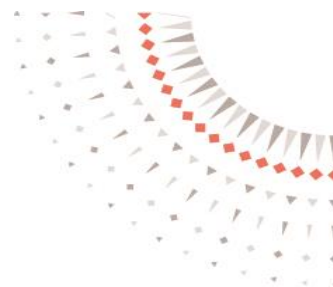


Financial Markets Daily



March 30, 2021

Main drivers for the financial markets today...

- **Stock markets mixed with S&P500 futures lower amid a new sell-off in sovereign bonds and the USD higher. Caution around Archegos Capital persists, although with attention shifting to Biden's infrastructure plan**
- **Several banks continue under watch after the crash from Archegos Capital, even facing questions from US regulators. According to several reports, total exposure from the firm could have totals US\$50 billion. On the US\$ 3 trillion infrastructure plan, Biden will outline details on a speech on Wednesday in Pittsburgh, including how it will be funded**
- **Yesterday, the Suez Canal reopened after being blocked for a week by the ship Ever Given. Egyptian authorities expect traffic through the channel to normalize in a couple of days. Pfizer and BioNTech increased their vaccine production estimate by 500 million to 2.5 billion doses in 2021. China's sovereign bonds will be included in the WBGI, having the sixth largest weight. Their inclusion will be phased over the next three years**
- **On economic data, in the Eurozone, consumer confidence in March stood at -10.8pts, while the one related to the economy was better at 101.0pts. In Germany, March's inflation resulted in 1.7% y/y, in line with expectations**

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

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	EZ Consumer confidence* - Mar (F)	index	--	--	-10.8
5:00	EZ Economic confidence* - Mar	index	--	96.0	93.4
8:00	GER Consumer prices - Mar (P)	% m/m	--	0.5	0.6
8:00	GER Consumer prices - Mar (P)	% y/y	--	2.0	1.6
United States					
9:00	Fed's Quarles discusses the Financial Stability Board				
9:00	S&P/CoreLogic housing prices - Jan	% y/y	--	11.3	10.1
10:00	Consumer Confidence* - Mar	index	95.4	96.1	91.3
14:30	Fed's Williams Takes Part in Moderated Discussion				
Mexico					
11:00	International reserves - Mar 26	US\$bn	--	--	194.9
16:30	Public finances (year-to-date) - Feb	MXNmn	--	--	1.1
Chile					
17:00	Monetary policy decision (BCCh)	%	--	0.5	0.50
China					
21:00	Manufacturing PMI* - Mar	index	--	51.2	50.6
21:00	Non-manufacturing PMI* - Mar	index	--	52.3	51.4
21:00	Composite PMI* - Mar	index	--	--	51.6

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	3,947.25	-0.3%
Euro Stoxx 50	3,902.79	0.5%
Nikkei 225	29,432.70	0.2%
Shanghai Composite	3,456.68	0.6%
Currencies		
USD/MXN	20.60	-0.1%
EUR/USD	1.17	-0.3%
DX	93.22	0.3%
Commodities		
WTI	60.45	-1.8%
Brent	63.83	-1.8%
Gold	1,684.82	-1.6%
Copper	397.95	-1.4%
Sovereign bonds		
10-year Treasury	1.75	4pb

Source: Bloomberg

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Equities

- Mixed movements in equity markets as investors show some caution due to higher government bond yields -caused by the expectation of a more accelerated economic recovery, mainly in the US- and assess the possible effects related to Archegos Capital. The focus is on the infrastructure plan to be announced by Joe Biden tomorrow
- In Asia the markets closed mixed. In Europe stocks advance, the Euro Stoxx adds 0.4%. Shares from financial, consumer discretionary, and energy sectors lead gains, while those from utilities and health care superhead losses. In turn, the US the futures of main indices point to a lower open by falling 0.4% on average
- In Mexico, the Mexbol may stand below the 47,600 pts

Sovereign fixed income, currencies and commodities

- New pressures in global sovereign bonds with European securities adjusting +5bps, on average, with the US Treasuries' curve steepening with a sell-off of around +3bps where the 10-year note has reached up to 1.77%, a new high since last year. Yesterday, the Mbonos' curve sold-off 9bps, on average
- The USD strengthens registering a positive balance against all of the G10 currencies, as well as against most of the EM universe, with the latter including losses of as much as 1.7% in TRY and INR. The Mexican peso gains 0.1% to 20.60 per dollar, after falling 0.2% yesterday
- Crude oil falls close to 1.5% in main benchmarks, impacted by a stronger USD and the reopening of the Suez Canal, with focus turning to OPEC+ meetings in the week which are likely to agree an extension in the supply cut pact. Metals are trading mostly negative

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	33,171.37	0.3%
S&P 500	3,971.09	-0.1%
Nasdaq	13,059.65	-0.6%
IPC	47,747.36	0.8%
Ibovespa	115,418.70	0.6%
Euro Stoxx 50	3,882.87	0.4%
FTSE 100	6,736.17	-0.1%
CAC 40	6,015.51	0.4%
DAX	14,817.72	0.5%
Nikkei 225	29,384.52	0.7%
Hang Seng	28,338.30	0.0%
Shanghai Composite	3,435.30	0.5%
Sovereign bonds		
2-year Treasuries	0.14	0pb
10-year Treasuries	1.71	3pb
28-day Cetes	4.07	4pb
28-day TIIE	4.29	0pb
2-year Mbono	4.95	9pb
10-year Mbono	6.85	6pb
Currencies		
USD/MXN	20.62	0.2%
EUR/USD	1.18	-0.2%
GBP/USD	1.38	-0.2%
DXY	92.94	0.2%
Commodities		
WTI	61.56	1.0%
Brent	64.98	0.6%
Mexican mix	59.98	1.1%
Gold	1,712.20	-1.2%
Copper	403.45	-0.8%

Source: Bloomberg

Corporate Debt

- Fitch Ratings downgraded Grupo Elektra's long-term local rating to 'A+(mex)' from 'AA-(mex)' and revised the outlook to Stable from Negative reflecting a weaker corporate governance structure following a related company's (TV Azteca) debt default
- Fitch Ratings affirmed Fibra Uno's long-term international scale issuer default rating (IDR) at 'BBB' and local rating at 'AAA(mex)'; the outlook remained Negative, reflecting the decline in FUNO's net financial leverage, along with the challenges the company faces in improving its capital structure in 2021
- PCR Verum affirmed BeGrand's corporate ratings at 'BBB+/M' and '2/M' for the long and short term, respectively, removed the Negative Watch and placed them on Negative outlook, due to Be Grand's strong financial performance in the second half of 2020

Certification of Analysts.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, 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 Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Juan Barbier Arizmendi, and Eridani Ruibal Ortega, 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	<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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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
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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
Victor 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