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SECRETARÍA DE HACIENDA
Y CRÉDITO PÚBLICO

AMENDMENT TO THE GOVERNMENT SECURITIES AUCTION

Second Quarter of 2016

GOVERNMENT SECURITIES AUCTION CALENDAR

- On April 11, 2016, the Central Bank notified the Federal Government the amount to be transferred of 239,093.8 million pesos (mp) regarding the operating surplus that corresponds to the 2015 fiscal year.
- In accordance with the Budget and Fiscal Responsibility Federal Law (LFPRH), 70% of the operating surplus will be used by the Federal Government to reduce its debt as follows:
 - 1) A reduction in local debt issuance of at least 64,000 mp.
 - 2) A repurchase of government securities for up to 103,000 mp. Details will be disclosed by the Ministry of Finance before each transaction.
- These actions will improve the amortization profile of the Federal Government and strengthen public finances.
- In this context, the Ministry of Finance announces the amendment to the government securities auction calendar for the second quarter of 2016. These modifications will take effect starting on May 2016.

GOVERNMENT SECURITIES AUCTION CALENDAR

Modifications in the Government Securities Auction Calendar for the Second Quarter 2016:

- The amount to be issued for 3-year Fixed-Rate Bonds will be reduced by 1,500 million pesos (mp) in each auction.
- The amount to be issued for 5 and 10-year Fixed-Rate Bonds will be reduced by 1,000 mp in each auction.
- The amount to be issued for 20 and 30-year Fixed-Rate Bonds will be reduced by 500 mp in each auction.
- The amounts to be issued for 3, 10 and 30-year Udibonos will be reduced by 50 million udis in each auction.
- The amounts to be issued for 5-year Bondes D will be reduced by 1,500 mp in each auction.

As a result, the Ministry of Finance will reduce its debt issuance in the domestic market by at least 17,400 mp during the second quarter. The auction calendars for the third and fourth quarter will be announced at the end of June and September, respectively.

The auctions of Cetes, Fixed-Rate Bonds, Udibonos and Bondes D during the rest of the second quarter of 2016 will have the following characteristics:

SUBASTA DE VALORES GUBERNAMENTALES

Government Securities Auction for the Remaining Period of the Second Quarter of 2016 Offered Amounts for each Auction (million pesos)

Instrument	Frequency	Original	Modified	Change
Cetes				
28-day Cetes	Weekly range	min. 4,000	min. 4,000	-
		max. 11,000	max. 11,000	
91-day Cetes	Weekly range	min. 7,000	min. 7,000	-
		max. 14,000	max. 14,000	
182-day Cetes	Weekly	11,000	11,000	-
364-day Cetes	Every 4 weeks	11,000	11,000	-
Fixed-Rate Bonds				
3-year Bond	Every 4 weeks	9,000	7,500	-1,500
5-year Bond	Every 4 weeks	8,500	7,500	-1,000
10-year Bond	Every 6 weeks	8,000	7,000	-1,000
20-year Bond	Every 6 weeks	3,000	2,500	-500
30-year Bond	Every 6 weeks	2,500	2,000	-500
Udibonos (Million Udis)				
3-year Udibono	Every 4 weeks	800	750	-50
10-year Udibono	Every 4 weeks	700	650	-50
30-year Udibono	Every 4 weeks	450	400	-50
Bondes D				
5-year Bondes D	Every 2 weeks	4,500	3,000	-1,500

GOVERNMENT SECURITIES AUCTION CALENDAR

Auction's Calendar for May – June 2016

Date	Fixed Short Term	Fixed Long Term	Inflation-Indexed	Floating
May 3 rd , 2016	28, 91 and 182-day Cetes	3-year Bond Code: M 191211	3-year Udibono Code: S 190613	
May 10 th , 2016	28, 91 and 182-day Cetes	10-year Bond Code: M 260305		5-year Bondes D
May 17 th , 2016	28, 91 and 182-day Cetes	5-year Bond Code: M 210610	10-year Udibono Code: S 251204	
May 24 th , 2016	28, 91, 182 and 364-day Cetes	20-year Bond Code: M 341123	30-year Udibono Code: S 461108	5-year Bondes D
May 31 st , 2016	28, 91 and 182-day Cetes	3-year Bond Code: M 191211	3-year Udibono Code: S 190613	
June 7 th , 2016	28, 91 and 182-day Cetes	30-year Bond Code: M 421113		5-year Bondes D
June 14 th , 2016	28, 91 and 182-day Cetes	5-year Bond Code: M 210610	10-year Udibono Code: S 251204	
June 21 st , 2016	28, 91, 182 and 364-day Cetes	10-year Bond Code: M 260305	30-year Udibono Code: S 461108	5-year Bondes D
June 28 th , 2016	28, 91 and 182-day Cetes	3-year Bond Code: M 191211	3-year Udibono Code: S 190613	

GOVERNMENT SECURITIES AUCTION CALENDAR

Other Transactions

- The LFPRH states that the Ministry of Finance and Public Credit must disclose in the fourth quarter report of the current fiscal year the specific use of the operational surplus from the Central Bank, as well as the impact on the Borrowing Requirements and Historical Balance of the Public Sector (BRHBPS).
- Additionally, in order provide full transparency regarding the use of these resources, the Ministry of Finance and Public Credit will disclose, in each of the quarterly reports presented to Congress, the progress regarding the use of the resources and its impact on public finances.
- The Administration of President Enrique Peña Nieto has stressed its commitment to manage public debt responsibly and maintain healthy public finances, in order to facilitate and promote growth in favor of mexican families.

GOVERNMENT SECURITIES AUCTION CALENDAR

Debt placements by Banco de México

Banco de México intends to maintain issuance sizes at current levels along with preannounced tentative actions as previously stated on March 30, on the auction schedule calendar for the second quarter of 2016.

Bondes D

The weekly amount of Bondes D to be offered will remain unchanged at 1,500 million pesos.

Cetes

Banco de México will rollover up to 50,000 million pesos of the Cetes issued for monetary purposes that mature this quarter. The dates of the auctions and the maturity of the Cetes to be offered will be published in the offering announcement.

GOVERNMENT SECURITIES AUCTION CALENDAR

Debt placements by Banco de México

Outright coupon purchase operations

Banco de México acting on its own, in coordination with the Ministry of Finance, could execute outright purchases of Government Securities that mature on June 16, 2016. The purpose of these operations would be to smooth out the monetary effect of the amortization of these securities and thus improve the efficiency of liquidity operations that the Central Bank carries out in the money market on a daily basis. The dates and amounts of these operations would be made public in each operation announcement.

BREM R exchange auctions

During the next quarter Banco de México will execute exchange auctions between BREMS R and monetary regulation deposits. The dates and amounts of these operations will be made public in each operation announcement.

These actions are neutral from the stand point of Banco de México's monetary policy stance and as such do not lead to a change in the overnight interbank rate.

GOVERNMENT SECURITIES AUCTION CALENDAR

IPAB's 2016 2nd Quarter Auction Program

Regarding IPAB's auction program for the second quarter of 2016, there will be no changes to the program announced on March 30th. Therefore, the weekly target amount of Savings Protection Bonds to be auctioned remains at 3,700 million pesos, distributed as follows:

- 1,300 million pesos for the 3 year BPAG28;
- 1,300 million pesos for the 5 year BPAG91; and
- 1,100 million pesos for the 7 year BPA182.

GOVERNMENT SECURITIES AUCTION CALENDAR

Petróleos Mexicanos' Issuances

Pemex' Financing Program for local market transactions (CEBURES) will not present modifications to the announcements given on March 30, for the second quarter of 2016.

Therefore, local market transactions will assess the possibility of additional issuances, reopening issued securities and potentially conducting liability management exercises, which could improve liquidity and the price discovery process. Pemex will be sensitive to market volatility, investors appetite and liquidity, consequently, the company could raise up to MXN 15 billion during the quarter.

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