Ahead of the Curve

June 21, 2019

Banxico to remain on hold, maintaining a prudent stance

www.banorte.com
@analisis_fundam

Juan Carlos Alderete, CFA
Senior Economist, Mexico
juan.alderete.macal@banorte.com

Francisco Flores
Economist, Mexico
francisco.flores.serrano@banorte.com

- **Banxico's monetary policy decision (June 27th).** We expect Banxico to remain on hold at 8.25%, in line with consensus. Moreover, we believe that the central bank will maintain a relatively hawkish tone, similar to the latest Quarterly Report and minutes. The central bank will likely reaffirm its prudent stance due to financial stability risks after recent actions by credit rating agencies and trade uncertainty, even with the Fed showing a more dovish bias. Given our expectation that some of these risks will diminish gradually, among other factors, we maintain our call that Banxico will have room to cut the reference rate by 25bps in its November 14th meeting

- **Inflation report (June-1H).** We estimate the headline at 0.05% 2w/2w and the core at 0.16%. Inflation would be helped by low pressures in the non-core component, particularly in fresh fruits and vegetables, along energy prices. With these results, annual inflation would continue to moderate, standing at 4.04% from 4.28% in May, only 4bps above the upper bound of Banxico's variability range. Nevertheless, the core component would go to 3.86% from 3.77% during the same period

Mexico weekly calendar

DATE	HOUR (ET)	EVENT	PERIOD	UNIT	BANORTE	CONSENSUS	PREVIOUS
Mon 24-Jun	**9:00am**	**CPI inflation**	1Q Jun	% 2w/2w	0.05	0.04	-0.03
				% yoy	4.04	4.03	4.13
		Core		% 2w/2w	0.16	0.13	0.17
				% yoy	3.86	--	3.78
Mon 24-Jun	**9:00am**	**Global economic indicator**	Apr	% yoy	-0.5	--	1.3
		sa		% m/m	0.8	--	-0.6
		Primary activities		% yoy	3.0	--	5.4
		Industrial production		% yoy	-2.9	--	-0.1
		Services		% yoy	0.4	--	1.8
Tue 25-Jun	**9:00am**	**Retail sales**	April	% yoy	0.6	--	1.6
		sa		% m/m	0.4	--	-0.2
Tue 25-Jun	**10:00am**	**International reserves**	Jun-21	US$ bn	--	--	178.3
Tue 25-Jun	**12:30pm**	**Government weekly auction: 1-, 3-, 6-month CETES; 3y Mbono (Dic'21); 3y Udibonos (Jun'22)**					
Wed 26-Jun	**9:00am**	**Unemployment rate**	May	%	3.54	--	3.50
		sa		%	3.52	--	3.45
Thu 27-Jun	**9:00am**	**Trade balance**	May	US$ mn	-1,030.4	--	1,370.2
		Total exports		% yoy	4.5	--	6.1
		Oil exports		% yoy	-9.6	--	-14.3
		Non-oil exports		% yoy	5.6	--	7.6
		Total imports		% yoy	3.1	--	1.6
Thu 27-Jun	**2:00pm**	**Banxico's monetary policy decision**	Jun-27	%	8.25	8.25	8.25
Fri 28-Jun	**10:00am**	**Comercial banking credit**	May	% yoy	6.1	--	5.8
		Consumption		% yoy	1.7	--	1.5
		Housing		% yoy	5.9	--	5.6
		Non-banking private firms		% yoy	7.8	--	7.4
Fri 28-Jun	**3:30pm**	**Budget balance**	May	MXN bn	--	--	38.0

Source: Banorte; Bloomberg

Proceeding in chronological order...

Inflation in 1H-June to be driven down by lower pressures in the non-core component. We estimate the headline at 0.05% 2w/2w and the core at 0.16%. Overall, inflation would be helped by low pressures in the non-core component, particularly in fresh fruits and vegetables, which we expect to contribute -6bps to the headline. According to our monitoring, relevant products such as potatoes, onions, and tomatoes declined. The latter product seems to continue drifting down in spite of the 17.5% tariff imposed by the US at the beginning of May. In our view, recent price dynamics suggest that this situation may be resulting in higher supply in local markets. On the other hand, we anticipate energy to be favorable, subtracting 3bps. Most of this would be due to lower LP gas (-2bps), resulting in five consecutive fortnights down. Moreover, we expect low-grade gasoline to fall modestly even with the gradual reversal in fiscal subsidies that started in mid-May, with the relative strength of the Mexican peso and lower international reference prices outweighing for this situation.

Regarding the core component, we expect it to add 12bps to the headline. Inside, we highlight that there are still pressures in core goods, with an accumulated contribution of almost 6pbs between processed foods and other goods (with +3.3bps in the first and +2.5bps in the second). On the other hand, we expect a contribution of 2bps from housing while other services could add 4bps, driven marginally up due to the start of the summer holiday period.

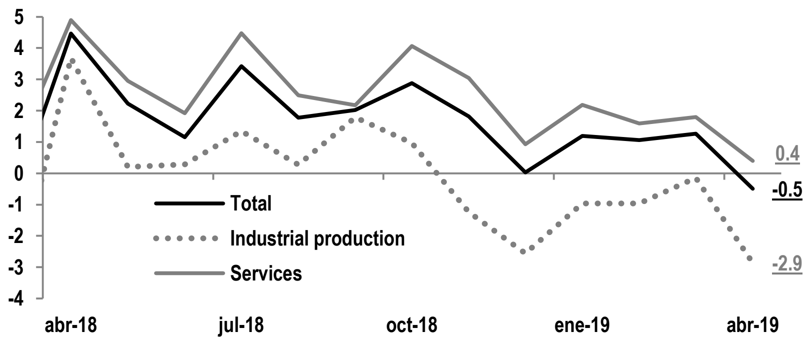
With these results, annual inflation would continue to moderate, standing at 4.04% from 4.28% in May, only 4bps above the upper bound of Banxico's variability range. However, the core component would go to 3.86% from 3.77%. We consider that the increase in some categories within core inflation (*i.e.* processed foods and housing) could be reflecting some of the pressures that the central bank has shown concerns over in its latest publications, making their dynamics in the following months particularly relevant.

IGAE expected to rebound in April. We estimate the *Economic Activity Indicator* (IGAE) at -0.5% yoy. Similar to other figures, this print is distorted by the timing of the *Holy Week*. Adjusting for the latter, we anticipate a 0.8% m/m advance, reversing the 0.6% fall of the previous month, which was the lowest print since April 2018. In this respect, data already known regarding industry printed at -2.9% yoy, albeit strong in the monthly comparison at 1.5%. Taking a look at the breakdown, construction led gains with a 2.2% m/m advance, which even if positive and surprising to the upside, it only came strong after the 3% decline registered in March. On the other hand, manufacturing has proven to be resilient in spite of a challenging global backdrop, advancing 0.6% m/m.

Regarding services, we see 0.4% yoy growth (0.8% m/m). The latter is mostly due to our expectation of a moderate rebound in retail sales (see section below) coupled with more dynamism in transportation, related to the performance of manufacturing as mentioned above. Despite of the latter, the sector is signaling the possibility of a slowdown going forward, with headwinds coming from the moderation in employment growth. In particular, formal job creation stood at 2.7% yoy in services, its weakest in five years.

Broadly speaking, data for April released so far suggests that economic activity could have started the quarter with a more positive tone, which would be favorable for our current 2019 GDP forecast of 1.5% yoy. Nevertheless and even if our forecast for IGAE in April materializes, downside risks are still present. In this respect, the economy exhibited an important slowdown on all major components of aggregate demand in 1Q19, while survey data for May has been limited, in our view affected primarily by uncertainty both in the local and global economy.

IGAE
% yoy (nsa)



Source: INEGI, Banorte

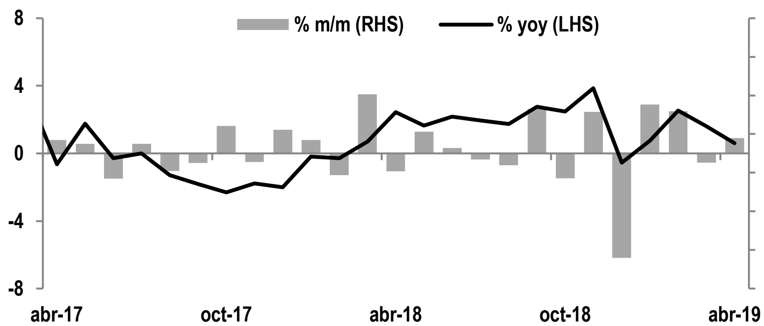
Retail sales to rebound modestly after weakness in March. We estimate a 0.6% yoy increase, below the 0.9% of the previous month. Nevertheless, this figure is distorted by the timing of the *Holy Week*. In seasonally-adjusted terms, we expect a 0.4% m/m expansion after a weak -0.2% in March. In general terms, advanced figures show a slightly better performance but contained overall.

ANTAD and Walmart sales during the month stood flat and +1.6%, respectively, better than the -3.3% and +0.6% observed in March, in the same order. Moreover, non-oil consumption goods imports (0.4%) and gasoline sales (-1.8%) both moderated their pace of decline. Other fundamentals for consumption remain positive, such as real wages which have also been less dynamic at the margin but stand at +2.4%, and remittances –in local currency terms- growing at a healthy pace of 7%.

In contrast, auto sales fell by a hefty 10.4% yoy according to *AMIA*, arguably one of the categories most affected by the holidays but with three consecutive months in contraction. This is consistent with other data suggesting that consumption in durable-goods has fallen behind. Employment conditions have also extended their slowdown, with the pace of formal job creation at 2.5%, lowest since March 2010. This situation seems to be having some effect in dynamism as it helps counters for strong wage gains. We should also note that, according to several reports, the advance in the deployment of new transfer programs by the Federal Government is behind schedule, a situation that seems to be limiting a stronger advance.

Retail sales are consistent with the information from aggregate demand for 1Q19, in which private consumption grew only by 1.1%, below the 2% threshold for a second consecutive quarter. In this respect, recent dynamics provide warning signs about the support for GDP growth, with consumption trailing behind our expectations so far this year. In our view, a similar situation could prevail in 2Q19 as more timely indicators, such as job creation, suggest that this more muted performance has remained.

Retail sales
% yoy (nsa), % m/m (sa)



Source: INEGI, Banorte

Weekly international reserves report. Last week, net international reserves increased US$8 million, closing at US$178.3 billion. According to Banxico's report, this figure comes mainly from a positive valuation effect in central bank assets. In this context, the central bank's international reserves have increased US$3.5 billion during 2019 (please refer to the following table).

Banxico's foreign reserve accumulation detail
US$, million

	2018	Jun 14, 2019	Jun 14, 2019	Year-to-date
	Balance		Flows	
International reserves (B)-(C)	174,793	178,299	8	3,506
(B) Gross international reserve	176,384	185,924	233	9,540
Pemex	--	--	109	290
Federal government	--	--	140	6,003
Market operations	--	--	0	0
Other	--	--	-15	3,247
(C) Short-term government's liabilities	1,592	7,625	225	6,034

Source: Banco de México

Weekly government bond auction. The Ministry of Finance (MoF) –via Banco de Mexico as its financial agent, will offer 3-year fixed-rate Mbonos (Dec'21), 3-year Udibonos (Jun'22), in addition to the 1-, 3-, and 6-month zero-coupon Cetes (see following table). As usual, results will be released at 12:30pm (ET).

Auction specifics (Tuesday, June 25th, 2019)

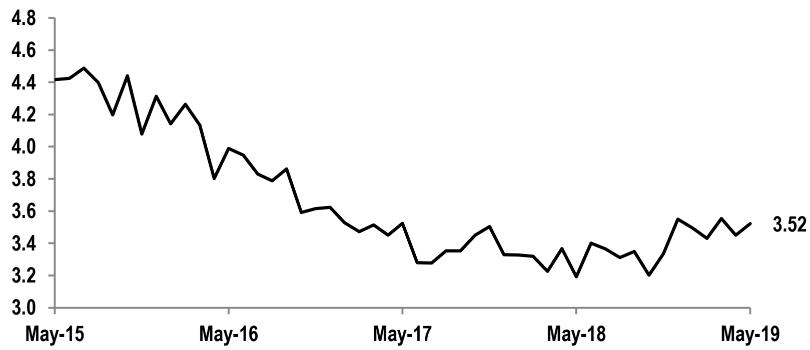
	Maturity	Coupon rate, %	To be auctioned[1]	Previous yield[2]
Cetes				
1m	25-Jul-19	- -	6,000	8.24
3m	26-Sep-19	- -	10,000	8.20
6m	19-Dec-19	- -	11,500	8.20
Mbonos				
3y	9-Dec-21	7.25	9,700	7.82
Udibonos				
3y	09-Jun-22	2.00	UDIS 950	3.83

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

We expect the unemployment rate to reverse gains observed in March.. We estimate the unemployment rate at 3.52% sa in May, above the 3.45% observed in the previous month. In our view, the decline of the previous month could have been benefitted by a seasonal effect that will likely reverse this month as conditions in the labor market keep cooling off. In particular, the annual pace of formal job creation kept weakening for the tenth consecutive month at 2.4% yoy, its lowest since March 2010. In absolute terms, this equated to only 3,983 new formal jobs, lower than the 33,966 observed in the same period of 2018.

This employment slowdown has been coupled with a moderation in activity, reacting with a lag as it is more highly correlated with the *Global Economic Activity Indicator* (IGAE) two months prior. In this sense, March was very weak at -0.6% yoy sa, its first decline since December 2009 in the aftermath of the financial crisis. Apart from this, we believe it is likely that above-average wage increases have also impacted employment growth. To the latter, we should add higher uncertainty about US trade relationships, including with China (most of the month) and our country (at the end). Despite tensions with Mexico have been swiftly averted for now, hiring plans are likely to be impacted further. More importantly, business confidence was already lower when compared to April across all sectors, with this indicator not yet fully reflecting the effect of higher uncertainty. On a more timely basis, May PMI's (which are compiled by *IMEF* in the 2^{nd} half of the reference month) showed employment sub-indices in contraction territory and weaker than in the previous month.

Unemployment rate
%, sa



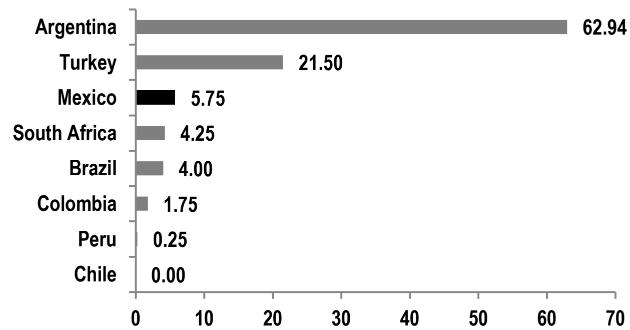
Source: INEGI, Banorte

Banxico to remain on hold at 8.25%, with lingering concerns over financial stability risks. Next Thursday, Banxico will hold its fourth monetary policy meeting of 2019, in which we expect the central bank to leave the reference rate unchanged at 8.25%, in line with consensus. We will be focused on the tone of the communique, which we expect to remain relatively hawkish, broadly in line with the latest *Quarterly Report* and minutes.

In our view, the most relevant development since the last meeting has been the dovish shift by central banks, particularly in advanced economies, which could eventually help Banxico to be less hawkish. This has been driven by a worse outlook for global growth as trade tensions between the US and China have increased, along with other geopolitical risks.

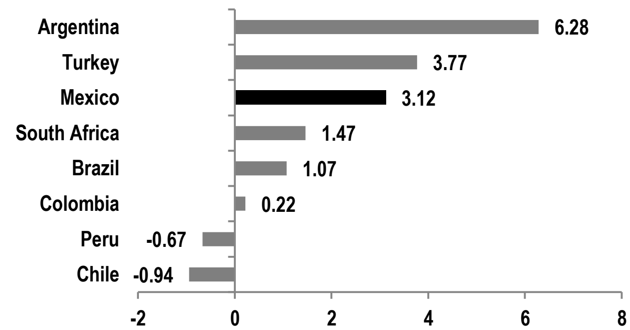
In this context, the latest ECB decision and comments from its president, Mario Draghi, signaled a higher likelihood of easing. In addition, and more relevant to our country, the US Fed was also significantly more dovish this week, surprising markets even if already expecting this bias. Given the information provided at the latest decision, we now expect a 25bps rate cut on July 31rd. All else constant, this would result in an even wider Mexico-US short-term nominal and real rate spread, which is already the highest among EM with the exception of Argentina and Turkey (see charts below).

Nominal interest rate spreads in selected countries
%



*Using reference rates; spread to the upper bound of the US Fed Funds Rate
Fuente: Bloomberg

Real rate spreads in selected countries
%



*Using real reference rates with the latest CPI print; Spread to the US
Fuente: Bloomberg

Despite of the latter, we anticipate the restrictive bias to remain given: (1) Recent actions on the sovereign credit rating by Fitch (downgraded from 'BBB+' to 'BBB', with a stable outlook) and Moody's (rating at 'A3' with a downward revision to the outlook from 'stable' to 'negative'); and (2) lingering uncertainty over trade between Mexico and the US, despite the approval of USMCA by our country's Senate. For details, see: "*The Mexican Senate approves USMCA", <*pdf>, "*The economic consequences of the new US tariffs*" <pdf> and *"On Mexico's triplet news…"* <pdf>.

We note that the central bank has already elaborated on these issues in its *Financial Stability Report*. On the former, the institution stated, among other things, that: "*…The deterioration of both the sovereign and Pemex credit outlook is an important risk factor that should be managed…*". Some Board members have made additional statements, with Governor Díaz de León mentioning that: "*…it is important to reverse the factors that led to the downgrade…*". Deputy Governor Heath stated that: "*…to try and start a new easing cycle before everything that's happening is clarified, in the midst of so many risks and uncertainties, would be counterproductive…"*. On the increase in trade tensions and the threat of tariffs to Mexico by the US, we believe that the possibility of an imposition of these measures has not been eliminated. This challenging context leads us to believe that the Board will maintain a prudent stance, still looking for possible developments regarding Pemex and the Federal Government's efforts to bolster economic fundamentals.

Regarding inflation, the headline component stood at 4.28% yoy in May from 4.41% in the previous month, which was the highest print year-to-date. In addition, core inflation also improved to 3.77% from 3.87%. Considering these dynamics, both measures will probably match Banxico's latest estimates for 2Q19 on average at 4.3% and 3.8%, respectively. However, the balance of risks will likely remain tilted to the upside, given that –according to the central bank– there is evidence of second-round pressures from higher wage revisions, as well as other risks such as uncertainty behind some of the main drivers of inflation in the last few months.

On growth, GDP in 1Q19 was revised down to 1.2% yoy nsa from 1.3% in the preliminary print, reaffirming weakness at the start of the year that could extend further into the year even as the period was impacted by the materialization of adverse and temporary shocks. Since then, reports for April, particularly industrial production, points to some rebound. Nevertheless, forward-looking indicators such as IMEF's PMIs showed a bleaker picture in May. If confirmed by hard data, this could result in a further lowering of growth expectations for the year. Considering this, we will also focus on Banxico's opinion on the impact of the output gap, particularly after the minutes showed that: "*…some members highlighted the risk that the widening of economic slack does not translate into lesser pressures on inflation…*".

All in all, we expect Banxico to remain prudent mainly due to high uncertainty that increases financial stability risks. We believe these concerns are enough for maintaining a hawkish bias, even if growth and inflation seem to be trending towards allowing the central bank to start an easing cycle soon. In our view, the monetary authority will stay vigilant to see how these unravel. As a result of our expectation that some of these risks will diminish gradually, the more dovish stance by the Fed, and that inflation will reestablish its downward trend in a context of muted growth, we maintain our call that Banxico will have room to cut the reference rate by 25bps in its November 14th meeting.

Trade balance to show resiliency in manufacturing. We expect a US$1,030.4 million deficit in May after three consecutive months with a surplus. We estimate exports to grow 4.5% yoy from a strong print of 6.1% in the previous month, while imports would accelerate to 3.1% from 1.6%. In our view, manufacturing is likely to have held up relatively well after its strong advance in April. In particular, exports in this category would grow 6% from 7.8% in the previous month, while non-oil intermediate-goods imports (closely related to supply-chain dynamics in the sector) are estimated at 4.5% from 3.5% previously. As a result, the surplus between these two items would fall from US$ 8,131.5 to 6,125 million between April and May, helping explain to a great extent the overall result.

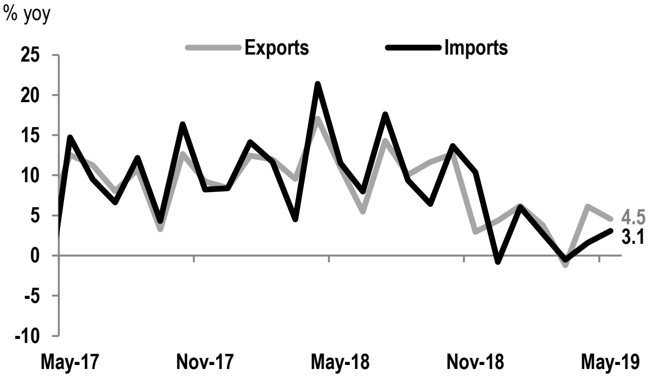
On the other hand, we expect the oil balance to improve at the margin, anticipated at a US$ 1,906.4 million deficit from –US$2,082.4 million in April. Exports would remain a heavy drag, both because of lower volumes and prices, with the Mexican oil mix falling 2.9% yoy with an average price of 62.2 US$/bbl, mostly driven by a more challenging base-effect.

In this respect, the balance improvement would come from a modest performance of imports, estimated at only 0.1%. Available data suggests a significant pickup in gasoline volumes, albeit moderated by the 9.3% yoy decline in price in the US. Nevertheless, consumption-goods imports would rise 8.9% after the 10.6% advance in April. On the contrary, intermediate goods would fall 4.5%, with a similar drag than exports from a base effect as this category grew 53.6% in the same period of 2018. Nevertheless, the 12-month rolling balance is likely to keep deteriorating at a deficit of US$ 23,906.4 million, marking a new historical low.

The non-oil balance would reach US$ 876 million surplus from US$ 3,452.6 million in the previous month. As already mentioned, this would be mostly due to higher imports, reflecting dynamism in manufacturing but also a better performance in consumption, which is expected to advance 3.9% yoy. Regarding the former, the auto sector exhibited a stronger performance, advancing 5.6% yoy, its highest year-to-date. According to US IP, manufacturing was also better, printing its first increase so far in 2019 on an annual basis. On the latter, it is our take that after two consecutive months with negative growth, non-oil consumption goods are likely to rebound.

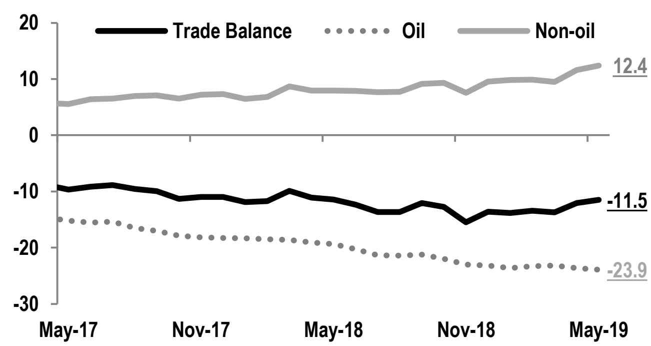
Our expectation of higher imports, driven by manufacturing and consumption, would be welcome as a tentative sign of stronger activity, despite an environment of high uncertainty which is likely to remain as a headwind for stronger dynamism.

Exports and Imports
% yoy



Source: INEGI, Banorte

Trade balance
US$ billion, 12-month rolling sum



Source: INEGI, Banorte

Banking credit will show a 6.1% yoy increase in May. It is our take that credit to the non-financial sector continued flowing in the fifth month of 2019. In particular, we estimate a 6.1% yoy expansion in real terms as a result of a 1.7% increase in consumer credit, coupled with a 5.9% and 7.8% expansion in mortgages and corporate credit, in the same order.

MoF’s public finance report (May). In this report, attention will center on the public balance as well as on the PSBRs. It should be noted that the public deficit as of the end of April stood at +MXN$38.0bn, better than the MXN$41.6bn forecasted deficit. In addition, attention will focus on revenues and spending, especially when compared to the update in the *2020 Macroeconomic Forecasts* from the Ministry of Finance. Finally, we will also look into public debt, which as of April stands at MXN$10.4tn, equivalent to 41.7% of GDP (as measured by the HBPSBRs).

Analyst Certification.

We, Gabriel Casillas Olvera, Delia Maria Paredes Mier, Alejandro Padilla Santana, Manuel Jiménez Zaldívar, Tania Abdul Massih Jacobo, Katia Celina Goya Ostos, Juan Carlos Alderete Macal, Víctor Hugo Cortes Castro, Marissa Garza Ostos, Miguel Alejandro Calvo Domínguez, Hugo Armando Gómez Solís, Gerardo Daniel Valle Trujillo, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Santiago Leal Singer, Francisco José Flores Serrano, Francisco Duarte Alcocer, Jorge Antonio Izquierdo Lobato and Leslie Thalía Orozco Vélez, 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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., *through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.*

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	*When the share expected performance is greater than the MEXBOL estimated performance.*
HOLD	*When the share expected performance is similar to the MEXBOL estimated performance.*
SELL	*When the share expected performance is lower than the MEXBOL estimated performance.*

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

BANORTE

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 Godinez	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
Katia Celina Goya Ostos	Senior, Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Juan Carlos Alderete Macal, CFA	Senior Economist, Mexico	juan.alderete.macal@banorte.com	(55) 1103 - 4046
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
Francisco Duarte Alcocer	Analyst, Global Economist	francisco.duarte.alcocer@banorte.com	(55) 1103 - 4000 x 2707
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
Santiago Leal Singer	FX Senior Strategist	santiago.leal@banorte.com	(55) 1670 - 2144
Leslie Thalía Orozco Vélez	Fixed Income and FX Strategist	leslie.orozco.velez@banorte.com	(55) 5268 - 1698

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
Jorge Antonio Izquierdo Lobato	Analyst	jorge.izquierdo.lobato@banorte.com	(55) 1670 - 1746
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	hugoa.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Manager, 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.ceballos@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
Víctor Antonio Roldan Ferrer	Head of Corporate Banking	victor.roldan.ferrer@banorte.com	(55) 5004 - 1454