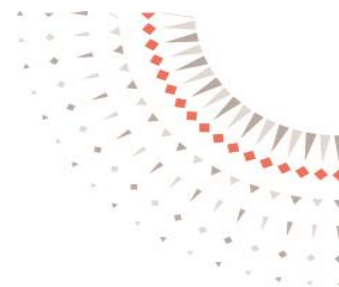


# Financial Markets Daily

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

- Stock markets higher –with China, Hong Kong and several European countries closed because of the holidays-, government bond yields unchanged and USD mixed as optimism continues after the strong March employment report in the US last week, albeit focused on higher COVID-19 cases that threaten the recovery, but with progress in vaccinations
- Market focus this week on the minutes by the Fed and Banxico, with the latter leaving the reference rate at 4% in their latest decision. Moreover, the IMF will release its *World Economic Outlook* during the spring meetings that will take place along with the World Bank
- Monetary policy decisions by Australia, India, Poland and Peru, among others. In addition, March inflation figures in Mexico –we estimate 0.83% m/m–, China and Brazil, along producer prices in the US, with investors still very focused on these given fears of global price pressures
- The global data agenda has relevant information, including PMIs in China, unemployment rate in the Eurozone, industrial production and trade balance in Germany. In the US we will know the ISM non-manufacturing for March, as well as factory orders, trade balance and consumer credit in February
- Plethora of releases also in Mexico, among them family remittances and Banxico's expectations survey; IMEF's PMI indicators, consumer confidence and wage negotiations for March; and private consumption, gross fixed investment (January) and industrial production (February)



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## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>United States</b>					
10:00	ISM Non-manufacturing* - Mar	index	--	58.2	55.3
10:00	Factory orders*-Feb	% m/m	--	-0.5	2.6
10:00	Ex transportation* - Feb	% m/m	--	--	1.7
<b>Mexico</b>					
10:00	Family remittances - Feb	US\$m	3,375.3	--	3,297.9
10:00	Survey of expectations (Banxico)				
13:00	PMI manufacturing (IMEF)* - Mar	index	50.4	--	49.1
13:00	PMI non-manufacturing (IMEF)* - Mar	index	51.7	--	49.4
<b>China</b>					
21:45	Services PMI (Caixin)* - Mar	index	--	52.1	51.5
21:45	Composite PMI (Caixin)* - Mar	index	--	--	51.7

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; \* Seasonally adjusted, \*\* Seasonally adjusted annualized rate.

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Document for distribution among public

## A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	4,031.75	0.1%
Euro Stoxx 50	3,945.96	0.0%
Nikkei 225	30,089.25	0.8%
Shanghai Composite	3,484.39	0.0%
<b>Currencies</b>		
USD/MXN	20.28	-0.1%
EUR/USD	1.18	-0.1%
DXY	93.01	0.0%
<b>Commodities</b>		
WTI	60.34	-1.8%
Brent	63.66	-1.9%
Gold	1,725.85	-0.2%
Copper	409.50	2.6%
<b>Sovereign bonds</b>		
10-year Treasury	1.72	0pb

Source: Bloomberg

## Equities

- This week kicked-off with muted volume on the back of several exchanges in Europe, as well as in China and Hong Kong, remaining closed due to Easter holidays. Nevertheless, in those that are open, the bias is positive, driven by optimism regarding the vaccination progress
- In this context, regardless of expectations for more corporate taxes to fund President Biden's infrastructure plan, US futures are poised for reaching new record highs. Meanwhile, in Europe, the only markets open are some on the East, being Russia the most relevant one (-1.0%). In Asia, the Nikkei advanced 0.8%
- In Mexico, the Mexbol could open with gains, in line with international peers, and with some relevant stocks such as AMX or FEMSA, catching up with the positive performance on its ADRs when the MSE remained closed due to holidays

## Sovereign fixed income, currencies and commodities

- Negative balance in global rates, with several European countries closed today due to holidays, while US Treasuries print a 2bps sell-off in the longest-end of the yield curve. In Mexico, the Mbonos' curve closed last week with a 7bps sell-off on average, with an adjustment of up to +13bps in the Mbono Nov'42
- USD trades unchanged amid a mixed balance in G10 under a range bounded by +/- 0.3%. In EM, bias is also mixed with TRY leading gains (+0.6%), while MXN trades very close to its 100D MA at 20.28 per dollar (+0.1%), after a 1.3% weekly appreciation
- Oil-crude prints losses of 1.8% with the energy market assimilating OPEC+ agreement to gradually increase production by 2.141 Mbbl/d over three months starting in May. In metals, precious register a negative balance with gold trading at 1,726 \$/oz t (-0.2%)

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	33,153.21	0.0%
S&P 500	4,019.87	0.0%
Nasdaq	13,480.11	0.0%
IPC	47,246.26	0.0%
Ibovespa	115,253.30	0.0%
Euro Stoxx 50	3,945.96	0.0%
FTSE 100	6,737.30	0.0%
CAC 40	6,102.96	0.0%
DAX	15,107.17	0.0%
Nikkei 225	29,854.00	1.6%
Hang Seng	28,938.74	0.0%
Shanghai Composite	3,484.39	0.5%
<b>Sovereign bonds</b>		
2-year Treasuries	0.19	3pb
10-year Treasuries	1.72	5pb
28-day Cetes	4.14	0pb
28-day TIIE	4.29	0pb
2-year Mbono	4.91	0pb
10-year Mbono	6.84	0pb
<b>Currencies</b>		
USD/MXN	20.31	0.1%
EUR/USD	1.18	-0.2%
GBP/USD	1.38	0.0%
DXY	93.02	0.1%
<b>Commodities</b>		
WTI	61.45	0.0%
Brent	64.86	0.0%
Mexican mix	58.37	0.0%
Gold	1,728.87	0.0%
Copper	399.05	0.0%

Source: Bloomberg

## Corporate Debt

- Fitch Ratings downgraded the ratings on issuances DINEXCB 16 / 16-2 to 'A+(mex)vra' from 'AA-(mex)vra' and modified the outlook to Stable from Negative based on the downgrade of Grupo Elektra's ratings
- Moreover, HR Ratings affirmed the issuances DINEXCB 16 / 16-2 ratings at 'HR AAA (E)' with a Stable outlook based on the 3.5% growth in collections observed during 2020
- PCR Verum placed Fibra HD's 'AA/M' ratings on Watch due to the announcement regarding Fibra Plus' intention to acquire 100% of Fibra HD through a tender offer for change of control

## Certification of Analysts.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María 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 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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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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