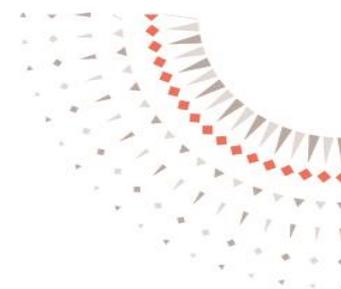


Financial Markets Daily



September 10, 2020

Main drivers for the financial markets today...

- **Positive Asian stock markets continuing yesterday's sentiment. But Europe and US S&P futures are negative due to caution over the ECB's monetary policy meeting, watching for US jobless claims and the Senate's vote on a new reduced fiscal stimulus package, despite AstraZeneca resuming vaccine testing next week**
- **In the US, the Senate will vote today on a new reduced stimulus package promoted by some Republican senators. However, the chances of it being approved are almost nil, given the position of the Democrats that they will not support it, while there does not seem to be the support of all Republicans either, in a context where 60 votes are required for approval**
- **In terms of economic figures, in the US, focus will be on the jobless claims report for the week ending September 5. Consensus estimates a number below 1 million, near the previous week figure**
- **ECB kept its monetary stance unchanged as widely expected, leaving the amount of the asset purchase program and benchmark rates unchanged. Later, we will be attentive to the press conference of Christine Lagarde and the update of the central bank's projections**
- **In Mexico, August ANTAD sales and wage negotiations will be published**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
7:45	Monetary policy decision (ECB)	%	--	0.0	0.0
Brazil					
8:00	Retail sales - Jul	% y/y	--	2.1	0.5
8:00	Retail sales* - Jul	% m/m	--	1.5	8.0
United States					
8:30	Producer prices* - Aug	% m/m	--	0.2	0.6
8:30	Ex. food & energy* - Aug	% m/m	--	0.2	0.5
8:30	Initial jobless claims* - Sep 5	thousands	--	830	881
Peru					
19:00	Monetary policy decision (BCRP)	%	--	0.25	0.25
Mexico					
	Wage negotiations - Aug	% y/y	--	--	5.9
	ANTAD's same-store sales - Aug	% y/y	--	--	-9.1

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.

A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	3,384.00	-0.5%
Euro Stoxx 50	3,314.33	-0.3%
Nikkei 225	23,235.47	0.9%
Shanghai Composite	3,234.82	-0.6%
Currencies		
USD/MXN	21.39	0.1%
EUR/USD	1.18	0.3%
DXY	93.09	-0.2%
Commodities		
WTI	37.53	-1.4%
Brent	40.36	-1.1%
Gold	1,946.66	0.0%
Copper	299.25	-1.6%
Sovereign bonds		
10-year Treasury	0.70	0pb

Source: Bloomberg

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Equities

- This Thursday, stock markets are trading mixed, as investors are concerned about high valuations in the technology sector, while they remain attentive to the ECB meeting and Christine Lagarde's comments. In this sense, US futures anticipate a profit taking, after yesterday's rise which was the highest since June, with the S&P 500 trading 0.5% below its theoretical value
- In Asia, the sentiment was mixed in the session. There was a significant 5.0% decline in the Indonesian stock market, after the announcement of partial lockdown plans due to the coronavirus. European stock markets are trading with widespread losses, the EuroStoxx is falling 0.3%, while the FTSE100 is down 0.7% as concerns about talks about the Brexit persists
- In Mexico, today Cemex will hold its virtual event "Operation Resilience" in which its financial and business strategy towards 2023 will be discussed

Sovereign fixed income, currencies and commodities

- Mixed movements in sovereign bonds, with the main European securities adjusting 1-2bps while peripheral bonds gain up to 2bps. The Treasuries yield curve with few changes with investors waiting for more information. Yesterday, the Mbonos curve closed with a slight flattening resulting from pressures in the short-end of 1bp and gains of 2bps on average in the middle- and long-end
- The USD is trading at a marginal decline (DXY -0.2%) amid mixed performance in G10, with the CHF and EUR appreciating 0.3%. In EM, bias is also mixed with ZAR (-0.7%) as the weakest cross while the MXN trades at 21.39 per dollar (-0.1%)
- Crude oil futures fall 1.6% due to an increase in API inventories in the U.S. In metals, gold advances 0.1% to 1,948 US\$/oz t while industrials print a mixed balance

Corporate Debt

- Today, Consubanco's issuance, CSBANCO 20, is scheduled to be auctioned for an amount of MXN 1 billion, term of 3 years and referenced to TIEE 28. The ratings were assigned by Fitch Ratings 'A-(mex)' and HR Ratings 'HRA'
- Grupo Herdez will call its unsecured notes HERDEZ 17-2 on September 17th, 2020 for a total amount of MXN 1.0 billion
- Cemex to redeem EUR 215 million of 4.625% senior notes due 2024; and USD 640 million of 6% senior notes due 2024
- HR Ratings assigned a 'HR AAA (E)' rating with Stable Outlook for issuance FHIPOBUR 20, which is intended to be carried out for up to MXN 3.5 billion
- S&P Global Ratings ratified the global and national long-term ratings at 'BB+' and 'mxA-' for Nemark and withdraws them from Negative CreditWatch after approval of split; the Outlook is Negative

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	27,940.47	1.6%
S&P 500	3,398.96	2.0%
Nasdaq	11,141.56	2.7%
IPC	36,157.96	0.2%
Ibovespa	101,292.00	1.2%
Euro Stoxx 50	3,324.83	1.8%
FTSE 100	6,012.84	1.4%
CAC 40	5,042.98	1.4%
DAX	13,237.21	2.1%
Nikkei 225	23,032.54	-1.0%
Hang Seng	24,468.93	-0.6%
Shanghai Composite	3,254.63	-1.9%
Sovereign bonds		
2-year Treasuries	0.15	1pb
10-year Treasuries	0.70	2pb
28-day Cetes	4.41	0pb
28-day TIEE	4.75	0pb
2-year Mbono	4.62	0pb
10-year Mbono	6.00	-3pb
Currencies		
USD/MXN	21.37	-1.9%
EUR/USD	1.18	0.2%
GBP/USD	1.30	0.2%
DXY	93.26	-0.2%
Commodities		
WTI	38.05	3.5%
Brent	40.79	2.5%
Mexican mix	36.20	2.0%
Gold	1,946.84	0.8%
Copper	305.15	0.9%

Source: Bloomberg

Certification of Analysts.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalia Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega, and Juan Barbier Arizmendi certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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	Reference
BUY	<i>When the share expected performance is greater than the MEXBOL estimated performance.</i>
HOLD	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
SELL	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

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