

Ahead of the Curve

No relevant economic releases next week

Approval of the Spending side of the budget. On Friday, [the Lower House signed off on the 2021 spending side of the budget for fiscal-year 2021](#). With this, the approval process of the 2021 Budget was completed in a timely manner. We should remember that the amount authorized by both this chamber as well as the Senate regarding revenues stood at \$6.3 trillion (US\$284.9 billion), in line with the original proposal from the Federal Government. This was the starting point for spending, with total expenditures matching total income. Nevertheless, the legislative organ made several adjustments relative to the first proposal, highlighting: (1) Lower spending in autonomous branches, mainly in the Judicial power and the National Electoral Institute; (2) A higher amount in administrative branches, mostly on the Ministry of Welfare with the goal of boosting resources for social programs; and (3) A slight upward modification on general branches, focused on education. On the contrary, resources for states and municipalities were unchanged. Specifically, categories in which their resources are concentrated were left as in the original proposal. In this context, the 2021 Budget reflects again the priority of the Federal Government regarding social programs, on top of increased healthcare spending given the complex environment due to COVID-19

Weekly international reserves report (Nov-13). Last week, net international reserves increased by US\$347 million, closing at US\$194.7 billion. According to Banxico's report, this was explained by a positive valuation effect in institutional assets. The central bank's international reserves have expanded by US\$13.8 billion so far in 2020 (please refer to the following table).

Banxico's foreign reserve accumulation details
US\$, million

	2019	Nov 6, 2020	Nov 6, 2020	Year-to-date
	Balance		Flows	
International reserves (B)-(C)	180,877	194,698	347	13,821
(B) Gross international reserve	183,028	198,868	147	15,841
Pemex	--	--	0	5,149
Federal government	--	--	-2	5,289
Market operations	--	--	0	0
Other	--	--	150	5,402
(C) Short-term government's liabilities	2,151	4,170	-200	2,019

Source: Banco de México

Mexico weekly calendar

DATE	TIME (ET)	EVENT	PERIOD	UNIT	BANORTE	CONSENSUS	PREVIOUS
Wed 18-Nov	10:00am	International reserves	Nov-13	US\$ bn	--	--	194.7
Fri 20-Nov	3:30pm	Citibanamex bi-weekly survey of expectations					

Source: Banorte; Bloomberg

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Winners of the award for best economic forecasters for Mexico in 2019, granted by *Refinitiv*



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We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldivar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V. for the provision of our services.

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