



SHCP

SECRETARÍA DE HACIENDA
Y CRÉDITO PÚBLICO

Quarterly Government Securities Auction Calendar

First Quarter of 2018

Government Securities Auction Calendar

- The Ministry of Finance and Public Credit (SHCP) announces the government securities auction calendar for the first quarter of 2018 (1Q 2018), which will take effect on the first auction of the quarter.
- The auction calendar is part of the public debt policy outlined in the Annual Borrowing Plan for 2018 (ABP 2018)^{1/}, which is consistent both with the multi-year fiscal consolidation strategy and the Economic Program.^{2/}

^{1/}http://finanzaspublicas.hacienda.gob.mx/es/Finanzas_Publicas/Paquete_Economico_y_Presupuesto

^{2/}<http://www.ppef.hacienda.gob.mx/>

Government Securities Auction Calendar

The quarterly auction program for 1Q 2018 incorporates minor adjustments in relation to the amounts auctioned during 4Q 2017. In this regard, it is highlighted that the amounts to be placed in the middle part of the curve increase slightly, while those in the long part remain unchanged.

As a result of the adjustments made to the auction program, the total amount of placement returns to levels close to those of the program that was executed in the first half of 2017 before the adjustments made due to the use of the resources of the Central Bank Operating Surplus (CBOS) in 2017.

In addition to the above, it should be noted that as in previous quarters, a proactive and flexible strategy will be followed to take advantage of windows of opportunity that allow to strengthen the Federal Government's debt portfolio.

Below is the government securities auction program for 1Q 2018 that makes up the public debt strategy.

Government Securities Auction Calendar

Cetes

- The amounts to be auctioned by Cetes remain unchanged in all terms compared to the amounts auctioned in 4Q 2017.
- For the Cetes with a term of 28 and 91 days, the flexibility within the announced range will continue to be used with the purpose of attending to the changes derived from the seasonality in the Treasury of the Federation. The specific amount to be auctioned each week will be released in the corresponding auction announcements through the Central Bank.
 - The 28-day Cetes will have a minimum of 4,000 and a maximum of 11,000 million pesos and the first auction of the quarter will be for 11,000 million pesos.
 - The 91-day Cetes will have a minimum of 7,000 and a maximum of 14,000 million pesos and the first auction of the quarter will be for 14,000 million pesos.
- For 182-day Cetes, the amount to be auctioned will be 11,500 million pesos.
- For 364-day Cetes, the amount to be auctioned will be 12,500 million pesos.

Government Securities Auction Calendar

Fixed-Rate Bonds (Bonos M)

- The amount to be auctioned of 3 year Bono M changes from 8,000 to 8,500 million pesos, for the term of 5 years from 8,000 to 8,500 million pesos and in its term of 10 years it will adjust from 8,500 to 9,000 million pesos.
- The amounts in terms of 20 and 30 years will remain unchanged at 2,500 and 3,500 million pesos, respectively.

Inflation-Linked Bonds (Udibonos)

- The amount to be auctioned of 3 year Udibonos changes from 750 to 950 million udis, for the term of 10 years goes from 600 to 700 million udis and in its term of 30 years the amount will remain unchanged at 400 million udis.
- The SHCP will carry out auctions of segregated Udibonos when it perceives interest of investors to acquire this type of instrument. In this case, the amount and date of the auction will be announced in the corresponding call.

Floating Rate Notes (Bondes D)

- The amount to be auctioned of 5 year Bondes D is modified from 3,750 to 4,500 million pesos in each auction.

Government Securities Auction Calendar

The auctions of Cetes, Bonos M, Udibonos and Bondes D that will be carried during the first quarter of 2018 will have the following characteristics:

Government Securities Auction for 1Q 2018
Amounts Offered by Auction

Instrument	Periodicity	1Q 2017	4Q 2017	1Q 2018
Cetes (million pesos)				
28-day Cetes	Weekly	min. 4,000	min. 4,000	min. 4,000
		max. 11,000	max. 11,000	max. 11,000
91-day Cetes	Weekly	min. 7,000	min. 7,000	min. 7,000
		max. 14,000	max. 14,000	max. 14,000
182-day Cetes	Weekly	11,500	11,500	11,500
364-day Cetes	Every 4 weeks	11,500	12,500	12,500
Bonos M (million pesos)				
3-year Bono M	Every 4 weeks	8,500	8,000	8,500
5-year Bono M	Every 4 weeks	8,500	8,000	8,500
10-year Bono M	Every 6 weeks	8,000	8,500	9,000
20-year Bono M	Every 6 weeks	2,000	2,500	2,500
30-year Bono M	Every 6 weeks	3,000	3,500	3,500
Udibonos (million udis)				
3-year Udibono	Every 4 weeks	950	750	950
10-year Udibono	Every 4 weeks	700	600	700
30-year Udibono	Every 4 weeks	300	400	400
Bondes D (million pesos)				
5-year Bondes D	Every 2 weeks	4,500	3,750	4,500

Government Securities Auction Calendar

Government Securities Auction Calendar for January-March 2018

Date	Fixed Short Term	Fixed Long Term	Inflation-Indexed	Floating
January 2, 2018	Cetes 1, 3, 6 y 12 months	20 years Bono M Code: M 381118	30 years Udibono Code: S 461108	5 years Bondes D Code: LD 221110
January 9, 2018	Cetes 1, 3 y 6 months	3 years Bono M Code: M 200611	3 years Udibono Code: S 201210	
January 16, 2018	Cetes 1, 3 y 6 months	30 years Bono M Code: M 471107		5 years Bondes D Code: LD 230105
January 23, 2018	Cetes 1, 3 y 6 months	5 years Bono M Code: M 220609	10 years Udibono Code: S 281130	
January 30, 2018	Cetes 1, 3, 6 y 12 months	10 years Bono M Code: M 270603	30 years Udibono Code: S 461108	5 years Bondes D Code: LD 230105
February 6, 2018	Cetes 1, 3 y 6 months	3 years Bono M Code: M 200611	3 years Udibono Code: S 201210	
February 13, 2018	Cetes 1, 3 y 6 months	20 years Bono M Code: M 381118		5 years Bondes D Code: LD 230105
February 20, 2018	Cetes 1, 3 y 6 months	5 years Bono M Code: M 220609	10 years Udibono Code: S 281130	
February 27, 2018	Cetes 1, 3, 6 y 12 months	30 years Bono M Code: M 471107	30 years Udibono Code: S 461108	5 years Bondes D Code: LD 230105
March 6, 2018	Cetes 1, 3 y 6 months	3 years Bono M Code: M 200611	3 years Udibono Code: S 201210	
March 13, 2018	Cetes 1, 3 y 6 months	10 years Bono M Code: M 270603		5 years Bondes D Code: LD 230309
March 20, 2018	Cetes 1, 3 y 6 months	5 years Bono M Code: M 220609	10 years Udibono Code: S 281130	
March 26, 2018^{1/}	Cetes 1, 3, 6 y 12 months	20 years Bono M Code: M 381118	30 years Udibono Code: S 461108	5 years Bondes D Code: LD 230309

^{1/} The auction of March 26, 2018 will be held on Monday due to the non-working days of the week.

IMPORTANT: In case of placing an instrument through the syndicated auction method, the syndicated instrument will substitute the title to be placed in the primary auctions.

Syndicated Auctions

- In congruence with the ABP 2018, the SHCP will evaluate the convenience of carrying out syndicated auctions. In particular, during 2018, the execution of syndicated auctions for the introduction of new benchmarks securities will be considered:
 - ✓ 3 year Bono M.
 - ✓ 5 year Bono M.
- During the first quarter, SHCP will analyze the convenience of introducing these new benchmarks in the market.
- Finally, the amounts placed through syndicated auctions will be in addition to the amounts announced in the quarterly auction program. In case of placing a new benchmark, the following primary auctions related to the term placed would continue with the reopening policy.

Mechanism for liability management

- According to the ABP 2018, the indebtedness strategy contemplates the execution of government securities liability management operations to improve the maturity profile and increase the efficiency of the Federal Government's debt portfolio.
- At least one liability management operation per quarter will be sought, if provided that the market conditions are adequate.
- In this regard, when market conditions are adequate, the SHCP may use the tools at its disposal to improve the maturity profile, increase the efficiency of the Federal Government's debt portfolio and strengthen the new benchmark issues. The following tools stand out:
 - Swap transactions.
 - Repurchase and complementary auctions of government securities as a mechanisms for liability management.^{3/}

^{3/}The additional government securities placement auctions will be used only as part of the liabilities management operations and not to make additional placements to those contemplated in the government securities auction program.

Strengthening the Figure of Market Makers - Changes to the figure of FM

- As part of the SHCP's effort to maintain an active communication with the participants in the local debt market, during 2017 it participated in different working groups to identify areas for improvement in the functioning and liquidity of the market.
- As part of this project, changes were identified to strengthen the Market Makers program. In particular, as of 1Q 2018, the following modifications will be made:
 - Separation of the Figures of Market Makers of Bonds and Market Makers of Udibonos.
 - Securities loan open for both figures.
 - Without increasing the obligations of the Market Makers, incentives will be introduced in the calculation of the Market Makers Index to promote the liquidity of government securities in the secondary market.
 - Allow the incorporation of new participants to the figure of FM every month.
 - In line with the strategy of strengthening the figure of Market Makers and the local debt market, in November 2017 the Government Securities Market Formers acquired the commitment to adhere to the new Code of Conduct for the Money Market and Fixed Income in Mexico. ^{/1}

^{1/} https://www.gob.mx/cms/uploads/attachment/file/271541/C_digo_de_Conducta.pdf

Debt Issuance by Banco de México

Bondes D:

The amount of Bondes D to be offered on a weekly basis will remain unchanged at 4.5 billion pesos. The maturities and amounts to be auctioned during the first quarter of 2018 are as follows:

- 1-year: 1.5 billion pesos on a weekly basis.
- 3-year: 1.5 billion pesos on a weekly basis.
- 5-year: 1.5 billion pesos on a weekly basis.

Cetes:

Banco de México will not place Cetes through extraordinary auctions during the coming quarter.

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

IPAB's 2018 1st Quarter Auction Program

In accordance with the ABP 2018 approved by IPAB's Governing Board for 2018, the Institute will increase in 300 million pesos its weekly offering of Savings Protection Bonds, for the first quarter of 2018, as follows:

- Increases in 100 million pesos the weekly objective amount to 1,600 million pesos for the 3 years BPAG28;
- Increases in 100 million pesos the weekly objective amount to 1,600 million pesos for the 5 years BPAG91; and
- Increases in 100 million pesos the weekly objective amount in 1,200 million pesos for the 7 years BPA182.

Thus, the weekly target amount to be auctioned by the IPAB will be 4,400 million pesos. This program is consistent with the objective of keeping IPAB's liabilities from growing in real terms.

IPAB's 2018 1st Quarter Auction Program

TARGET AMOUNT BY AUCTION ISSUE CODE

SCHEDULE OF AUCTIONS FOR THE FIRST QUARTER OF 2018

4,400 4,400 4,400 4,400 4,400 4,400 4,400 4,400 4,400 4,400 4,400 4,400 4,400

IM201112 1,600	IM201112 1,600	IM201112 1,600	IM201112 1,600	IM201112 1,600	IM201112 1,600	IM210211 1,600	IM210211 1,600	IM210211 1,600	IM210211 1,600	IM210211 1,600	IM210211 1,600	IM210211 1,600
IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600	IQ221229 1,600
IS240905 1,200	IS240905 1,200	IS240905 1,200	IS240905 1,200	IS240905 1,200	IS240905 1,200	IS240905 1,200	IS240905 1,200	IS240905 1,200	IS240905 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200
03 jan	10 jan	17 jan	24 jan	31 jan	07 feb	14 feb	21 feb	28 feb	07 mar	14 mar	21 mar	27 mar

Amounts in millions of pesos.

Petróleos Mexicanos

- Petróleos Mexicanos (PEMEX) financing program for 2018 is in line with was authorized by the Congress of the Union and the Board of Directors of Petróleos Mexicanos, that established an internal net indebtedness ceiling of 30 billion pesos.
- In 2018, the domestic financing program will maintain flexibility to adapt to the conditions prevailing in the financial markets. In this sense, during the first quarter of the year, the company will consider to carry out transactions aimed at strengthening its financial position, while seeking a prudent balance between risk and cost.
- The program is strengthened by syndicated credit lines and revolving credit facilities, in addition to the issuance of bonds in the debt markets. Furthermore, and in light of the tools provided by the Energy Reform, PEMEX will analyze resorting to diverse and non-traditional sources of financing, striving to decrease funding costs and diversifying the investor base.
- The 2018 strategy also considers carrying out liability management transactions to contribute to the market development and improve the company's debt amortization profile for the following years.

Petróleos Mexicanos

- Issuances will be carried out through the communicating vessels mechanism in different formats, such as variable rate, nominal fixed rate and real fixed rate.
- PEMEX will carry out these issuances with financial institutions designated in accordance with their performance as Market Makers.
- In case the company conducts any issuance, corresponding amounts and dates will be made available through the respective public offering announcements.
- Finally, for the purpose of widening and diversifying the investor base, PEMEX's debt issued in local currency, could be offered and settled through international custodian platforms.

www.gob.mx/shcp/en