

Mexico Market Chatter

February 6th – 13th, 2025

MARKETS

The **S&P / BMV IPC** rallied 2.8% over the week, boosted by generally positive 4Q24 results that put the spotlight on attractive valuations, despite continued noise on trade, as the US government announced the implementation of tariffs on steel and aluminum imports starting March 12th. For its part, the Mexican peso barely moved to close at MXN\$20.41/USD while the yield of the Mexican 10-year M-Bono was up 12 bps to 9.91%.

The **S&P / BMV IPC's** top stock gainers for the week were: BOLSA A (+17.9%), Q* (+12.1%) and GFINBUR O (+11.1%), bouncing back from lows; of the three, only Qualitas is up over the past twelve months (+2.7%). Losers in the index only saw marginal declines: CEMEX CPO (-1.6%), which led gains last week, CUERVO * (-1.1%) and PE&OLES (-0.3%)

The following macroeconomic indicators will be announced next week: Banco de Mexico's minutes of its last monetary policy meeting, final 4Q24 GDP, IGAE and retail sales.

Indexes (America)	13-Feb-25	6-Feb-25	%	FX	13-Feb-25	6-Feb-25	%
Dow Jones	44,711.43	44,747.63	-0.1	Dollar Index	107.31	107.69	-0.3
S&P 500	6,115.07	6,083.57	0.5	Euro	1.05	1.04	0.8
Nasdaq	19,945.64	19,791.99	0.8	MXN	20.41	20.46	-0.2
VIX	15.10	15.50	-2.6	Brazilian Real	5.77	5.76	0.1
IPC	54,160.11	52,674.79	2.8	Japanese Yen	152.80	151.41	0.9
Bovespa	124,850.18	126,224.74	-1.1	Chinese Yuan	7.29	7.29	0.0
Indexes (Europe)	13-Feb-25	6-Feb-25	%	Commodities (Energy)	13-Feb-25	6-Feb-25	%
Eurostoxx 50	5,500.50	5,356.63	2.7	WTI	71.29	70.61	1.0
FTSE 10	8,764.72	8,727.28	0.4	Brent	75.02	74.29	1.0
DAX	22,612.02	21,902.42	3.2	Natural Gas	3.63	3.41	6.5
Indexes (Asia)	13-Feb-25	6-Feb-25	%	Commodities (Metals)	13-Feb-25	6-Feb-25	%
Shanghai Comp	3,332.48	3,270.66	1.9	Gold	2,928.21	2,856.28	2.5
CSI 300	3,905.14	3,842.83	1.6	Silver	32.34	32.18	0.5
Hang Seng	21,814.37	20,891.62	4.4	Copper	9,344.29	9,155.36	2.1
Nikkei 225	39,461.47	39,066.53	1.0	Aluminum	2,629.78	2,625.15	0.2
10-Year Bonds	13-Feb-25	6-Feb-25	bps	Cryptocurrencies	13-Feb-25	6-Feb-25	bps
US	4.53	4.43	9.5	Bitcoin	96,491.67	96,811.79	-0.3
Japan	1.35	1.28	7.6	Ethereum	2,667.44	2,709.65	-1.6
Germany	2.42	2.38	3.9	Binance	674.13	571.83	17.9
Mexico	9.91	9.79	11.8	Solana	195.04	189.59	2.9
Brazil	14.99	14.76	22.5	XRP	2.50	2.34	6.8

LISTED COMPANIES

Cemex appointed Jaime Muguero Dominguez as its new CEO, effective April 1st. He will replace Fernando Gonzalez Olivieri who decided to retire after a 35-year career at the company. Mr. Muguero joined the company in 1996, most recently serving as its President in the US.

AMX's 4Q24 total revenues increased 18% YoY, driven by a 19.1% rise in service revenues, helped by the consolidation of Claro-VTR in Chile. EBITDA grew 16.4% YoY, resulting in an EBITDA margin of 38.5%, slightly lower than the previous year. At constant exchange rates,

service revenue increased 6.6% YoY and EBITDA 5.1%; adjusted for one-offs EBITDA was up 7.2%. Net profits nearly halved, due to FX losses.

Walmex's reported soft results versus expectations as revenues were up only 8.3% YoY, fueled by a 5.7% increase in Mexico and 4.6% in Central America. Same-store sales in Mexico expanded 4.3% with a 4.5% ticket growth and a 0.2% traffic decline. E-commerce sales in Mexico jumped 20%. The gross margin remained, stable while the EBITDA margin contracted 50 bps to 10.0%.

GMexico's revenues were up 12.8% YoY, fueled by a 17.4% rise in mining revenues which benefitted from a benign pricing scenario in most products, higher volumes of copper, zinc, and byproducts and a positive FX impact. Transportation revenues declined 3.5% despite the fact that the load volume was 1.1% higher, while infrastructure sales were up 13.8%. Consolidated EBITDA grew 23.4%, also driven by the mining division, and the EBITDA margin improved to 49.5%, from 45.3%. Net profits were 18.6% higher, reflecting enhanced operational efficiency and favorable market conditions. Minera México successfully issued a US\$1 billion bond in international markets with a 7-year maturity and an interest rate of 5.6%.

AC's 4Q24 consolidated net sales were up an impressive 29.9% YoY (12.7% on a currency-neutral basis), due to higher prices in Mexico and the FX benefit as volume grew 3.6. Consolidated EBITDA grew 41.7% (29.1% on a currency-neutral basis), with an EBITDA margin of 21.8%, as profitability levels improved both in Mexico and the US. The company expects a 6-8% revenue CAGR, an 8-10% EBITDA CAGR and Capex to represent 6.7% of revenues during the next 5 years.

Fibra MQ's total portfolio GLA increased 2.2% YoY to 36.4 million square feet, while average occupancy decreased by 84 basis points to 96.3%. The Fibra registered record quarterly industrial leasing renewal spreads of 22.0%. Fibra MQ achieved record AFFO in 2024, at the top end of its guidance range. In 2025, it expects an AFFO between MXN\$2.95-3.05/CBFI and to distribute MXN\$2.45/CBFI, up 16.7% YoY, with a stable AFFO payout ratio.

Bolsa's 4Q24 revenues advanced by a strong 12% YoY driven by increased trading in transactional businesses, larger volumes in cross-border transactions, futures contracts conversion due to the new reference rate, and a positive FX impact. EBITDA was up 13%, with a 69 bps margin expansion to 59%, reflecting efficient cost control. **Bolsa expects 4 IPO's during the first half of the year.** The company will propose the payment of a MXN\$2.05/share dividend, the creation of a MXN\$300 million share buy-back reserve and the cancellation of treasury shares at its Annual Shareholders Meeting that will take place no later than next April 30th.

KUO's 4Q24 revenues rose 13% YoY as a result of higher sales prices and volume in the Pork Meat business, in addition to higher prices and volumes in applications for the Chemical businesses, coupled with higher demand for tomato puree and vegetables. EBITDA grew 27% YoY due to operating efficiencies in the Pork Meat business and higher margins and volume in applications of both Chemical businesses. The company recorded a MXN\$1.16 billion net loss, mostly due to FX losses.

Medica Sur's 4Q24 revenues increased 9.6% YoY due to the strengthening of commercial and marketing efforts. Normalized EBITDA grew 31.2% with a 340 bps expansion in the EBITDA margin to 20.6% due to operating leverage. Normalized net profits rose 65.4% supported on strong operating results. The cash position improved 59.2% due to a strong free cash flow generation, while debt was stable, resulting in a net (cash) / EBITDA of -0.14x at the end of 4Q24.

The ADR of **Fibra Inn's** operating hotels increased 10.0% YoY to MXN\$1,926. However, this solid performance was partially offset by a 4.6 PP decline in occupancy levels to 49.6%, we believe reflecting the prevailing economic situation. RevPar was virtually unchanged at MXN\$955, while hotel revenues rose only 2.2% YoY to MXN\$167.4 million.

Norte 19 announced the opening of the new "Marriott Tijuana El Florido" hotel under a co-investment scheme. This property has 123 rooms (0.7% of the company's total rooms). Norte 19 will strengthen its regional presence with 7 hotels in the city of Tijuana and 13 in the state of Baja California.

Bimbo issued MXN\$15.0 billion in the local debt market. The issuance included two series: i) MXN\$12.762 billion, with a 7-year maturity and a 10.06% fixed rate; and, ii) MXN\$2.238 billion, with a 3-year maturity and a floating rate of TIEE + 0.34%.

Fibra Prologis appointed Gonzalo Portilla as Independent Chairman of its Technical Committee.

OTHER COMPANIES

Pemex released its 2025-2030 working plan which contemplates investments of MXN\$220 billion in oil exploration, MXN\$1.6 trillion in oil production, MXN\$238 billion in natural gas production and MXN\$105 billion in the rehabilitation of existing refineries, over the current presidential period. The company's main goals include oil production of 1.8 million barrels per day and maintaining gasoline prices below the MXN\$24.0/liter level during this period.

CFE's Board of Directors approved the acquisition of a 49% equity stake in Altan Redes and 24% of corporate rights. CFE will now appoint two Directors to Altan Redes' Board.

Vivaerobus' total passenger traffic was up 10.6% YoY in January, as a result of an 8.1% increase in domestic traffic and 31.8% in international one. ASM's rose 9.2% YoY while the load factor improved 20 bps to 85.4%.

Mercado Pago has exceeded 20,000 affiliated physical stores in its digital money network in Mexico, which includes cash deposits and withdrawals via Point-of-Sale (POS) terminals.

TRADE AND ECONOMICS

US President Donald Trump has imposed **25% tariffs on all US imports of steel and aluminum**, on top of existing duties, including those coming from Mexico and Canada. They are set to begin next March 12th.

Industrial production declined 1.4% MoM (seasonally adjusted) in December, dragged down by a 2.1% reduction in construction activity and a 1.9% decrease in electricity, water and

natural gas supply, according to INEGI. Industrial activity fell 2.7% YoY in December (original data), being the fifth month in a row with a negative figure, mainly as a result of a 7.5% decrease in construction activity and 6.3% contraction in mining.

Light vehicle production increased 1.7% to 312,257 units in January, INEGI reported. Meanwhile, **light vehicle exports** declined 13.7% to 219,414 units.

Banco de Mexico could reduce its key interest rate by another 50 bps in the March meeting, taking into account the favorable performance of inflation, according to its governor Victoria Rodriguez Ceja, who was interviewed by El Financiero newspaper.

CETES auction: 28-day CETES -30 bps to 9.35%; 91-day CETES -13 bps to 9.41%; 175-day CETES -20 bps to 9.32% and 707-day CETES -10 bps to 9.65%.



	Price		Return in Pesos					YTD
	13-Feb-25	1 Day	1 Week	1 Month	3 Month	6 Month		
IPC	54,160.11	0.2	2.8	8.7	6.7	0.9	9.4	
Pesos / Dólar	20.41	-0.6	-0.2	-0.5	0.0	8.6	-2.0	
<i>Telecommunications</i>								
Amx B	\$ 15.22	0.1	1.9	5.6	-3.1	-5.1	1.8	
Axtel CPO	\$ 1.44	-2.7	13.4	38.5	25.2	17.1	30.9	
<i>Media / Entertainment</i>								
Tlevisa CPO	\$ 8.70	2.1	9.4	23.2	-1.5	12.4	25.9	
Aguilas CPO	\$ 36.13	0.4	-0.2	3.5	3.0	n.a.	n.a	
Azteca CPO	\$ 0.50	0.0	0.0	0.0	0.0	0.0	0.0	
Mega CPO	\$ 43.24	1.0	6.7	21.2	8.9	1.6	27.5	
CIE B	\$ 26.00	-0.4	0.0	-5.5	0.0	13.0	-5.5	
<i>Self-service</i>								
Walmex*	\$ 58.49	0.9	5.3	1.0	4.7	-6.1	6.6	
Soriana B	\$ 29.50	1.4	-1.3	-2.7	1.7	-0.2	-0.4	
Lacomerc UBC	\$ 34.90	-0.1	1.5	6.6	-0.8	4.6	6.4	
Chdraui B	\$ 124.11	1.2	2.0	-0.5	-2.1	-17.5	-0.9	
<i>Specialized Retail</i>								
Alsea*	\$ 49.57	-0.2	3.8	18.4	3.9	-10.7	14.0	
Livepol C	\$ 104.50	-1.7	1.2	6.0	-0.1	-22.3	5.4	
Elektra*	\$ 339.01	-0.6	0.0	6.5	-64.1	-64.1	-2.6	
Sports	\$ 6.12	-0.5	-2.2	0.3	-5.8	22.4	-4.1	
<i>Beverages</i>								
AC *	\$ 210.28	-1.5	6.7	15.6	24.9	12.5	21.7	
Femsa UBD	\$ 183.27	0.4	0.0	6.5	-3.3	-12.5	3.6	
Kof L	\$ 173.02	1.4	7.7	10.2	7.5	3.0	6.8	
Cultiba B	\$ 10.70	0.0	-0.8	7.0	7.0	6.5	-4.5	
<i>Food</i>								
Bimbo A	\$ 57.44	1.4	5.4	13.4	-8.5	-17.9	4.0	
Gruma B	\$ 354.33	-1.5	2.8	8.3	0.3	-4.8	8.7	
Cuervo*	\$ 18.34	0.5	-1.1	-15.1	-30.8	-41.7	-21.7	
Herdez *	\$ 57.15	0.4	4.1	4.4	8.3	5.9	4.4	
<i>Consumer Goods</i>								
Kimber A	\$ 32.45	2.1	6.3	10.0	14.7	-5.9	10.4	
Lab B	\$ 28.75	-0.5	4.6	6.2	8.9	48.7	14.4	
<i>Cement, Construction & Infrastructure</i>								
Cemex CPO	\$ 13.53	0.3	-1.6	21.6	23.7	12.4	15.8	
Ideal B1	\$ 38.70	0.0	0.0	0.0	0.0	0.0	0.0	
Aleatic *	\$ 96.63	0.0	0.0	0.0	17.8	103.9	0.0	
Pinfra *	\$ 202.74	-0.4	4.1	11.5	18.6	14.4	14.8	
Lamosa *	\$ 115.00	0.0	0.0	0.0	-3.4	-4.2	0.0	
GCC*	\$ 211.81	2.4	3.5	17.1	17.9	33.8	13.6	
CMoctez*	\$ 81.00	0.0	2.0	8.1	8.0	8.0	8.2	
<i>Housing</i>								
Ara *	\$ 3.67	5.8	16.9	21.9	7.9	14.0	14.7	
Cadu A	\$ 3.20	-0.6	8.5	-8.6	-12.1	-12.3	-8.3	
Javer *	\$ 15.00	0.0	0.0	-1.3	30.3	15.2	0.3	
Vinte*	\$ 32.40	-0.3	-0.3	1.3	-1.8	1.8	-0.3	



	Price		Return in Pesos					YTD
	13-Feb-25	1 Day	1 Week	1 Month	3 Month	6 Month		
<i>Mining & Metals</i>								
GMexico B	\$ 105.01	0.1	0.9	3.4	2.8	-2.1	6.1	
Peñoles *	\$ 322.18	-0.7	-0.3	13.9	12.1	28.7	21.0	
Mfrisco A1	\$ 3.35	-1.5	2.1	-10.4	-3.7	6.0	-2.0	
Autlan B	\$ 6.63	-0.2	2.0	-0.6	-16.6	-21.6	-1.0	
<i>Steel</i>								
Ich B	\$ 173.76	1.1	1.6	-0.9	-1.3	-7.2	0.2	
Simec B	\$ 180.00	0.0	0.0	-4.3	-2.7	-2.4	-2.4	
<i>Airlines / Airports</i>								
Volar A	\$ 15.85	-0.1	-2.2	-7.0	-0.2	49.2	1.4	
Asur B	\$ 587.61	-0.5	2.9	9.8	10.7	12.5	9.9	
Gap B	\$ 406.40	-2.5	4.2	4.9	14.0	36.6	10.9	
Oma B	\$ 204.02	-1.4	2.2	9.2	20.5	30.3	13.7	
<i>Industrials</i>								
Alfa A	\$ 17.59	-0.1	3.1	13.3	12.1	71.3	16.6	
Alpek A	\$ 14.87	1.1	2.6	10.1	7.9	30.8	14.0	
Nemak A	\$ 2.28	0.0	-5.0	10.1	30.3	4.6	-7.7	
GCarso A1	\$ 121.67	-0.2	4.4	5.8	3.7	0.9	5.5	
Orbia*	\$ 13.63	3.7	2.3	-2.3	-25.8	-36.7	-9.0	
Kuo B	\$ 42.41	0.0	-1.3	-3.6	-7.8	-1.4	-3.6	
Gissa A	\$ 17.40	1.3	3.3	0.9	-0.6	-19.0	4.2	
Agua*	\$ 15.39	-3.4	-10.7	-8.2	-21.9	-37.4	-3.5	
Pochtec B	\$ 6.04	0.0	-0.7	-4.7	-4.0	-11.3	-4.0	
Vitro A	\$ 7.60	-0.9	-1.3	-8.4	-15.6	-6.2	-13.6	
<i>Financial</i>								
Bolsa A	\$ 37.64	7.6	17.9	19.3	16.5	25.0	12.8	
GFinbur O	\$ 48.74	1.5	11.1	10.6	11.9	5.9	12.3	
GFNorte O	\$ 149.67	0.2	2.2	5.5	3.9	6.9	11.7	
Regional	\$ 143.40	4.0	3.4	23.1	18.8	11.6	22.5	
Bbajio O	\$ 47.43	1.7	1.0	9.6	15.0	-9.1	13.6	
Q*	\$ 199.30	1.1	12.1	22.1	40.4	20.8	13.6	
Genera *	\$ 28.60	2.7	2.2	16.1	11.9	34.1	17.7	
Findep *	\$ 7.85	0.0	0.0	0.0	-4.3	-17.4	-1.9	
Actinvr B	\$ 18.50	0.0	2.8	3.9	11.8	13.5	3.8	
<i>Fibras / Real Estate</i>								
Funo 11	\$ 22.17	0.6	-0.8	12.0	1.4	-5.6	9.4	
Fshop 13	\$ 8.73	0.3	-2.5	0.3	11.2	26.5	-0.7	
Dahnos 13	\$ 22.23	1.2	3.2	12.4	6.3	5.2	10.8	
Fibra MQ	\$ 32.76	1.0	1.6	8.4	2.0	1.4	7.9	
Finn 13	\$ 5.01	0.4	0.2	-2.1	8.0	3.5	-8.9	
Fiho12	\$ 9.77	-1.1	-3.3	-2.3	8.3	12.3	-0.1	
Fibra HD	\$ 2.35	0.0	0.9	-12.3	0.4	10.3	-7.8	
Prologis	\$ 67.01	-0.0	7.3	19.0	3.7	-2.4	17.0	
Terra 13	\$ 36.70	0.9	-0.3	6.7	-1.6	-5.8	1.1	
Vesta *	\$ 54.86	0.8	1.4	12.8	6.4	-4.9	3.1	
Hotel *	\$ 3.71	-0.8	-4.9	-4.9	-6.8	-5.4	-4.9	
Gicsa B	\$ 2.20	0.9	-3.5	-11.3	-4.3	-0.9	-4.3	
HCity*	\$ 4.72	-0.6	3.7	6.1	4.2	7.3	5.6	