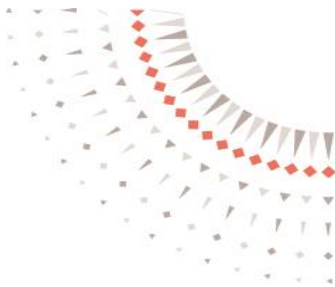


Financial Markets Daily



February 18, 2021

Main drivers for the financial markets today...

- Stock markets trading down amid concerns about artic wave and its impact on the energy sector, as well as a potential inflationary impact due to higher commodity prices and the new fiscal stimulus package in the US, also reflected in rising government bond yields, as the USD is trading sideways
- Related to the energy crisis, Texas banned its gas exports until February 21, supplying first what is necessary for the state
- Regarding monetary policy, ECB's minutes were released, explaining that the risks surrounding the euro area growth outlook remained titled to the downside but had become less pronounced. Turkey's central bank kept its reference rate unchanged at 17.0%. The Fed speakers' agenda includes Brainard and Bostic interventions
- As of economic figures, the Philadelphia Fed regional manufacturing index will be published. We estimate levels of 21.0pts below the previous 26.5pts. In addition, jobless claims for the week ending on February 13 will be released. Consensus estimate stands at 765k, below the previous figure
- In the Eurozone, February consumer confidence will be released. Consensus expects it to continue in negative territory, standing at levels of -15.0pts still impacted by the pandemic

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Turkey					
6:00	Monetary policy decision (C. Bank of the Turkey)	%	--	17.00	17.00
Eurozone					
7:30	ECB monetary policy accounts				
10:00	Consumer confidence* - Feb (P)	index	--	-15.0	-15.5
United States					
8:00	Fed's Lael Brainard speaks at the climate finance summit				
8:30	Housing starts** - Jan	thousands	--	1,659	1,669
8:30	Building permits** - Jan	thousands	--	1,668	1,704
8:30	Initial jobless claims* - Feb 13	thousands	--	765	793
8:30	Philadelphia Fed* - Feb	index	21.0	20.0	26.5
10:00	Fed's Bostic discusses educational inequality				

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	3,911.75	-0.4%
Euro Stoxx 50	3,694.58	-0.1%
Nikkei 225	30,236.09	-0.2%
Shanghai Composite	3,675.36	0.6%
Currencies		
USD/MXN	20.18	-0.2%
EUR/USD	1.21	0.3%
DX	90.73	-0.2%
Commodities		
WTI	61.46	0.5%
Brent	64.63	0.5%
Gold	1,781.53	0.3%
Copper	391.85	2.6%
Sovereign bonds		
10-year Treasury	1.29	2pb

Source: Bloomberg

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Equities

- Stock markets trade negatively. Investors are concerned about the weather situation in the south of the US, certain disappointing corporate reports and inflationary pressures. Thus, US futures anticipate a downward opening, with the S&P500 trading at -0.4%. On the corporate front, of the 22 constituents of the S&P500 that report today, results from Walmart and Southern Co stand out
- Asia concluded mixed, the Shanghai rose 0.6% vs a 1.6% decline in the Hang Seng. Europe lower, with the EuroStoxx down -0.1% with financial stocks declining -0.8%. Credit Suisse fell 1.4% after reporting losses
- Yesterday, Fiho posted figures still affected by Covid-19, although it recorded sequential improvements, highlighting that it surpassed its EBITDA break-even point. Today we await Walmex's results prior to market trading, while Hotel, Ienova, Tlevisa and Volar will follow at market close

Sovereign fixed income, currencies and commodities

- Pressure bias in global rates, with European assets adjusting +2bps, while US Treasuries trade with losses of up to 3bps concentrated in long-term securities. Yesterday, the Mbonos yield curve closed with a mixed performance, gains of 2bps on the short-end and pressures of 5bps on average in mid- and long-term securities
- USD slips (DXY -0.3%) with a positive balance across all the G10 currencies, GBP leads the gains (+0.6%). In EM the bias is also positive, CLP appreciates 0.6% while MXN strengthens 0.2% to 20.18 per dollar
- Disruption continues in the US energy market due to bad weather, oil prices rise 0.3% while gas prices increase 0.5%. In metals, gold trades at 1,782 \$/oz t (+0.4%) and in industrials, copper trades at 8-year highs (+2.8%)

Corporate Debt

- Alpek announces the launch of a tender offer to buy back all of its 4.50% Senior Notes due 2022 for US\$650 million; the purchase price will be US\$1,067.90 per US\$1,000 of the principal amount
- S&P Global Ratings affirmed Fovissste's ratings at 'mxAAA' with a Stable outlook, reflecting the opinion that there is a high probability of support from the Mexican government in case of a financial stress scenario
- Grupo DASI announced the premium payment to bondholders of issuance ITTO 17, according with the Title. The premium was calculated considering an adjustment rate of 50bp on the face value

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	31,613.02	0.3%
S&P 500	3,931.33	0.0%
Nasdaq	13,965.50	-0.6%
IPC	45,061.95	0.8%
Ibovespa	120,355.80	0.8%
Euro Stoxx 50	3,699.85	-0.7%
FTSE 100	6,710.90	-0.6%
CAC 40	5,765.84	-0.4%
DAX	13,909.27	-1.1%
Nikkei 225	30,292.19	-0.6%
Hang Seng	31,084.94	1.1%
Shanghai Composite	3,655.09	0.0%
Sovereign bonds		
2-year Treasuries	0.10	-2pb
10-year Treasuries	1.27	-4pb
28-day Cetes	4.02	1pb
28-day TIIE	4.29	0pb
2-year Mbono	4.11	-1pb
10-year Mbono	5.80	9pb
Currencies		
USD/MXN	20.22	0.3%
EUR/USD	1.20	-0.6%
GBP/USD	1.39	-0.3%
DXY	90.95	0.5%
Commodities		
WTI	61.14	1.8%
Brent	64.34	1.6%
Mexican mix	59.80	1.7%
Gold	1,776.13	-1.0%
Copper	382.55	-0.2%

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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	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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