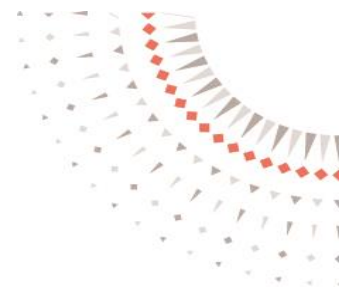


Financial Markets Daily



February 25, 2021

Main drivers for the financial markets today...

- **Mixed stock markets.** Positive in Asia, reflecting Powell's legislative hearing yesterday and optimism about the vaccination process and potential approval of a new fiscal stimulus package in the US. However, Europe and S&P futures are down, while the dollar and government bond yields are up, as inflationary concerns persist
- **Regarding economic figures, in the US, the 4Q20 GDP revision will be released, which we estimate will remain at 4.0% saar with a 2.5% increase in private consumption. On the Fed speakers agenda, there will be interventions from Bostic, Bullard, Quarles and Williams**
- **In Mexico, Banxico's minutes will be published, with the attention on the inflation debate. We expect a dovish tone. Regarding economic figures, the final 4Q20 GDP report was published, posting a 4.3% y/y contraction (+ 3.3% q/q). With this result, GDP in 2020 declined 8.2% y/y, better than the preliminary print. Inside, the most affected sectors were industry at -10.0% y/y and services at -7.7% y/y**
- **The employment report for January was also released. The unemployment rate increased to 4.7%, impacted by seasonal factors. However, with seasonally adjusted figures, we also saw an increase to 4.47% (+ 9bp)**

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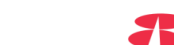
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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
7:00	Gross domestic product (annual) - 2020	% y/y	-8.3	--	-0.1
7:00	Gross domestic product - 4Q20 (F)	% y/y	-4.4	-4.4	-4.5
7:00	Gross domestic product* - 4Q20 (F)	% q/q	3.1	3.1	3.1
7:00	Global economic activity indicator (IGAE) - Dec	% y/y	-3.1	-3.7	-3.9
7:00	Global economic activity indicator (IGAE)* - Dec	% m/m	-0.6	-0.4	0.9
7:00	Unemployment rate - Jan	%	4.61	4.50	3.80
10:00	Banxico's minutes				
10:00	Current account - 4Q20	US\$bn	--	15.0	17.5
United States					
8:30	Durable goods orders* - Jan (P)	% m/m	--	1.1	0.5
8:30	Ex transportation* - Jan (P)	% m/m	--	0.6	1.1
8:30	Initial jobless claims* - Feb 20	thousands	--	835	861
8:30	Gross domestic product** - 4Q20	% q/q	4.0	4.1	4.0
8:30	Personal consumption** - 4Q20	% q/q	2.5	2.5	2.5
8:30	Fed's Bostic Gives Opening Remarks at banking Conference				
10:30	Fed's Bullard Discusses Economy and Monetary Policy				
11:10	Fed's Quarles Discusses Stress Tests				
15:00	Fed's Williams Takes Part in Virtual Discussion				

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	3,914.00	-0.2%
Euro Stoxx 50	3,705.14	0.0%
Nikkei 225	30,168.27	1.7%
Shanghai Composite	3,585.05	0.6%
Currencies		
USD/MXN	20.69	1.5%
EUR/USD	1.22	0.6%
DX	89.76	-0.5%
Commodities		
WTI	63.51	0.5%
Brent	67.35	0.5%
Gold	1,788.89	-0.9%
Copper	433.80	1.0%
Sovereign bonds		
10-year Treasury	1.44	7pb

Source: Bloomberg

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Equities

- Mixed movements in stock markets, as investors assimilate a better global recovery outlook, supported by Jerome Powell's comments, while at the same time weighing the risk of inflationary pressures. Thus, US futures anticipate a downward opening, with the S&P500 futures trading at -0.3%. Europe shows mixed variations, with the EuroStoxx trading with marginal changes. Meanwhile, Asia ended the session positive, highlighting the +1.7% advance in the Nikkei
- On the corporate front, yesterday Lab, LaComer and Orbia released their figures with significant growth and profitability expansion. Gentera's report, on the other hand, seems to show a turning point, with signs of recovery. Finally, Asur and Gap showed a sequential improvement due to higher passenger demand. Today, we await the results of Alsea, Chdraui, Kof, Mega, Pinfra and Terra. In the US, 21 S&P500 constituents will report, including Salesforce and Best Buy

Sovereign fixed income, currencies and commodities

- Pressures in global rates, with European assets adjusting +7bps on average, while US Treasuries print a 6bps sell-off in mid- and long-term securities. In Mexico, the Mbonos yield curve closed yesterday with 7bps pressure on average, and the 10-year benchmark closing at 6.08% (+10bps)
- Dollar stable (DXY -0.4%) with most G10 currencies advancing, SEK leading gains (+0.6%) while JPY is the exception as it depreciated 0.3%. In EM the performance is mixed, ZAR leads losses (-1.7%) and MXN is the second weakest by falling 1.3% to 20.65 per dollar
- Crude oil trades with gains of 0.3% with Brent hitting highest levels since December 2019 on falling inventories. In metals, gold declines 1.0% to US\$1,785/oz t while the balance in industrials is mixed and copper stands out by advancing 0.9%

Corporate Debt

- El Puerto de Liverpool announced its opening and investment plan for 2021, when it will open two Liverpool stores and nine Suburbia stores. The investment plan considers a total of MXN 7 billion, of which approximately 50% will be associated with the Arco Norte Logistics Project (PLAN) and technology (software and hardware)
- Genomma Lab agreed to the voluntary payment of taxes for MXN 750 million, thus resolving the criteria differences with the General Administration of Large Taxpayers of the Tax Administration Service (SAT, for its acronym in Spanish)
- S&P Global Ratings placed under Negative CreditWatch its long-term global scale ratings 'BBB (sf) / BBB- (sf)' and its national scale ratings 'mxAAA (sf) /mxAAA (sf)' of the notes due 2034 of the Trust constituted in Banco Actinver, backed by a portfolio of commercial properties of Grupo GICSA

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	31,961.86	1.3%
S&P 500	3,925.43	1.1%
Nasdaq	13,597.97	1.0%
IPC	45,151.38	-0.3%
Ibovespa	115,667.80	0.4%
Euro Stoxx 50	3,705.99	0.5%
FTSE 100	6,658.97	0.5%
CAC 40	5,797.98	0.3%
DAX	13,976.00	0.8%
Nikkei 225	29,671.70	-1.6%
Hang Seng	29,718.24	-3.0%
Shanghai Composite	3,564.08	-2.0%
Sovereign bonds		
2-year Treasuries	0.12	1pb
10-year Treasuries	1.38	3pb
28-day Cetes	4.02	-18pb
28-day TIEE	4.28	0pb
2-year Mbono	4.16	2pb
10-year Mbono	6.09	8pb
Currencies		
USD/MXN	20.38	-0.8%
EUR/USD	1.22	0.1%
GBP/USD	1.41	0.2%
DXY	90.18	0.0%
Commodities		
WTI	63.22	2.5%
Brent	67.04	2.6%
Mexican mix	61.85	2.2%
Gold	1,805.06	0.0%
Copper	430.40	2.8%

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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