



MEXICO

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MINISTRY OF FINANCE

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Government Securities' Auctions in the third Quarter of 2003

- The Ministry of Finance announces the program of government securities' auctions for the third quarter of 2003, beginning on July 1, 2003.
 - This program is consistent with the net domestic indebtedness ceiling approved by Congress for 2003, and is in line with a public deficit equivalent to 0.5% of GDP in 2003.
 - The program of the third quarter of 2003 contemplates a reduction in the minimum issuance of 28-day Cetes of 200 million pesos. As a result the minimum weekly issuance of 28-day Cetes will amount to 3.5 billion pesos.
 - The minimum issuance of 91-day Cetes will be increased by 200 million pesos. Therefore, the minimum weekly issuance of 91-day Cetes will amount to 4.9 billion pesos.
 - The minimum issuance of 7-year and 10-year Fixed Rate Bonds will be increased by 150 million pesos. As a result, the minimum weekly issuance of both bonds will amount to 900 million pesos.
 - The minimum issuance of Udibonos will increase by 50 million udis to reach 250 million udis in each weekly auction.
 - The remaining instruments will be issued according to the minimum amounts and periodicity announced for the previous quarter.
 - The total amount issued during the period will not exceed 217 billion pesos. This amount is 2 billion pesos lower than the total announced in the previous quarter.
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- The Ministry of Finance and Public Credit announces the government securities' auctions scheme that will prevail during the third quarter of this year, beginning on July 1, 2003.
 - The Government will continue to announce the minimum amounts that will be issued on each auction for every security. At the same time, it will state the maximum amount of government securities to be placed during the third quarter.
 - This mechanism has proven to be efficient and has provided certainty to

market participants with respect to the supply of government securities available during the quarter. Additionally, this mechanism grants the Ministry of Finance and Public Credit flexibility to adjust the composition of government securities in accordance to conditions in financial markets.

- The Ministry of Finance will specify in Banco de Mexico's offering of each Friday the securities and the amount to be issued in the following week, in accordance with what is stated on this announcement.

Government Securities' Auction during 3Q03
Minimum amounts offered on every auction
(Millions of pesos)

Instrument	2Q03	Periodicity	3Q03	Periodicity
Cetes				
28 days	3,700	Weekly	3,500	Weekly
90 days	4,700	Weekly	4,900	Weekly
182 days	3,400	Every 2 weeks	3,400	Every 2 weeks
364 days	4,300	Every 4 weeks	4,300	Every 4 weeks
Fixed rate bond 3-year	1,300	Every 4 weeks	1,300	Every 4 weeks
Fixed rate bond 5-year	1,100	Every 4 weeks	1,100	Every 4 weeks
Fixed rate bond 7-year	750	Every 4 weeks	900	Every 4 weeks
Fixed rate bond 10-year	750	Every 4 weeks	900	Every 4 weeks
Bondes 182	2,600	Every 2 weeks	2,600	Every 2 weeks
Udibonos (Millions of UDIS)	200	Every 6 weeks	250	Every 6 weeks

Auctions' Calendar during July-September 2003

Date	Instrument			
	Fixed short-term	Fixed long-term	FRN's	Inflation indexed
July 1	Cetes 1 y 3 months	5-year bond		
July 8	Cetes 1, 3, 6 y 12 months		Bondes	
July 15	Cetes 1 y 3 months	3-year bond 7-year bond		
July 22	Cetes 1, 3 y 6 months	10-year bond	Bondes	
July 29	Cetes 1 y 3 months	5-year bond		Udibonos
August 5	Cetes 1, 3, 6 y 12 months		Bondes	
August 12	Cetes 1 y 3 months	3-year bond 7-year bond		
August 19	Cetes 1, 3 y 6 months	10-year bond	Bondes	
August 26	Cetes 1 y 3 months	5-year bond		
September 2	Cetes 1, 3, 6 y 12 months		Bondes	
September 9	Cetes 1 y 3 months	3-year bond 7-year bond		Udibonos
September 15	Cetes 1, 3 y 6 months	10-year bond	Bondes	
September 23	Cetes 1 y 3 months	5-year bond		

- The prudent and efficient strategy of public debt auctions adopted by the Federal Government will continue to promote a stable economic environment.
- The structure of government securities announced complements the measures that the Ministry of Finance and Public Credit has been taking to increase liquidity in the secondary market of government debt, such as the Market Maker Program, the change on the timetable of primary auctions and the reopening of outstanding issues in primary auctions.
- The Federal Government reinforces its commitment to maintaining sound public finances and to limit the fiscal deficit to no more than 0.5% of GDP in 2003, as approved by Congress.