

MEXICAN NEWS

"Reforms put the country into another dimension (Interview with OECD general secretary): For now, with the changes to the fiscal law, it is expected a gradual reduction in oil dependency and a rise in federal income (...).¹

Luis Videgaray (Treasury minister) estimated that the recently structural reforms will stimulate Mexico's economic growth over the next two years.(...) 2015 can witness growth rates around 4.2 and 4.3% (...).²

Mexico Congressman Says Secondary Energy Laws Are a Priority: The leader of the biggest party in Mexico said that they will favour every aspect related to the approval of the secondary laws that are needed to implement the recently approved structural reforms (...).³

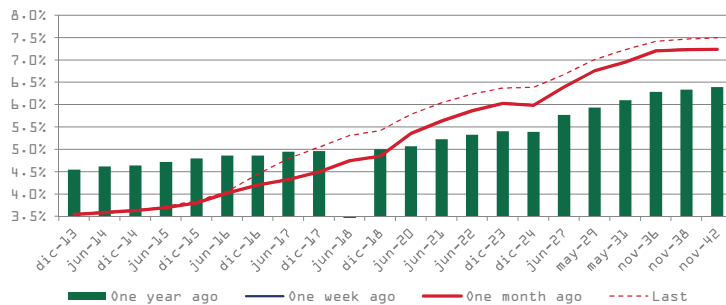
MARKET

	Last	WoW chg	YTD chg
MEXBOL	42067	1.3%	-1.5%
USDMXN	13.08	-0.1%	0.3%
MX 10 y	6.37	2.3bps	-6.4bps
IRS 10 y	6.77	-4.2bps	-5.3bps
MX real 10y	2.51	7bps	-3bps
Spd US 10y	354	15.6bps	13.9bps
Spd IRS 10y	389	11.2bps	16.4bps
10y	3.64	0.0%	0.0%
CDS 5yr	98.33	3.5%	7.4%

Source: Bloomberg

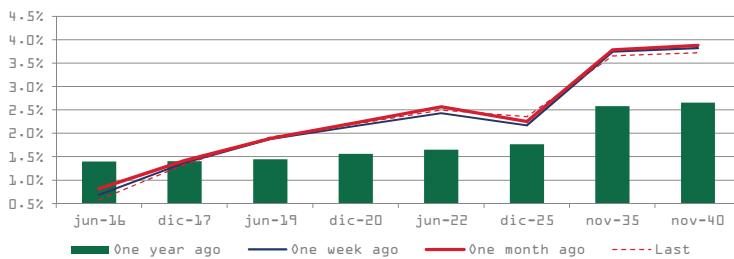
MEXICAN FIXED INCOME CURVES

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)	176586
Real GDP YoY	1.3
BoP	-5457
Consumer Prices (monthly)	0.57
Unemployment	4.47
Consumer Confidence	89.7
Central Bank rate	3.5

Source: Bloomberg

CORPORATE AAA (mx) MARKET

Sector	Spread	Maturity
NOMINAL		
Industrial	129	2/2/2023
Retail	113	3/17/2022
Energy	140	9/12/2024
Utilities	115	8/18/2042
INFLATION LINKED		
MBS	204	11/27/2041

Source: PIP

1. Source newspaper "EL UNIVERSAL".
2. Source newspaper "MILENIO".
3. Source newspaper "MILENIO".

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