

October 5, 2023

Government securities exchange auction results

- The MoF held an exchange transaction of government securities today with the following characteristics:
 - Settlement bonds (securities delivered by bidders): 416-, 472-, 584-, 640-, and 696-days Cetes, 143-, 164-, 360-, and 416-days Bondes F, Mbonos Sep'24, Dec'24, Mar'25, and Mar'26, as well as Udibonos Dec'25
 - Target bonds (securities received by bidders): 871-, 1,088-, 1,151-, 1,207-, 1,235-, 1,256-, 1,291-, 1,347-, 1,410-, 1,452-, and 1,466-days Bondes F, as well as Udibonos Nov'28 and Nov'31
- The settlement date will be on Monday, October 9th
- The total amount offered was MXN 96.68 billion (US\$ 5.29 billion)
- The overall bid-to-cover of this transaction was good at 2.07x. In greater detail, the strong appetite for 871- and 1,088-days Bondes F stood out
- Today's auction specifics are provided in the table below:

Mexico's government securities exchange auction results October 5th, 2023)

Settlement Bonds (securities delivered by bidders)

Security	Series	Term (Days)	Amount bid	Amount offered	Current rate (%) / Price
Cetes (MXN million)					
416-days	BI 241128	416	18,869	18,869	11.64
472-days	BI 250123	472	7,201	5,600	11.65
584-days	BI 250515	584	69,400	0	0
640-days	BI 250710	640	3,300	2,700	11.55
696-days	BI 250904	696	3,200	3,200	11.61
Bondes F (MXN million)					
143-days	LF 240229	143	0	0	0
164-days	LF 240321	164	0	0	0
360-days	LF 241003	360	11,350	5,400	99.88751
416-days	LF 241128	416	13,250	350	99.85354
Mbonos (MXN million)					
Sep'24	M 240905	332	4,450	3,350	11.36
Dec'24	M 241205	423	11,070	9,870	10.80
Mar'25	M 250306	514	50,200	48,700	10.43
Mar'26	M 260305	878	960	960	10.45
Udibonos (UDIS million)					
Dec'25	S 251204	787	851	586	6.27

Target Bonds (securities received by bidders)

Security	Series	Term (Days)	Amount bid	Amount offered	Current rate (%) / Price
Mbonos (MXN million)					
871-days	LF 260226	871	42,675	17,196	99.60819
1,088-days	LF 261001	1,088	41,095	21,615	99.49194
1,151-days	LF 261203	1,151	15,400	10,182	99.46071
1,207-days	LF 270128	1,207	19,300	9,128	99.42385
1,235-days	LF 270225	1,235	20,350	9,770	99.40726
1,256-days	LF 270318	1,256	9,000	4,171	99.39259
1,291-days	LF 270422	1,291	9,000	4,144	99.37522
1,347-days	LF 270617	1,347	8,000	3,265	99.34589
1,410-days	LF 270819	1,410	13,228	8,143	99.31076
1,452-days	LF 270930	1,452	8,000	3,288	99.29814
1,466-days	LF 271014	1,466	8,000	3,274	99.27462
Udibonos (UDIS million)					
Nov'28	S 281130	1,879	285	54	5.45
Nov'31	S 311127	2,971	465	269	5.24
Total (MXN million)			199,875	96,683	

Source: Banxico



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



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



Manuel Jiménez Zaldívar
Director of Market Strategy
manuel.jimenez@banorte.com



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



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



www.banorte.com/analisiseconomico
@analisis_fundam

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



Document for distribution among the general public

Recent trade ideas				
Trade idea	P/L	Initial date	End date	
Long positions in Mbono Dec'24	P	16-Jun-23	22-Jun-23	
Pay TIIE-IRS (26x1), receive 2-year SOFR	L	18-Aug-22	28-Oct-22	
Pay 2-year TIIE-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 TIIE-IRS (6x1)	P	17-Dec-20	3-Mar-21	
Long positions in Udibono 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 Udibono Dec'25	P	23-Jul-20	10-Aug-20	
Long positions in Udibono 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 TIIE-28 IRS	P	20-Mar-20	24-Apr-20	
Long positions in Udibono Nov'28	P	31-Jan-20	12-Feb-20	
Long positions in Udibono 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-linkded Udibono 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-linkded Udibono Jun'19	P	7-May-18	14-May-18	
Long 7- to 10-year Mbonos	L	26-Mar-18	23-Apr-18	
Long CPI-linkded Udibono 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 Udibono Dec'20	3.05%	2.90%	3.15%	3.15%	L	9-Aug-17	6-Oct-17	
5y10y TIE-IRS steepener	28bps	43bps	18bps	31bps	P ²	15-Feb-17	15-Mar-17	
5y10y 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 Udibono 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 Udibono 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 Udibono 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 Udibono 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 Udibono 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 Udibono 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 Udibono Dec'12	+0.97%	-1.50%	+1.20%	-6.50%	P	1-May-12	27-Nov-12	
Long Udibono 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.

P = Profit, L = Loss

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 Thalia Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Juan Carlos Mercado Garduño, Daniel Sebastián Sosa Aguilar, Jazmin Daniela Cuautencos Mora 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 up dated. 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.

Directory

Research and Strategy



Raquel Vázquez Godínez
Assistant
raquel.vazquez@banorte.com
(55) 1670 - 2967



María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research



Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com
(55) 1103 - 4046



Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Market Strategy



Manuel Jiménez Zaldívar
Director of Market Strategy
manuel.jimenez@banorte.com
(55) 5268 - 1671



José Itzamna Espitia Hernández
Senior Strategist, Equity
jose.espitia@banorte.com
(55) 1670 - 2249



Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698



Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Quantitative Analysis



Alejandro Cervantes Llamas Executive
Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972



José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000



Andrea Muñoz Sánchez
Analyst, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1103 - 4000



Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043



Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251



Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957



Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1103 - 4000



Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719



Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com (55) 1670 - 2250



Isaías Rodríguez Sobrino
Analyst, Fixed Income, FX and Commodities
isaias.rodriguez.sobrino@banorte.com
(55) 1670 - 2144



Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611



Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821



Luis Leopoldo López Salinas
Economist, Global Internacional
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707



Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800



Hugo Armando Gómez Solís
Senior Analyst, Corporate Debt
hugoa.gomez@banorte.com
(55) 1670 - 2247



Gerardo Daniel Valle Trujillo
Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248



Miguel Alejandro Calvo Domínguez
Senior Analyst, Quantitative Analysis
miguel.calvo@banorte.com
(55) 1670 - 2220



Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1103 - 4000