

SECRETARÍA DE HACIENDA



Quarterly Government Securities Auction Calendar

Third Quarter 2019

Government Securities Auction Calendar

- The Ministry of Finance and Public Credit (SHCP) announces the government securities auction calendar for the third quarter of 2019 (Q3 2019). The first auction of Q3 2019 will be take place in July.
- The auction calendar is in line with the 2019 Annual Borrowing Plan, as well as the public debt policy for 2019, and is consistent with the Economic Program approved by Congress for the fiscal year of 2019.
- The Federal Government's public debt policy will follow a proactive and flexible strategy during the Q3 2019, will seek to cover the financing needs favoring the local market, and will adjust to meet the public deficit targets in order to continue strengthening the macroeconomic fundamentals and public finance of the country.

Government Securities Auction Calendar

- For Cetes, the Q3 2019 auction program will maintain the ranges of the amounts to be auctioned with respect to the last quarter for all the maturities, this is in order to address changes arising from Federal Treasury's cash flow seasonality and from market conditions.
- The quarterly auction program for Q3 2019 incorporates adjustments in relation to the amounts auctioned during Q2 2019. In this regard, the increase in the average amount to be auctioned for the 3, 5, 10, 20 and 30-year M Bond reference stands out.
- With respect to the Udibonos, the average amounts to be placed during Q3 2019 incorporates adjustments in relation to the amounts auctioned during Q2 2019. There will be increases in the average amount to be auctioned for the 3, 10 and 30-year Udibonos reference.
- The average amount to be placed during Q3 2019 of Bondes D incorporates marginal adjustments in relation to the amounts auctioned during Q2 2019.

Government Securities Auction Calendar

In the following slides are the government securities auction program for Q3 2019:

Cetes

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

Instrument	Periodicity	Q2 19 Range (mp)	Q3 19 Range (mp)	Δ Q3 19 VS Q2 19
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 at its corresponding auction announcement through Banco de Mexico.
- The first auction of the quarter, which includes Cetes with maturities of 28, 91 and 182 days, will be for an amount of 7,000; 11,000 and 12,500 mp, respectively.

Floating Rate Notes (Bondes D)

- The amount to be auctioned of 5-year Bondes D will be 6,500 mp.

Government Securities Auction Calendar

M Bonds

- In Q3 2019, the 3, 5, 10, 20 and 30-year M Bonds average amount to be auctioned weekly will be adjusted.

Instrument	Auction Date	Auction Amount	VS Q2 2019
3-year M Bond M211209	23-jul	10,500	+800
	20-aug	10,500	
	17-sep	10,500	
Average		10,500	
Instrument	Auction Date	Auction Amount	VS Q2 2019
5-year M Bond M240905	09-jul	11,500	+1,500
	06-aug	11,500	
	03-sep	11,500	
Average		11,500	
Instrument	Auction Date	Auction Amount	VS Q2 2019
10-year M Bond M290531	30-jul	12,200	+2,000
	10-sep	12,200	
Average		12,200	
Instrument	Auction Date	Auction Amount	VS Q2 2019
20-year M Bond M381118	02-jul	3,700	+1,000
	13-aug	3,700	
	24-sep	3,700	
Average		3,700	
Instrument	Auction Date	Auction Amount	VS Q2 2019
30-year M Bond M471107	16-jul	5,000	+1,000
	27-aug	5,000	
Average		5,000	

Government Securities Auction Calendar

Inflation-Linked Bonds (Udibonos)

- The average amounts to be placed during Q3 2019 will increase for all maturities of Udibonos.

Instrument	Auction Date	Auction Amount	VS Q2 19
3-year Udibono S 220609	23-jul	1,125	+175
	20-aug	1,125	
	17-sep	1,125	
Average		1,125	
Instrumento	Auction Date	Auction Amount	VS Q2 19
10-year Udibono S 281130	09-jul	950	+150
	06-aug	950	
	03-sep	950	
Average		950	
Instrumento	Auction Date	Auction Amount	VS Q2 19
30-year Udibono S 461108	16-jul	600	+150
	13-aug	600	
	10-sep	600	
Average		600	

Government Securities Auction Calendar

Government Securities Auction Calendar Q3 2019

Auction Date	02-jul-19	09-jul-19	16-jul-19	23-jul-19	30-jul-19	06-aug-19	13-aug-19	20-aug-19	27-aug-19	03-sep-19	10-sep-19	17-sep-19	24-sep-19	
Settlement Date	04-jul-19	11-jul-19	18-jul-19	25-jul-19	01-aug-19	08-aug-19	15-aug-19	22-aug-19	29-aug-19	05-sep-19	12-sep-19	19-sep-19	26-sep-19	
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)	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	10-year M Bond	3-year M Bond	20-year M Bond	
	3,700	11,500	5,000	10,500	12,200	11,500	3,700	10,500	5,000	11,500	12,200	10,500	3,700	
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		
		950	600	1,125		950	600	1,125		950	600	1,125		
Floating Rate (mp)	5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes	
	6,500		6,500		6,500		6,500		6,500		6,500		6,500	
Net Amount* (mp)	25,200	32,446	35,255	32,542	33,700	32,446	33,955	32,542	26,500	32,446	42,455	32,542	25,200	

*/ Note: The net amount is calculated with an UDI value of 6.259159, as well as the minimum amount of the range auctions for Cetes.

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

- The SHCP will evaluate the convenience of carrying out syndicated auctions. During Q3 2019, the SHCP could place new references for M Bonds at a fixed rate, as well as Udibonos, subject to market conditions.
- In case of carrying out any of the operations mentioned above, the SHCP will release the announcement through Banco de Mexico along with the specifications of the transaction.
- The amounts placed through syndicated auctions will be in addition to the amounts announced in the Quarterly Government Securities Auction Calendar. In case of placing a new reference, the subsequent primary auctions of the term placed will continue with the reopening policy.

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.
- The SHCP might carry out a liability management operation during the third quarter of 2019, as long as the market conditions are favorable and always seeking 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

Banco de México anticipates a liquidity expansion in the financial system during the third quarter of 2019. In order to sterilize this expansion of liquidity, Banco de México will conduct any of the following operations:

Cetes:

Banco de México may carry out new placements of Cetes through extraordinary auctions during the coming quarter. The dates of the auctions and the maturity of the Cetes to be offered will be specified in each offering announcement.

Bondes D:

Banco de México may place additional Bondes D to the ones that are placed regularly on a weekly basis. These additional placements could be done either through an exchange of Bondes D that mature in the coming quarter for longer dated Bondes D, or through extraordinary auctions. The dates of the auctions for both types of operations, and the maturity of Bondes D to be offered, will be specified in each offering announcement.

The total amount that can be placed through the combined extraordinary operations, including the rollover of the Cetes maturing during the third quarter, will be up to 80 billion pesos.

Debt Issuance by Banco de México

In addition, the amount of Bondes D to be offered on a weekly basis by Banco de México will remain unchanged during the third quarter.

Bondes D:

The maturities and amounts to be auctioned during the third quarter of 2019 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.

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 2019 3rd Quarter Auction Program

- In accordance with the Annual Borrowing Plan approved by IPAB's Governing Board for 2019, the Institute informs that for the third quarter of 2019, it maintains without changes the weekly objective amount of Savings Protection Bonds, rebalancing the mix of instruments as follows:
 - The weekly offering of 3 year BPAG28 will decrease 100 million pesos (mp) from 1,700 mp to 1,600 mp;
 - The weekly offering of 5 year BPAG91 will decrease 100 mp, from 1,700 mp to 1,600 mp, and
 - The weekly offering of 7 year BPA182 will increase 200 mp, from 1,000 mp to 1,200 mp.
- Thus, the weekly target amount to be auctioned by the IPAB will continue to be 4,400 mp. This program is consistent with the objective of keeping IPAB's liabilities from growing in real terms.

IPAB's 2019 3rd Quarter Auction Program

TARGET AMOUNT BY AUCTION ISSUE CODE

SCHEDULE OF AUCTIONS FOR THE THIRD QUARTER OF 2019

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

IM220512 1,600	IM220512 1,600	IM220512 1,600	IM220512 1,600	IM220512 1,600	IM220512 1,600	IM220811 1,600	IM220811 1,600	IM220811 1,600	IM220811 1,600	IM220811 1,600	IM220811 1,600	IM220811 1,600
IQ240502 1,600	IQ240502 1,600	IQ240502 1,600	IQ240502 1,600	IQ240502 1,600	IQ240502 1,600	IQ240502 1,600	IQ240502 1,600	IQ240502 1,600	IQ240829 1,600	IQ240829 1,600	IQ240829 1,600	IQ240829 1,600
IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260219 1,200	IS260903 1,200	IS260903 1,200	IS260903 1,200

03 jul 10 jul 17 jul 24 jul 31 jul 07 aug 14 aug 21 aug 28 aug 04 sep 11 sep 18 sep 25 sep

Amounts in millions of pesos.

Petróleos Mexicanos

- Petróleos Mexicanos' (Pemex) financing program for 2019 is in accordance with what was approved by the Mexican Congress and the company's Board of Directors, and allows for a net indebtedness of up to 4,350 million pesos.
- For 2019, the internal financing program will remain flexible to support the company's business strategy, aiming at a risk-cost equilibrium to maintain an adequate balance of the company's finances.
- In this sense, during the third quarter of the year, Pemex will analyze the possibility to carry out issuances, re-tap outstanding issuances and potentially perform liability management transactions, that will allow the company to improve its liquidity and the price discovery process. Pemex will be sensitive to volatility conditions, investors appetite and liquidity, looking for the best market conditions for the company.
- The program will be focused on optimizing financing sources so, in addition of considering the bond issuances in the debt markets, it includes the contract of revolving and direct credit lines, both syndicated and bilateral, in line with the goal of the new administration to limit the indebtedness level of the company.

Petróleos Mexicanos

- Pemex will evaluate to issue at specific terms of the curve, and on different formats, including fixed rate, floating rate and real fixed rate, under the communicating vessels mechanism.
- The company will continue the Market Makers program. Potential issuances will be carried out with financial institutions, based on their performance within the program.
- If an issuance were to take place, amounts and corresponding dates will be made available through proper public offering announcements.
- Finally, with the objective of widening its investor base and strengthening securities' demand, Pemex local-currency denominated bonds could be offered and settled through international clearing houses.

www.gob.mx/shcp