

Latam

Daily Latam

Market Analysis Markets

Mexico City, August 5, 2010

Strategic Outlook

PAGE 2 →

Positive US economic data surprises boost risk appetite

Markets and emerging currencies extend gains.

Brazil

PAGE 3 →

Exchange Rates: Brazilian real

Foreign financial and trade flows picked up at the end of July; however, we still expect lateral movements in the short term.

Chile

PAGE 4 →

Exchange Rates: Chilean peso

The peso closes flat in slight correlation with the EUR, despite positive session in global markets.

Colombia

PAGE 5 →

Exchange Rates: Colombian peso

The peso extends winning streak, on this occasion underpinned by flows for local tax payments.

Peru

PAGE 6 →

Exchange Rates: Peruvian Nuevo Sol

The nuevo sol closed at a two-year low on local flow dynamics.

PLEASE SEE ANALYST CERTIFICATION AND OTHER IMPORTANT DISCLOSURES ON PAGE 11 OF THIS REPORT

This document has been produced by BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer. For further information please contact the areas listed in this document. No part of this report may be copied, conveyed or distributed into the countries in which distribution is prohibited by law, or furnished to any person or entity in those countries. The failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

Strategic Outlook

- Brazil →
- Chile →
- Colombia →
- Peru →

Equity LatAm

Chief Analyst
RODRIGO ORTEGA
r.ortega@bbva.bancomer.com
+52 55 5621 9701

FX LatAm
Chief Strategist
MOISES JUNCA, CFA, CMT
moises.junca@bbva.bancomer.com
+5255 5621 9380

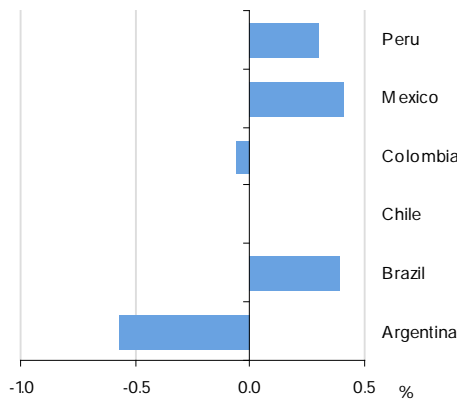
Positive US economic data surprises boost risk appetite Markets and emerging currencies extend gains.

US employment data will determine market trend

The July ADP report reflected a 42k increase in private sector non-farm jobs, more than the market's 30k expectation. While favorable, it contains mixed signals: on the one hand the services sector remains the main jobs generator (63k) while the number of manufacturing sector jobs continues to decrease (-21k). This report underpins our expectation of a 113k expansion in the private sector non-farm payroll due out this Friday, while not ruling out a decrease in the total payroll owing to the end of temporary employment due to the US census. The US labor market continues to show signs of weak growth and will remain the focus of the market, as if the situation worsens it will increase the possibility of additional monetary stimulus measures being introduced. Today initial jobless claims are due out along with ongoing jobless claims, which if in line with expectations, could extend yesterday's rally in risky assets (e.g. the S&P 500 closed 0.61% higher while the Mexican peso gained 0.50%).

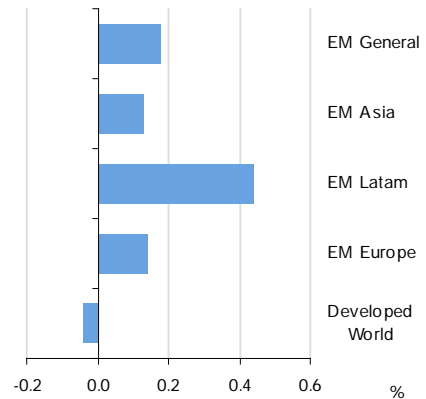
Although corporate reports will play a secondary role amid a context of greater attention on concrete evidence of a US and global cyclical recovery, important reports are due out from Time Warner, Cablevision and Viacom.

Daily change on LatAm CDS 5 years



Source: Bloomberg and BBVA Research

Daily change on MSCI Index



Source: Bloomberg and BBVA Research

APPENDIX

Macro Calendar



Brazil

Strategic Outlook



Chile



Colombia



Peru



Exchange Rates

Brazilian real

Foreign financial and trade flows picked up at the end of July; however, we still expect lateral movements in the short term.

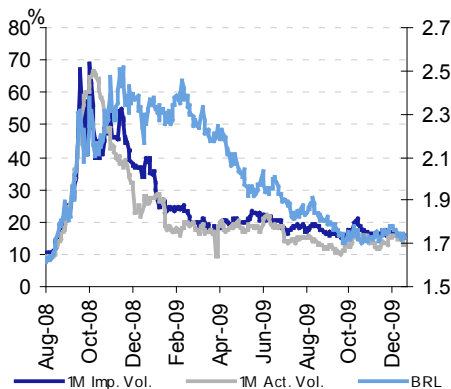
FX LatAm
Chief Strategist
MOISES JUNCA, CFA, CMT
moises.junca@bbva.bancomer.com
+5255 5621 9380

Claudia Ceja
claudia.ceja@bbva.bancomer.com
+5255 5621 9715

The real recouped most of Tuesday's losses, closing 0.18% stronger yesterday. This movement was bolstered by stronger risk appetite in global markets (the IBOV gained 0.40% on positive US job data), resulting in losses in most safer assets, such as the JPY (off 0.56%). Locally, the installed capacity figure was slightly above market expectations (82.5% vs. 82.2%), offsetting most of the recent pressure derived from weaker-than-expected economic data.

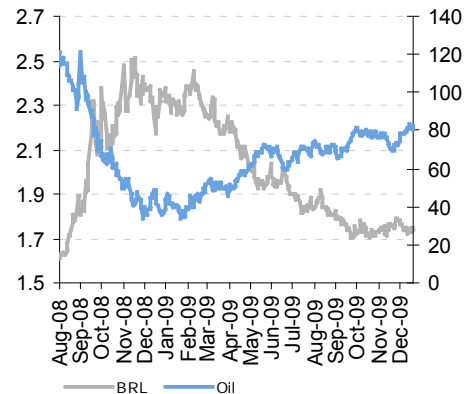
Meanwhile, Banco Central do Brasil released its weekly report on foreign transactions, which showed that: 1) foreign currency inflows totaled US\$3.0bn last week, or increases of US\$2.1bn and US\$1.1bn in trade and financial flows, respectively, in line with the real's positive trend as well as the foreign long position on the real in the BM&F. 2) Bacen's daily interventions in the forex market amounted to US\$134mn, an increase of 255% vs. the previous week. We therefore expect the currency to trade sideways in a 1.75-1.78 range.

Implied vs. Historic Volatility



Source: Bloomberg and BBVA Research

BRL vs. WTI



Source: Bloomberg and BBVA Research

Chile

Strategic Outlook



Brazil



Colombia



Peru



Exchange Rates

Chilean peso

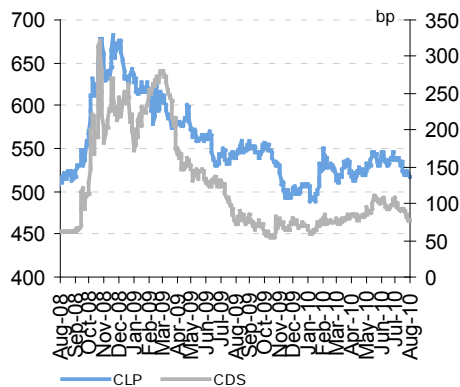
The peso closes flat in slight correlation with the EUR, despite positive session in global markets.

FX LatAm
Chief Strategist
MOISES JUNCA, CFA, CMT
moises.junca@bbva.bancomer.com
+5255 5621 9380

Claudia Ceja
claudia.ceja@bbva.bancomer.com
+5255 5621 9715

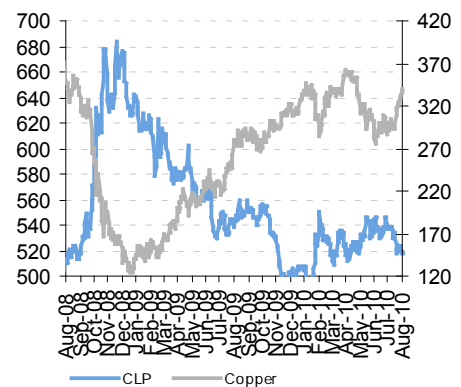
After hitting intraday highs of 514, the peso closed relatively flat yesterday above 516 in contrast with across-the-board gains in Latam currencies. Evidently, the currency did not reflect the 1.36% hike in copper prices, thus evidencing a correlation with the euro, which while marginal, is a trend the peso has recently shown. We also believe that technical factors contributed to the correction, as the USD got closer to oversold levels. Last but not least, the local market is awaiting the release of the IMACEC which, if positive, could favor an extension of the peso's appreciation trend, specifically a break below the 515 support, which would take the currency to levels of 509.

CLP vs. 5y CDS



Source: Bloomberg and BBVA Research

CLP vs. Copper



Source: Bloomberg and BBVA Research

Colombia

Strategic Outlook



Brazil



Chile



Peru



Exchange Rates

Colombian peso

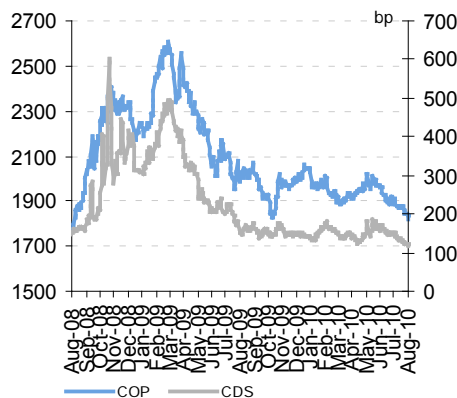
The peso extends winning streak, on this occasion underpinned by flows for local tax payments.

FX LatAm
Chief Strategist
MOISES JUNCA, CFA, CMT
moises.junca@bbva.bancomer.com
+5255 5621 9380

Claudia Ceja
claudia.ceja@bbva.bancomer.com
+5255 5621 9715

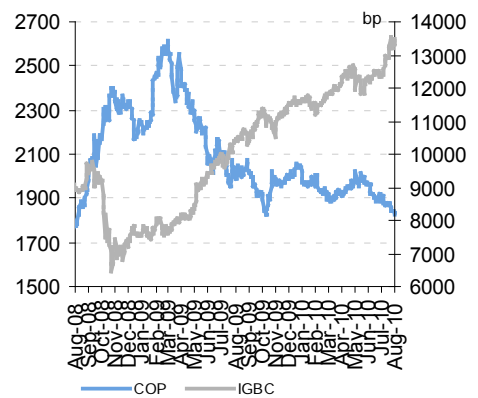
In line with the performance of most regional currencies, the peso closed 0.47% stronger yesterday in response to foreign events such a better-than-expected US job data. It is worth pointing out that the appreciation was well above increases in other Latam currencies (an average of 0.18%) and that volume in the domestic market increased again to US1bn. This circumstance is due to stronger demand for pesos ahead of the August 10 deadline for large taxpayers to pay taxes, as well expectations of money movements by Ecopetrol (somewhat limited, though, considering its recent operation with BP). As a result, we still believe that an extension of this trend could find a limit at about 1812-1820, especially given technical factors such as an oversold USD.

COP vs. 5y CDS



Source: Bloomberg and BBVA Research

COP vs. IGBC



Source: Bloomberg and BBVA Research

Peru

Strategic Outlook



Brazil



Chile



Colombia



Exchange Rates

Peruvian nuevo sol

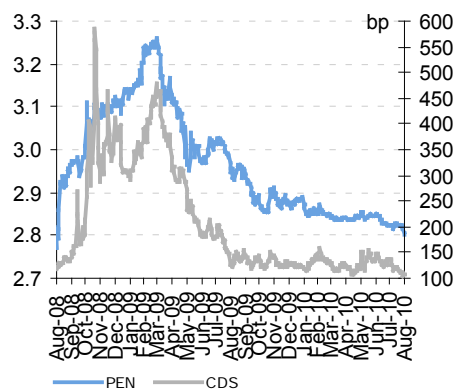
The nuevo sol closed at a two-year low on local flow dynamics.

FX Latam
Chief Strategist
MOISES JUNCA, CFA, CMT
moises.junca@bbva.bancomer.com
+5255 5621 9380

Claudia Ceja
claudia.ceja@bbva.bancomer.com
+5255 5621 9715

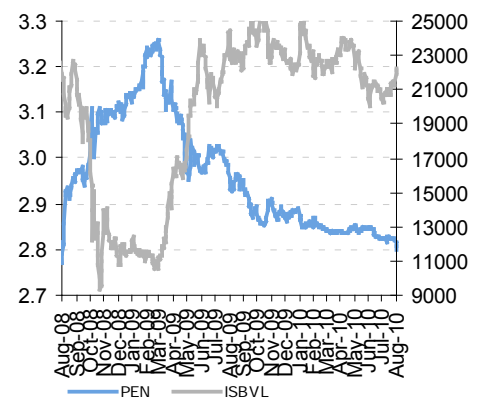
Despite the Banco Central de Reserva del Perú purchasing US\$107mn, the nuevo sol appreciated 0.21% yesterday, thus reaching a two-year low. This performance is the result of local flow dynamics driven in large part by the Brazilian firm Votorantim acquiring Milpo, a Peruvian concern. The trend is and could continue to be positive unless the BCRP increases its daily interventions. As such, we do not rule out a temporary break below 2.80 in the short term.

PEN vs. 5y CDS



Source: Bloomberg and BBVA Research

PEN vs. ISBVL



Source: Bloomberg and BBVA Research

Appendix 1

Summary of the LatAm Market

	Close	Change %		
		1D	1W	YTD
Currencies				
Argentinian peso	3.93	0.15	0.10	-3.46
Brazilian real	1.75	0.30	0.91	-0.45
Chilean peso	517.25	0.00	1.28	-1.93
Colombian peso	1,822.00	0.55	1.25	10.82
Mexican peso	12.52	0.46	1.52	4.34
Peruvian nuevo sol	2.80	0.20	0.76	2.98

5 year CDS				
Argentina	790.48	-0.57	-2.16	-13.54
Brazil	115.68	0.39	-3.34	-5.58
Chile	76.00	-0.01	-11.62	11.24
Colombia	119.95	-0.06	-5.16	-16.09
Mexico	115.63	0.41	-3.24	-13.57
Peru	106.49	0.30	-5.41	-13.79

Equity indexes				
Argentina Merval	2,455.72	0.60	3.43	5.82
Brazil IBOV	68,272.00	0.40	2.19	-0.46
Chile IPSA	4,422.36	0.52	1.57	23.48
Colombia IGBC	13,486.51	0.43	0.50	16.24
Mexico IPyC	32,900.48	0.40	0.72	2.43
Peru ISBVL	22,263.13	0.36	4.58	-0.76
VIX Index	22.21	22.63	24.25	21.68

Commodities				
CRB Industrial	490.03	0.00	1.19	1.35
COMEX Copper	340.05	1.36	4.95	2.19
WTI	82.47	-0.10	7.12	3.92
Gold	1,194.95	0.74	2.69	8.93
Sugar	18.88	1.56	0.05	-13.59
Soy	1,024.25	0.61	4.73	0.99

Volatilities %				
	1M	3M	6M	1A
Argentinian peso	4.29	7.61	11.15	16.43
Brazilian real	11.85	13.50	14.22	15.68
Chilean peso	11.65	12.52	12.94	13.48
Colombian peso	11.80	12.46	13.28	14.04
Mexican peso	11.35	12.34	12.83	13.28

NDF currency/US\$				
Argentinian peso	3.96	4.02	4.14	4.40
Brazilian real	1.77	1.79	1.83	1.91
Chilean peso	516.70	517.00	519.27	526.60
Colombian peso	1,821.45	1,824.88	1,834.00	1,867.30
Peruvian nuevo sol	2.80	2.80	2.81	2.83

Foward points				
Argentinian peso	0.03	0.09	0.21	0.47
Brazilian real	0.01	0.04	0.08	0.16
Chilean peso	-0.55	-0.25	2.02	9.35
Colombian peso	-0.55	2.88	12.00	45.30
Peruvian nuevo sol	0.00	0.00	0.01	0.02

Source: Bloomberg and BBVA Research

	Close %	Change bp		
		1D	1W	YTD
Brazil				
Selic O/N	10.66	0	0	201
DI Jan-11 Future	10.82	1	-8	39
LTN Jan-11	11.11	15	-32	37
NTN-F Jan-13	11.97	-5	-10	-54
NTN-F Jan-17	11.89	-11	-18	-126
NTN-B Aug-14	6.50	-4	-14	-124

Chile				
TPM	1.58	-1	8	110
TAB 90d UF	0.16	0	0	-665
Swap CLPxCAM 2Y	4.14	6	12	103
Swap CLPxCAM 5Y	4.98	2	0	-27
Swap CLPxCAM 10Y	5.63	2	-6	-46
Swap UFXCAM 2Y	0.49	0	14	-76
Swap UFXCAM 5Y	1.70	4	13	-52
Swap UFXCAM 10Y	2.29	4	11	-33
Swap basis 2Y	61.00	4	-4	-11
Swap basis 5Y	49.00	2	-7	-8
Swap basis 10Y	80.00	2	-9	-8
BCP Jan-2012	4.95	3	-4	78
BCP Aug-2014	5.79	0	-4	54
BCU 5Y	2.28	0	9	-66
BCU 10Y	2.88	0	-1	-41

Colombia				
Reference rate	3.00	0	0	-50
DTF 90d	3.48	0	-6	-63
TES Aug-2012	4.81	-4	-7	-447
TES May-2014	6.27	-4	-26	631
TES Jul-2020	7.33	-12	-24	-104
UVR Mar-2013	2.41	-5	-29	-245

Peru				
Reference rate	2.00	0	0	-450
Sovereign bond Aug-2011	2.83	-10	-16	-413
Sovereign bond Aug-2017	5.32	-5	-7	-171
Sovereign bond Aug-2037	6.27	-10	-12	69

Global bonds				
BRL 2040	2.99	-3	-18	-137
CLP 2013	1.54	-25	-21	-38
COP 2033	5.89	-13	-7	-102
PE 2033	5.35	-14	-8	-98

Strategies →

Appendix 2

Calendar of Economic Indicators

			Survey	Prior	Actual
Wednesday, August 4					
Brazil	CNI Capacity Utilization	JUN	82.20%	82.30%	82.50%
Colombia	Producer Price Index (MoM)	JUL		-0.08%	-0.61%
	Producer Price Index (YoY)	JUL		2.13%	1.81%
Thursday, August 5					
Brazil	FGV Inflation IGP-DI	JUL		0.34%	
	Vehicle Exports (Anfavea)	JUL		63737	
	Vehicle Production (Anfavea)	JUL		306350	
	Vehicle Sales (Anfavea)	JUL		262758	
Chile	Economic Activity YoY	JUN	6.00%	7.10%	
Colombia	Consumer Price Index (MoM)	JUL	0.10%	0.11%	
	Consumer Price Index (YoY)	JUL	2.37%	2.25%	
Peru	Reference Rate	AUG	2.25%	2.00%	
Friday, August 6					
Brazil	IBGE Inflation IPCA (MoM)	JUL	0.0001	0	
	IBGE Inflation IPCA (YoY)	JUL	0.0461	0.0484	
Chile	CPI (MoM)	JUL	0.007	0	
	CPI (YoY)	JUL	0.024	0.012	
	CPI Ex Perishables & Fuel MoM	JUL	0.006	0.003	
Colombia	Colombia Monetary Policy Minutes	12-Aug			

Markets & Clients Strategy

Director
ANTONIO PULIDO
ant.pulido@grupobbva.com
+34 91 374 31 81

Global Equity and Credit

Director
ANA MUNERA
ana.munera@grupobbva.com
+34 91 374 36 72

Equity LatAm

Chief Analyst
RODRIGO ORTEGA
r.ortega@bbva.bancomer.com
+52 55 5621 9701

Mexico
Construction/ Housing
Francisco Chavez
f.chavez@bbva.bancomer.com
+52 55 5621 9703

Industrials/Mining
Pablo Abraham
pablo.abraham@bbva.bancomer.com
+52 55 5621 9975

TMTs
Andrés Coello
a.coello@bbva.bancomer.com
+52 55 5621 9870

Technical Analysis
Alejandro Fuentes
a.fuentes@bbva.bancomer.com
+52 55 5621 9975

Data Mining
Juan Carlos García
juan.garci.4@bbva.bancomer.com
+52 55 5621 9704

Financials
Ernesto Gabilondo
ernesto.gabilondo@bbva.bancomer.com
+52 55 5621 9702

Beverages, Consumption, Food and Retail
Fernando Olvera
fernando.olvera@bbva.bancomer.com
+52 55 5621 9804

Credit LatAm

Chief Analyst
Mexico
EDGAR CRUZ
edgar.cruz@bbva.bancomer.com
+52 55 5621 9774

Chile
Forests, Mining and Banks
Chief Analyst
HERNAN GUERRERO
hguerrero@bbva.cl
+56 2 679 1127

Food & Retail
Cristián Araya
carayab@bbva.cl
+56 2 679 1126

Peru
Chief Analyst
Mining/Steel
MIGUEL LEIVA
mleiva@grupobbva.com.pe

Construction/ Industry
Diana Paredes
dparedes@grupobbva.com.pe

Global Fixed Income

Director
LUIS ENRIQUE RODRIGUEZ, CFA
luisen.rodriguez@grupobbva.com
+34 91 537 35 87

Global FX

Chief Strategist
PABLO ZARAGOZA
pzaragoza@grupobbva.com
+34 91 374 38 64

FX LatAm
Chief Strategist
MOISES JUNCA, CFA, CMT
moises.junca@bbva.bancomer.com
+5255 5621 9380

Claudia Ceja
claudia.ceja@bbva.bancomer.com
+5255 5621 9715

Global Interest Rates

Interest Rates LatAm
Liliana Solís
liliana.solis@bbva.bancomer.com
+5255 5621 9877

Global Markets Sales

Responsible

Oscar Alvarez de la Reguera
o.alvarez@bbva.bancomer.com
+52 55 5621 9994

Equity Sales

Responsible

Juan Carlos Rodríguez
juancarlos.rodriguez@bbva.bancomer.com
+52 55 5621 9940

Network Sales

José Miguel Fonseca
jm.fonseca@bbva.bancomer.com
+52 55 5621 9490

Héctor García
hector.garcia@bbva.bancomer.com
+52 55 5621 9173

Jesús García Luna
j.luna2@bbva.bancomer.com
+52 55 5621 9175

Gisela Flores
gisela.flores@bbva.bancomer.com
+52 55 5621 9742

Itzel Pichardo
i.pichardo@bbva.bancomer.com
+52 55 5621 9674

Ana María Rivera
a.rivera@bbva.bancomer.com
+52 55 5621 9176

Elsa Cadena
e.cadena@bbva.bancomer.com
+52 55 5621 9443

Institutional Sales

José María de la Torre
jm.delatorre@bbva.bancomer.com
+52 55 5621 1937

Isaac Martínez
isaac.martinez.1@bbva.bancomer.com
+52 55 5621 9289

Alejandro Lavín
alejandrolavin@bbva.bancomer.com
+52 55 5621 9116

Sales Trading

Federico Alvarez
f.alvarezmorph@bbva.bancomer.com
+52 55 5621 9170

Julio García
julio.garcia1@bbva.bancomer.com
+52 55 5621 9171

Stock Market Information Systems

Director

Elba Padilla
em.padilla@bbva.bancomer.com
+52 55 5621 9408

Josefina Godínez
j.godinez@bbva.bancomer.com
+52 55 5621 9581

Roberto González
r.gonzalez17@bbva.bancomer.com
+52 55 5621 9641

IMPORTANT DISCLOSURES**Analyst Certification**

We, **Moises Junca Acebedo, Rodrigo Ortega Salazar, Claudia Ceja Gonzalez:**

Hereby certify that the views expressed in this research report accurately reflect our personal views about the mentioned corporation(s) and its (their) securities. We also certify that we have not been, are not, and will not be receiving direct or indirect compensation in exchange for any specific recommendation in this report.

Rating, target price and price history information for the companies that are the subject of this report are available at www.bancomer.com.

Receipt of Compensation / Provision of Services current as of 7/21/10

Management or Co- Management of Public Offering. Within the past twelve months, BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer ("BBVA Bancomer"), and/or its affiliates, have participated as manager or co-manager in public offerings, and received compensation for these services, of the company(ies), which is(are) the subject of this report: **Actinver, Banco Interacciones, BNP, Bimbo, Cemex, Comision Federal de Electricidad, Corporación Interamericana de Inversiones, Chedraui, Daimler, Embotelladoras Arca, El Puerto de Liverpool, Ferrocarril Mexicano, Fonacot, GE Capital Bank, GMAC, Hipotecaria su Casita, ICA, Maxcom, Megacable, Nemark, NRF(Nissan), Paccar, Pemex, Posadas, Ruba, Telmex Internacional, Toyota, Urbi, VWLease.**

Investment Banking Compensation. Within the past twelve months, **BBVA Bancomer**, and/or its affiliates, have received compensation for investment banking, common representation and credit related services from the Company/ies, which is(are) the subject of this report: **Acciona, Aeromexico, Alesa, América Móvil, Avicola Pilgrim's Pride de Mexico, Axtel, Bancomext, Banco de Crédito e Inversiones, Banorte, Cemex, Cencosud, Central Puerto, Cintra, Colbun, Comercial Mexicana, Comisión Federal de Electricidad, Compañía de Telecomunicaciones de Chile, Concesionaria Mexiquense, Consorcio Comex, Consultatio, Controladora de Farmacias, Copamex, Coppel, Corporacion Geo, Corporativo Arca, Corporación Moctezuma, Credito Inmobiliario, Daimler Chrysler de México, DIA, Dine, El puerto de Liverpool, El palacio de Hierro, Empresas Cablevisión, Endesa (Chile), Facileasing, Factoring Corporativo, Farmacias Benavides, FCC, Femsas, Ferrosur, GEO, Gruma, Grupo Alfa, Grupo Ara, Grupo Brescia, Grupo Bimbo, Grupo Casa Saba, Grupo Cementos de Chihuahua (GCC), GAP, Grupo Comercial Chedraui, Grupo Collado, Grupo Comercial Gomo, Grupo Dermat, Grupo Elektra, Grupo Famsa, Grupo Famsa, Grupo Financiero Inbursa, Grupo Scotiabank, Grupo Herdez, Grupo ICA, Grupo La Moderna, GMAC, Grupo Maseca, Grupo México, Grupo Posadas, Grupo R, Grupo Sanborns, Grupo TMM, Grupo Videomax, Grupo Xignux, Hilasal Mexicana, Homex, HSBC, Holcim (Apasco), Hylsamex, Imsa/Tarida/Ternium, Industrias Bachoco, Hipotecaria Casa Mexicana, Hipotecaria su Casita, Industrias Aluprint, Industrias CH, Industrias Peñoles, Inmobiliaria Ruba, Interceramic, Kansas City Southern de México, Kaupthing Bank, Lamosa, Liverpool, Mabe, Manufacturas Kaltex, Medica Sur, Megacable, Mexichem, Molinos Rio de la Plata, Molytmet, Municipio de Aguascalientes, Nadro, Nafin, OHL, Nemark, NRF Mexico, Paccar, Pemex, Petrotemex, Pimsa, Plavicom, Prolec GE, QQQ, Ruba, Sare, Sears, Siderar, Sigma, Simec, SPY, Scotia Bank Inverlat, Techint, Telefónica CTC, Telefonica de España, Teléfonos de México, Telint, Tenaris, Terra, Toyota, Urbi, Value, Volcan Cia Minera, VWLease.**

Expected Investment Banking and services Compensation. In the next three months, BBVA Bancomer, and/or any of its affiliates, expects to receive or intends to seek compensation for investment banking, common representation and credit related services from the company (ies) discussed in this report.

BBVA Bancomer acts as market maker/specialist in: **MexDer Contrato de Futuros (Dólar de Estados Unidos de América (DEUA), TIIE de 28 días (TE28), Swap de TIIE, CETES de 91 días (CE91)), Bonos M, Bonos M3, Bonos M10, Índice de Precios y Cotizaciones de la BMV (IPC), Contrato de Opciones (IPC, Acciones América Móvil, Cemex, CPO, Femsas UBD, Gcarso A1, Telmex L).**

BBVA acts as market maker/specialist in Latibex: **Alfa, AMX, Corporación Geo, Grupo Modelo, ICA, Sare, Telmex.**

Ownership Positions

BBVA Bancomer, and/or its affiliates holds, directly or indirectly, at least 1 % of the equity capital of the following company/ies whose shares are open to negotiation in organized markets and which is(are) the subject of this report: **BOLSA DE VALORES DE CARACAS, BOLSA, CAMARA DE RIESGO CENTRAL DE CONTRAPARTE DE COLOMBIA, CEMEX VENEZUELA, DECEVAL, GAP, GRUPO AEROPORTUARIO CENTRO NORTE, GRUPO SIMEC, GRUPO VIDEOVISA, PASA.**

BBVA Bancomer, and/or its affiliates, may hold from time to time, directly or indirectly, as of the end of the last quarter, at least 10% of its investment portfolio, or 10% of the amount issued, of the securities or underlying investments issued by the companies which are the subject of this report. **AXTEL.**

Other Disclosures

To the best of BBVA Bancomer's knowledge, a Member of its Board, its CEO or Senior Manager holding a direct reporting position to BBVA Bancomer's CEO holds a similar position in any of the following company/ies which is(are) the subject of this report: **Alfa, Alesa, Amx, Asur, Bimbo, CMR, Dine, Femsas, GAP, Gmodelo, Grupo financiero Inbursa, Grupo Carso, Grupo Posadas, Hogar, Invex, Kof, Kuo, Liverpool, Maseca, Oma, Peñoles, Sanborns Hermanos, Sears Roebuck, Telecom, Telmex, Tenaris, Tlevisa, Urbi, Vitro.**

Additional Information and Disclaimer**Ratings and Price Targets**

As of June 30, 2010, for the whole universe of companies which BBVA Bancomer, has under coverage there are **50%** Buy ratings (including "Buy" and "Outperform"), **4%** Neutral ratings and **46%** Sell ratings (including "Sell" and "Underperform"). BBVA Bancomer or any of its affiliates has rendered Investment Banking services or participated as manager and/or co-manager in public offerings in **45%** of the Buy ratings, **11%** of the Neutral ratings and in **44%** of the Sell ratings.

Ratings are set on a six-month or year-end basis against the relevant benchmark. BBVA Bancomer issues three equity recommendations: **Outperform:** Upside potential of more than 5% vs. the market. **Neutral:** Stock is expected to perform in line with the market (+/-5%). **Underperform:** Expected downside of at least 5% vs. the market:

Recommendations reflect the stock's expected performance vs the market, within a specified period. This performance may be explained by the fundamental stock valuation method and other factors. The fundamental stock valuation method used by BBVA Bancomer, is based on a combination of one or more generally accepted financial analysis methodologies, which may include, multiples, discounted cash flows, sum of parts or any other methodology that applies to the particular case. Other factors include newsflows, benefit timing, M & A's and market's appetite in a given sector. Notwithstanding these factors can lead to a recommendation contrary to that indicated by the simple fundamental valuation results and its comparison with direct quotations.

This document and the information, opinions, estimates and recommendations expressed herein, have been prepared by BBVA Global Markets Research an affiliate of Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) and/or BBVA Bancomer, to provide their or its customers with general information as of the date of the report and are subject to changes without prior notice. BBVA Bancomer is not liable for giving notice of such changes or for updating the contents hereof. This document and its contents do not constitute an offer, invitation or solicitation to purchase or subscribe to any securities or other instruments, or to undertake or divest investments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind. For more information please contact the persons included in the directory of this document.

The determination of a price target does not imply any warranty that it will be attained. For a discussion of the risks associated with the attainment of price targets, which depend on intrinsic and extrinsic factors that affect both the performance and trends prevailing in the market on which the recommended securities is traded and/or offered, please refer to our recently published documents, which are available via e-mail, contact our analysts or visit our internet site www.bancomer.com.

Investors who have access to this document should be aware that the securities, instruments or investments to which it refers may not be appropriate for them due to their specific investment goal, financial position or risk profile, for these have not been taken into account in the preparation of this report. Therefore, investors should make their own investment decisions considering the said circumstances and obtaining such specialized advice as may be necessary. Investors should note that the past performance of securities or instruments or the historical results of investments do not guarantee future performance. The market prices of securities or instruments or the results of investments could fluctuate against the interests of investors. Investors should be aware that they could even face a loss of their investment.

The contents of this document are based upon information available to the public that has been obtained from sources considered to be reliable. However, such information has not been independently verified by BBVA Bancomer, and therefore no warranty, either express or implicit, is given regarding its accuracy, integrity or correctness. BBVA Bancomer, accepts no liability of any type for any direct or indirect losses arising from the use of the document or its contents.

Transactions in futures, options or high-yield securities can involve high risk and are not appropriate for every investor. Indeed, in the case of some investments, the potential losses may exceed the amount of the initial investment; in such circumstance, investors may be required to pay more money to support those losses. Thus, before undertaking any transaction with these instruments, investors should be aware of their characteristics, as well as the rights, liabilities and risks associated with these securities and their underlying investments. Investors should also be aware that secondary markets for the said instruments may be limited or may not exist.

BBVA Bancomer, BBVA Securities Inc., BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile or any affiliate of the BBVA Group, as well as their respective executives and employees, may have a position in any of the securities or instruments referred to, directly or indirectly, in this document, or in any other related thereto; they may trade for their own account or for third-party account in those securities, provide consulting or other services to the issuer of the aforementioned securities or instruments or to companies related thereto or to their shareholders, executives or employees, or may have interests or perform transactions in those securities or instruments or related investments before or after the publication of this report, to the extent permitted by the applicable law.

BBVA Bancomer, BBVA Securities Inc., BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile or any affiliate of the BBVA Group, its salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to its clients that reflect opinions that are contrary to the opinions expressed herein. Furthermore, BBVA Bancomer BBVA Securities Inc., BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile or any affiliate of the BBVA Group's proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

No part of this document may be (i) copied, photocopied or duplicated by any other form or means (ii); redistributed or forwarded; or (iii) quoted, without the prior written consent of BBVA Bancomer. No part of this report may be copied, conveyed, distributed or furnished to any person or entity in any country (or persons or entities in the same) in which its distribution is prohibited by law. Failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

This document is provided in the United Kingdom solely to those persons to whom it may be addressed according to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and it is not to be directly or indirectly delivered to or distributed among any other type of persons or entities. In particular, this document is only aimed at and can be delivered to the following persons or entities (i) those outside the United Kingdom (ii) those with expertise regarding investments as mentioned under Section 19(5) of Order 2001, (iii) high net-worth entities; and (iv) any other person or entity under Section 49(1) of Order 2001 to whom the contents hereof can be legally revealed.

This document is being distributed for BBVA BANCOMER in Singapore by Banco Bilbao Vizcaya Argentaria (BBVA), Singapore Branch purely as a resource and for general informational purposes only, and is intended for general circulation. Accordingly, this research document does not take into account the specific investment objectives, financial situation, or needs of any particular person and is exempted from the same by Regulation 34 of the Financial Advisers Regulations ("FAR") (as required under Section 27 of the Financial Advisers Act (Cap. 110) of Singapore ("FAA")).

Please note Banco Bilbao Vizcaya Argentaria (BBVA) is not an Authorised Deposit taking Institution within the meaning of the Banking Act 1959 nor is it regulated by the Australian Prudential Regulatory Authority (APRA).

The remuneration system concerning the analyst/s author/s of this report is based on multiple criteria, including the results obtained by BBVA Bancomer BBVA Securities Inc., BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile and by BBVA Group in the fiscal year, which, in turn, include the results generated by the investment banking business, common representation or credit related services; nevertheless, they do not receive any remuneration based on revenues from the mentioned areas or a specific transaction in investment banking, common representation or credit related services.

The information contained in this document should be taken only a general guide on matters that may be of interest. The application and impact of the laws may vary substantially depending on specific circumstances. Changes in regulations and the risks inherent in electronic communication may cause delays, omissions, or inaccuracy in the information contained in this site. Accordingly, the information contained in the site is supplied on the understanding that the authors and editors do not hereby intend to supply any form of consulting, legal, accounting or other advice. As such, it should not be considered a substitute for the direct advice provided by accounting and fiscal advisors or other competent consultants.

All images and texts and texts are the property of BBVA Bancomer and may not be downloaded from the Internet, distributed, stored, re-used, re-transmitted, modified or used in any way, except as specified in this document, without the express written consent of BBVA Bancomer. BBVA Bancomer reserves all intellectual property rights to the fullest extent of the law. None of the information contained herein may be interpreted as a concession by implication, exclusion or any other means, of any patent or brand of BBVA Bancomer or of any third party. Nothing established herein should be interpreted as a concession of any license or right under any BBVA Bancomer copyright.

BBVA Bancomer, as well as its executives and employees have adopted the Código de Conducta de Grupo Financiero BBVA Bancomer, which is available in our internet site www.bancomer.com.

BBVA Bancomer, BBVA and the entities of the BBVA Group, including BBVA Global Markets Research, are subject to BBVA Group Policy on Conduct in the Securities Markets. In each entity where the Group Conducts Businesses in the Security Markets, the Policy is supplemented with the Internal Standards of Conduct which, among other regulations, include rules to prevent and avoid conflicts of interests with the ratings given, including information barriers. The BBVA Group Code of Conduct for Security Market Operations is available for reference at the following web site: www.bbva.com / Corporate Governance / Conduct in the Securities Markets.

BBVA Bancomer is regulated by the Comisión Nacional Bancaria y de Valores.

“Banco Bilbao Vizcaya Argentaria S.A. (CE number AFR194) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong”

BBVA Bancomer, BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile as well as other entities in the FINRA (Financial Industry Regulatory Authority), are not subject to the rules of disclosure affecting such members.

This material is being distributed into the United States in reliance on an exemption from broker-dealer registration under Rule 15a-6 of the Rules under the Securities Exchange Act of 1934. Any trades in the securities discussed in this report must be effected through a U.S. registered broker/dealer as we are not authorized to accept any order to effect trades in any security discussed in this report within the U.S.