

## MEXICAN NEWS

"Energy Reform is Constitutional; 17 States confirm it". The energy reform that was recently approved by the Mexican Congress has also been approved by the minimum number of state legislatures required for the bill to become a constitutional reform. It is expected that the reform will be formalized on Wednesday.<sup>1</sup>

"I don't see a legal basis for the reform to be contested". The Minister of Energy said this morning that the reform has legal robustness, so he discards formal objections from the opposition party PRD.<sup>2</sup>

"Mexbol gains 0.88% ahead of Fed meeting": Local analysts think this reflects the optimism of businessmen and entrepreneurs around the approval of the reform.<sup>3</sup>

Analysts consensus is that the energy reform will add 1.5% to GDP growth. It is expected that an improvement in the sovereign debt rating will come soon and that the Mexican peso could be at \$12.5 in the next year.<sup>4</sup>

## MARKET

	Last	WoW chg	YTD chg
MEXBOL	42052	-0.6%	-3.8%
USDMXN	12.93	0.6%	0.6%
MX 10 y	6.42	7.4bps	106bps
IRS 10 y	6.74	1bps	91.5bps
MX real 10y	2.55	2bps	104bps
Spd US 10y	354	3.7bps	-5.8bps
Spd IRS 10y	381	-2.4bps	-19.3bps
MX Breakeven 10y	3.64	0.0%	-6.5%
CDS 5yr	88.95	-1.2%	-9.1%

Source: Bloomberg

## MEXICAN FIXED INCOME CURVES

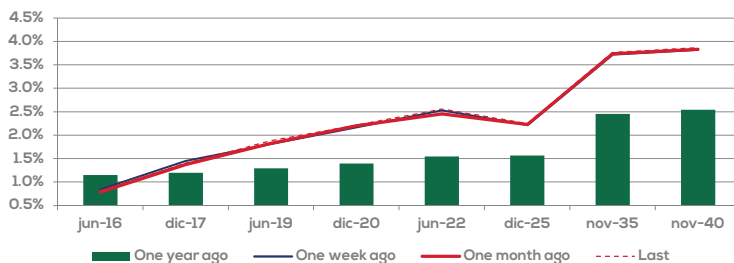
MBONO CURVE



Source: PIP

No information of one year ago available for bond jun-18.

INFLATION LINKED BONDS



Source: PIP

## MEXICAN FUNDAMENTALS

Debt rating (Fitch)	BBB+
Surplus/Deficit %GDP	-0.05
Foreign reserves (M)	175736
Real GDP YoY	1.3
BoP	-5457.09
Consumer Prices (monthly)	0.93
Unemployment	5.01
Consumer Confidence	88.7
Central Bank rate	3.5

Source: Bloomberg

## CORPORATE AAA(mx) MARKET

Sector	Spread	Maturity
<b>NOMINAL</b>		
Industrial	127	2/2/2023
Retail	113	3/17/2022
Energy	142	9/12/2024
Utilities	115	8/18/2042
<b>INFLATION LINKED</b>		
MBS	194	11/27/2041

Source: PIP

1. Source "Vanguardia".  
2. Source newspaper "El Universal".  
3. Source newspaper "El Financiero".  
4. Source newspaper "El Economista".

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