

MEXICAN NEWS

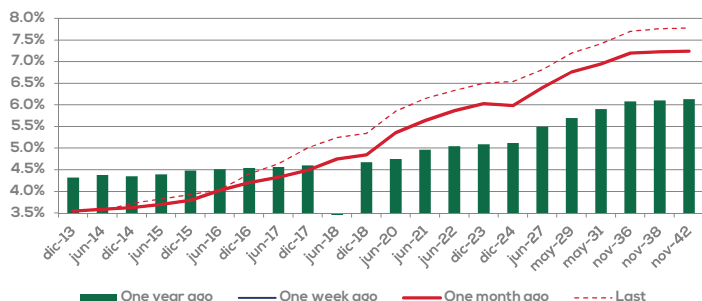
"Optimism toward Mexico, from different sectors, continues". For Grupo Financiero BBVA Bancomer, the recovery of the Mexican economy has already begun, after a year of 1% growth, the bank changed its outlook for GDP growth to 3.4% from 3.1%. Besides, this forecast does not contemplate the benefits of structural reforms.¹

"Fibra Uno concludes purchase of 8 properties": The Trust (REIT) acquired the portfolio P8 which includes properties in Mexico City and Guadalajara for \$2.4 billion pesos, they firm also bought the Bancomer Center in an amount of \$1.6 billion pesos.²

"Oil subsidy has become a tax" The policy of gradual slide in gasoline prices that began in 2008, which was adjusted at the beginning of 2010 and extended in 2014, has served its purpose. The Magna gasoline, the most widely consumed in Mexico, recorded a price in service stations of 12.41 pesos per liter, while in the U.S. the price in pesos of equivalent gasoline is 10.84 pesos per liter. This means that Mexican gasoline is already 14% more expensive than the equivalent in the northern neighbor.³

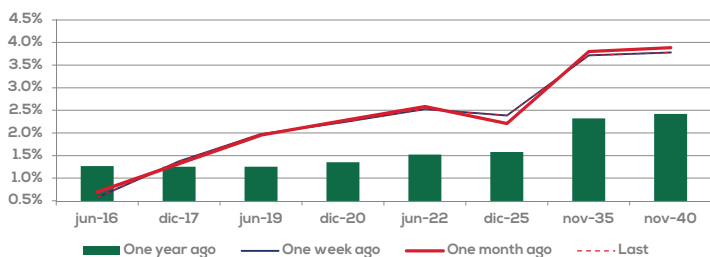
MEXICAN FIXED INCOME CURVES

MBONO CURVE



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

INFLATION LINKED BONDS



Source: PIP.

1. Source newspaper "EL ECONOMISTA".
2. Source newspaper "EI FINANCIERO".
3. Source newspaper "EL ECONOMISTA".

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MARKET

	Last	WoW chg	YTD chg
MEXBOL	40609	-0.2%	-5.0%
USDMXN	13.23	-0.7%	1.5%
MX 10 y	6.34	-7.2bps	-9bps
IRS 10 y	6.65	-11bps	-17.6bps
MX real 10y	2.54	-9bps	0bps
Spd US 10y	0	0bps	-340.3bps
Spd IRS 10y	382	-6.1bps	9.6bps
MX Breakeven 10y	3.64	0bps	0bps
CDS 5yr	94.00	-2.1%	2.2%

Source: Bloomberg.

MEXICAN FUNDAMENTALS

Loc. Debt rating (Fitch)	A-
Surplus/Deficit %GDP	-0.05
Foreign reserves (M)	179663
Real GDP YoY	1.3
BoP	-5457
Consumer Prices (monthly)	0.89
Unemployment	4.25
Consumer Confidence	84.5
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	132	9/12/2024
Utilities	115	8/18/2042
INFLATION LINKED		
MBS	160	11/27/2041

Source: PIP.