

Fixed Income & Economics Daily

Tuesday, October 3, 2017

FX & RATES STRATEGY RESEARCH

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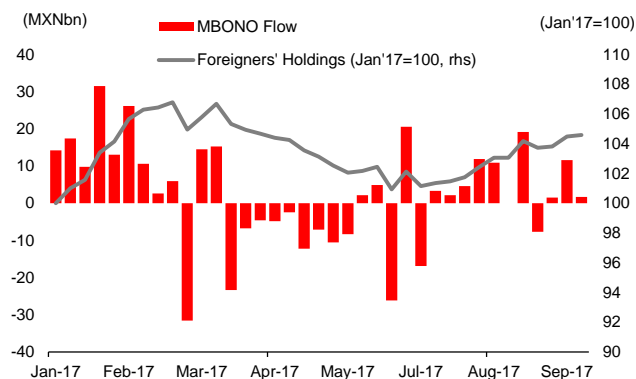
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• MEXICO: Foreigners Buy Back CETEs

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- The Central Bank of Mexico reported that during the third week of September, 15-21, Non-Resident holdings of MBONOs increased by 1.7bn MXN, moderating from a high of 11.6bn MXN reported in the previous week. In contrast to previous weeks, most of the inflows were concentrated in the short-end of the curve.
- Foreigners still hold 63% of outstanding MBONOs, up decisively from the 59% held prior to the US election but down from the peak holdings of 66% seen at the beginning of February.
- Non-Residents increased their exposure to CETEs, notably after many weeks of selling-off. During the third week of September, foreigners bought a significant 46.9bn MXN worth of CETEs, increasing their market share to 27.2% from 22.5% previously.
- Finally, Foreigners increased their holdings of UDIBONOs during the week, by a small 0.6bn MXN with Non-Residents holding 5.9% of the amount outstanding.
- Year-to-date, Non-Resident holdings have increased 42.8bn MXN, on the back of an increase in MBONOs holdings of 93.5 bn MXN and declines of 38.5bn MXN in CETEs and 12.2bn MXN in UDIBONOs.

Foreigners MBONO Flows



Source: Banxico; Santander.

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