

## Eduardo Medina Mora Resigns

This week the main political news was the resignation of Eduardo Medina Mora from the Supreme Court. Mr. Medina Mora was apparently being investigated (both in and out of Mexico) for suspicious wire transfers. This will allow AMLO to appoint a new Minister of the Court favorable to his agenda, joining at least three other current members that are perceived as pro-Morena (two of whom were appointed since November 2018, and one who is seen as pro-Morena from before). AMLO will also be able to appoint another member in December 2021, giving him at least five members on his side.

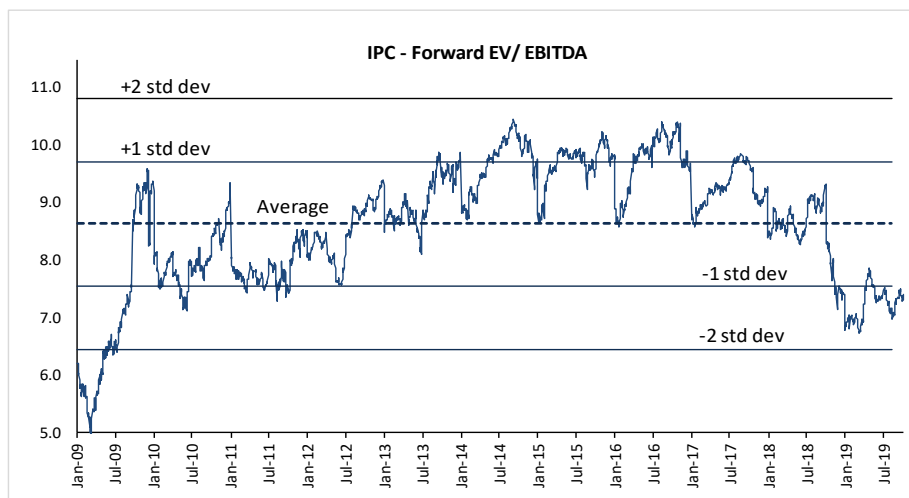
While there are 11 Supreme Court Ministers, having four or five members on AMLO's side makes it much more difficult to declare government acts as unconstitutional as they minority can form an effective veto. In addition, the existing Ministers of the Court will no doubt hesitate acting against the government after seeing what has happened to Medina Mora. While the allegations against Medina Mora may or may not be true, many observers note that when corruption allegations have surfaced against Morena loyalists (ie, Manuel Bartlett), the consequences have been minimal.

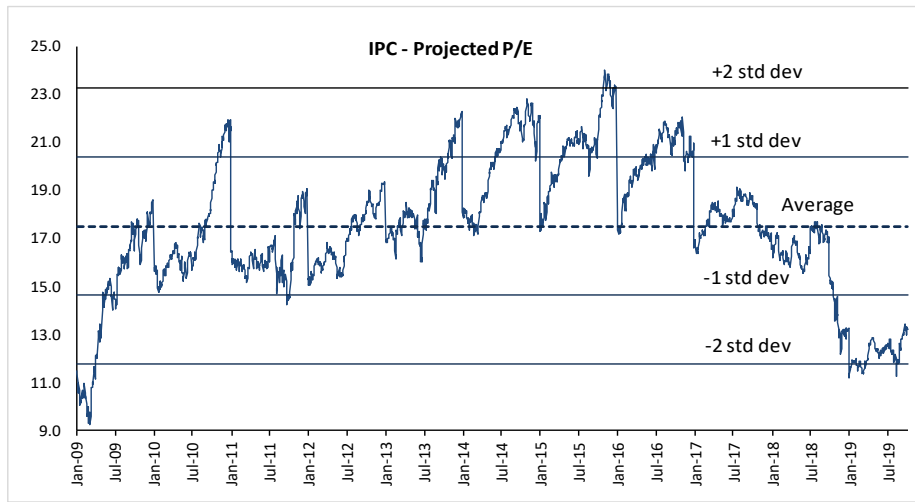
**Damian Fraser.**

## S&P / BMV IPC Valuation

After last week's 1.29% correction, the Mexican S&P / BMV IPC Index trades at a forward EV/EBITDA of 7.4x, which is between the first and second negative standard deviations of the last 10 years. The projected P/E stands at 13.2x, also between the first and second negative standard deviations.

**Martin Lara.**





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