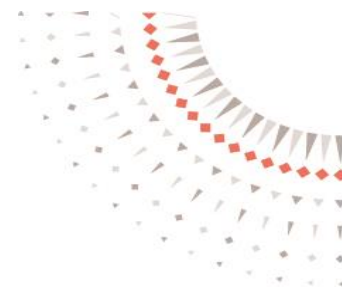


Financial Markets Daily



November 27, 2020

Main drivers for the financial markets today...

- Positive stock markets and S&P futures, while government bond yields and the dollar trade lower, amid hopes for COVID-19 vaccine development. However, optimism begins to moderate due to the increase in contagions in the world, implying more lockdowns. Oil is operating at a loss amid tensions between OPEC+'s members. As the US Thanksgiving holiday continues, we expect markets to trade for only half a day
- Regarding the presidential transition in the US, Donald Trump said that he will concede in the event that the Electoral College confirms Joe Biden's victory. Member electors' vote is expected on December 14, and then Senate's president will receive the results of those votes before December 23
- In the United Kingdom, today the chief negotiator of the European Union, Michel Barnier will travel to London to continue the negotiations on *Brexit*, seeking to finally reach an agreement since the end of the transition period materializes on December 31
- In the US, the attention is on Black Friday' sales, which marks the start of Christmas shopping. In the Eurozone, November's economic confidence index was published, standing at 87.6pts below the previous 91.1pts
- In Mexico, INEGI published October's trade balance, posting a US\$ 6,223.8 million surplus, a new historical high. Inside, exports stood at 2.9% y/y (4.8% m / m), with imports at -13.8% y/y (1.3% m / m)

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
	Early close due to holiday				
Eurozone					
5:00	Economic confidence* - Nov	index	--	86.2	90.9
5:00	Consumer confidence* - Nov (F)	index	--	--	-17.6
Mexico					
7:00	Trade balance - Oct	US\$m	1,954.4	3,386.5	4,384.7
Brazil					
7:00	Unemployment rate - Sep	%	--	15.0	14.4
Colombia					
	Monetary policy decision (BanRep)	%	--	1.75	1.75

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	3,636.75	0.3%
Euro Stoxx 50	3,522.54	0.3%
Nikkei 225	26,644.71	0.4%
Shanghai Composite	3,408.31	1.1%
Currencies		
USD/MXN	20.04	0.0%
EUR/USD	1.19	0.1%
DX	91.98	0.0%
Commodities		
WTI	45.39	-0.7%
Brent	48.19	0.8%
Gold	1,806.32	-0.5%
Copper	338.50	2.3%
Sovereign bonds		
10-year Treasury	0.86	-2pb

Source: Bloomberg

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Equities

- Stock markets with positive bias, though caution among investors continues ahead of a higher number of infections and risks over economic recovery, with hopes the vaccines on the table might rollout successfully soon
- As Thanksgiving Holiday continues in US, we expect an early close in financial markets, with low trading volume. Futures anticipate a positive opening with the S&P500 trading 0.3% above its theoretical value. Investors' attention is focused on the evolution of Black Friday sales, which show the beginning of the Christmas shopping season
- Asia markets closed mixed, while Europe trades with almost widespread gains. In corporate news, Banco Sabadell and BBVA ended conversations, while shares from Electricite de France soar on hopes that France and the European Union might reach a deal on nuclear regulation

Sovereign fixed income, currencies and commodities

- Mixed movements in global rates with European bonds adjusting +1bp, while the US Treasuries print a 3bps rally in the long-end of the yield curve. In local terms, Mbonos' curve closed yesterday with a 1bp sell-off on average
- The USD trades with few changes amid a mixed performance in G10 with NOK leading gains (0.2%) . In EM, bias is also mixed with TRY outperforming (+0.8%) and RUB as the weakest (-0.7%), while the Mexican peso trades at 20.04 per dollar (unchanged)
- Brent and WTI trade mixed with adjustments of -0.7% and +0.8%, respectively, although heading to a positive week with market participants focusing on OPEC+ Ministerial Meeting next week. In metals, gold falls 0.6% to 1,805 \$/oz t and industrials record a negative balance

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	29,872.47	0.0%
S&P 500	3,629.65	0.0%
Nasdaq	12,094.40	0.0%
IPC	42,412.47	0.5%
Ibovespa	110,227.10	0.1%
Euro Stoxx 50	3,510.94	0.0%
FTSE 100	6,362.93	-0.4%
CAC 40	5,566.79	-0.1%
DAX	13,286.57	0.0%
Nikkei 225	26,537.31	0.9%
Hang Seng	26,819.45	0.6%
Shanghai Composite	3,369.73	0.2%
Sovereign bonds		
2-year Treasuries	0.16	0pb
10-year Treasuries	0.88	0pb
28-day Cetes	4.31	2pb
28-day TIE	4.48	0pb
2-year Mbono	4.49	0pb
10-year Mbono	5.86	1pb
Currencies		
USD/MXN	20.04	0.4%
EUR/USD	1.19	0.0%
GBP/USD	1.34	-0.2%
DX	91.99	0.0%
Commodities		
WTI	45.71	0.0%
Brent	47.80	-1.7%
Mexican mix	43.64	0.0%
Gold	1,815.80	0.5%
Copper	333.05	0.0%

Source: Bloomberg

Corporate Debt

- Grupo Elektra announced the sale of all shares of Banco Azteca del Perú to a group of Peruvian investors
- HR Ratings affirmed Fibra HD's ratings at 'HR AA' and revised its outlook from Stable to Negative based on the cash level presented in 3Q20 (+196.1% y/y), in addition to the long-term debt structure it maintains at 81.6% of the total
- HR Ratings affirmed Banco Inbursa's ratings at 'HR AAA' with a Stable outlook and its 'HR+1' rating based on its solid levels of liquidity and solvency

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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