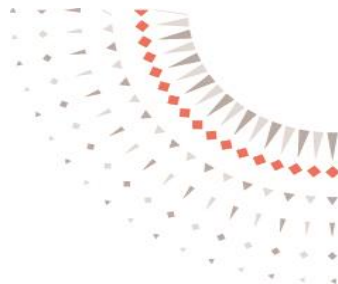


Financial Markets Daily

Main drivers for the financial markets today...

- Positive stock markets except for Japan, government bond yields on the rise, while the dollar remains stable pending US industrial production figures that provide information on the pace of recovery, and assimilating favorable results from some retailers in Europe, as well as strong economic figures for August in China
- In this context, the figures for the eighth month of the year in the Asian country were better than expected and above the previous month. Industrial production advanced 5.6% y/y (consensus: 5.1% y/y), while retail sales came out of contraction, increasing 0.5% y/y. Finally, fixed investment accumulated a decrease in the first eight months of the year of 0.3% y/y, after an accumulated fall of 1.6% y/y the previous month
- In the US, the New York report, Empire Manufacturing for September, will be released (Banorte: 7pts, consensus: 6.9pts; previous: 3.7pts). In addition, the industrial production report for August will also be published. We estimate a 1.5% m/m increase, with manufacturing production growing 2.5% m/m
- In Mexico, international reserves will be announced for the week of September 11



September 15, 2020

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United Kingdom					
2:00	Unemployment rate* - Jul	%	--	4.1	3.9
Germany					
5:00	ZEW Survey (expectations) - Sep	index	--	69.8	71.5
United States					
8:30	Empire manufacturing* - Sep	index	7.0	6.0	3.7
9:15	Industrial production* - Aug	% m/m	1.5	1.0	3.0
9:15	Manufacturing* - Aug	% m/m	2.5	2.0	3.4
Mexico					
10:00	International reserves - Sep 11	US\$bn	--	--	193.3
11:30	USD financing auction (USD 5 billion)				

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

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	3,408.75	0.8%
Euro Stoxx 50	3,336.01	0.6%
Nikkei 225	23,454.89	-0.4%
Shanghai Composite	3,295.68	0.5%
Currencies		
USD/MXN	20.97	-0.7%
EUR/USD	1.19	0.2%
DX	92.79	-0.3%
Commodities		
WTI	37.82	1.5%
Brent	40.09	1.2%
Gold	1,968.12	0.6%
Copper	308.20	0.5%
Sovereign bonds		
10-year Treasury	0.68	1pb

Source: Bloomberg

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Equities

- This Tuesday, appetite for risk assets continues reflecting a positive bias in stock markets, which show almost widespread gains, supported by economic data in China suggesting the recovery is under way. In the meanwhile, attention is focused in the two day monetary policing meeting from the FED in the US, starting today and concluding tomorrow with Jerome’s Powell press conference
- As such, futures in the US anticipate a positive opening, with the S&P500 trading 0.8% above its theoretical value. In Asia the session concluded positive, except for Japan, while China’s indices stand out, after positive August figures, particularly retail sales, which became positive for the first time in the year. Meanwhile, Europe trades with gains, after positive results from retailers. In Mexico we expect the Mexbol Index to continue consolidating around 36,800pts, while investors are preparing for tomorrow’s holiday “Independence Day”

Sovereign fixed income, currencies and commodities

- Modest pressures in sovereign bonds with an adjustment of +1bp in European securities, while US Treasuries register gains of 2bps in the long-end of the yield. In Mexico, the Mbonos' curve registered yesterday a 4bps rally, on average, with the 10-year benchmark ending at 5.66% (-4bps)
- USD trades with losses (BBDXY -1.3%) amid a positive performance in G10 currencies with AUD leading gains (+0.6%). In EM, bias is also positive with ZAR as the strongest (+1.2%), while USD/MXN trades below psychological level of 21.00 reaching its strongest level since March at 20.97 per dollar (+0.6%), after an 0.8% appreciation yesterday
- Crude-oil trades slightly negative due to lower optimism in demand recovery. Today investors will focus on the API inventory report at 4:30pm. In metals, gold adjusts +0.6% to 1,968 \$/oz t, while copper trades at fresh highs not seen since June 2018

Corporate Debt

- Fitch Ratings downgraded the long-term national scale ratings for Alsea and its unsecured notes to ‘A-(mex)’ from ‘A(mex)’. The rating outlook was revised to Negative from Stable. The downgrade reflects the agency’s expectation that Alsea’s results and capital structure in 2020 and 2021 will weaken beyond previous projections
- S&P Global Ratings confirmed its long-term national scale debt rating of ‘mxAA(sf)’ for ABS MASLCB 18, and removed it from their Negative CreditWatch list
- Fitch Ratings downgraded the ratings for the Mortgage Backed Securities (MBS) FCASACB 06U to 'CCC(mex)vra', BRHSCCB 06 to 'BB(mex)vra' and BRHSCCB 06-2U to 'CC(mex)vra'

Previous closing levels		
	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	27,993.33	1.2%
S&P 500	3,383.54	1.3%
Nasdaq	11,056.65	1.9%
IPC	36,881.99	1.5%
Ibovespa	100,274.50	1.9%
Euro Stoxx 50	3,316.79	0.0%
FTSE 100	6,026.25	-0.1%
CAC 40	5,051.88	0.4%
DAX	13,193.66	-0.1%
Nikkei 225	23,559.30	0.7%
Hang Seng	24,640.28	0.6%
Shanghai Composite	3,278.81	0.6%
<i>Sovereign bonds</i>		
2-year Treasuries	0.14	1pb
10-year Treasuries	0.67	1pb
28-day Cetes	4.45	3pb
28-day TIIIE	4.75	0pb
2-year Mbono	4.59	-1pb
10-year Mbono	5.92	-4pb
<i>Currencies</i>		
USD/MXN	21.10	-0.8%
EUR/USD	1.19	0.2%
GBP/USD	1.28	0.4%
DXY	93.05	-0.3%
<i>Commodities</i>		
WTI	37.26	-0.2%
Brent	39.61	-0.6%
Mexican mix	35.25	-0.6%
Gold	1,956.86	0.8%
Copper	306.80	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 Thalía 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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Guide for investment recommendations.

	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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