

Government securities exchange auction results

June 9, 2023

[@analisis_fundam](http://www.banorte.com/analisiseconomico)

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandropadilla@banorte.com

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research
and Financial Markets Strategy
juan.alderete.macal@banorte.com

Manuel Jiménez Zaldívar
Director of Market Strategy
manueljimenez@banorte.com

Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com

Isaías Rodríguez Sobrino
Strategist, Fixed Income and FX
isaias.rodriguez.sobrino@banorte.com



Winners of the 2023 award for best Mexico
economic forecasters, granted by Focus
Economics

Document for distribution among public

- **The MoF held an exchange transaction of government securities today with the following characteristics:**
 - **Settlement bonds (securities delivered by bidders): Mbonos Dec'23, Sep'24, Dec'24, Mar'25, and Mar'26, as well as Udibonos Nov'23 and Dec'25**
 - **Target bond (securities received by bidders): Mbonos Sep'26, May'33, Nov'34, and Nov'36, as well as Udibonos Nov'31 and Nov'43**
- **The settlement date will be on Monday, June 12th**
- **The total amount offered was MXN 32.7 billion (US\$ 1.9 billion)**
- **The overall bid-to-cover of this operation was 1.01x, with more appetite for Mbonos May'33 and Udibonos Nov'43**
- **For more details on our views on this issuance, please refer to: “[Government securities exchange auction today](#)”, published earlier**
- **Today's auction specifics are provided in the table below:**

Mexico's government securities exchange auction results June 9th, 2023)

| Settlement Bonds (securities delivered by bidders) | | | | | |
|--|----------|-------------|------------|----------------|------------------|
| Security | Series | Term (Days) | Amount bid | Amount offered | Current rate (%) |
| Mbonos (MXN million) | | | | | |
| Dec'23 | M 231207 | 178 | 7,690 | 7,690 | 11.23 |
| Sep'24 | M 240905 | 451 | 1,100 | 1,100 | 10.80 |
| Dec'24 | M 241205 | 542 | 450 | 450 | 10.54 |
| Mar'25 | M 250306 | 633 | 12,176 | 10,170 | 10.20 |
| Mar'26 | M 260305 | 997 | 2,400 | 2,200 | 9.56 |
| Udibonos (UDIS million) | | | | | |
| Nov'23 | S 231116 | 157 | 544 | 544 | 7.30 |
| Dec'25 | S 251204 | 906 | 656 | 591 | 5.59 |
| Target Bonds (securities received by bidders) | | | | | |
| Security | Series | Term (Days) | Amount bid | Amount offered | Current rate (%) |
| Mbonos (MXN million) | | | | | |
| Sep'26 | M 260903 | 1179 | 5,576 | 4,353 | 9.40 |
| May'33 | M 330526 | 3636 | 12,079 | 11,119 | 8.88 |
| Nov'34 | M 341123 | 4182 | 6,170 | 6,419 | 8.89 |
| Nov'36 | M 361120 | 4910 | 0 | 0 | 8.90 |
| Udibonos (UDIS million) | | | | | |
| Nov'31 | S 311127 | 3090 | 259 | 287 | 4.45 |
| Nov'43 | S 431112 | 7458 | 939 | 1,105 | 4.52 |
| Total (MXN million) | | | 33,132 | 32,705 | |

Source: Banxico

Recent trade ideas

| Trade idea | P/L | Initial date | End date |
|---|-----|--------------|-----------|
| Pay TIE-IRS (26x1), receive 2-year SOFR | L | 18-Aug-22 | 28-Oct-22 |
| Pay 2-year TIE-IRS (26x1) | P | 4-Feb-22 | 4-Mar-22 |
| Tactical longs in Mbono Mar'26 | P | 14-May-21 | 7-Jun-21 |
| Receive 6-month TIE-IRS (6x1) | P | 17-Dec-20 | 3-Mar-21 |
| Long positions in Udlibono Nov'23 | L | 11-Feb-21 | 26-Feb-21 |
| Long positions in Mbono May'29 & Nov'38 | P | 7-Sep-20 | 18-Sep-20 |
| Long positions in Udlibono Dec'25 | P | 23-Jul-20 | 10-Aug-20 |
| Long positions in Udlibono Nov'35 | P | 22-May-20 | 12-Jun-20 |
| Long positions in Mbono May'29 | P | 5-May-20 | 22-May-20 |
| Tactical longs in 1- & 2-year TIE-28 IRS | P | 20-Mar-20 | 24-Apr-20 |
| Long positions in Udlibono Nov'28 | P | 31-Jan-20 | 12-Feb-20 |
| Long positions in Udlibono Jun'22 | P | 9-Jan-20 | 22-Jan-20 |
| Long positions in Mbono Nov'47 | L | 25-Oct-19 | 20-Nov-19 |
| Long positions in Mbonos Nov'36 & Nov'42 | P | 16-Aug-19 | 24-Sep-19 |
| Long positions in the short-end of Mbonos curve | P | 19-Jul-19 | 2-Aug-19 |
| Long positions in Mbonos Nov'42 | L | 5-Jul-19 | 12-Jul-19 |
| Long positions in Mbonos Nov'36 & Nov'38 | P | 10-Jun-19 | 14-Jun-19 |
| Long positions in Mbonos Jun'22 & Dec'23 | P | 9-Jan-19 | 12-Feb-19 |
| Long floating-rate Bondes D | P | 31-Oct-18 | 3-Jan-19 |
| Long CPI-linked Udlibono Jun'22 | L | 7-Aug-18 | 31-Oct-18 |
| Long floating-rate Bondes D | P | 30-Apr-18 | 3-Aug-18 |
| Long 20- to 30-year Mbonos | P | 25-Jun-18 | 9-Jul-18 |
| Short Mbonos | P | 11-Jun-18 | 25-Jun-18 |
| Long CPI-linked Udlibono Jun'19 | P | 7-May-18 | 14-May-18 |
| Long 7- to 10-year Mbonos | L | 26-Mar-18 | 23-Apr-18 |
| Long CPI-linked Udlibono Jun'19 | P | 20-Mar-18 | 26-Mar-18 |
| Long 5- to 10-year Mbonos | P | 5-Mar-18 | 20-Mar-18 |
| Long floating-rate Bondes D | P | 15-Jan-18 | 12-Mar-18 |
| Long 10-year UMS Nov'28 (USD) | L | 15-Jan-18 | 2-Feb-18 |

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 Udlibono Dec'20 | 3.05% | 2.90% | 3.15% | 3.15% | L | 9-Aug-17 | 6-Oct-17 |
| 5y 10y TIE-IRS steepener | 28bps | 43bps | 18bps | 31bps | P ² | 15-Feb-17 | 15-Mar-17 |
| 5y 10y TIE-IRS steepener | 35bps | 50bps | 25bps | 47bps | P | 5-Oct-16 | 19-Oct-16 |
| Long Mbono Jun'21 | 5.60% | 5.35% | 5.80% | 5.43% | P | 13-Jul-16 | 16-Aug-16 |
| Long Udlibono Jun'19 | 1.95% | 1.65% | 2.10% | 2.10% | L | 13-Jul-16 | 16-Aug-16 |
| Receive 1-year TIE-IRS (13x1) | 3.92% | 3.67% | 4.10% | 3.87% ¹ | P | 12-Nov-15 | 8-Feb-16 |
| Long spread 10-year TIE-IRS vs US Libor | 436bps | 410bps | 456bps | 410bps | P | 30-Sep-15 | 23-Oct-15 |
| Receive 9-month TIE-IRS (9x1) | 3.85% | 3.65% | 4.00% | 3.65% | P | 3-Sep-15 | 18-Sep-15 |
| Spread TIE 2/10 yrs (flattening) | 230bps | 200bps | 250bps | 200bps | P | 26-Jun-15 | 29-Jul-15 |
| Long Mbono Dec'24 | 6.12% | 5.89% | 6.27% | 5.83% | P | 13-Mar-15 | 19-Mar-15 |
| Relative-value trade, long 10-year Mbono (Dec'24) / flattening of the curve | | | | | P | 22-Dec-14 | 6-Feb-15 |
| Pay 3-month TIE-IRS (3x1) | 3.24% | 3.32% | 3.20% | 3.30% | P | 29-Jan-15 | 29-Jan-15 |
| Pay 9-month TIE-IRS (9x1) | 3.28% | 3.38% | 3.20% | 3.38% | P | 29-Jan-15 | 29-Jan-15 |
| Pay 5-year TIE-IRS (65x1) | 5.25% | 5.39% | 5.14% | 5.14% | L | 4-Nov-14 | 14-Nov-14 |
| Long Udlibono Dec'17 | 0.66% | 0.45% | 0.82% | 0.82% | L | 4-Jul-14 | 26-Sep-14 |
| Relative-value trade, long Mbonos 5-to-10-year | | | | | P | 5-May-14 | 26-Sep-14 |
| Receive 2-year TIE-IRS (26x1) | 3.75% | 3.55% | 3.90% | 3.90% | L | 11-Jul-14 | 10-Sep-14 |
| Receive 1-year TIE-IRS (13x1) | 4.04% | 3.85% | 4.20% | 3.85% | P | 6-Feb-14 | 10-Apr-14 |
| Long Udlibono Jun'16 | 0.70% | 0.45% | 0.90% | 0.90% | L | 6-Jan-14 | 4-Feb-14 |
| Long Mbono Jun'16 | 4.47% | 3.90% | 4.67% | 4.06% | P | 7-Jun-13 | 21-Nov-13 |
| Receive 6-month TIE-IRS (6x1) | 3.83% | 3.65% | 4.00% | 3.81% | P | 10-Oct-13 | 25-Oct-13 |
| Receive 1-year TIE-IRS (13x1) | 3.85% | 3.55% | 4.00% | 3.85% | -- | 10-Oct-13 | 25-Oct-13 |
| Long Udlibono Dec'17 | 1.13% | 0.95% | 1.28% | 1.35% | L | 9-Aug-13 | 10-Sep-13 |
| Receive 9-month TIE-IRS (9x1) | 4.50% | 4.32% | 4.65% | 4.31% | P | 21-Jun-13 | 12-Jul-13 |
| Spread TIE-Libor (10-year) | 390bps | 365bps | 410bps | 412bps | L | 7-Jun-13 | 11-Jun-13 |
| Receive 1-year TIE-IRS (13x1) | 4.22% | 4.00% | 4.30% | 4.30% | L | 19-Apr-13 | 31-May-13 |
| Long Udlibono Jun'22 | 1.40% | 1.20% | 1.55% | 0.97% | P | 15-Mar-13 | 3-May-13 |
| Receive 1-year TIE-IRS (13x1) | 4.60% | 4.45% | 4.70% | 4.45% | P | 1-Feb-13 | 7-Mar-13 |
| Long Mbono Nov'42 | 6.22% | 5.97% | 6.40% | 5.89% | P | 1-Feb-13 | 7-Mar-13 |
| Long Udlibono Dec'13 | 1.21% | 0.80% | 1.40% | 1.40% | L | 1-Feb-13 | 15-Apr-13 |
| Receive 1-year TIE-IRS (13x1) | 4.87% | 4.70% | 5.00% | 4.69% | P | 11-Jan-13 | 24-Jan-13 |
| Receive TIE Pay Mbono (10-year) | 46bps | 35bps | 54bps | 54bps | L | 19-Oct-12 | 8-Mar-13 |
| Spread TIE-Libor (10-year) | 410bps | 385bps | 430bps | 342bps | P | 21-Sep-13 | 8-Mar-13 |
| Long Udlibono Dec'12 | +0.97% | -1.50% | +1.20% | -6.50% | P | 1-May-12 | 27-Nov-12 |
| Long Udlibono Dec'13 | +1.06% | 0.90% | +1.35% | 0.90% | P | 1-May-12 | 14-Dec-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.

Analyst Certification

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Carlos Hernández García, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enriquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal, Daniel Sebastián Sosa Aguilar and Andrea Muñoz Sánchez, 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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

| | Reference |
|-------------|---|
| BUY | When the share expected performance is greater than the MEXBOL estimated performance. |
| HOLD | When the share expected performance is similar to the MEXBOL estimated performance. |
| SELL | When the share expected performance is lower than the MEXBOL estimated performance. |

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.

GRUPO FINANCIERO BANORTE S.A.B. de C.V.

| Research and Strategy | | | |
|----------------------------------|--|--|-------------------------|
| Alejandro Padilla Santana | Chief Economist and Head of Research | alejandro.padilla@banorte.com | (55) 1103 - 4043 |
| Raquel Vázquez Godínez | Assistant | raquel.vazquez@banorte.com | (55) 1670 - 2967 |
| Itzel Martínez Rojas | Analyst | itzel.martinez.rojas@banorte.com | (55) 1670 - 2251 |
| Lourdes Calvo Fernández | Analyst (Edition) | lourdes.calvo@banorte.com | (55) 1103 - 4000 x 2611 |
| María Fernanda Vargas Santoyo | Analyst | maria.vargas.santoyo@banorte.com | (55) 1103 - 4000 |
| Economic Research | | | |
| Juan Carlos Alderete Macal, CFA | Executive Director of Economic Research and Financial Markets Strategy | juan.alderete.macal@banorte.com | (55) 1103 - 4046 |
| Francisco José Flores Serrano | Director of Economic Research, Mexico | francisco.flores.serrano@banorte.com | (55) 1670 - 2957 |
| Katia Celina Goya Ostos | Director of Economic Research, Global | katia.goya@banorte.com | (55) 1670 - 1821 |
| Yazmín Selene Pérez Enríquez | Senior Economist, Mexico | yazmin.perez.enriquez@banorte.com | (55) 5268 - 1694 |
| Cintia Gisela Nava Roa | Senior Economist, Mexico | cintia.nava.roa@banorte.com | (55) 1103 - 4000 |
| Luis Leopoldo López Salinas | Manager Global Economist | luis.lopez.salinas@banorte.com | (55) 1103 - 4000 x 2707 |
| Market Strategy | | | |
| Manuel Jiménez Zaldivar | Director of Market Strategy | manuel.jimenez@banorte.com | (55) 5268 - 1671 |
| Fixed income and FX Strategy | | | |
| Leslie Thalia Orozco Vélez | Senior Strategist, Fixed Income and FX | leslie.orozco.velez@banorte.com | (55) 5268 - 1698 |
| Isaías Rodríguez Sobrino | Strategist, Fixed Income, FX and Commodities | isaias.rodriguez.sobrino@banorte.com | (55) 1670 - 2144 |
| Equity Strategy | | | |
| Marissa Garza Ostos | Director of Equity Strategy | marissa.garza@banorte.com | (55) 1670 - 1719 |
| José Itzamna Espitia Hernández | Senior Strategist, Equity | jose.espitia@banorte.com | (55) 1670 - 2249 |
| Carlos Hernández García | Senior Strategist, Equity | carlos.hernandez.garcia@banorte.com | (55) 1670 - 2250 |
| Víctor Hugo Cortes Castro | Senior Strategist, Technical | victorh.cortes@banorte.com | (55) 1670 - 1800 |
| Paola Soto Leal | Strategist, Equity | paola.soto.leal@banorte.com | (55) 1103 - 4000 x 1746 |
| Corporate Debt | | | |
| Hugo Armando Gómez Solís | Senior Analyst, Corporate Debt | hugo.gomez@banorte.com | (55) 1670 - 2247 |
| Gerardo Daniel Valle Trujillo | Analyst, Corporate Debt | gerardo.valle.trujillo@banorte.com | (55) 1670 - 2248 |
| Quantitative Analysis | | | |
| Alejandro Cervantes Llamas | Executive Director of Quantitative Analysis | alejandro.cervantes@banorte.com | (55) 1670 - 2972 |
| José Luis García Casales | Director of Quantitative Analysis | jose.garcia.casales@banorte.com | (55) 8510 - 4608 |
| Miguel Alejandro Calvo Domínguez | Senior Analyst, Quantitative Analysis | miguel.calvo@banorte.com | (55) 1670 - 2220 |
| José De Jesús Ramírez Martínez | Senior Analyst, Quantitative Analysis | jose.ramirez.martinez@banorte.com | (55) 1103 - 4000 |
| Daniel Sebastián Sosa Aguilar | Analyst, Quantitative Analysis | daniel.sosa@banorte.com | (55) 1103 - 4000 |
| Andrea Muñoz Sánchez | Analyst, Quantitative Analysis | andrea.munoz.sanchez@banorte.com | (55) 1103 - 4000 |
| Wholesale Banking | | | |
| Armando Rodal Espinosa | Head of Wholesale Banking | armando.rodal@banorte.com | (55) 1670 - 1889 |
| Alejandro Aguilar Ceballos | Head of Asset Management | alejandro.aguilar.cebillos@banorte.com | (55) 5004 - 1282 |
| Alejandro Eric Faesi Puente | Head of Global Markets and Institutional Sales | alejandro.faesi@banorte.com | (55) 5268 - 1640 |
| Alejandro Frigolet Vázquez Vela | Head of Sólida Banorte | alejandro.frigolet.vazquezvela@banorte.com | (55) 5268 - 1656 |
| Arturo Monroy Ballesteros | Head of Investment Banking and Structured Finance | arturo.monroy.ballesteros@banorte.com | (55) 5004 - 5140 |
| Carlos Alberto Arciniega Navarro | Head of Treasury Services | carlos.arciniega@banorte.com | (81) 1103 - 4091 |
| Gerardo Zamora Nanez | Head of Transactional Banking, Leasing and Factoring | gerardo.zamora@banorte.com | (81) 8173 - 9127 |
| Jorge de la Vega Grajales | Head of Government Banking | jorge.delavega@banorte.com | (55) 5004 - 5121 |
| Luis Pietrini Sheridan | Head of Private Banking | luis.pietrini@banorte.com | (55) 5249 - 6423 |
| Lizza Velarde Torres | Executive Director of Wholesale Banking | lizza.velarde@banorte.com | (55) 4433 - 4676 |
| Osvaldo Brondo Menchaca | Head of Specialized Banking Services | osvaldo.brondo@banorte.com | (55) 5004 - 1423 |
| Raúl Alejandro Arauzo Romero | Head of Transactional Banking | alejandro.arauzo@banorte.com | (55) 5261 - 4910 |
| René Gerardo Pimentel Ibarrola | Head of Corporate Banking | pimentelr@banorte.com | (55) 5004 - 1051 |
| Ricardo Velázquez Rodríguez | Head of International Banking | rvelazquez@banorte.com | (55) 5004 - 5279 |
| Víctor Antonio Roldan Ferrer | Head of Commercial Banking | victor.rolan.ferrer@banorte.com | (55) 1670 - 1899 |