



Markets

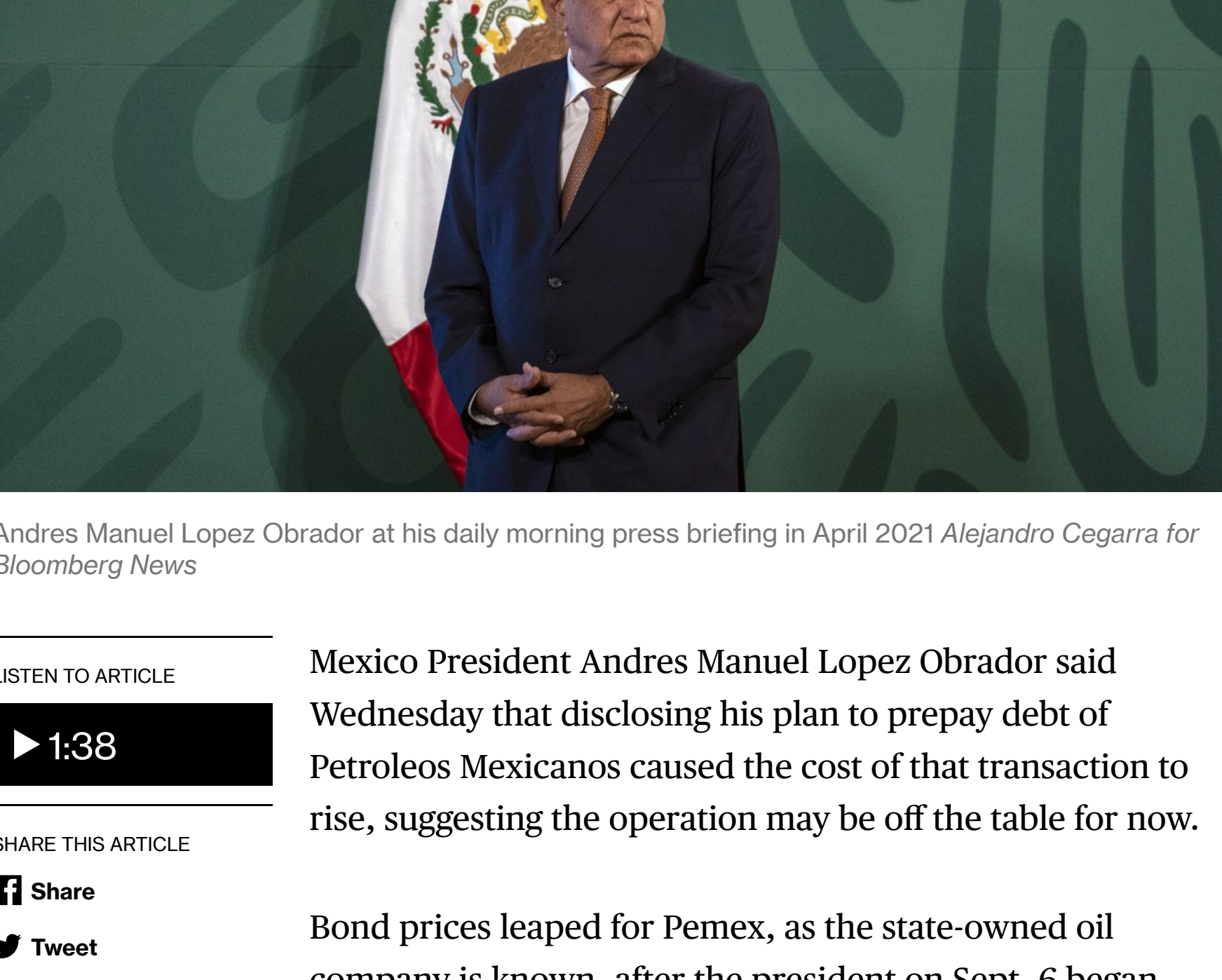
Click here

# Disclosing Plan to Pay Pemex Debt Caused Cost to Rise, AMLO Says

By Amy Stillman and Maya Averbuch

October 6, 2021, 10:23 PM GMT+7

- President called those who traded on the news ‘vulture funds’
- Banxico reserves may go to sovereign debt payments, not Pemex



Andres Manuel Lopez Obrador at his daily morning press briefing in April 2021 Alejandro Cegarra for Bloomberg News

LISTEN TO ARTICLE

▶ 1:38

SHARE THIS ARTICLE

Share

Tweet

Post

Email

Mexico President Andres Manuel Lopez Obrador said Wednesday that disclosing his plan to prepay debt of Petroleos Mexicanos caused the cost of that transaction to rise, suggesting the operation may be off the table for now.

Bond prices leaped for Pemex, as the state-owned oil company is known, after the president on Sept. 6 began talking up his debt plans at his morning press briefing, making the operation itself more expensive.

In this article

1232Z PETROLEOS MEXICANOS Private Company

Oil WTI Crude 78.33 USD/bbl

+0.90 +116%

BNY MELLON

FX. Handled.

Come and Take a Closer Look.

Click here

The president said at the time that he planned to use at least part of \$12 billion in funds recently transferred to the central bank's reserves from the International Monetary Fund to reduce Pemex's \$115 billion debt burden. The company's bond prices spiked again the following week after Mexico said it purchased  $\$7$  billion of international reserves from the central bank.

[Read More: Mexican President Talks Up the Very Bonds He Plans to Buy](#)

“We spoke here about using resources that were being given to Mexico, that we were thinking about the possibility of buying bonds to pay debt, especially Pemex debt,” AMLO, as the president is known, said at his Wednesday morning briefing. “Do you know what happened? The interest on Pemex bonds increased because of what are called vulture funds, which are speculative.”

BNY MELLON

FX. Handled.

Come and Take a Closer Look.

Click here

AMLO's press office didn't immediately reply to a request for comment on the status of the debt repayment plan.

Have a confidential tip for our reporters?

GET IN TOUCH

Before it's here, it's on the Bloomberg Terminal.

LEARN MORE

The \$7 billion may not go to Pemex and could be used to make upcoming sovereign debt payments, two people familiar with the matter told Bloomberg News last month. A third person said that while the funds may be used to buy back Pemex debt in the end, there are other possibilities currently under analysis, without elaborating.

## From The Web

Sponsored Links by Taboola

Take a Look at These Handsome Single Guy...  
Dating.com

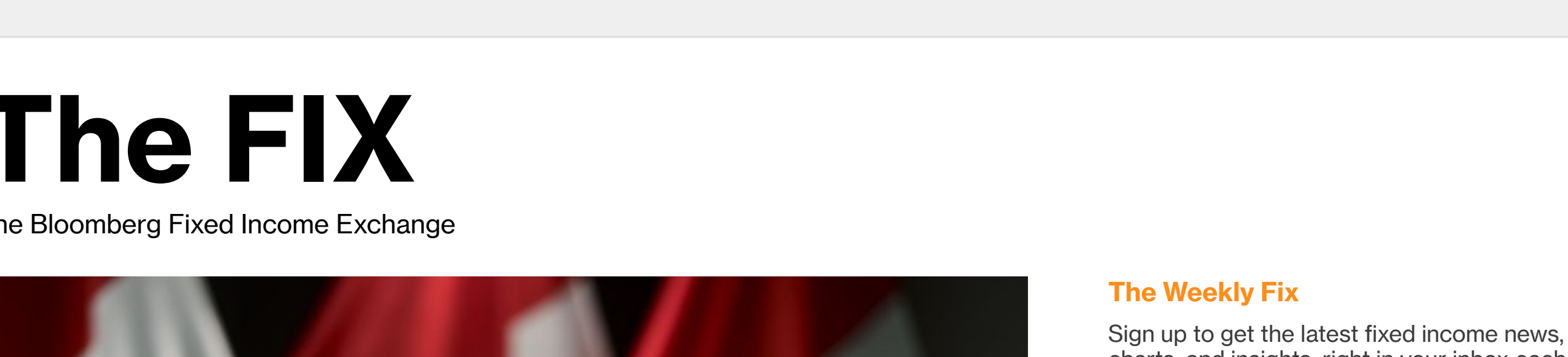
If You Spend Time on Your Computer, this...  
Forge of Empires - Free Online Game

The Dating Site For Highly-Educated...  
Perfect-Dating.com

Work a USA job from home in Thailand  
Jobs in the USA | Search Ads

cryptocurrency swaps can earn you money  
Kirobo.io

See what full mouth dental implants may...  
Full Set Clear Choice Dental Implants  
Prices List | Sponsored Listings



# The FIX

The Bloomberg Fixed Income Exchange



## Macklem Says Exiting Stimulus Will Test Global Financial System

Enter your email

Sign Up

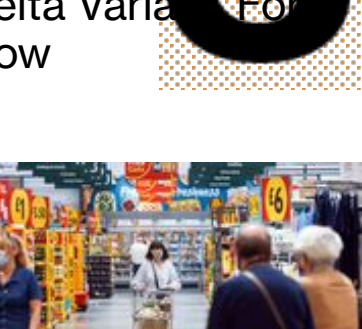
The Weekly Fix  
Sign up to get the latest fixed income news, charts, and insights, right in your inbox each Friday.

## The Basics

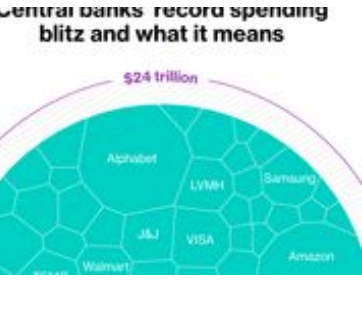
Ultra-Short Bond ETFs Are in Demand



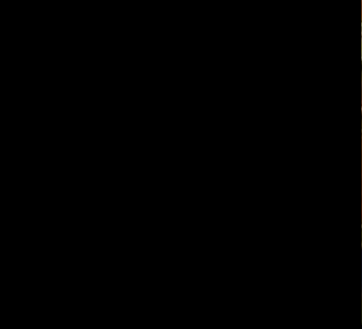
Delta's Force Economies from U.S. to China in Real-Time



The Global Economy is Shrugging Off Delta Variations Now



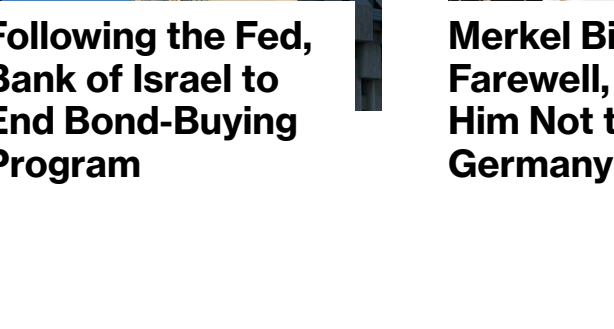
A \$9 Trillion Bill Turns Central Banks Into Market's Biggest Whales



December Deadlines Mean Year-End Crunch for Washington



UBS's Botched Muni Statements Cost Clients Millions, Suit Says



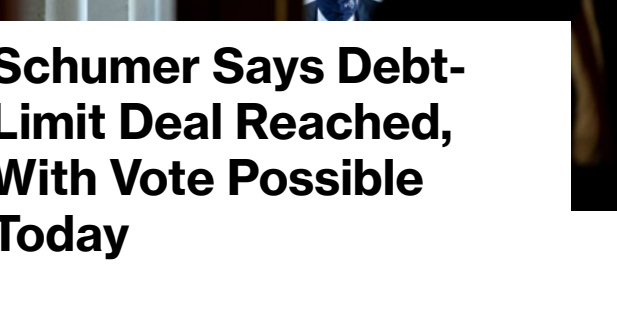
U.S. Mortgage Rates Dip Slightly, Once Again Dropping Below 3%



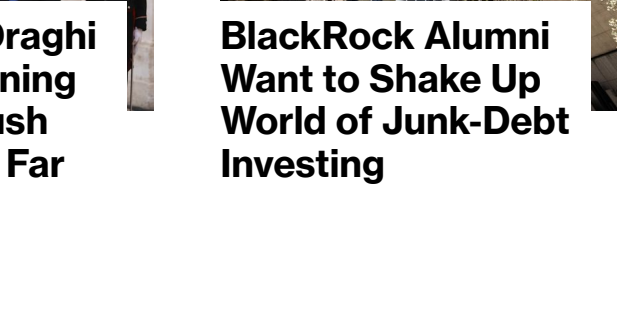
Following the Fed, Bank of Israel to End Bond-Buying Program



Mnuchin Says Crypto Stablecoins 'Shouldn't Be Like Casino Chips'



Schumer Says Debt-Limit Deal Reached, With Vote Possible Today



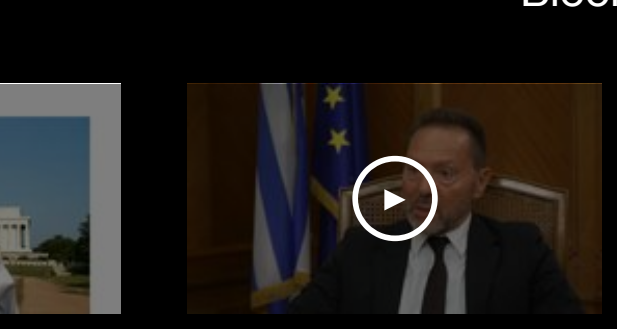
Poland Signals Shock Rate Hike Won't Be Repeated Soon



Merkel Bids Draghi Farewell, Warning Him Not to Push Germany Too Far



BlackRock Alumni Want to Shake Up World of Junk-Debt Investing



Steven Mnuchin Warns of Inflation Risk, 3.5% Treasury Yields



## Bonds

NAME	YIELD %	CHANGE
US 3 Month	0.04	0.00
US 6 Month	0.06	↑ 0.01
US 2 Year	0.31	↑ 0.01
US 5 Year	1.02	↑ 0.03
US 10 Year	1.56	↑ 0.04
US 30 Year	2.12	↑ 0.05

More on Rates & Bonds

## Podcast

Investing In Technology, ESG, And The Markets (Podcast)



McConnell: Democrats Had Plenty of Time to Raise the Debt Limit

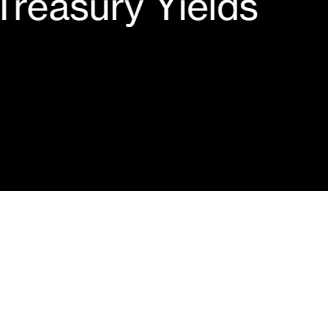


## McConnell: Democrats Had Plenty of Time to Raise the Debt Limit

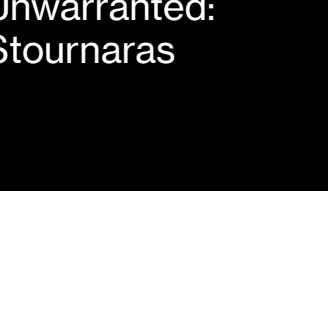
Senate Minority Leader Mitch McConnell says Democrats had plenty of time to work out a deal to raise the debt ceiling. He spoke on the floor this morning. Senate leaders have reached agreement on a deal that staves off any default on federal payments into December. (Source: Bloomberg)



Margins to Expand Despite Rising Costs: Credit Suisse's Golub



Mnuchin Warns of Inflation Risk, 3.5% Treasury Yields



Premature ECB Rate-Hike Bets Are Unwarranted: Sournaras



Former BOE Governor King Sees 'Upside' Inflation Risks

## Iceland Must End Fiscal Aid for Economy, Central Bank Chief Says

by Ragnhildur Sigurdardottir



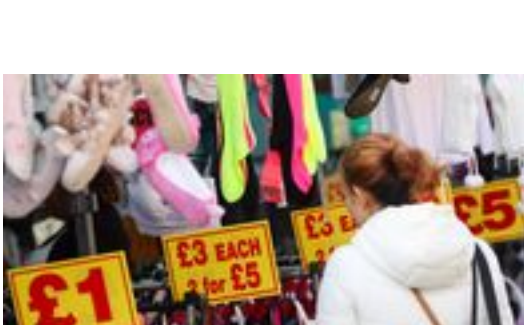
## Pandemic May Change European Consumers for Good, ECB Study Finds

by Alexander Weber



## Debt Deal, Beer Game, Stephanomics on Supply Chains: Eco Day

by Alessandra Migliaccio



## BOE's New Chief Economist Sees Prolonged Jump in U.K. Inflation

by David Goodman



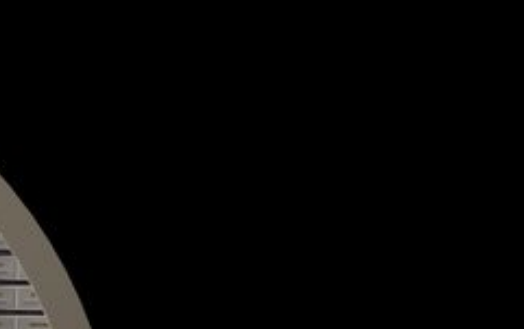
## Turkey Governor Says Policy Tight Enough After Surprise Rate Cut

by Cagan Koc



## The Extremely Serious Case For Minting the \$1 Trillion Coin

by Joe Weisenthal



## Anyone Seen Tether's Billions?

by Zeke Faux

