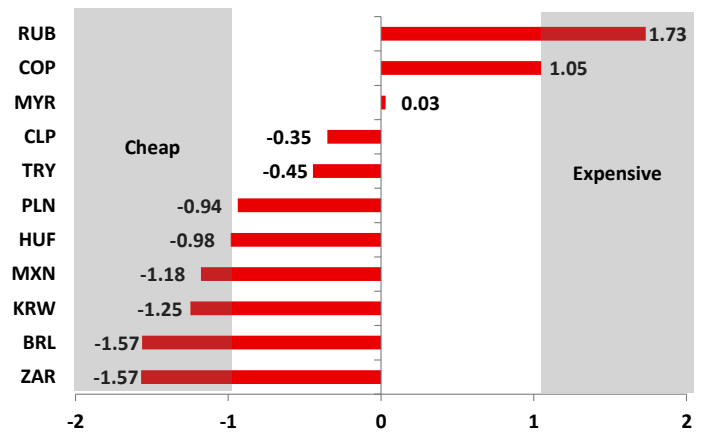


USD/MXN – Spread between implicit and historical volatility



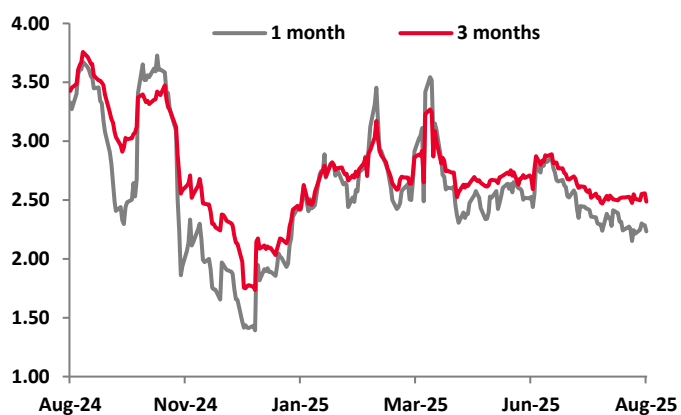
Emerging markets 1-month ATM options volatility

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



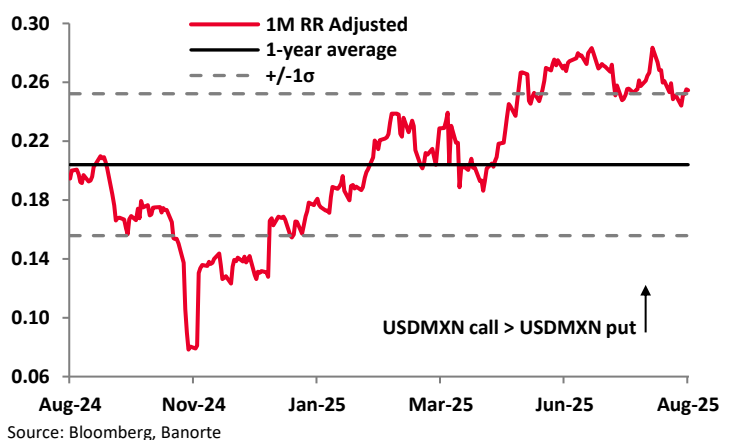
USD/MXN – 25D risk reversals

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 30th, 2025

| | Time | | Event | Period | Unit | Banorte | Survey | Previous |
|--------|-------|-----|---|---------|-----------|---------|--------|----------|
| Mon 25 | 04:00 | GER | IFO Survey (business climate)* | Aug | index | -- | 88.8 | 88.6 |
| | 10:00 | US | New home sales** | Jul | thousands | -- | 630 | 627 |
| | 11:00 | MX | Current account | 2Q25 | US\$bn | 5.5 | 5.5 | -7.6 |
| | 15:15 | US | Fed's Logan Speaks at Bank of Mexico Centennial Conference | | | | | |
| | 19:15 | US | Fed's Williams Speaks at Bank of Mexico Centennial Conference | | | | | |
| | 00:01 | US | Fed's Barkin Repeats Remarks on the Economy | | | | | |
| Tue 26 | 08:00 | BZ | Consumer prices | Aug | % m/m | -- | -0.20 | 0.33 |
| | 08:00 | BZ | Consumer prices | Aug | % y/y | -- | 4.89 | 5.30 |
| | 08:30 | US | Durable goods orders* | Jul (P) | % m/m | -- | -4.0 | -9.4 |
| | 08:30 | US | Ex transportation* | Jul (P) | % m/m | -- | 0.2 | 0.2 |
| | 09:00 | US | S&P/CoreLogic housing prices | Jun | % y/y | -- | 2.2 | 2.8 |
| | 10:00 | US | Consumer confidence* | Aug | index | 96.5 | 96.4 | 97.2 |
| | 11:00 | MX | International reserves | Aug 22 | US\$bn | -- | -- | 243.1 |
| | 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 27 | 08:00 | MX | Trade balance | Jul | US\$m | -477.2 | 666.0 | 514.4 |
| | | SK | Monetary policy decision (Central bank of South Korea) | Aug 28 | % | -- | 2.50 | 2.50 |
| Thu 28 | 04:00 | EZ | Monetary aggregates (M3)* | Jul | % y/y | -- | 3.5 | 3.3 |
| | 05:00 | EZ | Economic confidence* | Aug (F) | index | -- | -- | -15.5 |
| | 05:00 | EZ | Consumer Confidence | Aug | index | -- | 96.0 | 95.8 |
| | 08:00 | MX | Unemployment rate | Jul | % | 2.94 | 2.86 | 2.69 |
| | 08:30 | US | Gross domestic product** | 2Q25 | % q/q | 3.1 | 3.1 | 3.0 |
| | 08:30 | US | Personal consumption** | 2Q25 | % q/q | 1.5 | 1.6 | 1.4 |
| | 08:30 | US | Initial jobless claims* | Aug 23 | thousands | 232 | 230 | 235 |
| | 18:00 | US | Fed's Waller Speaks on Monetary Policy | | | | | |
| Fri 29 | 08:00 | BZ | Unemployment rate | Jul | % | -- | 5.7 | 5.8 |
| | 08:00 | GER | Consumer prices | Aug (P) | % y/y | -- | 2.1 | 2.0 |
| | 08:30 | US | Trade balance* | Jul | US\$bn | -- | -89.5 | -84.9 |
| | 08:30 | US | Personal income* | Jul | % m/m | -- | 0.4 | 0.3 |
| | 08:30 | US | Personal spending* | Jul | % m/m | -- | 0.5 | 0.3 |
| | 08:30 | US | Real personal spending* | Jul | % m/m | -- | 0.3 | 0.1 |
| | 08:30 | US | PCE Deflator* | Jul | % m/m | 0.2 | 0.2 | 0.3 |
| | 08:30 | US | Core* | Jul | % m/m | 0.3 | 0.3 | 0.3 |
| | 08:30 | US | PCE Deflator | Jul | % y/y | 2.6 | 2.6 | 2.6 |
| | 08:30 | US | Core | Jul | % y/y | 2.9 | 2.9 | 2.8 |
| | 10:00 | US | U. of Michigan confidence* | Aug (F) | index | 58.6 | 58.6 | 58.6 |
| | 11:00 | MX | Banking credit | Jul | % y/y | 6.0 | -- | 5.2 |
| | 14:30 | MX | Banxico's Quarterly Report | 2Q25 | | | | |
| | 16:30 | MX | Public finances (PSBR, year-to-date) | Jul | MXNbn | | | -567.6 |
| Sat 30 | 21:30 | CHI | Manufacturing PMI* | Aug | index | -- | 49.3 | 49.3 |
| | 21:30 | CHI | Non-manufacturing PMI* | Aug | index | -- | 50.1 | 50.1 |
| | 21:30 | CHI | Composite PMI* | Aug | index | -- | -- | 50.2 |

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) | P | May-30-25 | Aug-12-25 | |
| 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 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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| | Reference |
|------|---|
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