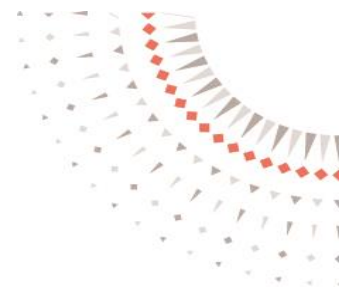


Financial Markets Daily



February 11, 2021

Main drivers for the financial markets today...

- Stock markets and government bond yields rise, with the USD broadly stable, digesting Powell's dovish comments yesterday and lower inflationary pressures in the US. Likewise, good corporate reports and higher likelihood of progress in the negotiations on fiscal stimulus in the US. support optimism
- Regarding the political agenda, President Biden will meet today with senators to address the infrastructure issue. He spoke with Xi Jinping for the first time since he started his mandate, expressing his concern about the unfair economic practices of the Asian country
- On the monetary policy front, the attention will be on Banxico's decision where we anticipate a 25bp cut to set the reference rate at 4.00%. In Brazil, legislation was approved yesterday that gives the central bank formal autonomy, in addition to incorporating within its objectives, not only inflation, but also full employment
- Regarding economic figures, in the US jobless claims for the week that ended on February 6 will be released. Consensus estimates them at 753k still at high levels due to the pandemic's negative impact
- In Mexico, INEGI published industrial production for December, with a contraction of 2.1% y/y. In monthly terms it stood at +0.1%, with declines in mining (-0.3%) and construction (-2.7%) offset by the 1.1% advance in manufacturing. With this, industrial production fell 10.0% y/y in 2020, with strong decreases in construction (-17.2%) and manufacturing (-10.0%), both strongly impacted by the pandemic. Meanwhile, mining was relatively more stable at -1.1%

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
7:00	Industrial production - Dec	% y/y	-2.4	-2.4	-3.7
7:00	Industrial production* - Dec	% m/m	-0.1	0.4	1.1
7:00	Manufacturing output - Dec	% y/y	1.2	0.9	-2.1
14:00	Monetary policy decision (Banxico)	%	4.00	4.00	4.25
United States					
8:30	Initial jobless claims* - Feb 6	thousands	--	753	779
Peru					
18:00	Monetary policy decision (BCRP)	%	--	0.25	0.25

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	3,915.00	0.3%
Euro Stoxx 50	3,663.78	0.4%
Nikkei 225	29,562.93	0.0%
Shanghai Composite	3,655.09	0.0%
Currencies		
USD/MXN	19.96	-0.4%
EUR/USD	1.21	0.1%
DX	90.38	0.0%
Commodities		
WTI	58.32	-0.6%
Brent	61.05	-0.7%
Gold	1,842.97	0.0%
Copper	377.80	0.1%
Sovereign bonds		
10-year Treasury	1.14	2pb

Source: Bloomberg

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Equities

- Positive movements in stock markets, with technology shares leading gains. Investors assimilate economic data, which coupled with positive earnings results and further stimulus expectations, fuel optimism. Thus, US futures anticipate a positive opening, with the S&P500 trading +0.3%. Meanwhile, in Asia, the session concluded with slight gains, with China, Japan and South Korea closed for the Lunar New Year. Europe, meanwhile, rises with the Eurostoxx up 0.4%, driven by the technology sector (+1.8%)
- In Mexico, yesterday Nemark reported a solid sequential improvement and a relevant profitability expansion. While today Cemex favorably surprised with an EBITDA increase (+16.3% y/y), higher profitability, FCF generation and lower leverage. Today, we expect results from Alfa, Alpek and Axtel after the market close. In the US, 25 constituents of the S&P500 will release their reports, among them Pepsico, Duke Energy and Walt Disney

Sovereign fixed income, currencies and commodities

- Global rates with a positive bias, with European assets printing gains of 2-3bps while Treasuries trade with small changes. In the local market, the Mbonos' curve closed yesterday with 4bps sell-off in the belly, while the CPI-linked curve extended the steepening with gains of 1 to 3bps on the short-end and 2bps sell-off on the long-end
- Dollar stable with mixed trading in G10 currencies and narrow ranges, AUD gains 0.3% and JPY loses 0.1%. In EM we see a mostly positive bias, ZAR leads gains (+0.8%) while MXN appreciates 0.5% to 19.95 per dollar and trades at the 50-day MA
- Oil prices fall 0.6% reacting to EIA's outlook of lower global demand in 2021, attention on the OPEC+ report. In metals, gold trades at 1,843 \$/oz t with marginal changes while in industrials the balance is positive

Corporate Debt

- Terracota (Master Manager) notified the amounts available for the partial amortization in FMCARCB 19 (Firma Car ABS) issuance on the following payment date amounting MXN 15.63 million
- Mexarrend informed that it has entered into a revolving warehouse facility credit line with Credit Suisse AG, a Cayman Islands branch, for MXN 3 billion. The line is structured to allow additional financing for up to MXN 4.2 billion pesos. According to Mexarrend, the line provides the necessary flexibility to make provisions according to the growth of the portfolio, optimizing the levels of cash and leverage
- Mexarrend is a recurring issuer in the ST market and has 13 outstanding issuances for an amount of MXN 881 million

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	31,437.80	0.2%
S&P 500	3,909.88	0.0%
Nasdaq	13,972.53	-0.3%
IPC	44,718.23	-0.7%
Ibovespa	118,435.30	-0.9%
Euro Stoxx 50	3,648.37	-0.3%
FTSE 100	6,524.36	-0.1%
CAC 40	5,670.80	-0.4%
DAX	13,932.97	-0.6%
Nikkei 225	29,562.93	0.2%
Hang Seng	30,038.72	1.9%
Shanghai Composite	3,655.09	1.4%
Sovereign bonds		
2-year Treasuries	0.11	-1pb
10-year Treasuries	1.12	-3pb
28-day Cetes	4.20	1pb
28-day TIEE	4.44	0pb
2-year Mbono	4.28	2pb
10-year Mbono	5.67	1pb
Currencies		
USD/MXN	20.04	-0.3%
EUR/USD	1.21	0.0%
GBP/USD	1.38	0.1%
DXF	90.37	-0.1%
Commodities		
WTI	58.68	0.5%
Brent	61.47	0.6%
Mexican mix	57.13	0.5%
Gold	1,842.89	0.2%
Copper	377.25	1.4%

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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The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

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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