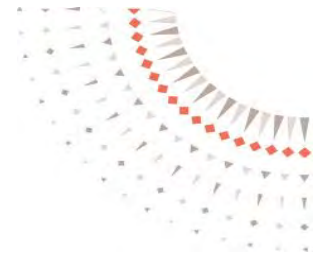


# Financial Markets Daily



March 18, 2021

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

- **Positive stock markets, USD with small changes and government bond yields up as better growth prospects in the US are overcompensating the potentially higher inflation concerns and the chance that this could trigger rate hikes by the Fed. Markets focused on Powell's speech and Biden's announcement on the vaccination process**
- **In UK, the BoE kept its reference rate at 0.10% and the pace of asset purchases unchanged for now, with flexibility to reduce it later. The central bank explained that it will not tighten monetary policy conditions before there is evidence of good progress on inflation. Turkey's central bank lifted the one-week repo rate more than expected from 17% to 19%, above the estimated 100bp**
- **Regarding economic figures, in the US, jobless claims for the week ending March 13 stood at 770k above the previous week's 725k and the consensus estimate of 700k. The Philly Fed regional manufacturing indicator for March was released, surprising strongly to the upside at 51.8pts, well above the estimate and 23.1pts in February**
- **In Mexico, INEGI published its Timely Indicator of Economic Activity for February, which suggests a contraction of 4.0% y/y (sa) decline in economic activity. By sectors, it anticipates industry at -4.2%, with services at -4.3%**

Gabriel Casillas  
Chief Economist, Head of Research  
and IRO  
gabriel.casillas@banorte.com

Alejandro Padilla  
Executive Director of Economic  
Research and Financial Market Strategy  
alejandro.padilla@banorte.com

Juan Carlos Alderete Macal, CFA  
Director of Economic Research  
juan.alderete.macal@banorte.com

Manuel Jiménez  
Director of Market Strategy  
manuel.jimenez@banorte.com



www.banorte.com



@ analisis\_fundam

## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Eurozone</i>					
6:00	Trade balance* - Jan	EURmn	--	28.5	27.5
8:00	Monetary policy decision (BoE)	%	0.10	0.10	0.10
<i>Turkey</i>					
7:00	Monetary policy decision (C. Bank of the Turkey)	%	--	18.0	17.0
<i>United States</i>					
8:30	Initial jobless claims* - Mar 13	thousands	--	--	-4.4
8:30	Philadelphia Fed* - Mar	index	--	703	712
<i>Mexico</i>					
8:00	Timely Indicator of Economic Activity* - Feb	% y/y	25.5	24.0	23.1
<i>Japan</i>					
	Monetary policy decision (BoJ)	%	--	--	-0.10

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

## A glimpse to the main financial assets

	Last	Daily chg.
<i>Equity indices</i>		
S&P 500 Futures	3,947.25	-0.7%
Euro Stoxx 50	3,859.09	0.2%
Nikkei 225	30,216.75	1.0%
Shanghai Composite	3,463.07	0.5%
<i>Currencies</i>		
USD/MXN	20.55	0.7%
EUR/USD	1.19	-0.5%
DX	91.80	0.4%
<i>Commodities</i>		
WTI	63.30	-2.0%
Brent	66.71	-1.9%
Gold	1,726.03	-1.1%
Copper	412.55	-0.1%
<i>Sovereign bonds</i>		
10-year Treasury	1.73	9pb

Source: Bloomberg

Document for distribution among public

## Equities

- **Stock markets with mixed movements, as Fed's comments for continuing economic support encourage some optimism among investors, although this is offset by renewed concerns of higher inflationary pressures and the continued increase in Treasury yields. Thus, US futures anticipate a negative open, with Nasdaq futures trading at -1.7%, with Tesla down ~1.0% in the pre-market, while the S&P500 is down 0.7%**
- **In Asia, the session turned positive, with the Topix and the Hang Seng leading the gains with +1.2% and +1.3%, respectively. Meanwhile, in Europe, variations are mixed, with the Eurostoxx increasing 0.2% mainly driven by financials and healthcare stocks**
- **In Mexico, the Mexbol could follow its international peers and trade below 47,600 points**

## Sovereign fixed income, currencies and commodities

- **Sovereign bonds sell-off as US inflation fears continue. European assets adjusted 4bps on average while Treasuries posted losses of up to 8bps in long-term tenors and the 10-year note reached 1.73% (+9bps). Yesterday, the Mbonos yield curve closed with gains of 6bps excluding the short-end which remained with pressures of 1bp**
- **USD strengthens (DXY +0.2%) against all G10 currencies with CHF as the weakest (-0.5%). In EM, performance is mixed with TRY appreciating 1.9% reacting to the hike in the benchmark rate, while MXN trades at 20.47 per dollar (-0.4%).**
- **Crude oil prices fall 0.7% on higher US inventories while gold trades at 1,731 US\$/oz t and industrials trade with a positive balance**

## Corporate Debt

- **Corporación Actinver approved the spin-off of the international business division including the shares representing the capital stock of Actinver Holdings, Inc. and its respective subsidiaries, as well as other assets, liabilities and capital**
- **Notice of total early amortization of the FIRMACB 18 issue (Firma Car ABS) on March 26 for MXN 15.53 million. There will not be premium payment in favor of Holders**
- **HR Ratings ratified UNIRECB 19 (Unirenta's ABS) rating at 'HR AAA' with a stable outlook. According to the agency, the ratification is based on the maximum past due portfolio that it supports in a stress scenario**

## Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	33,015.37	0.6%
S&P 500	3,974.12	0.3%
Nasdaq	13,525.20	0.4%
IPC	47,679.49	-1.1%
Ibovespa	116,549.40	2.2%
Euro Stoxx 50	3,849.74	0.0%
FTSE 100	6,762.67	-0.6%
CAC 40	6,054.82	0.0%
DAX	14,596.61	0.3%
Nikkei 225	29,914.33	0.0%
Hang Seng	29,034.12	0.0%
Shanghai Composite	3,445.55	0.0%
<i>Sovereign bonds</i>		
2-year Treasuries	0.13	-2pb
10-year Treasuries	1.64	2pb
28-day Cetes	4.05	0pb
28-day TIE	4.28	0pb
2-year Mbono	4.47	-6pb
10-year Mbono	6.52	-9pb
<i>Currencies</i>		
USD/MXN	20.40	-1.0%
EUR/USD	1.20	0.6%
GBP/USD	1.40	0.5%
DXY	91.44	-0.5%
<i>Commodities</i>		
WTI	64.60	-0.3%
Brent	68.00	-0.6%
Mexican mix	63.03	-0.4%
Gold	1,745.33	0.8%
Copper	411.90	1.2%

Source: Bloomberg

## Certification of Analysts.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia Maria Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldivar, Marissa Garza Ostos, 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.

## Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

## Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

## Last-twelve-month activities of the business areas.

*Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.*

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

## Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

## Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

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
<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>

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

## Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

*The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.*

**Research and Strategy**

Gabriel Casillas Olvera	Chief Economist, Head of Research and IRO	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967
Lourdes Calvo Fernandez	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

**Economic Research and Financial Market Strategy**

Alejandro Padilla Santana	Executive Director of Economic Research and Financial Market Strategy	alejandro.padilla@banorte.com	(55) 1103 - 4043
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251

**Economic Research**

Juan Carlos Alderete Macal, CFA	Director of Economic Research	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Francisco José Flores Serrano	Senior Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Katia Celina Goya Ostos	Senior Economist, Global	katia.goya@banorte.com	(55) 1670 - 1821
Luis Leopoldo López Salinas	Economist, Global	luis.lopez.salinas@banorte.com	(55) 1670 - 2707

**Market Strategy**

Manuel Jiménez Zaldivar	Director of Market Strategy	manuel.jimenez@banorte.com	(55) 5268 - 1671
-------------------------	-----------------------------	----------------------------	------------------

**Fixed income and FX Strategy**

Santiago Leal Singer	Senior Strategist, Fixed Income and FX	santiago.leal@banorte.com	(55) 1670 - 2144
Leslie Thalía Orozco Vélez	Strategist, Fixed Income and FX	leslie.orozco.velez@banorte.com	(55) 1670 - 1698

**Equity Strategy**

Marissa Garza Ostos	Director of Equity Strategy	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Senior Strategist, Equity	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Senior Strategist, Equity	valentin.mendoza@banorte.com	(55) 1670 - 2250
Víctor Hugo Cortés Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
Eridani Ruibal Ortega	Analyst	eridani.ruibal.ortega@banorte.com	(55) 1103 - 4000 x 2755
Juan Barbier Arizmendi	Analyst	juan.barbier@banorte.com	(55) 1670 - 1746

**Corporate Debt**

Hugo Armando Gómez Solís	Senior Analyst, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248

**Economic Studies**

Delia María Paredes Mier	Executive Director of Economic Studies	delia.paredes@banorte.com	(55) 5268 - 1694
Miguel Alejandro Calvo Domínguez	Senior Analyst, Economic Studies	miguel.calvo@banorte.com	(55) 1670 - 2220

**Wholesale Banking**

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(81) 8319 - 6895
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Frigolet Vázquez Vela	Head of Sólida Banorte	alejandro.frigolet.vazquezvela@banorte.com	(55) 5268 - 1656
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Carlos Alberto Arciniega Navarro	Head of Treasury Services	carlos.arciniega@banorte.com	(81) 1103 - 4091
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
Lizza Velarde Torres	Executive Director of Wholesale Banking	lizza.velarde@banorte.com	(55) 4433 - 4676
Osvaldo Brondo Menchaca	Head of Specialized Banking Services	osvaldo.brondo@banorte.com	(55) 5004 - 1423
Raúl Alejandro Arauzo Romero	Head of Transactional Banking	alejandro.arauzo@banorte.com	(55) 5261 - 4910
René Gerardo Pimentel Ibarrola	Head of Corporate Banking	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Commercial Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454