

Mexico Investor Survey

October 2020 edition



Investment Solutions & Products
Latin America Economics

October 2020

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Survey methodology

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

Sample size: 82 completed interviews (49 Mexico-based investors and 33 investors abroad).

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. An 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.

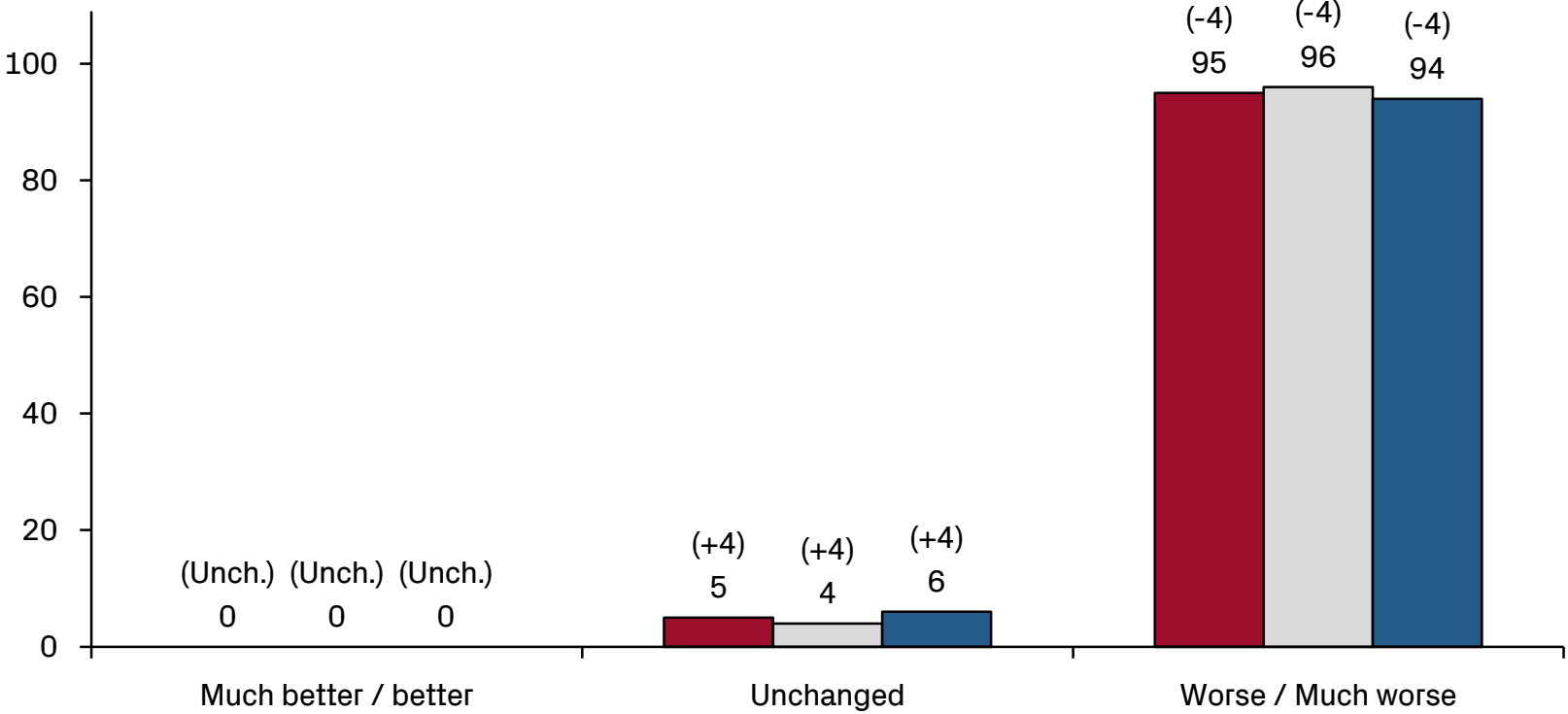
Date of collection: September 25 – October 5, 2020.

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 June survey in parenthesis

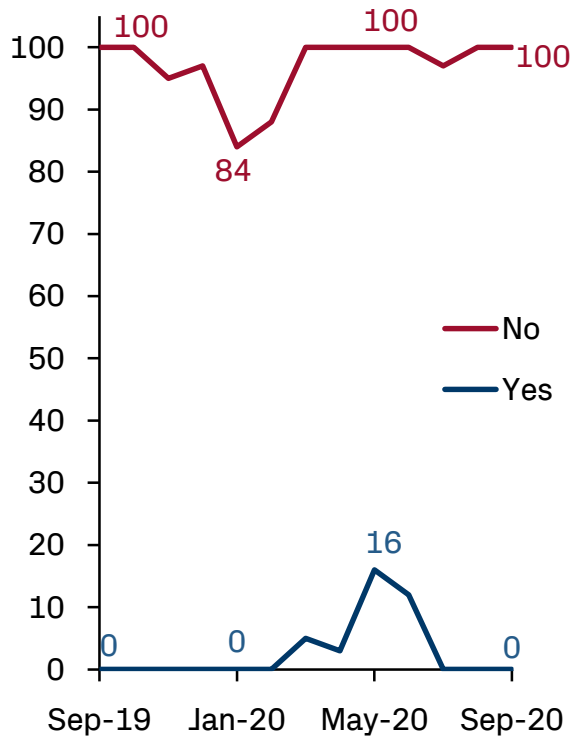


Source: Credit Suisse / Buendia & Laredo survey

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

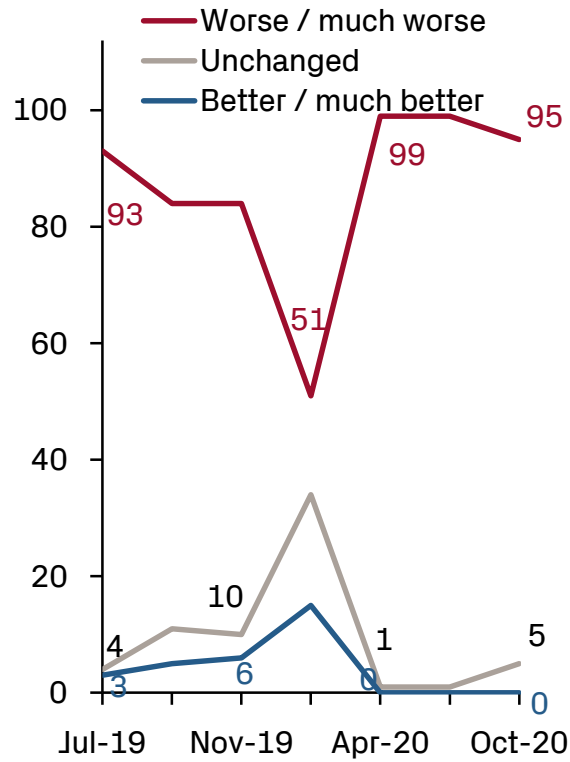
Economists

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



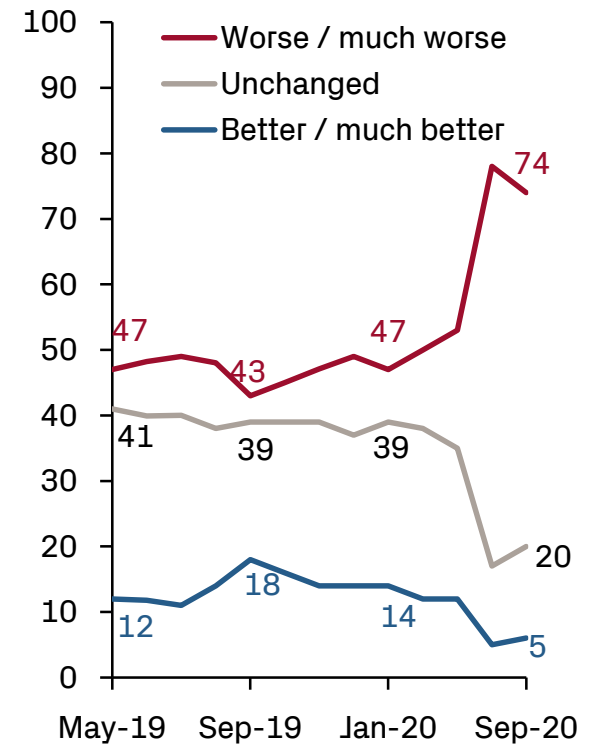
Investors

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



General population

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



*INEGI has not updated the ENCO survey because of the COVID-19 pandemic.

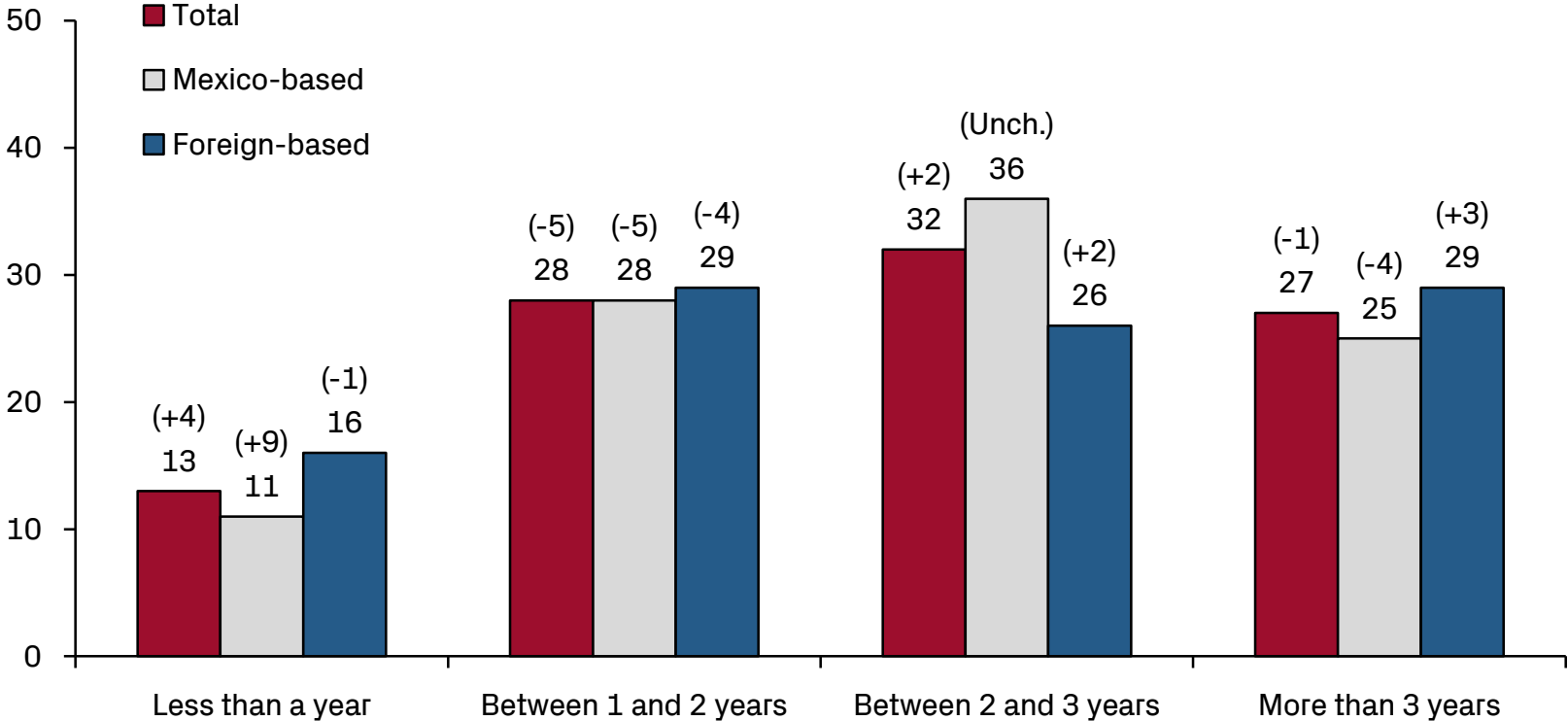
Source: Central bank surveys

Source: Credit Suisse / Buendia & Laredo survey

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

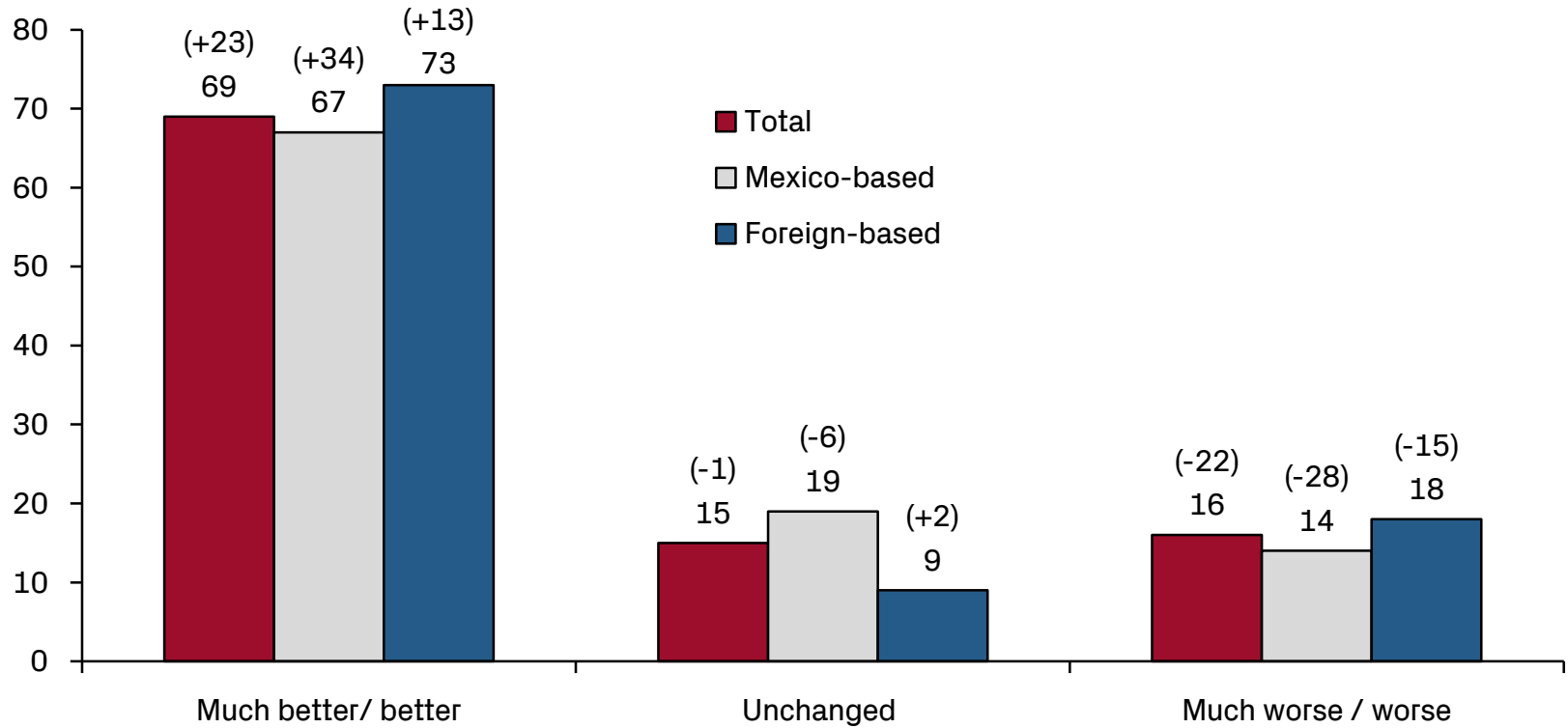
% of total responses, variation versus June survey in parenthesis



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 June survey in parenthesis

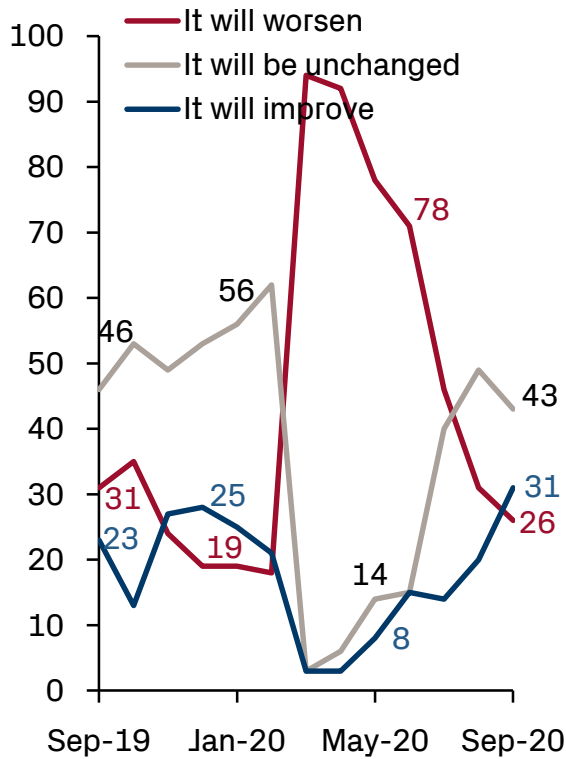


Source: Credit Suisse / Buendia & Laredo survey

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

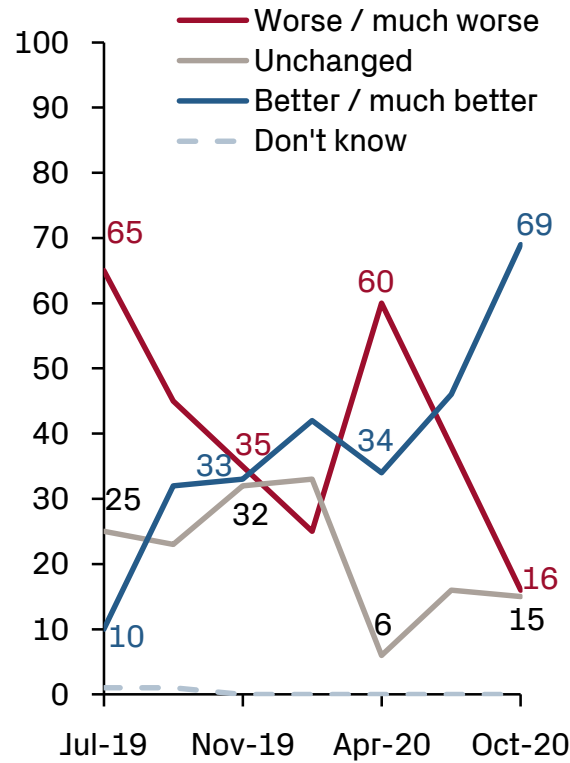
Economists

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



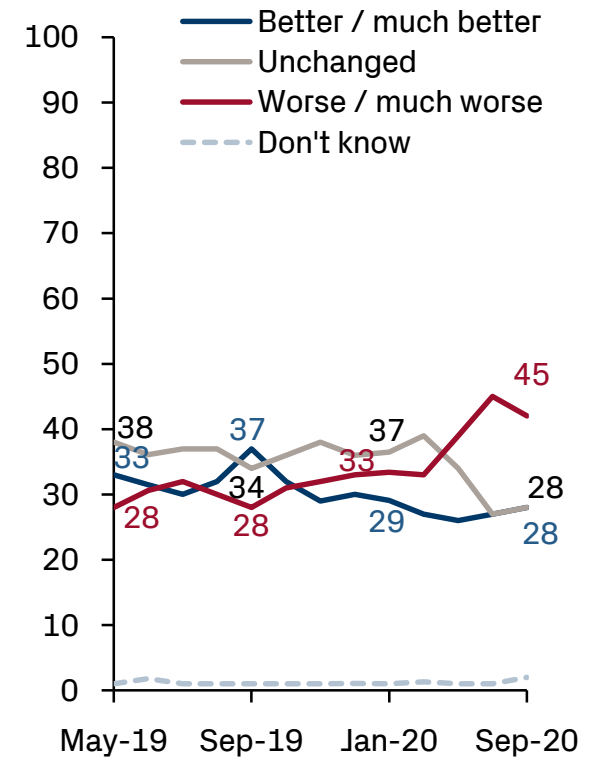
Investors

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



General population

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

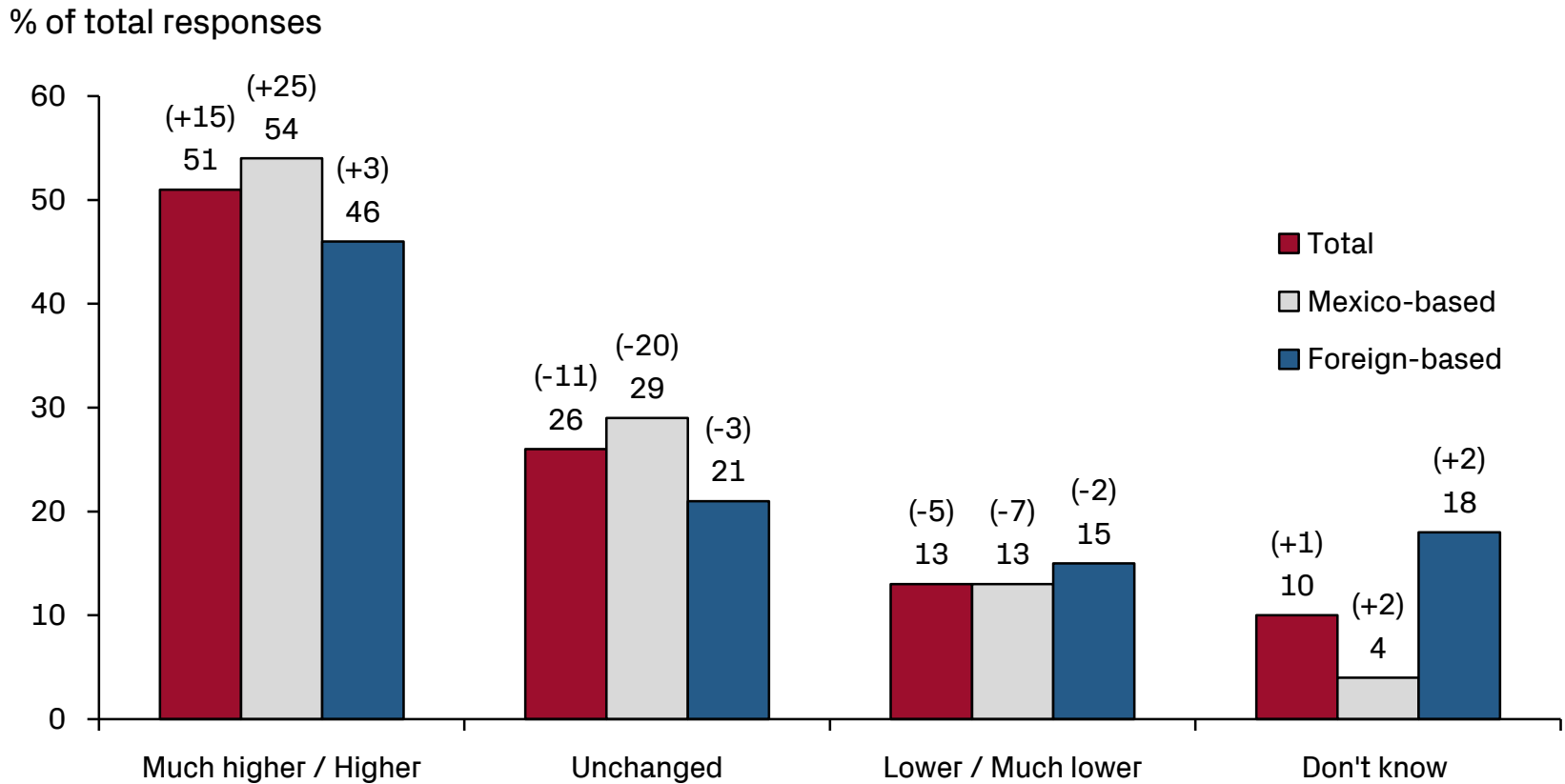


Source: Central bank survey

Source: Credit Suisse / Buendia & Laredo survey

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)?

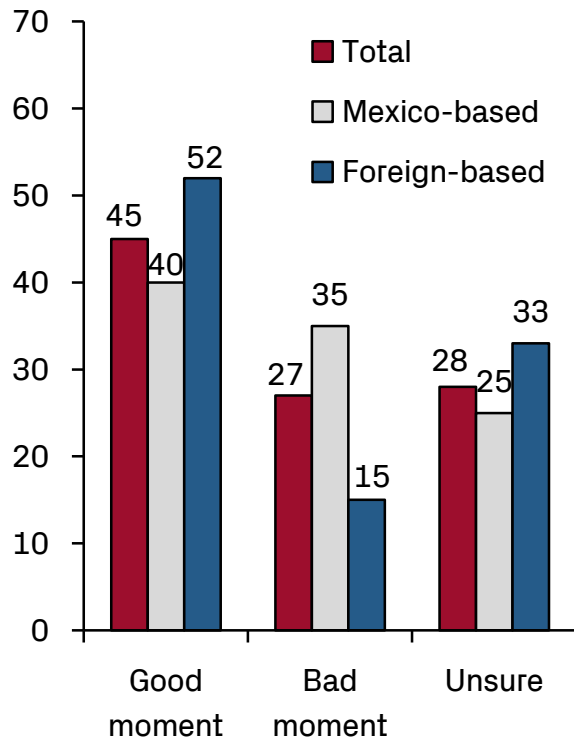


Source: Credit Suisse / Buendia & Laredo survey

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

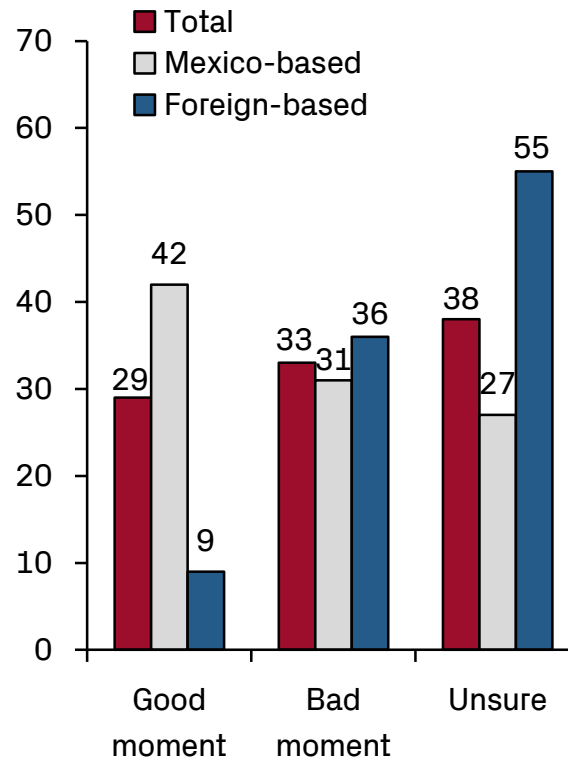
Mexican local government bonds

% of total responses



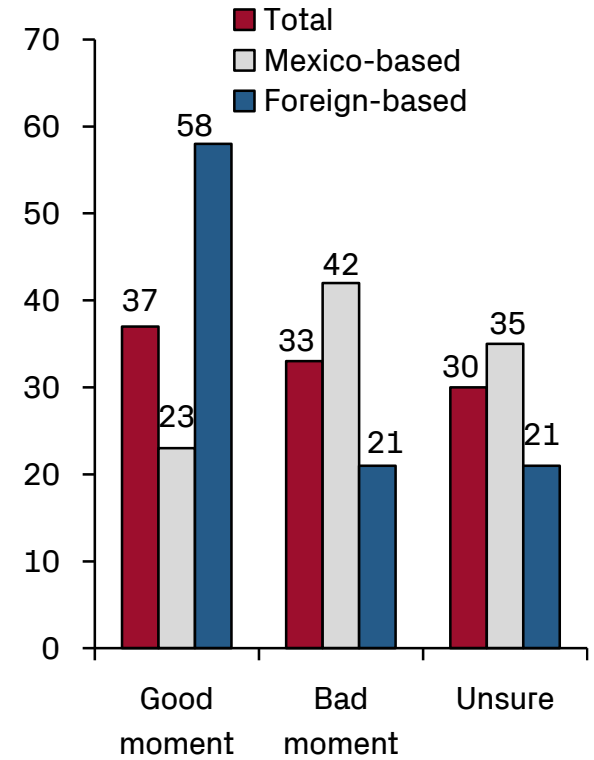
Mexican equities

% of total responses



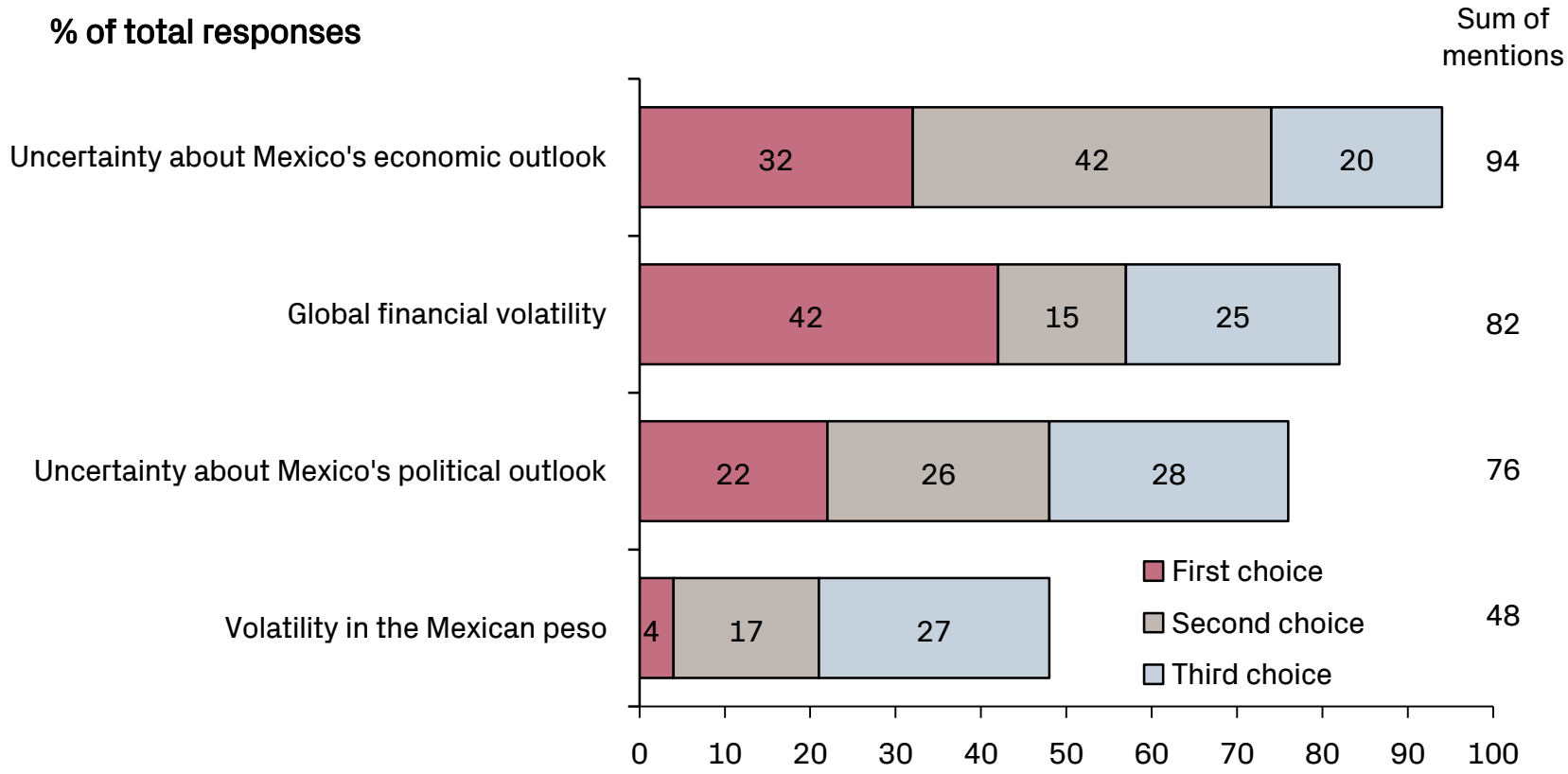
The Mexican peso

% of total responses



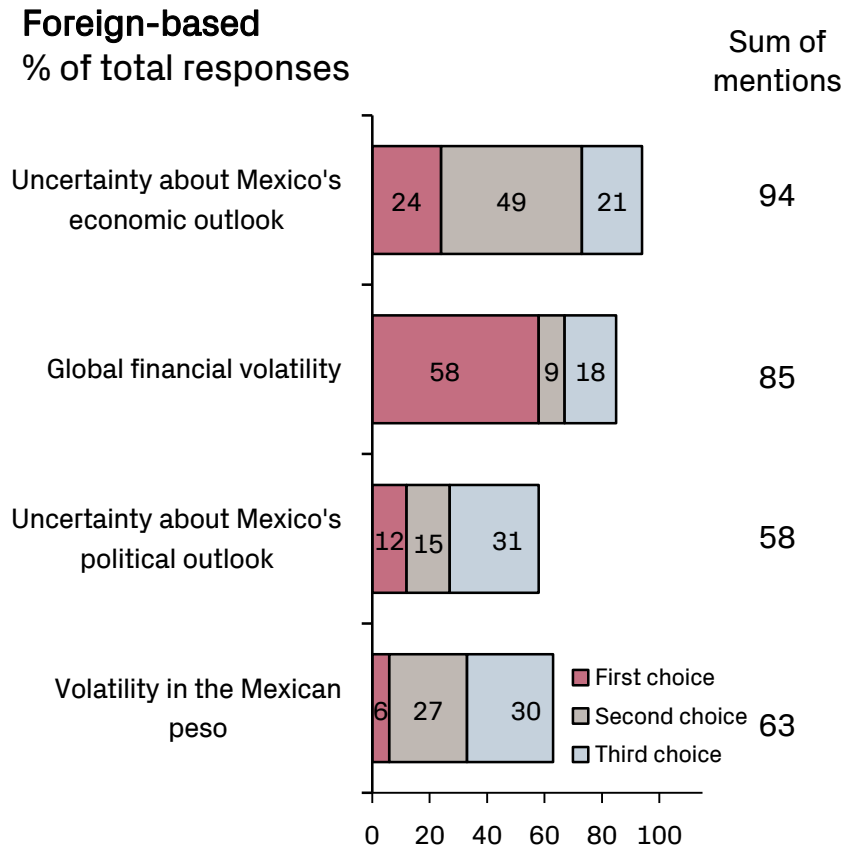
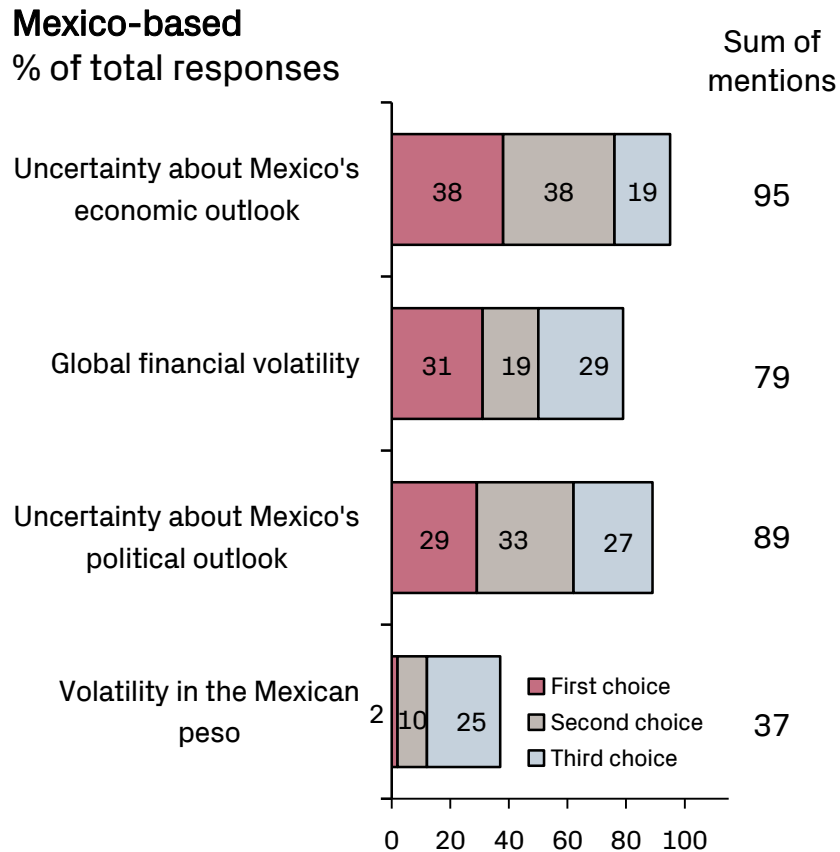
Source: Credit Suisse / Buendia & Laredo survey

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 the remainder of the year?



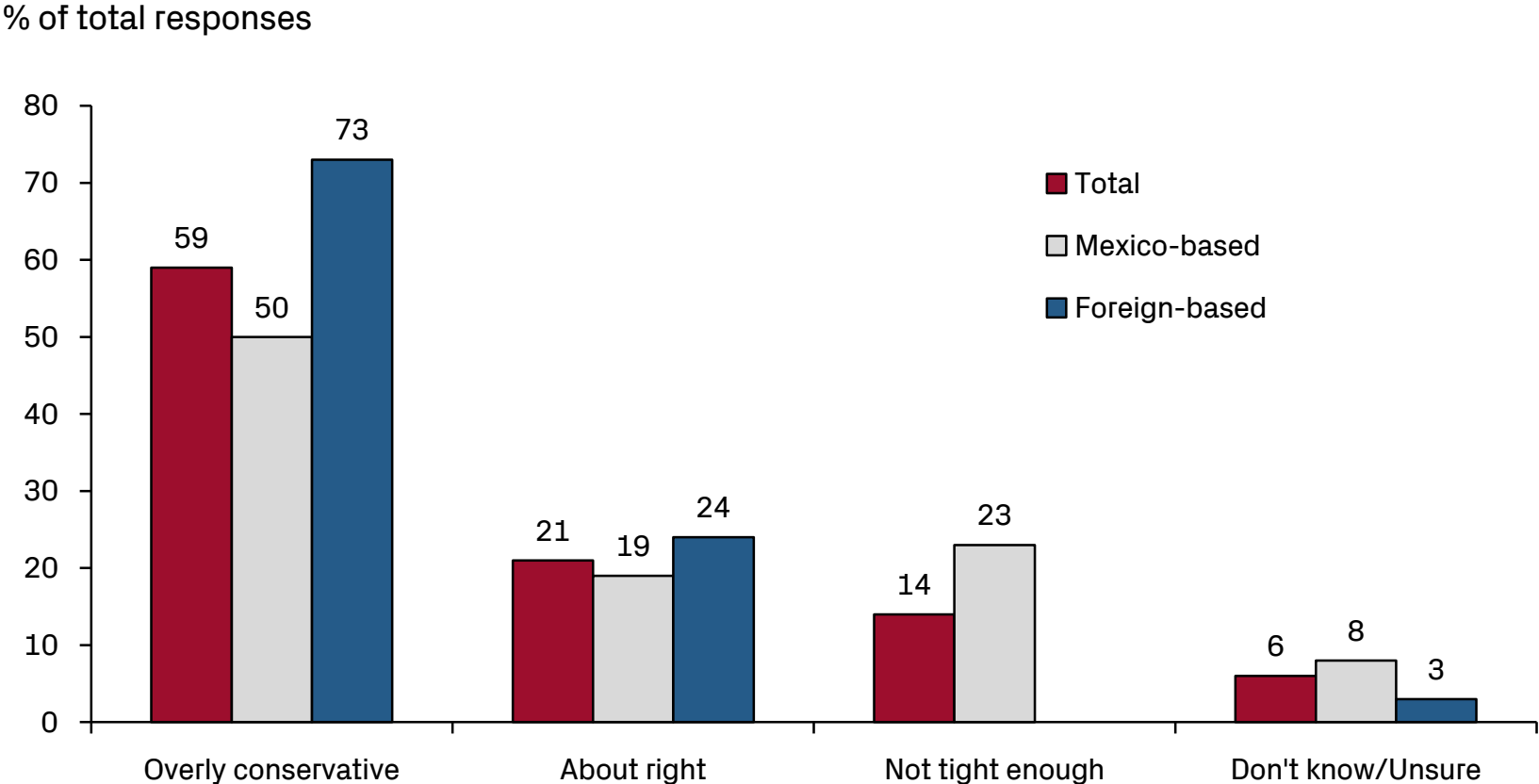
Source: Credit Suisse / Buendia & Laredo survey

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 the remainder of the year?



Source: Credit Suisse / Buendia & Laredo survey

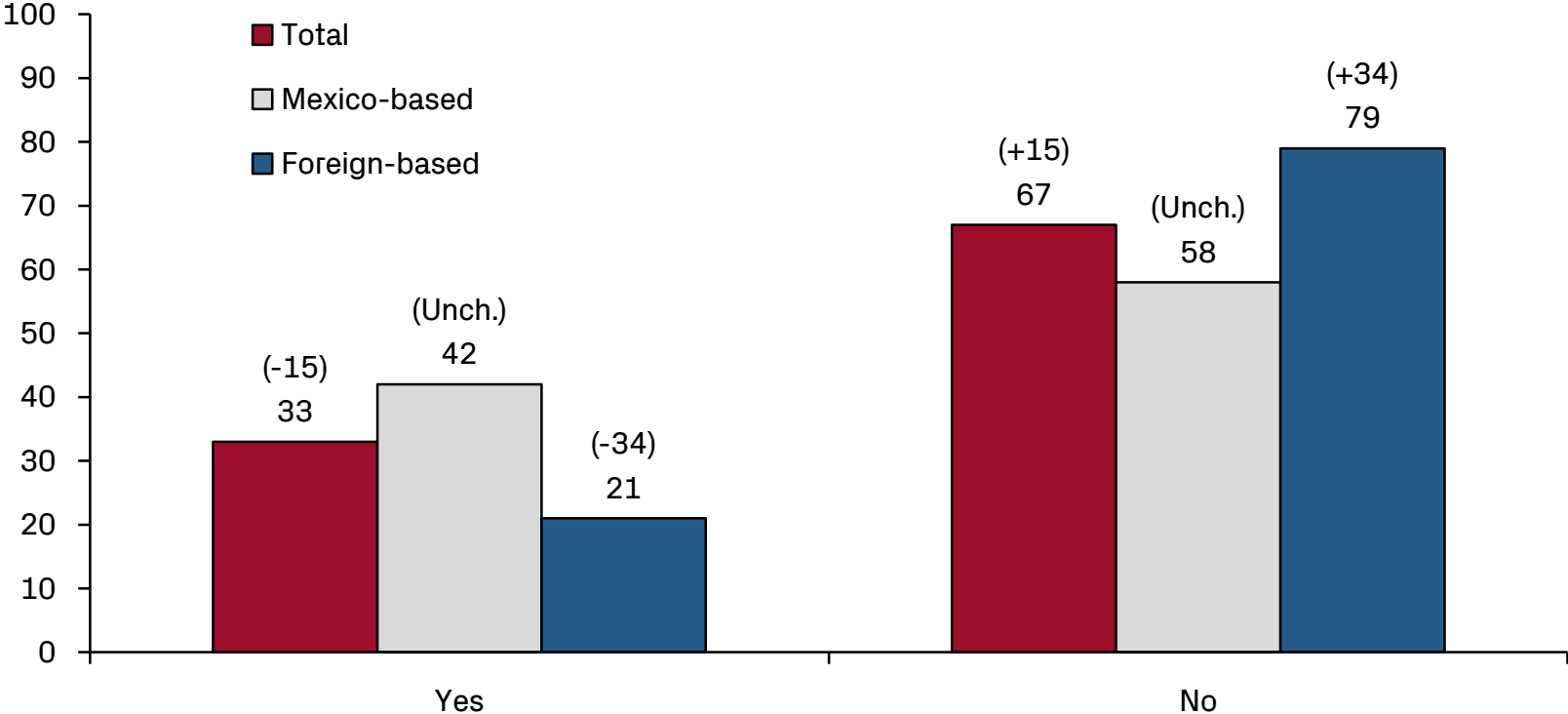
Given the current state of the economy, in your opinion, Mexico's proposed fiscal stance for year-end 2020 and for 2021 is:



Source: Credit Suisse / Buendia & Laredo survey

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

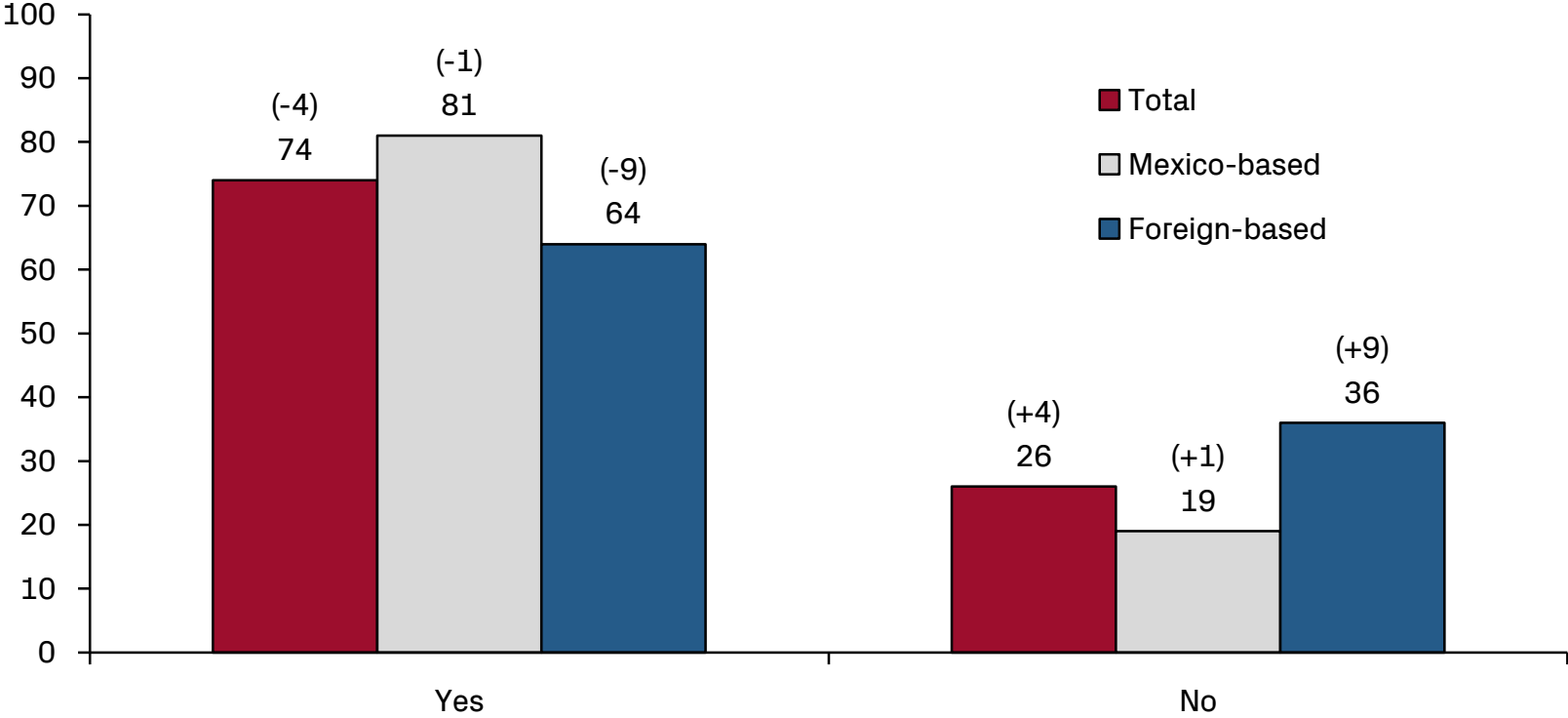
% of total responses



Source: Credit Suisse / Buendia & Laredo survey

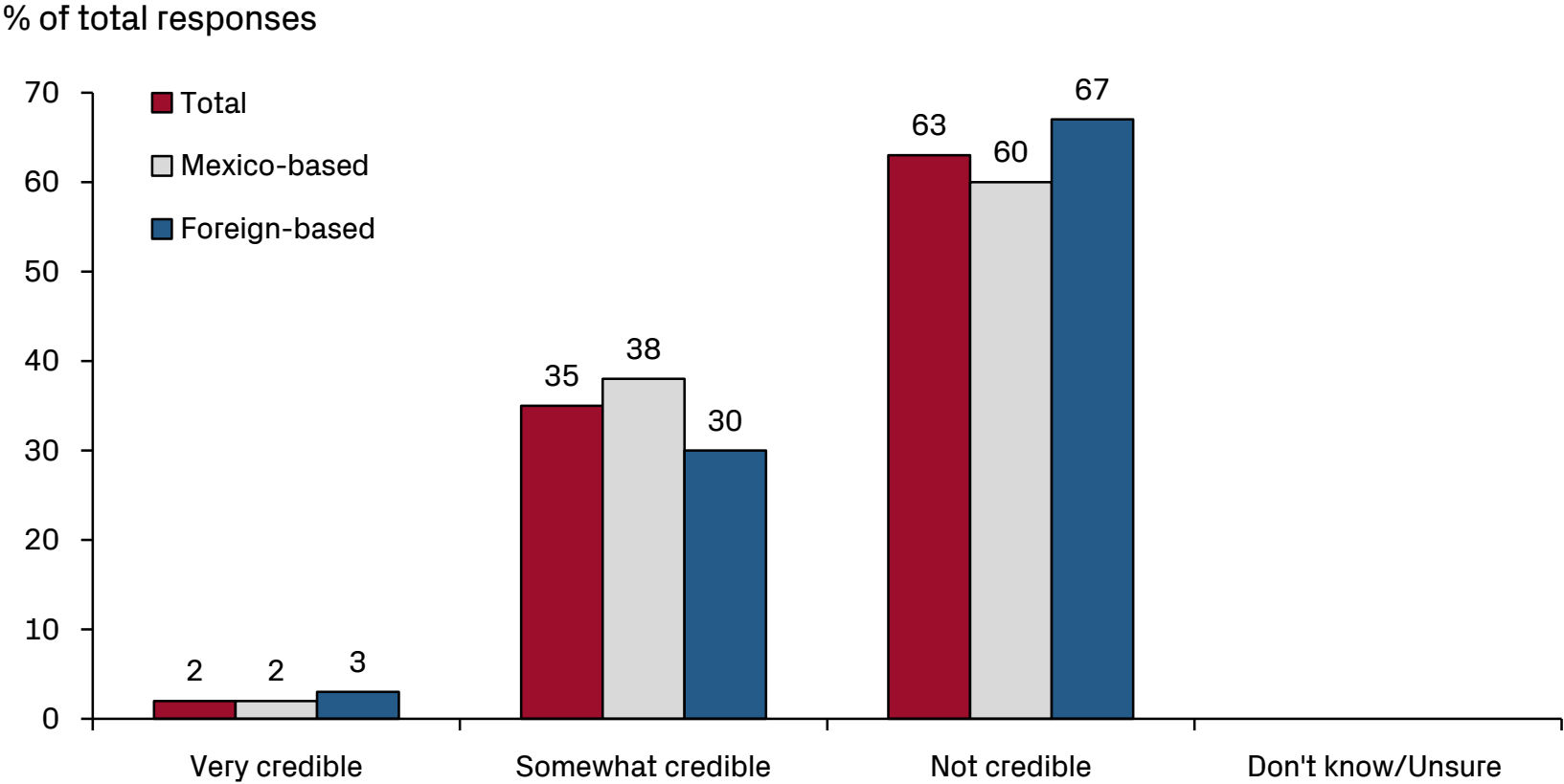
Do you think that Mexico will lose or will not lose its investment grade by at least two rating agencies in the remainder of the Lopez Obrador government?

% of total responses, variation versus June survey in parenthesis



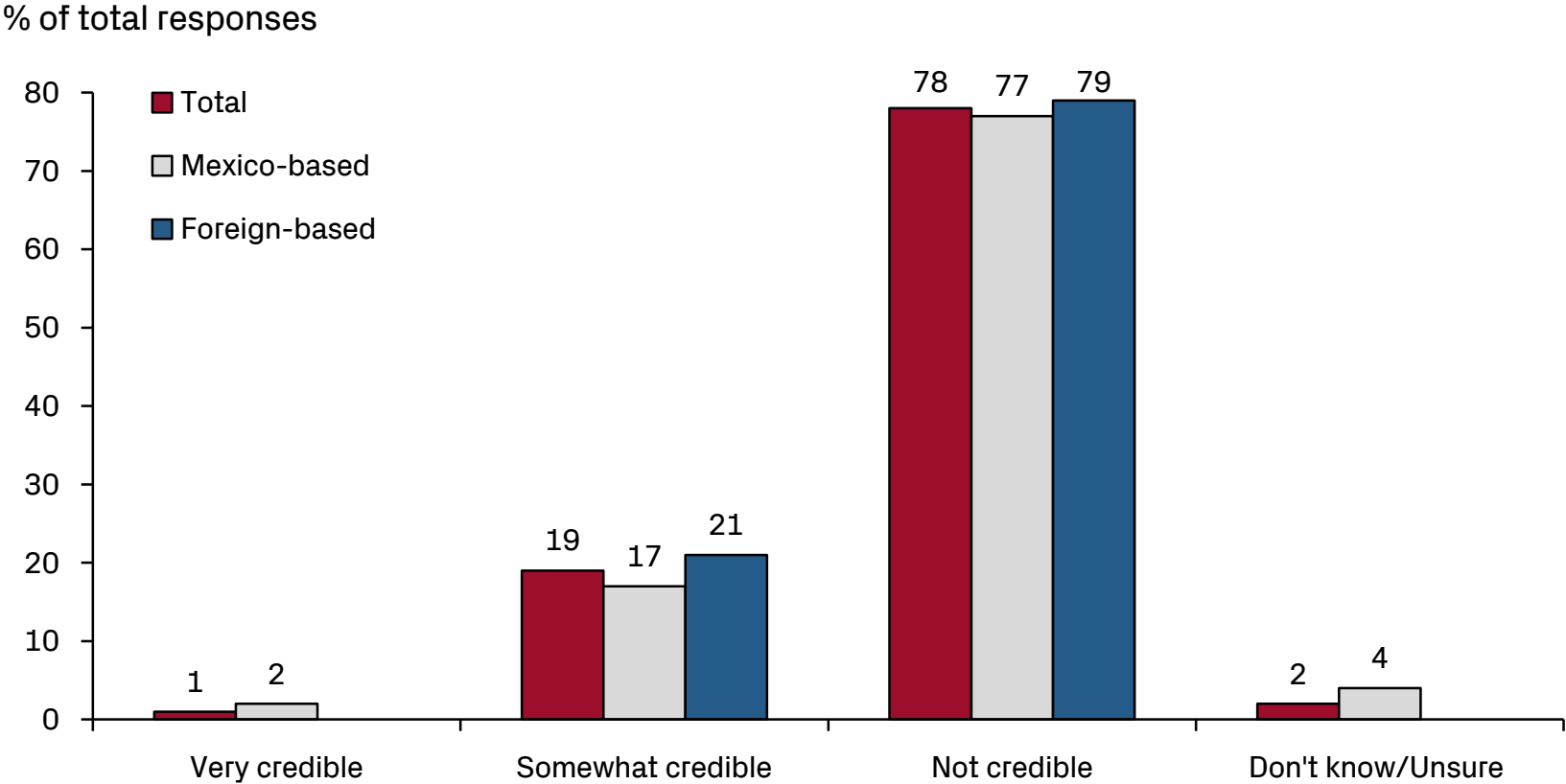
Source: Credit Suisse / Buendia & Laredo survey

In your opinion, how credible is Mexico's 2021 budget assumption for GDP growth (set at 4.6%)?



Source: Credit Suisse / Buendia & Laredo survey

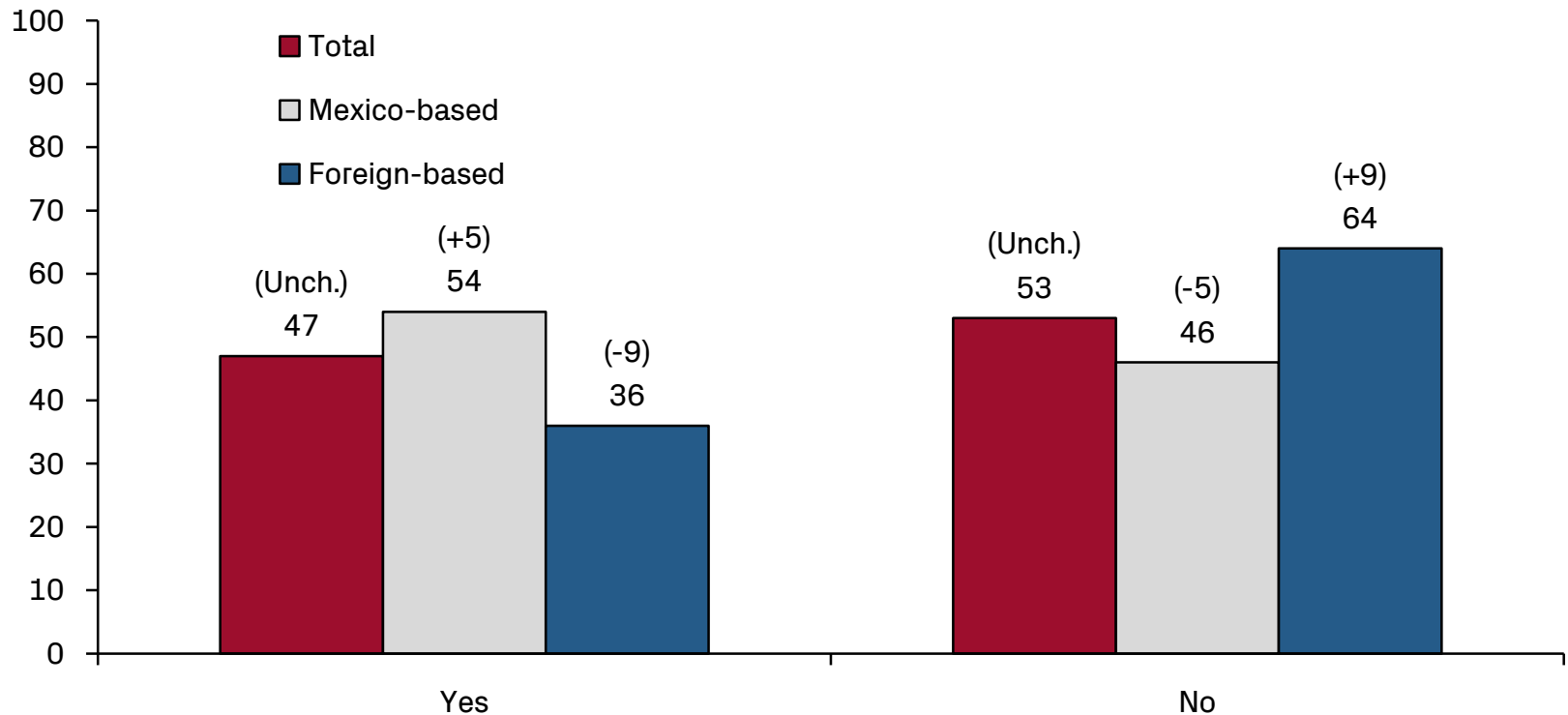
In your opinion, how credible is Mexico's 2021 budget assumption for oil output (set at 1.86mn barrels per day?)



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?

% of total responses

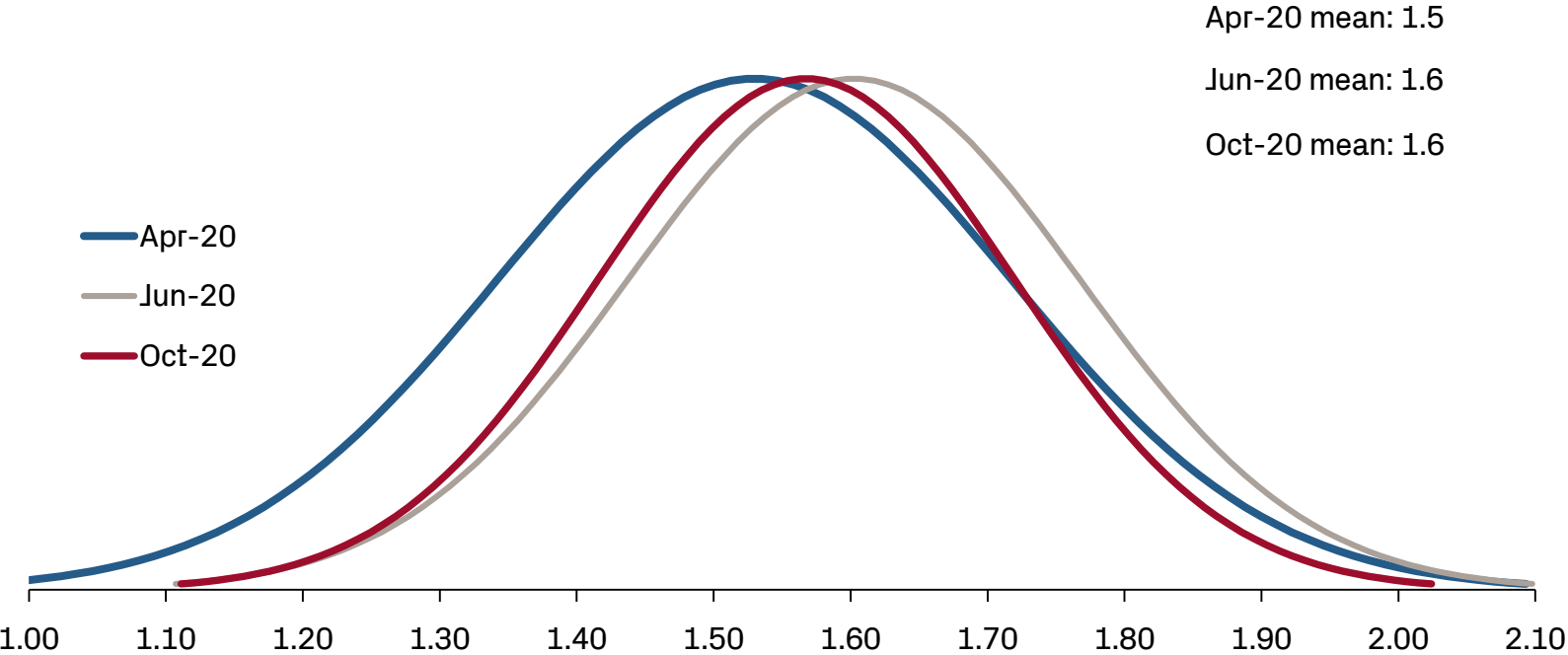


Source: Credit Suisse / Buendia & Laredo survey

What do you expect Pemex's oil output to be one year from now (latest data point as of July 2020 was 1.6mn barrels per day)?

Total responses

Normal distribution of probabilities, millions of barrels per day

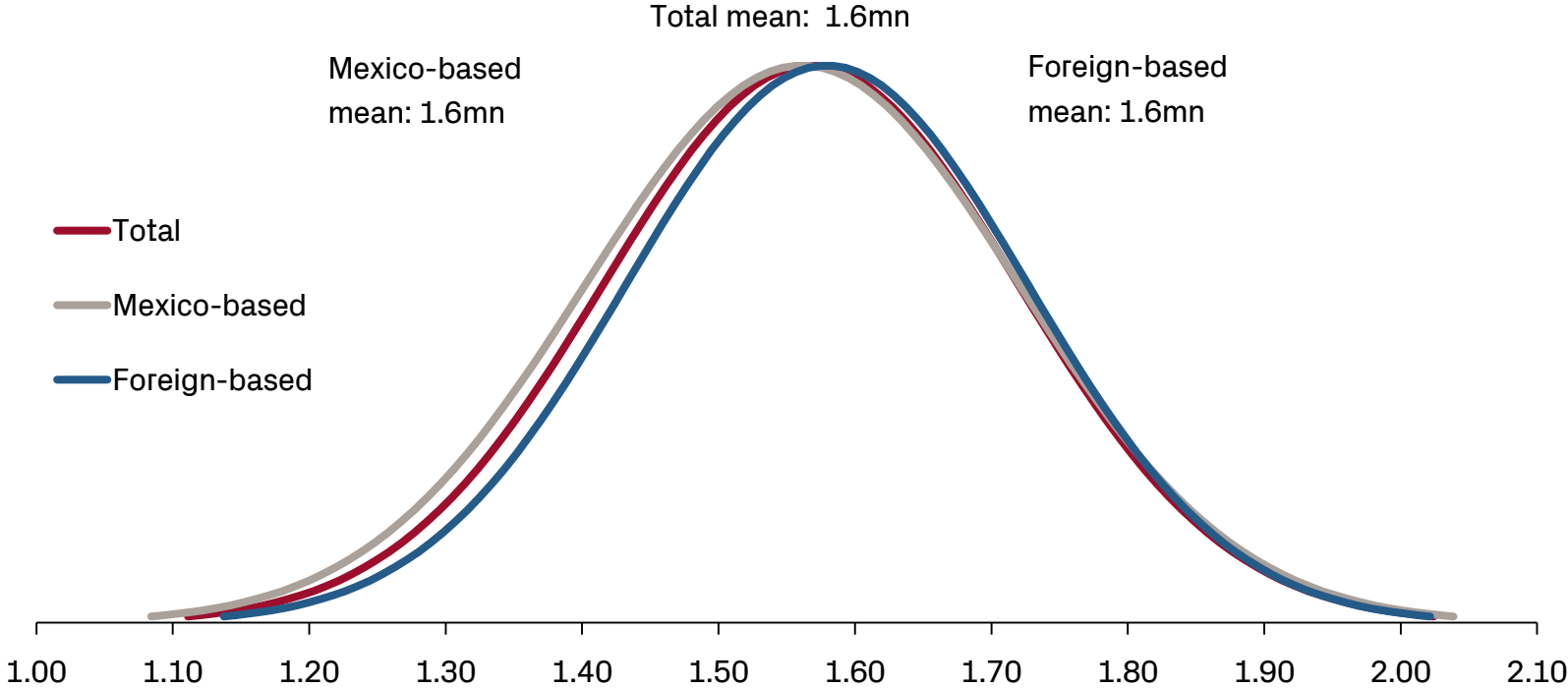


Source: Credit Suisse / Buendia & Laredo survey

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Total responses

Normal distribution of probabilities, millions of barrels per day

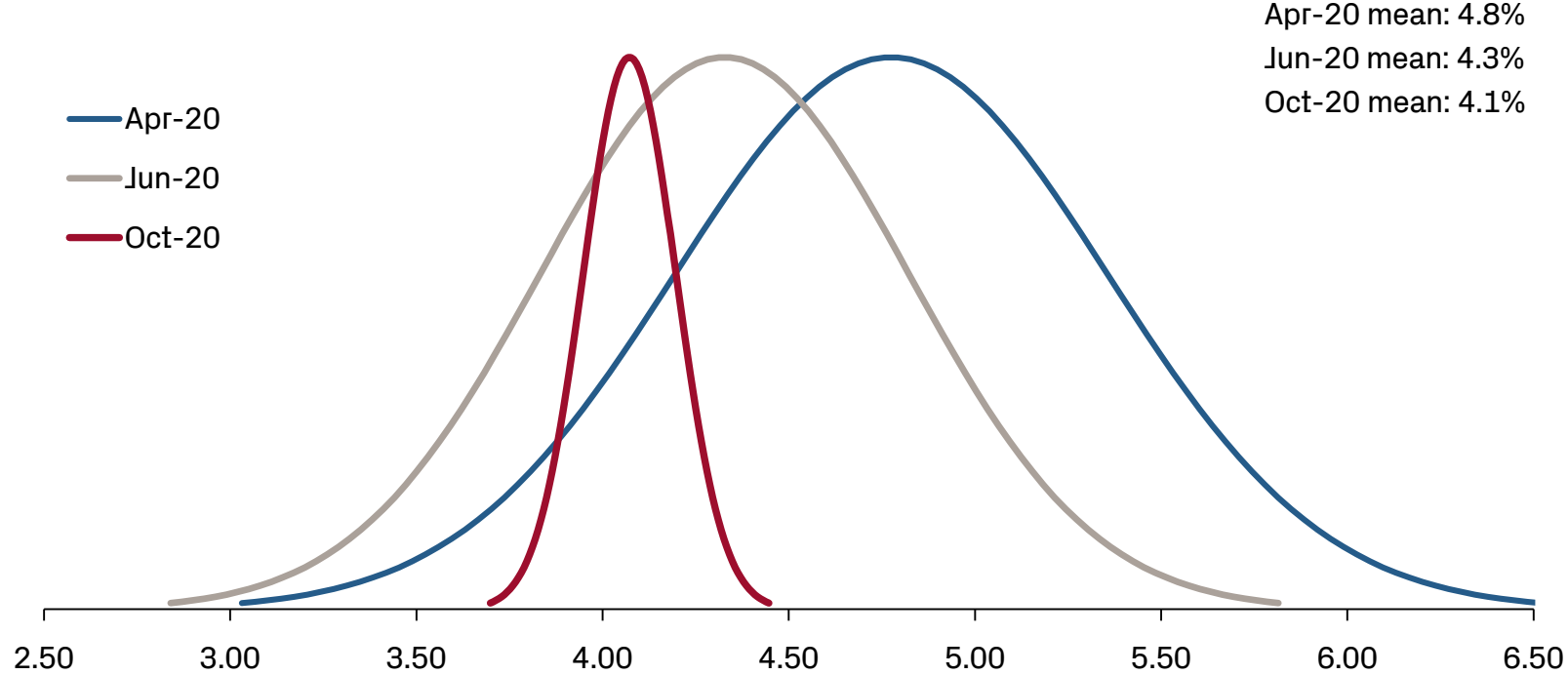


Source: Credit Suisse / Buendia & Laredo survey

What is your best estimate of the overnight rate (set by the central bank and currently at 4.25%) at the end of 2020?

Total responses

Normal distribution of probabilities, %

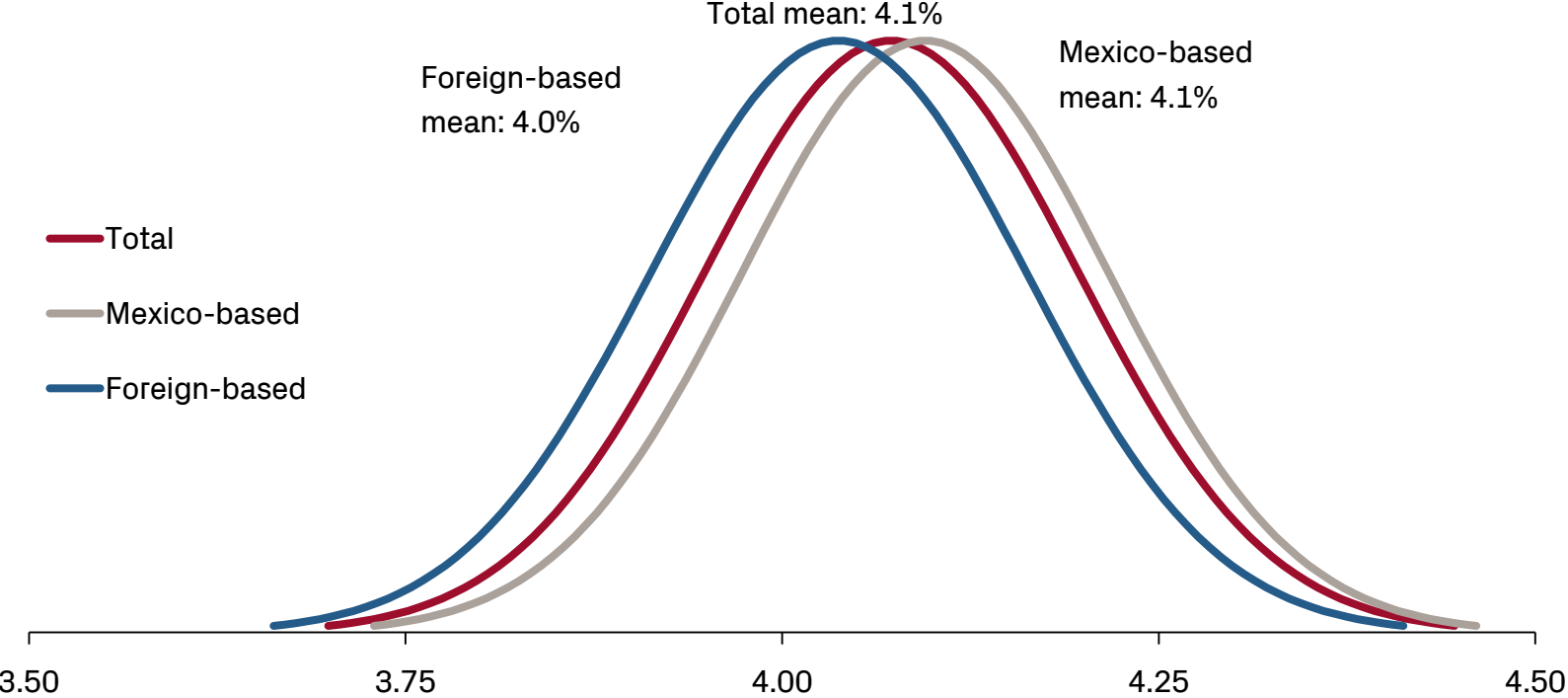


Source: Credit Suisse / Buendia & Laredo survey

What is your best estimate of the overnight rate (set by the central bank and currently at 4.25%) at the end of 2020?

Total responses

Normal distribution of probabilities, %

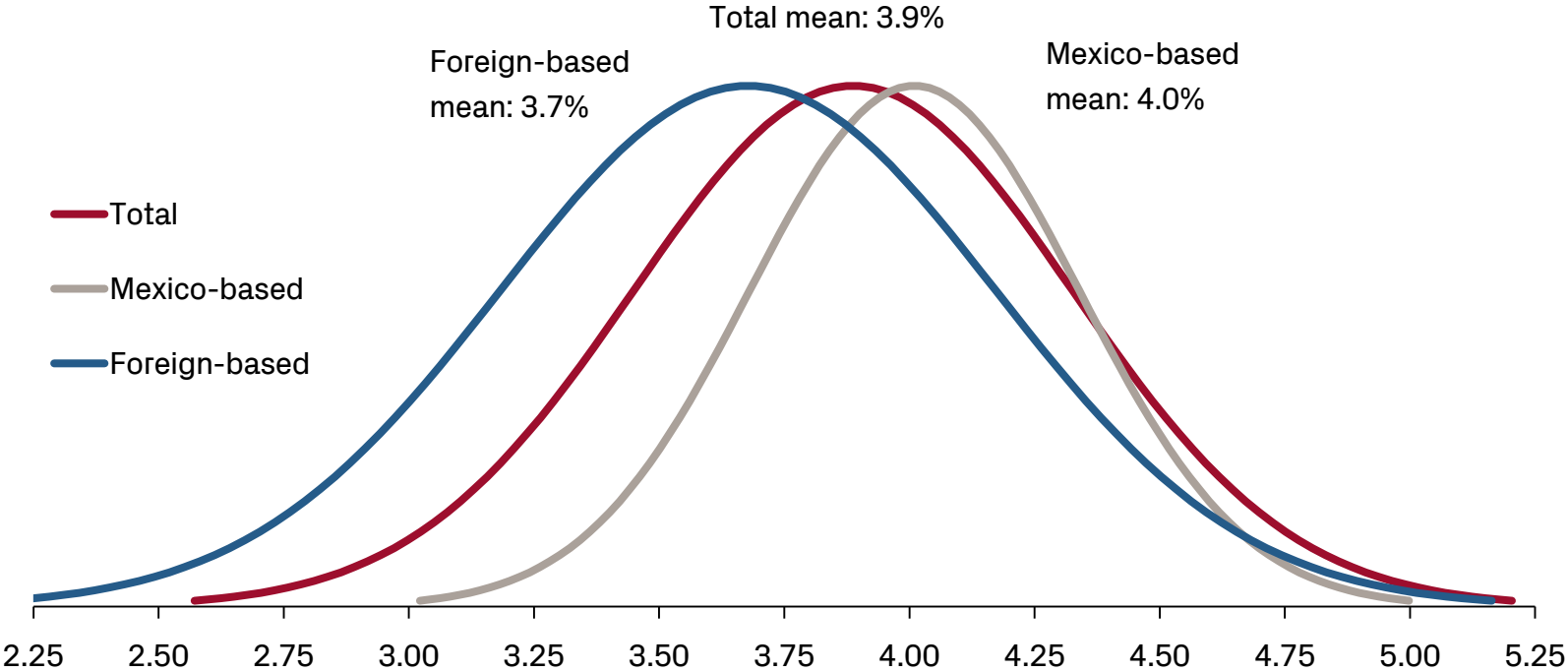


Source: Credit Suisse / Buendia & Laredo survey

What is your best estimate of the overnight rate at the end of 2021?

Total responses

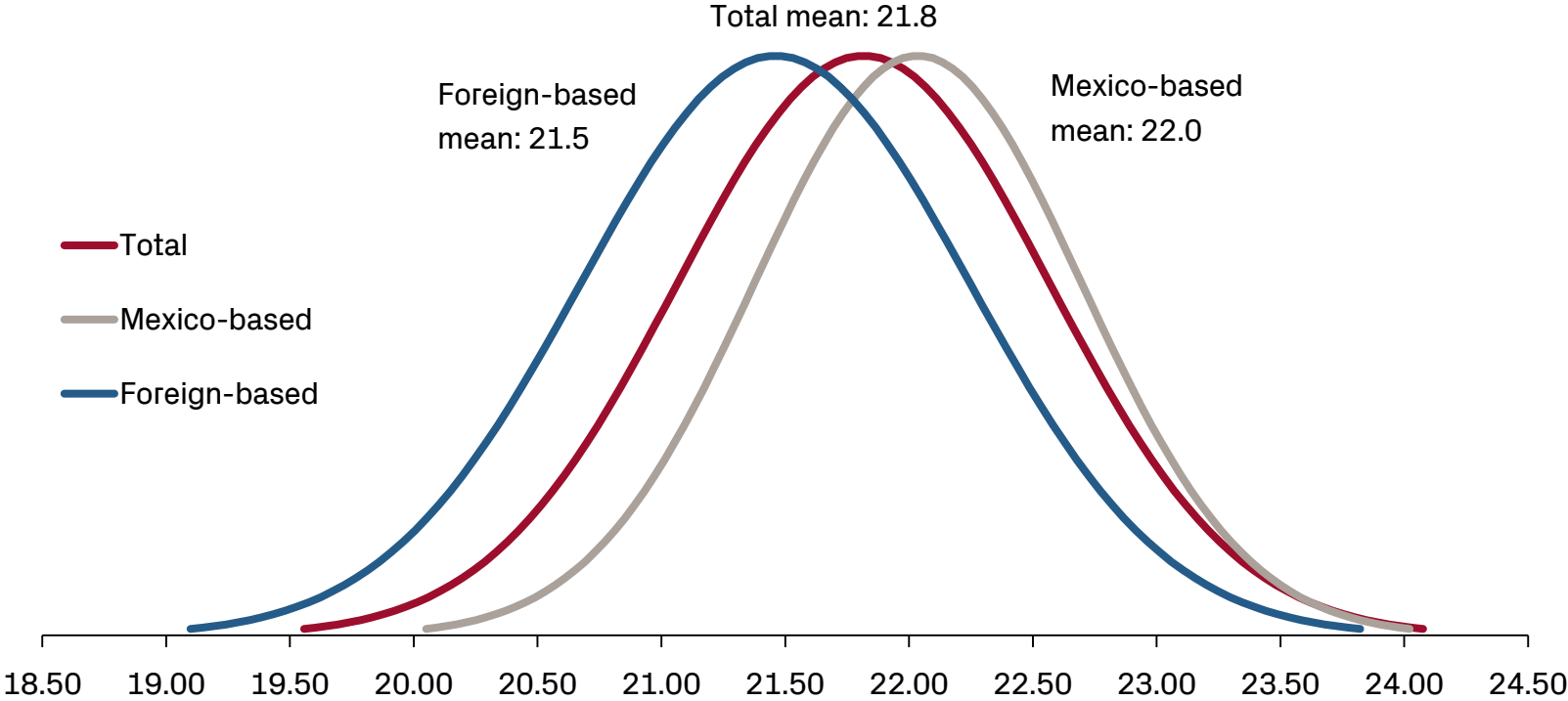
Normal distribution of probabilities, %



Source: Credit Suisse / Buendia & Laredo survey

What is your best estimate of the exchange rate (Mexican pesos per US dollar) at the end of 2020?

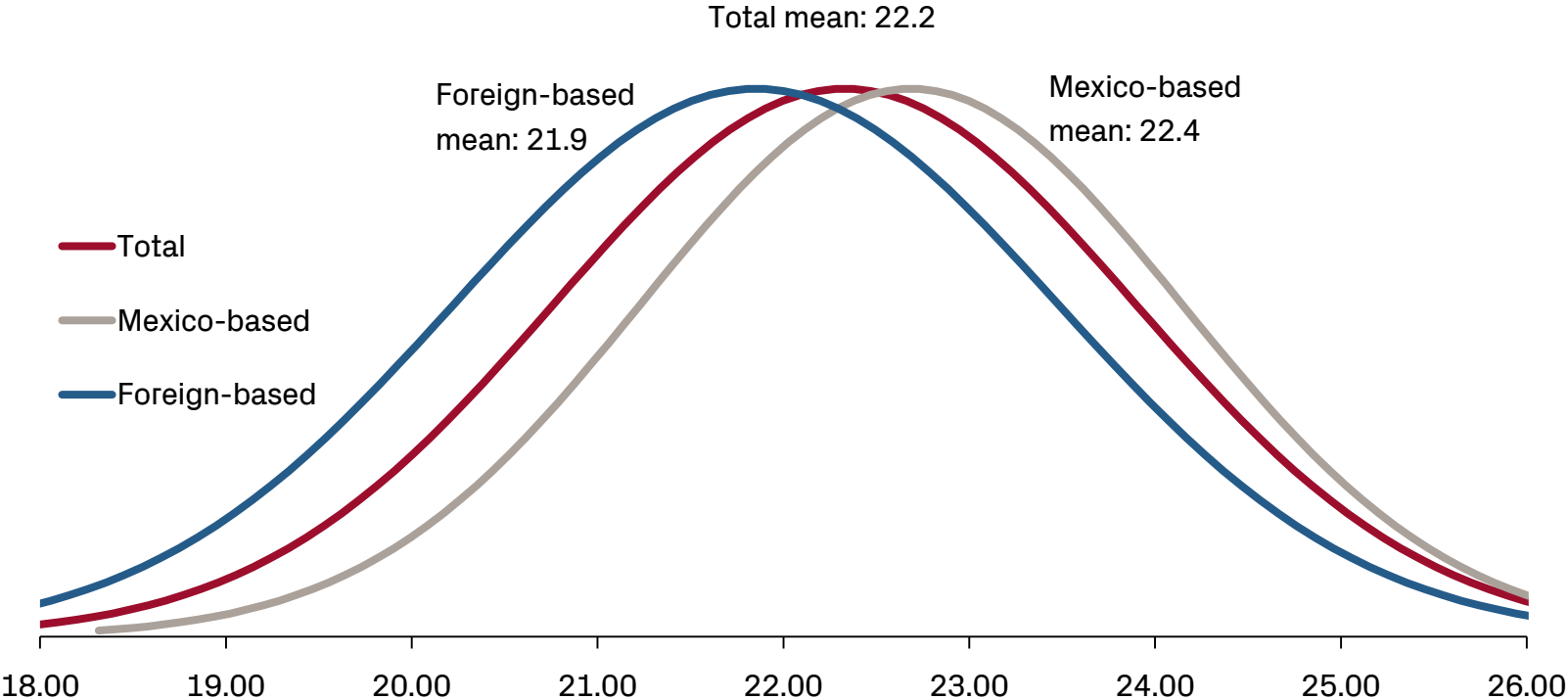
Total responses
Normal distribution of probabilities



Source: Credit Suisse / Buendia & Laredo survey

Which is your best estimate of the exchange rate (Mexican pesos per US dollar) at the end of 2021?

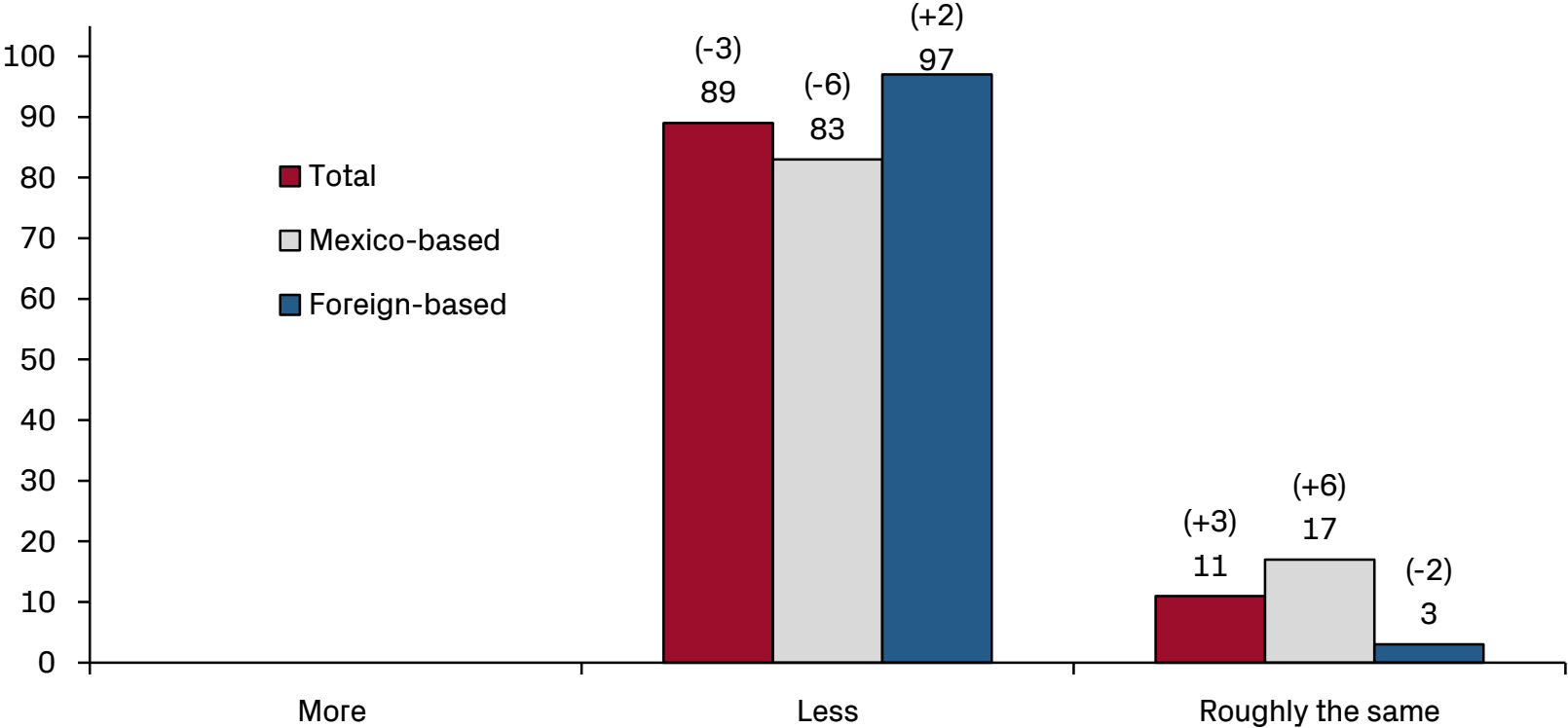
Total responses
Normal distribution of probabilities



Source: Credit Suisse / Buendia & Laredo survey

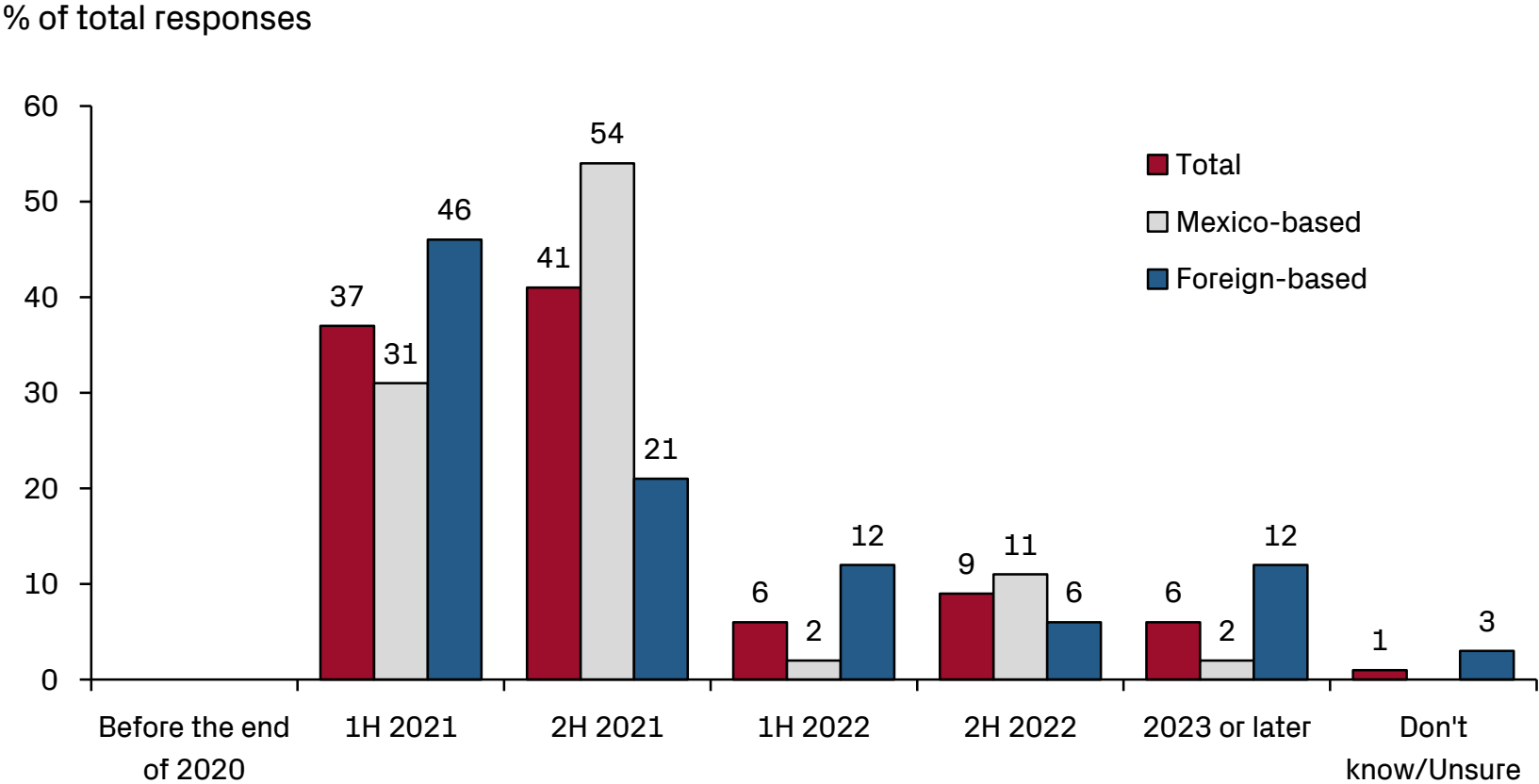
Would you say that the Mexican government is doing more, less, or roughly the same as other Latin American countries to minimize the impact from COVID-19 on the economy?

% of total responses, variation versus June survey in parenthesis



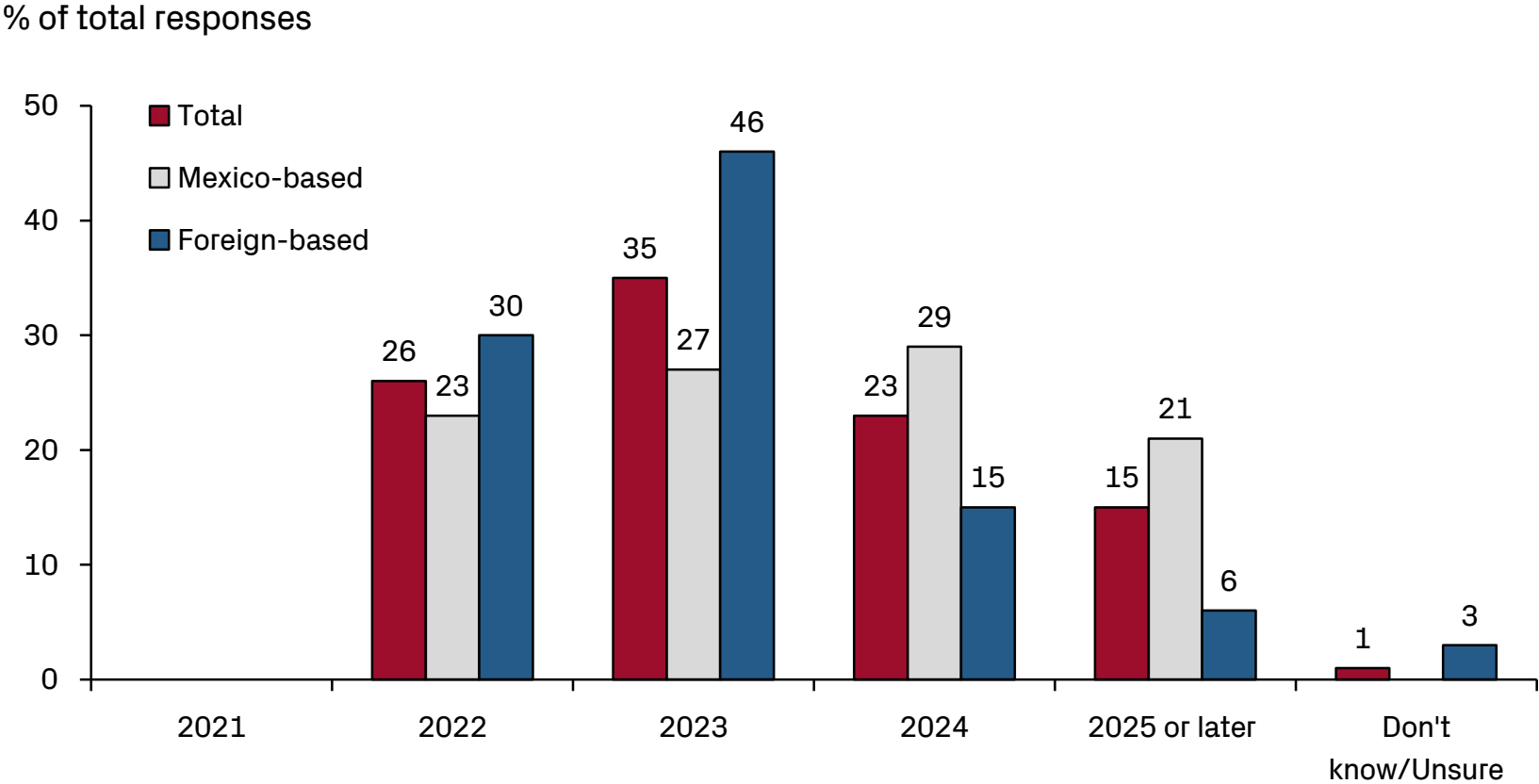
Source: Credit Suisse / Buendia & Laredo survey

When do you think mobility and everyday activities will return to normal (pre-pandemic) levels in Mexico?



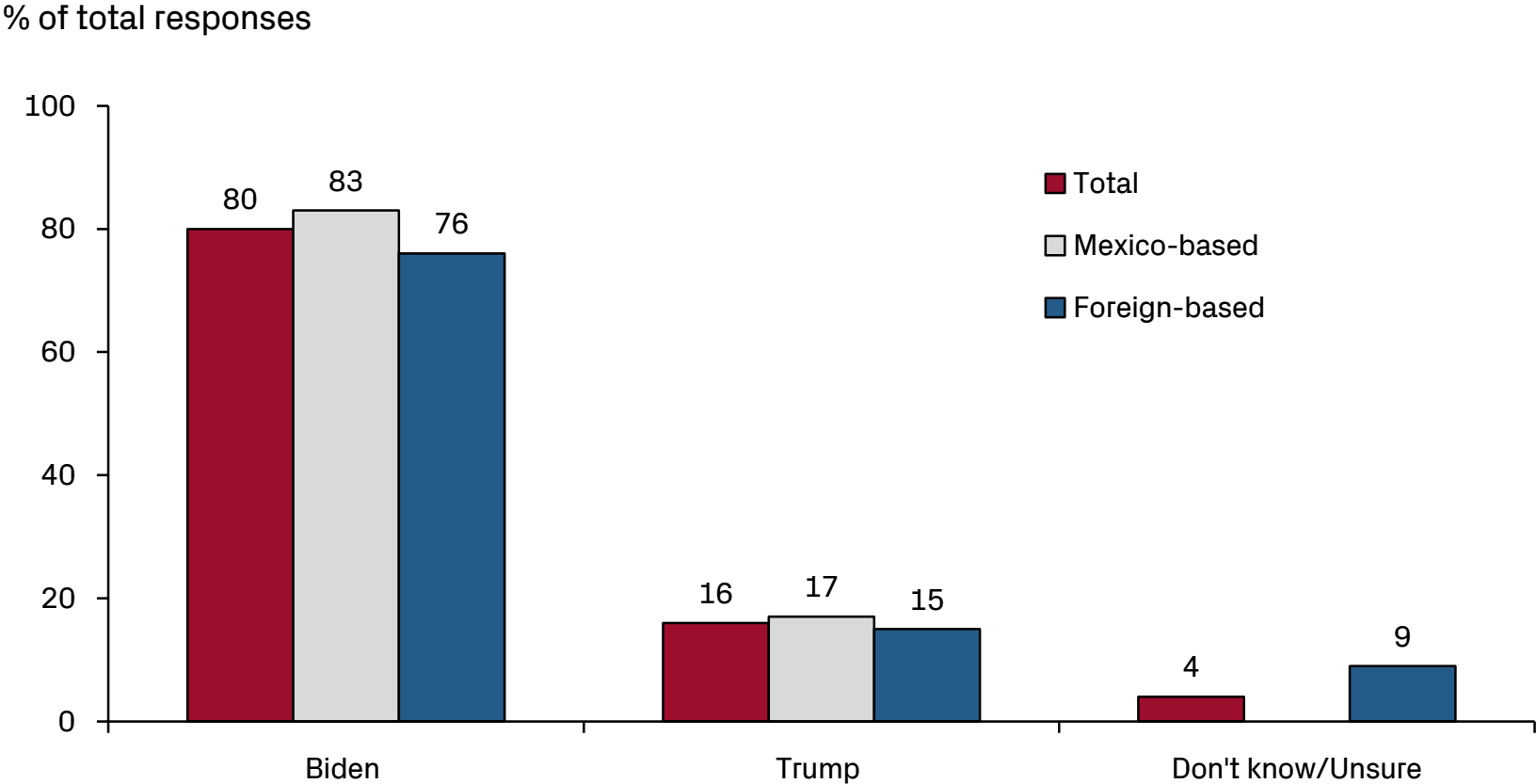
Source: Credit Suisse / Buendia & Laredo survey

When do you think the Mexican economy will return to pre-pandemic output levels?



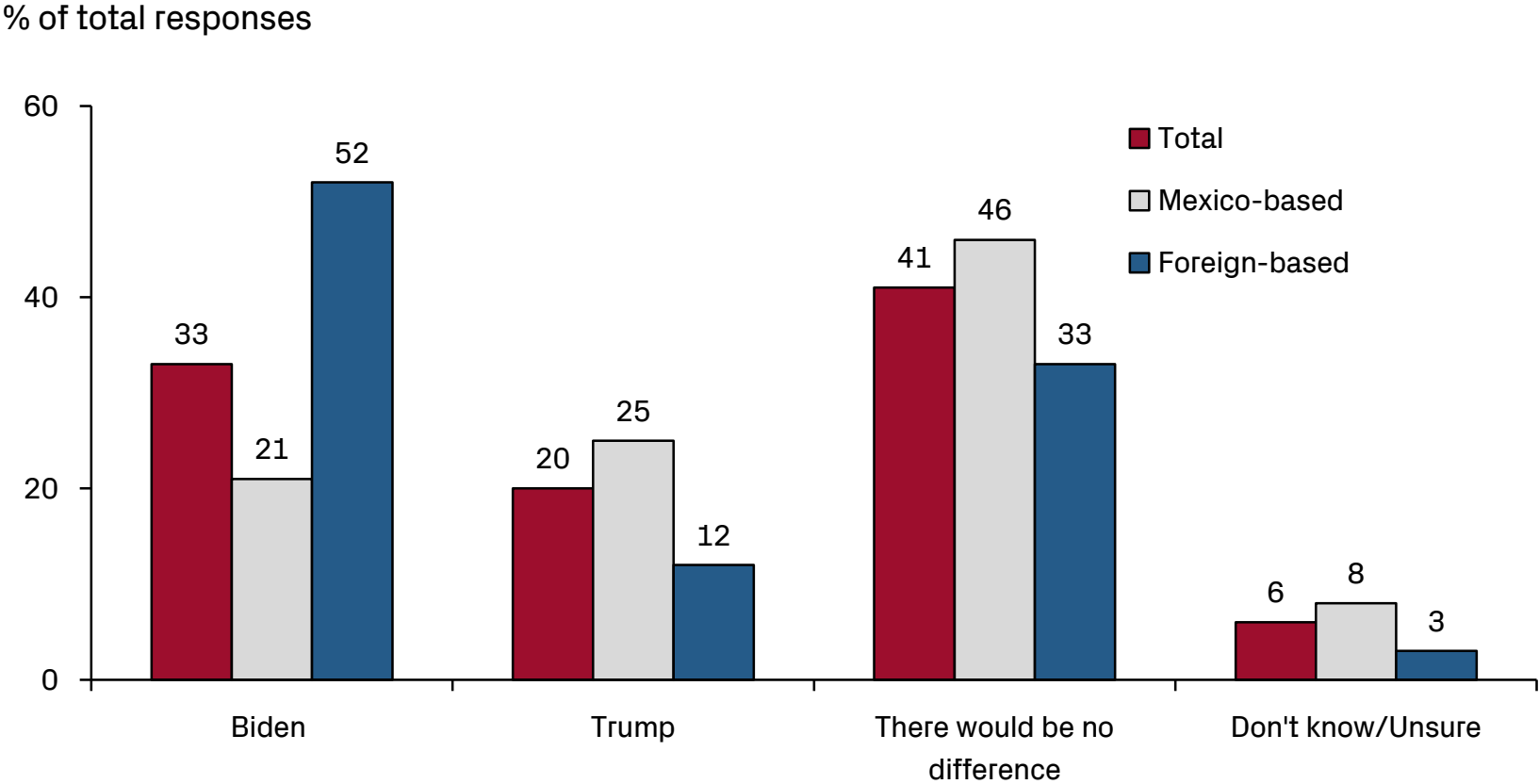
Source: Credit Suisse / Buendia & Laredo survey

Who do you think will win the 2020 US presidential elections (in terms of electoral votes in the Electoral College)?



Source: Credit Suisse / Buendia & Laredo survey

In your opinion, Mexico's overall prospects will be better if (choose one) wins the US elections:



Source: Credit Suisse / Buendia & Laredo survey

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