3Q21 Outlook – Higher growth, but also higher inflation

July 9, 2021

www.banorte.com
@analisis_fundam

Gabriel Casillas
IRO and Chief Economist
gabriel.casillas@banorte.com

Alejandro Padilla
Executive Director of Economic Research and Financial Markets Strategy
alejandro.padilla@banorte.com

Juan Carlos Alderete, CFA
Director of Economic Research
juan.alderete.macal@banorte.com

Manuel Jiménez
Director of Market Strategy
manuel.jimenez@banorte.com

The mid-year balance in 2021 is favorable in terms of the world economic recovery, with a promising view for the second half of the year. However, the reactivation has occurred at different speeds, both between economies and among the various sectors within the same country. The issues related to how uneven and sustainable the recovery is will continue to be a major challenge for public policy at the global level. Likewise, despite support from fiscal and monetary stimuli, as well as progress in vaccination programs, there are still risks associated with new strains of the Coronavirus that could limit the pace of reactivation going forward.

The other major focus is on inflationary pressures currently experienced in many regions. On one hand, some supply chain disruptions prevail –whether due to logistics, climatic or health factors– that have generated some cost pressures that have started to permeate to prices faced by consumers. Additionally, a demand shock is also being experienced due to the significant rebound in economies such as the United States or China, also translating into inflationary pressures and contamination of expectations.

This situation has increased the uncertainty around the room for maneuver of global monetary policy. In this way, investors are trying to identify the moment in which the Fed will announce the beginning of the normalization of its monetary stance, which we estimate could be at its September meeting. This has also induced greater financial market volatility and a timely reaction from some central banks.

In Mexico, after the midterm elections that took place on June 6th, the focus will return to the path of the economic recovery, the implementation of public policies and their impact in the short-, medium-, and long-term. The country shows a favorable growth expectation for the remainder of the year, albeit with significant challenges in terms of inflation, as well as other aspects. However, it is worth mentioning that the three main agencies recently ratified their sovereign rating, maintaining Mexico´s investment grade issuer status. It will be important to analyze the way in which Mexico will move towards a 'new normal' in the second half of the year and its implication for a diverse array of financial assets in the country.

Mexico's main macroeconomic and financial forecasts
End of period

	1Q21	2Q21	3Q21	4Q21	2020	2021	2022
GDP (% y/y)	-3.6	20.3	6.8	3.6	-8.3	6.2	3.0
Inflation (% y/y)	4.7	5.9	5.7	6.1	3.2	6.1	4.0
USD/MXN	20.43	19.94	20.00	20.20	19.91	20.20	20.90
Banxico's reference rate (%)	4.00	4.25	4.75	5.25	4.25	5.25	6.00
28-day TIIE (%)	4.29	4.53	5.10	5.60	4.48	5.60	6.35
Mexbol (points)	47,246	50,290	--	53,800	44,066	53,800	--

Source: Banorte

Mexico

Francisco Flores
Senior Economist, Mexico
francisco.flores.serrano@banorte.com

The recovery has surprised to the upside so far, driven by the strong rebound in the US and a faster-than-expected reopening, in turn benefitting private consumption and investment. Given the performance in 1Q21 and known figures for the second quarter, we revise our 2021 GDP forecast to 6.2%, from 5.9% (see table below, left). This, despite risks of new lockdowns due to COVID-19 variants and limits for industry growth on prevailing bottlenecks. On the former, we believe stringent restrictions will be avoided, with the population more adapted to sanitary measures and advances on vaccinations helping to avoid an extreme scenario. In addition, we estimate 3.0% growth in 2022. With this, economic activity would reach pre-pandemic levels as soon as 1Q22, albeit still with a negative output gap. On the other hand, attention will remain on the evolution of prices as it will be key for upcoming central bank decisions. In this context, this week we revised our inflation forecast, now expecting it to end the year at 6.1% y/y (see chart below, right). This is mostly due to more relevant pressures at the core component (contributing 35bps out of the 60bps of the total adjustment), standing at 4.7%. In addition, we establish our forecast for 2022 at 4.0% on a more favorable base effect, although still with some more persistent pressures.

Considering this backdrop, we believe Banxico is in a rather complex situation that will not allow them to pause in their upcoming decisions. Specifically, we expect 25bp hikes in each of the four remaining meetings of 2021, lifting the rate to 5.25%. This would be driven not only by a difficult outlook for inflation, but also due to less room to maneuver in terms of the relative monetary stance (with EM central banks starting to tighten monetary conditions, see *Global* section) and especially with the Fed getting ready for tapering (see *United States* section).

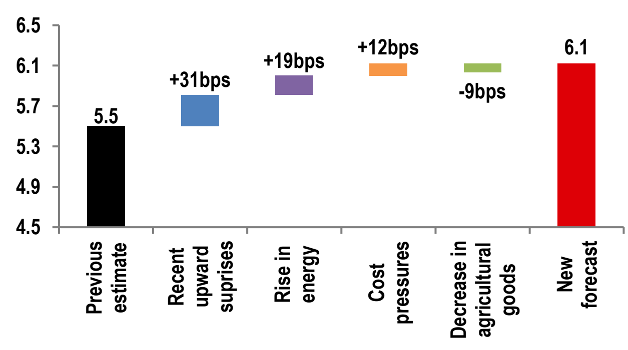
In other relevant topics for the quarter, attention in September will turn to the legislative front given the start of the LXV Legislature in the Lower House on September 1st. Among the most immediate topics at hand is the approval of the *2022 Budget*, which must be presented no later than September 8th. This time around, it will be particularly relevant considering: (1) The transition at the Ministry of Finance (MoF), with Rogelio Ramírez de la O substituting Arturo Herrera as Minister; and (2) a potential tax reform, even though president Lopez-Obrador has dwindled the possibility of even proposing it.

2021 GDP: Aggregate demand
% y/y nsa; q/q sa

% y/y	1Q21	2Q21	3Q21	4Q21	2021
GDP	**-3.6**	**20.3**	**6.8**	**3.6**	**6.2**
Private consumption	-4.2	21.4	11.2	7.2	8.2
Investment	-4.9	23.4	12.0	4.6	7.5
Government spending	-0.7	-1.3	-2.2	2.3	-0.4
Exports	-4.3	64.7	9.9	6.5	15.9
Imports	-1.0	49.0	22.9	11.9	18.7
% q/q					
GDP	**0.8**	**1.6**	**0.4**	**0.5**	**--**

Source: INEGI, Banorte

2021 inflation forecast
% y/y, contribution in bps



Source: Banorte

United States

Katia Goya
Senior Global Economist
katia.goya@banorte.com

The economic recovery extended to the second quarter, supported by a total reopening of almost all the country's states and new rounds of stimulus. However, job creation didn't accelerate as strongly, with 1.7 million new jobs from 1.6 million in the first quarter. Although expectations were stronger at the beginning of the period, the economy continues to reflect the pandemic's effects on consumption patterns, the labor market and supply chains.

Progress in vaccinations has allowed a broader reopening of services, especially hospitality and entertainment. However, the pace has slowed, and the Biden administration failed to reach the goal of vaccinating at least 70% of the population by July 4th. Despite this, nearly 55% are already fully inoculated. With this and the savings rates still high, we expect consumption growth and the relative substitution of spending –from goods to services–, to continue in 3Q21. In the labor market, we believe some factors that have restricted supply will be resolved. On one hand, several Republican states have already eliminated additional unemployment benefits and the rest will expire in early September. Our analysis suggests that this will most likely lead to an increase in the labor force. On the other, greater confidence and the return of children to in-person lessons would probably lead to a higher participation rate. Given this scenario, we revise upwards our 2021 GDP estimate to 6.6% from 6.1%, with an adjustment in personal consumption to 8.3%, from 8.1%.

Given higher demand, disruptions in supply chains and potential wage increases, concerns will remain about the magnitude and persistence of inflationary pressures. Although we estimate that the high for the year was already seen in May (5.0% y/y), we expect it to remain above 4.5% for the rest of 2021. In this scenario, eyes will remain on Fed decisions. We will be watching Powell's speech in Jackson Hole on August 26-28, but we do not expect a tapering announcement there. We maintain our call that an "anticipated" announcement will be in the FOMC's September decision, "formalizing" it in December for a start in January 2022. Other relevant topics will be the infrastructure plan for US$579 billion in net new expenses and debt ceiling discussions. The former requires 60 votes in the Senate, so at least 10 Republicans need to be on board. While we expect an approval, its success will also depend on progressive Democrats, who want to be sure that their priorities will be addressed in parallel legislation, dubbed as "human infrastructure."

US: Banorte Estimates

	2020	1Q21	2Q21	3Q21	4Q21	2021*
GDP (% q/q annualized rate)*	-3.5	6.4	8.2	5.7	3.7	6.6
Private Consumption	-3.9	11.4	10.9	7.5	5.3	8.3
Fixed Investment	-1.8	12.1	10.4	7.6	5.7	10.9
Exports	-12.9	-2.1	3.6	5.7	7.4	4.1
Imports	-9.3	9.5	7.0	7.4	7.4	13.6
CPI (% y/y, average)	1.2	1.9	4.7	4.6	4.6	3.9
Unemployment rate (%, eop)	6.7	6.0	5.9	5.4	4.9	4.9
Non-farm payrolls (thousands)	-9,374	1,554	1,702	2,750	3,500	9,506

* All GDP estimates are % q/q saar, except for 2021, which is % y/y. eop: end of period.
Source: Banorte

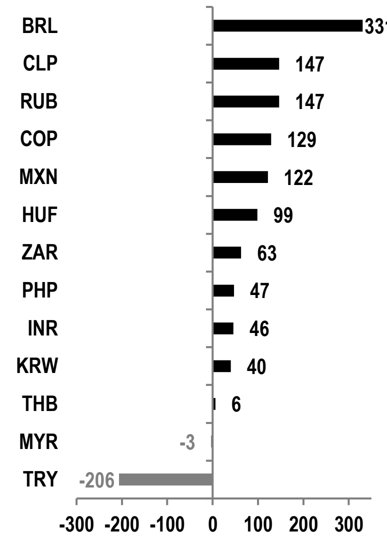
Global

Katia Goya
Senior Global Economist
katia.goya@banorte.com

Headline inflation has picked up in many emerging markets in recent months, such as in Turkey, Brazil and Mexico. This has resulted in an increasing number of central banks raising interest rates, including the latter group and Russia, among others. Additionally, a larger group has warned of a very high likelihood of tightening actions in coming months.

Higher inflation in emerging markets is driven by a combination of factors, including stronger demand on the back of the economic reopening, exchange rate pressures, high commodity prices –including energy– and supply chain issues. Although the impact on headline inflation could be transitory, many central banks have chosen to react earlier than expected to avoid an un-anchoring of inflation expectations and to preserve the success of monetary policy measures deployed during the pandemic. In this context, markets have also priced-in an important normalization for the remainder of the year (see side graph).

Implied rate hikes in 6 months
Bps



* Note: At the close on July 8th
Source: Banorte with data from Bloomberg

Specifically, in Brazil, the rise in gasoline prices has been the main culprit behind changes in administered prices in recent months. In addition, a severe drought pushed up electricity prices in May, as power companies rely heavily on hydroelectric plants. These factors contributed to sustained pressures on headline inflation and an increase in expectations for 2022 to 3.77%, above the midpoint around that year's target of 3.5% (+/- 1.5%-pts). This has obliged the central bank to accelerate the tightening of monetary policy, raising the *Selic* rate by 225bps so far this year and placing it at 4.25%. Given Copom's assurance that they will do whatever it takes to bring inflation back to the target, the BCB survey among analysts shows the view that the benchmark rate will close 2022 at 6.75%. In other words, the hiking cycle would still have at least 250bps to go. Markets are much more aggressive though, anticipating 331bps more as soon as this year. At other central banks, changes in energy commodities' prices have also played a key role. Among those that already incorporate more hikes for the rest of 2021 are Russia and Chile with almost 150bps in both cases, while the current bet in Mexico stands at +122bps (Banorte: +100bps at 5.25%). As we mentioned in our *2Q21 Outlook*, this confirms that the scenario continues to be much more complex for this group of countries, given the challenges imposed by COVID-19.

The withdrawal of monetary stimulus comes hand in hand with risks for economic growth (especially for investment), in a backdrop in which vaccination processes in emerging economies remain slow and the number of infections high –in addition to new and more dangerous virus variants–, maintaining the risk of having to return to strict lockdowns. On the contrary, rate hikes provide conditions for exchange rate gains –with a potential negative effect on exports–, and reduce the risks of abrupt capital outflows, fostering, at least in part, greater financial stability. Specifically, authorities are still trying to avoid higher inflation, particularly the risk of unanchored expectations, while at the same time to minimize the impact that this could have on the economic outlook. However, it is more likely that they will continue to choose to withdraw monetary stimulus. Therefore, the question now is: What role will fiscal policy play going forward, after the measures implemented in 2020 due to the COVID-19 shock?

Fixed income (sovereign debt)

Santiago Leal
Senior Strategist, Fixed Income and FX
santiago.leal@banorte.com

The 2Q21 resulted in a significant reversal of the accumulated pressures in sovereign bond rates at the beginning of the year, under a context of uncertainty regarding the possible global monetary policy reaction to inflationary pressures and a faster pace of economic recovery. In this environment, the hawkish rhetoric from both the Fed and Banxico resulted in a flattening of sovereign yield curves.

The market will continue focused to any changes in the Fed's communication that may anticipate a shift in strategy. In this sense, the market pricing maintains the expectation of a 25bps hike between 4Q22 and 1Q23, with high sensitivity especially to inflation and employment readings. As a result, we believe the flattening is likely to extend modestly. Given our view on the Fed, current conditions, and our valuation model for the 10-year US Treasury note, we estimate a new 3Q21 level at 1.50% and 2021 year-end at 1.75% (previously 2.15%).

In Mexico, investors will continue to digest the continuity of economic policies based on the recent appointments of new leadership at Banxico and MoF. Likewise, focus will be on some of the issues that main rating agencies have emphasized when ratifying Mexico's investment grade. These include the discussion around a possible fiscal reform, the strategy to contain debt levels, and challenges for economic growth in the medium term. In this regard, we estimate that the 10-year Mbono will close at 6.95% at the end of 3Q21 and at 7.10% by year-end.

Banxico will remain in the spotlight after the surprise rate hike on June 24th. Based on our expectation of four 25bps hikes in each of the remaining meetings of 2021, as well as a complex outlook for inflation, we believe there is greater relative value in mid-term Udibonos. We also expect an additional flattening of the nominal yield curve. Finally, China's inclusion in the WGBI, effective on October 29th, will continue to be a major focus given the recent adjustments in global debt portfolios.

Banorte's interest rate forecasts
%

Security	2017	2018	2019	2020	2021 forecasts				2022 forecasts			
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Banxico's reference rate												
Average	6.75	7.64	8.00	5.44	4.08	4.02	4.50	5.00	5.50	5.75	5.75	5.83
End of period	7.25	8.25	7.25	4.25	4.00	4.25	4.75	5.25	5.75	5.75	5.75	6.00
28-day Cetes												
Average	6.70	7.64	7.87	5.33	4.13	4.08	4.50	4.47	5.50	5.75	5.75	5.83
End of period	7.26	8.06	7.13	4.25	4.09	4.29	4.75	5.25	5.75	5.75	5.75	6.00
28-day TIIE												
Average	7.05	8.00	8.31	5.69	4.37	4.30	4.85	5.35	5.85	6.10	6.10	6.18
End of period	7.62	8.59	7.69	4.48	4.28	4.53	5.10	5.60	6.10	6.10	6.10	6.35
10-year Mexican bond (Mbono)												
Average	7.15	7.93	7.61	6.25	6.18	6.75	6.97	7.03	7.15	7.33	7.48	7.55
End of period	7.64	8.63	6.85	5.54	6.81	6.99	6.95	7.10	7.20	7.45	7.50	7.60
10-year US Treasury												
Average	2.33	2.91	2.14	0.88	1.33	1.58	1.48	1.63	1.83	1.93	2.03	2.20
End of period	2.41	2.71	1.92	0.91	1.74	1.47	1.50	1.75	1.90	1.95	2.10	2.30
10-year Spread Mex-US												
Average	482	502	547	534	485	517	549	540	533	540	545	535
End of period	523	592	493	463	507	552	545	535	530	550	540	530

Source: Bloomberg and Valmer for observed data, Banorte for rate forecasts
Underlined numbers indicate forecasts

Foreign exchange

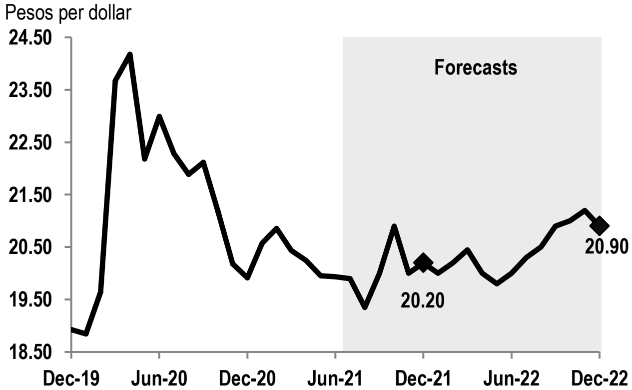
Santiago Leal
Senior Strategist, Fixed Income and FX
santiago.leal@banorte.com

The Mexican peso appreciated 2.5% in the 2Q21 closing at 19.94 per dollar, near last year's closing level. The currency experienced greater volatility, especially in mid-May when it reached up to 20.79 –matching figures seen in March– and giving sense of the potential sensibility it may experience, among other EM currencies, as the market assimilated a more hawkish tone from the Fed. Although the US dollar closed the quarter with a 0.9% depreciation in the DXY, it bounced back from January lows supported by more attractive rate differentials against other developed funding currencies.

We expect that, as the Fed holds its more hawkish stance both in the tone of its communications as well as in its relative actions with other central banks, the USD will hold a strengthening bias. We believe this theme will dominate the second half of 2021. Meanwhile, growing concerns on new virus variants, weakening risk appetite temporarily, suggest a recovery that could be even stronger than seen in previous months in the US relative to other regions and particularly against Europe, limiting the room for appreciation in EUR. Moreover, still net short positioning in USD according to IMM figures will probably result in a further unwinding of bets on a weaker dollar, arguing for an additional positive factor for the currency. More so, considering the size of net longs that the market still holds in EUR.

With respect to the Mexican peso, we have fine-tuned our path for this year mainly on improved carry gains, considering the four 25bps rate hikes we now expect for Banxico as well as the yield curve's aggressive pricing for next year. Although uncertainty on virus developments and other factors could trigger new shocks to the market, implied volatility has significantly compressed throughout the whole FX universe, further benefiting the carry attractiveness that will help the MXN compensate for broad USD strength. In this sense, it is our take the Mexican peso could even briefly trade below the strong resistance of 19.50 per dollar, though with a limited space for further appreciation considering a floor at 19.35. The latter is mostly a result of an enriched valuation when trading at these figures, as our fair value model delivers equilibrium levels at 20.50. Meanwhile, we hold our year end 2021 forecast at 20.20 and project 2022 closing at 20.90, with a trajectory reflecting pressures related to the monetary normalization process in the US. We see USD buying in dips as an appropriate trading strategy for now.

USD/MXN
Pesos per dollar



Source: Bloomberg, Banorte

USD/MXN forecasts
Pesos per dollar

Period	End of period	Previous Forecast	New Forecast	Period Average
1Q21	20.43			
2Q21	19.94			
3Q21		20.50	20.00	19.75
4Q21		20.20	20.20	20.37
1Q22			20.45	20.22
2Q22			20.00	19.93
3Q22			20.90	20.57
4Q22			20.90	21.03

Source: Bloomberg, Banorte *Underlined numbers indicate forecasts

Stock market indices

Marissa Garza
Director of Equity Strategy
marissa.garza@banorte.com

As the first half of 2021 has concluded, risk appetite kept driving the performance of global equity indices, with US stock markets even reaching all-time highs. This has been the result of high liquidity from the various fiscal and monetary stimulus packages that have stayed in place, in a context of sustained economic reactivation, despite being uneven across economies and industries, and a vaccination process which continues advancing despite new virus variants. In coming months, the recovery trend will begin to underpin profit growth more solidly, not only through easy base effects, but also on successful strategies for adapting to the new environment. Meanwhile, preference for value companies and towards those sectors that should benefit from a favorable price scenario for commodities and materials, in view of the potential deployment of the US infrastructure plan, will continue. However, inflationary pressures and uncertainty regarding the beginning of monetary policy normalization in the US, starting with a tapering –decrease in asset purchases–, and higher interest rates, will be the main factors that could limit the appetite for risk assets, leading to caution among investors and periods of significant volatility.

S&P500 forecast. US stock markets ended 1H21 with double-digit cumulative returns, reflecting robust economic and earnings recovery, as well as a favorable growth outlook for the second half of the year. Nevertheless, we expect further volatility as uncertainty over the start of tapering continues. In our view, the earnings season would confirm the outlook and support the S&P500 valuation, so we maintain our target at 4,450pts for 2021 year-end.

Mexbol forecast. In Mexico, the reactivation environment, a compelling valuation, and an orderly electoral process, boosted the Mexbol Index, which has accumulated a 1H21 return of 14.1%. Now, expectations for 2Q21 results point to a sustained recovery and a better outlook for the second half of the year. Therefore, considering a FV/EBITDA target multiple of 8.0x (in line with LTM average), we raise our 2021 Mexbol target level to 53,800pts vs 52,800pts previously. We assume a 12.9% y/y EBITDA growth (vs previous 8.5%) and a 2.9% y/y increase in net debt (previous: -2.5%). In our view, a re-rating will depend on the recovery continuing, but it should also be considered in a context of higher inflation and rising rates, with investors attentive to changes on the fiscal front, particularly on the corporate side. The environment will continue to favor companies such as Alpek, Cemex, Gcc, Gmexico, and Orbia, while others as Asur, Gmxt, Lab, Liverpool, Nemak, and Volar should benefit from the recovery, also highlighting value companies as Amx and Femsa.

S&P 500 forecast for 2021
Pts

P/E fwd	S&P 500 (pts)	Potential Return (%)
25.0x	4,843	12.1
24.0x	4,649	7.6
23.0x	**4,455**	**3.1**
22.0x	4,261	-1.4
21.0x	4,068	-5.9

Source: Bloomberg, Banorte

Mexbol forecast for 2021
Pts

FV/EBITDA	Mexbol (pts)	Potential Return (%)
8.5x	58,256	17.5
8.3x	56,046	13.1
8.0x	**53,836**	**8.6**
7.8x	51,626	4.1
7.5x	49,417	-0.3

Source: Bloomberg, Banorte

Commodities

Leslie Orozco
Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com

In the 2Q21, commodities extended gains observed in the previous quarter, holding strong momentum in the energy sector. In this sense, the Goldman Sachs Commodity Index (GSCI) and the Bloomberg Commodity Index (BCOM) increased by 14.7% q/q and 13.3% q/q, respectively. Moreover, crude-oil prices recovered and returned to pre-pandemic levels, even trading at highs since the end of 2018. Specifically, Brent closed June at 75.1 $/bbl and WTI at 73.5 $/bbl printing a semi-annual rally of 45% and 51%, respectively. This performance was supported by OPEC+ supply cut strategy and the pick-up in physical consumption due to economies' reopening. In this sense, the futures curve currently holds a *backwardation* structure (spot prices higher than futures) revealing deficit conditions going forward.

For the 2H21 we consider that supply and demand balances will continue in deficit. On the one hand, we believe that while OPEC+ will eventually reach an agreement to gradually increase output, the current supply reduction will combine with a sustained decline in global inventories. On the other hand, the progress of the economic recovery supports expectations of higher demand for crude oil in the second half of the year. In addition, we also see low likelihood for a price war that triggers a significant supply increase. In terms of demand, the EIA forecasts average monthly consumption of 99.6 Mbbl/d for the last six months of 2021, which is equivalent to +4 Mbbl/d relative to the average observed in 1H21. Moreover, the energy agency expects demand of 101.4 Mbbl/d in December, resulting in a deficit of 1.4 Mbbl/d. In this context, we expect Brent prices to reach 80 $/bbl in the remainder of the year, with risks tilted to the upside. Regarding crude-oil products, the EIA estimates gasoline prices of 2.45 $/gal in December for PADD 3 (+30% y/y) and for natural gas of 3.36 $/MMBtu (+10% y/y) as a result of an increase in oil prices.

Precious metals slightly offset losses seen in the previous quarter, while basic metals extended gains. Particularly, gold advanced 3.7% q/q, moderating the rally observed in May where it returned to levels of 1,900 $/t oz to close the month at 1,770 $/t oz. We expect a more limited performance for this metal, with prices oscillating at 1,850 $/ t oz on the back a hawkish bias from the Federal Reserve and a strengthening dollar. Meanwhile, copper reached highs since 2011 in May, stabilizing its price action at the 100-day MA, although holding gains of 21.8% in the year. We keep a positive outlook for the latter, driven by greater economic dynamism. Finally, the agriculture sector rebounded with corn and wheat rallying 23% q/q and 10% q/q, respectively. For this sector, we expect a more limited performance considering expectations of lower demand from China and better weather conditions, broadly speaking.

Commodities price performance and market consensus' forecasts

Commodity	Unit	Spot*	Performance (%)		Market consensus' forecasts					
			2019	2020	3Q21	4Q21	1Q22	2Q22	2021	2022
WTI	$/bbl	73.22	34.46	-20.54	64.00	66.90	66.00	63.50	66.68	64.04
Brent	$/bbl	74.34	22.68	-21.52	67.00	70.00	68.00	66.00	68.95	66.91
Natural Gas (H. Hub)	$/MMBtu	3.69	-25.54	15.99	2.83	2.93	3.00	2.77	3.31	3.11
Gasoline (RBOB)	$/gal	2.26	28.26	-17.05	1.97	1.91	1.97	2.02	1.96	1.99
Gold	$/t oz	1,803	18.31	25.12	1,825	1,800	1,738	1,725	1,779	1,731
Silver	$/t oz	25.93	15.21	47.89	25.00	24.88	23.30	22.80	25.49	24.00
Copper	$/mt	9,323	3.50	25.79	8,875	8,950	8,800	8,659	8,700	8,550
Corn	¢/bu	522	-0.97	5.91	590	558	535	518	571	505
Wheat	¢/bu	619	1.63	9.32	650	640	670	660	654	600

Source: Bloomberg *as of 8/July/21; RBOB (Reformulated gasoline blendstock for oxygenate blending)

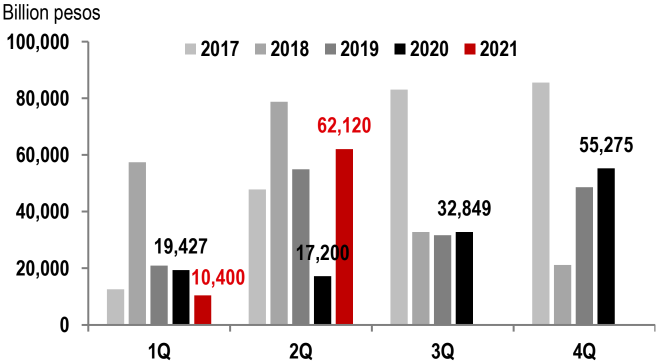
Corporate Debt

Hugo Gómez
Senior Analyst, Corporate Debt
hugoa.gomez@banorte.com

During 1H21, the corporate debt market showed high dynamism in terms of placements, with auctions of 39 long-term notes for MXN 72.5 billion (+98.8% y/y). Activity was mainly concentrated in the second quarter with 86% of issuances in tandem with the economic recovery, progress in the vaccination process and with market participants hedging their financing needs prior to the mid-term elections, as occurred in the 2018 presidential race. In addition, the preference for unsecured bonds stood out. Out of the 39 bonds placed, 31 were unsecured, representing 91.1% of the issued amount. Some of the main issuers with these features were recurrent and well-known by market participants, such as CFE, FEFA and Grupo Elektra, among others. Investors' preference for floating rates is explained by the expectation of higher rates by Banxico. The corporate debt market moved ahead with a preference for 28-day TIIE referenced bonds (64.3% of issued amount). In the same way, bondholders preferred high credit quality issuances ('AAA' – 67.6% / 'AA+' – 23.2%). Due to the preference of unsecured and highly rated bonds, spreads from the 'AAA' sample have been reduced with respect to the beginning of the pandemic but are still slightly above 2019 levels. In the 'AA+/AA' samples, spreads widened due to rating downgrades and low placements. Likewise, there was a concentration in mid-term bonds (3-5 years), showing an appetite for shorter durations.

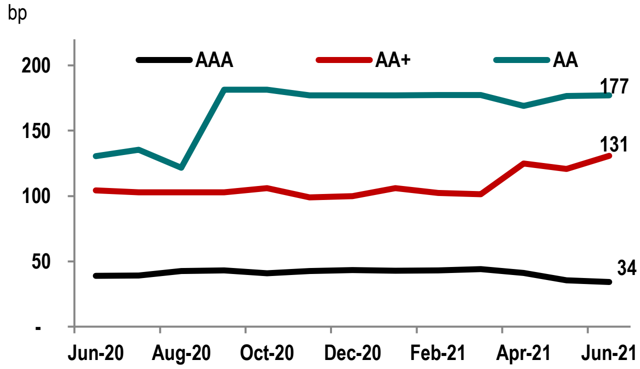
For the third quarter, we expect few placements as this period has historically showed lower activity due to the holiday period and investors waiting for 2Q21 corporate results to make their investment decisions. However, we believe activity in the corporate debt market will resume in the following months as the economic recovery continues in both Mexico and the US. We expect the trend of issuances by well-known issuers with high credit ratings, and floating rate notes with spreads to continue, with spreads approaching pre-pandemic levels. We also expect the amount placed in 2021 to be higher than in 2020, but slightly lower than in 2019. In our view, the sectors that remain most at risk from the pandemic are consumer discretionary, airlines, energy, microfinance, and real estate.

Long-term issued volume – Quarterly information
Billion pesos



Source: Banorte, PIP

Spreads – Unsecured TIIE 28
bp



Source: Banorte, BMV, PIP. As of June, 2021

Recent research notes

Mexico

- *Banxico Minutes – A divided Board about the best response to current price pressures*, July 8, 2021, <pdf>
- *Mexico: June inflation – Year-end forecast revised to 6.1% from 5.5%, with 2022 at 4.0%*, July 8, 2021, <pdf>
- *Banxico – Surprise hike marks the start of the tightening cycle*, June 24, 2021, <pdf>
- *S&P affirms Mexico 'BBB' rating, with a negative outlook*, June 15, 2021, <pdf>
- *Key leadership changes at Banxico and the Ministry of Finance*, June 9, 2021, <pdf>
- *1Q21 GDP – Upward revision due to a better performance in industry and services*, May 26, 2021, <pdf>
- *Fitch affirms Mexico rating on fiscal stance since the pandemic, albeit with lingering risks*, May 17, 2021, <pdf>
- *Moody's affirms Mexico rating on a prudent fiscal stance and the impulse from the US*, April 29, 2021, <pdf>
- *2022 Preliminary Budget Criteria – Higher expected growth to improve the fiscal stance*, March 31, 2021, <pdf>
- *Financial authorities present inclusion program to deal with remittances*, February 8, 2021, <pdf>
- *Minimum wage set to increase 15% in 2021*, December 17, 2020, <pdf>

Fixed-Income, FX, and Commodities

- *OPEC+: Production levels unchanged as the group failed to reach an agreement*, July 5, 2021, <pdf>
- *3Q21 Auction Calendar: increase in Mbonos and Udibonos amounts*, June 25, 2021, <pdf>
- *Profit taking: Short-term long positions in Mbono Mar'26*, June 7, 2021, <pdf>
- *FX Commission: USD financing rollover*, May 25, 2021, <pdf>
- *Trade idea: We recommend tactical short-term long positions in Mbono Mar'26*, May 14, 2021, <pdf>
- *MoF issues new 20-year benchmark on the UMS curve*, April 8, 2021, <pdf>
- *Banxico extends liquidity and credit measures*, February 25, 2021, <pdf>

Equities

- *AIRPORTS (June): Favorable growth trend continues*, July 7, 2021, <pdf>
- *Flash VOLAR: Solid passenger growth trend continues in June*, July 6, 2021, <pdf>
- *TLEVISA, Quarterly Report 2Q21: Content and Cable supported higher profitability*, July 6, 2021, <pdf>
- *Flash OMA: Tender offer results for OMA shares*, July 1, 2021, <pdf>
- *Flash NEMAK: Finally, it will propose the merger of Nemak and Controladora Nemak*, June 29, 2021, <pdf>
- *Flash: CEMEX Day, improved growth prospects surprised*, June 25, 2021, <pdf>
- *Flash Tlevisa: To launch spanish-language platform following the close of Televisa-Univision merger*, June 21, 2021, <pdf>
- *Flash FCFE: 2Q21 distribution exceeds expectations, 2.7% yield*, June 18, 2021, <pdf>
- *Flash OMA: Tender offer terms are modified*, June 17, 2021, <pdf>

- *Flash ALPEK: Acquires CarbonLite recycling facility*, June 7, 2021, <pdf>
- *Flash PINFRA: Proposes dividend with a good yield*, June 7, 2021, <pdf>
- *Flash VOLAR: Passengers in May continue to exceed pre-Covid levels*, June 3, 2021, <pdf>
- *Flash TERRA: New growth strategy and developments, with a change in payout ratio policy*, June 2, 2021, <pdf>
- *Flash Aviation Sector: US downgrades Mexico aviation safety assessment*, May 28, 2021 <pdf>
- *Flash IENOVA: Takeover bid result for IENOVA shares*, May 25, 2021, <pdf>
- *Flash OMA: Board authorizes tender offer for Fintech to increase its stake in OMA*, May 24, 2021, <pdf>
- *Flash VOLAR: 2Q21 outlook improves. Raised guidance*, May 20, 2021, <pdf>
- *Flash CHDRAUI: The largest acquisition in its history would put pressure on profitability and leverage*, May 14, 2021, <pdf>
- *Flash AMX: Receives unfavorable arbitration resolution in Colombia; would pay US$2.2 million fine*, May 10, 2021, <pdf>
- *Flash LIVEPOL: Transforming to continue growing in the long term*, May 3, 2021, <pdf>
- *Flash TLEVISA: Merger with Univision detonates Content's value*, April 14, 2021, <pdf>
- *Flash SPORTS: Signs possible merger with Smart Fit Mexico*, April 13, 2021, <pdf>
- *Top Picks 2021: Favoring recovery and valuation*, January 22, 2021, <pdf>

Corporate Debt

- *Corporate Bond Market Review: JUNE 2021*, July 8, 2021, <pdf>
- *PEMEX received an additional fiscal credit of MXN 73.3 billion*, February 22, 2021, <pdf>
- *Effects of the pandemic in 2020*, December 17, 2020, <pdf>
- *Credit Ratings Tutorial*, December 17, 2020, <pdf>
- *Pemex's assets exchange for Federal Government Development Bonds*, December 15, 2020, <pdf>
- *Pemex is back in the international market*, October 9, 2020, <pdf>

Note: All our publications are available in the following link

Recent trade ideas

Trade idea	P/L	Initial date	End date
Tactical longs in Mbono Mar'26	P	14-May-21	7-Jun-21
Receive 6-month TIIE-IRS (6x1)	P	17-Dec-20	3-Mar-21
Long positions in Udibono Nov'23	L	11-Feb-21	26-Feb-21
Long positions in Mbono May'29 & Nov'38	P	7-Sep-20	18-Sep-20
Long positions in Udibono Dec'25	P	23-Jul-20	10-Aug-20
Long positions in Udibono Nov'35	P	22-May-20	12-Jun-20
Long positions in Mbono May'29	P	5-May-20	22-May-20
Tactical longs in 1- & 2-year TIIE-28 IRS	P	20-Mar-20	24-Apr-20
Long positions in Udibono Nov'28	P	31-Jan-20	12-Feb-20
Long positions in Udibono Jun'22	P	9-Jan-20	22-Jan-20
Long positions in Mbono Nov'47	L	25-Oct-19	20-Nov-19
Long positions in Mbonos Nov'36 & Nov'42	P	16-Aug-19	24-Sep-19
Long positions in the short-end of Mbonos curve	P	19-Jul-19	2-Aug-19
Long positions in Mbonos Nov'42	L	5-Jul-19	12-Jul-19
Long positions in Mbonos Nov'36 & Nov'38	P	10-Jun-19	14-Jun-19
Long positions in Mbonos Jun'22 & Dec'23	P	9-Jan-19	12-Feb-19
Long floating-rate Bondes D	P	31-Oct-18	3-Jan-19
Long CPI-linkded Udibono Jun'22	L	7-Aug-18	31-Oct-18
Long floating-rate Bondes D	P	30-Apr-18	3-Aug-18
Long 20- to 30-year Mbonos	P	25-Jun-18	9-Jul-18
Short Mbonos	P	11-Jun-18	25-Jun-18
Long CPI-linkded Udibono Jun'19	P	7-May-18	14-May-18
Long 7- to 10-year Mbonos	L	26-Mar-18	23-Apr-18
Long CPI-linkded Udibono Jun'19	P	20-Mar-18	26-Mar-18
Long 5- to 10-year Mbonos	P	5-Mar-18	20-Mar-18
Long floating-rate Bondes D	P	15-Jan-18	12-Mar-18
Long 10-year UMS Nov'28 (USD)	L	15-Jan-18	2-Feb-18

P = Profit, L = Loss

Track of directional fixed-income trade recommendations

Trade idea	Entry	Target	Stop-loss	Closed	P/L	Initial date	End date
Long Udibono Dec'20	3.05%	2.90%	3.15%	3.15%	L	9-Aug-17	6-Oct-17
5y10y TIIE-IRS steepener	28bps	43bps	18bps	31bps	P[2]	15-Feb-17	15-Mar-17
5y10y TIIE-IRS steepener	35bps	50bps	25bps	47bps	P	5-Oct-16	19-Oct-16
Long Mbono Jun'21	5.60%	5.35%	5.80%	5.43%	P	13-Jul-16	16-Aug-16
Long Udibono Jun'19	1.95%	1.65%	2.10%	2.10%	L	13-Jul-16	16-Aug-16
Receive 1-year TIIE-IRS (13x1)	3.92%	3.67%	4.10%	3.87% [1]	P	12-Nov-15	8-Feb-16
Long spread 10-year TIIE-IRS *vs* US Libor	436bps	410bps	456bps	410bps	P	30-Sep-15	23-Oct-15
Receive 9-month TIIE-IRS (9x1)	3.85%	3.65%	4.00%	3.65%	P	3-Sep-15	18-Sep-15
Spread TIIE 2/10 yrs (flattening)	230bps	200bps	250bps	200bps	P	26-Jun-15	29-Jul-15
Long Mbono Dec'24	6.12%	5.89%	6.27%	5.83%	P	13-Mar-15	19-Mar-15
Relative-value trade, long 10-year Mbono (Dec'24) / flattening of the curve					P	22-Dec-14	6-Feb-15
Pay 3-month TIIE-IRS (3x1)	3.24%	3.32%	3.20%	3.30%	P	29-Jan-15	29-Jan-15
Pay 9-month TIIE-IRS (9x1)	3.28%	3.38%	3.20%	3.38%	P	29-Jan-15	29-Jan-15
Pay 5-year TIIE-IRS (65x1)	5.25%	5.39%	5.14%	5.14%	L	4-Nov-14	14-Nov-14
Long Udibono Dec'17	0.66%	0.45%	0.82%	0.82%	L	4-Jul-14	26-Sep-14
Relative-value trade, long Mbonos 5-to-10-year					P	5-May-14	26-Sep-14
Receive 2-year TIIE-IRS (26x1)	3.75%	3.55%	3.90%	3.90%	L	11-Jul-14	10-Sep-14
Receive 1-year TIIE-IRS (13x1)	4.04%	3.85%	4.20%	3.85%	P	6-Feb-14	10-Apr-14
Long Udibono Jun'16	0.70%	0.45%	0.90%	0.90%	L	6-Jan-14	4-Feb-14
Long Mbono Jun'16	4.47%	3.90%	4.67%	4.06%	P	7-Jun-13	21-Nov-13
Receive 6-month TIIE-IRS (6x1)	3.83%	3.65%	4.00%	3.81%	P	10-Oct-13	25-Oct-13
Receive 1-year TIIE-IRS (13x1)	3.85%	3.55%	4.00%	3.85%	--	10-Oct-13	25-Oct-13
Long Udibono Dec'17	1.13%	0.95%	1.28%	1.35%	L	9-Aug-13	10-Sep-13
Receive 9-month TIIE-IRS (9x1)	4.50%	4.32%	4.65%	4.31%	P	21-Jun-13	12-Jul-13
Spread TIIE-Libor (10-year)	390bps	365bps	410bps	412bps	L	7-Jun-13	11-Jun-13
Receive 1-year TIIE-IRS (13x1)	4.22%	4.00%	4.30%	4.30%	L	19-Apr-13	31-May-13
Long Udibono Jun'22	1.40%	1.20%	1.55%	0.97%	P	15-Mar-13	3-May-13
Receive 1-year TIIE-IRS (13x1)	4.60%	4.45%	4.70%	4.45%	P	1-Feb-13	7-Mar-13
Long Mbono Nov'42	6.22%	5.97%	6.40%	5.89%	P	1-Feb-13	7-Mar-13
Long Udibono Dec'13	1.21%	0.80%	1.40%	1.40%	L	1-Feb-13	15-Apr-13
Receive 1-year TIIE-IRS (13x1)	4.87%	4.70%	5.00%	4.69%	P	11-Jan-13	24-Jan-13
Receive TIIE Pay Mbono (10-year)	46bps	35bps	54bps	54bps	L	19-Oct-12	8-Mar-13
Spread TIIE-Libor (10-year)	410bps	385bps	430bps	342bps	P	21-Sep-13	8-Mar-13
Long Udibono Dec'12	+0.97%	-1.50%	+1.20%	-6.50%	P	1-May-12	27-Nov-12
Long Udibono Dec'13	+1.06%	0.90%	+1.35%	0.90%	P	1-May-12	14-Dec-12

1 Carry+roll-down gains of 17bps

2. Closed below target and before the proposed horizon date due to changes in market conditions that have differed from our expectations.

Short-term tactical trades

Trade Idea	P/L*	Entry	Exit	Initial Date	End date
Long USD/MXN	P	19.30	19.50	11-Oct-19	20-Nov-19
Long USD/MXN	P	18.89	19.35	20-Mar-19	27-Mar-19
Long USD/MXN	P	18.99	19.28	15-Jan-19	11-Feb-19
Long USD/MXN	P	18.70	19.63	16-Oct-18	3-Jan-19
Short USD/MXN	P	20.00	18.85	2-Jul-18	24-Jul-18
Long USD/MXN	P	19.55	19.95	28-May-18	4-Jun-18
Long USD/MXN	P	18.70	19.40	23-Apr-18	14-May-18
Long USD/MXN	P	18.56	19.20	27-Nov-17	13-Dec-17
Long USD/MXN	L	19.20	18.91	6-Nov-17	17-Nov-17
Long USD/MXN	P	18.58	19.00	9-Oct-17	23-Oct-17
Short USD/MXN	L	17.80	18.24	4-Sep-17	25-Sep-17
Long USD/MXN	P	14.40	14.85	15-Dec-14	5-Jan-15
Long USD/MXN	P	13.62	14.11	21-Nov-14	3-Dec-14
Short EUR/MXN	P	17.20	17.03	27-Aug-14	4-Sep-14
Short USD/MXN	L	12.70	13.00	26-Jul-13	21-Aug-13

Source: Banorte

Track of the directional FX trade recommendations*

Trade Idea	Entry	Target	Stop-loss	Closed	P/L*	Initial Date	End date
Long USD/MXN	18.57	19.50	18.20	18.20	L	19-Jan-18	2-Apr-18
Long USD/MXN	14.98	15.50	14.60	15.43	P	20-Mar-15	20-Apr-15
Short EUR/MXN	17.70	n.a.	n.a.	16.90	P	5-Jan-15	15-Jan-15
Short USD/MXN	13.21	n.a.	n.a.	13.64	L	10-Sep-14	26-Sep-14
USD/MXN call spread**	12.99	13.30	n.a.	13.02	L	6-May-14	13-Jun-14
Directional short USD/MXN	13.00	12.70	13.25	13.28	L	31-Oct-13	8-Nov-13
Limit short USD/MXN	13.25	12.90	13.46	--	--	11-Oct-13	17-Oct-13
Short EUR/MXN	16.05	15.70	16.40	15.69	P	29-Apr-13	9-May-13
Long USD/MXN	12.60	12.90	12.40	12.40	L	11-Mar-13	13-Mar-13
Long USD/MXN	12.60	12.90	12.40	12.85	P	11-Jan-13	27-Feb-13
Tactical limit short USD/MXN	12.90	12.75	13.05	--	--	10-Dec-12	17-Dec-12
Short EUR/MXN	16.64	16.10	16.90	16.94	L	03-Oct-12	30-Oct-12

** Total return does not consider carry gain/losses*

*** Low strike (long call) at 13.00, high strike (short call) at 13.30 for a premium of 0.718% of notional amount*

Certification of Analysts.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía 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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., *through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.*

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	*When the share expected performance is greater than the MEXBOL estimated performance.*
HOLD	*When the share expected performance is similar to the MEXBOL estimated performance.*
SELL	*When the share expected performance is lower than the MEXBOL estimated performance.*

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

BANORTE

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

Research and Strategy			
Gabriel Casillas Olvera	IRO and Chief Economist	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godinez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611
Economic Research and Financial Market Strategy			
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
Economic Research			
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
Market Strategy			
Manuel Jiménez Zaldívar	Director of Market Strategy	manuel.jimenez@banorte.com	(55) 5268 - 1671
Fixed income and FX Strategy			
Santiago Leal Singer	Senior Strategist, Fixed Income and FX	santiago.leal@banorte.com	(55) 1670 - 2144
Leslie Thalía Orozco Vélez	Strategist, Fixed Income and FX	leslie.orozco.velez@banorte.com	(55) 5268 - 1698
Equity Strategy			
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
Víctor Hugo Cortes Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
Eridani Ruibal Ortega	Analyst	eridani.ruibal.ortega@banorte.com	(55) 1103 - 4000 x 2755
Juan Barbier Arizmendi, CFA	Analyst	juan.barbier@banorte.com	(55) 1670 - 1746
Corporate Debt			
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
Economic Studies			
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
Wholesale Banking			
Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(81) 8319 - 6895
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.ceballos@banorte.com	(55) 5268 - 9996
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Frigolet Vázquez Vela	Head of Sólida Banorte	alejandro.frigolet.vazquezvela@banorte.com	(55) 5268 - 1656
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Carlos Alberto Arciniega Navarro	Head of Treasury Services	carlos.arciniega@banorte.com	(81) 1103 - 4091
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
Lizza Velarde Torres	Executive Director of Wholesale Banking	lizza.velarde@banorte.com	(55) 4433 - 4676
Osvaldo Brondo Menchaca	Head of Specialized Banking Services	osvaldo.brondo@banorte.com	(55) 5004 - 1423
Raúl Alejandro Arauzo Romero	Head of Transactional Banking	alejandro.arauzo@banorte.com	(55) 5261 - 4910
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.roldan.ferrer@banorte.com	(55) 5004 - 1454