

Ahead of the Curve

September 9, 2016

No relevant economic reports to be published this week

- International reserves.** On Tuesday, at 10:00am (EDT), Banco de Mexico will release its weekly balance report. Last week, net international reserves fell by US\$171 million amounting to US \$176.3 billion on September 2. According to Banxico’s report, this figure comes mainly as a result of changes in the valuation of the Central Bank’s assets. In this context, the Central Bank’s international reserves have diminished by US\$399 million this year
- Government weekly auction.** Also on Tuesday, the Ministry of Finance (MoF) –via Banco de Mexico as its financial agent-, will offer 10-year fixed-rate Mbonos (Mar’26), 30-year inflation-linked Udibonos (Nov’46), as well as 5-year BondesD, in addition to the “more traditional” 1-, 3-, 6- and 12- month zero-coupon Cetes. As usual, the results will be released at 12:30pm (EDT)

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Document for distribution among the general public

Mexico weekly calendar

DATE	HOUR (EDT)	EVENT	PERIOD	UNIT	BANORTE-IXE	CONSENSUS	PREVIOUS
Tue 13-Sep	10:00am	International reserves	9-Sep	US\$ bn	--	--	176.3
Tue 13-Sep	12:30pm	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes; 20y MBono (Nov'34); 30y Udibono (Nov'46); 5y Bondes D					

Source: Banorte-IXE; Bloomberg

Proceeding in chronological order...

On Friday, financial markets will remain closed in Mexico. On the logistics side, and before we start with next week's description, it is worth noting that next week Mexico will have a short week with a banking holiday on Friday (September 16), as the country observes the Anniversary of the Mexican Independence.

Weekly international reserves report. On Tuesday, at 10:00am (EDT), Banco de Mexico will release its weekly balance report. Last week, net international reserves fell by US\$171 million amounting to US \$176.3 billion on September 2. According to Banxico's report, this figure comes mainly as a result of changes in the valuation of the Central Bank's assets. In this context, the Central Bank's international reserves have diminished by US\$399 million this year (please refer to the table below).

Banxico's foreign reserve accumulation details

US\$, million

	2015	2/Sep/2016	2/Sep/2016	Year-to-date
	Balance		Flows	
International reserves (B)-(C)	176,735	176,337	-12	-399
(B) Gross international reserve	177,597	180,415	2,798	2,819
Pemex	--	--	43	2,139
Federal government	--	--	2,833	3,709
Market operations	--	--	0	-5,562
Other	--	--	-77	2,532
(C) Short-term government's liabilities	861	4,079	2,810	3,218

Source: Banco de México

Weekly government bond auction. Also on Tuesday, the Ministry of Finance (MoF) –via Banco de Mexico as its financial agent-, will offer 20-year fixed-rate Mbonos (Nov'34), 30-year inflation-linked Udibonos (Nov'46), as well as 5-year BondesD, in addition to the “more traditional” 1-, 3-, 6- and 12- month zero-coupon Cetes (please refer to the table below). As usual, the results will be released at 12:30pm (EDT).

Auction specifics (Tuesday, Sep 13, 2016)

	Maturity	Coupon rate, %	To be auctioned ¹	Previous yield ²
Cetes				
1m	13-Oct-16	--	5,500	4.23
3m	15-Dec-16	--	9,500	4.38
6m	16-Mar-17	--	11,000	4.57
12m	14-Sep-17	--	11,000	4.75
Mbono				
10y	05-Mar-26	5.75	7,000	6.01
Udibono				
30y	08-Nov-46	4.00	400	3.30
Bondes D				
5y	22-Jul-21	--	3,000	0.22

Source: Banorte-ixe with data from Banco de México

1. Except for Udibonos, which are expressed in UDI million, everything else is expressed in MXN million. 2. Yield-to-maturity reported for Cetes, Mbonos and Udibonos

Disclaimer

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