

Financial Markets Daily

April 22, 2021

Main drivers for the financial markets today...

- **Mixed stock markets and government bond yields, while the USD is trading slightly higher. Positive Asian stocks continuing yesterday's moderate optimism, while S&P futures show a negative bias looking for direction**
- **Concerns about the rebound in the number of infections continue. India reached a world record for new infections per day at 314,855, while spikes are seen in other countries due to virus variants and reduced containment measures**
- **The ECB kept its monetary policy unchanged after it announced the previous meeting that it would accelerate asset purchases in 2Q21. We will be attentive to Christine Lagarde's press conference**
- **Regarding economic figures, in the US, jobless claims for the week ending April 17 will be released. Consensus estimates them at 610k up from 576k the previous week, confirming the labor market's recovery**
- **In Mexico, INEGI published 1H-April's inflation rising 0.06% 2s/2s, surprising to the upside. The core came in at 0.18% 2s/2s. With these results, annual inflation increased to 6.05% from 5.22% in the previous fortnight, with the core at 4.13% (previous 4.15%)**
- **INEGI also released the March employment report. The unemployment rate fell to 3.89%, benefited by seasonal factors. With seasonally adjusted figures, we saw a slight decrease to 4.43% (-4bp)**

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

Alejandro Padilla
Executive Director of Economic
Research and Financial Markets 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>					
5:00	Government debt* - 2020	% of GDP	--	--	84.0
7:45	Monetary policy decision (ECB)	%	0.000	0.000	0.000
10:00	Consumer Confidence* - Apr (F)	index	--	-10.9	-10.8
<i>Mexico</i>					
7:00	Consumer prices - Apr 15	% 2w/2w	-0.02	-0.10	0.28
7:00	Core - Apr 15	% 2w/2w	0.16	0.14	0.20
7:00	Consumer prices - Apr 15	% y/y	5.97	5.90	5.22
7:00	Unemployment rate - Mar	%	3.98	4.20	4.37
<i>United States</i>					
8:30	Initial jobless claims* - Apr 17	thousands	650	625	576
10:00	Existing home sales** - Mar	millions	--	6.1	6.2

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	4,159.50	-0.1%
Euro Stoxx 50	4,004.48	0.7%
Nikkei 225	29,188.17	2.4%
Shanghai Composite	3,465.11	-0.2%
<i>Currencies</i>		
USD/MXN	19.93	0.1%
EUR/USD	1.20	0.1%
DX	91.11	-0.1%
<i>Commodities</i>		
WTI	61.13	-0.4%
Brent	65.03	-0.4%
Gold	1,782.57	-0.6%
Copper	428.60	0.2%
<i>Sovereign bonds</i>		
10-year Treasury	1.58	2pb

Source: Bloomberg

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Equities

- **Upward movements in stock markets. Investors are weighing the outlook of the corporate earnings season, as well as the worldwide rebound of Covid-19 cases. Thus, US futures anticipate an opening with little change. Meanwhile, in Asia, the session ended positively, with a 2.4% advance in the Nikkei. In Europe, variations are positive, with the EuroStoxx up 0.8%, reacting to the ECB's comments.**
- **In Mexico, yesterday Fiho showed a sequential improvement, while confirming a growing trend in EBITDA. Fibrapl, on the other hand, posted relevant operating advances, in line with expectations, once again driven by acquisitions and higher rents, although with profitability pressures. Today we expect Asur, GFNORTE, Hotel, Tlevisa and Volar to report at market close, while in the US, AT&T, Union Pacific and Biogen stand out**

Sovereign fixed income, currencies and commodities

- **Global rates with few changes, European assets and the Treasury yield curve show moderate pressures, investors are waiting for comments from ECB's Christine Lagarde. Yesterday, the Mbonos yield curve closed with a mixed balance, with a 2bps pressure on the short- and mid-end, while the long-end adjusted -1bp**
- **USD trades slightly positive, with mixed performance in G10 currencies where CHF appreciates 0.3% and NZD falls 0.4%. In EM, performance is also mixed with RUB the strongest (+0.5%) while MXN depreciates 0.2% to 19.94 per dollar being second weakest**
- **Crude oil prices fall 0.6% on fears of an impact on the global economy due to the increase in COVID-19 infections. In metals, gold trades at 1,787 \$/oz t while industrials are negative**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	34,137.31	0.9%
S&P 500	4,173.42	0.9%
Nasdaq	13,950.22	1.2%
IPC	48,867.62	0.7%
Ibovespa	120,062.00	0.0%
Euro Stoxx 50	3,976.41	0.9%
FTSE 100	6,895.29	0.5%
CAC 40	6,210.55	0.7%
DAX	15,195.97	0.4%
Nikkei 225	28,508.55	-2.0%
Hang Seng	28,621.92	-1.8%
Shanghai Composite	3,472.93	0.0%
<i>Sovereign bonds</i>		
2-year Treasuries	0.15	0pb
10-year Treasuries	1.56	0pb
28-day Cetes	4.07	1pb
28-day TIE	4.28	0pb
2-year Mbono	4.85	3pb
10-year Mbono	6.73	2pb
<i>Currencies</i>		
USD/MXN	19.90	-0.3%
EUR/USD	1.20	0.0%
GBP/USD	1.39	0.0%
DXY	91.16	-0.1%
<i>Commodities</i>		
WTI	61.35	-1.7%
Brent	65.32	-1.9%
Mexican mix	59.39	-2.1%
Gold	1,793.79	0.8%
Copper	428.75	1.6%

Source: Bloomberg

Corporate Debt

- **For today, the auction of three FIRA issuances, FEFA 21 / 21G / 21-2, including a gender social bond, is expected for a target amount of MXN 5 billion (maximum MXN 10 billion). The issuances will have 1.5, 3 and 5 year-term, respectively and all will be pegged to TIE 28**
- **Notice of total amortization in the mortgage-backed bonds, BRHSCCB 07-2 (Hipotecaria Su Casita' RMBS) on April 26 for an amount of MXN 0.87 million**
- **Moody's affirmed Corporación Andina de Fomento (CAF) ratings at 'Aa3' on a global scale and at 'Aaa.mx' on a national scale. The main factors for the ratification are intrinsic financial strength, with strong asset quality, capital buffers and liquidity**

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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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 Markets 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
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, CFA	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