

Mexico City, July 6th, 2022

S&P Global Ratings affirmed Mexico's credit rating and revised its outlook from negative to stable

- **The rating agency revised Mexico's credit outlook from negative to stable and ratified Mexico's long-term sovereign debt rating at BBB, two levels above the investment grade.**
- **In spite of the global context, the agency highlights the fiscal and monetary prudence expected during this Administration, and the stability of debt as percentage of GDP.**
- **With this announcement, four agencies have upgraded Mexico's outlook to stable, and six agencies ratified its rating so far this year.**

S&P Global Ratings revised Mexico's outlook from negative to stable and affirmed Mexico's long-term sovereign debt rating in foreign and local currency at BBB and BBB+, respectively.

The rating agency expects Mexico to continue with cautious fiscal and monetary management in the remainder of the Administration. The agency highlights that the Government of Mexico prioritizes policies that maintain sound public finances and debt levels below 50% of GDP, which will help to preserve a stable macroeconomic environment.

The agency pointed out the country's sound external position and macroeconomic balances. S&P recognized the low current account deficit

supported by foreign direct investment flows, the flexible exchange rate regime, a credible monetary policy, as well as a diversified debt portfolio mainly issued in local currency.

Despite potential risks, such as inflationary pressures and the end of the US accommodative monetary policy, the rating agency recognized Mexico's prudent macroeconomic management. On the other hand, S&P emphasized that investment levels should improve, as well as other elements that could increase the country's rating.

This outlook improvement along with the sovereign debt rating ratification foster a continued favorable access to international and national markets.

You can find the complete document of the credit rating agency in the following link:

https://www.finanzaspublicas.hacienda.gob.mx/work/models/Finanzas_Publicas/docs/ori/Ingles/Credit_Ratings/Federal/S&P_Mexico_Affirmation&Improvement_22-07-06.pdf
