

# **Fixed-Income & FX Strategy**

**W e e k l y**

Fixed-Income and FX Weekly

- **Focus on the next Fed’s decision on 16<sup>th</sup>-17<sup>th</sup> September.** Market expectations for a rate cut next week firmed after inflation data failed to reflect the impact of Trump’s tariffs. For August, consumer prices rose +0.4% m/m (vs +0.3%e), while producer prices decelerated -0.1% m/m (vs +0.3%e). Additionally, further signs of labor market weakening emerged. As a result, the curve is fully pricing in a 25bps cut for next week’s meeting, with a total adjustment of -71bps for the year vs -69bps last week. This implies investors are assigning high probability to 25bps cuts in September, October, and December. The dovish outlook supported US equity indices, with the S&P 500 reaching record highs. Simultaneously, gold surpassed its inflation-adjusted peak for the first time since 1980, after stringing together over 30 nominal records this year. The price per ounce approached \$3,674, marking a nearly 40% increase year-to-date. The metal’s stellar performance is underpinned by a confluence of factors highlighting expectations of Fed easing, USD depreciation, US political tensions, increased central bank demand, and heightened geopolitical risks. Gold thus reinforces its role as a key global wealth-preservation asset. While a rate cut by the Fed is widely anticipated next week, attention will center on Jerome Powell’s press conference for signals on the pace of monetary easing
- **Value in short- and mid-term nominal rates.** Fed expectations have spilled over into local assets, fostering a more constructive view that Banxico has room to ease policy. We reaffirm our year-end policy rate forecast of 7.00%, with a terminal rate of 6.50% in 2026. Meanwhile, the market is pricing in implied rates of 7.16% and 6.93%, respectively (vs 7.23% and 7.03% last week). Although the market has been gradually converging toward our estimates, we still see room for further repricing. In this context, we find it appropriate to maintain positions that benefit from this misalignment. As noted in our [previous edition](#), we continue to favor receiving the 1y1y TIIE-F forward, currently trading at 6.94%, as well as the 6m1y TIIE-F forward at 6.97%. Both strategies posted gains of roughly 8bps this week. Meanwhile, Mbonos outperformed Treasuries, with the former averaging gains of 10bps w/w, while the latter ended mostly flat. The local yield curve exhibited a pronounced flattening bias, with adjustments of -7bps in the short and belly segments, and up to -20bps at the long-end. Despite the accumulated gains, we believe the short and medium tenors still offer room for further gains. We highlight the Mar’29 and Feb’30 nodes given their favorable carry profiles and attractive yield valuations on a duration-adjusted basis
- **MXN reached its strongest level since July 2024.** USD weakness provided relief to most currencies, with the MXN trading below the psychological level of 18.50. Given the asymmetric risk profile, we expect MXN to weaken modestly as trade negotiation-related uncertainty begins to filter into the market
- **Weekly ranges.** We expect the 10-year Mbono (Feb’36) to trade between 8.70% and 8.90%, and MXN between 18.35 and 18.75 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                              | 7.75    | -1                  | 0                    | -245      | 10.79       | 7.74        | 9.30            |
| 28-days <sup>1</sup>               | 7.79    | 0                   | -16                  | -248      | 10.81       | 7.79        | 9.44            |
| 91-days <sup>1</sup>               | 7.84    | 0                   | -16                  | -252      | 10.92       | 7.84        | 9.52            |
| 182-days <sup>1</sup>              | 7.92    | 0                   | -16                  | -258      | 11.07       | 7.92        | 9.64            |
| <b>Cetes<sup>2</sup></b>           |         |                     |                      |           |             |             |                 |
| 28-days                            | 7.50    | -17                 | -28                  | -251      | 10.55       | 7.35        | 9.10            |
| 91-days                            | 7.59    | -6                  | -15                  | -240      | 10.60       | 7.59        | 9.10            |
| 182-days                           | 7.63    | -8                  | -17                  | -232      | 10.61       | 7.62        | 9.07            |
| 364-days                           | 7.70    | -11                 | -26                  | -237      | 10.66       | 7.69        | 9.13            |
| <b>Mbonos</b>                      |         |                     |                      |           |             |             |                 |
| Mar'26                             | 7.63    | -5                  | -25                  | -218      | 10.29       | 7.62        | 8.88            |
| Sep'26                             | 7.54    | -4                  | -26                  | -224      | 10.31       | 7.54        | 8.81            |
| Mar'27                             | 7.55    | -11                 | -31                  | -223      | 10.04       | 7.54        | 8.79            |
| Jun'27                             | 7.54    | -12                 | -32                  | -229      | 10.01       | 7.53        | 8.81            |
| Mar'28 <sup>3</sup>                | 7.86    | -7                  | -28                  | -207      | 9.99        | 7.82        | 8.80            |
| Mar'29                             | 8.08    | -4                  | -28                  | -189      | 10.09       | 8.06        | 9.12            |
| May'29                             | 8.08    | -5                  | -30                  | -189      | 10.07       | 8.06        | 9.12            |
| Feb'30 <sup>4</sup>                | 8.23    | -4                  | -30                  | -147      | 9.69        | 8.19        | 8.87            |
| May'31                             | 8.30    | -5                  | -32                  | -175      | 10.08       | 8.25        | 9.25            |
| May'33                             | 8.50    | -12                 | -40                  | -173      | 10.34       | 8.46        | 9.46            |
| Nov'34                             | 8.60    | -12                 | -40                  | -182      | 10.45       | 8.56        | 9.55            |
| Feb'36 <sup>5</sup>                | 8.79    | -10                 | -38                  | -53       | 9.50        | 8.74        | 9.24            |
| Nov'36                             | 8.75    | -10                 | -31                  | -167      | 10.45       | 8.70        | 9.59            |
| Nov'38                             | 8.94    | -15                 | -46                  | -161      | 10.60       | 8.88        | 9.81            |
| Nov'42                             | 9.19    | -17                 | -49                  | -151      | 10.76       | 9.13        | 10.04           |
| Nov'47                             | 9.22    | -19                 | -52                  | -153      | 10.79       | 9.16        | 10.07           |
| Jul'53                             | 9.23    | -20                 | -51                  | -157      | 10.81       | 9.16        | 10.08           |
| <b>TIIE-F IRS<sup>6</sup></b>      |         |                     |                      |           |             |             |                 |
| 3-month (3x1)                      | 7.49    | -3                  | -17                  | -245      | 10.62       | 7.49        | 9.05            |
| 6-month (6x1)                      | 7.33    | -5                  | -19                  | -240      | 10.40       | 7.33        | 8.81            |
| 9-month (9x1)                      | 7.23    | -5                  | -19                  | -236      | 10.17       | 7.23        | 8.65            |
| 1-year (13x1)                      | 7.15    | -5                  | -20                  | -227      | 9.95        | 7.15        | 8.48            |
| 2-year (26x1)                      | 7.05    | -8                  | -25                  | -210      | 9.66        | 7.04        | 8.23            |
| 3-year (39x1)                      | 7.09    | -9                  | -27                  | -202      | 9.52        | 7.08        | 8.20            |
| 4-year (52x1)                      | 7.19    | -9                  | -27                  | -196      | 9.46        | 7.17        | 8.23            |
| 5-year (65x1)                      | 7.28    | -10                 | -29                  | -191      | 9.43        | 7.26        | 8.27            |
| 7-year (91x1)                      | 7.48    | -9                  | -28                  | -178      | 9.42        | 7.46        | 8.40            |
| 10-year (130x1)                    | 7.71    | -11                 | -30                  | -168      | 9.46        | 7.69        | 8.57            |
| 20-year (3x1)                      | 8.06    | -12                 | -23                  | -143      | 9.59        | 8.04        | 8.76            |
| 30-year (390x1)                    | 7.99    | -12                 | -21                  | -149      | 9.50        | 7.98        | 8.69            |
| <b>Udibonos</b>                    |         |                     |                      |           |             |             |                 |
| Dec'25                             | 3.00    | -59                 | -134                 | -317      | 6.62        | 3.00        | 5.55            |
| Dec'26                             | 4.02    | -14                 | -34                  | -208      | 6.23        | 4.02        | 5.33            |
| Nov'28                             | 4.23    | -19                 | -40                  | -124      | 5.54        | 4.23        | 4.97            |
| Aug'29 <sup>7</sup>                | 4.35    | -14                 | -30                  | -67       | 5.17        | 4.35        | 4.80            |
| Nov'31                             | 4.61    | -12                 | -26                  | -87       | 5.53        | 4.61        | 5.06            |
| Aug'34                             | 4.68    | -12                 | -27                  | -82       | 5.72        | 4.70        | 5.16            |
| Nov'35                             | 4.66    | -12                 | -25                  | -81       | 5.62        | 4.66        | 5.10            |
| Nov'40                             | 4.64    | -13                 | -26                  | -87       | 5.72        | 4.64        | 5.12            |
| Nov'43                             | 4.67    | -12                 | -26                  | -84       | 5.73        | 4.67        | 5.15            |
| Nov'46                             | 4.56    | -14                 | -24                  | -95       | 5.70        | 4.56        | 5.10            |
| Nov'50                             | 4.57    | -17                 | -23                  | -94       | 5.71        | 4.57        | 5.10            |
| Oct'54                             | 4.57    | -18                 | -23                  | -100      | 5.71        | 4.57        | 5.09            |

Source: Bloomberg, Banxico, Banorte

1: Compounded in advance Overnight TIIE Funding rate for "n" days

2: 1-day lag

3: Mbono Mar'28 issued on December 4<sup>th</sup>, 2024

4: Mbono Feb'30 issued on January 30<sup>th</sup>, 2025

5: Mbono Feb'36 issued on June 12<sup>th</sup>, 2025

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

7: Udibono Aug'29 issued on March 13<sup>th</sup>, 2025

## Fixed-Income Dynamics (continued)

USD UMS and US Treasuries performance

| Term | Maturity date | UMS     |                     |           | UST     |                     |           | Spreads      |                     | CDS |
|------|---------------|---------|---------------------|-----------|---------|---------------------|-----------|--------------|---------------------|-----|
|      |               | YTM (%) | Weekly change (bps) | YTD (bps) | YTM (%) | Weekly change (bps) | YTD (bps) | Actual (bps) | Weekly change (bps) |     |
| 2Y   | Mar'27        | 4.17    | -5                  | -79       | 3.56    | +5                  | -68       | 61           | -10                 | 41  |
| 3Y   | Feb'28        | 4.22    | -9                  | -151      | 3.53    | +5                  | -74       | 68           | -14                 | 51  |
| 5Y   | May'30        | 4.64    | -10                 | -123      | 3.63    | +5                  | -75       | 101          | -16                 | 89  |
| 7Y   | Jul'32        | 5.16    | -20                 | -95       | 3.82    | +3                  | -66       | 134          | -23                 | 125 |
| 10Y  | Feb'35        | 5.53    | -21                 | -95       | 4.07    | -1                  | -50       | 147          | -20                 | 166 |
| 20Y  | Jan'45        | 6.18    | -24                 | -85       | 4.65    | -5                  | -21       | 153          | -18                 | --  |
| 30Y  | May'55        | 6.72    | -19                 | -51       | 4.68    | -8                  | -10       | 204          | -11                 | --  |

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 Monday, the MoF will auction 1-, 3-, 6-, and 12-month Cetes, the 10-year Mbono (Feb'36), the 3-year Udibono (Aug'29), as well as 2-, 5- and 10-year Bondes F
- Steady demand for Cetes.** Recent economic data has reinforced expectations for a Fed rate cut next week. Markets are fully pricing-in a 25bps cut on September 17<sup>th</sup>, with attention now shifting to the tone of Jerome Powell's statement for further guidance on the pace of monetary easing. Investors will also be closely watching the updated dot plot and macroeconomic framework. It's worth noting that market participants continue to debate whether the Fed has room to cut rates by as much as -75bps this year, an adjustment that would exceed the -50bps median reflected in the June dot plot. Locally, the market has also increased its bets on more aggressive Banxico easing, although it has yet to fully align with our forecast of a year-end policy rate of 7.00% and a terminal rate of 6.50% in 2026. For next week, we anticipate stable demand for Cetes, supported by their relative attractiveness compared to other emerging market securities. Foreign investors and mutual funds have increased their holdings by 4.0% and 8.3%, respectively, over the past four weeks. Regarding the 10-year Mbono (Feb'36), we expect demand to remain in line with the recent average bid-to-cover ratio of 2.0x across the last four auctions. Similarly, we anticipate moderate interest in the 3-year Udibono (Aug'29), as breakeven inflation for that tenor has stabilized around the 3.30% zone

### Auction specifics (September 15<sup>th</sup>, 2025)

| Security         | Maturity  | Coupon rate, % | To be auctioned <sup>1</sup> | Previous yield <sup>2</sup> |
|------------------|-----------|----------------|------------------------------|-----------------------------|
| <b>Cetes</b>     |           |                |                              |                             |
| 1m               | Oct-16-25 | --             | 7,000                        | 7.35                        |
| 3m               | Dec-18-25 | --             | 7,000                        | 7.59                        |
| 6m               | Mar-19-26 | --             | 14,200                       | 7.69                        |
| 12m              | Sep-17-26 | --             | 15,500                       | 7.83                        |
| <b>Bondes F*</b> |           |                |                              |                             |
| 2Y               | Sep-09-27 | --             | 12,150                       | 0.16                        |
| 5Y               | Jul-25-30 | --             | 12,150                       | 0.21                        |
| 10Y              | Apr-19-35 | --             | 12,150                       | 0.26                        |
| <b>Bono M</b>    |           |                |                              |                             |
| 10Y              | Feb-21-36 | 8.00           | 15,000                       | 9.14                        |
| <b>Udibono</b>   |           |                |                              |                             |
| 3Y               | Aug-30-29 | 4.00           | UDIS 900                     | 4.65                        |

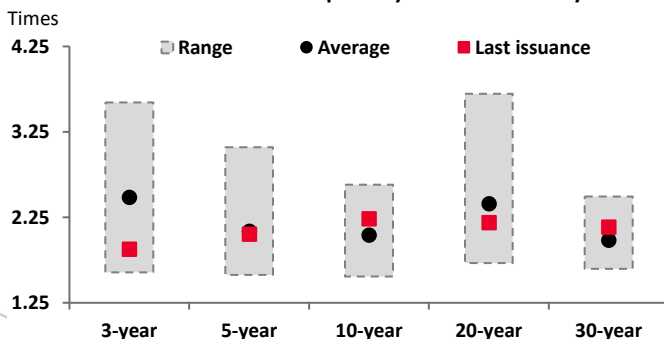
Source: Banxico, Banorte \*Maximum amount to be auctioned among Bondes F together  
 1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. The amount of Cetes is announced a week prior to the day of the auction.  
 2. Yield-to-maturity reported for Cetes,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

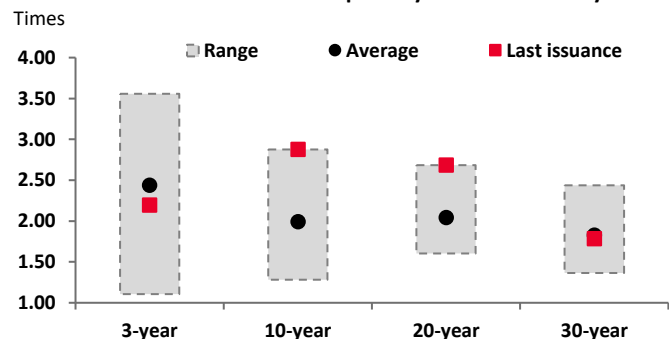
Source: SHCP \*Ministry of Finance \*In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance  
 For more information, refer to [3Q25 Auction Calendar](#)

### 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

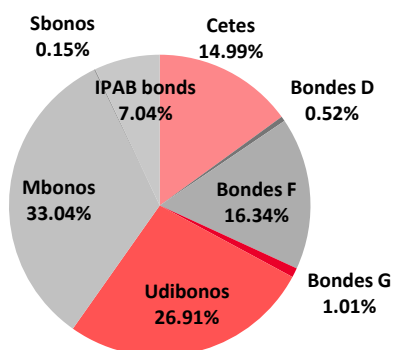
US\$ billion, \*UDIS billion, data as of Sep/2/2025

| 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        | 124.93                   | 11.12             | 17.80         | 30.33         | 6.88                | 15.16        | 4.47               | 0.69                           | -                          | 38.48                    |
| Bon-des D    | 4.37                     | 0.00              | 0.10          | 2.38          | 0.01                | 1.00         | -                  | -                              | -                          | 0.88                     |
| Bon-des F    | 136.15                   | 0.02              | 5.21          | 75.64         | 3.09                | 13.54        | 5.63               | 1.96                           | -                          | 31.06                    |
| Bon-des G    | 8.42                     | 0.00              | 0.15          | 2.93          | 0.46                | 0.67         | 2.47               | 0.04                           | -                          | 1.70                     |
| Udibonos     | 224.21                   | 5.78              | 126.37        | 10.20         | 38.41               | 3.81         | 1.65               | 0.08                           | -                          | 37.91                    |
| Mbonos       | 275.29                   | 76.87             | 71.83         | 13.02         | 10.90               | 36.05        | 11.97              | 0.39                           | 0.80                       | 53.46                    |
| Sbonos       | 1.23                     | 0.59              | 0.29          | 0.01          | 0.07                | 0.01         | -                  | -                              | -                          | 0.24                     |
| <b>Total</b> | <b>774.61</b>            | <b>94.39</b>      | <b>221.75</b> | <b>134.50</b> | <b>59.83</b>        | <b>70.25</b> | <b>26.19</b>       | <b>3.17</b>                    | <b>0.80</b>                | <b>163.73</b>            |
| Udibonos*    | 491.61                   | 12.68             | 277.08        | 22.36         | 84.21               | 8.35         | 3.63               | 0.19                           | -                          | 83.11                    |
| IPAB bonds   | 58.67                    | 0.08              | 0.75          | 19.98         | 0.69                | 7.03         | 5.94               | 2.86                           | -                          | 21.34                    |

Source: Banxico, Banorte

## Government issuance by type of instrument

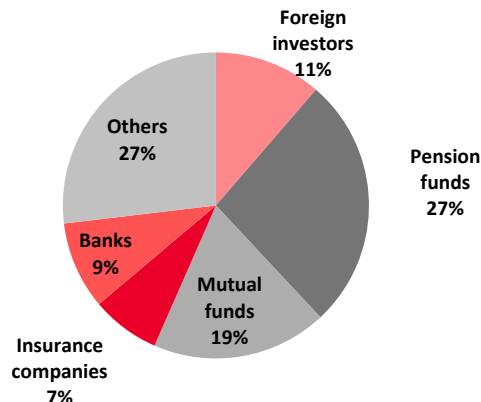
Total amount of US\$ 833 billion (including IPAB bonds), % of total



Source: Banxico, Banorte

## Government issuance by type of investor

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

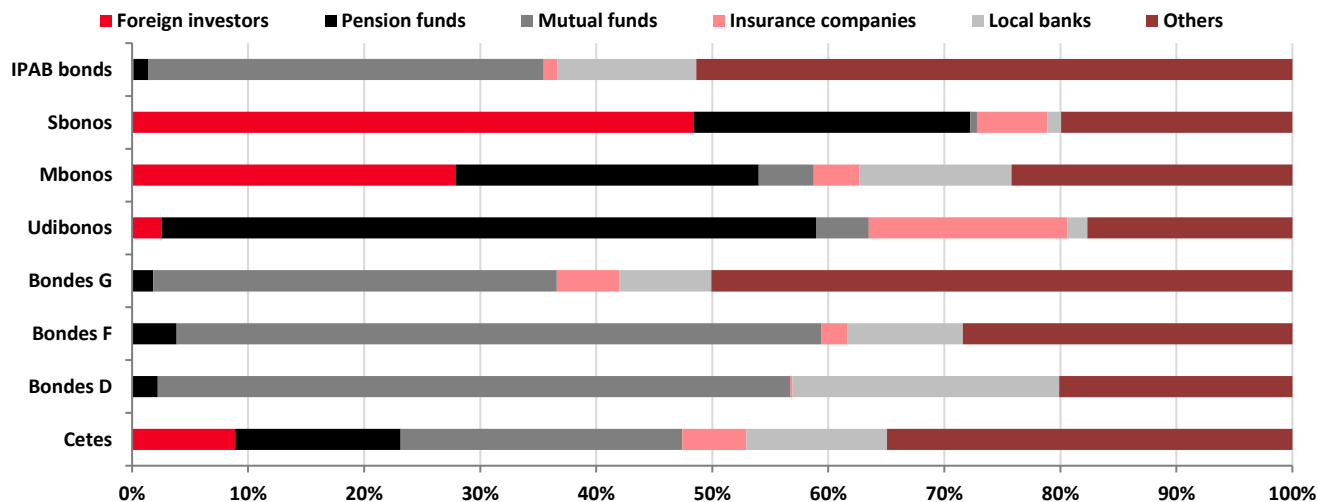


Source: Banxico, Banorte

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



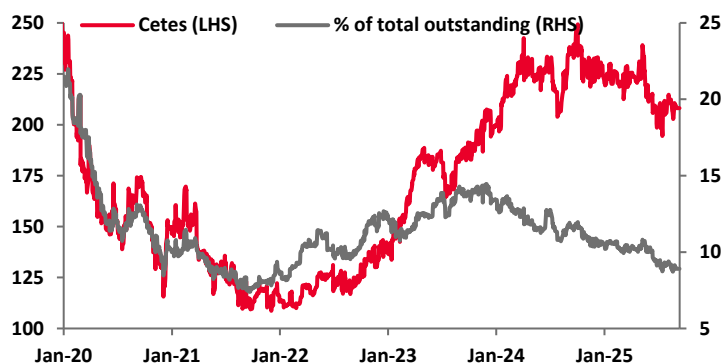
Source: Banxico, Banorte

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

## Fixed-Income Demand (continued)

### Cetes held by foreigners

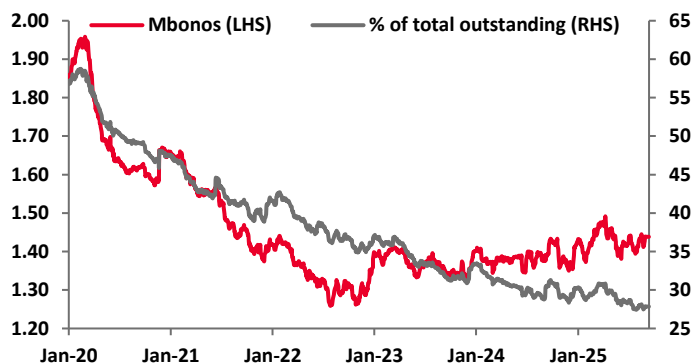
MXN billion, %



Source: Banxico, Banorte

### Mbonos held by foreigners

MXN trillion, %



Source: Banxico, Banorte

### Holdings of main investors by type of security

Data as of Sep/2/2025

|          | Foreign investors  |         | Pension funds      |         | Mutual funds       |         |
|----------|--------------------|---------|--------------------|---------|--------------------|---------|
|          | Δ last 4 weeks (%) | YTD (%) | Δ last 4 weeks (%) | YTD (%) | Δ last 4 weeks (%) | YTD (%) |
| Cetes    | 4.00               | -5.66   | -2.91              | -20.02  | 8.32               | 56.70   |
| Bondes F | -29.97             | -9.81   | -14.84             | -17.67  | -5.94              | 5.16    |
| Udibonos | -22.02             | -35.58  | 1.17               | 12.85   | 13.83              | 30.87   |
| Mbonos   | 1.13               | 0.48    | 1.59               | 15.92   | 4.00               | 29.41   |

Source: Banxico, Banorte

### Mbonos holdings by type of investor

US\$ billions and %, data as Aug/28/2025

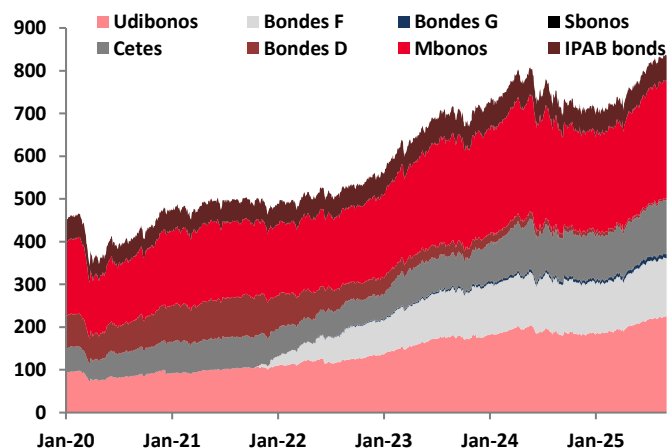
| Maturity | Amount Outstanding | Local Banks | Foreign investors | Pension and Mutual funds | Others |
|----------|--------------------|-------------|-------------------|--------------------------|--------|
| Mar'26   | 14.9               | 15%         | 14%               | 14%                      | 57%    |
| Sep'26   | 7.3                | 12%         | 30%               | 9%                       | 49%    |
| Mar'27   | 15.1               | 28%         | 15%               | 16%                      | 42%    |
| Jun'27   | 17.8               | 31%         | 17%               | 10%                      | 42%    |
| Mar'28   | 14.6               | 16%         | 19%               | 23%                      | 42%    |
| Mar'29   | 24.5               | 15%         | 30%               | 26%                      | 29%    |
| May'29   | 21.0               | 9%          | 29%               | 31%                      | 31%    |
| Feb'30   | 13.3               | 19%         | 23%               | 36%                      | 22%    |
| May'31   | 25.4               | 9%          | 35%               | 29%                      | 26%    |
| May'33   | 17.6               | 11%         | 33%               | 27%                      | 29%    |
| Nov'34   | 20.9               | 4%          | 44%               | 32%                      | 19%    |
| Feb'36   | 3.7                | 19%         | 28%               | 28%                      | 26%    |
| Nov'36   | 5.3                | 2%          | 16%               | 52%                      | 29%    |
| Nov'38   | 11.9               | 3%          | 32%               | 47%                      | 19%    |
| Nov'42   | 23.1               | 2%          | 31%               | 48%                      | 19%    |
| Nov'47   | 14.1               | 2%          | 31%               | 45%                      | 22%    |
| Jul'53   | 21.9               | 2%          | 30%               | 53%                      | 16%    |
| Total    | 272.2              | 11%         | 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



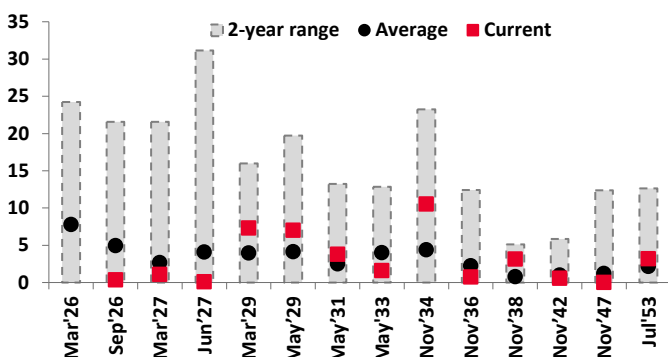
Fuente: Banxico, Banorte



## Fixed-Income Demand – Primary dealers

Market makers' short positions on Mbonos

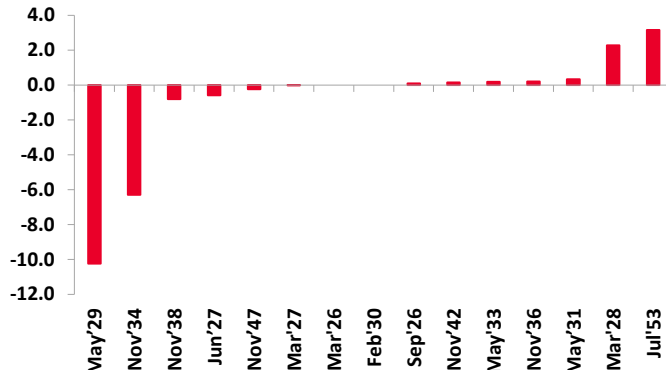
MXN billion



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

Weekly change in market makers' short positions on Mbonos

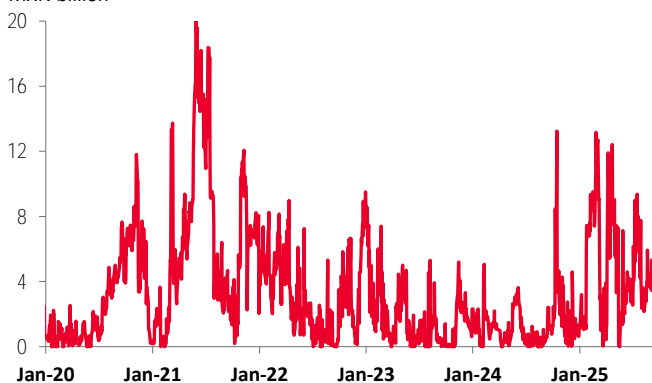
MXN billion



Source: Banxico, Banorte

Market makers' short positions on Mbono May'31

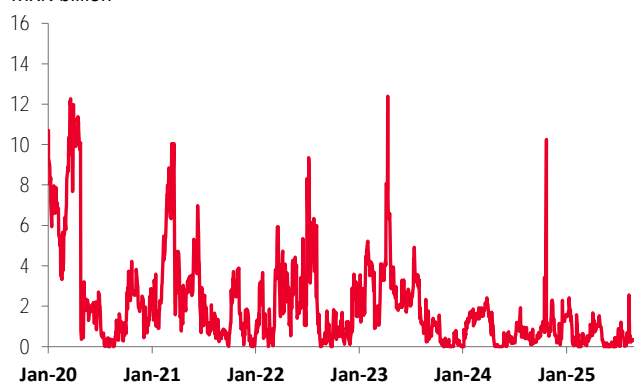
MXN billion



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 Sep/11/2025 | Sep/11/2025  | Previous Week | Previous Month | Previous Year | 6m Max | 6m Min |
|---------------|--|--------------|---------------|----------------|---------------|--------|--------|
| Mar'26        | 15,059                                     | 0            | 0             | 13             | 349           | 219    | 0      |
| Sep'26        | 7,400                                      | 19           | 14            | 174            | 629           | 689    | 2      |
| Mar'27        | 15,301                                     | 59           | 59            | 303            | 325           | 450    | 3      |
| Jun'27        | 18,064                                     | 4            | 36            | 36             | 59            | 599    | 0      |
| Mar'28*       | 14,984                                     | 223          | 100           | 11             | --            | 363    | 0      |
| Mar'29        | 24,948                                     | 395          | 151           | 60             | 168           | 395    | 0      |
| May'29        | 22,261                                     | 380          | 935           | 117            | 232           | 1,067  | 0      |
| May'31        | 26,006                                     | 205          | 187           | 188            | 131           | 672    | 0      |
| May'33        | 17,684                                     | 87           | 76            | 106            | 538           | 449    | 0      |
| Nov'34        | 24,089                                     | 571          | 911           | 278            | 224           | 1,089  | 65     |
| Nov'36        | 5,443                                      | 40           | 28            | 93             | 379           | 130    | 5      |
| Nov'38        | 12,052                                     | 171          | 215           | 63             | 12            | 252    | 0      |
| Nov'42        | 23,425                                     | 31           | 23            | 38             | 57            | 200    | 0      |
| Nov'47        | 14,177                                     | 0            | 13            | 25             | 12            | 139    | 0      |
| Jul'53        | 23,014                                     | 172          | 1             | 0              | 27            | 233    | 0      |
| <b>Total</b>  | <b>263,908</b>                             | <b>2,187</b> | <b>2,749</b>  | <b>1,506</b>   | <b>3,116</b>  |        |        |

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



# Fixed-Income Technicals

## Spread between Cetes and Implied Forward Rates

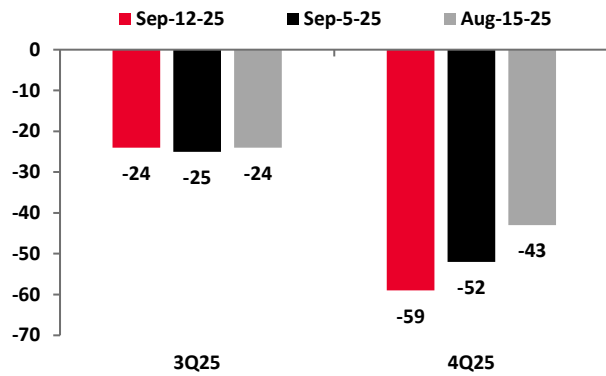
Basis points

| Tenor     | Actual | Weekly change | Δ last 4 weeks | 6m average | 6m Max | 6m Min |
|-----------|--------|---------------|----------------|------------|--------|--------|
| 1 month   | 39     | 24            | 31             | 32         | 89     | -31    |
| 3 months  | -7     | -11           | -13            | -9         | 27     | -31    |
| 6 months  | -6     | -1            | -3             | -11        | 14     | -35    |
| 12 months | 3      | 16            | 18             | 9          | 27     | -7     |

Source: PIP, Bloomberg, Banorte

## Cumulative implied moves in Banxico's repo rate

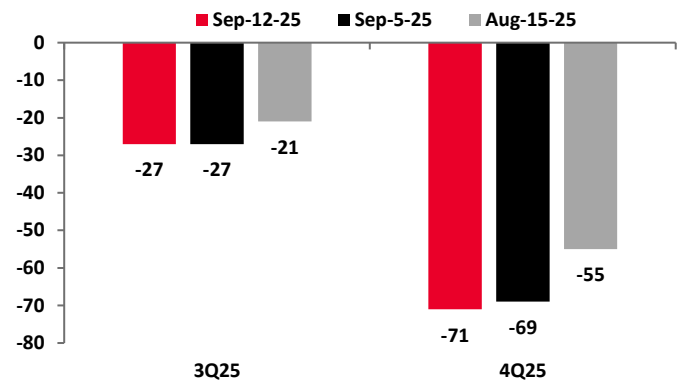
Basis points



Source: Bloomberg, Banorte

## Cumulative implied moves in Fed funds

Basis points



Source: Bloomberg, Banorte

## Spreads between Mbonos and UST

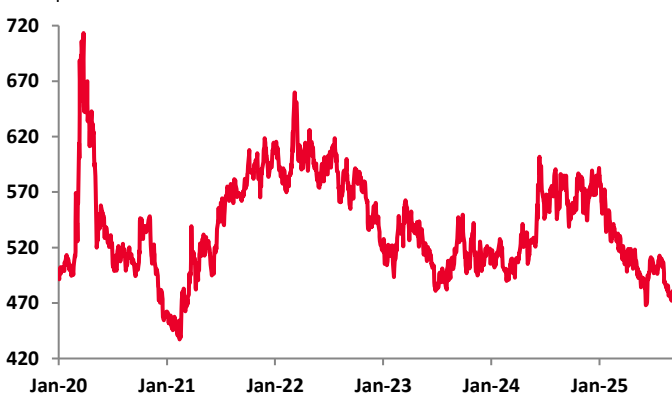
Basis points

| Spread  | Actual | Weekly change | Δ last 4 weeks | YTD  | 12m Max | 12m Min | 12m Average |
|---------|--------|---------------|----------------|------|---------|---------|-------------|
| 2 year  | 399    | -16           | -11            | -154 | 629     | 399     | 489         |
| 5 year  | 459    | -9            | -9             | -100 | 599     | 452     | 517         |
| 10 year | 472    | -9            | -12            | -113 | 592     | 468     | 528         |
| 20 year | 454    | -11           | -24            | -130 | 593     | 452     | 531         |
| 30 year | 454    | -12           | -27            | -146 | 605     | 451     | 540         |

Source: Bloomberg, Banorte

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

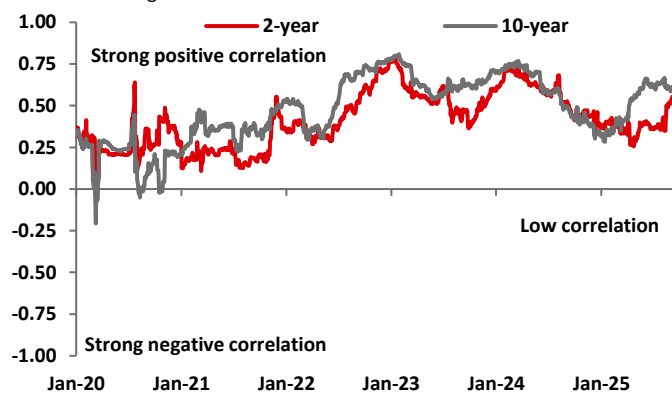
Basis points



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                     | 68     | 8             | 1              | 48   | 79      | -62     | 33          |
| 2/10                    | 124    | 1             | -7             | 60   | 142     | -64     | 73          |
| 2/30                    | 168    | -9            | -21            | 66   | 207     | -34     | 122         |
| 5/10                    | 56     | -6            | -8             | 12   | 74      | -3      | 40          |
| 10/30                   | 44     | -10           | -14            | 6    | 74      | 23      | 49          |
| <b>TIIE-F*</b>          |        |               |                |      |         |         |             |
| 3m/2Y                   | -44    | -5            | -8             | 36   | -22     | -191    | -82         |
| 2/5                     | 23     | -2            | -4             | 19   | 31      | -51     | 4           |
| 2/10                    | 66     | -4            | -5             | 42   | 76      | -46     | 33          |
| 2/30                    | 94     | -4            | 4              | 61   | 101     | -41     | 46          |
| 5/10                    | 43     | -1            | -1             | 23   | 51      | 2       | 29          |
| 10/30                   | 28     | -1            | 9              | 19   | 29      | -4      | 12          |
| <b>TIIE-F – Mbonos*</b> |        |               |                |      |         |         |             |
| 2 year                  | -50    | 4             | 5              | -13  | -26     | -107    | -63         |
| 5 year                  | -95    | -6            | 0              | -31  | -60     | -125    | -92         |
| 10 year                 | -108   | -1            | 7              | -42  | -64     | -130    | -101        |
| 20 year                 | -114   | 5             | 26             | -27  | -78     | -165    | -126        |
| 30 year                 | -124   | 8             | 30             | -33  | -83     | -180    | -137        |
| <b>TIIE-F – SOFR*</b>   |        |               |                |      |         |         |             |
| 2 year                  | 374    | -11           | -5             | -133 | 573     | 370     | 447         |
| 5 year                  | 402    | -14           | -7             | -113 | 559     | 397     | 460         |
| 10 year                 | 417    | -10           | -4             | -114 | 559     | 417     | 476         |
| 20 year                 | 418    | -6            | 3              | -120 | 567     | 412     | 480         |
| 30 year                 | 413    | -4            | 3              | -140 | 580     | 407     | 484         |

Source: Bloomberg, Banorte

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

### Breakeven inflation using Mbonos & Udibonos

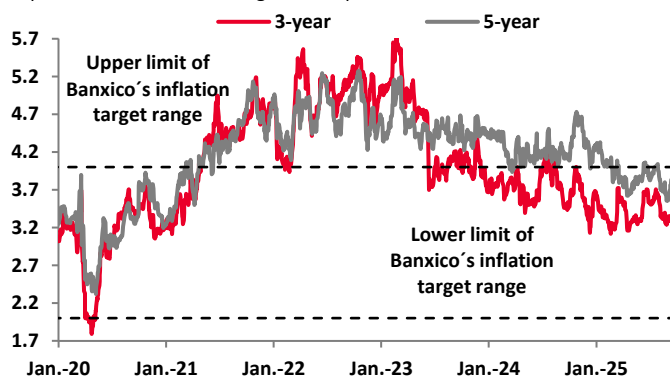
%, Implicit market inflation using Fisher Equation

| Date | 09/12/2025 | Previous week | Previous month | Previous year | 12m Max | 12m Min | 12m Average |
|------|------------|---------------|----------------|---------------|---------|---------|-------------|
| 3Y   | 3.36       | 3.3 (+6bps)   | 3.34 (+2bps)   | 3.46 (-10bps) | 4.00    | 3.12    | 3.46        |
| 5Y   | 3.83       | 3.68 (+15bps) | 3.72 (+11bps)  | 4.11 (-28bps) | 4.73    | 3.56    | 4.02        |
| 10Y  | 3.93       | 3.9 (+3bps)   | 4.02 (-9bps)   | 4.09 (-16bps) | 4.75    | 3.86    | 4.25        |
| 20Y  | 4.32       | 4.36 (-4bps)  | 4.52 (-20bps)  | 4.26 (+6bps)  | 5.01    | 4.25    | 4.64        |
| 30Y  | 4.46       | 4.47 (-1bp)   | 4.71 (-25bps)  | 4.4 (+6bps)   | 5.00    | 4.37    | 4.75        |

Source: Bloomberg, Banorte

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

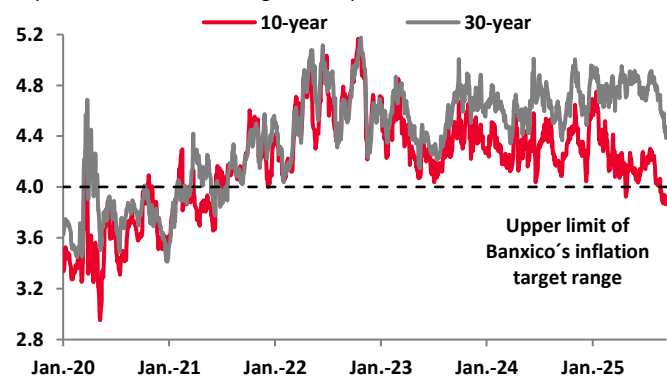
Implicit market inflation using Fisher Equation



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

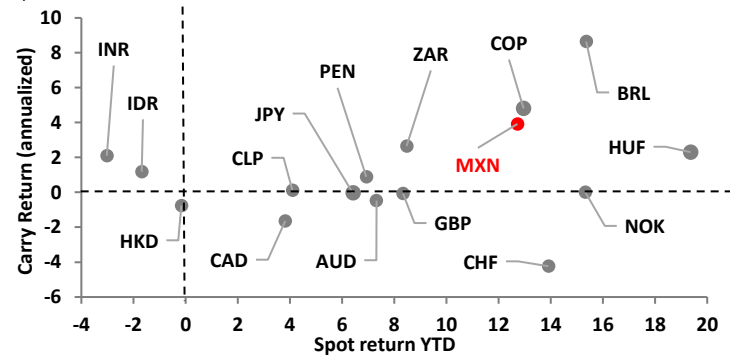
|                          |                | Current      | Daily Change (%) <sup>1</sup> | Weekly change (%) <sup>1</sup> | Monthly change (%) <sup>1</sup> | YTD (%) <sup>1</sup> |
|--------------------------|----------------|--------------|-------------------------------|--------------------------------|---------------------------------|----------------------|
| <b>Emerging Markets</b>  |                |              |                               |                                |                                 |                      |
| Brazil                   | USD/BRL        | 5.35         | 0.6                           | 1.1                            | 0.8                             | 15.4                 |
| Chile                    | USD/CLP        | 954.25       | -0.2                          | 1.2                            | -0.1                            | 4.3                  |
| Colombia                 | USD/COP        | 3,896.50     | -0.1                          | 1.6                            | 3.4                             | 13.1                 |
| Peru                     | USD/PEN        | 3.49         | -0.1                          | 0.9                            | 1.4                             | 7.1                  |
| Hungary                  | USD/HUF        | 333.05       | 0.2                           | 0.7                            | 1.4                             | 19.3                 |
| Malaysia                 | USD/MYR        | 4.20         | 0.4                           | 0.6                            | 0.1                             | 6.4                  |
| <b>Mexico</b>            | <b>USD/MXN</b> | <b>18.44</b> | <b>0.1</b>                    | <b>1.5</b>                     | <b>1.0</b>                      | <b>13.0</b>          |
| Poland                   | USD/PLN        | 3.63         | 0.0                           | 0.0                            | 0.2                             | 13.9                 |
| South Africa             | USD/ZAR        | 17.39        | -0.2                          | 1.1                            | 0.7                             | 8.4                  |
| <b>Developed Markets</b> |                |              |                               |                                |                                 |                      |
| Canada                   | USD/CAD        | 1.38         | -0.1                          | -0.1                           | -0.6                            | 3.9                  |
| Great Britain            | GBP/USD        | 1.36         | -0.1                          | 0.3                            | -0.1                            | 8.3                  |
| Japan                    | USD/JPY        | 147.68       | -0.3                          | -0.2                           | -0.2                            | 6.4                  |
| Eurozone                 | EUR/USD        | 1.1734       | 0.0                           | 0.1                            | 0.2                             | 13.3                 |
| Norway                   | USD/NOK        | 9.86         | 0.0                           | 1.8                            | 3.4                             | 15.5                 |
| Denmark                  | USD/DKK        | 6.36         | 0.0                           | 0.2                            | 0.2                             | 13.2                 |
| Switzerland              | USD/CHF        | 0.80         | -0.1                          | 0.2                            | 1.1                             | 13.9                 |
| New Zealand              | NZD/USD        | 0.60         | -0.4                          | 1.1                            | -0.4                            | 6.4                  |
| Sweden                   | USD/SEK        | 9.32         | -0.1                          | 0.8                            | 2.4                             | 18.8                 |
| Australia                | AUD/USD        | 0.66         | -0.2                          | 1.4                            | 1.6                             | 7.4                  |

Source: Bloomberg, Banorte

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

## Performance of selected currencies

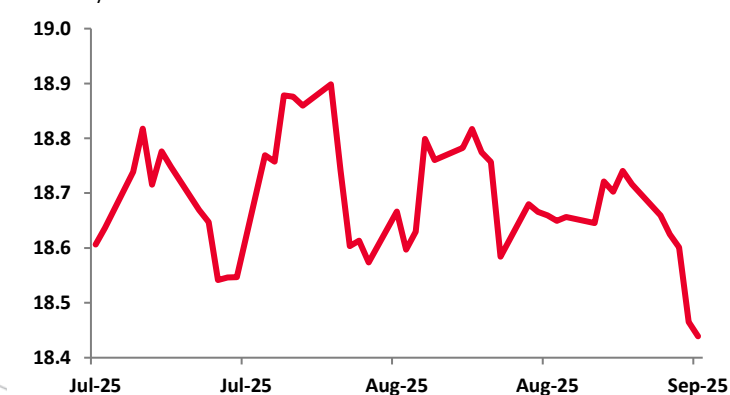
%, annualized rate based in 3M forwards



Source: Bloomberg, Banorte

## USD/MXN

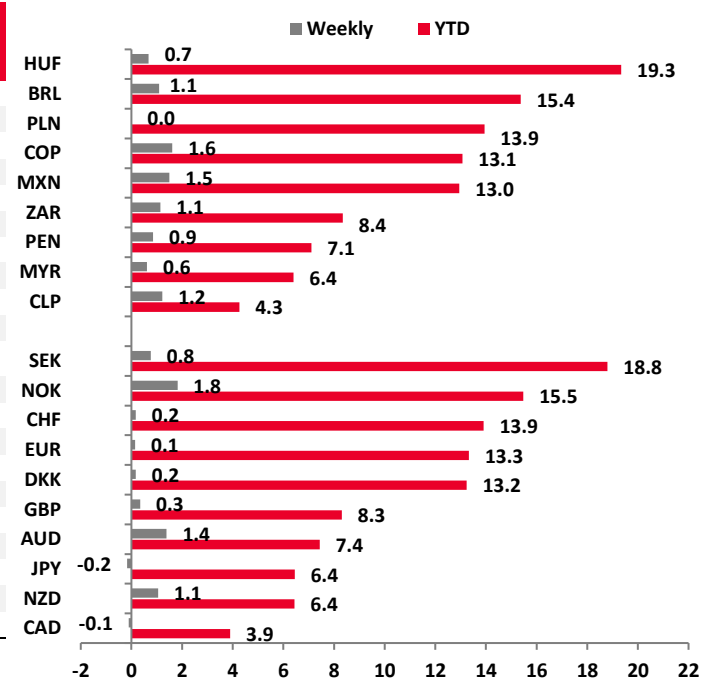
Last 60 days



Source: Bloomberg, Banorte

## FX performance

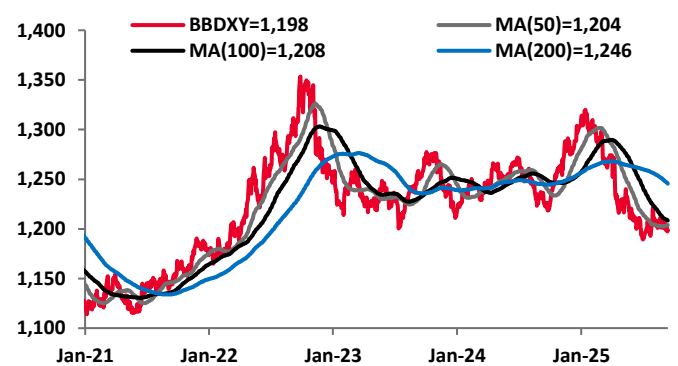
Against USD, %



Source: Bloomberg, Banorte

## BBDXY

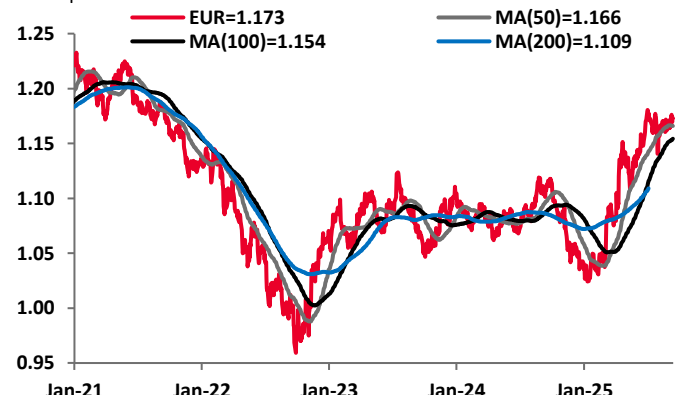
Points



Source: Bloomberg, Banorte

## Euro

Dollar per euro

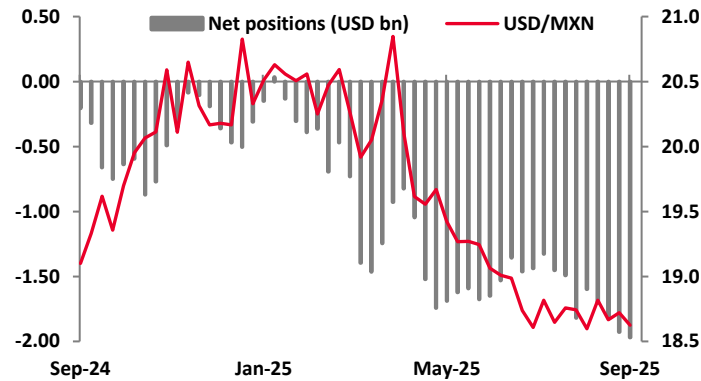


Source: Bloomberg, Banorte

# FX positioning and flows

## IMM positioning in USD/MXN futures

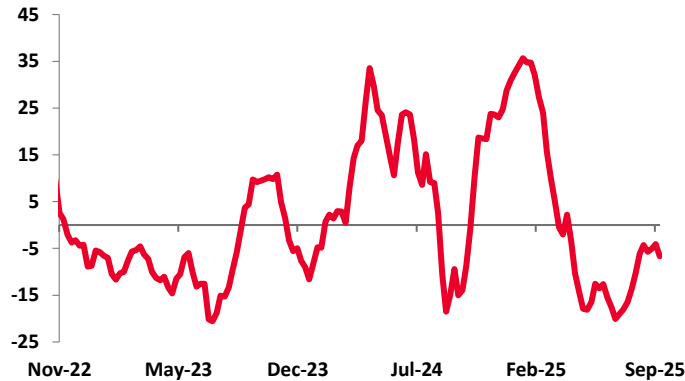
Billion dollars, Negative = net long in MXN



Source: CME, Banorte

## IMM positioning in USD futures\*

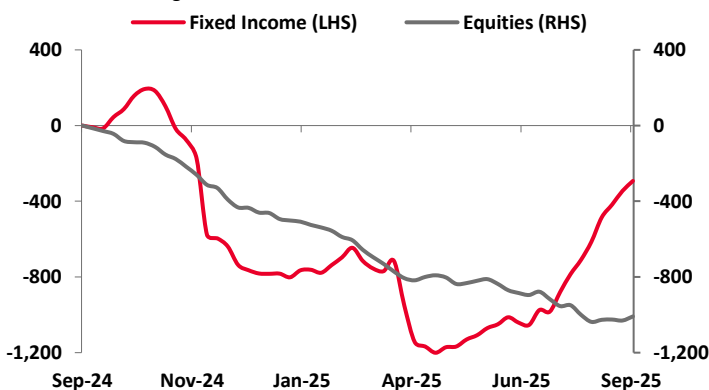
Billion dollars, Positive = net long in USD



Source: CME, Banorte

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

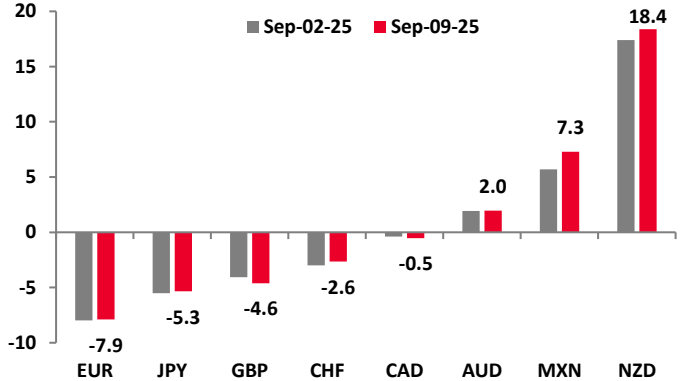
Accumulated during the last 12M, million dollars



Source: EPFR Global, Banorte

## IMM positioning by currency\*

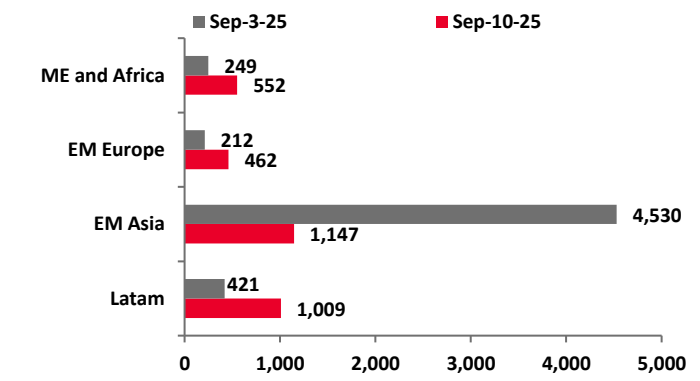
Billion dollars



Source: CME, Banorte

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

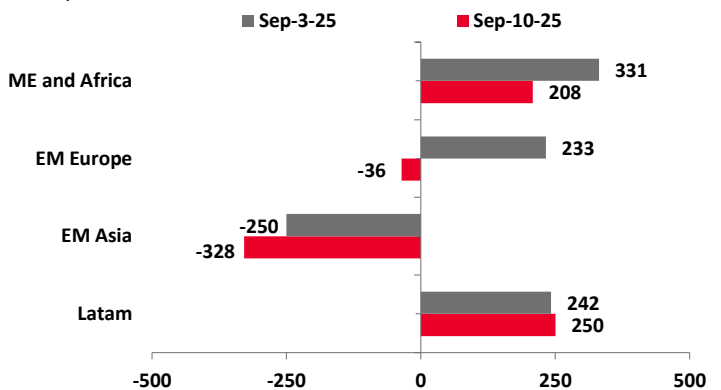
Billion dollars



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

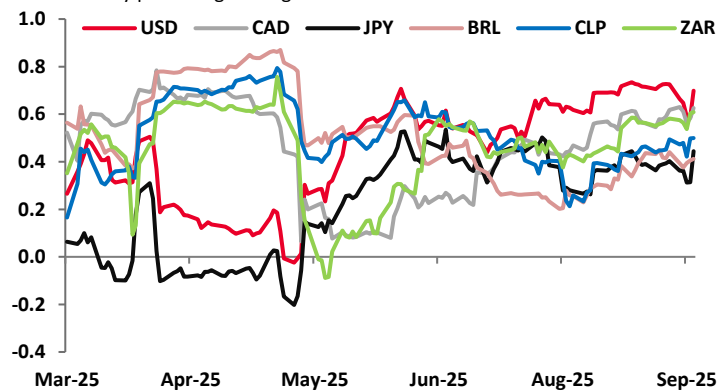
|      | Actual (%) | Previous week | 6m Min | 6m Max | 6m Average |
|------|------------|---------------|--------|--------|------------|
| EUR  | 70         | 73            | -2     | 73     | 45         |
| CAD  | 63         | 62            | 6      | 78     | 46         |
| JPY  | 44         | 40            | -20    | 53     | 22         |
| BRL  | 41         | 44            | 20     | 87     | 51         |
| CLP  | 50         | 49            | 17     | 79     | 51         |
| ZAR  | 61         | 58            | -9     | 76     | 45         |
| VIX  | 44         | 25            | -17    | 76     | 30         |
| SPX  | 38         | 25            | -13    | 70     | 33         |
| GSCI | -19        | -23           | -46    | 78     | 11         |
| Gold | 25         | 42            | -25    | 55     | 19         |

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

Source: Bloomberg, Banorte

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

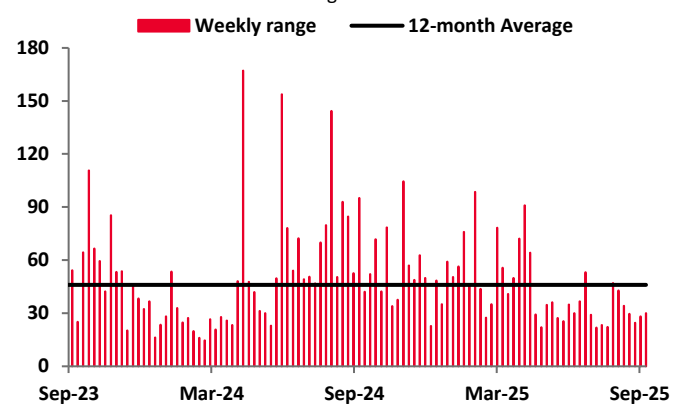
Based on daily percentage changes



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

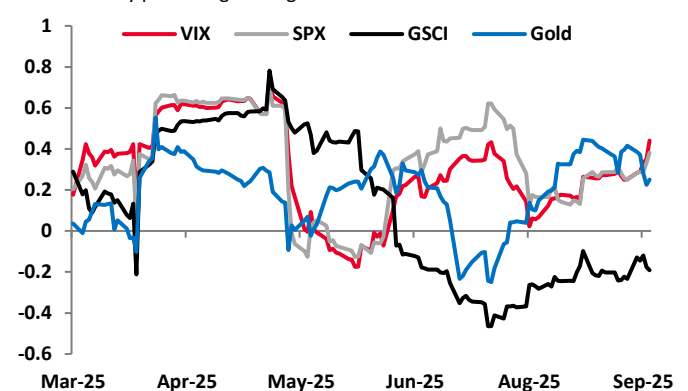
### USD/MXN – Weekly trading range

MXN cents with last 12 month average



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

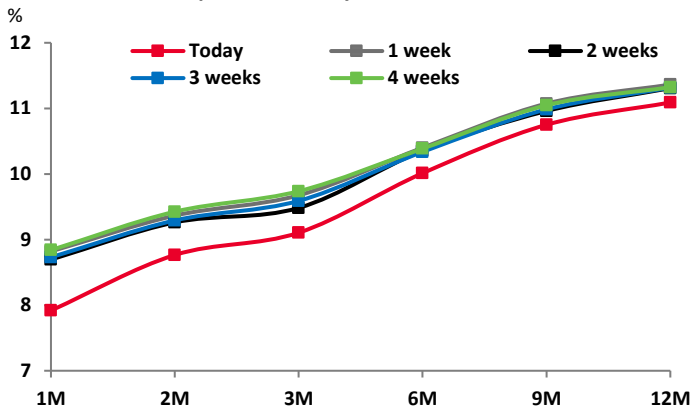
Based on daily percentage changes



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

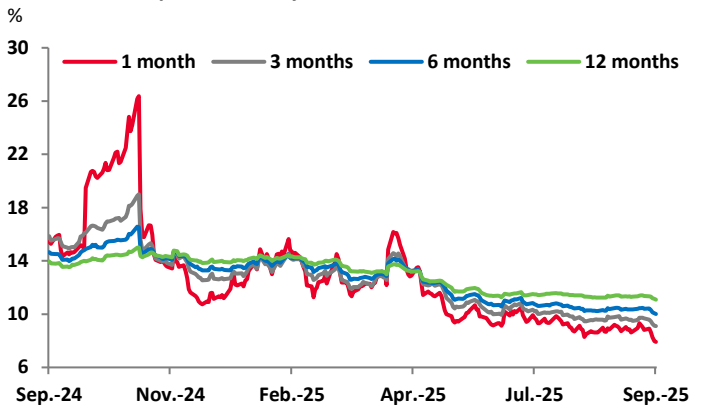
## FX technicals (continued)

USD/MXN – ATM options volatility curve



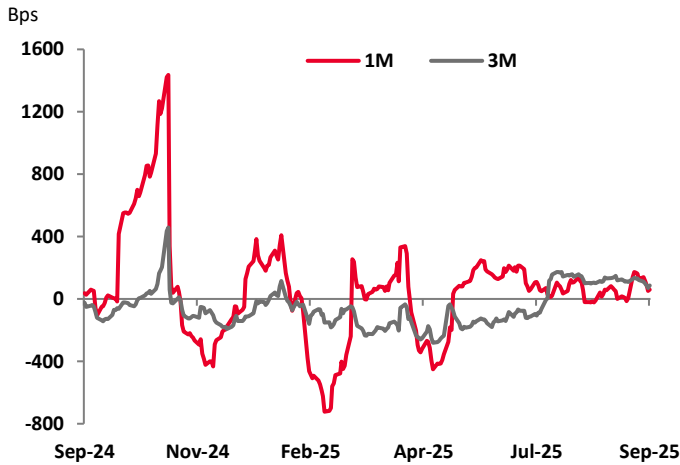
Source: Bloomberg, Banorte

USD/MXN – Implied volatility



Source: Bloomberg, Banorte

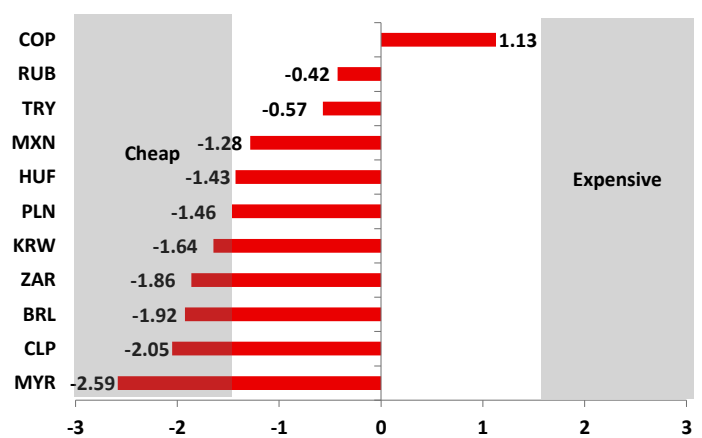
USD/MXN – Spread between implicit and historical volatility



Source: Bloomberg, Banorte

Emerging markets 1-month ATM options volatility

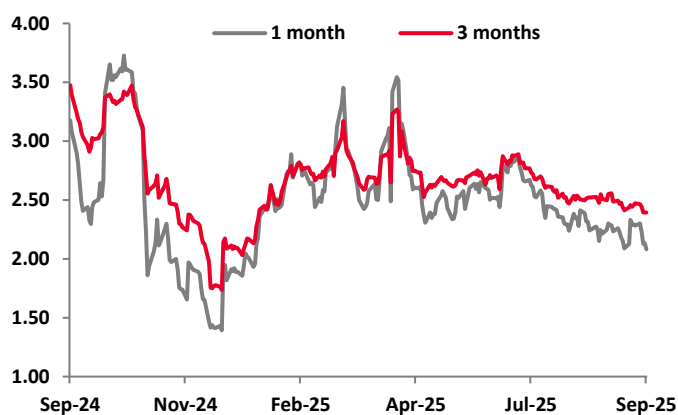
Against USD, in  $\sigma$  relative to last year's average



Source: Bloomberg, Banorte

USD/MXN – 25D risk reversals

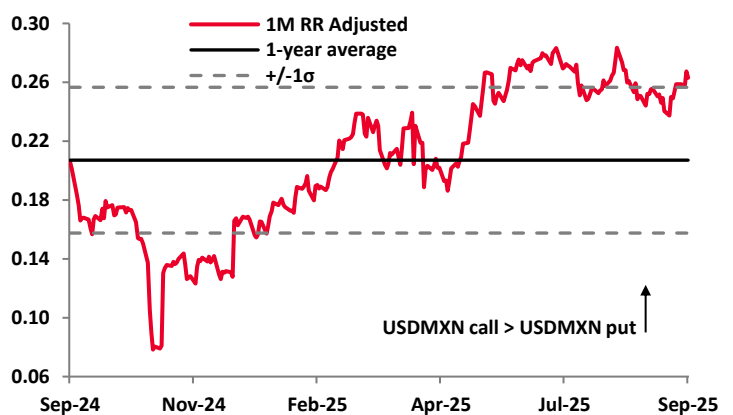
Last 12 months, difference between USD calls and puts, in vols



Source: Bloomberg, Banorte

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

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



Source: Bloomberg, Banorte

# Weekly economic calendar

For the week ending September 21<sup>st</sup>, 2025

|        | Time  |    | Event  | Period  | Unit      | Banorte | Survey | Previous |
|--------|-------|----|--|---------|-----------|---------|--------|----------|
| Mon 15 | 05:00 | EC | Trade Balance*   | Jul     | EURbn     | --      | 12.0   | 2.8      |
|        | 08:00 | BZ | Economic activity  | Jul     | % y/y     | --      | 1.5    | 1.4      |
|        | 08:00 | BZ | Economic activity*   | Jul     | % m/m     | --      | -0.3   | -0.1     |
|        | 08:30 | US | Empire Manufacturing*  | Sep     | index     | 5.0     | 4.5    | 11.9     |
|        | 13:30 | MX | Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 10-year Mbono (Feb'36), 3-year Udibono (Aug'29) and 2-, 5- and 10-year Bondes F |         |           |         |        |          |
|        |       | MX | Markets closed due to Independence Day holiday   |         |           |         |        |          |
| Tue 16 | 02:00 | UK | Unemployment rate*   | Jul     | %         | --      | 4.7    | 4.7      |
|        | 05:00 | GE | ZEW Survey (Expectations)  | Sep     | index     | --      | 26.3   | 34.7     |
|        | 05:00 | EC | Industrial Production*   | Jul     | % m/m     | --      | 0.3    | -1.3     |
|        | 08:00 | BZ | Unemployment rate  | Jul     | %         | --      | 5.7    | 5.8      |
|        | 08:30 | US | Advance retail sales*  | Aug     | % m/m     | 0.2     | 0.3    | 0.5      |
|        | 08:30 | US | Ex autos & gas*  | Aug     | % m/m     | --      | 0.5    | 0.2      |
|        | 08:30 | US | Control group*   | Aug     | % m/m     | 0.3     | 0.4    | 0.5      |
|        | 09:15 | US | Industrial production*   | Aug     | % m/m     | 0.0     | -0.1   | -0.1     |
|        | 09:15 | US | Manufacturing production*  | Aug     | % m/m     | 0.0     | -0.2   | 0.0      |
|        | 02:00 | UK | Consumer prices  | Aug     | % y/y     | --      | 3.8    | 3.8      |
| Wed 17 | 02:00 | UK | Core   | Aug     | % y/y     | --      | 3.7    | 3.8      |
|        | 05:00 | EC | Consumer prices  | Aug (F) | % y/y     | --      | 2.1    | 2.1      |
|        | 05:00 | EC | Core   | Aug (F) | % y/y     | --      | 2.2    | 2.3      |
|        | 08:30 | US | Housing starts**   | Aug     | thousands | --      | 1,365  | 1,428    |
|        | 08:30 | US | Building permits**   | Aug     | thousands | --      | 1,370  | 1,362    |
|        | 09:45 | CA | Monetary policy decision (BoC)   | 17 sep  | %         | --      | 2.50   | 2.75     |
|        | 11:00 | MX | International reserves   | 12 sep  | US\$bn    | --      | --     | 245.5    |
|        | 14:00 | US | FOMC Rate Decision (Upper Bound)   | 17 sep  | %         | 4.25    | 4.25   | 4.50     |
|        | 14:00 | US | FOMC Rate Decision (Lower Bound)   | 17 sep  | %         | 4.00    | 4.00   | 4.25     |
|        | 14:00 | US | Interest Rate on Excess Reserves (IOER)  | 17 sep  | %         | 4.40    | 4.40   | 4.40     |
| Thu 18 | 14:30 | US | Fed Chair Powell Holds Post-Meeting Press Conference   |         |           |         |        |          |
|        | 17:30 | BZ | Monetary policy decision (Central bank of Brazil)  | 17- sep | %         | 15.00   | 15.00  | 15.00    |
|        | 04:00 | EC | Current account*   | Jul     | EURbn     | --      | --     | 35.8     |
|        | 07:00 | UK | Monetary policy decision (BoE)   | 18 sep  | %         | --      | 4.00   | 4.00     |
|        | 08:30 | US | Initial jobless claims*  | 13 sep  | thousands | 255     | 242    | 263      |
|        | 08:30 | US | Philadelphia Fed*  | Sep     | index     | 4.0     | 1.6    | -0.3     |
|        | 09:00 | SA | Monetary policy decision (South African Reserve Bank)  | 18 sep  | %         | --      | 7.00   | 7.00     |
|        |       | JN | Monetary policy decision (BoJ)   | 19 sep  | %         | --      | 0.50   | 0.50     |
|        | 08:00 | MX | Aggregate supply and demand  | 2Q25    | % y/y     | -0.8    | --     | -0.2     |
|        | 08:00 | MX | Timely Indicator of Economic Activity*   | Aug     | % y/y     | --      | --     | 0.1      |
| Sun 21 | 21:00 | CH | Rate decision 1-year Loan Prime Rate   | 22 sep  | %         | --      | 3.00   | 3.00     |
|        | 21:00 | CH | Rate decision 5-year Loan Prime Rate   | 22 sep  | %         | --      | 3.50   | 3.50     |

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; \* Seasonally adjusted, \*\* Seasonally adjusted annualized rate



| Recent trade ideas                              |     |              |           |  |
|---|-----|--------------|-----------|--|
| Trade idea                                      | P/L | Initial date | End date  |  |
| Receive 2-year TIIE-F swaps (26x1)              | 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 <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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