

New month, New Congress

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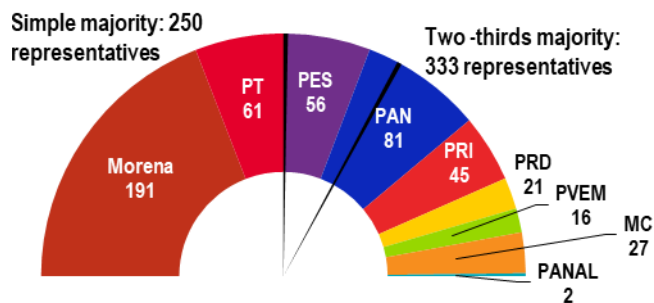
Delia Paredes Mier
Executive Director of Economic Analysis
delia.paredes@banorte.com

- Next Saturday, the first session on the new Congress will take place
- It is worth noting that this period will extend until December 31st
- For the first time in history a leftist party has a simple majority in both houses
- Among the items on the agenda for this period are:
 - (1) The reception of Mr. Peña-Nieto's last State of the Union;
 - (2) Take the oath of President Elect Andrés Manuel López-Obrador on December 1st;
 - (3) The approval of the 2019 economic budget; and
 - (4) The Senate ratification of the President's nomination for the seat of current Banxico's deputy governor, Manuel Ramos-Francia
- Among others, Congress will have to process the initiatives sent by the new government (as of December 1st)
- Moreover, they will have to solve some pending issues left by the previous legislature
- Finally, during President López-Obrador's term (2018-2024), he will be able to nominate 41 positions which need to be ratified by Congress

First session of a new Congress. On September 1st, the recently elected Congress will session for the first time. This legislative period will last until December 31st. Senators from the recent election will end their term at the end of July 2024, while Deputies have a term of three years (September 2021). In addition, it should be noted that this is the first time in history that a leftist party has the simple majority in both houses. In this context, the official composition of Congress changed slightly from the one initially announced just after the election. President Elect López-Obrador's party (*Morena*) will have 191 representatives, to which we must add those corresponding to *Partido del Trabajo* (61) and *Encuentro Social* (56), who raced in coalition with *Morena*. This sums to a total of 308 members, which represent 61.4% of votes, slightly below the 66.6% required for constitutional amendments. In the Senate, the majority is a little smaller, with the *Morena-PT-PES* coalition having a representation of 69 senators, equivalent to 53.9% of the votes, as shown in the following graph.

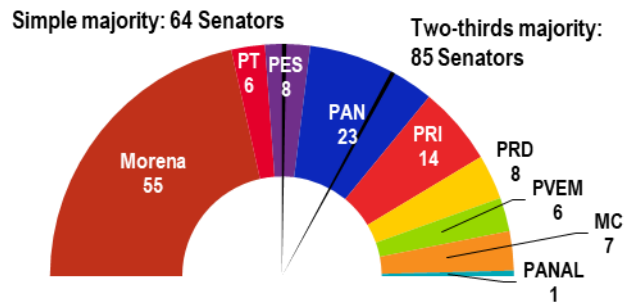
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Composition in the Lower House



Fuente: INE

Composition in the Senate



Fuente: INE

Focus on 2019 budget process, among other items on the agenda. The items on the agenda for this period include: (1) The reception of the 6th -and last-, State of the Union of President Peña-Nieto on September 1st; (2) the swearing in of President Elect Andrés Manuel López-Obrador on December 1st; (3) the approval of the 2019 budget, which has to be delivered by the new administration no later than December 15th and must be approved on December 31st; and (4) the Senate must ratify the President’s nomination for Deputy Governor of Banxico, currently occupied by Dr. Manuel Ramos-Francia, whose term ends this year.

Among others, Congress will have to process the legislative agenda of the new government. Soon after the election, President-elect López-Obrador announced his administration’s priorities, including: (1) A reform to make sure that no public servant earns more than the president; (2) the abrogation of the educational reform; (3) the anti-corruption agenda, including the amendment of Article 108 of the Constitution, so that the president can be judged while in office; (4) the creation of the Ministry of Public Security; and (5) the reforms needed to adapt the legal framework regulating both Houses of Congress to reduce expenses, commissions and administrative bureaucracy. In addition, it will have to work on some pending issues left by the previous legislature, among which are the appointment of the anti-corruption prosecutor, the elimination of political immunity to elected officials, Police reform and the popular consultation on it and, anti-corruption judges, among others.

Appointments during the next administration. During the administration of Mr. López-Obrador (2018-2024), he will be able to send 41 nominations to Congress for some key positions. We highlight that he will have the opportunity to nominate four members of the Banxico’s Governing Board, including the ratification –or, if applicable, substitution– of the Governor, as well as five members of *INEGI*’s Governing Board, as shown in the following table.

Appointments during Mr. López-Obrador's term

Institution	Post	# of appointments	%
TOTAL APPOINTMENTS		27	
Banxico	Board of Governors	4	80
Economic Competition Federal Commission (<i>COFECE</i>)	Commissioners	4	57
National Hydrocarbons Commission (<i>CNH</i>)	Commissioners	6	86
Energy Regulation Commission (<i>CRE</i>)	Commissioners	6	86
Federal Telecommunications Institute (<i>IFT</i>)	Commissioners	4	57
National Institute of Statistics and Geography (<i>INEGI</i>)	Board of Governors	5	100
National Institute of Transparency, Information Access and Personal Data Protection (<i>INAI</i>)	Commissioners	5	71
National Institute for the Evaluation of Education (<i>INEE</i>)	Board of Governors	3	60
Supreme Court	Ministers	4	36

Source: CRG Consultores

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GRUPO FINANCIERO BANORTE S.A.B. de C.V.
Research and Strategy

Gabriel Casillas Olvera	Chief Economist and Head of Research	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967

Economic Analysis

Delia María Paredes Mier	Executive Director of Economic Analysis	delia.paredes@banorte.com	(55) 5268 - 1694
Katía Celina Goya Ostos	Senior, Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Miguel Alejandro Calvo Domínguez	Economist, Regional	miguel.calvo@banorte.com	(55) 1670 - 2220
Francisco José Flores Serrano	Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

Fixed income and FX Strategy

Alejandro Padilla Santana	Head Strategist – Fixed income and FX	alejandro.padilla@banorte.com	(55) 1103 - 4043
Juan Carlos Alderete Macal, CFA	FX Senior Strategist	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Santiago Leal Singer	Strategist Fixed income and FX	santiago.leal@banorte.com	(55) 1670 - 2144

Equity Strategy

Manuel Jiménez Zaldivar	Director Equity Research — Telecommunications / Media	manuel.jimenez@banorte.com	(55) 5268 - 1671
Victor Hugo Cortes Castro	Technical Analysis	victorh.cortes@banorte.com	(55) 1670 - 1800
Marissa Garza Ostos	Equity Research – Conglomerates / Financials / Mining / Petrochemicals	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Equity Research – Airlines / Airports / Cement / Infrastructure / REITs	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Equity Research – Auto Parts/ Consumer Discretionary / Real Estate / Retail	valentin.mendoza@banorte.com	(55) 1670 - 2250
Francisco Duarte Alcocer	Analyst	francisco.duarte.alcocer@banorte.com	(55) 1670 - 2707
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251

Corporate Debt

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Senior, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248

Wholesale Banking

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Asset Management	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Victor Antonio Roldan Ferrer	Head of Corporate Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454