

Financial Markets Daily

April 13, 2021

Main drivers for the financial markets today...

- **Markets in general with small changes awaiting CPI data in the US as well as the results of today's 30-year US Treasury auction**
- **Regarding the virus, vaccinations keep gathering pace, albeit still in an uneven manner across countries, highlighting an additional acceleration in the US. Nevertheless, health authorities in said country recommended a pause in the Johnson & Johnson vaccine on fears regarding blood clots as side effects**
- **On economic data, attention on March's inflation in the US, expecting a 2.5% y/y increase, starting to reflect distortions from a more complex base effect. Packed schedule from Fed speakers with comments from Harler, Daly, Barkin, Mester, Bostic, and Rosengren**
- **In China, March's trade balance was somewhat mixed, with exports lower than expected at 30.6% y/y, albeit with imports stronger at 38.1%. In the UK, IP for February was better than expected at 1.0% m/m, albeit with total activity disappointing slightly at +0.4%. In Germany, the ZEW expectations index surprised lower at 70.7pts, albeit with current conditions better at -48.8pts**
- **In Mexico, the Lower House will discuss reforms to the Federal Labor Law, including the regulation of outsourcing**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
UK					
2:00	Industrial production* - Feb	% m/m	--	0.5	-1.5
Germany					
5:00	ZEW Survey (Expectations) - Apr	index	--	79.0	76.6
Brazil					
7:00	Retail sales - Feb	% y/y	--	-1.7	-0.3
7:00	Retail sales* - Feb	% m/m	--	0.1	-0.2
United States					
8:30	Consumer prices* - Mar	% m/m	0.5	0.5	0.4
8:30	Ex. food & energy* - Mar	% m/m	0.2	0.2	0.1
8:30	Consumer prices - Mar	% y/y	2.5	2.5	1.7
8:30	Ex. food & energy - Mar	% y/y	1.5	1.5	1.3
12:00	Fed's Harker Discusses the Economic Outlook				
12:00	Fed's Daly Takes Part in Fed Event on Racism and the Economy				
16:00	Fed's Mester, Bostic and Rosengren Discuss Racism and...				
Mexico					
10:00	International reserves - Apr 9	US\$bn	--	--	194.8
12:30	Government weekly auction: 1-, 3-, 6- 12- month CETES; 5-year Mbono (Mar'26) and 10-year Udibono (Nov'31)				

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.
<i>Equity indices</i>		
S&P 500 Futures	4,109.00	-0.3%
Euro Stoxx 50	3,965.76	0.1%
Nikkei 225	29,751.61	0.7%
Shanghai Composite	3,396.47	-0.5%
<i>Currencies</i>		
USD/MXN	20.19	0.2%
EUR/USD	1.19	-0.1%
DX	92.26	0.1%
<i>Commodities</i>		
WTI	59.97	0.5%
Brent	63.70	0.7%
Gold	1,729.57	-0.2%
Copper	403.25	0.3%
<i>Sovereign bonds</i>		
10-year Treasury	1.67	1pb

Source: Bloomberg

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Equities

- **Mixed movements in equity markets as investors are cautious due to news that the US could suspend Johnson & Johnson vaccines to investigate possible health effects. Attention will be focused on the US inflation report for March and on the corporate earnings season with some reports today in Europe (including LVMH). On the other hand, Bitcoin reached new record highs ahead of Coinbase Global Inc's listing on the Nasdaq this week**
- **In Asia the markets closed mixed. In Europe stocks are mixed, the Euro Stoxx adds 0.1%. Shares from energy and technology sectors lead gains, while those from utilities and health care superhead losses. In turn, in the US the futures of main indices point to a lower open by falling 0.3% on average**
- **In Mexico, the Mexbol may stand below the 47,300 pts**

Sovereign fixed income, currencies and commodities

- **Global rates with modest pressures registering an adjustment of 1 to 2bps in European securities, with a similar performance in US Treasuries, although moderating their losses ahead of the CPI print in the US. Yesterday Mbonos sold-off 6bps, on average**
- **The USD strengthens slightly as G10 currencies trade mostly negative, albeit under narrow ranges, only with JPY modestly positive. In EM currencies performances is also mostly negative with the Mexican peso depreciating 0.2% to 20.19**
- **Stable performance in crude oil futures with a positive tone assimilating China's trade balance signaling a good momentum and ahead of OPEC's monthly report, with API inventories released later today. Metals trade mixed with a positive balance in industrials**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	33,745.40	-0.2%
S&P 500	4,127.99	0.0%
Nasdaq	13,850.00	-0.4%
IPC	47,352.18	-0.6%
Ibovespa	118,811.70	1.0%
Euro Stoxx 50	3,961.90	-0.4%
FTSE 100	6,889.12	-0.4%
CAC 40	6,161.68	-0.1%
DAX	15,215.00	-0.1%
Nikkei 225	29,538.73	-0.8%
Hang Seng	28,453.28	-0.9%
Shanghai Composite	3,412.95	-1.1%
<i>Sovereign bonds</i>		
2-year Treasuries	0.17	1pb
10-year Treasuries	1.67	1pb
28-day Cetes	4.09	-1pb
28-day TIIE	4.29	0pb
2-year Mbono	4.86	4pb
10-year Mbono	6.66	9pb
<i>Currencies</i>		
USD/MXN	20.15	-0.1%
EUR/USD	1.19	0.1%
GBP/USD	1.37	0.2%
DX	92.14	0.0%
<i>Commodities</i>		
WTI	59.70	0.6%
Brent	63.28	0.5%
Mexican mix	57.45	0.6%
Gold	1,732.76	-0.6%
Copper	401.85	-0.5%

Source: Bloomberg

Corporate Debt

- **PCR Verum affirmed the ratings for Volaris' ABS, VOLARCB 19, at 'AA+/M (e)' with Negative outlook. The ratings consider the future flow amounts that take part of the Trust's worth and remain high despite the COVID-19 pandemic**
- **HR Ratings affirmed the ratings for Mercader Financial's ABS, MERCFCB 19, at 'HR AAA (E)' and changed the Negative Watch to Stable outlook based on the early expiration of the revolving period in August 2020**
- **PCR Verum increased Montepío Luz Saviñón's ratings to 'AA+/M' from 'AA/M' with a Stable outlook, derived of the sustained strengthening on its business model, while maintaining a strong financial profile regarding other financial institutions overall**

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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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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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