

Banxico – Victoria Rodríguez is nominated as next Governor

- Today, President Andrés Manuel López-Obrador nominated Victoria Rodríguez Ceja as the next Banxico Governor. If ratified, she would replace Alejandro Díaz de León on January 1st, 2022
- This announcement comes after yesterday’s press reports that the candidacy of former Finance Minister, Arturo Herrera, was withdrawn by the President
- Victoria Rodriguez currently serves as the Deputy Minister of Spending at the Ministry of Finance. She has an Undergraduate degree in Economics from *ITESM* and a Master’s degree in Economics from *COLMEX*
- If ratified with a simple majority in the Senate –or by the Permanent Commission–, she would serve as Governor at least until December 31st, 2027

Victoria Rodríguez nominated as the next Banxico Governor. Today, President López Obrador announced that Victoria Rodríguez Ceja will be nominated as the next Banxico Governor. If ratified by the Senate, she would replace Alejandro Díaz de León starting on January 1st, 2022. This announcement comes after several press reports that the candidacy of former Finance Minister, Arturo Herrera, was withdrawn by the President. This was later confirmed by Herrera himself on his *Twitter* account. We recall that the President introduced the nomination of Herrera last June, when it was also announced that Rogelio Ramírez de la O would become the next Finance Minister. The nomination must be ratified by the Senate –or by the Permanent Commission in case the former is not in session– with a simple majority. Specifically, the President mentioned that the nomination would be submitted today or tomorrow. If approved, she would serve as Banxico Governor for a six-year period, until December 31st, 2027.

Victoria Ramírez career. She has an Undergraduate degree in Economics from *Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)*, and a Master’s degree in Economics from *El Colegio de México (COLMEX)*. She currently serves as the Deputy Minister for Spending at the Ministry of Finance. Previously, she has held several positions within the public sector, including Advisor to the Finance Minister, Managing Director of Budget Policy, Managing Director of Spending, and Debt Director at the Ministry of Finance of Mexico City. She also served as Director of Finance of Mexico City’s Subway.

The first woman to lead Banxico. In his morning conference, President López Obrador praised her performance as Deputy Minister for Spending, assuring that “...she is why we have financial stability, and that no additional debt has been incurred...”. He emphasized that she would be the first woman to lead Banco de México (first table on the right). Moreover, we should mention that the President will have the opportunity to nominate another person next year, as the term of Deputy Governor Gerardo Esquivel ends on December 2022 (second table on the right). As far as we know, she has not made public comments on monetary policy.

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Banxico's Governors*

Governor	Period
Miguel Mancera	1994 - 1997
Guillermo Ortiz	1998 - 2009
Agustín Carstens	2010 - 2017
Alejandro Díaz de León	2017 - 2021
Victoria Ramírez	2022 -

*Since 1994 when the central bank's independence started
Source: Banxico, Banorte

Banxico's Board

Person (Position)	End of term
Alejandro Díaz de León (Governor)	Dec-31-2021
Gerardo Esquivel (Deputy Governor)	Dec-31-2022
Irene Espinosa (Deputy Governor)	Dec-31-2024
Jonathan Heath (Deputy Governor)	Dec-31-2026
Victoria Ramírez* (Governor)	Dec-31-2027
Galia Borja (Deputy Governor)	Dec-31-2028

*Assumes she is ratified and begins her post on January 1st, 2022
Source: Banxico, Banorte

We maintain our monetary policy call, albeit recognizing that the outlook is quite uncertain. In this backdrop, we maintain our view that the reference rate will be increased by 25bps in the upcoming decision, on December 16th. In addition, we reiterate our call of 125bps in accumulated rate hikes during 2022, closing said year at 6.50%. Although we do not have yet the specific dates for the decisions to be held next year, we estimate that all of them will be 25bps moves in February, March, May, October, and December. Despite of this, we recognize that the outlook for inflation remains very challenging, as evidenced in [today's report](#). In this respect, we will also analyze closely the comments made by Board members in the minutes, which will be released tomorrow. We believe that the majority will maintain a hawkish bias and that the balance of risks suggests the possibility that the hiking cycle could be even more aggressive than we currently anticipate.

Analyst Certification

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Manuel Jiménez Zaldivar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez and Gerardo Daniel Valle Trujillo, 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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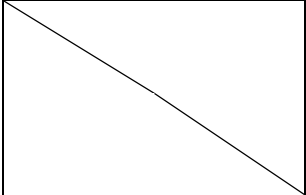
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	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

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