

Government Securities Auction Calendar for the Third Quarter of 2018

The Ministry of Finance and Public Credit (SHCP) announces the government securities auction calendar for the third quarter 2018 (3Q 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 3Q 2018 in order to continue strengthening the public finance and the macroeconomic foundations of the country.

The Couponed Government securities auction program for the 3Q 2018 maintain the amounts auctioned in the previous quarter.

The program for the third quarter 2018 adds flexibility in the 182-day Cetes and 1-year Cetes auctions, in order to address changes caused by flow seasonality in the Treasury Account or market conditions.

During the third quarter of the year, the SHCP will follow a proactive strategy with a constant analysis of the market that allows liability management operations, which focus on strengthening the Federal Government's debt portfolio.

Below is the government securities auction program for 3Q 2018.

Cetes

- In order to have more flexibility to address changes caused by flow seasonality in the Treasury Account or the market demand for government debt issuance, the amount to be auctioned for 182-day and 1-year Cetes will be auctioned in ranges starting the first auction of the quarter as it was previously done in 28 and 91 day Cetes.
- As well, the ranges of the amounts to be auctioned each week will be standardized and a will have a minimum of 5,000 and a maximum of 15,000 million pesos (mp).
- The amount to be auctioned will be released in the corresponding auction announcements through Banco de Mexico.
 - The amounts to be auctioned for 28-day Cetes will have a minimum of 5,000 and a maximum of 15,000 mp. The first auction of the quarter will be for 7,000 mp.
 - The amounts to be auctioned for 91-day Cetes will have a minimum of 5,000 and a maximum of 15,000 mp. The first auction of the quarter will be for 11,000 mp.
 - The amounts to be auctioned for 182-day Cetes will have a minimum of 5,000 and a maximum of 15,000 mp. The first auction of the quarter will be for 11,500 mp.
 - 1-year Cetes will have a minimum of 5,000 and a maximum of 15,000 mp. The amount to be auctioned will be released in the corresponding auction announcements.
- The amount to be auctioned will be released in the corresponding auction announcements through Banco de Mexico.

Fixed-Rate Bonds (Bonos M)

The amounts to be auctioned will remain unchanged in all terms compared to the previous quarter.

- The amount to be auctioned of 3-year Mbond remains unchanged at 8,500 mp.
- The amount to be auctioned of 5-year Mbond remains unchanged at 8,500 mp.
- The amount to be auctioned of 10-year Mbond remains unchanged at 9,000 mp.
- The amount to be auctioned of 20-year Mbond remains unchanged at 2,000 mp.
- The amount to be auctioned of 30-year Mbond remains unchanged at 3,000 mp.

Inflation-Linked Bonds (Udibonos)

The amounts to be auctioned will remain unchanged in all terms compared to the previous quarter.

- The amount to be auctioned of 3-year Udibono remains unchanged at 950 million udis. It is important to mention that the 3 year benchmark for the 3Q 18 will be the Udibono with maturity in June 2022.
- The amount to be auctioned of 10-year Udibono remains unchanged at 700 million udis.
- The amount to be auctioned of 30-year Udibono remains unchanged at 400 million udis.
- SHCP will maintain the flexibility to carry out auctions of segregated Udibonos when it perceives interest of investors to acquire this type of instrument. In this case, the amount and date of the auction will be announced in the corresponding announcement.

Floating Rate Notes (Bondes D)

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

The amounts of Cetes, Mbonds, Udibonos and Bondes D that will be carried out at the first auction of the third quarter of 2018 will have the following characteristics:

Government Securities Auction for 3Q 2018 Amounts Offered by Auction

Instrument	Periodicity	2Q 2018 (A)	3Q 2018 (B)	Difference (B-A)	
Cetes (million pesos)					
28-day Cetes	Weekly	min 4,000	min. 5,000	The minimum and maximum limit of the range to be auctioned is modified	
		max 11,000	máx. 15,000		
91-day Cetes	Weekly	min 7,000	min. 5,000		
		max 14,000	máx. 15,000		
182-day Cetes	Weekly	11,500	min. 5,000		Change from fixed amount to a range amount.
			máx. 15,000		
1-year Cetes	Every 4 weeks	12,500	min. 5,000		
			máx. 15,000		
MBonds (million pesos)					
3-year Mbond M 211209	Every 4 weeks	8,500	8,500	0	
5-year Mbond M 231207	Every 4 weeks	8,500	8,500	0	
10-year Mbond M 270603	Every 6 weeks	9,000	9,000	0	
20-year Mbond M 381118	Every 6 weeks	2,000	2,000	0	
30-year Mbond M 471107	Every 6 weeks	3,000	3,000	0	
Udibonos (million udis)					

3-year Udibono S 220609	Every 4 weeks	950	950	0
10-year Udibono S 281130	Every 4 weeks	700	700	0
30-year Udibono S 461108	Every 4 weeks	400	400	0
Bondes D (million pesos)				
5-year Bondes D	Every 2 weeks	5,000	5,000	0

Government Securities Auction Calendar July-September 2018

Instrument	03-jul-18	10-jul-18	17-jul-18	24-jul-18	31-jul-18	07-ago-18	14-ago-18	21-ago-18	28-ago-18	04-sep-18	11-sep-18	18-sep-18	25-sep-18
Fixed Short Run (mp)	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28	Cetes 28
	The amount will have a range of 5,000 to 15,000 mp												
	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91	Cetes 91
	The amount will have a range of 5,000 to 15,000 mp												
	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182	Cetes 182
	The amount will have a range of 5,000 to 15,000 mp												
			Cetes 1Yr				Cetes 1Yr				Cetes 1Yr		
The amount will have a range of 5,000 to 15,000 mp													
Fixed Long Run (mp)	Bono M 30Yr	Bono M 5Yr	Bono M 10Yr	Bono M 3Yr	Bono M 20Yr	Bono M 5Yr	Bono M 30Yr	Bono M 3Yr	Bono M 10Yr	Bono M 5Yr	Bono M 20Yr	Bono M 3Yr	Bono M 30Yr
	3,000	8,500	9,000	8,500	2,000	8,500	3,000	8,500	9,000	8,500	2,000	8,500	3,000
Inflation-Linked (mu)		Udibono 10Yr	Udibono 30YrA	Udibono 3Yr		Udibono 10Yr	Udibono 30Yr	Udibono 3Yr		Udibono 10Yr	Udibono 30Yr	Udibono 3Yr	
		700	400	950		700	400	950		700	400	950	
Floating Rate (mp)	Bondes D 5Yr		Bondes D 5Yr		Bondes D 5Yr		Bondes D 5Yr		Bondes D 5Yr		Bondes D 5Yr		Bondes D 5Yr
	5,000		5,000		5,000		5,000		5,000		5,000		5,000
Net Amount (mp)	23,000	27,709	36,405	29,212	22,000	27,709	30,405	29,212	29,000	27,709	29,405	29,212	23,000

Note: The net amount is calculated with UDI value of 6. 6.012993, 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 third 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 the Central Bank, which will specify the instrument, the amounts and the tenors.

