

SECRETARÍA DE HACIENDA



Quarterly Government Securities Auction Calendar

Third Quarter 2020

Government Securities Auction Calendar

- The Ministry of Finance and Public Credit (SHCP) announces the government securities auction calendar for the third quarter 2020 (Q3 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 Q3 2020 in order to continue strengthening public finances and the macroeconomic fundamentals of Mexico.

¹The first auction will take place on Tuesday, June 30, 2020 with a settlement date of July 2, 2020.

Government Securities Auction Calendar

- The quarterly auction program for Q2 2020 incorporates adjustments in relation to the amounts auctioned during Q2 2020. In this regard, the increase in the average amounts to be auctioned for the 3, 5, 10, 20 and 30-year M Bond references stands out.
- As for Udibonos, the average amounts to be placed during Q3 2020 incorporate adjustments in relation to the amounts auctioned during Q2 2020. The average amounts to be auctioned for the 3, 10 and 30-year Udibonos reference will increase.
- For Cetes, the placement program for Q3 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. Worth mentioning that during 3Q 2020, the one-year Cetes will be auctioned each week instead of being auctioned every 4 weeks.
- The average amount to be placed during Q3 2020 of Bondes D will be decreased to 7,000 mp.

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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 20,000 million pesos (mp).

Instrument	Periodicity	Q3 20 Range (mp)	Q2 20 Range (mp)	Δ Q3 20 VS Q2 20
28-day Cetes	Weekly	min 5,000	min 5,000	-
		max 20,000	max 20,000	-
91-day Cetes	Weekly	min 5,000	min 5,000	-
		max 20,000	max 20,000	-
182-day Cetes	Weekly	min 5,000	min 5,000	-
		max 20,000	max 20,000	-
1-year Cetes	Weekly	min 5,000	min 5,000	-
		max 20,000	max 20,000	-

- The amount to be auctioned will be released on the corresponding auction announcement through Banco de Mexico.
- The amounts of Cetes to be issued on the first auction of the quarter, which includes Cetes with maturities of 28, 91, 182 and 364 days, are 5,000, 10,000, 10,000, and 5,000 mp respectively.

Floating Rate Notes (Bondes D)

- The amount to be auctioned of 5-year Bondes D will be 7,000 mp.

Government Securities Auction Calendar

M Bonds

- In Q3 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 Q2 2020
3-year M Bond M230309	21-jul	6,000	+800
	18-aug	6,000	
	14-sep	6,000	
Average		6,000	

Instrument	Auction Date	Auction Amount	VS Q2 2020
5-year M Bond M240905	07-jul	5,800	+1,000
	04-aug	5,800	
	01-sep	5,800	
Average		5,800	

Instrument	Auction Date	Auction Amount	VS Q2 2020
10-year M Bond M290531	30-jun	5,800	+800
	11-aug	5,800	
	22-sep	5,800	
Average		5,800	

Instrument	Auction Date	Auction Amount	VS Q2 2020
20-year M Bond M381118	14-jul	1,800	+300
	25-aug	1,800	
Average		1,800	

Instrument	Auction Date	Auction Amount	VS Q2 2020
30-year M Bond M471107	28-jul	2,300	+300
	08-sep	2,300	
Average		2,300	

Figures in millions of pesos. All differences are compared to the amount originally announced for Q2 2020 and calculated as the average amount auctioned in each quarter. The auction corresponding to June 30, 2020 will be settled on July 2, 2020.

Government Securities Auction Calendar

Inflation-Linked Bonds (Udibonos)

- The average amounts to be placed during Q3 2020 will increase for all maturities of Udibonos.

Instrument	Auction Date	Auction Amount	VS Q2 2020
3-year Udibono S 231116	21-jul	460	+60
	18-aug	460	
	14-sep	460	
	Average	460	
Instrument	Auction Date	Auction Amount	VS Q2 2020
10-year Udibono S 281130	07-jul	475	+75
	04-aug	475	
	01-sep	475	
	Average	475	
Instrument	Auction Date	Auction Amount	VS Q2 2020
30-year Udibono S 501103	14-jul	240	+40
	11-aug	240	
	08-sep	240	
	Average	240	

Figures in millions of Udis (mu). All differences are compared to the amount originally announced for 2Q 2020 and calculated as the average amount auctioned in each quarter.

Government Securities Auction Calendar

Government Securities Auction Calendar 3Q 2020

Auction Date	30-jun-20	07-jul-20	14-jul-20	21-jul-20	28-jul-20	04-aug-20	11-aug-20	18-aug-20	25-aug-20	01-sep-20	08-sep-20	14-sep-20	22-sep-20	
Settlement Date	02-jul-20	09-jul-20	16-jul-20	23-jul-20	30-jul-20	06-aug-20	13-aug-20	20-aug-20	27-aug-20	03-sep-20	10-sep-20	17-sep-20	24-sep-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	1-year Cetes	1-year Cetes	1-year Cetes	1-year Cetes	1-year Cetes	1-year Cetes	1-year Cetes	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)	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	10-year M Bond	
	5,800	5,800	1,800	6,000	2,300	5,800	5,800	6,000	1,800	5,800	2,300	6,000	5,800	
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		
		475	240	460		475	240	460		475	240	460		
Floating Rate (mp)	5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes		5-year Bondes	
	7,000		7,000		7,000		7,000		7,000		7,000		7,000	
Net Amount* (mp)	32,800	28,858	30,345	28,961	29,300	28,858	34,345	28,961	28,800	28,858	30,845	28,961	32,800	

*/ **Note:** The net amount is calculated with an UDI value of 6.437000, 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, SHCP will evaluate the possibility of introducing new reference bonds at a fixed rate.
- 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 and increase the efficiency of the Federal Government's debt portfolio, while also strengthening the new benchmark issues and promoting the orderly functioning of the local debt market.
- The SHCP will seek to carry out liability management operations during the third quarter of 2020, as long as the market conditions are favorable, and with the objective of improving the maturity profile and increasing the efficiency of the Federal Government's debt portfolio, as well as promoting the orderly functioning of the local debt market.
- 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 fiscal consolidation objective and preserving the stability of the Mexican economy in an adverse environment.
- Additionally, the Ministry of Finance and Public Credit will continue to follow the evolution of the financial market to take necessary measures to ensure its proper functioning.
- 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.

Debt Issuance by Banco de México

Bondes D:

During the third quarter of 2020, the total weekly amount of Bondes D auctioned by Banco de México will decrease from MXN 6.0 billion to MXN 4.5 billion. It is worth mentioning that given the volatility observed in financial markets during 2Q20, Banco de México adjusted its issuance calendar accordingly. For 3Q20, the maturities and amounts to be auctioned 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.

Extraordinary Operations

In addition, Banco de México anticipates a liquidity expansion in the financial system during the third quarter of 2020. Therefore, Banco de Mexico will execute diverse operations in the market in order to sterilize such 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 execute exchange auctions of Bondes D that mature in the coming months for longer dated Bondes D, or carry out extraordinary auctions of these 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.

The total gross amount that can be placed through the aforementioned combined extraordinary operations, could be of up to MXN 200 billion.

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 3rd Quarter Auction Program

- In accordance with the Annual Borrowing Plan approved by IPAB's Governing Board for 2020, the Institute informs that for the third quarter of 2020, it maintains without changes the weekly objective amount of Savings Protection Bonds, 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 3rd Quarter Auction Program

TARGET AMOUNT BY AUCTION ISSUE CODE

SCHEDULE OF AUCTIONS FOR THE THIRD 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
IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230511 1,400	IM230810 1,400	IM230810 1,400	IM230810 1,400	IM230810 1,400	IM230810 1,400	IM230810 1,400	IM230810 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	IQ250430 1,400	IQ250430 1,400	IQ250904 1,400	IQ250904 1,400	IQ250904 1,400
IS270401 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
1 jul	8 jul	15 jul	22 jul	29 jul	5 aug	12 aug	19 aug	26 aug	2 sep	9 sep	15 sep	23 sep

Amounts in millions of pesos.

Petróleos Mexicanos

- Petróleos Mexicanos' (Pemex) financing program for 2020 is in accordance with what was approved by its Board of Directors and by the Mexican Congress, and it allows for a net indebtedness of up to MXN 10.0 billion pesos.
- Markets worldwide remain with high volatility conditions. The domestic financing program will maintain flexible to adapt to the company needs and the prevailing conditions in the financial markets.
- During the third quarter of 2020, Pemex will consider to carry out new issuances, reopening of on the run bonds and liability management operations that allow for liquidity improvement and price discovery. Pemex will be sensitive to the investors' appetite for risk but prioritizing the obtainment of the best market conditions for the company.
- In addition to the issuance of bonds in the debt capital markets, the financing strategy could consider syndicated or bilateral credit lines, including revolving facilities.
- In line with the above, it is expected to carry out transactions and/or renewals of these financing sources in order to strengthen the financial position of the company.

Petróleos Mexicanos

- Pemex could evaluate opportunities in specific spots of the curve and different formats such as fixed rate, floating rate of inflation–linked rate, all under the communicating vessels mechanism. Should an issuance take place, the amount and corresponding date will be made available through appropriate public offering announcements.
- The company will continue the Market Makers program. Participation of financial institutions in any potential transactions will be based on their performance within this program.
- 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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