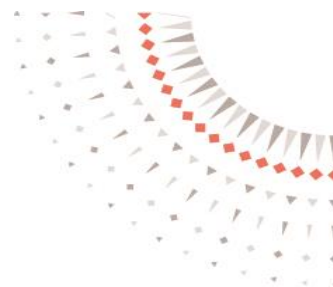


Financial Markets Daily



April 6, 2021

Main drivers for the financial markets today...

- **Stock markets mixed. S&P500 futures lower, with government bond yields down and the USD higher. European stock markets hit a new high on reopening after yesterday's holiday. Nevertheless, comments from China's central bank and higher COVID-19 cases in several countries dampen dynamism**
- **In China, the PBoC asked lenders to curtail credit growth for the remainder of the year. This happens after strong growth in loans at the start of year, which the institution fears might turn into a bubble**
- **In the US, the Senate Parliamentarian gave the go-ahead for Democrats to pass other laws through the reconciliation process and avoid the need to have Republican support. This would open the path for Biden's infrastructure plan and tax adjustments needed to finance it. According to preliminary plans, some of the most impacted sectors would be technology and pharmaceuticals**
- **Today, talks aiming to revive Iran's nuclear deal will resume. Although there would be no direct meetings between the US and said country, it is expected that they groundwork is started to get laid for the plan to come back online. We should remember that this could have a substantial impact on oil markets**
- **At 8:30am, the IMF will publish the update for the World Economic Outlook, in which it is widely expected that global growth will be revised up from 5.5% currently, with favorable adjustments for several countries, mainly for the US**
- **On economic data, February's unemployment rate in the Eurozone was unchanged relative to last month's revised data at 8.3%. In the US we do not have relevant reports, albeit with attention on comments from Thomas Barkin from the Richmond Fed. In Mexico, March's consumer confidence surprised positively by coming in at 40.4pts, with a sequential improvement in all five subcomponents. Later today we will be looking into the private sector expectations survey**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Unemployment rate* - Feb	%	--	--	8.1
Mexico					
7:00	Consumer confidence* - Mar	index	38.9	--	38.4
10:00	International reserves	US\$bn	--	--	194.9
12:30	Government weekly auction: 1-, 3-, 6- 12- month CETES;30-year Mbono (Nov'47) and 1, 3, and 5-year Bondes D				
15:30	Survey of expectations (Citibanamex)				

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	4,059.25	-0.2%
Euro Stoxx 50	3,980.95	0.9%
Nikkei 225	29,696.63	-1.3%
Shanghai Composite	3,482.97	0.0%
Currencies		
USD/MXN	20.32	-0.1%
EUR/USD	1.18	0.0%
DX	92.76	0.2%
Commodities		
WTI	59.46	1.4%
Brent	62.89	1.2%
Gold	1,734.36	0.4%
Copper	408.15	-1.4%
Sovereign bonds		
10-year Treasury	1.70	0pb

Source: Bloomberg

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Equities

- Mixed movements in equity markets after the Dow Jones and the S&P 500 reached new record highs in the previous session and with news in China pointing to curtail loan growth for the rest of this year, amid an increase in coronavirus infections in several countries
- In Asia the markets closed mixed. In Europe, stocks markets hit new highs after yesterday's holiday. The Euro Stoxx adds 0.9%. Shares from utilities, technology, and materials lead gains. On the other hand, Credit Suisse announced that it will register an impact of US\$4.7 billion in results due to the situation related to Archegos Capital Management. In turn, the US the futures of main indices point to a slightly negative open by falling 0.2% on average
- In Mexico, Oma released its March passenger traffic with a 3.0% y/y drop, exceeding expectations

Sovereign fixed income, currencies and commodities

- Mixed balance in global rates, with European assets registering losses between 2bps and 4bps, while US Treasuries print gains of 1bp. In local terms, the Mbonos' curve closed yesterday with a 3bps rally in mid-term securities and pressures of 4bps in the longest-end of the yield curve
- USD trades positive (BBDXY +0.2%) amid a negative balance in G10 except for SEK. In EM, bias is mixed with KRW leading gains (+0.7%), while MXN trades slightly above its 100D MA at 20.31 per dollar (+0.1%), after an 0.1% appreciation yesterday
- Oil-crude prints gains of 1.4% with market focus on the presentation of the World Economic Outlook from the IMF after the OPEC+ agreement last week to gradually increase production starting in May last week. In metals, industrials register a positive balance (+2%) outperforming precious

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	33,527.19	1.1%
S&P 500	4,077.91	1.4%
Nasdaq	13,705.59	1.7%
IPC	48,245.85	2.1%
Ibovespa	117,518.40	2.0%
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	30,089.25	0.8%
Hang Seng	28,938.74	0.0%
Shanghai Composite	3,484.39	0.0%
Sovereign bonds		
2-year Treasuries	0.17	-2pb
10-year Treasuries	1.70	-2pb
28-day Cetes	4.14	0pb
28-day TIIE	4.29	0pb
2-year Mbono	4.91	0pb
10-year Mbono	6.81	-3pb
Currencies		
USD/MXN	20.34	0.1%
EUR/USD	1.18	0.5%
GBP/USD	1.39	0.5%
DXY	92.60	-0.5%
Commodities		
WTI	58.65	-4.6%
Brent	62.15	-4.2%
Mexican mix	56.62	-4.1%
Gold	1,728.27	0.0%
Copper	413.75	3.7%

Source: Bloomberg

Corporate Debt

- Fitch Ratings affirmed Nemark's ratings at 'AA(mex)' and changed the outlook to Stable from Negative reflecting expectations that Nemark's capital structure will remain within sensitivities over the next 12 months, as vehicle demand in North America continues to recover from the pandemic
- Fitch Ratings simultaneously affirmed PEMEX's National Long-Term ratings at 'A(mex)' and Short-Term ratings at 'F1(mex)' and withdrew all national scale ratings. In addition, Fitch Ratings affirmed PEMEX's Issuer Default Ratings (IDR) at 'BB-'. The rating outlook is Stable
- S&P Global Ratings confirmed FEFA's issuer and its issuances' long- and short-term ratings at 'mxAAA' and 'mxA-1+', respectively with a Stable outlook, reflecting the fund's strong capital levels as well as the support from the Mexican Government

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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