

# Ahead of the Curve

July 13, 2018

Market focus this week will be on the *Citibanamex* survey

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**Weekly international reserves report.** On Tuesday, at 10:00am (ET), Banco de Mexico will release its weekly balance report. Last week, net international reserves increased by US\$151 million amounting to US\$173.4 billion. According to Banxico’s report, this figure comes mainly as a result of a positive valuation effect in central bank assets. In this context, the central bank’s international reserves have increased by US\$561 million during 2018 (please refer to the following table).

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**Banxico's foreign reserve accumulation detail**  
US\$, million

	2017	Jul 6, 2018	Jul 6, 2018	Year-to-date
	Balance		Flows	
International reserves (B)-(C)	172,802	173,362	151	561
(B) Gross international reserve	175,450	177,650	-359	2,200
Pemex	--	--	173	-536
Federal government	--	--	-87	1,553
Market operations	--	--	0	0
Other	--	--	-446	1,182
(C) Short-term government's liabilities	2,648	4,287	-510	1,639

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 10-year fixed rate Mbonos (Jun’27), 30-year inflation-linked Udibonos (Nov’46), 5-year Bondes D, 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 (ET).

**Auction specifics (Tuesday, July 10, 2018)**

	Maturity	Coupon rate, %	To be auctioned <sup>1</sup>	Previous yield <sup>2</sup>
<b>Cetes</b>				
1m	16-Aug-18	--	7,000	7.74
3m	18-Oct-18	--	11,000	7.90
6m	17-Jan-19	--	11,500	8.06
12m	18-Jul-19	--	12,500	8.10
<b>Bondes D</b>				
5y	06-Jul-23	--	5,000	0.17
<b>M Bono</b>				
10y	03-Jun-27	7.50	9,000	7.88
<b>Udibono</b>				
30y	08-Nov’46	4.00	UDIS 400	3.80

Source: Banorte 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

**Citibanamex Survey.** Finally on Friday, around 4:30pm (ET) *Citibanamex* will release its bi-weekly survey of economic expectations, where market focus will be on analysts’ inflation forecasts for the first half of July (to be published on Tuesday, July 24). Furthermore, attention will be on monetary policy assessments, particularly given hawkish tone in the last monetary policy. In addition, the survey will contain forecasts for growth and FX, where we expect some downward revisions on the latter given its latest performance.

Document for distribution among the general public

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