

# Banxico announces corporate bond repo transactions

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- Banxico will offer credit institutions the facility to enter into corporate securities repo operation with a maturity of up to 93 days for an amount of MXN 100 billion (US\$ 4.4 billion)
- This repo operation is part of the [additional liquidity measures](#) announced together with Banxico's 50bps rate cut on April 21st (facility number 6), with the total amount of the program being of up to MXN 100 billion (US\$ 4.4 billion) with the possibility of adjusting, attending market conditions. Hence, financial authorities continue to actively implement strategies to preserve the best operating conditions and liquidity of the financial system
- Repo operations will be offered today from 10:00am to 11:00am (ET)
- The settlement date will be on Monday, July 6th
- This repo operation will be carried out based on the terms of the Operating Rules of Circular 18/2020, published in the Official gazette on May 19th
- Based on Circular 18/2020, the cost of the repo agreement will be equivalent to 1.1x the average of Banco de México's overnight interbank interest rate - at 5.50%- in effect on the day of the repurchase agreement
- Securities offered for repo must have at least two global or national ratings by S&P Global Ratings, Fitch Ratings, Moody's Investor Service or HR Ratings of at least 'BB+ / BB+ / Ba1 / HR BB+ (G)' and 'mxA / A(mex) / A2.mx / HRA', respectively
- For short-term securities, the minimum rating by S&P Global Ratings, Fitch Ratings, Moody's Investor Service or HR Ratings will be 'A-2 / F2 / P-2 / HR2 (G)' or the national equivalent, respectively
- We do not have additional information on which securities will be offered as repo transactions, some of the issuers that meet the characteristics described above are Pemex, CFE, Coca-Cola Femsa, América Móvil, Arca Continental, Bachoco, Bimbo, FEFA, Liverpool, Grupo Palacio de Hierro, GAP, Grupo Carso, Grupo México Transportes, among others
- It is important to mention that the list of securities is dynamic, so it will constantly change

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We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalia Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, 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.

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|             | Reference  |
|-------------|--|
| <b>BUY</b>  | <i>When the share expected performance is greater than the MEXBOL estimated performance.</i> |
| <b>HOLD</b> | <i>When the share expected performance is similar to the MEXBOL estimated performance.</i>   |
| <b>SELL</b> | <i>When the share expected performance is lower than the MEXBOL estimated performance.</i>   |

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