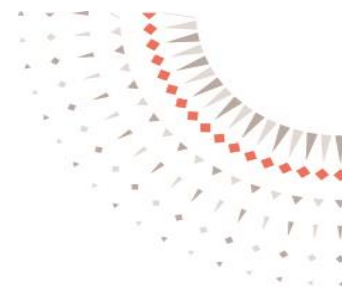


Financial Markets Daily



November 18, 2020

Main drivers for the financial markets today...

- Stock markets with small changes and positive bias, mixed government bond yields, while the dollar operates at a loss. Investors are slightly optimistic as they await new catalysts despite concerns about a rebound in the number of COVID-19 cases and the re-imposition of mobility restrictions
- As for the evolution of the pandemic, the pharmaceutical company Pfizer is ready to request U.S. regulatory approval of its vaccine within a few days. Meanwhile, lockdowns continue in Europe and the US, where hospitalizations reached maximum capacity
- The Leader of the US House of Representatives, Nancy Pelosi, has called on Senate Majority Leader Mitch McConnell to restart talks on the new fiscal stimulus package. In this context, Fed Chairman Jerome Powell has insisted on the need for such support
- In the US, figures for the residential sector will be released. Regarding the Fed speakers agenda, the interventions of Williams, Bullard, Kaplan and Bostic are expected
- In economic figures in other regions, the October inflation report for the United Kingdom and the final figure in the Eurozone were published, standing at 0.0% m/m and 0.2% m/m, respectively
- In Mexico, international reserves will be announced as of November 13

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone and UK					
2:00	UK Consumer prices - Oct	% y/y	--	0.7	0.7
2:00	Core - Oct	% y/y	--	1.3	1.3
5:00	EZ Consumer prices - Oct (F)	% y/y	--	-0.3	-0.3
5:00	Core - Oct (F)	% y/y	--	0.2	0.2
United States					
8:30	Housing starts** - Oct	thousands	--	1,455	1,415
8:30	Building permits** - Oct	thousands	--	1,567	1,545
12:15	Fed's Williams Takes Part in Webinar Discussion				
13:30	Fed's Bullard Discusses Economic Outlook				
19:00	Fed's Kaplan Moderates Panel Discussion				
19:00	Fed's Bostic Takes Part in Fed Education Event				
Mexico					
10:00	International reserves - Nov 13	US\$bn	--	--	194.7

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	3,620.00	0.4%
Euro Stoxx 50	3,487.69	0.6%
Nikkei 225	25,728.14	-1.1%
Shanghai Composite	3,347.30	0.2%
Currencies		
USD/MXN	20.25	-0.1%
EUR/USD	1.19	0.0%
DXY	92.33	-0.1%
Commodities		
WTI	42.42	2.4%
Brent	44.85	2.5%
Gold	1,870.15	-0.5%
Copper	321.50	0.5%
Sovereign bonds		
10-year Treasury	0.87	1pb

Source: Bloomberg

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Equities

- Equity markets with few changes and positive bias, as investors look to extend gains on the stock exchanges, after yesterday's break, driven by positive corporate news such as Pfizer is on track to request authorization for its Covid-19 vaccine, with an effectiveness of 95%, and the release of Boeing's 737 MAX to fly again
- Futures for the major US indices point to a positive open, with the S&P500 trading at +0.4%. Pfizer advances in the pre-market 3.0%, while Boeing rises 5.3%. With about 91% of the results, earnings season is practically over, with a positive surprise rate of 84.3% and an 8.7% decline in profits. For its part, the Eurostoxx rises 0.6%. In Asia, markets closed mixed, where the Shanghai Composite gained 0.2% and the Nikkei fell 1.1%

Sovereign fixed income, currencies and commodities

- Mixed movements in global rates with European bonds adjusting -1bp, while the US Treasuries print a 1bp sell-off in the long-end of the yield curve. In local terms, Mbonos' curve closed yesterday with a 7bps sell-off with pressures of up to 13bps in the short-term securities
- The USD weakens (BBDXY -0.1%) with NOK outperforming today in the G10 universe with a 0.5% gain. In EM, bias is also positive with CLP as the strongest (+0.8%) and the Mexican peso trades at 20.24 per dollar (+0.2%), scoring four favorable sessions in a row
- Crude oil trades positive (+2.3%) supported by hopes that OPEC and its allies will delay a planned rise oil output for January 2021. In metals, gold falls 0.5% to 1,871 \$/oz t and industrials record a positive balance

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	29,783.35	-0.6%
S&P 500	3,609.53	-0.5%
Nasdaq	11,899.34	-0.2%
IPC	41,948.79	2.8%
Ibovespa	107,248.60	0.8%
Euro Stoxx 50	3,468.48	0.1%
FTSE 100	6,365.33	-0.9%
CAC 40	5,483.00	0.2%
DAX	13,133.47	0.0%
Nikkei 225	26,014.62	0.4%
Hang Seng	26,415.09	0.1%
Shanghai Composite	3,339.90	-0.2%
Sovereign bonds		
2-year Treasuries	0.17	-1pb
10-year Treasuries	0.86	-5pb
28-day Cetes	4.24	0pb
28-day TIE	4.50	0pb
2-year Mbono	4.57	5pb
10-year Mbono	6.08	2pb
Currencies		
USD/MXN	20.28	-0.1%
EUR/USD	1.19	0.1%
GBP/USD	1.32	0.4%
DXY	92.42	-0.2%
Commodities		
WTI	41.43	0.2%
Brent	43.75	-0.2%
Mexican mix	39.06	0.1%
Gold	1,880.38	-0.5%
Copper	320.95	-0.6%

Source: Bloomberg

Corporate Debt

- Notice of XIGNUX 13's full early amortization for next November 30. The issuance has an outstanding amount of MXN 2.5 billion (including a reopening) with a legal maturity in 2023
- Notice for the reacquisition of assets of PATRICB 07U / 07 / 07-2 (Patrimonio RMBS) for next November 25. It is important to note that the bonds have an outstanding amount of only MXN 71 million
- HR Ratings downgraded VIVAACB 19 issuance to 'HR A + (E)' from 'HR AA-(E)' and maintained the Negative Observation after the proposed MXN 1 billion reopening. According to the agency, the amount of the target amortizations is doubled after the grace period, making the issuance more sensitive to a drop in collections

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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	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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