

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 91.04 billion (US\$ 4.4 billion)
- Repo operations will be offered today from 10:00am to 11:00am (ET)
- The settlement date will be on Tuesday, November 17th
- 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, as well as on [the adjustments announced by Banxico on July 15th](#)
- Based on both documents, the cost of the repo agreement will be equivalent to 1.03x the average of Banco de México's overnight interbank interest rate -today at 4.25%- in effect on the day of the repurchase agreement -cost at 4.377%-
- Securities offered for repo must have at least two global or national ratings by S&P Global Ratings, Fitch Ratings, Moody's Investor Service, HR Ratings or Verum (national scale) of at least 'BB+ / BB+ / Ba1 / HR BB+ (G)' and 'mxA / A(mex) / A2.mx / HRA / A/M', 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
- Additionally, the range of securities that can be subject to repo transactions was extended in order to include bonds issued by private banks under certain conditions
- 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\$ 4.6 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

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Document for distribution among public

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SELL	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

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