

LatAm Earnings Tracker

4Q23 Preview: signs of BZ consumer EPS recovery

Investment Strategy

Ibov ex-commodities: FIN & UTI positive drivers

For 4Q23, consensus expects Ibov Rev/EBITDA/EPS YoY growth at 3%/12%/-2% respectively (Exhibit 1). Commodities (mainly Petrobras, Vale and Suzano) were the main drags for EPS growth YoY (Exhibit 5). Excluding commodities, Ibovespa Rev/EBITDA/EPS YoY growth for 4Q23 is expected at 4%/32%/42% (Exhibit 1) with strong rebound in earnings for industrials, HC, education, and to a lesser extent, malls, TMT, utilities and financials (Exhibit 1).

First signs of the BZ consumer recovery

We expect to see the first signs of recovery within the BZ consumer-related industries. Banks should post stronger loan growth and controlled A/Q. Retailers (except hardline retailers) should post EPS expansion thanks to soft comps vs 4Q22 (Exhibit 10). C. staples, education and healthcare are also expected to post strong EPS growth YoY (Exhibit 1)

MX YoY earnings contraction driven by TMT and CST

Mexico 4Q23 earnings season just started with soft results for the banks (Banorte, Qualitas). However, we still expect financials in Mexico to deliver strong earnings growth in 4Q23 (see our takes on page 3). The main negative highlights are c. staples (price deceleration and FX headwinds) and communication. Mexbol Rev/EBITDA/EPS YoY growth is expected at -2%/-9%/-10% respectively (Exhibit 11).

Brazil industry details:

- **Financials:** We believe 4Q will anticipate '24 trends, such as stronger loan growth and controlled A/Q (for banks) and accelerating card TPV (for payments). Capital markets' stocks should be the exception, as improvement on volumes should pick up later in the year. (see [BZ Financial Institutions: 4Q23 preview: foreshadowing '24](#))
- **Metals & mining/ Pulp & paper:** We expect LatAm steelmakers to struggle this quarter with lower steel prices and seasonally weaker volumes pressuring margins. Iron ore miners should benefit from seasonally stronger volumes and higher price realizations given the rise in the benchmark and positive provisional pricing effects. Pulp companies should also shine given higher pulp prices, stronger shipments and lower cash costs. We expect Vale, Suzano and CSN to outperform peers during 4Q earnings season (see: [Mining, Steel, Pulp & Paper – LatAm 4Q preview](#)).

See more industry highlights of our fundamental analysts' views on page 2.

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Refer to important disclosures on page 11 to 13.

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Investment Strategy
Latin America

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ARPU: Average revenue per user

BZ: Brazil

CST: Consumer staples

MX: Mexico

TMT: Communication sector

E&P: Exploration and production

NII: Net Interest Income

HC: Health Care

A/Q: Asset/Quality

M&A: Merger and acquisition

UTI: Utilities

GMV: Gross merchandise revenue

MSR: Mobile Service Revenue

TPV: Total Payment Volume

MLR: Medical Loss Ratio

List of company acronyms on page 9

- **Oil & Gas:** We expect a strong quarter for the LatAm Oil & Gas sector. Although Brent prices average approximately US\$83/bbl this quarter (down 3% QoQ), production increase drive the results for most of the E&P juniors and the Integrated companies. For fuel distribution, results should be strong – we highlight, however, that margins will drop from record results reported in 3Q23. The sequential drop, in our view, can be largely explained by worse supply/demand dynamics in 4Q23, which were affected by the high volume of imported diesel from Russia.
- **Industrials:** For car rental (RENT3, MOV13), we expect a decent fare expansion due to favorable seasonality. However, we expect higher depreciation expenses to impact net profit due to weak seminovos demand, with Movida's bottom line being most impacted due to its lower net margin. For the truck rental name VAMO3, we expect further contraction of net profit on a YoY basis as company still was not able to fully rent its truck inventory, and still some negative impact from the repossessing of assets. RAIL3 should report robust volume expansion in 4Q (operational figures already reported – [see our report](#)), with robust yields, with the release of a 2024 guidance that we expect to de-risk the investment case. HBSA3 is expected to report weak results due to unfavorable operating conditions in South and North Corridors, with the company halting operations in the latter. WEGE3 results are expected to improve vs 3Q, with revenue growing at high single-digit rates YoY and flattish QoQ margins. As for toll roads, we expect CCRO3 and ECOR3 to report robust results mainly due to strong traffic expansion (operational figures already reported). The equipment rental players MILS3 and ARML3 are expected to continue posting fleet utilization recovery, driving yield and margins up. GGPS3 should continue to deliver the implementation of its M&A strategy, with solid margins. Brazilian airlines (AZUL4, GOLL4) are expected to report robust strong results, mainly driven by healthy yields and a lower jet fuel price. Lastly, as for Brazilian auto parts companies, we expect TUPY3 to present neutral results, RAPT4 to report some margin contraction in relation to 3Q levels, especially in the truck-trailers division, and MYPK3 to report still pressured margins.
- **Food:** We expect solid results for BRFS3, given the combination of favorable seasonality, higher chicken export prices (mainly to Middle East), and lower grain costs. Seasonality is also favorable for beef packers in Brazil, but export beef prices remain pressured, driving unitary margins down QoQ. US beef cycle also remains challenging.
- **Agribusiness:** Eyes will be on the productivity of soybean and corn, since the adverse weather in Mato Grosso has been impacting productivity, posing a risk to the second crop of corn. In December, SLCE3 reduced its yield forecast for the 23/24 season. Beer: We expect ABEV3 to deliver solid results in Q4 with continuous margin recovery, mainly given lower raw material costs, SG&A dilution and resilient top line. Earnings will be negatively impacted by the ARS devaluation.
- **Communication:** We expect another strong quarter for the Telcos with top line growth above inflation by 300/400bps. Also, 2024 should be another year of real growth as the Telcos already have in their budget/strategy price increases in April/May, sustaining our bullish view. The main topics are: i) MSR at 9% and 7.3% for VIVT3 and TIMS3, respectively; ii) Capex stays in line/below guidance; and iii) expansion of operating cash flow (EBITDA - Capex). (see sector preview in [LatAm TMT: Strong 4Q for Telcos](#)).
- **Education:** We expect margins to continue to rebound after a strong 1H23 and challenging 2H22, with a highlight on ANIM3. We expect VTRU, CSED3 and SEER3 to continue to deliver higher-than-historical levels of provisions due to an increasing share of distance learning. On YDUQ3, we expect provisions to remain flattish YoY.

Tickets should continue growing at a slower pace, following the deceleration trend from 3Q. We see ANIM3 as the main re-rating opportunity after result, as strong margins should support a flattish leverage ratio even with seasonal cash burn in the 4Q (see: [Brazil Education - 4Q23 preview](#)).

- **HC:** For 4Q23, we expect a challenging scenario for providers - hospitals' margins are under pressure and days of receivables around 20 days above historical average. For insurance operators, the stronger price readjustment and year-end seasonality should help MLR to be a positive surprise, with HAPV3 and SulA reducing MLR (Medical Loss Ratio) at least 300bps QoQ. The exception in the service provider is ONCO3, as we expect a solid result with cash generation improving and top line growing above 20% YoY. Among our service providers coverage, we expect to see the best 4Q results from ONCO3 (see [HC 4Q preview](#)).
- **Utilities:** We estimate good results for Power Distributors with massive volume growth due to higher weather temperature in the quarter partially offset distributed generation growth. We expect tight margins for Generation due to another quarter of low spot prices (at regulatory floor) and renewable generation impacted by regulators curtailments due to system oversupply. High interest rates could pressure financial results on levered companies with SELIC-linked debt. Positive highlights: 1) power distributors (ENGI11, EQTL3, NEOE3) benefited from good volumes growth and recent tariffs readjustments and 2) ENEV3 with above consensus thermal dispatch and revenues from non-core gas monetization. Negative highlights: AESB3 and AURE3, as results are expected to be weak due to low spot energy prices and low renewables generation impacted by curtailments.
- **Homebuilders:** We expect margins to continue on a recovery trend as new projects gain relevance in top line. **Malls:** exp. to keep 'normalized' growth level this quarter.
- **Retail:** We look for MELI GMV (gross merchandise revenue) and Revenue to sustain high levels of growth, as MELI posted historical Black Friday performance, competitors retrench and Remessa Conforme (BZ tax compliance program for e-commerce platforms) roll-out faces speed bumps. ARCO should also sustain strong momentum and market share gains, despite tough compare. Food retailers, CRFB3 and ASAI3, are expected to post sequential improvement in same-store sales growth, though still declining food deflation, increased competition from new openings, and a high comparison base. ALPA4 should post sequential improvement in Brazil, while International division struggles even further. Apparel same-store-sales growth are expected to accelerate sequentially, on the back of a soft comparison basis from last year.

Mexico industry details:

- **Financials:** Banks appear poised to report strong NII growth, double-digit loan growth and stable asset quality. Company specific-data points for better 4Q earnings for RA, roughly in-line for the rest, and lower for GENTERA on one-time impact from hurricane Otis (see: [Banks – Mexico 4Q preview](#)). [GFINBURO](#) 4Q NI was above expectations, explained by higher trading gains, other income and subsidiaries. [GFNORTEO](#) already reported mixed operating trends reflected softer NII and net insurance revenues, and higher opex, offset by lower provision charges, while management guided for net income of Ps56.8-58.2bn in '24, implying growth of 8-11% from '23 and sustaining ROE of 21-22.0%. This compares to Consensus forecast of Ps58.4bn (11% growth) and our estimate of Ps57.8bn (10% growth), which we maintain relatively unchanged. We see earnings growth limited by investments, although paving the path for the long-term (see: [Banorte - Earnings growth limited by investments, but paving the path for the long-term](#)).



- **Petrochemicals:** The Mexican petrochemical companies are expected to report stronger sequential results. Although petrochemical spreads have recovered from the bottom seen in the 3Q23, we highlight that these continue to be significantly below historical levels.
- **Cement:** Latam cement companies as expected to benefit in Q4 from a healthy yoy pricing dynamic in both the US and Mexico. US cement operations should experience a tailwind from nearshoring and non-residential investment. In Mexico, GCC should face a more challenging picture, as the large demand from 2 large mining projects tails off. While CX is poised to continue to ride the nearshoring wave. Overall, the quarter will more about the outlook for 2024: new pricing increments, the direction of residential construction and the boost from infrastructure and nearshoring
- **F&B:** Operating growth of Mexican food and beverage companies will be limited in 4Q23 given price deceleration and FX headwinds. ARCA and KOF will benefit from a positive volume/price performance and lower packaging costs, although FX will not help. CUERVO's operating results will be pressured by a lower demand in the US and Rest of the World. In BIMBO and GRUMAB, we expect weak figures because of tough comps (one additional week in 2022) and FX.
- **Transportation:** Mexican airports should deliver low single-digit Y/Y traffic growth (~2.7% on average) in 4Q23E that should also translate into a similar Y/Y growth for Q4E EBITDA on average. [GMXT](#) should deliver Q4E top line growth of 3% Y/Y should be supported by a unit price per carload growth of 4% Y/Y while carload volume is expected to remain flat Y/Y. In contrast we estimate a 1% Y/Y decrease in EBITDA in the quarter for GMXT due to cost pressures.
- **Communication:** 4Q23 should be another difficult quarter for MX Telcos. Competition in the broadband market should remain fierce, leading to limited ARPU expansion and still soft net adds. For Mobile, we expect AMXB to continue posting solid results in its main markets, with a positive highlight for Brazil, as the company should continue to benefit from a more rational market post consolidation.
- **Real Estate:** FIBRAs should deliver flat Q4E Y/Y AFFO/share growth on average in Peso terms due to the strong peso (an 11% Y/Y average appreciation) and high interest rates. [FIBRAPL](#) reported Q4 with an AFFO/share growth of 1% Y/Y in pesos. We remain positive on the sector in the medium and long term, as they are direct key beneficiaries of nearshoring in Mexico. We expect current headwinds to convert to tailwinds during 2024, as we expect interest rates to begin to decrease in 2H24, while the peso should depreciate throughout 2024. In addition, we should see initiatives from some FIBRA players regarding the internalization of their external advisors as TERRA recently announced. See: [MX Reits 4Q preview](#).
- **Retail:** In Mexico, we look for trends to generally moderate q/q on slower inflation. We anticipate the strongest sales growth from ALSEA's Starbucks and FEMSA's OXXO and look for CHDRAUI to continue to lead food retail peers.

Brazil 4Q23 earnings season

Brazil

Exhibit 1: 4Q23 YoY growth for Ibov industries

4Q23 YoY decline driven by Materials and Energy.

Sector	Sales	EBITDA	EPS
Financials	2%	NA	29%
Materials	-3%	8%	-15%
Industrials	9%	42%	96%
Malls	71%	9%	39%
C. Staples	5%	28%	40%
Communication	7%	12%	51%
Utilities	1%	61%	34%
C. Discretionary	-1%	-29%	NA
Health Care	35%	14%	121%
Homebuilders	17%	193%	NA
Meat Processors	-2%	41%	NA
Insurance	-19%	NA	21%
Education	14%	0%	212%
Energy	5%	0%	-25%
IT	11%	1%	3%
Fuel Distribution	-5%	12%	-2%
Total	3%	12%	-2%
Ex - MAT	4%	13%	5%
Ex - MAT, ENE	4%	32%	42%

Consensus estimates.

Source: BofA Global Research, Bloomberg

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Exhibit 2: 4Q23 QoQ growth for Ibov industries

Materials drives EPS QoQ growth.

Sector	Sales	EBITDA	EPS
Financials	-3%	NA	-1%
Materials	15%	34%	39%
Industrials	20%	6%	63%
Malls	33%	21%	86%
C. Staples	12%	23%	2%
Communication	3%	4%	9%
Utilities	-5%	10%	3%
C. Discretionary	25%	92%	NA
Health Care	4%	-4%	13%
Homebuilders	0%	59%	83%
Meat Processors	2%	10%	NA
Insurance	-16%	NA	-6%
Education	24%	16%	990%
Energy	21%	6%	16%
IT	7%	7%	-1%
Fuel Distribution	2%	15%	20%
Total	9%	15%	20%
Ex - MAT	8%	9%	13%
Ex - MAT, ENE	4%	11%	12%

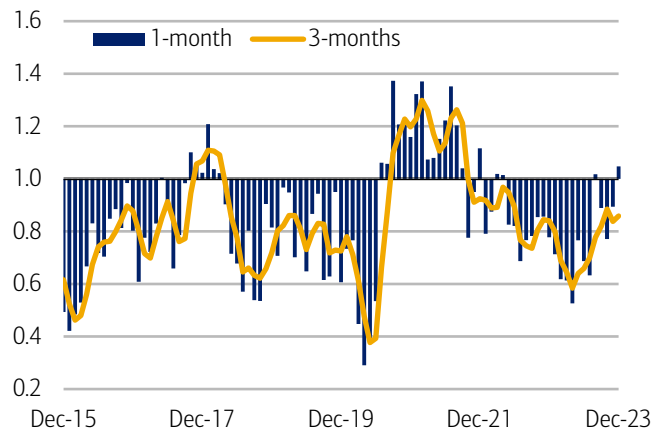
Consensus estimates.

Source: BofA Global Research, Bloomberg

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Exhibit 3: Brazil ERR (# of upward revisions/# of downward revisions)

3 month ERR was above 1 in Dec-23.



Source: BofA Global Research, Bloomberg, Factset.

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Exhibit 4: Brazil Sectors ERR (# of upward revisions/# of downward revisions)

Materials had lowest 3-month ERR in Dec-23.

Brazil sectors	12m Avg	Oct-23	Nov-23	Dec-23	1M Chg in 3M ERR
C. Discretionary	0.6	1.0	0.9	0.8	-0.17
C. Staples	0.6	0.6	0.6	0.8	0.21
Energy	0.9	1.5	1.2	1.1	-0.03
Financials	1.2	1.5	1.2	1.1	-0.13
Health Care	0.6	0.9	0.5	0.6	0.06
Industrials	0.7	0.7	0.7	0.7	0.06
IT	1.4	0.9	1.8	2.4	0.57
Materials	0.5	0.5	0.5	0.5	-0.02
Real Estate	2.3	5.0	8.0	4.5	-3.50
Communication	3.7	19.0	4.8	4.3	-0.47
Utilities	1.1	1.4	1.5	1.5	0.02
Brazil	0.7	0.9	0.8	0.9	0.02

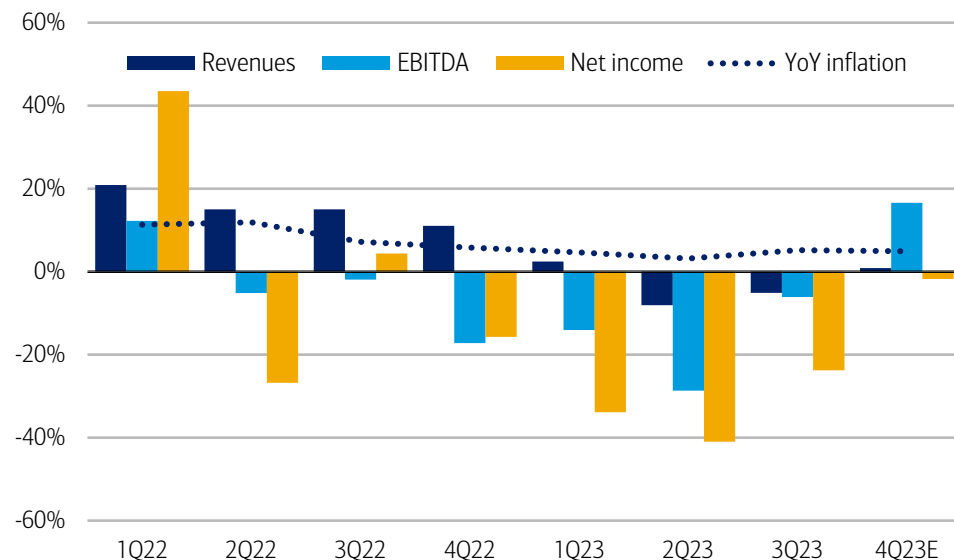
Source: BofA Global Research, Bloomberg, Factset.

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Ibovespa quarterly earnings

Exhibit 5: Ibovespa YoY growth for quarterly revenues/EBITDA/net income and YoY inflation

Ibovespa revenue growth is expected to remain muted in 4Q23.



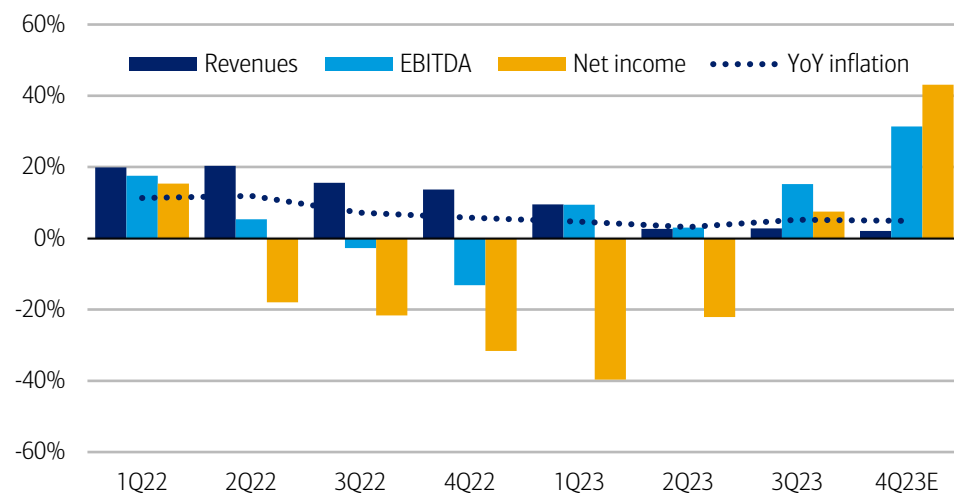
Note: consensus estimates for 4Q23E. Airlines, Metalúrgica Gerdau and Bradespar were removed from analysis.

Source: Bloomberg

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Exhibit 6: Ibovespa ex-commodities YoY growth for quarterly revenues/EBITDA/net income and YoY inflation

We expect to see the first signs of recovery within the BZ consumer-related industries



Note: NI compression in 4Q22/1Q23 largely driven by protein processors, Natura and Eletrobras.

Consensus estimates for 4Q23E. Airlines, Metalúrgica Gerdau and Bradespar were removed from analysis.

Source: Bloomberg

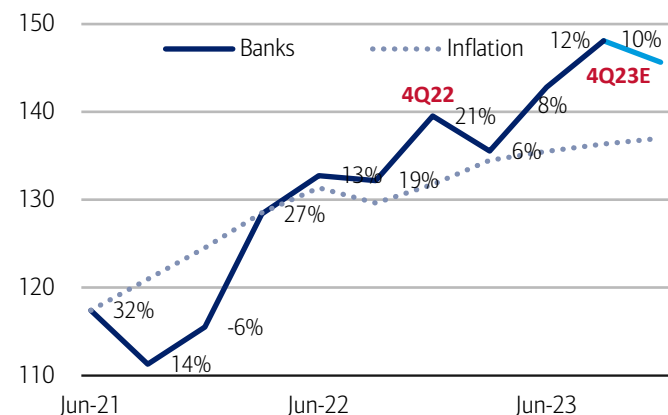
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Brazil domestic consumer trends

Exhibit 7: Aggregated quarterly revenues for Brazilian banks (R\$bn)

Numbers in labels show YoY growth in each quarter.

Banks are expected to post only 10% aggregated revenue growth in 4Q23.



Stocks: ABCB4 BZ, BBAS3 BZ, INTR US, BRSR6 BZ, BBDC4 BZ, BPAC11 BZ, ITUB4 BZ, NU US, SANB11 BZ

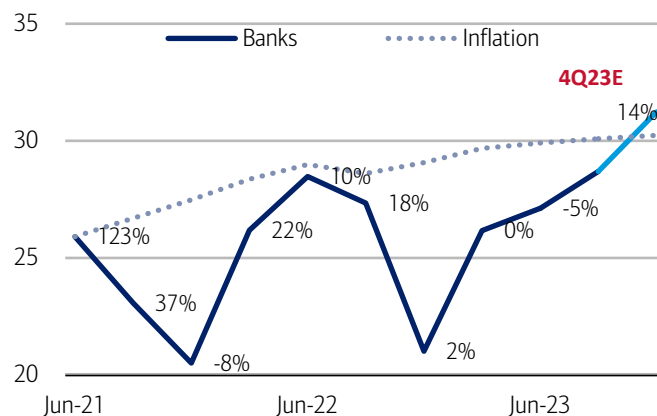
Source: Bloomberg

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Exhibit 8: Aggregated quarterly net income for Brazilian banks (R\$bn)

Numbers in labels show YoY growth in each quarter.

Banks are expected to post around 14% aggregated earnings growth in 4Q23.



Stocks: ABCB4 BZ, BBAS3 BZ, INTR US, BRSR6 BZ, BBDC4 BZ, BPAC11 BZ, ITUB4 BZ, NU US, SANB11 BZ

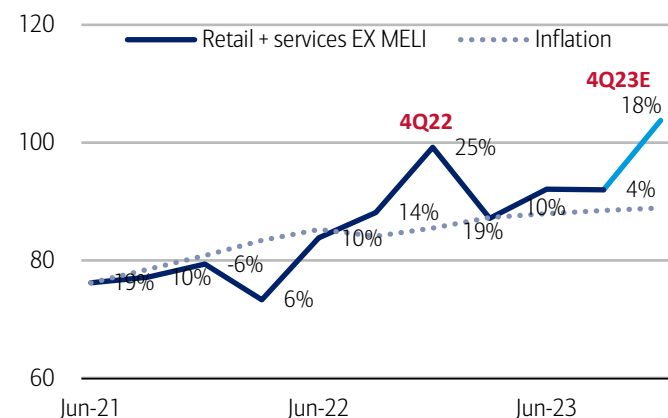
Source: Bloomberg

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Exhibit 9: Aggregated quarterly revenues for Brazil retail and services, excluding MercadoLibre (R\$bn)

Numbers in labels show YoY growth in each quarter.

Retail and services are expected to post 18% revenue growth an aggregated basis in 4Q23.



Stocks: ALPA4 BZ, ARZZ3 BZ, SOMA3 BZ, LJQQ3 BZ, LREN3 BZ, AMAR3 BZ, MLAS3 BZ, NTCO3 BZ, PETZ3 BZ, TFCO4 BZ, VIVA3 BZ, MGLU3 BZ, MELI US, BHIA3 BZ, ARCO US, ZAMP3 BZ, CVCB3 BZ, SMFT3 BZ, ASAI3 BZ, PCAR3 BZ, CRFB3 BZ, HYPE3 BZ, RADL3 BZ

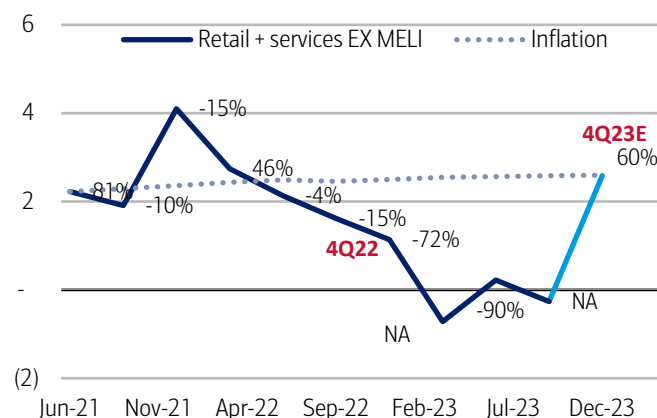
Source: Bloomberg

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Exhibit 10: Aggregated quarterly net income for Brazil retail and services, excluding MercadoLibre (R\$bn)

Numbers in labels show YoY growth in each quarter.

Retail and services are expected post 60% net income expansion in 4Q23 on an aggregated basis.



Stocks: ALPA4 BZ, ARZZ3 BZ, SOMA3 BZ, LJQQ3 BZ, LREN3 BZ, AMAR3 BZ, MLAS3 BZ, NTCO3 BZ, PETZ3 BZ, TFCO4 BZ, VIVA3 BZ, MGLU3 BZ, MELI US, BHIA3 BZ, ARCO US, ZAMP3 BZ, CVCB3 BZ, SMFT3 BZ, ASAI3 BZ, PCAR3 BZ, CRFB3 BZ, HYPE3 BZ, RADL3 BZ

Source: Bloomberg

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Mexico 4Q23 earnings season

Exhibit 11: 4Q23 YoY growth for Mexbol industries

Mexbol EPS expected to decrease 10% YoY.

Sector	Sales	EBITDA	EPS
Financials	-14%	NA	13%
Materials	-18%	-32%	-28%
Industrials	-5%	9%	42%
Real Estate	7%	9%	-55%
C. Staples	4%	-8%	-10%
Communication	-2%	1%	-29%
C. Discretionary	6%	15%	-32%
Health Care	-8%	-5%	12%
Total	-2%	-9%	-10%
Ex - MAT	0%	-3%	-6%

Consensus estimates.

Source: BofA Global Research, Bloomberg

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Exhibit 12: 4Q23 QoQ growth for Mexbol industries

Communication sector to drive Mexbol EPS decline QoQ.

Sector	Sales	EBITDA	EPS
Financials	-20%	NA	14%
Materials	-6%	-9%	-12%
Industrials	2%	7%	12%
Real Estate	4%	10%	203%
C. Staples	10%	12%	7%
Communication	3%	3%	212%
C. Discretionary	4%	2%	1%
Health Care	-14%	-14%	1%
Total	4%	4%	17%
Ex - MAT	5%	7%	23%

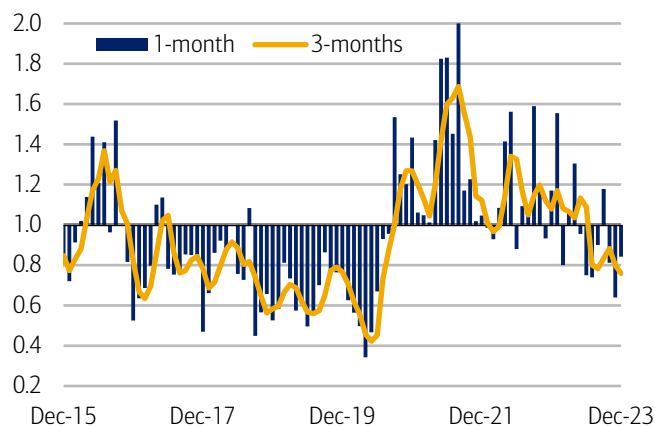
Consensus estimates.

Source: BofA Global Research, Bloomberg

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Exhibit 13: Mexico ERR (# of upward revisions/# of downward revisions)

1 month ERR was below 1 in Dec-23.



Source: BofA Global Research, Bloomberg, Factset.

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Exhibit 14: Mexico Sectors ERR (# of upward revisions/# of downward revisions)

Financials had highest 3-month ERR in Dec-23.

Mexico sectors	12m Avg	Oct-23	Nov-23	Dec-23	1M Chg in 3M ERR
C. Discretionary	1.1	0.6	0.5	0.6	0.06
C. Staples	1.1	1.2	1.2	1.4	0.18
Energy	NA	NA	NA	NA	NA
Financials	2.4	1.8	1.9	1.6	-0.29
Health Care	NA	NA	NA	NA	NA
Industrials	0.9	0.7	0.7	0.7	-0.04
IT	NA	NA	NA	NA	NA
Materials	0.8	0.6	0.6	0.5	-0.05
Real Estate	0.8	1.0	0.8	1.1	0.33
Communication	0.4	0.4	0.3	0.1	-0.14
Utilities	NA	NA	NA	NA	NA
Mexico	1.0	0.9	0.8	0.8	-0.04

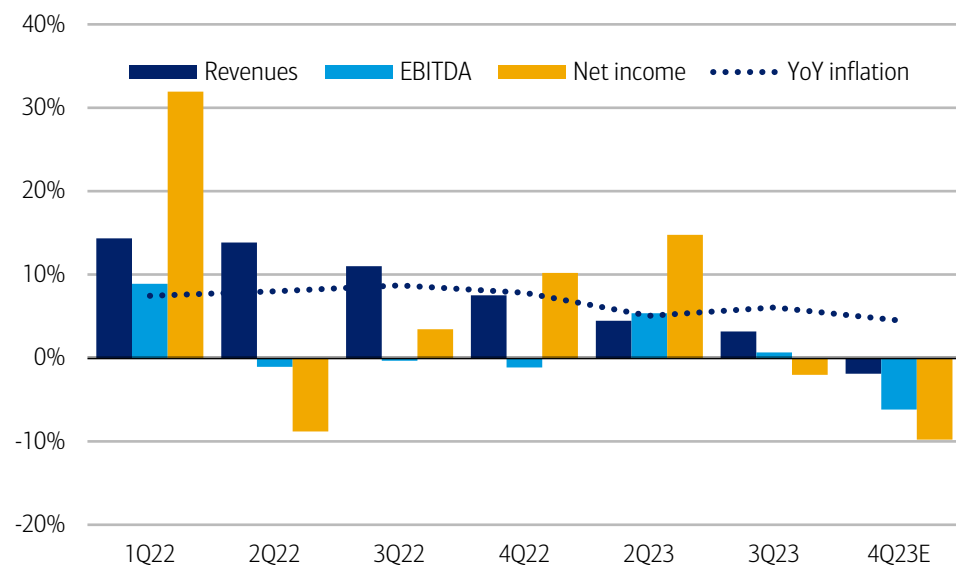
Source: BofA Global Research, Bloomberg, Factset.

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Mexbol quarterly earnings

Exhibit 15: Mexbol YoY growth for quarterly revenues/EBITDA/net income and YoY inflation

Mexbol is expected to post around 10% net income contraction in 4Q23.



Note: consensus estimates for 4Q23E. Elektra, Grupo Carso, Industrias Penoles were removed from the analysis.

Source: Bloomberg

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Exhibit 16: List of acronyms

List of company acronyms mentioned in this report

Security name	Company acronym	Bloomberg Ticker	BofA Ticker
CSN Mineracao SA	CMIN3	CMIN3 BZ Equity	XZRAF
Localiza Rent a Car SA	RENT3	RENT3 BZ Equity	LZRFF
Movida Participacoes SA	MOVI3	MOVI3 BZ Equity	XMBDF
Rumo SA	RAIL3	RAIL3 BZ Equity	RUMOF
Vamos Locacao de Caminhoes Maq	VAMO3	VAMO3 BZ Equity	XLPPF
Hidrovias do Brasil SA	HBSA3	HBSA3 BZ Equity	XDXXF
WEG SA	WEGE3	WEGE3 BZ Equity	WGSEF
CCR SA	CCRO3	CCRO3 BZ Equity	CDCRF
EcoRodovias Infraestrutura e L	ECOR3	ECOR3 BZ Equity	XVEDF
Azul SA	AZUL4	AZUL4 BZ Equity	XAZUF
Gol Linhas Aereas Inteligentes	GOLL4	GOLL4 BZ Equity	XGOLF
Mills Locacao Servicos e Logis	MILS3	MILS3 BZ Equity	MLSTF
Armac Locacao Logistica E Serv	ARML3	ARML3 BZ Equity	XCVZF
GPS Participacoes e Empreendim	GGPS3	GGPS3 BZ Equity	XKTRF
Tupy SA	TUPY3	TUPY3 BZ Equity	TPYSF
Randon SA Implementos e Partic	RAPT4	RAPT4 BZ Equity	RPRTF
Iochpe Maxion SA	MYPK3	MYPK3 BZ Equity	IOCF
Ambev SA	ABEV3	ABEV3 BZ Equity	AVBPF
Hapvida Participacoes e Invest	HAPV3	HAPV3 BZ Equity	XDUFF
Equatorial Energia SA	EQTL3	EQTL3 BZ Equity	XKERF
Auren Energia SA	AURE3	AURE3 BZ Equity	XZMXF
Oncoclinicas do Brasil Servico	ONCO3	ONCO3 BZ Equity	XOBXF
Atacadao SA	CRFB3	CRFB3 BZ Equity	XLDPF
Alpargatas SA	ALPA4	ALPA4 BZ Equity	SRDDF
Vale SA	VALE	VALE3 BZ Equity	VALEF
MercadoLibre Inc	MELI	MELI US Equity	MELI
Arcos Dorados Holdings Inc	ARCO	ARCO US Equity	ARCO
Qualitas Controladora SAB de C	Qualitas	Q* MM Equity	QUCOF
Grupo Bimbo SAB de CV	BIMBOA	BIMBOA MM Equity	GRBMF
Gruma SAB de CV	GRUMAB	GRUMAB MM Equity	GPAGF
Becle SAB de CV	CUERVO*	CUERVO* MM Equity	BCCLF
America Movil SAB de CV	AMXB	AMXB MM Equity	AMXVF
Alsea SAB de CV	ALSEA*	ALSEA* MM Equity	ALSSF
Fomento Economico Mexicano SAB	FEMSA	FEMSAUBD MM Equity	FMXUF
Grupo Comercial Chedraui SA de	CHDRAUIB	CHDRAUIB MM Equity	GCHEF
Regional SAB de CV	Regional	RA MM Equity	RGNLF
GMexico Transportes SAB de CV	GMXT	GMXT* MM Equity	GMXTF
Petroleo Brasileiro SA	PETR4	PETR4 BZ Equity	PTRBF
Suzano SA	SUZB3	SUZB3 BZ Equity	XXRTF
Banorte	GFNORTEO	GFNORTEO MM Equity	GBOOF
Brasil Foods	BRFS3	BRFS3 BZ Equity	BRFFF
SLC Agricola	SLCE3	SLCE3 BZ Equity	SLCJF
TIM	TIMS3	TIMS3 BZ Equity	XZUAF
Vivo	VIVT3	VIVT3 BZ Equity	XCPTF
Vitru Limited	VTRU	VTRU US Equity	VTRU
Cruzeiro do Sul	CSED3	CSED3 BZ Equity	XCZZF
Ser Educacional	SEER3	SEER3 BZ Equity	XSAOF
YDUQS Participacoes SA	YDUQ3	YDUQ3 BZ Equity	ECPCF
Energisa	ENGI11	ENGI11 BZ Equity	XLXGF
Neoenergia	NEOE3	NEOE3 BZ Equity	XGXGF
Eneva	ENEV3	ENEV3 BZ Equity	XZUMF
AES Brasil	AESB3	AESB3 BZ Equity	XDFDF
Assaí Atacadista	ASAI3	ASAI3 BZ Equity	XFCXF
Gentera	GENTERA	GENTERA* MM Equity	CMPRF
Cemex	CX	CX US Equity	CX
Arca	ARCA	AC* MM Equity	EMBVF
Coca-Cola FEMSA	KOF	KOF US Equity	KOF
Fibra PL	FIBRAPL	FIBRAPL MM Equity	FBBPF
Terraflina	TERRA	TERRA13 MM Equity	CBAOF

Source: BofA Global Research

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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