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Mexico Investor Survey

January 2020 edition



Investment Solutions & Products
Latin America Economics

February 2020

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Survey methodology

Sampling frame: A selection of Credit Suisse's institutional investors based in Mexico and abroad.

Sample size: 91 completed interviews (50 Mexico-based investors and 41 investors abroad), representing a total of 83 investment firms.

Type of sample: Non-probability sample.

Interviewing method: Web survey with a structured questionnaire.

Method of data collection: An invitation email which included a link to the survey was sent to potential respondents. A unique ID was provided in order to gain access to the questionnaire. The link settings prevented the interviewees from answering the survey more than once using the same device.

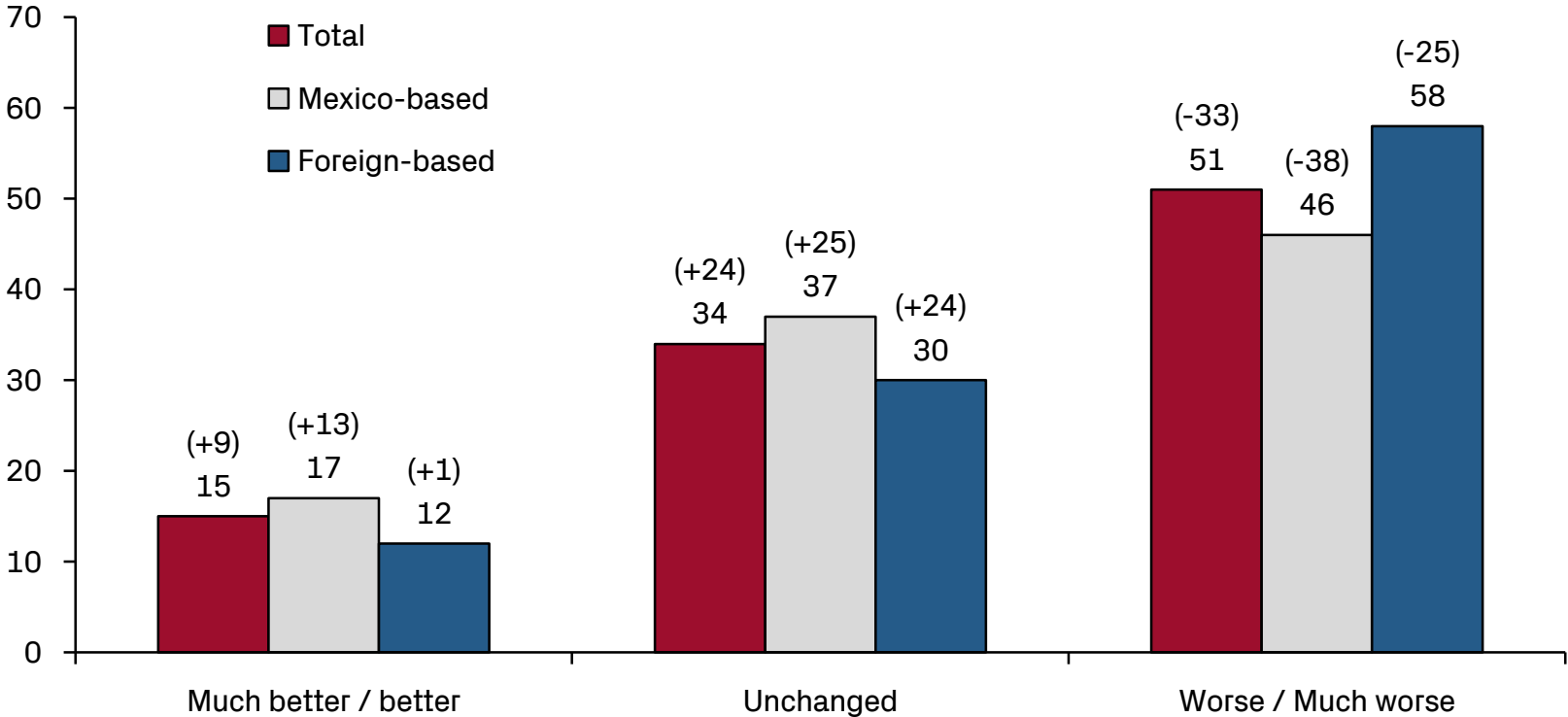
Date of collection: January 21 – January 31, 2020.

Data processing adjustments: Results represent unweighted relative frequencies for each response category. Not all figures may add up to 100%, as a result of multiple response formats, rounding percentages, exclusion of “neither/nor” and “don't know” responses.

Design, Data collection and analysis: Credit Suisse and Buendía & Laredo, S.C.

How do you think Mexico's current economic situation fares relative to one year ago?

% of total responses, variation versus November 2019 survey in parenthesis

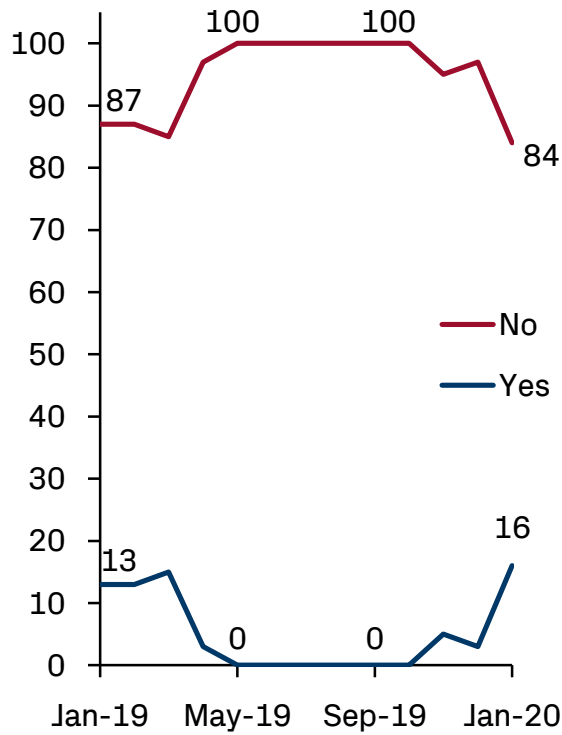


Source: Credit Suisse / Buendia & Laredo survey

How do you think Mexico's current economic situation fares relative to one year ago?

Economists

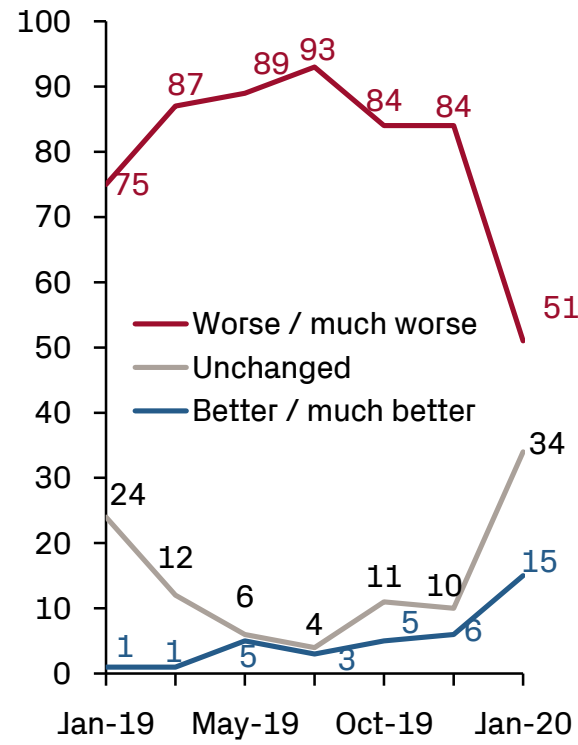
% of total responses – Is the economy in better shape than one year ago?



Source: Central bank surveys

Investors

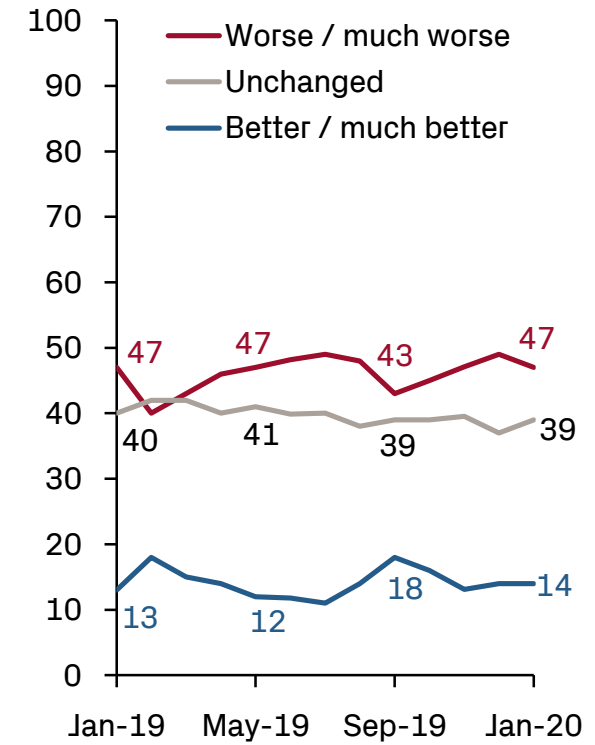
% of total responses – How is the economy relative to one year ago?



Source: Credit Suisse / Buendia & Laredo survey

General population

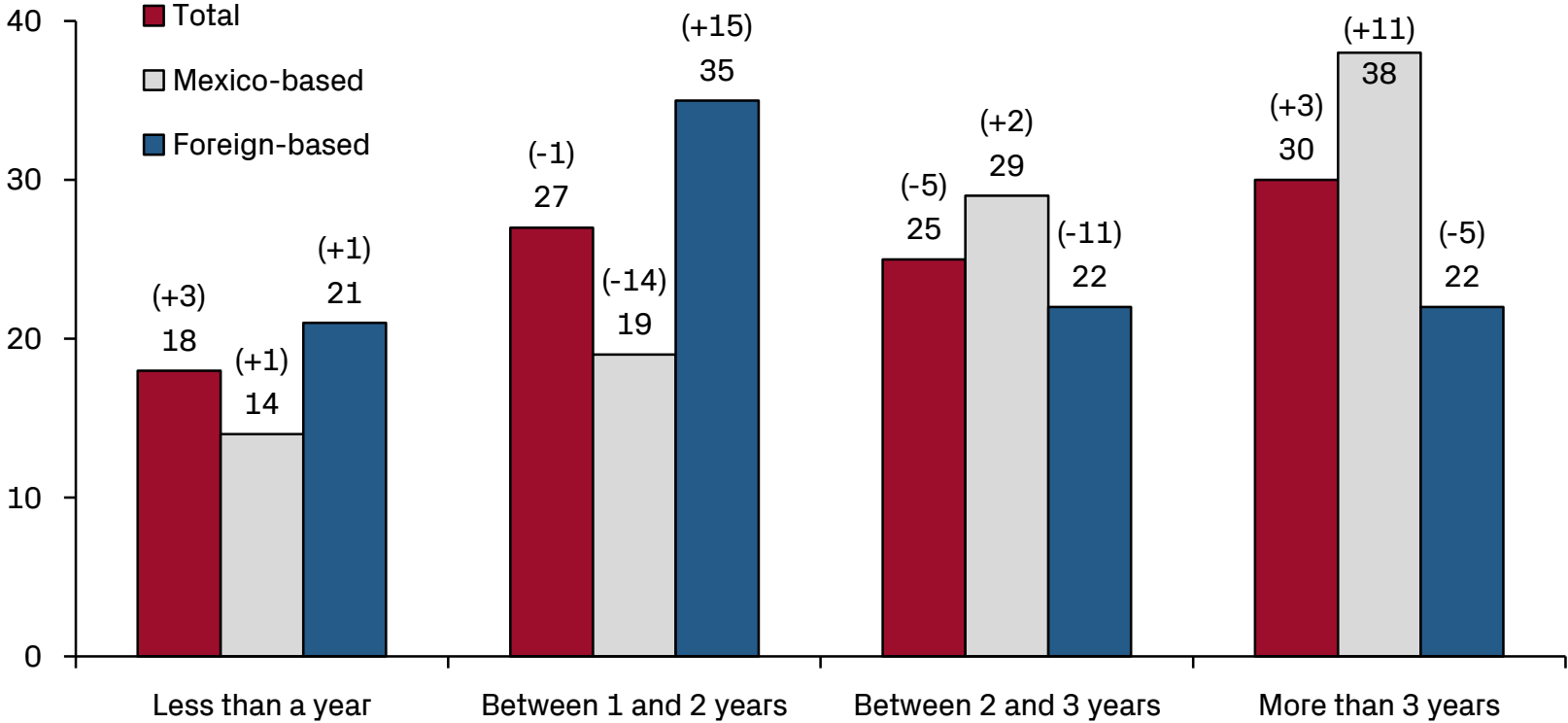
% of total responses – How is the economy relative to one year ago?



Source: INEGI

How long will it take for the economic situation to improve? – only asked investors who think the economy is “worse” or “much worse” than one year ago

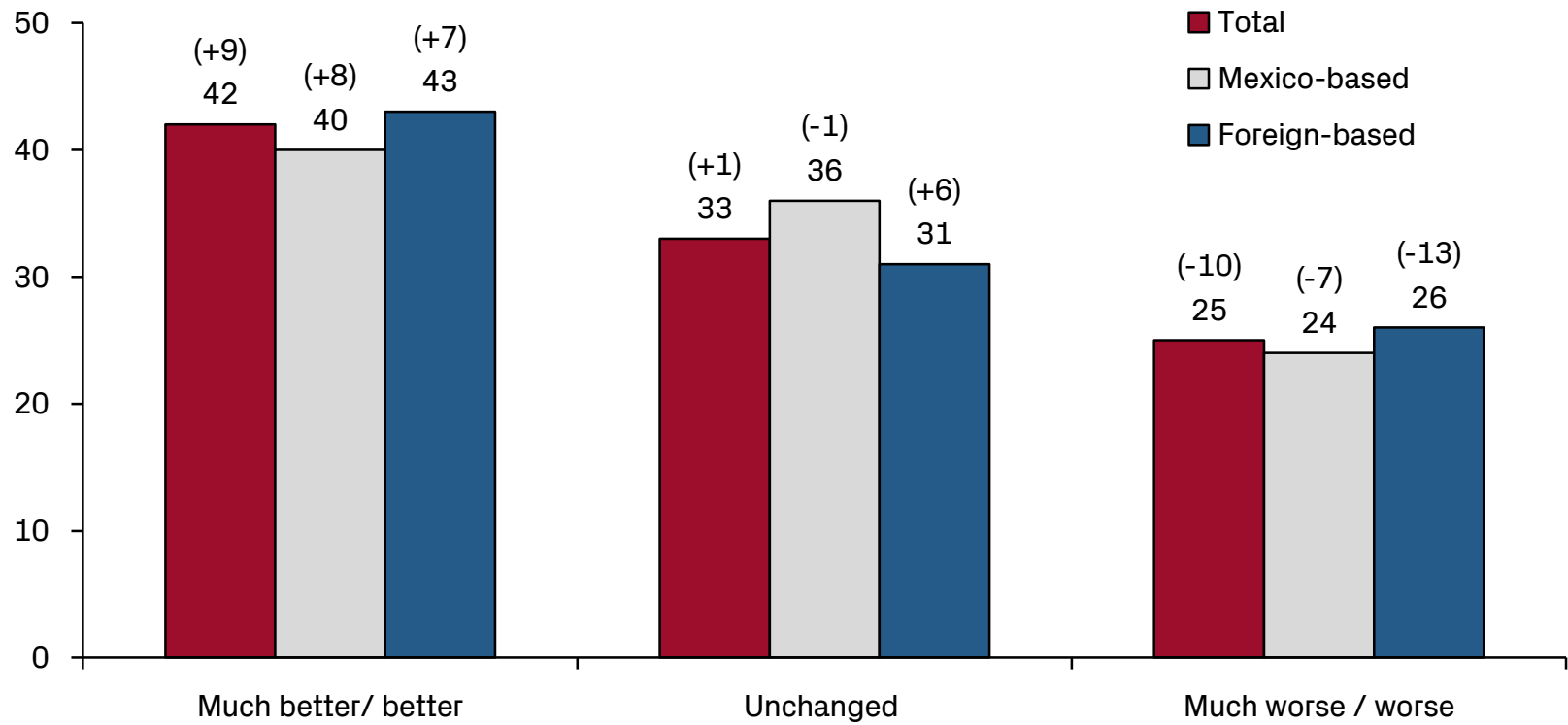
% of total responses, variation versus November 2019 survey in parenthesis



Source: Credit Suisse / Buendia & Laredo survey

How do you think Mexico's economic situation will be in 12 months from now, relative to today?

% of total responses, variation versus November 2019 survey in parenthesis

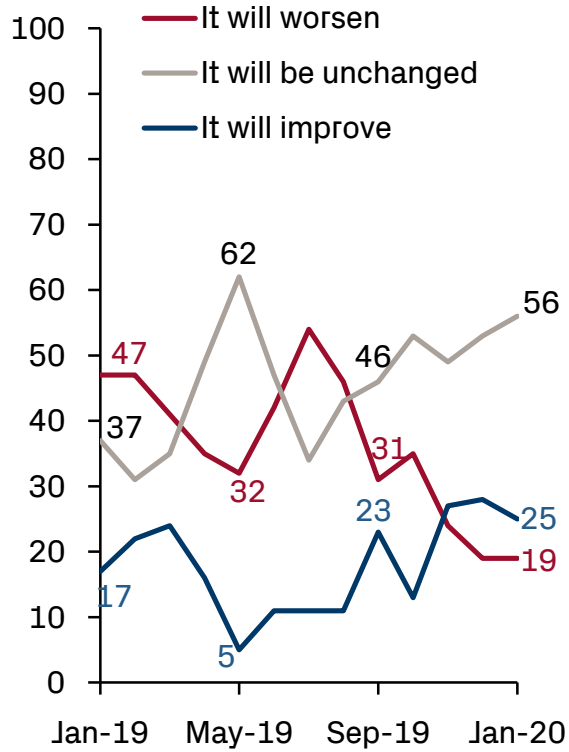


Source: Credit Suisse / Buendia & Laredo survey

How do you think Mexico's economic situation will be in 12 months from now versus today?

Economists

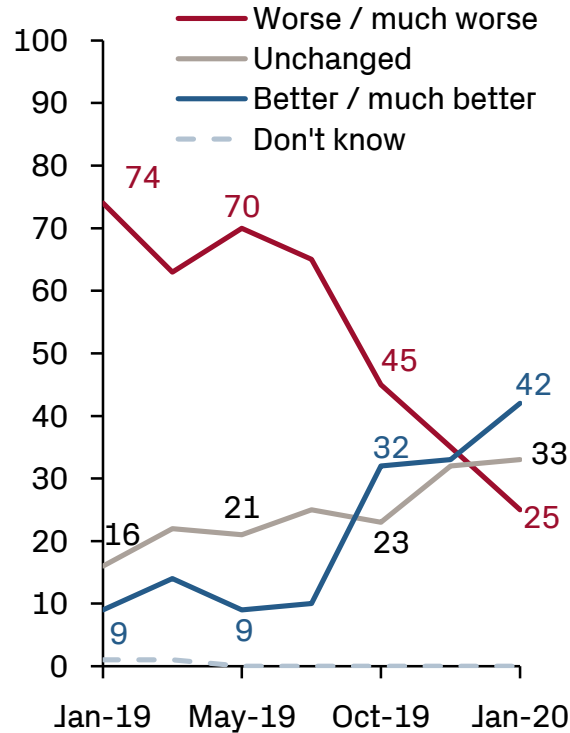
% of total responses – Will the business climate improve in the next six months?



Source: Central bank survey

Investors

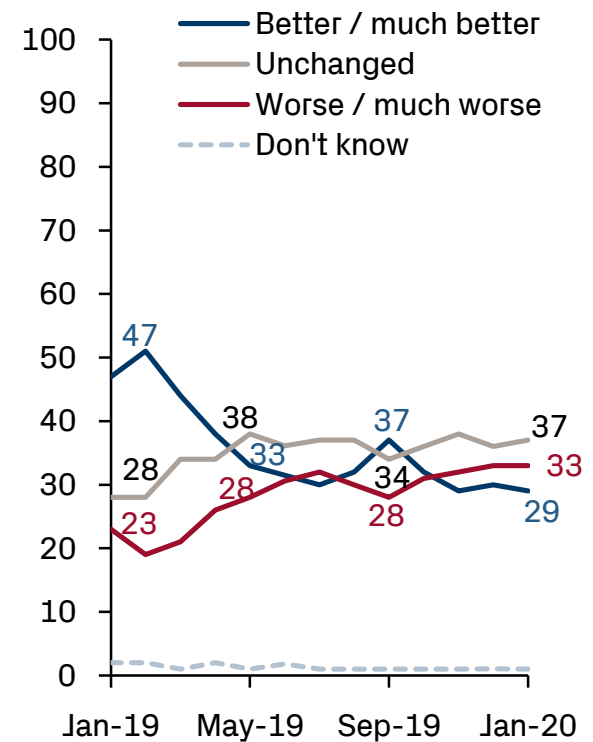
% of total responses – How will the Mexican economy be in one year?



Source: Credit Suisse / Buendia & Laredo survey

General population

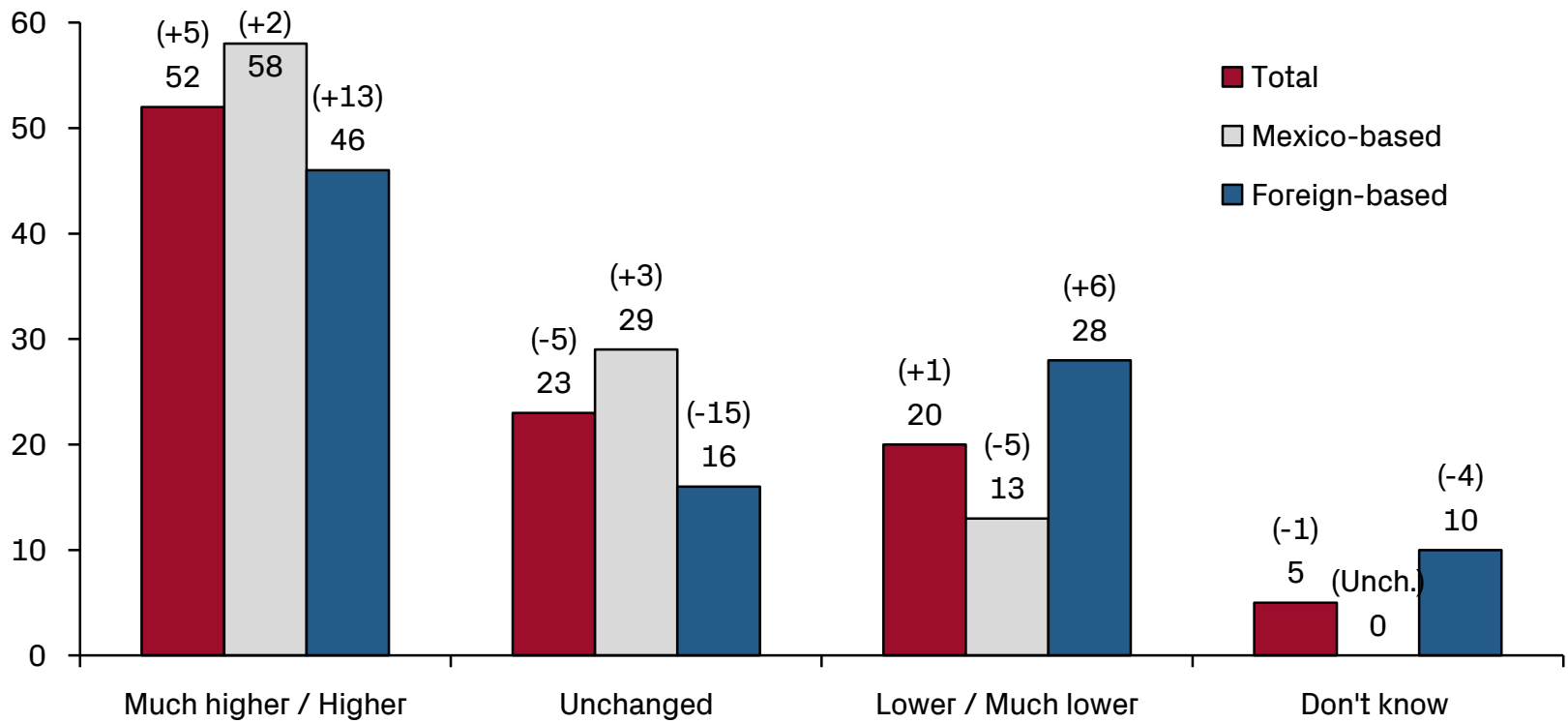
% of total responses – How will the Mexican economy be in one year?



Source: INEGI

How do you think the Mexican stock market will perform in the next 12 months relative to the current level (in peso terms)?

% of total responses, variation versus November survey in parenthesis

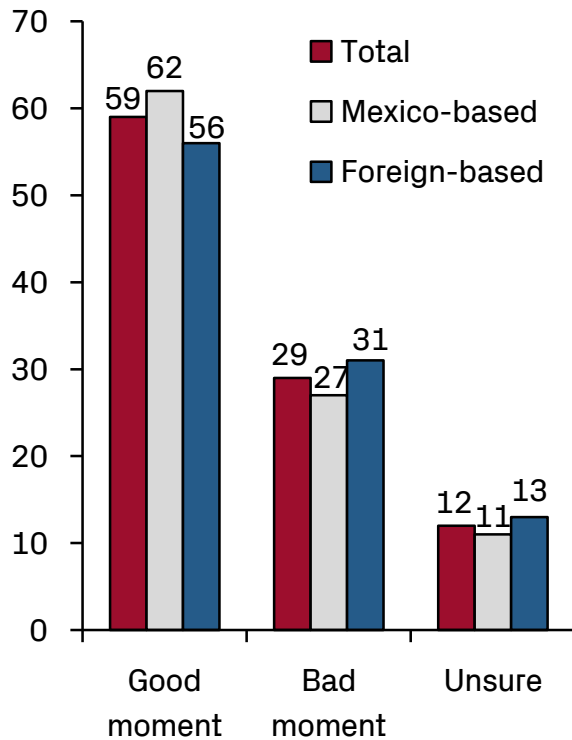


Source: Credit Suisse / Buendia & Laredo survey

Do you think this is a good moment or a bad moment to add long risk positions in _____?

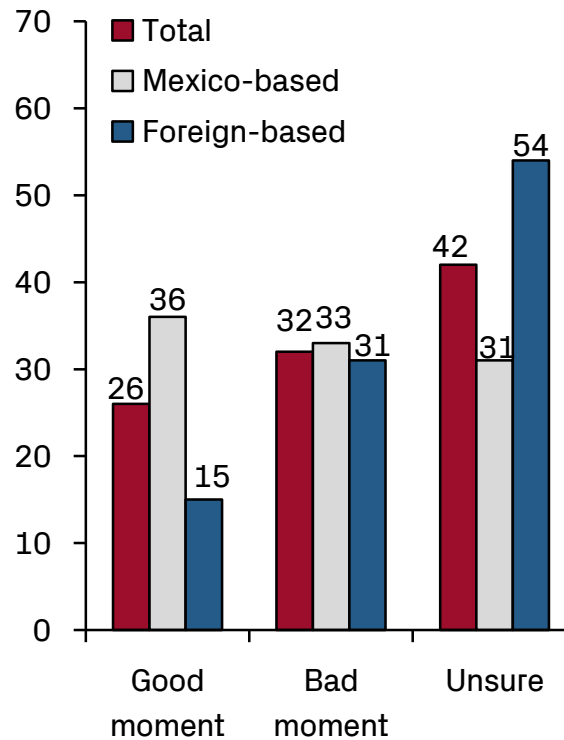
Mexican sovereign bonds*

% of total responses



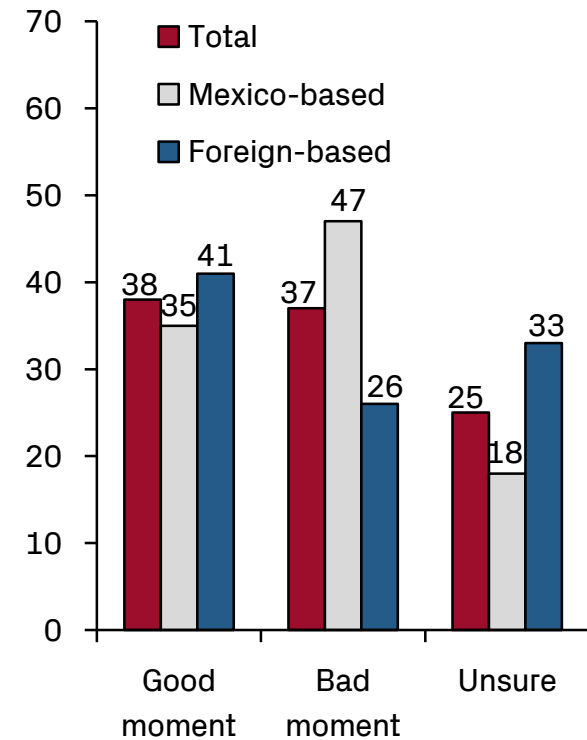
Mexican equities

% of total responses



The Mexican peso

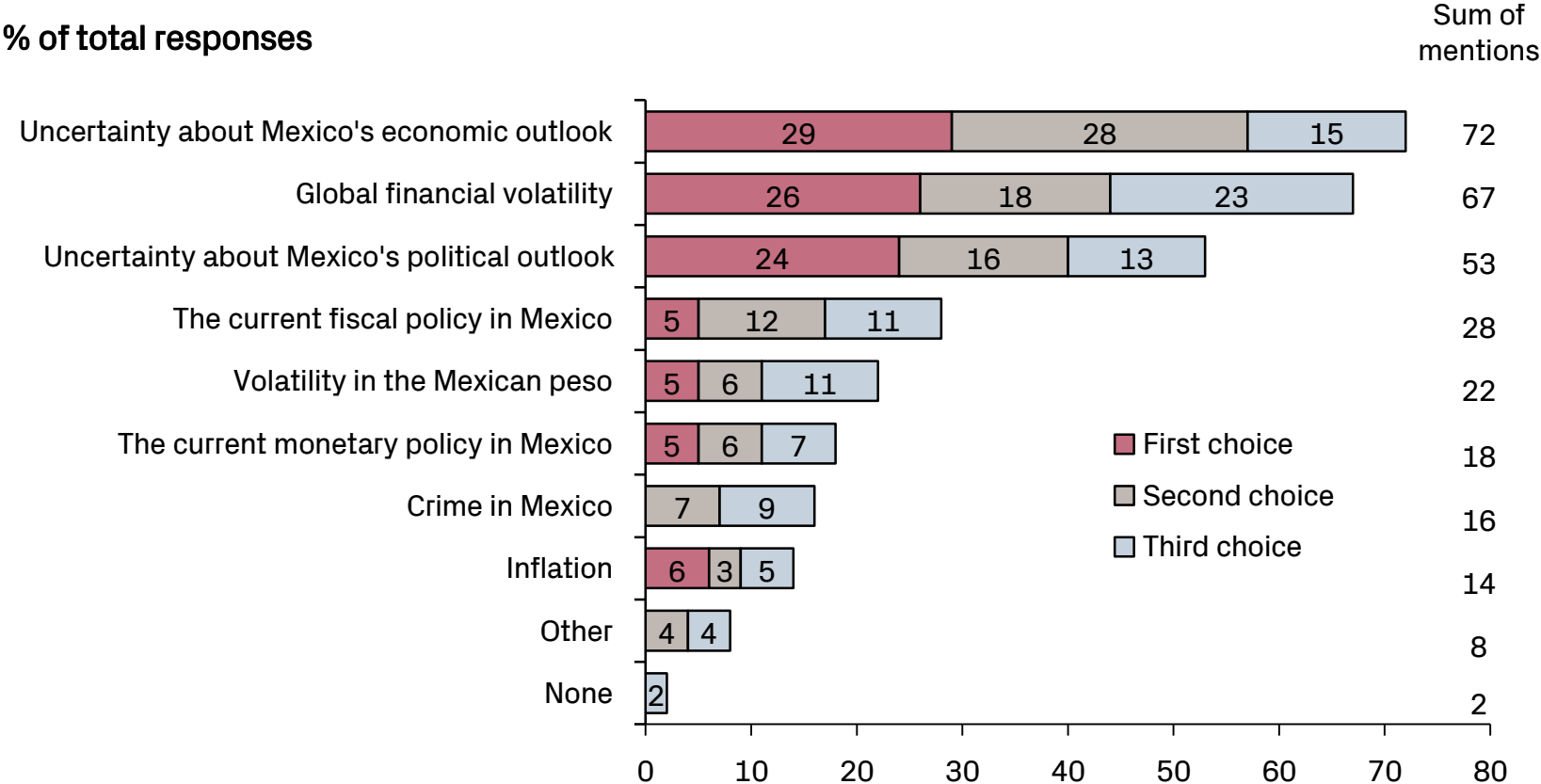
% of total responses



*The term used in previous surveys was "Mexico's local currency sovereign bonds".

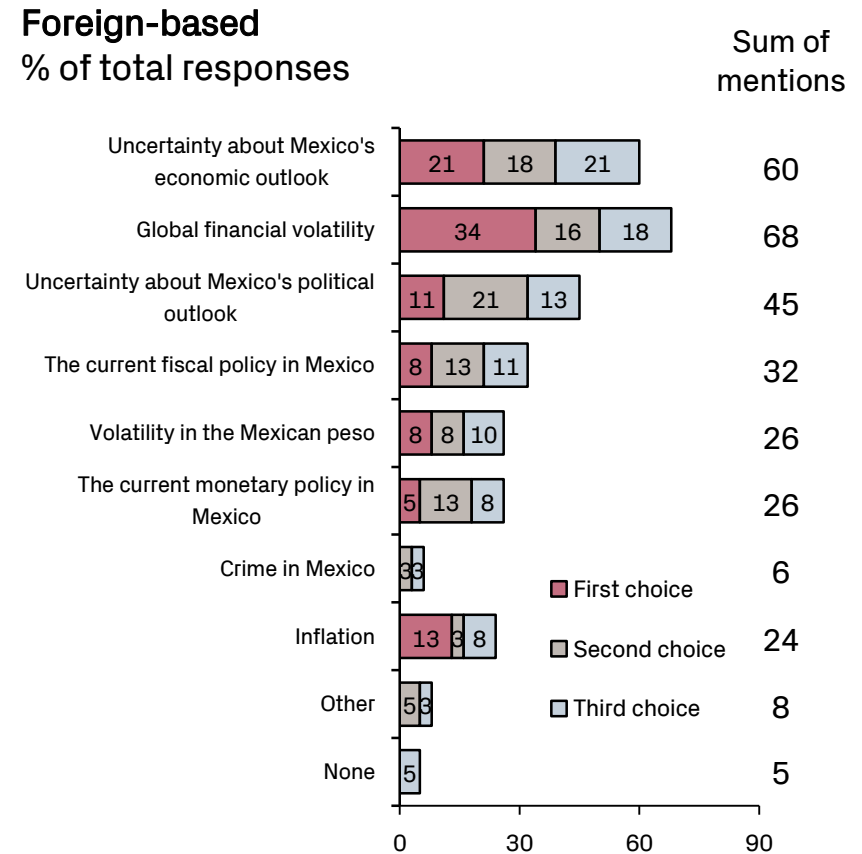
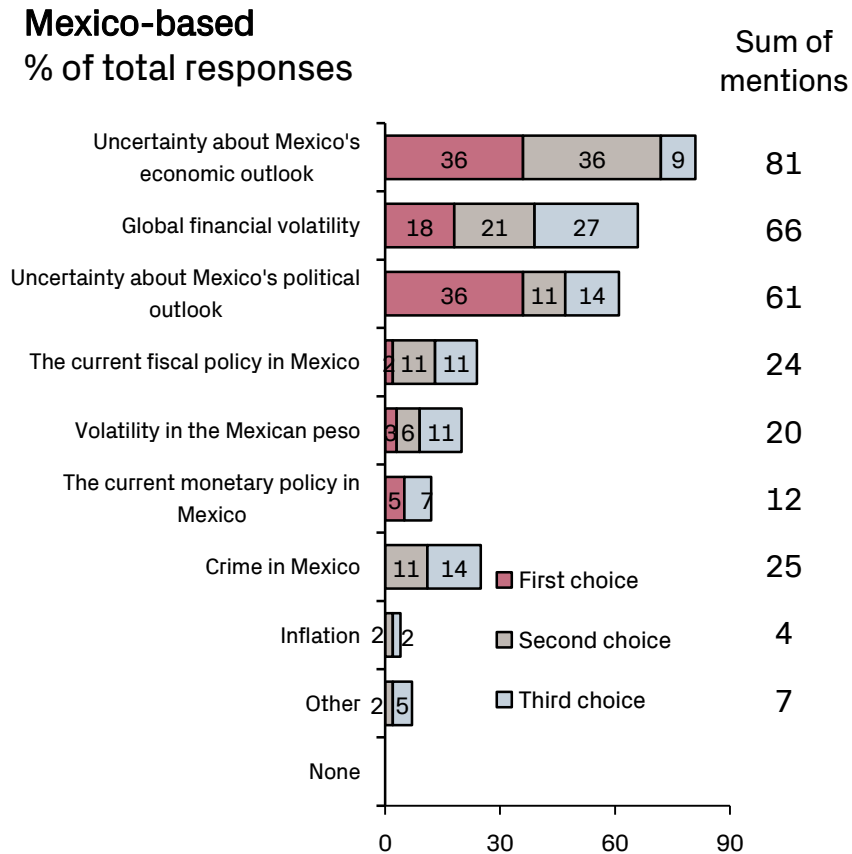
Source: Credit Suisse / Buendia & Laredo survey

From most important to least important, which do you think are the three main issues that could undermine the return of your investments in Mexican financial assets in 2020?



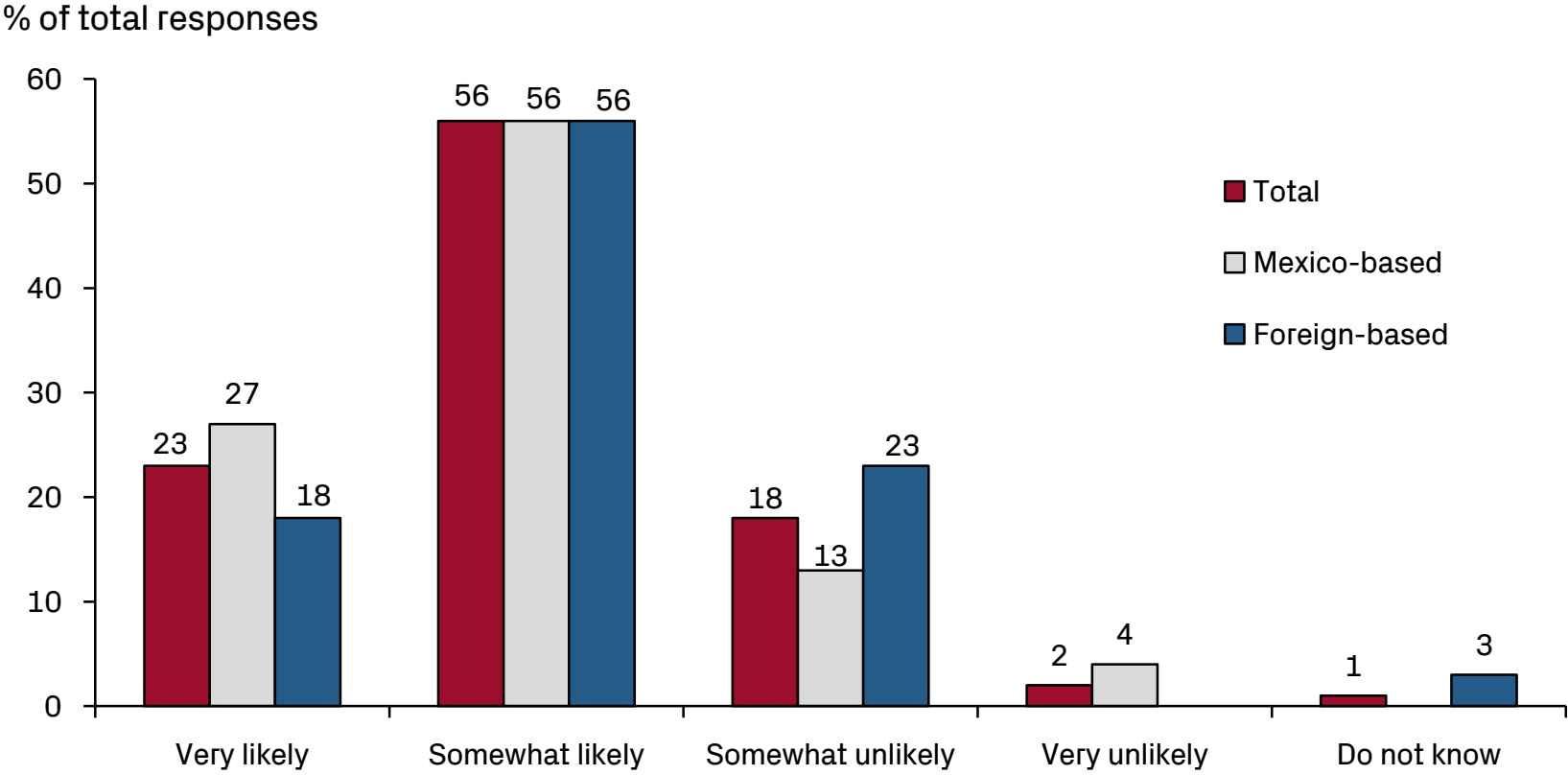
Source: Credit Suisse / Buendia & Laredo survey

From most important to least important, which do you think are the three main issues that could undermine the return of your investments in Mexican financial assets in 2020?



Source: Credit Suisse / Buendia & Laredo survey

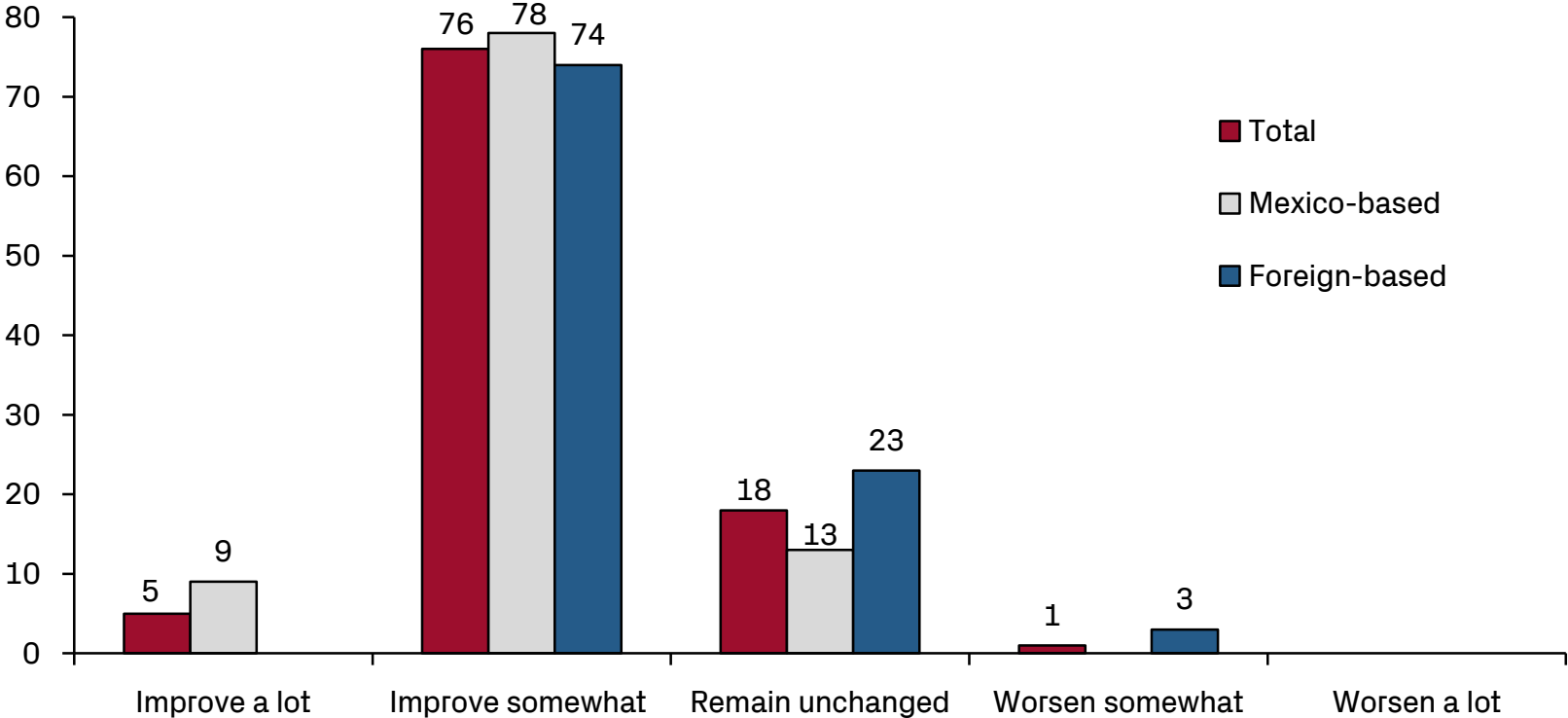
How likely do you think it is that Mexico's current economic performance will persist during the next three years?



Source: Credit Suisse / Buendia & Laredo survey

Relative to one year ago, does the USMCA agreement improve, worsen or leave unchanged Mexico's medium-term growth prospects?

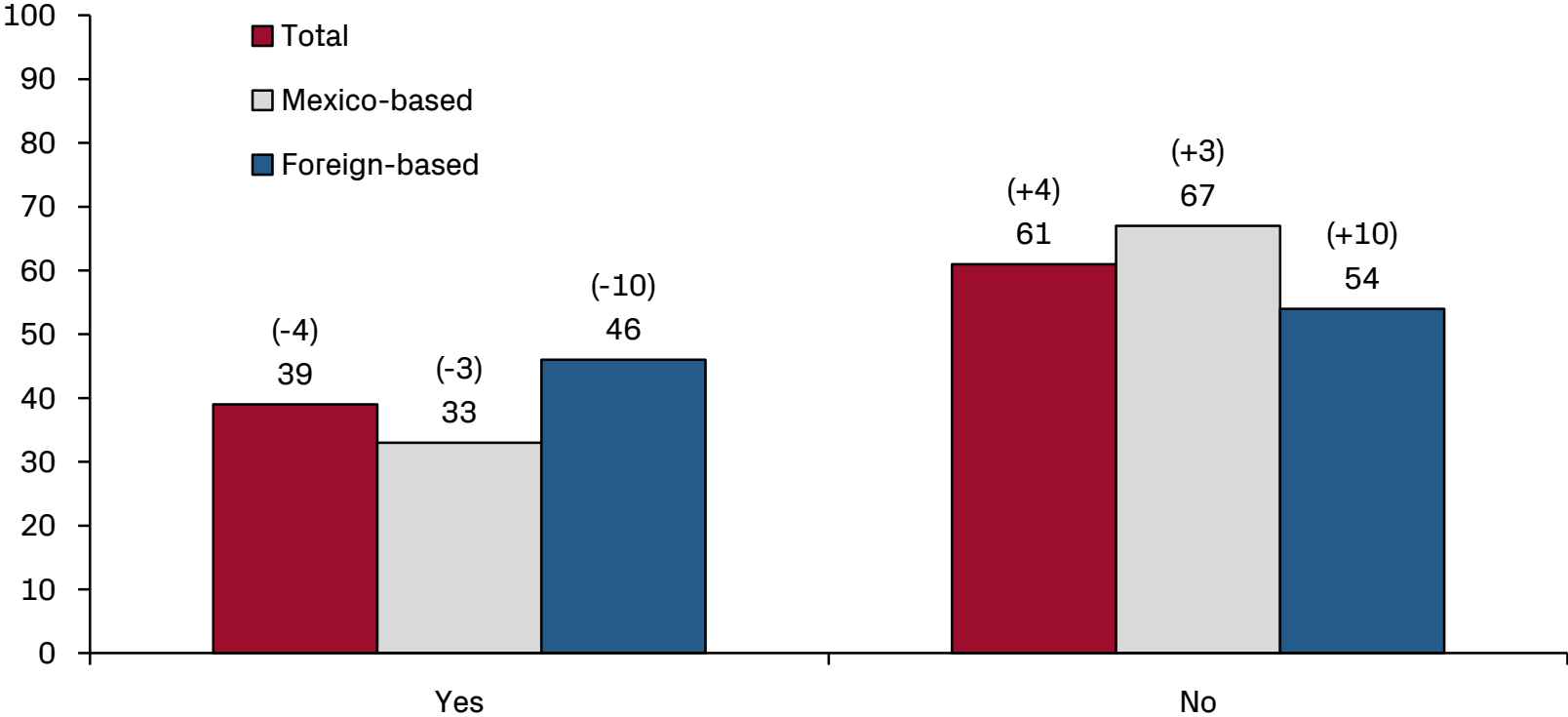
% of total responses



Source: Credit Suisse / Buendia & Laredo survey

Do you think that Mexico's long-term foreign currency debt will be downgraded at least once in the next six months?

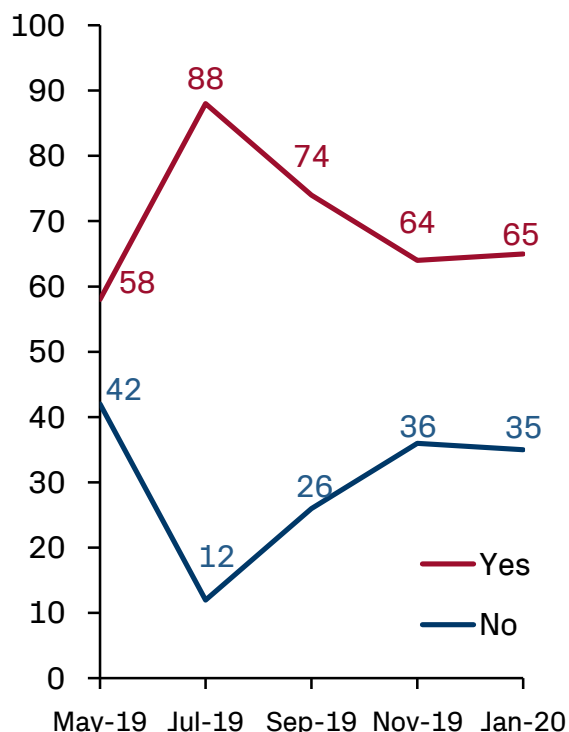
% of total responses, variation versus November survey in parenthesis



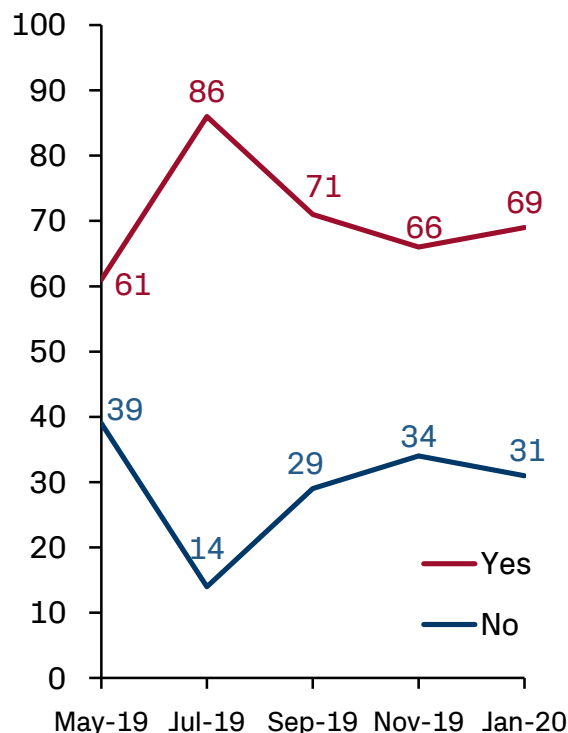
Source: Credit Suisse / Buendia & Laredo survey

Do you think that Pemex's long-term foreign currency debt will be downgraded at least once in the next six months?*

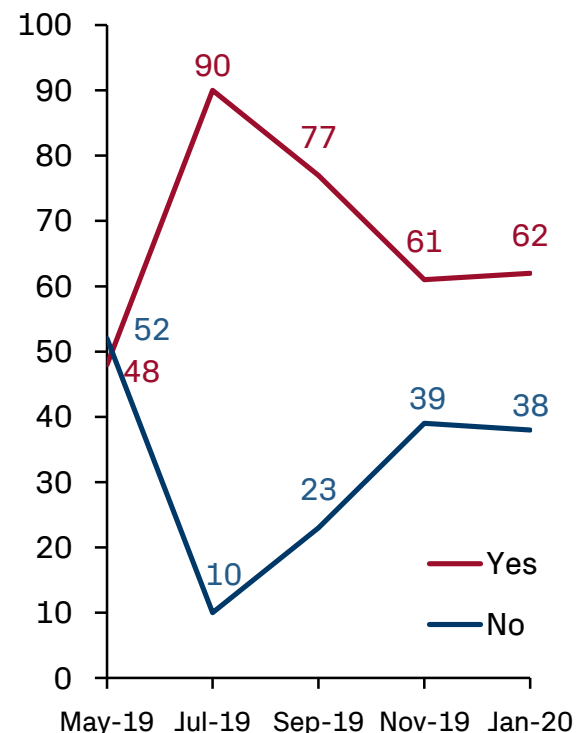
Total
% of total responses



Mexican-based
% of total responses



Foreign-based
% of total responses



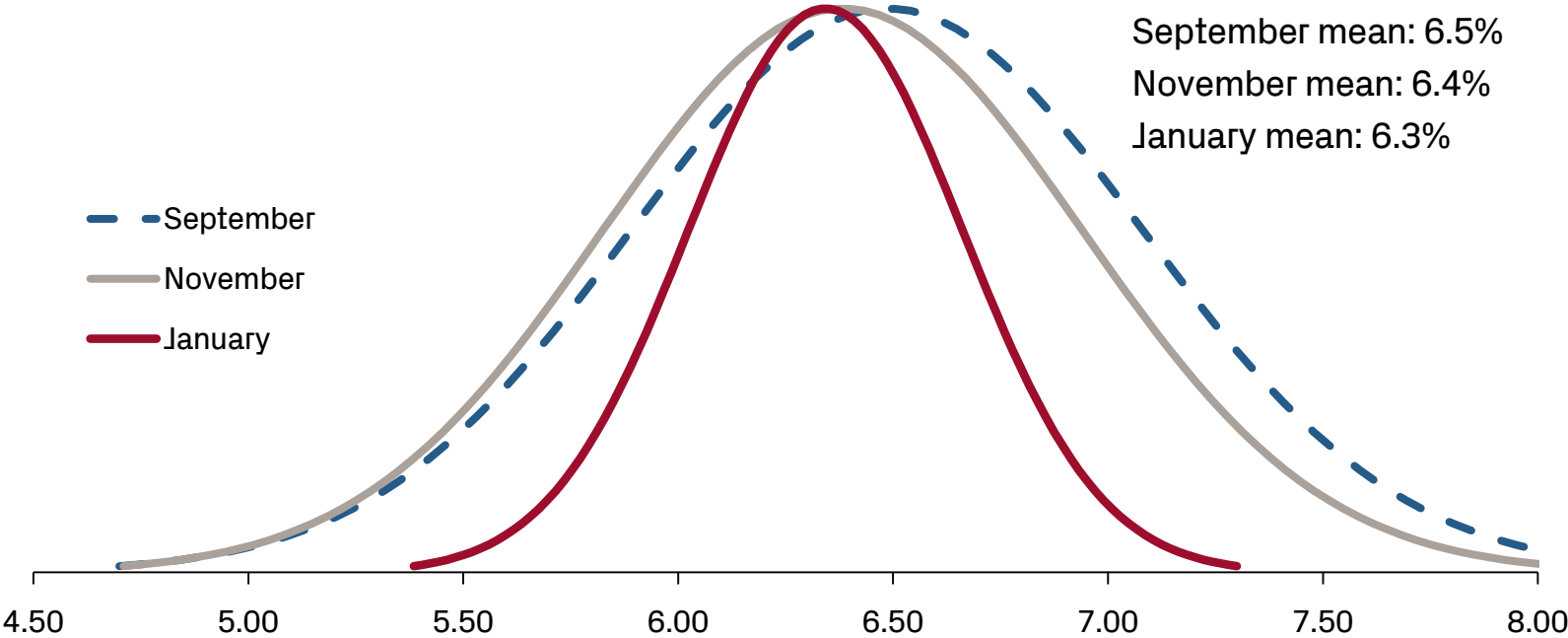
*The question in May and July was "Do you think that Pemex's long-term foreign currency debt will be downgraded at least once in the balance of the year?"

Source: Credit Suisse / Buendia & Laredo survey

Where do you see the overnight rate (set by the central bank and currently at 7.25%) at the end of 2020?

Total responses

Normal distribution of probabilities, %

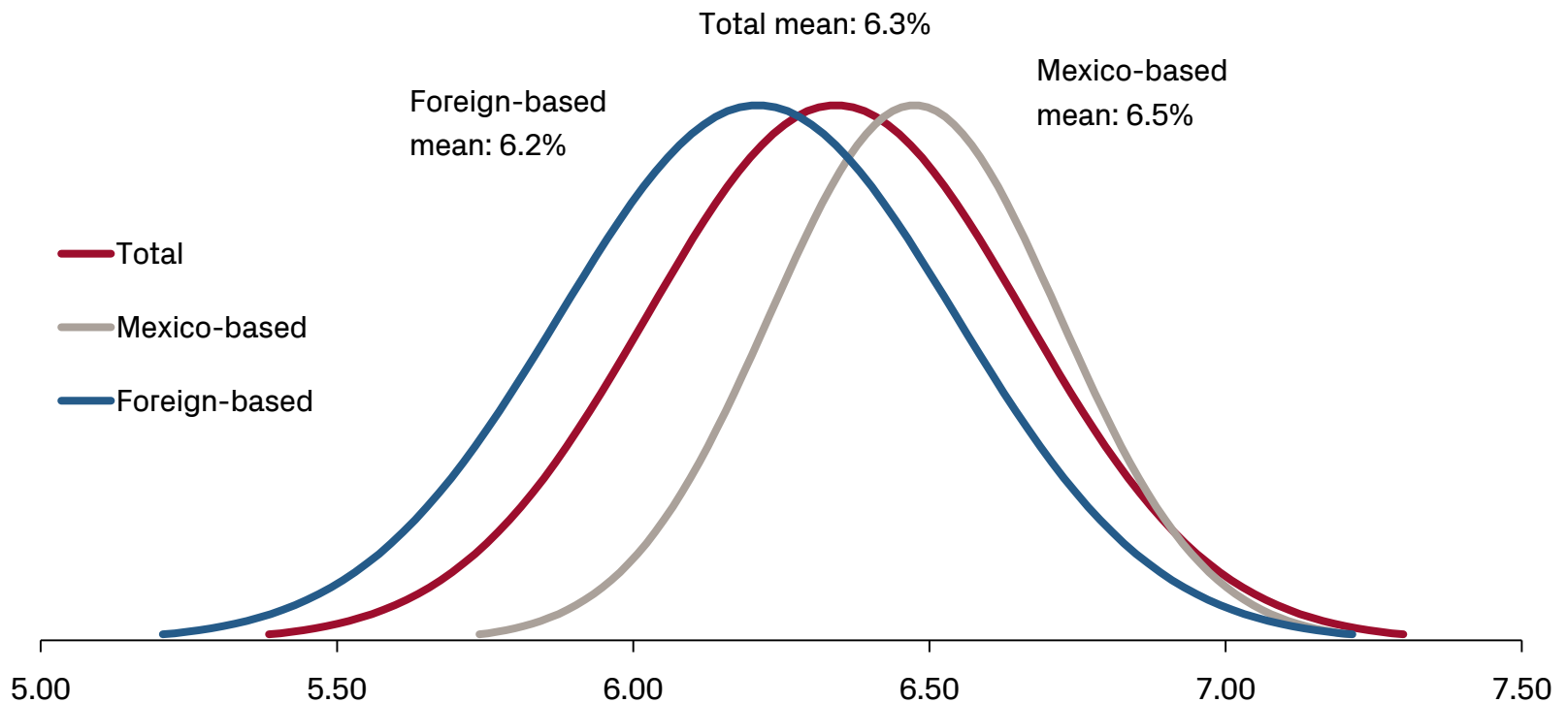


Source: Credit Suisse / Buendia & Laredo survey

Where do you see the overnight rate (set by the central bank and currently at 7.25%) at the end of 2020?

Total responses

Normal distribution of probabilities, %

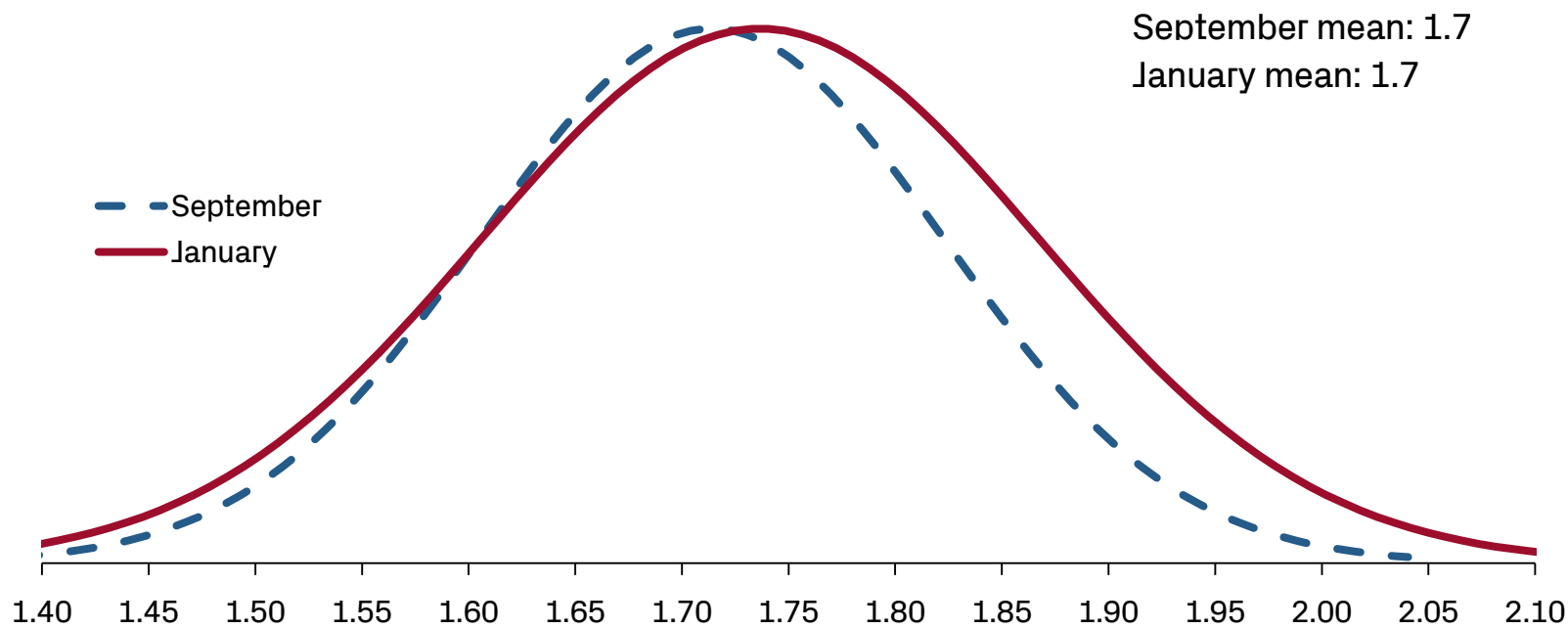


Source: Credit Suisse / Buendia & Laredo survey

What do you expect Pemex's oil output to be one year from now on (latest data point as of November 2019 was 1.7mn barrels per day)?

Total responses

Normal distribution of probabilities, mn of barrels per day

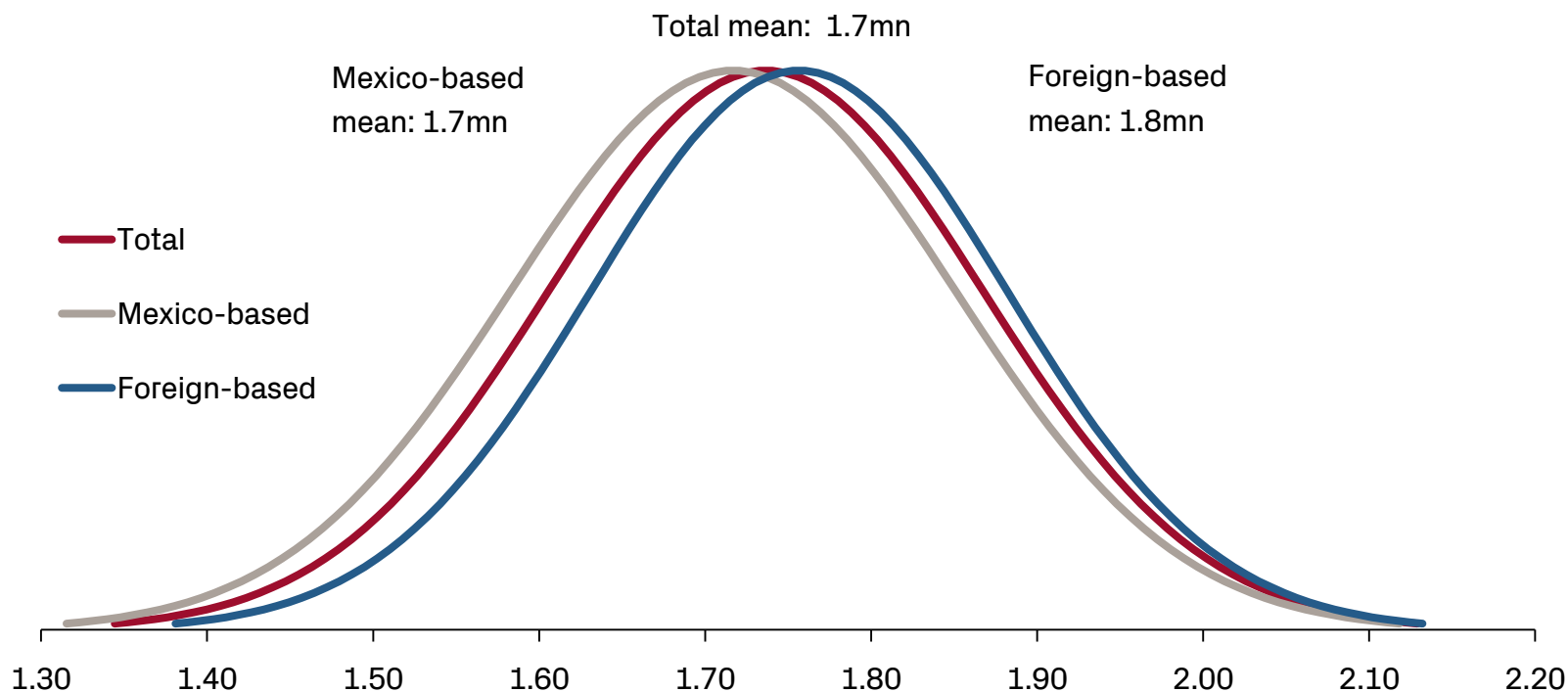


Source: Credit Suisse / Buendia & Laredo survey

What do you expect Pemex's oil output to be one year from now on (latest data point as of November 2019 was 1.7mn barrels per day)?

Total responses

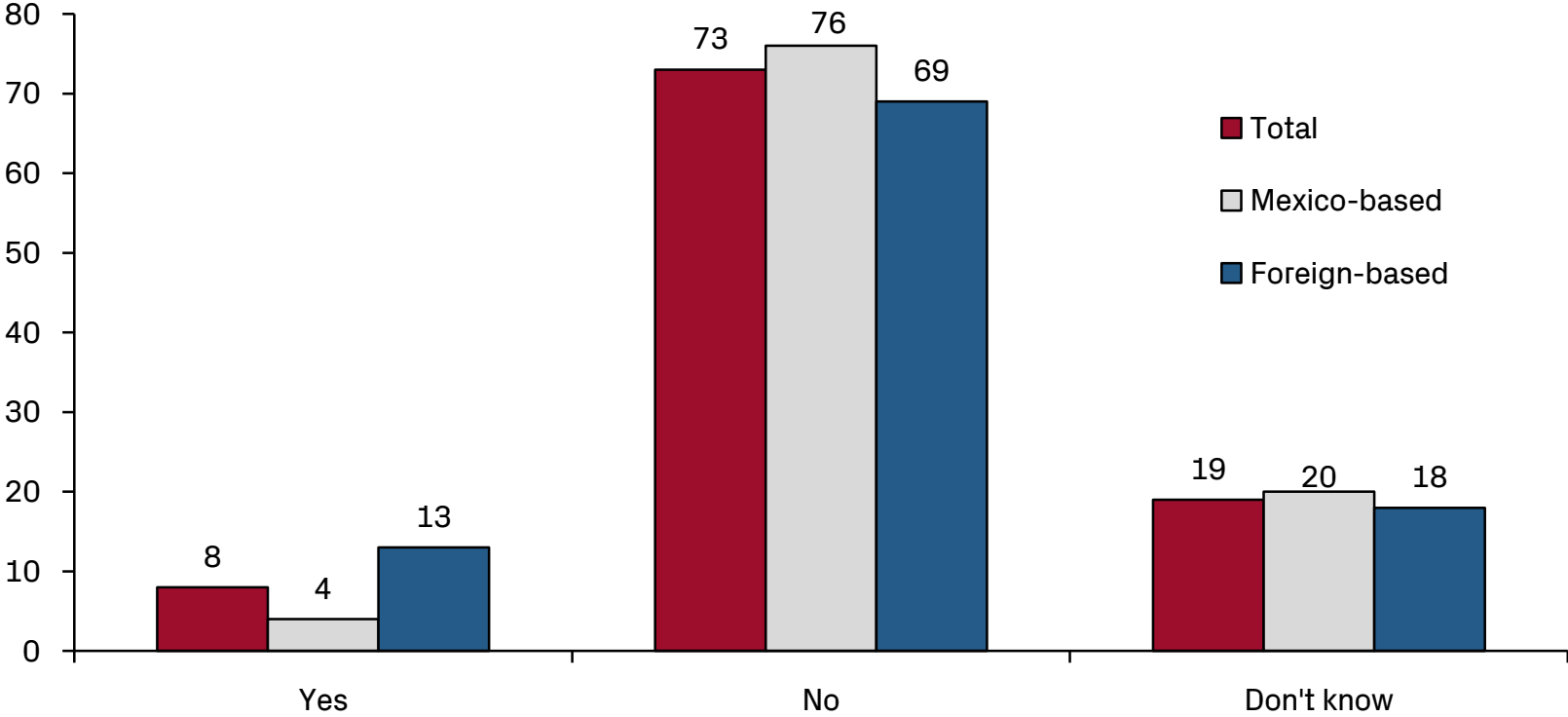
Normal distribution of probabilities, mn of barrels per day



Source: Credit Suisse / Buendia & Laredo survey

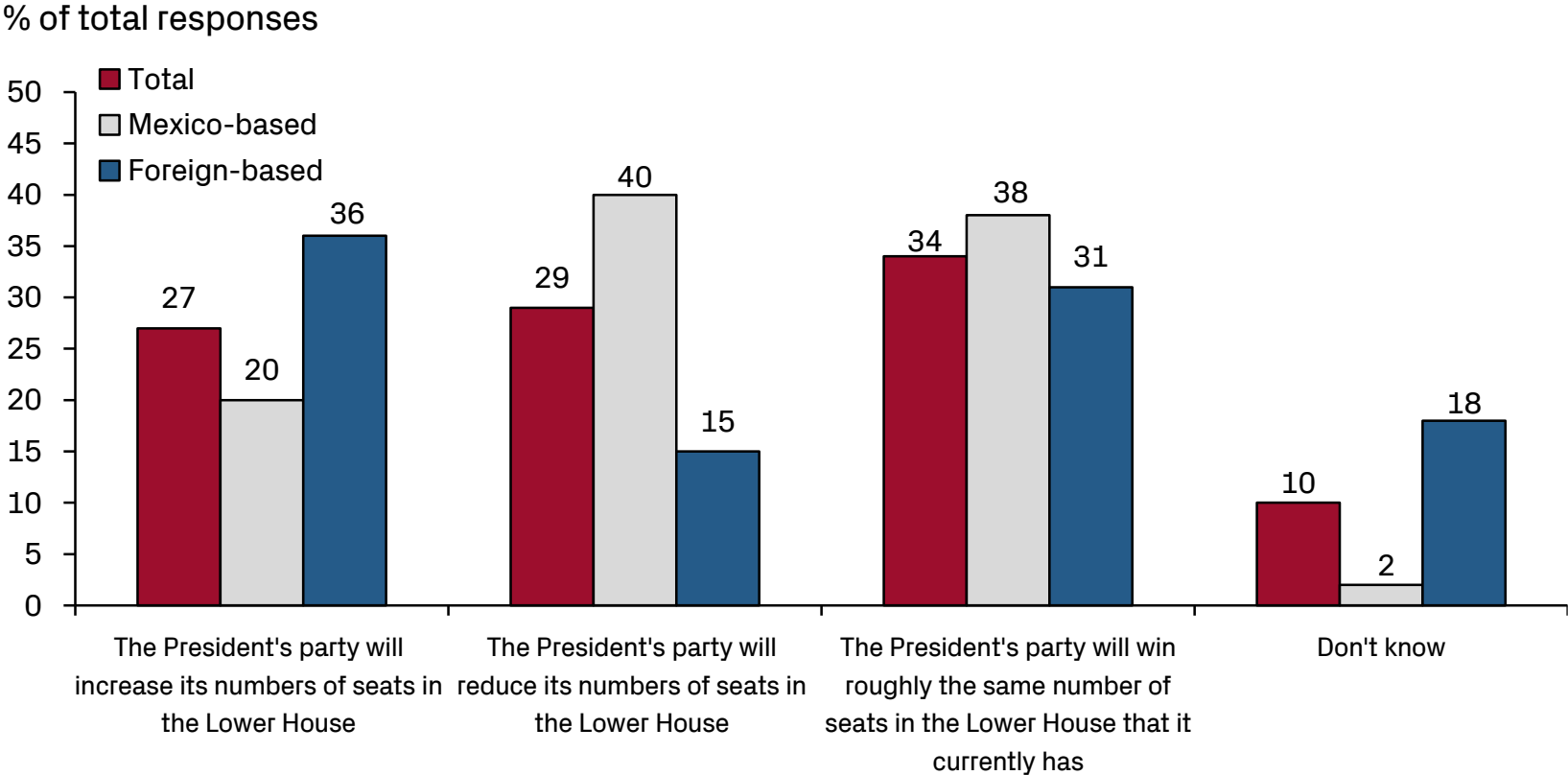
Do you think that the Mexican government will reinstate or will not reinstate oil auctions in 2020?

% of total responses



Source: Credit Suisse / Buendia & Laredo survey

Based on what you know or have heard, which of the following is the most likely outcome of Mexico's midterm elections in June 2021?



Source: Credit Suisse / Buendia & Laredo survey

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