

Ahead of the Curve

April 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\$45 million amounting to US\$173.3 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\$475 million during 2018 (please refer to the table below).

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Banxico's foreign reserve accumulation detail

US\$, million

	2017	Apr 6, 2018	Apr 6, 2018	Year-to-date
	Balance		Flows	
International reserves (B)-(C)	172,802	173,277	45	475
(B) Gross international reserve	175,450	176,460	-1,142	1,010
Pemex	--	--	-120	-643
Federal government	--	--	-650	980
Market operations	--	--	0	0
Other	--	--	-372	673
(C) Short-term government's liabilities	2,648	3,183	-1,187	535

Source: Banco de México

Weekly government bond auction. On Tuesday, the Ministry of Finance (MoF) –via Banco de Mexico as its financial agent–, will offer 20-year fixed-rate Mbonos (Nov’38), 5-year Bondes D, in addition to the “more traditional” 1-, 3- and 6-month zero-coupon Cetes (please refer to the table below). As usual, the results will be released at 12:30pm (ET).

Auction specifics (Tuesday, April 17, 2018)

	Maturity	Coupon rate, %	To be auctioned ¹	Previous yield ²
Cetes				
1m	17-May-18	--	7,000	7.47
3m	19-Jul-18	--	11,000	7.64
6m	11-Oct-18	--	11,500	7.62
M Bono				
5y	7-Dec-23	8.50	8,500	7.44
Udibonos				
10y	30-nov-28	4.00	UDIS 700	3.77

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. On Thursday around 3:30pm (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 April (to be published on April 24). Furthermore, attention will be on monetary policy assessments, given Banxico’s tone in the last monetary policy announcement. In addition, the survey will also contain forecasts for growth and FX.

Document for distribution among the general public

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