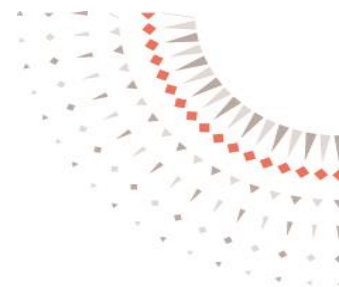


# Financial Markets Daily



November 26, 2020

## Main drivers for the financial markets today...

- Stock markets with few changes, mixed government bond yields, while the dollar operates stable amid the moderation of optimism in Europe due to the increase in the number of COVID-19 cases and the possibility of extensions in mobility restrictions, as well as doubts about vaccines after AstraZeneca's announcement last night. We expect low volume in financial markets ahead of today's Thanksgiving celebration in the US
- AstraZeneca, one of the leading pharmaceutical companies in the search for the vaccine, faces questions about the results of its trials after a dosage error was known, leading to some participants receiving a half dose instead of a full one
- Regarding monetary policy, ECB's accounts were published, highlighting that officials widely agreed policy recalibration is needed. Banxico will also release the minutes of its last monetary policy meeting
- In Mexico, INEGI published final GDP for 3Q20 at -8.6% y/y, unchanged relative to the preliminary print. In sequential terms it rose 12.1% q/q (preliminary: 12.0%). By sectors, industry was the one that recovered the most at 21.7% q/q. In this sense, INEGI also released September's GDP-proxy IGAE falling 5.5% y/y. In monthly terms, this represents a 1.0% increase, broadly unchanged to the previous month

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## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>United States</b>					
	Markets closed due to Thanksgiving				
<b>Eurozone</b>					
4:00	Monetary aggregates (M3)* - Oct	% y/y	--	10.4	10.4
7:30	ECB minutes				
<b>Mexico</b>					
7:00	Gross domestic product - 3Q20 (F)	% y/y	-8.7	-8.6	-8.6
7:00	Gross domestic product* - 3Q20 (F)	% q/q	11.9	12.0	12.0
7:00	Global economic activity indicator (IGAE) - Sep	% y/y	-5.9	-6.9	-9.5
7:00	Global economic activity indicator (IGAE)* - Sep	% m/m	1.0	0.7	1.1
10:00	Banxico's minutes				

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.
<b>Equity indices</b>		
S&P 500 Futures	3,625.75	0.0%
Euro Stoxx 50	3,512.21	0.0%
Nikkei 225	26,537.31	0.9%
Shanghai Composite	3,369.73	0.2%
<b>Currencies</b>		
USD/MXN	20.05	0.4%
EUR/USD	1.19	-0.2%
DX	92.13	0.1%
<b>Commodities</b>		
WTI	45.13	-1.3%
Brent	48.02	-1.2%
Gold	1,812.68	0.3%
Copper	332.70	0.5%
<b>Sovereign bonds</b>		
10-year Treasury	0.88	0pb

Source: Bloomberg

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## Equities

- Today, US markets will be closed for Thanksgiving holiday. Meanwhile, there are mixed performances in stock markets, as investors are cautious. The optimism generated by the news about 3 possible successful vaccines was offset by less encouraging economic data
- In Europe, we observe marginal variations. The EuroStoxx trades with few changes, as cyclical stocks such as those in the energy and financial sectors contract the index with falls of 0.9% and 0.7%, respectively, counterbalancing a rise of 1.1% in real estate stocks. Asia, showed a mixed session, although the bias was positive. A 1.4% increase in China's HS stood out, followed by a 0.9% increase in the Nikkei
- In Mexico, the Mexbol could show low volume and remain at levels of 42,000 points

## Sovereign fixed income, currencies and commodities

- Sovereign bonds with lower trading volume due to US holidays. European assets trade with movements of 1bp while in Asia/Pacific the performance was mixed. Yesterday, the Mbonos yield curve registered a flattening with pressures of 4bps in short- and medium-term securities while the long-end gained 2bps on average
- Few changes in the USD and a negative bias in G10 currencies, with NOK (-0.6%) leading the losses and JPY, being the exception, printing gains of 0.2%. In EM, performance is mixed, TRY appreciates 0.7% while BRL loses 0.5% while MXN depreciates 0.4% at 20.04 per dollar.
- Oil prices fall 0.9% due to fears of lower demand due to the increase in cases of COVID-19. In metals, gold advances 0.4% to 1,814 \$/oz t while in industrials the balance is negative

## Corporate Debt

- S&P Global Ratings confirmed Mexarrend's national long-term credit ratings at 'mxBB+' and short-term credit ratings at 'mxB'. The outlook for the ratings on both scales remains Stable. Mexarrend's ratings incorporate its position as one of the largest independent leasing companies in the Mexican market
- Grupo DASI informed that on December 3rd a premium will be distributed in favor of the bondholders of the unsecured note ITTO 17 after the downgrade in the ratings. The prize will be of 50bp over the notional value of the bonds
- Notice of deactivation of ramp-up event and update of remanant retention events of ABS ACOSTCB 15

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	29,872.47	-0.6%
S&P 500	3,629.65	-0.2%
Nasdaq	12,094.40	0.5%
IPC	42,200.59	-1.3%
Ibovespa	110,132.50	0.3%
Euro Stoxx 50	3,511.90	0.1%
FTSE 100	6,391.09	-0.6%
CAC 40	5,571.29	0.2%
DAX	13,289.80	0.0%
Nikkei 225	26,296.86	0.5%
Hang Seng	26,669.75	0.3%
Shanghai Composite	3,362.33	-1.2%
<b>Sovereign bonds</b>		
2-year Treasuries	0.16	0pb
10-year Treasuries	0.88	0pb
28-day Cetes	4.29	0pb
28-day TIEE	4.49	0pb
2-year Mbono	4.49	3pb
10-year Mbono	5.85	0pb
<b>Currencies</b>		
USD/MXN	19.96	-0.3%
EUR/USD	1.19	0.2%
GBP/USD	1.34	0.2%
DX1	91.99	-0.3%
<b>Commodities</b>		
WTI	45.71	1.8%
Brent	48.61	1.6%
Mexican mix	43.64	2.3%
Gold	1,807.56	0.0%
Copper	333.05	0.3%

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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## Guide for investment recommendations.

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

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