

## Weekly government auction results

March 8, 2022

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- The MoF, acting through Banxico as its financial agent, has released the results of its weekly auction held today
- 28-day Cetes settled at 6.15% (+9bps) with bid-to-cover of 4.17x (previous: 4.25x)
- 91-day Cetes settled at 6.49% (+5bps) with bid-to-cover of 3.46x (previous: 3.70x)
- 182-day Cetes settled at 7.27% (+32bps) with bid-to-cover of 3.48x (previous: 6.68x)
- 364-day Cetes settled at 8.05% (+60bps) with bid-to-cover of 2.80x (previous: 2.84x)
- 1-year Bondes F settled at 0.07% (unchanged) with bid-to-cover of 1.00x (previous: 1.99x)
- 2-year Bondes F settled at 0.15% (unchanged) with bid-to-cover of 1.64x (previous: 2.37x)
- 3-year Bondes F settled at 0.18% (unchanged) with bid-to-cover of 2.05x (previous: 4.97x)
- 10-year Mbono (May'31) settled at 8.60% (+92bps) with bid-to-cover of 1.47x (previous: 2.01x)
- 3-year Udibono (Nov'23) settled at 3.55% (+8bps) with bid-to-cover of 2.09x (previous: 1.84x)

The details today's sale are presented in the tables below:

Mexico's auction results March 8, 2022

Security	Days to maturity	Amount bid (MXN million)	Amount offered (MXN million)	Current rate	Previous rate	Difference (bps)	Bid/Cover Ratio	
							Current	Previous
Cetes 91	28	20,852	5,000	6.15	6.06	9	4.17x	4.25x
Cetes 182	91	17,315	5,000	6.49	6.44	5	3.46x	3.70x
Cetes 364	182	52,128	15,000	7.27	6.95	32	3.48x	6.68x
Bondes F 1a	364	33,639	12,000	8.05	7.45	60	2.80x	2.84x
1Y Bondes F	357	2,976	2,976	0.07	0.07	0	1.00x	1.99x
2Y Bondes F	721	4,626	2,826	0.15	0.15	0	1.64x	2.37x
3Y Bondes F	1,085	5,476	2,675	0.18	0.18	0	2.05x	4.97x
10Y Mbono May'31*	3,367	17,587	12,000	8.60	7.68	92	1.47x	2.01x
3Y Udibono Nov'23**	616	UDIS 1,988	UDIS 950	3.55	3.47	8	2.09x	1.84x

Source: Banco de Mexico and Banorte

\*Coupon rate: 7.75%

\*\*Coupon rate: 3.50%

### Implied real rates in Cetes

Security	08-Mar-22	01-Mar-22	22-Feb-22	15-Feb-22	08-Feb-22	01-Feb-22	25-Jan-22
Cetes 1 month	2.02	1.81	1.70	1.71	1.52	1.60	1.36
Cetes 3 months	2.35	2.18	2.04	2.07	1.86	1.90	1.85
Cetes 6 months	3.09	2.67	2.57	2.52	2.28	2.23	2.27
Cetes 12 months	3.84	3.15	3.02	3.07	2.72	2.68	2.73
Infl. 12-months ahead*	4.05	4.17	4.17	4.17	4.17	4.17	4.08

Source: Banorte with data from Banco de México

\*Published in Banxico's monthly survey (market median)

### Auction Calendar for 1Q22\*

Date	Fixed Short Term	Fixed Long Term	Inflation Linked	Floating
04-Jan-22	1, 3, 6, and 12-month Cetes	3-year Mbono (Mar'25)	30-year Udibono (Nov'50)	1-, 2-, 3-, and 5-year Bondes F
11-Jan-22	1, 3, 6, and 12-month Cetes	20-year Mbono (Nov'42)	3-year Udibono (Nov'23)	1-, 2-, and 3-year Bondes F
18-Jan-22	1, 3, 6, and 12-month Cetes	5-year Mbono (Mar'27)	10-year Udibono (Nov'31)	1-, 2-, 3-, and 5-year Bondes F
25-Jan-22	1, 3, 6, and 12-month Cetes	30-year Mbono (Nov'47)	20-year Udibono (Nov'35)	1-, 2-, and 3-year Bondes F
01-Feb-22	1, 3, 6, and 12-month Cetes	10-year Mbono (May'31)	30-year Udibono (Nov'50)	1-, 2-, 3-, and 5-year Bondes F
08-Feb-22	1, 3, 6, and 12-month Cetes	3-year Mbono (Mar'25)	3-year Udibono (Nov'23)	1-, 2-, and 3-year Bondes F
15-Feb-22	1, 3, 6, and 12-month Cetes	20-year Mbono (Nov'42)	10-year Udibono (Nov'31)	1-, 2-, 3-, 5-, and 7-year Bondes F
22-Feb-22	1, 3, 6, and 12-month Cetes	5-year Mbono (Mar'27)	20-year Udibono (Nov'35)	1-, 2-, and 3-year Bondes F
01-Mar-22	1, 3, 6, and 12-month Cetes	30-year Mbono (Nov'47)	30-year Udibono (Nov'50)	1-, 2-, 3-, and 5-year Bondes F
08-Mar-22	1, 3, 6, and 12-month Cetes	10-year Mbono (May'31)	3-year Udibono (Nov'23)	1-, 2-, and 3-year Bondes F
15-Mar-22	1, 3, 6, and 12-month Cetes	3-year Mbono (Mar'25)	10-year Udibono (Nov'31)	1-, 2-, 3-, and 5-year Bondes F
22-Mar-22	1, 3, 6, and 12-month Cetes	20-year Mbono (Nov'42)	20-year Udibono (Nov'35)	1-, 2-, and 3-year Bondes F
29-Mar-22	1, 3, 6, and 12-month Cetes	5-year Mbono (Mar'27)	30-year Udibono (Nov'50)	1-, 2-, 3-, 5-, and 7-year Bondes F

Source: Ministry of Finance

\*In case an instrument is auctioned by the syndicated method, the current instrument will be replaced by the new issuance

# Recent trade ideas

Trade idea	P/L	Initial date	End date
Pay 2-year TIE-IRS (26x1)	P	4-Feb-22	4-Mar-22
Tactical longs in Mbono Mar'26	P	14-May-21	7-Jun-21
Receive 6-month TIE-IRS (6x1)	P	17-Dec-20	3-Mar-21
Long positions in Udbono 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 Udbono Dec'25	P	23-Jul-20	10-Aug-20
Long positions in Udbono 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 TIE-28 IRS	P	20-Mar-20	24-Apr-20
Long positions in Udbono Nov'28	P	31-Jan-20	12-Feb-20
Long positions in Udbono 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-linked Udbono 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-linked Udbono Jun'19	P	7-May-18	14-May-18
Long 7- to 10-year Mbonos	L	26-Mar-18	23-Apr-18
Long CPI-linked Udbono 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 Udbono Dec'20	3.05%	2.90%	3.15%	3.15%	L	9-Aug-17	6-Oct-17
5y10y TIE-IRS steepener	28bps	43bps	18bps	31bps	P <sup>2</sup>	15-Feb-17	15-Mar-17
5y10y TIE-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 Udbono Jun'19	1.95%	1.65%	2.10%	2.10%	L	13-Jul-16	16-Aug-16
Receive 1-year TIE-IRS (13x1)	3.92%	3.67%	4.10%	3.87% <sup>1</sup>	P	12-Nov-15	8-Feb-16
Long spread 10-year TIE-IRS vs US Libor	436bps	410bps	456bps	410bps	P	30-Sep-15	23-Oct-15
Receive 9-month TIE-IRS (9x1)	3.85%	3.65%	4.00%	3.65%	P	3-Sep-15	18-Sep-15
Spread TIE 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 TIE-IRS (3x1)	3.24%	3.32%	3.20%	3.30%	P	29-Jan-15	29-Jan-15
Pay 9-month TIE-IRS (9x1)	3.28%	3.38%	3.20%	3.38%	P	29-Jan-15	29-Jan-15
Pay 5-year TIE-IRS (65x1)	5.25%	5.39%	5.14%	5.14%	L	4-Nov-14	14-Nov-14
Long Udbono 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 TIE-IRS (26x1)	3.75%	3.55%	3.90%	3.90%	L	11-Jul-14	10-Sep-14
Receive 1-year TIE-IRS (13x1)	4.04%	3.85%	4.20%	3.85%	P	6-Feb-14	10-Apr-14
Long Udbono 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 TIE-IRS (6x1)	3.83%	3.65%	4.00%	3.81%	P	10-Oct-13	25-Oct-13
Receive 1-year TIE-IRS (13x1)	3.85%	3.55%	4.00%	3.85%	--	10-Oct-13	25-Oct-13
Long Udbono Dec'17	1.13%	0.95%	1.28%	1.35%	L	9-Aug-13	10-Sep-13
Receive 9-month TIE-IRS (9x1)	4.50%	4.32%	4.65%	4.31%	P	21-Jun-13	12-Jul-13
Spread TIE-Libor (10-year)	390bps	365bps	410bps	412bps	L	7-Jun-13	11-Jun-13
Receive 1-year TIE-IRS (13x1)	4.22%	4.00%	4.30%	4.30%	L	19-Apr-13	31-May-13
Long Udbono Jun'22	1.40%	1.20%	1.55%	0.97%	P	15-Mar-13	3-May-13
Receive 1-year TIE-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 Udbono Dec'13	1.21%	0.80%	1.40%	1.40%	L	1-Feb-13	15-Apr-13
Receive 1-year TIE-IRS (13x1)	4.87%	4.70%	5.00%	4.69%	P	11-Jan-13	24-Jan-13
Receive TIE Pay Mbono (10-year)	46bps	35bps	54bps	54bps	L	19-Oct-12	8-Mar-13
Spread TIE-Libor (10-year)	410bps	385bps	430bps	342bps	P	21-Sep-13	8-Mar-13
Long Udbono Dec'12	+0.97%	-1.50%	+1.20%	-6.50%	P	1-May-12	27-Nov-12
Long Udbono Dec'13	+1.06%	0.90%	+1.35%	0.90%	P	1-May-12	14-Dec-12

<sup>1</sup> Carry +roll-down gains of 17bps

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

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We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, José Luis García Casales, Yazmín Selene Pérez Enríquez, José Itzamna Espitia Hernández, Carlos Hernández García, David Alejandro Arenas Sánchez, Paola Soto Leal, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Daniela Olea Suárez, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo and Isaías Rodríguez Sobrino, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V. for the provision of our services.

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