



SHCP

SECRETARÍA DE HACIENDA
Y CRÉDITO PÚBLICO

Quarterly Government Securities Auction Calendar

Fourth Quarter 2018

Government Securities Auction Calendar

- The Ministry of Finance and Public Credit (SHCP) announces the government securities auction calendar for the fourth quarter 2018 (4Q 2018), which will take effect on the first auction of the quarter.
- The auction calendar is part of the public debt policy of 2018, which is consistent with both the multi-year fiscal consolidation strategy and the Economic Program 2018 approved by the Congress and with the Annual Borrowing Plan (ABP) 2018.^{1/}
- The Federal Government's public debt policy will follow a proactive and flexible strategy during the 4Q 2018 in order to continue strengthening the public finance and the macroeconomic foundations of the country.

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

Government Securities Auction Calendar

- During the 4Q 2018, the SHCP will maintain the same average auction amount for each instrument with respect to the previous quarter.
- However, anticipating the seasonality of the demand and the decrease in the activity of investors in the financial markets in the last weeks of the year, the 4Q 2018 program considers an increase per instrument in the auction amounts, for both Fixed-Rate Bonds (Bonos M) and Inflation-Linked Bonds (Udibonos) during the months of October and November with a decrease in the same magnitude during the month of December.
- For Cetes, the placement program for the 4Q 2018 maintains the flexibility announced during the last quarter in the ranges to be auctioned for all maturities, in order to respond to changes arising from the seasonality of the Treasury Account and market conditions.

Government Securities Auction Calendar

Below is the government securities auction program for 4Q 2018:

Cetes

- The range of amounts will be maintained for all Cetes terms with a minimum of 5,000 and a maximum of 15,000 million pesos (mp).

Instrument	Periodicity	3Q Range (mp)	4Q Range (mp)	Δ 4Q VS 3Q
28-day Cetes	Weekly	min 5,000	min 5,000	-
		max 15,000	max 15,000	-
91-day Cetes	Weekly	min 5,000	min 5,000	-
		max 15,000	max 15,000	-
182-day Cetes	Weekly	min 5,000	min 5,000	-
		max 15,000	max 15,000	-
1-year Cetes	Every 4 weeks	min 5,000	min 5,000	-
		max 15,000	max 15,000	-

- The amount to be auctioned will be released in the corresponding auction announcements through Banco de Mexico.
- The first auction of the quarter, which includes Cetes with terms of 28, 91 and 182 days, will be for an amount of 7,000, 11,000 and 11,000 million pesos, respectively.

Floating Rate Notes (Bondes D)

- The amount to be auctioned of 5-year Bondes D remains unchanged at 5,000 mp.

Government Securities Auction Calendar

Fixed-Rate Bonds (Bonos M)

- In the 4Q 2018, the amounts of M Bonds to be auctioned weekly will be adjusted.
- Considering the seasonality of the demand for government securities and the low activity by investors in the financial markets during the last weeks of the year, in the months of October and November the amounts to be auctioned will increase and during the month of December they will decrease in the same magnitude.
- Thus, the average amount to auction per instrument will remain unchanged with respect to the previous quarter.

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
3-year M Bond M 211209	16-oct-18	9,000	+500
	13-nov-18	9,000	+500
	10-dec-18	7,500	-1,000
	Average Amount	8,500	-

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
5-year M Bond M 231207	02-oct-18	9,000	+500
	30-oct-18	9,000	+500
	27-nov-18	9,000	+500
	24-dec-18	7,000	-1,500
	Average Amount	8,500	-

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
10-year M Bond* M 270603	09-oct-18	9,000	0
	20-nov-18	9,000	0
	Average Amount	9,000	-

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
20-year M Bond M 381118	23-oct-18	2,500	+500
	04-dec-18	1,500	-500
	Average Amount	2,000	-

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
30-year M Bond M 471107	06-nov-18	3,500	+500
	18-dec-18	2,500	-500
	Average Amount	3,000	-

* For the 10-year M Bond changes are not considered because there will be no auctions during the month of December. Amounts in million pesos.

Government Securities Auction Calendar

Inflation-Linked Bonds (Udibonos)

- In 4Q 2018, the amounts to be auctioned weekly for Udibonos will be adjusted.
- As for the M Bond program, due to the little activity that occurs in the financial markets at the end of the year, during the months of October and November the placement amounts will increase and during the month of December they will decrease in the same magnitude.
- Thus, the average amount to auction per instrument will remain unchanged with respect to the previous quarter.

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
3-year Udibono S 220609	16-oct-18	1,000	+50
	13-nov-18	1,000	+50
	10-dec-18	850	-100
	Average Amount	950	-

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
10-year Udibono S 281130	02-oct-18	800	+100
	30-oct-18	800	+100
	27-nov-18	800	+100
	24-dec-18	400	-300
	Average Amount	700	-

Instrument	Auction Date	Auction Amount	Δ 4Q VS 3Q
30-year Udibono S 461108	09-oct-18	450	+50
	06-nov-18	450	+50
	04-dic-18	300	-100
	Average Amount	400	-

Government Securities Auction Calendar

Government Securities Auction Calendar October-December 2018

Instrument	02-oct-18	09-oct-18	16-oct-18	23-oct-18	30-oct-18	06-nov-18	13-nov-18	20-nov-18	27-nov-18	04-dec-18	10-dec-18	18-dec-18	24-dec-18	
Fixed Short Run (mp)	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	28-day Cetes	
	The amount will have a range of 5,000 to 15,000 mp													
	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	91-day Cetes	
	The amount will have a range of 5,000 to 15,000 mp													
	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes	182-day Cetes
	The amount will have a range of 5,000 to 15,000 mp													
		1-year Cetes					1-year Cetes				1-year Cetes			
The amount will have a range of 5,000 to 15,000 mp														
Fixed Long Run (mp)	5-year M Bond	10-year M Bond	3-year M Bond	20-year M Bond	5-year M Bond	30-year M Bond	3-year M Bond	10-year M Bond	5-year M Bond	20-year M Bond	3-year M Bond	30-year M Bond	5-year M Bond	
	9,000	9,000	9,000	2,500	9,000	3,500	9,000	9,000	9,000	1,500	7,500	2,500	7,000	
Inflation-Linked (mu)	10-year Udibono	30-year Udibono	3-year Udibono		10-year Udibono	30-year Udibono	3-year Udibono		10-year Udibono	30-year Udibono	3-year Udibono		10-year Udibono	
	800	450	1,000		800	450	1,000		800	300	850		400	
Floating Rate (mp)		5-year Bondes D		5-year Bondes D		5-year Bondes D		5-year Bondes D		5-year Bondes D		5-year Bondes D		
		5,000		5,000		5,000		5,000		5,000		5,000		
Net Amount (mp)	28,884	36,747	30,105	22,500	28,884	31,247	30,105	29,000	28,884	28,332	27,689	22,500	24,442	

Note: The net amount is calculated with UDI value of 6.105185, as well as the minimum amount of the range auctions.

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.

Mechanism for Liability Management

- 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.
- According to the ABP 2018, the SHCP will seek to carry out at least one liability management operation during the fourth quarter of 2018, always looking to improve the maturity profile and increase the efficiency of the Federal Government's debt portfolio.
- If any of these transactions should take place, the SHCP will release the announcement through Banco de Mexico with the specifications of the transaction.

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 fourth 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.

2018 4th Quarter Auction Program

In accordance with the Annual Borrowing Plan approved by IPAB's Governing Board for 2018, the Institute informs that for the fourth quarter of 2018, it maintains without changes the weekly objective amount of Savings Protection Bonds, as follows:

- It maintains without changes the weekly objective amount in 1,700 million pesos (mp) for the 3 year BPAG28;
- It maintains without changes the weekly objective amount in 1,700 mp for the 5 year BPAG91; and
- It maintains without changes the weekly objective amount in 1,200 mp for the 7 year BPA182.

Thus, the weekly target amount to be auctioned by the IPAB will be 4,600 mp. This program is consistent with the objective of keeping IPAB's liabilities from growing in real terms.

2018 4th Quarter Auction Program

TARGET AMOUNT BY AUCTION ISSUE CODE

SCHEDULE OF AUCTIONS FOR THE FOURTH QUARTER OF 2018

4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600
IM210812 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700	IM211111 1,700	IM211111 1,700	IM211111 1,700	IM211111 1,700	IM211111 1,700	IM211111 1,700	IM211111 1,700
IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700
IS250306 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200	IS251002 1,200
03 oct	10 oct	17 oct	24 oct	31 oct	07 nov	14 nov	21 nov	28 nov	05 dec	11 dec	19 dec	26 dec

Amounts in million pesos.

Petróleos Mexicanos

- Petróleos Mexicanos' (PEMEX) financing program for 2018 is in accordance with what was approved by the Mexican Congress and the company's Board of Directors.
- Nevertheless, according to the statement of Petróleos Mexicanos on september 12th, due to a more favorable economic environment for the oil and gas industry and through the application of a series of operating and commercial strategies, PEMEX expects to improve its 2018 financial balance as compared to the goal approved by the Congress, and to reduce its indebtedness rhythm.
- For the last quarter of the year, the domestic financing program will maintain flexibility to adapt to the conditions prevailing in the financial markets. PEMEX will analyze the possibility to carry out issuances that allow the company to strengthen its financial position, while continuing with the discipline implemented by the current management.
- The program considers syndicated credit lines and revolving credit facilities, in addition to bond issuances in the debt markets. Also, PEMEX can turn to non-traditional financing sources with the objective to decrease the funding cost and diversify its investor base.
- PEMEX's strategy also contemplates to continue with liability management transactions aimed at contributing to the development of the markets and improving the company's debt amortizations profile for the following years.

Petróleos Mexicanos

- Potential issuances will be made in different formats such as floating rate, nominal fixed rate and real fixed rate. Corresponding amounts and dates will be announced through the respective public offering notices.
- PEMEX will carry out these issuances with financial institutions designated in accordance with their performance as Market Makers.
- 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.

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