



SHCP

SECRETARÍA DE HACIENDA  
Y CRÉDITO PÚBLICO

# Quarterly Government Securities Auction Calendar

Third Quarter 2018

# Government Securities Auction Calendar

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- 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<sup>1/</sup>
- 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.

<sup>1/</sup> [http://finanzaspublicas.hacienda.gob.mx/es/Finanzas\\_Publicas/Paquete\\_Economico\\_y\\_Presupuesto](http://finanzaspublicas.hacienda.gob.mx/es/Finanzas_Publicas/Paquete_Economico_y_Presupuesto)

# Government Securities Auction Calendar

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- 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.

# Government Securities Auction Calendar

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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, the amount to be auctioned for 182-day and 1-year Cetes will be 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.

# Government Securities Auction Calendar

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## **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.

# Government Securities Auction Calendar

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)
<b>Cetes (million pesos)</b>				
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 auctioning a fixed amount to a range amount.
1-year Cetes	Every 4 weeks	12,500	máx. 15,000	
			min. 5,000	
			máx. 15,000	
<b>MBonds (million pesos)</b>				
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
<b>Udibonos (million udis)</b>				
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
<b>Bondes D (million pesos)</b>				
5-year Bondes D	Every 2 weeks	5,000	5,000	0

# Government Securities Auction Calendar

## 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	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

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- 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.



# Debt Issuance by Banco de México

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## **Bondes D:**

The amount of Bondes D to be offered on a weekly basis will remain unchanged at 4.5 billion pesos. The maturities and amounts to be auctioned during the third quarter of 2018 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.

## **Cetes:**

During the third quarter, Banco de México may issue up to 98 billion pesos of Cetes through extraordinary auctions. These placements include the rollover of Cetes that were issued on behalf of the Central Bank and that mature during the forthcoming period. The dates of the auctions and the maturity of the Cetes to be offered would be specified in each offering announcement.

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 2018 3Q Auction Program

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In accordance with the Annual Borrowing Plan approved by IPAB's Governing Board for 2018, the Institute informs that for the third quarter of 2018, it maintains without changes the weekly objective amount of Savings Protection Bonds, as follows:

- It maintains without changes the weekly objective amount in 1,700 mp for the 3 year BPAG28;
- It maintains without changes the weekly objective amount in 1,700 mp for the 5 year BPAG91; and
- It maintains without changes the weekly objective amount in 1,200 mp for the 7 year BPA182.

Thus, the weekly target amount to be auctioned by the IPAB will be 4,600 mp. This program is consistent with the objective of keeping IPAB's liabilities from growing in real terms.

# IPAB's 2018 3<sup>rd</sup> Quarter Auction Program

## TARGET AMOUNT BY AUCTION ISSUE CODE

### SCHEDULE OF AUCTIONS FOR THE THIRD QUARTER OF 2018

4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600
IM210513 1,700	IM210513 1,700	IM210513 1,700	IM210513 1,700	IM210513 1,700	IM210513 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700	IM210812 1,700
IQ230427 1,700	IQ230427 1,700	IQ230427 1,700	IQ230427 1,700	IQ230427 1,700	IQ230427 1,700	IQ230427 1,700	IQ230427 1,700	IQ230427 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700	IQ230831 1,700
IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200	IS250306 1,200
04 jul	11 jul	18jul	25 jul	01 aug	08 aug	15 aug	22 aug	29 aug	05 sep	12 sep	19 sep	26 sep
Amounts in millions of pesos												

# Petróleos Mexicanos

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- Petróleos Mexicanos (PEMEX) financing program for 2018 is in line with what was authorized by the Congress and the Board of Directors of Petróleos Mexicanos, that established an internal net indebtedness ceiling of 30 billion pesos.
- For the reminding of the year, the domestic financing program will maintain flexibility to adapt to the conditions prevailing in the financial markets, appetite of investors and liquidity. During the third quarter of the year, the company will analyze to carry out transactions aimed at strengthening its financial position, while seeking a prudent balance between risk and cost.
- In addition, the Program considers the issuance of bonds in the debt markets and the negotiation of syndicated credit lines and revolving credit facilities. Along with the tools provided within the Energy Reform, PEMEX will analyze the usage of diverse and non-traditional sources of financing, striving to decrease its funding costs and diversifying the investor base.
- The strategy for 2018 also regards carrying out liability management transactions to contribute to the market development and improve the company's debt amortization profile for the following years.

# Petróleos Mexicanos

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- Potential issuances will be made in different formats such as floating rate, nominal fixed rate and real fixed rate under the communicating vessels mechanism. Corresponding amounts and dates will be announced through the respective public offering notices.
- PEMEX will carry out these issuances with financial institutions designated in accordance with their performance as Market Makers.
- Finally, for the purpose of widening and diversifying the investor base, PEMEX's debt issued in local currency, could be offered and settled through international custodian platforms.

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[www.gob.mx/shcp/en](http://www.gob.mx/shcp/en)