

# Mexico in Brief

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## CALLAWAY TO INVEST IN MEXICAN STATE OF NUEVO LEON.

U.S.-based *Callaway Golf Company* recently announced that it will invest approximately U.S.\$14 million in the Mexican State of Nuevo Leon in a manufacturing plant for the production of golf clubs, of which 85% of them will be exported back to the United States of America. Additionally, the Secretary of Economic Development of the State also announced that two *Callaway* suppliers may also formalize investments in the State in the near future.

## ACTIVITY CONTINUES IN THE MEXICAN STOCK EXCHANGE.

The Mexican Stock Exchange recently unveiled a milestone as a mid-sized company under the recently incorporated corporate form of *Sociedad Anónima Promotora de Inversión Bursátil* completed its initial public offering, raising approximately U.S.\$71 million. The success story boosts confidence among investors, as more companies are expected to follow suit. In other news, Mexican-based *Grupo Famsa* placed a bond offering of approximately U.S.\$200 million, from which it is expected to refinance short-term debt and strengthen its position in its business sector. Mexican government-controlled *Petróleos Mexicanos* or PEMEX recently also launched a bond offering for approximately U.S.\$2 billion, payable in 10 years.

## BIOPAPPEL TO INVEST IN MANUFACTURING PLANTS.

*Corporación Durango*, or *Codusa*, which recently changed its name to *BioPappel*, recently announced that it will invest approximately U.S.\$250 million over the next five years in the construction of five new paper manufacturing plants. The new manufacturing plants will operate under more efficient technology which will help reduce its environmental emissions by 16%, as the company continues its pursuit perfecting sustainability. *BioPappel* manufactures approximately 2 million tons of paper and 8.2 million carton packages per year.

## MITSUI PREPARES TO INVEST IN MEXICAN ENERGY SECTOR.

*Mitsui Power America*, a subsidiary of Japanese-based *Mitsui & Co, LTD*, recently announced that it is currently seeking for new energy projects in Mexico to which it intends to inject an investment of approximately U.S.\$2.5 billion. In addition, the company is currently participating in the bidding of a plant in the Mexican State of Chihuahua and plans to participate in two additional biddings in the Mexican States of Morelos and Jalisco.

## DHL FORSEES INVESTMENT IN MEXICO.

Shipping logistics company *DHL* recently announced that it plans to invest approximately U.S.\$250 million over the next five years in Mexico. The planned investment targets three different business lines in the country, and will be primarily focused in infrastructure expansion, new storing centers, and technology. The new installations will create approximately 600 new job positions.

## MEXICAN BANKING PRACTICES: FOLLOWING EXAMPLE.

Mexican banks have juggled through the global crisis and drastically lowered non-performing loans to instances even below standards applicable in other countries, such as the United States of America. The Mexican banking sector has announced that it aims to grow its client base similarly to other outstanding banking markets in South America; this year the loans' sector is expected to grow by at least an additional ten percent. In a related matter, the Chairman of the Mexican Banking & Securities Commission recently announced that the Mexican financial system is due to experience new rules, updating them to the standards of international banking, including rules regarding derivatives and bank liquidity.

## Business Summary for July 2010

### Stock Exchange Index (BMV)

32,308.74

3.70% ▲

### Exchange Rate (Fix)

MxP 12.6455-U.S.\$1

1.55% ▼

### Inflation - May/Cumulative/12

-0.03% / 1.39% / 3.69%

### TIIE 28 / 91

4.92% / 5.01%

0.40% ▼ / 0.00%

### CETE 28 / 91 / 364

4.60% / 4.64% / 4.80%

0.22% ▲ / 0.43% ▼ / 1.23% ▼

### UDI

MxP 4.415633

0.06% ▲

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