

# 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 91 days for an amount of MXN 99.9 billion (US\$ 4.4 billion)
- This repo operation is part of the [additional credit and liquidity measures](#) announced together with Banxico's 50bps rate cut on April 21st, 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 liquidity conditions 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 13th
- 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, Bimbo, FEFA, Liverpool, Grupo Palacio de Hierro, GAP, Grupo Carso, Grupo México Transporte, Orbia, Opsimex, among others
- It is important to mention that the list of securities is dynamic, so it will constantly change

Alejandro Padilla  
Executive Director of Economic Research  
and Financial Markets Strategy  
[alejandro.padilla@banorte.com](mailto:alejandro.padilla@banorte.com)

Manuel Jiménez  
Director of Market Strategy  
[manuel.jimenez@banorte.com](mailto:manuel.jimenez@banorte.com)

Tania Abdul Massih  
Director of Corporate Debt  
[tania.abdul@banorte.com](mailto:tania.abdul@banorte.com)

Hugo Gómez  
Senior Analyst, Corporate Debt  
[hugoa.gomez@banorte.com](mailto:hugoa.gomez@banorte.com)

Gerardo Valle  
Analyst, Corporate Debt  
[gerardo.valle.trujillo@banorte.com](mailto:gerardo.valle.trujillo@banorte.com)

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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
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<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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**GRUPO FINANCIERO BANORTE S.A.B. de C.V.**

Research and Strategy			
Gabriel Casillas Olvera	IRO and Chief Economist	<a href="mailto:gabriel.casillas@banorte.com">gabriel.casillas@banorte.com</a>	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	<a href="mailto:raquel.vazquez@banorte.com">raquel.vazquez@banorte.com</a>	(55) 1670 - 2967
Lourdes Calvo Fernández	Analyst (Edition)	<a href="mailto:lourdes.calvo@banorte.com">lourdes.calvo@banorte.com</a>	(55) 1103 - 4000 x 2611
Economic Research and Financial Market Strategy			
Alejandro Padilla Santana	Executive Director of Economic Research and Financial Markets Strategy	<a href="mailto:alejandro.padilla@banorte.com">alejandro.padilla@banorte.com</a>	(55) 1103 - 4043
Itzel Martínez Rojas	Analyst	<a href="mailto:itzel.martinez.rojas@banorte.com">itzel.martinez.rojas@banorte.com</a>	(55) 1670 - 2251
Economic Research			
Juan Carlos Alderete Macal, CFA	Director of Economic Research	<a href="mailto:juan.alderete.macal@banorte.com">juan.alderete.macal@banorte.com</a>	(55) 1103 - 4046
Francisco José Flores Serrano	Senior Economist, Mexico	<a href="mailto:francisco.flores.serrano@banorte.com">francisco.flores.serrano@banorte.com</a>	(55) 1670 - 2957
Katía Celina Goya Ostos	Senior Economist, Global	<a href="mailto:katia.goya@banorte.com">katia.goya@banorte.com</a>	(55) 1670 - 1821
Luis Leopoldo López Salinas	Economist, Global	<a href="mailto:luis.lopez.salinas@banorte.com">luis.lopez.salinas@banorte.com</a>	(55) 1103 - 4000 x 2707
Market Strategy			
Manuel Jiménez Zaldívar	Director of Market Strategy	<a href="mailto:manuel.jimenez@banorte.com">manuel.jimenez@banorte.com</a>	(55) 5268 - 1671
Fixed income and FX Strategy			
Santiago Leal Singer	Senior Strategist, Fixed Income and FX	<a href="mailto:santiago.leal@banorte.com">santiago.leal@banorte.com</a>	(55) 1670 - 2144
Leslie Thalía Orozco Vélez	Strategist, Fixed Income and FX	<a href="mailto:leslie.orozco.velez@banorte.com">leslie.orozco.velez@banorte.com</a>	(55) 5268 - 1698
Equity Strategy			
Marissa Garza Ostos	Director of Equity Strategy	<a href="mailto:marissa.garza@banorte.com">marissa.garza@banorte.com</a>	(55) 1670 - 1719
José Itzamna Espitia Hernández	Senior Strategist, Equity	<a href="mailto:jose.espitia@banorte.com">jose.espitia@banorte.com</a>	(55) 1670 - 2249
Valentín III Mendoza Balderas	Senior Strategist, Equity	<a href="mailto:valentin.mendoza@banorte.com">valentin.mendoza@banorte.com</a>	(55) 1670 - 2250
Víctor Hugo Cortes Castro	Senior Strategist, Technical	<a href="mailto:victorh.cortes@banorte.com">victorh.cortes@banorte.com</a>	(55) 1670 - 1800
Eridani Ruibal Ortega	Analyst	<a href="mailto:eridani.ruibal.ortega@banorte.com">eridani.ruibal.ortega@banorte.com</a>	(55) 1103 - 4000 x 2755
Juan Barbier Arizmendi	Analyst	<a href="mailto:juan.barbier@banorte.com">juan.barbier@banorte.com</a>	(55) 1670 - 1746
Corporate Debt			
Tania Abdul Massih Jacobo	Director of Corporate Debt	<a href="mailto:tania.abdul@banorte.com">tania.abdul@banorte.com</a>	(55) 5268 - 1672
Hugo Armando Gómez Solís	Senior Analyst, Corporate Debt	<a href="mailto:hugo.gomez@banorte.com">hugo.gomez@banorte.com</a>	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	<a href="mailto:gerardo.valle.trujillo@banorte.com">gerardo.valle.trujillo@banorte.com</a>	(55) 1670 - 2248
Economic Studies			
Delia María Paredes Mier	Executive Director of Economic Studies	<a href="mailto:delia.paredes@banorte.com">delia.paredes@banorte.com</a>	(55) 5268 - 1694
Miguel Alejandro Calvo Domínguez	Senior Analyst, Economic Studies	<a href="mailto:miguel.calvo@banorte.com">miguel.calvo@banorte.com</a>	(55) 1670 - 2220
Wholesale Banking			
Armando Rodal Espinosa	Head of Wholesale Banking	<a href="mailto:armando.rodal@banorte.com">armando.rodal@banorte.com</a>	(81) 8319 - 6895
Alejandro Aguilar Ceballos	Head of Asset Management	<a href="mailto:alejandro.aguilar.cebillos@banorte.com">alejandro.aguilar.cebillos@banorte.com</a>	(55) 5268 - 9996
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	<a href="mailto:alejandro.faesi@banorte.com">alejandro.faesi@banorte.com</a>	(55) 5268 - 1640
Alejandro Frigolet Vázquez Vela	Head of Sólida Banorte	<a href="mailto:alejandro.frigolet.vazquezvela@banorte.com">alejandro.frigolet.vazquezvela@banorte.com</a>	(55) 5268 - 1656
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	<a href="mailto:arturo.monroy.ballesteros@banorte.com">arturo.monroy.ballesteros@banorte.com</a>	(55) 5004 - 1002
Carlos Alberto Arciniega Navarro	Head of Treasury Services	<a href="mailto:carlos.arciniega@banorte.com">carlos.arciniega@banorte.com</a>	(81) 1103 - 4091
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	<a href="mailto:gerardo.zamora@banorte.com">gerardo.zamora@banorte.com</a>	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	<a href="mailto:jorge.delavega@banorte.com">jorge.delavega@banorte.com</a>	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	<a href="mailto:luis.pietrini@banorte.com">luis.pietrini@banorte.com</a>	(55) 5004 - 1453
Lizza Velarde Torres	Executive Director of Wholesale Banking	<a href="mailto:lizza.velarde@banorte.com">lizza.velarde@banorte.com</a>	(55) 4433 - 4676
Osvaldo Brondo Menchaca	Head of Specialized Banking Services	<a href="mailto:osvaldo.brondo@banorte.com">osvaldo.brondo@banorte.com</a>	(55) 5004 - 1423
Raúl Alejandro Arauzo Romero	Head of Transactional Banking	<a href="mailto:alejandro.arauzo@banorte.com">alejandro.arauzo@banorte.com</a>	(55) 5261 - 4910
René Gerardo Pimentel Ibarrola	Head of Corporate Banking	<a href="mailto:pimentelr@banorte.com">pimentelr@banorte.com</a>	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	<a href="mailto:rvelazquez@banorte.com">rvelazquez@banorte.com</a>	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Commercial Banking	<a href="mailto:victor.rolan.ferrer@banorte.com">victor.rolan.ferrer@banorte.com</a>	(55) 5004 - 1454
Research and Strategy			

Gabriel Casillas Olvera	IRO and Chief Economist	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611
<b>Economic Research and Financial Market Strategy</b>			
Alejandro Padilla Santana	Executive Director of Economic Research and Financial Markets Strategy	alejandro.padilla@banorte.com	(55) 1103 - 4043
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251
<b>Economic Research</b>			
Juan Carlos Alderete Macal, CFA	Director of Economic Research	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Francisco José Flores Serrano	Senior Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Katia Celina Goya Ostos	Senior Economist, Global	katia.goya@banorte.com	(55) 1670 - 1821
Luis Leopoldo López Salinas	Economist, Global	luis.lopez.salinas@banorte.com	(55) 1103 - 4000 x 2707
<b>Market Strategy</b>			
Manuel Jiménez Zaldívar	Director of Market Strategy	manuel.jimenez@banorte.com	(55) 5268 - 1671
<b>Fixed income and FX Strategy</b>			
Santiago Leal Singer	Senior Strategist, Fixed Income and FX	santiago.leal@banorte.com	(55) 1670 - 2144
Leslie Thalia Orozco Vélez	Strategist, Fixed Income and FX	leslie.orozco.velez@banorte.com	(55) 5268 - 1698
<b>Equity Strategy</b>			
Marissa Garza Ostos	Director of Equity Strategy	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Senior Strategist, Equity	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Senior Strategist, Equity	valentin.mendoza@banorte.com	(55) 1670 - 2250
Víctor Hugo Cortes Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
Jorge Antonio Izquierdo Lobato	Analyst	jorge.izquierdo.lobato@banorte.com	(55) 1670 - 1746
Eridani Ruibal Ortega	Analyst	eridani.ruibal.ortega@banorte.com	(55) 1103 - 4000 x 2755
<b>Corporate Debt</b>			
Tania Abdul Massih Jacobo	Director of Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Senior Analyst, Corporate Debt	hugoa.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248
<b>Economic Studies</b>			
Delia María Paredes Mier	Executive Director of Economic Studies	delia.paredes@banorte.com	(55) 5268 - 1694
Miguel Alejandro Calvo Domínguez	Senior Analyst, Economic Studies	miguel.calvo@banorte.com	(55) 1670 - 2220
<b>Wholesale Banking</b>			
Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(81) 8319 - 6895
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Corporate Banking	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Commercial Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454