4Q21 Outlook – Headwinds for the recovery amid inflationary pressures

October 8, 2021

www.banorte.com
@analisis_fundam

Alejandro Padilla
Chief Economist and Head of Research
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 last quarter of 2021 has begun with higher uncertainty about the performance of the world economy amid more persistent inflationary pressures. This situation has heightened the debate about the risks of 'stagflation', a term used to describe an economy with significantly high inflation, stagnant growth and elevated unemployment. The global recovery has faced significant headwinds from contagion spikes in several regions, supply disruptions (*e.g.* semiconductor shortages) and an uneven recovery across sectors. On inflation, we see growing doubts about the transitory nature of price pressures observed throughout the year, especially in a backdrop characterized by the significant increase in several commodity prices. The combination of these factors has generated greater volatility and risk aversion in international financial markets.

In addition to this, the focus for the rest of the quarter will be on the challenges faced by global economic policies, with a special emphasis on the United States. On the one hand, the legislative *impasse* on important fiscal issues will continue. On the other, the Federal Reserve is expected to announce the start of the normalization of its asset purchase program –known as 'tapering'– at its next monetary policy meeting in November. For the rest of countries, both fiscal and monetary policy will be facing stronger headwinds that limit their room for effective action, especially after sizable stimulus measures during the initial phase of the pandemic.

Furthermore, there will also be special interest on the complex situation regarding Chinese credit risk. Financial difficulties of real estate giants such as Evergrande and Fantasia have contributed to a more cautious stance by investors and policymakers around the world. Fears are centered on the possibility that these issues result in a steep growth deceleration and even financial contagion to other latitudes, particularly as Beijing has vowed to keep pushing more aggressive regulatory measures.

In this context, the Mexican economy will continue facing significant challenges in the recovery process, as well as an extremely difficult inflation outlook. Given this environment, we expect Banxico to continue with the hiking cycle, likely with two additional 25bps increases in its remaining meetings of this year. On the fiscal front, we will be watching closely the approval of the *2022 Budget Proposal*.

Mexico's main macroeconomic and financial forecasts
End of period

	1Q21	2Q21	3Q21	4Q21	2020	2021	2022
GDP (% y/y)	-3.6	19.6	7.0	3.9	-8.3	6.2	3.0
Inflation (% y/y)	4.7	5.9	6.0	6.6	3.2	6.6	4.0
USD/MXN	20.43	19.94	20.64	20.50	19.91	20.50	21.20
Banxico's reference rate (%)	4.00	4.25	4.75	5.25	4.25	5.25	6.00
28-day TIIE (%)	4.28	4.53	4.75	5.60	4.48	5.60	6.35
Mexbol (points)	47,246	50,290	51,386	53,800	44,066	53,800	58,000

Source: Banorte

Mexico

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

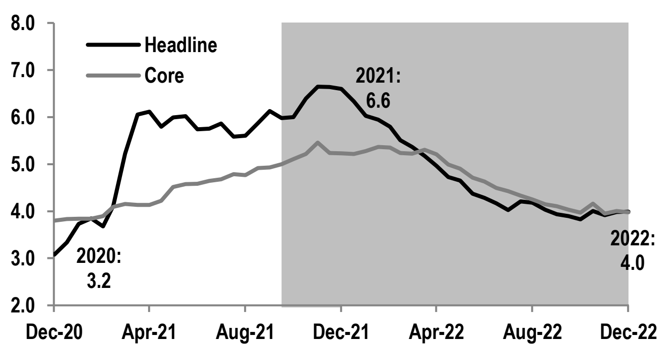
We recently updated our year-end inflation forecast, now expecting headline inflation at 6.6% y/y (previous: 6.1%) and the core at 5.2% (previous: 4.7%). This obeys in part to recent upward surprises in both indices, although also with further increases in the annual rate in the short-term due to: (1) More disruptive and persistent supply chain issues than anticipated; (2) the increase in input costs, especially energy; and (3) a more difficult base effect in both components into December. Specifically, we expect important direct and indirect effects on prices from the second factor mentioned above, which could also may well extend into 2022. Hence, we maintain our forecast for next year at +4.0% y/y for both the headline and core indices.

This backdrop strengthens our call for Banxico, with our forecasts still higher than those of the institution. In addition, the market is already convinced about our view of two more 25bps hikes in the remainder of the year, taking the reference rate to 5.25%. Moreover, we still see two increases of the same magnitude at the beginning of 2022 and a third one in December, pushing the rate to 6.00% even with the upcoming change in the central bank's leadership. There are even risks of an accelerated tightening pace considering the inflation outlook and recent market volatility, albeit still in check given the latest comments from some central bank members.

On activity, we reiterate our GDP estimate for 2021 and 2022 at 6.2% and 3.0%, respectively. Nevertheless, risks are increasingly tilted to the downside. We are most concerned about rising prices and its effect on consumption, with most recent hard data (*e.g.* trade balance, employment) for August and timely figures for September (*e.g.* IMEF's PMIs) weaker than expected. On the contrary, we still need to see the added strength from the resumption of activity after the 'third wave' of COVID-19.

We will be looking into the approval process of the *2022 Budget*, with the deadline on November 15th. We highlight the Revenue Law and fiscal code due to the new simplified regime, adjustments on excise taxes and possible changes on tax incentives to certain industries. On spending, attention on resources for social programs and infrastructure. In addition, the designation of Arturo Herrera as the next Banxico Governor could be formalized. We will also follow the discussion of the reform proposal to the electricity sector and the 2022 minimum wage adjustment that will be announced by the end of the year.

Inflation forecasts
% y/y, bi-weekly frequency



Source: INEGI, Banorte

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

% y/y	1Q21	2Q21	3Q21	4Q21	2021	2022
GDP	**-3.6**	**19.6**	**7.0**	**3.9**	**6.2**	**3.0**
Private consumption	-4.3	22.6	11.1	7.2	8.4	2.8
Investment	-5.0	34.1	12.4	4.6	9.7	4.5
Govt. spending	-0.7	3.9	-2.2	2.3	0.8	0.6
Exports	-4.1	41.9	9.9	6.9	11.6	6.0
Imports	-1.1	35.1	22.3	11.5	15.6	6.2
% q/q						
GDP	**1.1**	**1.5**	**0.8**	**0.5**	**--**	**--**

Source: INEGI, Banorte

United States

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

We begin the fourth quarter in a more complex environment than expected, with slower-than-anticipated economic growth and more persistent inflationary pressures than previously thought. These challenges are accentuated with the absence of additional fiscal stimulus, while monetary measures will start to be withdrawn.

Consumption will continue to advance due to the labor market recovery, although probably at a more modest pace. In recent months we have seen a substitution of spending on goods in favor of services on the back of the economic reopening. Although we expect this dynamic to continue, there will no longer be a boost to household spending in 4Q21, either due to direct government transfers to households or additional unemployment benefits. In this backdrop, we estimate that personal consumption growth will be considerably lower than the rates above 11.0% q/q saar seen in the first half of the year (for details, see table below). With this, we place our projection for GDP at 3.6% and 5.1% for the third and fourth quarters, respectively. Given the above, we revise down our full-year estimate from 6.6% to 5.7%, while establishing our forecast for 2022 at 3.7%. On inflation, we expect it to remain above 5.0% for the remainder of 2021 and believe it will likely hit a new maximum in coming months due to rising energy prices, more than offsetting for recent dollar strength. Despite of this, we maintain our call for FY2021 at 4.4%. However, for 2022 we adjust our estimate slightly upwards, from 2.9% to 3.1%, anticipating a more prolonged impact from supply chains issues, an even wider reopening of the economy, and still vigorous economic growth.

The last months of the year will also be quite important for monetary policy because: (1) We await the tapering announcement at the November FOMC's meeting, to start formally in December; and (2) it could be defined whether Powell will be re-elected for a second term as Chair given that his current term ends on February 2022, a situation that we see as highly likely despite recent complications due to criticisms from Senator Elizabeth Warren and market trading by some members. On the fiscal agenda, the most sensitive issue is the debt ceiling. There could even be a default if this is not resolved, in turn unleashing a global financial crisis. However, most immediate pressures have been postponed until December after a deal in the Senate this week, providing some needed time to negotiate a more durable solution. Finally, it seems that the budget will be closer to US$2 trillion instead of Biden's ambitious social spending plan of US$3.5 trillion, limiting 2022 GDP growth at the margin.

US: Banorte Estimates

	1Q21	2Q21	3Q21	4Q21	2021*	2022
GDP (% q/q annualized rate)*	6.3	6.7	3.6	5.1	5.7	3.7
Private Consumption	11.4	12.0	2.0	4.9	8.0	3.5
Fixed Investment	13.0	3.3	8.2	6.6	9.2	7.5
Exports	-2.9	7.6	5.7	7.4	5.1	5.8
Imports	9.3	7.1	6.6	7.4	13.6	5.8
CPI (% y/y, average)	1.9	4.8	5.3	5.5	4.4	3.1
Unemployment rate (%, eop)	6.0	5.9	5.0	4.8	4.8	4.1
Non-farm payrolls (thousands)	1,554	1,845	1,838	2,500	7,737	5,000

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

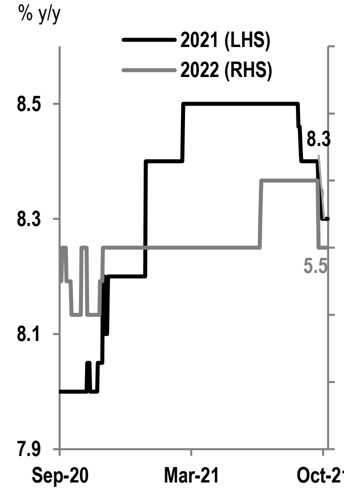
Global

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

Luis Leopoldo López
Analyst, Global Economics
luis.lopez.salinas@banorte.com

The world's economic recovery is facing new obstacles, with downward revisions to growth forecasts in various regions from 4Q21 to 2022. For emerging markets, the focus has been on China, with fears on at least two fronts: (1) The energy crisis; and (2) increased financial instability. In its last update in September, the OECD expected global growth in 2022 at 4.5%, while the IMF's projection in July was 4.9%. We see a round of downward revisions in the near term, probably –but not exclusively– led by China (see right graph) and the Asian region.

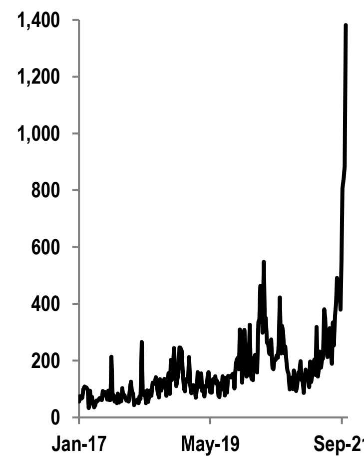
China's GDP consensus forecast
% y/y



Source: Banorte with data from Bloomberg

On the first point, the country's coal reserves are dangerously low in a global economy already hit by pandemic disruptions. The problems began in late August when power outages started to affect at least 20 provinces, forcing many of them to halt production –at least for a few hours– of products such as aluminum, steel, cement and fertilizers. In addition, millions of homes in the northeast part of the country have suffered blackouts. It is estimated that Chinese authorities will take several months to control and level energy production in the face of growing demand, especially with the arrival of the winter. As a clear sign of a highly interdependent global economy, these imbalances likely explain a big part of the record increase in natural gas and electricity prices, among others, in turn generating a complex environment of inflationary pressures and shortages of these inputs in the European Union and the United Kingdom. This has multiplied downside risks to global growth and has led to increasing alerts and interest about the possible start of a period of so-called 'stagflation' (second graph, right).

Stories with the word 'stagflation'
Total stories, weekly frequency



Source: Banorte with data from Bloomberg

Regarding the second, the country's authorities have implemented more aggressive regulatory measures in various sectors. Among them, credit controls, environmental targets, and new restrictions in the tech sector are likely to have the biggest impact on growth. Specifically, the former worsened the financial difficulties of the real estate giant Evergrande. Concerns about possible contagion effects and their impact on financial conditions were exacerbated after the developer Fantasia failed to pay a USD bond. In this context, several analysts have slashed growth projections and even some anticipate a quarterly contraction by the end of the year. Although the most affected region appears to be Asia, it is very likely that other emerging markets will suffer as well. Among them, we highlight commodity exporters even after accounting for the rebound in prices, such as Brazil. The Latin American country already faces a complex environment of strong inflationary pressures, less room to continue with fiscal stimulus measures, and a complicated political environment.

All these factors are placing the world in a much more complex environment, even without considering new "waves" or variants of COVID-19. Supply chain problems, along rising energy and food costs that result in stronger price increases, mean that central banks are having a harder time to provide additional stimulus. In this sense, we believe that the debate on whether inflation is 'transitory' or not is only going to heat up. Finally, this occurs in a backdrop in which the possibility of adding more fiscal stimuli has been reduced after the sharp rise in debt levels due to last year's extraordinary measures to counter the health crisis. Therefore, resources to provide more support to economic growth are much more limited.

Fixed income (sovereign debt)

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

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

Treasuries started the 3Q21 extending the positive performance a quarter before driving the 10-year note to levels as strong as 1.13% in July. However, under a similar trend in global rates during September, the curve bear-steepened sharply, pushing this benchmark to a quarterly close of 1.49%. This price action took place amid bottlenecks that have not lessened and support the questioning of the transitory nature of global inflation, also joined by a more hawkish bias from the Fed.

We expect rates to extend this pressure dynamics considering the Fed's monetary stance, although we acknowledge latent risks to the economic recovery, which together with a fragile risk-on mode could limit further progress, especially for longer-term rates. At the moment, and with the market widely expecting the Fed's taper notice in November, the yield curve holds the pricing for the first 25bps hike centered between 4Q22 and 1Q23. In this context, we hold our estimate for the 10-year note closing 2021 at 1.75% and at 2.30% for 2022.

Moving to the local market, spreads between Mbonos and Treasuries have recently widened sharply, with current levels standing above a 2σ mark relative to their 12-month median, driven by pressures in the US Treasury yield curve. In our view, Mexican rates will remain highly sensitive to movements in their US peers, although we believe they have already incorporated much of the pressures we could see, mainly when considering the elevated levels seen in these spreads. The latter captures, among other factors, greater financial stress and economic uncertainty. In this sense, we expect the local risk premium to begin normalizing towards equilibrium levels, opening the door for long positions in longer-term Mbonos. Specifically, for the 10-year Mbono we now expect a year-end level for 2021 at 7.40% and for 2022 at 7.80%. Regarding short-term rates, we expect Cetes and Mbonos to extend pressures as Banxico holds a hawkish tone, with the market pricing implied hikes of 59bps by year-end. Nevertheless, we see the 173bps incorporated in the curve until 1H22 as excessive when considering our estimate of the reference rate closing 2022 at 6.00%. In Udibonos, we still see value mainly in the belly, acknowledging a high valuation for all breakevens.

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	4.39	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	4.45	5.05	5.55	5.83	5.85	5.93
End of period	7.26	8.06	7.13	4.25	4.09	4.29	4.72	5.30	5.80	5.85	5.85	6.10
28-day TIIE												
Average	7.05	8.00	8.31	5.69	4.37	4.30	4.64	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	4.75	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	7.00	7.38	7.45	7.58	7.60	7.75
End of period	7.64	8.63	6.85	5.54	6.81	6.99	7.36	7.40	7.50	7.65	7.70	7.80
10-year US Treasury												
Average	2.33	2.91	2.14	0.88	1.33	1.58	1.32	1.62	1.83	1.93	2.00	2.20
End of period	2.41	2.71	1.92	0.91	1.74	1.47	1.49	1.75	1.90	1.95	2.10	2.30
10-year Spread Mex-US												
Average	482	502	547	534	485	517	568	576	563	565	560	555
End of period	523	592	493	463	507	552	587	565	560	570	560	550

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

Foreign exchange

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

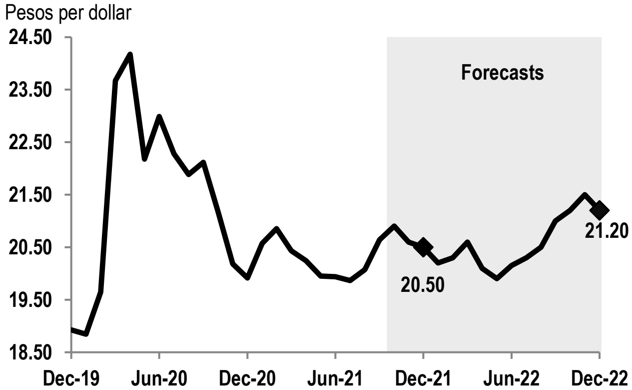
Santiago Leal
Senior Strategist, Fixed Income and FX
santiago.leal@banorte.com

The dollar ended the 3Q21 with a 2.0% appreciation in the DXY, reaching its strongest level in the year, aligning with our expectation of structural strengthening for the currency through the relative US monetary stance, as the market has begun to assimilate that the Fed will take a more restrictive bias. As a result, both developed and emerging currencies registered significant losses, with the Mexican peso ending with a 3.4% q/q depreciation to 20.64 per dollar. For most of the quarter, the currency traded sideways, and even experienced atypically narrow weekly ranges, in line with a greater compression in its implied volatility and a similar performance of the latter with respect to the broad universe of currencies.

We expect the dollar to continue strengthening towards the end of this year and to remain in this direction until at least the 1H22. As drivers, we highlight: (1) Fed normalization and its effect on the yield curve, which so far has not integrated adjustments in shorter-term securities and whose relationship is even stronger for cycles when the USD appreciates; (2) a faster recovery in the US vs. other developed regions; and (3) USD positioning which, although according to the IMM has already fully unwind previous short bets, is currently marking the highest longs since March and still reflects ample room for adding new longs at the expense of adjustments mainly in EUR. On the latter, we acknowledge that it could see some recovery in coming months, albeit limited to EUR/USD 1.19 by the end of 2022, largely on the back of the decoupling that will persist between the ECB and the Fed, even conceding that the ECB may require some adjustment to support the region given the energy crunch.

At this juncture, we expect the Mexican peso to perform widely dominated by global factors, so while we have revised up our estimate of USD/MXN 20.20 to 20.50 by year-end expecting a more volatile quarter, in similar fashion to recent dynamics. As volatility moderates, the MXN's carry attractiveness will again be a positive driver; however, Banxico's position next year could lag relative to other emerging central banks, resulting in a more attractive position for other currencies when considering its implied interest rate. In 2022, we expect a trajectory for the MXN to return to 21.00 per dollar levels driven by the more hawkish expectation for the Fed, ending the year at 21.20. Mexico's fiscal profile could be a differentiating factor, although we have reservations about the net adjustment in flows given the global realignment, which was already evidenced in the 2013 tapering.

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	20.64			
4Q21		20.20	20.50	20.67
1Q22		20.45	20.60	20.37
2Q22		20.00	20.15	20.05
3Q22		20.90	21.00	20.60
4Q22		20.90	21.20	21.30

Source: Bloomberg, Banorte *Underlined numbers indicate forecasts

Stock market indices

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

After a 2020 affected by the pandemic, 2021 has been a year of clear recovery sustained by the high liquidity coming from unprecedented stimulus and the economic reactivation. This has resulted in a significant improvement in corporate earnings, even surpassing estimates. It has also been reflected in investors' appetite for risk and thus in equity markets, where the average dollar performance so far this year has been ~4.7%, with the US and Mexican markets even reaching record highs between August and September, despite the latter month was marked as the worst performance for the ninth month of the year in the last decade. This is explained by a recent confluence of several risks that have made participants much more cautious for 4Q21. The expected reduction of stimulus and the beginning of the Fed's tapering, concerns that inflationary pressures may not be as transitory as expected, following the rise in energy prices and supply disruptions in several regions, major bottlenecks in supply chains, the debt crisis of the Chinese real estate giant *Evergrande Group*, and regulatory matters that continue in the Asian country, have generated fears of a slowdown in the pace of recovery and periods of higher market volatility. All of the above ahead of 2022, in which expectations of monetary policy normalization in the US and interest rate increases will maintain a more controlled appetite for risk, with investors possibly allocating part of their current equity resources to other assets.

S&P500 forecast. As earnings return to pre-pandemic levels, valuation parameters should gradually approach their historical averages. By 2022, market consensus estimates 9.5%e earnings growth vs. 44.8%e in 2021. With a 20.5x P/E ratio (consistent with the 3Y average), we set a reference level of 4,950pts.

Mexbol forecast. In Mexico, the Mexbol has accumulated a 9M21 return of 16.6% in nominal terms and 12.9% in US dollars, with a new high of 53,305pts reached on August 31. Now, expectations for 3Q21 and 4Q21 earnings results point to a sustained recovery, but with some sequential deceleration in light of a more natural comparative base. With this, we reaffirm our reference level for 2021 year-end at 53,800pts, which implies a FV/EBITDA multiple of 7.8x (consistent with the 3Y average), assuming EBITDA growth of 16.4% y/y and 2.3% y/y increase in net debt. For 2022, we believe the risks discussed above would limit a re-rating, so considering a similar multiple, an expected EBITDA growth of 5.4% y/y, and virtually unchanged net debt levels (+0.3% y/y), we set a 2022 reference level at 58,000pts. In 4Q21, the environment will continue to favor companies as Alpek and Orbia; while others such as Alsea, Asur, Liverpool, and Volar will continue to recover, highlighting value companies as Amx and Femsa; with Cemex and GMexico trading at appealing valuations.

S&P 500 forecast for 2022
Pts s

P/E fwd	S&P 500 (pts)	Potential Return (%)
21.5x	5,199	18.2
21.0x	5,078	15.4
20.5x	**4,957**	**12.7**
20.0x	4,836	9.9
19.5x	4,715	7.2

Source: Bloomberg, Banorte

Mexbol forecast for 2022
Pts

FV/EBITDA	Mexbol (pts)	Potential Return (%)
8.2x	61,867	21.6
8.0x	59,948	17.8
7.8x	**58,029**	**14.1**
7.6x	56,110	10.3
7.4x	54,191	6.5

Source: Bloomberg, Banorte

Commodities

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

In the 3Q21 raw materials extended the positive performance of the previous semester, with the upward momentum in energy compensating for the fall in precious metals. GSCI and BCOM indices gained 4.1% q/q and 6.6 q/q, respectively.

During the quarter, energy prices reflected higher volatility as crude-oil was initially assimilating concerns on the impact to the recovery of global demand as new virus cases were picking up. In this sense, Brent and WTI traded a 3-month low in August of 64.9 and 63.7 $/bbl, respectively. As the quarter moved on, there was a relevant recovery in Brent and it closed September at its highest since October 2018 at 78.5 $/bbl and WTI at 75.0 $/bbl, both scoring a 55% rally in the year. This situation has been mainly a result of a market experiencing low physical inventories and that is still depicting deficit supply balances despite the current OPEC+ strategy on output hikes by a monthly pace of 400 Kbbl/d. In our view this deficit will prevail during the remaining of the year and likely extend for the first quarter of 2022, a context that has also been factored in the forward curve which remains in backwardation. From the supply side, OPEC+ will continue with its monthly production increase until September 2022, aiming to fully unwind their current collective production cut; however, we believe this policy will not be enough to equilibrate the market as, from the demand side, consumption expectations remain favorable. In this sense, the stronger demand season is about to begin as winter approaches, while the EIA by the end of 2022 estimates global consumption of 102.9 Mbbl/d. These are already pre-pandemic figures and result in a 0.3 Mbbl/d deficit. In this context, we see upward risks for crude-oil prices. This is the reason why we now estimate Brent trading within a range of 85 and 90 $/bbl for the rest of the year. For other fuels, the EIA forecasts PADD 3 gasoline prices of 2.49 $/gal (+32 y/y) and natural gas of 4.26 $/MMBtu (+58% y/y), the latter impacted by relevant surges pushed by the critical situation in European gas references.

In metals, precious registered losses, while industrials added six quarters rising. Gold fell 0.8% q/q to 1,756 US$/oz t impacted by the Fed's hawkish stance, amid a scene we expect to continue with a trend that could push this metal under the 1,700 $/t oz mark. In industrials, copper limited gains of the previous quarters, yet it still trades at historically elevated levels. We hold the expectation that this metal's performance will remain driven by the economic recovery. Lastly, the agricultural sector printed a mixed performance where corn and wheat adjusted -25% q/q and +8% q/q, respectively. For this asset class, we expect a more contained performance given expectations of weaker demand from China and greater inventory levels.

Commodities price performance and market consensus' forecasts

Commodity	Unit	Spot*	Performance (%)		Market consensus' forecasts					
			2019	2020	3Q21	4Q21	1Q22	2Q22	2021	2022
WTI	$/bbl	79.70	34.46	-20.54	70.75	68.00	66.00	66.50	68.16	73.37
Brent	$/bbl	83.15	22.68	-21.52	72.50	70.00	70.00	69.00	72.52	76.34
Natural Gas (H. Hub)	$/MMBtu	5.61	-25.54	15.99	4.00	4.00	3.45	3.35	4.17	4.24
Gasoline (RBOB)	$/gal	2.36	28.26	-17.05	2.16	2.22	2.34	2.30	2.10	2.26
Gold	$/t oz	1,773	18.31	25.12	1,775	1,750	1,725	1,713	1,780	1,719
Silver	$/t oz	23.05	15.21	47.89	24.38	24.00	23.35	23.65	25.15	22.87
Copper	$/mt	9,351	3.50	25.79	9,390	9,200	9,200	9,229	9,183	9,246
Corn	¢/bu	536	-0.97	5.91	550	535	520	500	570	505
Wheat	¢/bu	744	1.63	9.32	670	665	660	650	671	630

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

Corporate Debt

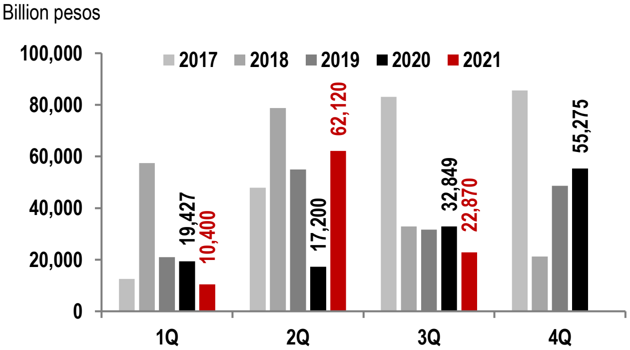
Hugo Gómez
Senior Analyst, Corporate Debt
hugoa.gomez@banorte.com

In the first nine months of 2021, the corporate debt market showed good activity with placements for MXN 95.3 billion (37.3% y/y). Activity was mainly concentrated in 2Q21 (65%). However, during 3Q21, there was less dynamism due to the holiday period and investors waiting for corporate financial results to make investment decisions.

Investor's preference for unsecured bonds during 2021 is notorious, with a 92.9% participation. On the same note, bondholders preferred issuances with high credit ratings ('AAA' – 69.5% / 'AA+' – 17.6%) and floating rates (60.3%). Investors' inclination for variable rates is explained by the beginning of Banxico's hike cycle. The concentration in high credit quality unsecured bonds combined with a limited supply in 3Q21 and high liquidity –especially from institutional investors– led to a 13bps and 44bps reduction in the spreads of 'AAA' and 'AA' samples, respectively, compared to the outbreak of the pandemic. Likewise, there was a concentration of bond tenors in the 3- to 5-year maturities, showing greater appetite for these securities.

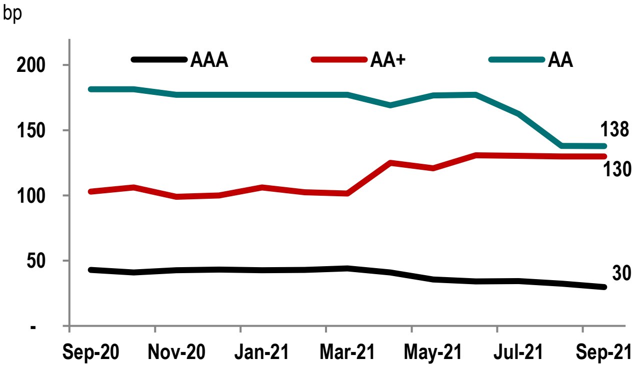
In 4Q21 we expect activity in the corporate debt market to resume as the economic recovery continues in both Mexico and the US. In this sense, we expect an increase in auctions by recurring issuers, focusing on the high credit rating and floating rate sample. However, we also start to observe more diversification in the pipeline by structure, reference rates, tenors and credit ratings, so we would expect spreads to approach pre-pandemic levels and securities with longer maturities than the observed in the first nine months of 2021. We also estimate that the amount placed in 2021 (approx. MXN 135 to 140 billion) will be higher than what was seen in 2020 (MXN 124 billion). However, it will not yet reach the levels of 2019 (MXN 156 billion). For 2022, considering an outlook with higher rates, greater appetite for bonds shown by investors for the coming months and maturities for the whole year, we estimate a placement amount close to MXN 165 to 170 billion. In our view, the sectors that remain the most at risk from the lags of 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 September, 2021

Recent research notes

Mexico

- *September inflation – We adjust our year-end estimate up to 6.6% as pressures persist*, October 7, 2021, <pdf>
- *Electricity sector reform proposal – More faculties to public utility CFE*, October 4, 2021, <pdf>
- *Banxico – A more hawkish tone suggests the hiking cycle will continue*, September 30, 2021, <pdf>
- *Budget Proposal 2022 – Realistic despite an optimistic GDP outlook*, September 8, 2021, <pdf>
- *2Q21 GDP – Revision lower as COVID-19 may have impacted late in the period*, August 25, 2021, <pdf>
- *Banxico – Communication strategy changes aimed to provide further clarity*, August 5, 2021, <pdf>
- *S&P affirms Mexico 'BBB' rating, with a negative outlook*, June 15, 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>
- *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>
- *The government presents a new investment plan with the private sector for $228.6 billion*, November 30, 2020, <pdf>

Fixed-Income, FX, and Commodities

- *OPEC+: Output increase strategy was held unchanged*, October 4, 2021, <pdf>
- *4Q21 Auction Calendar: mixed adjustments ahead of a challenging end of year*, September 28, 2021, <pdf>
- *New Development Bonds indexed to the TIIE funding, Bondes F*, August 18, 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

- *Flash: CEMEX Day II, confirms positive outlook despite challenges*, October 8, 2021, <pdf>
- *Flash ALFA: Sigma to sell its operations in Belgium and the Netherlands*, October 7, 2021, <pdf>
- *AIRPORTS (September): Progress returns compared to pre-pandemic levels*, October 6, 2021, <pdf>
- *Flash AMX: Investor Day, consolidating the strategy towards 5G with a solid balance sheet*, October 5, 2021, <pdf>
- *Flash ALSEA: In view of the recovery, Alsea increases its stake in Europe*, October 1, 2021, <pdf>
- *Flash AMX: New integrated operator in Chile through a joint venture with LLA*, September 29, 2021, <pdf>
- *Flash FCFE: 3Q21 distribution with attractive yield of 3.3%*, September 21, 2021, <pdf>

- *Flash KOF: Beer distribution grows in Brazil*, September 17, 2021, <pdf>
- *Flash AMX: Agrees to sell Claro Panama*, September 15, 2021, <pdf>
- *Flash TLEVISA : Sale of OCESA goes forward*, September 13, 2021, <pdf>
- *Flash AMX: Will propose asset spin-off in Shareholders' Meeting*, September 10, 2021, <pdf>
- *Flash FEMSA: Continues to expand the presence of the distribution business in the US*, September 8, 2021, <pdf>
- *Flash LAB: OTC plant may finally start up*, September 7, 2021, <pdf>
- *Flash VOLAR: Continues to exceed pre-pandemic levels in August*, September 7, 2021, <pdf>
- *EQUITY STRATEGY: VOLAR A is poised to return to the Mexbol*, September 6, 2021, <pdf>
- *Flash FEMSA: Expands specialized distribution business in the US*, August 31, 2021, <pdf>
- *Flash NEMAK: NMK and NEMAK merger completed*, August 26, 2021, <pdf>
- *Flash KOF: Expands portfolio of beer brands in Brazil*, August 11, 2021, <pdf>
- *Flash AMX: IFT grants broadband tariff freedom in 52 municipalities*, August 2, 2021, <pdf>
- *Flash GAP: Proposes capital reduction, 3.4% yield*, August 2, 2021, <pdf>
- *Flash FIBRAPL: Inorganic growth continues, this time in Ciudad Juarez*, July 20, 2021, <pdf>
- *Flash: CEMEX Day, improved growth prospects surprised*, June 25, 2021, <pdf>
- *Flash Televisa: To launch spanish-language platform following the close of Televisa-Univision merger*, June 21, 2021, <pdf>
- *Flash ALPEK: Acquires CarbonLite recycling facility*, June 7, 2021, <pdf>
- *Flash Aviation Sector: US downgrades Mexico aviation safety assessment*, May 28, 2021 <pdf>

Corporate Debt

- *Corporate Bond Market Review: SEPTEMBER 2021*, October 6, 2021, <pdf>
- *PEMEX – Recovery boosts quarterly results*, July 28, 2021, <pdf>
- *Moody's downgrades PEMEX's ratings; outlook remains negative*, July 28, 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>

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, 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, Alik Daniel García Alvarez, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo 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.

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

Research and Strategy

Alejandro Padilla Santana	Chief Economist and Head of Research	alejandro.padilla@banorte.com	(55) 1103 - 4043
Raquel Vázquez Godinez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

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
Alik Daniel García Alvarez	Senior Strategist, Equity	alik.garcia.alvarez@banorte.com	(55) 1670 – 2250
Víctor Hugo Cortes Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
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	(55) 1670 - 1889
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.ceballos@banorte.com	(55) 5004 - 1282
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 - 5140
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) 8173 - 9127
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) 5249 - 6423
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) 5004 - 1051
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) 1670 - 1899