

SECRETARÍA DE HACIENDA



Quarterly Government Securities Auction Calendar

Second Quarter 2020

Government Securities Auction Calendar

- The Ministry of Finance and Public Credit (SHCP) announces the government securities auction calendar for the second quarter 2020 (Q2 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 Q2 2020 in order to continue strengthening public finances and the macroeconomic fundamentals of Mexico.

¹The first auction will take place on Tuesday, March 31, 2020 with a settlement date of April 2, 2020.

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- The quarterly auction program for Q2 2020 incorporates adjustments in relation to the amounts auctioned during Q1 2020. In this regard, the decrease in the average amounts to be auctioned for the 3, 5, 10, 20 and 30-year M Bond references stand out.
- With respect to the Udibonos, the average amounts to be placed during Q2 2020 incorporate adjustments in relation to the amounts auctioned during Q1 2020. The average amounts to be auctioned for the 3, 10 and 30-year Udibonos reference will decrease.
- For Cetes, the placement program for Q2 2020 increase 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.
- The average amount to be placed during Q2 2020 of Bondes D will be increased to 8,000 mp.

Government Securities Auction Calendar

Below is the government securities auction program for Q2 2020:

Cetes

- The range of the amounts to be auctioned will be increase for all Cetes maturities on 5,000 with a minimum of 5,000 and a maximum of 20,000 million pesos (mp).

Instrument	Periodicity	Q2 20 Range (mp)	Q1 20 Range (mp)	Δ Q2 20 VS Q1 20
28-day Cetes	Weekly	min 5,000	min 5,000	-
		max 20,000	max 15,000	5,000
91-day Cetes	Weekly	min 5,000	min 5,000	-
		max 20,000	max 15,000	5,000
182-day Cetes	Weekly	min 5,000	min 5,000	-
		max 20,000	max 15,000	5,000
1-year Cetes	Every 4 weeks	min 5,000	min 5,000	-
		max 20,000	max 15,000	5,000

- 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, and 182 and days, will be issued for an amount of 6,000, 13,500 and 14,500 mp respectively.

Floating Rate Notes (Bondes D)

- The amount to be auctioned of 5-year Bondes D will be 8,000 mp.

Government Securities Auction Calendar

M Bonds

- In Q2 2020, the 3, 5, 10, 20 and 30-year M Bonds average amounts to be auctioned weekly will be adjusted.

Instrument	Auction Date	Auction Amount	VS Q1 2020
3-year M Bond M 230309	31-mar	5,200	-5,300
	28-apr	5,200	
	26-may	5,200	
	23-jun	5,200	
Average		5,200	
Instrument	Auction Date	Auction Amount	VS Q1 2020
5-year M Bond M 240905	14-apr	4,800	-5,000
	12-may	4,800	
	09-jun	4,800	
Average		4,800	
Instrument	Auction Date	Auction Amount	VS Q1 2020
10-year M Bond M 290531	06-apr	5,000	-5,000
	19-may	5,000	
Average		5,000	
Instrument	Auction Date	Auction Amount	VS Q1 2020
20-year M Bond M 381118	21-apr	1,500	-1,500
	02-jun	1,500	
Average		1,500	
Instrument	Auction Date	Auction Amount	VS Q1 2020
30-year M Bond M 471107	05-may	2,000	-2,000
	16-jun	2,000	
Average		2,000	

Figures in millions of pesos. All differences are compared to the amount originally announced for Q1 2020 and calculated as the average amount auctioned in each quarter. The auction corresponding to March 31, 2020 will be settled on April 2, 2020.

Government Securities Auction Calendar

Inflation-Linked Bonds (Udibonos)

- The average amounts to be placed during Q2 2020 will decrease for all maturities of Udibonos.

Instrument	Auction Date	Auction Amount	VS Q1 20
3-year Udibono S 231116	31-mar	400	-475
	28-apr	400	
	26-may	400	
	23-jun	400	
Average		400	
Instrument	Auction Date	Auction Amount	VS Q1 20
10-year Udibono S 281130	14-apr	400	-475
	12-may	400	
	09-jun	400	
Average		400	
Instrument	Auction Date	Auction Amount	VS Q1 20
30-year Udibono S 501103	21-apr	200	-350
	19-may	200	
	16-jun	200	
Average		200	

Figures in millions of Udis (mu). All differences are compared to the amount originally announced for 1Q 2020 and calculated as the average amount auctioned in each quarter. The auction corresponding to March 31, 2020 will be settled on April 2, 2020.

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Government Securities Auction Calendar 2Q 2020

Auction Date	31-mar-20	06-apr-20	14-apr-20	21-apr-20	28-apr-20	05-may-20	12-may-20	19-may-20	26-may-20	02-jun-20	09-jun-20	16-jun-20	23-jun-20	
Settlement Date	02-apr-20	08-apr-20	16-apr-20	23-apr-20	30-apr-20	07-may-20	14-may-20	21-may-20	28-may-20	04-jun-20	11-jun-20	18-jun-20	25-jun-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 20,000 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 20,000 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 20,000 mp													
			1-year Cetes					1-year Cetes				1-year Cetes		
The amount will have a range of 5,000 to 20,000 mp														
Fixed Long Run (mp)	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-year M Bond	
	5,200	5,000	4,800	1,500	5,200	2,000	4,800	5,000	5,200	1,500	4,800	2,000	5,200	
Inflation-Linked (mu)	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	3-year Udibono	
	400		400	200	400		400	200	400		400	200	400	
Floating Rate (mp)		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		
		8,000		8,000		8,000		8,000		8,000		8,000		
Net Amount* (mp)	22,795	28,000	22,395	30,797	22,795	25,000	22,395	34,297	22,795	24,500	22,395	31,297	22,795	

*/ Note: The net amount is calculated with an UDI value of 6.486382, 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, December or January.
- 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, provide liquidity to the market or strengthen the new benchmark issues.
- The SHCP will seek to carry out liability management operations during the second 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.

Amendment to the Government Securities Auction Calendar

- The Ministry of Finance and Public Credit restates its commitment to use public debt in a responsible manner consistent with the objective of ensuring compliance with the goal of fiscal consolidation and preserving the stability of the Mexican economy in an adverse environment.
- Additionally, the Ministry of Finance and Public Credit will continue following up the evolution of financial markets to take necessary measures to ensure the proper functioning of the financial markets.
- In this sense, if any amendments to the Government Securities Auction Calendar should take place, these will be duly informed by the Ministry of Finance and Public Credit.
- As mentioned in the Annual Borrowing Plan, in order to promote the healthy development of the financial system, the Federal Government, in coordination with Banco de México, will analyze the feasibility of implementing new reference rates that reflect the conditions of markets for operations with government securities.

Debt Issuance by Banco de México

Bondes D:

During the second quarter of 2020, the weekly amount of Bondes D to be auctioned by Banco de México will increase from 4.5 billion pesos to 6.0 billion pesos. The maturities and amounts to be auctioned are as follows:

- 1-year: 2.0 billion pesos on a weekly basis.
- 3-year: 2.0 billion pesos on a weekly basis.
- 5-year: 2.0 billion pesos on a weekly basis.

Extraordinary Operations

In addition, Banco de México anticipates a liquidity expansion in the financial system during the second quarter of 2020, associated to, among other factors, the principal and coupon payments of different government securities.

Therefore, Banco de México will conduct different operations in order to sterilize this liquidity.

Debt Issuance by Banco de México

Cetes:

Banco de México may carry out new placements of Cetes through extraordinary auctions during the coming quarter for a larger amount than those instruments maturing during said months. The dates of the auctions and the maturity of the Cetes to be offered would be specified in each offering announcement.

Bondes D:

Banco de México may also decide to execute exchange auctions of Bondes D that mature in the coming quarter for longer dated Bondes D, or carry out extraordinary auctions of these type of securities. 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.

Debt Exchange Auctions

Finally, Banco de México, acting on its behalf, and in coordination with the Ministry of Finance and Public Credit, could execute debt exchange auctions of Government securities during the second quarter of 2020.

In particular, the Central Bank could repurchase M Bonds maturing on June 11th, 2020, and offer Cetes with different tenors. The dates of the debt exchange auctions and the maturity of the Cetes to be offered will be specified in each exchange offering announcement.

Debt Issuance by Banco de México

The purpose of these operations is to smooth out the monetary effect of the amortization of Government securities and thus improve the efficiency of liquidity operations that the Central Bank carries out in the money market on a daily basis.

The total amount that can be placed through the combined extraordinary operations, including the rollover of securities maturing during the second quarter, may be of up to 250 billion pesos.

Moreover, the different types of operations to be held during the second quarter of 2020 by Banco de México, and their characteristics, may undergo modifications in the coming months if warranted by market conditions.

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 2nd Quarter Auction Program

- In accordance with the Annual Borrowing Plan approved by IPAB's Governing Board for 2020, the Institute informs that for the second quarter of 2020, it maintains without changes the weekly objective amount of Savings Protection Bonds according to the last first quarter auction, as follows:
 - It maintains without changes the weekly objective amount in 1,400 million pesos (mp) for the 3 year BPAG28;
 - It maintains without changes the weekly objective amount in 1,400 mp for the 5 year BPAG91; and
 - It maintains without changes the weekly objective amount in 700 mp for the 7 year BPA182.
- Thus, the weekly target amount to be auctioned by the IPAB will be 3,500 mp. This program is consistent with the objective of keeping IPAB's liabilities from growing in real terms.

IPAB's 2020 2nd Quarter Auction Program

TARGET AMOUNT BY AUCTION ISSUE CODE

SCHEDULE OF AUCTIONS FOR THE SECOND QUARTER OF 2020

3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
IM230209 1,400	IM230209 1,400	IM230209 1,400	IM230209 1,400	IM230209 1,400	IM230209 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400
IQ250102 1,400	IQ250102 1,400	IQ250102 1,400	IQ250102 1,400	IQ250102 1,400	IQ250430 1,400	IQ250430 1,400	IQ250430 1,400	IQ250430 1,400	IQ250430 1,400	IQ250430 1,400	IQ250430 1,400	IQ250430 1,400
IS270121 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700	IS270401 700
01 apr	07 apr	15 apr	22 apr	29 apr	06 may	13 may	20 may	27 may	03 jun	10 jun	17 jun	24 jun

Amounts in millions of pesos.

Petróleos Mexicanos

- Petróleos Mexicano's (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.
- Given current market conditions worldwide, industry risk factors and PEMEX's financing needs, the domestic financing program will maintain flexibility to adapt to the conditions prevailing in the financial markets.
- During the second quarter of the year, PEMEX will analyze the possibility to carry out refinancing transactions to strengthen its financial position, seeking a sound balance between risk and cost.
- Furthermore, as a result of the prudent and responsible management of debt, last year the company reduced its liquidity risk position and as of today, most of its credit lines are available.
- Accordingly, the financing program is strengthened by syndicated credit lines and revolving credit facilities, which strengthen the company's financial position.

Petróleos Mexicanos

- If any issuance were to take place, these will be carried out through the communicating vessels mechanism in different formats, such as variable rate, nominal fixed rate and real fixed rate. The amounts and corresponding dates will be made available through proper public offering announcements.
- The company will continue the Market Makers program. Potential issuances will be carried out with financial institutions, based on their performance within the program.
- 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.
- Given current financial market volatility and high uncertainty levels, Petróleos Mexicanos has taken actions to mitigate financial risk and will give prompt follow – up to the international oil market. Accordingly, in an exercise of transparency and responsibility to our investors, PEMEX will communicate periodically the financial performance of the company.

www.gob.mx/shcp