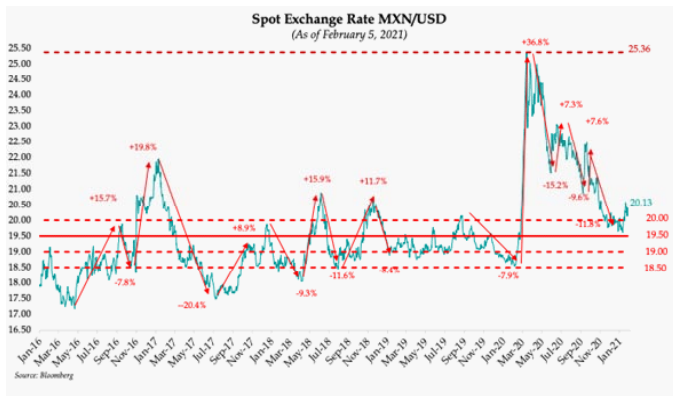


**Weekly Economic Indicators**

**Exchange Rate**

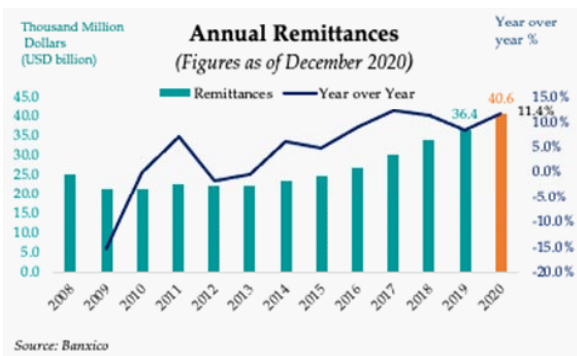
The spot exchange rate closed at MXN 20.08 per USD on February 5<sup>th</sup> for a 2.37% WoW appreciation. YTD registered a depreciation of (-) 0.87%. Data regarding external accounts benefited the Mexican currency:

1. In 2020, the flow of remittances totaled US\$ 40.6 billion, a historical maximum and an 11.44% increase compared to 2019.
2. Mexico's trade surplus with the United States in 2020 was US\$ 112.72 billion, 10.78% more than in 2019, despite the closure of the economic activities for almost three months.



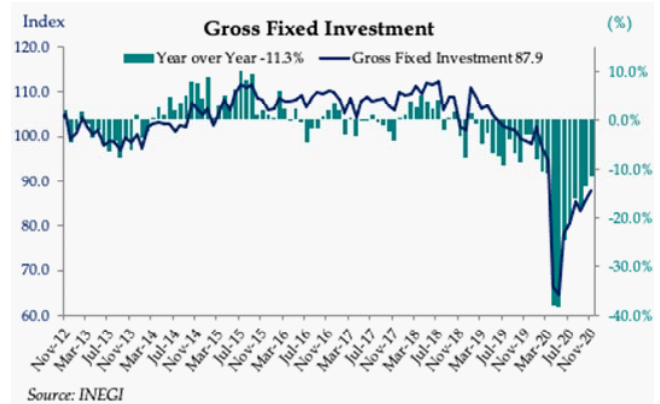
**Remittances**

In 2020, the flow of remittances to Mexico totaled US\$ 40.6 billion, a historical record, and 11.44% growth compared to 2019. The stimulus packages in the United States, included the US\$ 1,200 checks, could have driven the excellent performance of remittances in the year; besides, there were federal unemployment benefits that ranged between US\$ 600 and US\$ 400 a week. We expected that by 2021 the data would continue in figures close to US\$ 40 billion since there is a possibility that the federal government will renew unemployment insurance at US\$ 400. Additionally, the United States' growth expectation in 2021 is around 4.5%, so there is a high probability that Mexicans in that country will recover or keep their jobs.



**Gross Fixed Investment**

In November 2020, the Gross Fixed Investment (GFI) had a 2.28% monthly growth reducing to (-) 11.35% YTD fall (at the worst moment of the year, the annual decline reached -30.9%). The GFI contraction was associated with the COVID-19 pandemic, although there could also be other reasons that could harm it. Specifically, the government has presented a series of initiatives, laws, and orders that can seriously affect the regulatory framework in which productive activity operates.



**US International Trade**

In 2020, total trade between the United States and Mexico amounted to US\$ 538.07 billion, a (-) 12.43% fall vs. 2019. Despite the above, the Mexican surplus in 2020 (US\$ 112.72 billion) was 10.78% higher than in 2019. The fall in the total volume of trade reflects commercial activities' closure for practically three months derived from the COVID-19 crisis. In contrast, the surplus is mainly due to improved manufacturing exports, which nearly reached a "V" recovery.

United States International Trade (As of December 2020)									
Country	Exports	Imports	Total Trade	Balance	Country	Exports	Imports	Total Trade	Balance
China	124,649	435,449	560,098	-310,800	India	27,395	51,190	78,585	-23,795
% of Total	8.7%	38.6%	34.9%		% of Total	1.9%	2.2%	2.1%	
Mexico	212,672	325,394	538,066	-112,722	France	27,380	43,009	70,389	-15,629
% of Total	14.9%	33.9%	34.3%		% of Total	1.9%	3.8%	1.9%	
Canada	255,405	270,382	525,787	-14,977	Italy	19,922	49,465	69,387	-29,543
% of Total	17.8%	31.6%	34.0%		% of Total	1.4%	2.1%	1.8%	
Japan	64,098	119,512	183,610	-55,414	Brazil	35,047	23,311	58,358	11,736
% of Total	4.5%	5.1%	4.9%		% of Total	2.4%	1.0%	1.5%	
Germany	57,795	115,120	172,915	-57,325	Singapore	27,086	30,840	57,926	-3,754
% of Total	4.0%	4.9%	4.6%		% of Total	1.9%	1.3%	1.5%	
Korea, South	51,218	76,020	127,238	-24,802	Hong Kong	23,986	7,934	31,920	16,052
% of Total	3.6%	3.3%	3.4%		% of Total	1.7%	0.3%	0.8%	
United Kingdom	59,010	50,206	109,216	8,804	Saudi Arabia	11,177	8,993	20,170	2,184
% of Total	4.1%	2.1%	2.9%		% of Total	0.8%	0.4%	0.5%	
Taiwan	30,496	60,428	90,924	-29,932	All other countries	404,327	669,327	1,073,654	-265,000
% of Total	2.1%	2.6%	2.4%		% of Total	28.2%	28.6%	28.5%	
					<b>TOTAL 2020 YTD</b>	<b>1,431,663</b>	<b>2,336,580</b>	<b>3,768,243</b>	<b>-904,917</b>
					<b>TOTAL 2019</b>	<b>1,645,486</b>	<b>2,498,400</b>	<b>4,143,886</b>	<b>-852,914</b>
					<b>TOTAL 2018</b>	<b>1,664,064</b>	<b>2,542,735</b>	<b>4,206,799</b>	<b>-878,671</b>

Source: U.S. Census Bureau  
Amounts in millions of dollars



WEEKLY ECONOMIC REPORT

February 05, 2021.

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Definitions

**Banxico:** Banco de México is the central bank of Mexico. Its main function is to provide domestic currency to the Mexican economy and its main priority is to ensure the stability of the domestic currency's purchasing power.

**INEGI:** The National Institute of Statistics and Geography is a public body with technical and managerial autonomy, its own legal personality and assets, responsible for regulating and coordinating the National System of Statistical and Geographic Information.

**Exchange Rate:** Is the value of one nation's currency versus the currency of another nation or economic zone.

**WoW:** Week over Week refers to the mathematical process of comparing one week of data to prior week.

**YTD:** Year to Date refers to the period of time beginning the first day of the current calendar year or fiscal year up to the current date.

**Remittances:**

**Trade Surplus:** An economic measure of a positive balance of trade, where a country's exports exceed its imports

**Gross Fixed Investment (GFI):** Describes the net capital accumulation during an accounting period for a country. The term refers to additions of capital stock, such as equipment, tools, transportation assets and electricity.

**International trade** is the exchange of capital goods, across international borders or territories because there is a need or want of goods or services.

**COVID-19:** The disease caused by the coronavirus, a family of viruses that were discovered in the 60s but whose origin is still unknown. Its different types cause different diseases, from a cold to a severe respiratory syndrome.

Disclosures

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund's portfolio and there is no assurance that the fund will achieve its investment objective.

To read about The Mexico Equity and Income Fund, Inc, please access the Annual Report by calling (414) 765-4255 to receive a copy, or access the Annual Report on the Fund's website, "www.mxefund.com", under the section captioned investor reports. Investors should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. An investment in the Fund should not constitute a complete investment program.

Past performance is not a guarantee of future results. Index performance is not illustrative of fund performance. One cannot invest directly in an index. Please call (414) 765-4255 for fund performance.

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