

SECRETARÍA DE HACIENDA



Quarterly Government Securities Auction Calendar

First Quarter 2020

Government Securities Auction Calendar

- The Ministry of Finance and Public Credit (SHCP) announces the government securities auction calendar for the first quarter 2020 (Q1 2020), which will take effect on the first auction of the quarter.¹
- The auction calendar is part of the public debt policy of 2020, which is consistent with the multi-year fiscal consolidation strategy, the 2020 Economic Program approved by the Congress and with the 2020 Annual Borrowing Plan (ABP).
- The Federal Government's public debt policy will follow a proactive and flexible strategy during the Q1 2020 in order to continue strengthening public finances and the macroeconomic fundamentals of Mexico.

¹The first auction will take place on Monday, December 30, 2019 with a settlement date of January 2, 2020, because Wednesday, January 1, 2020 is not a work day.

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- The quarterly auction program for Q1 2020 incorporates no adjustments of the amounts to be auctioned compared to those of Q4 2019.
- For Cetes, the placement program for Q1 2020 maintains the range of the amounts to be auctioned as well as its flexibility for all terms, the aforementioned in order to address changes arising from the seasonality of the Federal Treasury's cash flows and from liquidity conditions on the market.
- However, anticipating the seasonality of the demand and the lower liquidity in financial markets during the last week of 2019 and first week of next year, the program for Q1 2020 contemplates a lower amount to be issued for Cetes, M Bonds and Udibonos for the first auction of the quarter.

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Below is the government securities auction program for Q1 2020:

Cetes

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

Instrument	Periodicity	Q4 19 Range (mp)	Q1 20 Range (mp)	Δ Q1 20 VS Q4 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 on the corresponding auction announcement through Banco de Mexico.
- The Cetes to be issued on the first auction of the quarter, which includes Cetes with maturities of 28, 91, 182 and 364 days, will be issued for an amount of 8,000, 9,000 9,000, and 12,000 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 Q1 2020, there will be no changes compared to Q4 2019 on the average amounts of M Bonds to be auctioned.
- Considering the seasonality of the demand for government securities and the low liquidity in financial markets during the last week of 2019 and the first week of next year, the amount to be issued on the first auction of the quarter will be lower and it will be compensated with the following auctions of Q1 2020.

Instrument	Auction Date	Auction Amount	VS Q4 2019
3-year M Bond M230309	07-Jan	10,500	+0
	04-Feb	10,500	
	03-Mar	10,500	
Average		10,500	
Instrument	Auction Date	Auction Amount	VS Q4 2019
5-year M Bond M240905	21-Jan	9,800	+0
	18-Feb	9,800	
	17-Mar	9,800	
Average		9,800	
Instrument	Auction Date	Auction Amount	VS Q4 2019
10-year M Bond M290531	14-Jan	10,000	+0
	25-Feb	10,000	
Average		10,000	
Instrument	Auction Date	Auction Amount	VS Q4 2019
20-year M Bond M381118	28-Jan	3,000	+0
	10-Mar	3,000	
Average		3,000	
Instrument	Auction Date	Auction Amount	VS Q4 2019
30-year M Bond M471107	30-Dec	3,600	+0
	11-Feb	4,200	
	24-Mar	4,200	
Average		4,000	

Figures in millions of pesos. All differences are compared to the amount originally announced for Q4 2019 and calculated as the average amount auctioned in each quarter. The auction corresponding to December 30, 2019 will be settled on January 2, 2020.

Government Securities Auction Calendar

Inflation-Linked Bonds (Udibonos)

- In Q1 2020, there will be no changes compared to Q4 2019 on the average amounts of Udibonos to be auctioned.
- Considering the seasonality of the demand for government securities and the low liquidity in financial markets during the last week of 2019 and the first week of next year, the amount to be issued on the first auction of the quarter will be lower and it will be compensated with the following auctions of Q1 2020.

Instrument	Auction Date	Auction Amount	VS Q4 19
3-year Udibono	07-Jan	875	
S 220609	04-Feb	875	+0
	03-Mar	875	
	Average	875	
Instrument	Auction Date	Auction Amount	VS Q4 19
10-year Udibono	21-Jan	875	
S 281130	18-Feb	875	+0
	17-Mar	875	
	Average	875	
Instrument	Auction Date	Auction Amount	VS Q4 19
30-year Udibono	30-Dec	400	
S 501103	28-Jan	600	+0
	25-Feb	600	
	24-Mar	600	
	Average	550	

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Government Securities Auction Calendar 1Q 2020

Auction Date	30-Dec-19	07-Jan-20	14-Jan-20	21-Jan-20	28-Jan-20	04-Feb-20	11-Feb-20	18-Feb-20	25-Feb-20	03-Mar-20	10-Mar-20	17-Mar-20	24-Mar-20	
Settlement Date	02-Jan-20	09-Jan-20	16-Jan-20	23-Jan-20	30-Jan-20	06-Feb-20	13-Feb-20	20-Feb-20	27-Feb-20	05-Mar-20	12-Mar-20	19-Mar-20	26-Mar-20	
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	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				1-year Cetes	
The amount will have a range of 5,000 to 15,000 mp														
Fixed Long Run (mp)	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	5-year M Bond	30-year M Bond	
	3,600	10,500	10,000	9,800	3,000	10,500	4,200	9,800	10,000	10,500	3,000	9,800	4,200	
Inflation-Linked (mu)	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	30-year Udibono	
	400	875		875	600	875		875	600	875		875	600	
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)	32,654	31,088	31,500	30,388	33,332	31,088	25,700	30,388	40,332	31,088	24,500	30,388	34,532	

*/ **Note:** The net amount is calculated with an UDI value of 6.386053, 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.

Syndicated Auctions

- The SHCP will evaluate the convenience of carrying out syndicated auctions. In particular, during 2020, SHCP will evaluate the possibility of introducing new reference bonds at a fixed rate, as well as issuing Inflation-Linked Bonds with maturities on November and December.
- In case of carrying out any of these operations, the SHCP will announce through the Banco de Mexico the specifications of the transaction.
- The amounts placed through syndicated auctions will be in addition to the amounts announced in the quarterly securities auction calendar. In case of placing a new reference, the following primary auctions related to the term placed would 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 will seek to carry out liability management operations during the first quarter of 2020, as long as the market conditions are favorable, and always looking to improve the maturity profile and increasing 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 first quarter of 2020. 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 for an amount slightly higher than those instruments maturing during said months. 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 also analyze the convenience of executing exchange auctions of Bondes D that mature in the coming quarter for longer dated Bondes D, or of carrying out extraordinary auctions of these type of instruments. The dates of the auctions for both types of operations, and the maturity of the 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 Cetes maturing during the first quarter, may be of up to 70 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 first quarter of 2020.

Bondes D:

The maturities and amounts to be auctioned during the following quarter 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 2020 1st Quarter Auction Program

- In accordance with the Annual Borrowing Plan approved by IPAB's Governing Board for 2020, the Institute informs that for the first quarter of 2020, it decreases in 100 million pesos (mp) the weekly objective amount of Savings Protection Bonds, as follows:
 - It maintains without changes the weekly objective amount in 1,500 million pesos (mp) for the 3 year BPAG28;
 - It maintains without changes the weekly objective amount in 1,500 mp for the 5 year BPAG91; and
 - It reduces in 100 mp the weekly objective amount to 1,200 mp for the 7 year BPA182.
- Thus, the weekly target amount to be auctioned by the IPAB will be 4,200 mp. This program is consistent with the objective of keeping IPAB's liabilities from growing in real terms.

IPAB's 2020 1st Quarter Auction Program

TARGET AMOUNT BY AUCTION ISSUE CODE

SCHEDULE OF AUCTIONS FOR THE FIRST QUARTER OF 2020

4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
IM221110 1,500	IM221110 1,500	IM221110 1,500	IM221110 1,500	IM221110 1,500	IM221110 1,500	IM230209 1,500	IM230209 1,500	IM230209 1,500	IM230209 1,500	IM230209 1,500	IM230209 1,500	IM230209 1,500
IQ240829 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500	IQ250102 1,500
IS260903 1,200	IS260903 1,200	IS260903 1,200	IS260903 1,200	IS270121 1,200	IS270121 1,200	IS270121 1,200	IS270121 1,200	IS270121 1,200	IS270121 1,200	IS270121 1,200	IS270121 1,200	IS270121 1,200
31 dec	08 jan	15 jan	22 jan	29 jan	05 feb	12 feb	19 feb	26 feb	04 mar	11 mar	18 mar	25 mar

Amounts in millions of pesos.

Petróleos Mexicanos

- Petróleos Mexicanos' (PEMEX) financing program for 2020 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 10,000 million pesos.
- For 2020, the internal financing program will remain flexible to support the company's business strategy, aiming at a risk-cost equilibrium, following the strategic objectives of the Petróleos Mexicanos Business Plan.
- In this sense, during the first 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, appetite from investors and liquidity.
- In addition to the issuance of bonds in the debt markets, the financing program is strengthened by syndicated credit lines and revolving credit facilities. Therefore, it is expected to carry out transactions and / or renewals of these financings in order to strengthen the financial position of the company.

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.
- 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.

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