

MEXICAN NEWS

"Mexico is attracting investment through reforms: Videgaray": PepsiCo, Nestle and Cisco last week announced major investments totaling more than 7 billion dollars in Mexico. The treasury minister said that is natural that the country witness volatility but this will eventually diminish as foreign investors look at the strong fundamentals of Mexico¹

From January to September 2013 Mexico received a historical flow of Foreign Direct Investment of about 28 thousand million dollars, 98% more than in the same period of 2012 and it is expected that in 2014 the country will consolidate its status as a reliable destination to invest.(...)²

"PRI urges lawmakers to pull the secondary laws" Today, previous to the return of the Congress to activities the principal political leaders are gathering to discuss the optimum agenda to approve the secondary laws.

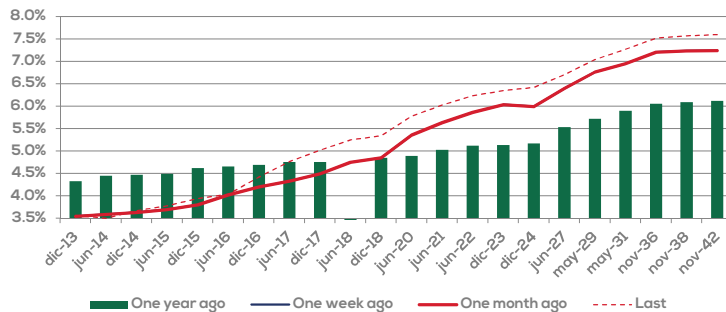
MARKET

	Last	WoW chg	YTD chg
MEXBOL	40589	-3.0%	-5.0%
USDMXN	13.37	0.7%	2.5%
MX 10 y	6.55	9.4bps	11.9bps
IRS 10 y	6.89	3bps	6.4bps
MX real 10y	2.62	13bps	8bps
Spd US 10y	0	-362.7bps	-340.3bps
Spd IRS 10y	400	7.8bps	27.7bps
MX Breakeven 10y	3.64	0bps	0bps
CDS 5yr	112.00	16.3%	22.4%

Source: Bloomberg

MEXICAN FIXED INCOME CURVES

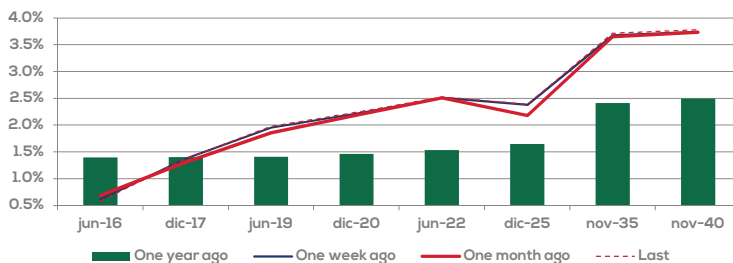
MBONO CURVE



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)	176467
Real GDP YoY	1.3
BoP	-5457
Consumer Prices (monthly)	0.57
Unemployment	4.25
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	120	3/17/2022
Energy	139	9/12/2024
Utilities	115	8/18/2042
INFLATION LINKED		
MBS	160	11/27/2041

Source: PIP

1. Source newspaper "EL FINANCIERO".
2. Source newspaper "LA ECONOMISTA".
3. Source newspaper "EL UNIVERSAL".

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