

Financial Markets Daily

June 10, 2021

Main drivers for the financial markets today...

- **Stock markets and USD with small changes albeit a with a positive bias, with government bond yields higher expecting inflation in the US –possibly providing clues on the timing when the Fed may begin tapering purchases– and with attention on ECB's decision**
- **Specifically, the ECB maintained their reference rate and asset purchase program parameters unchanged, with little changes in the statement. In this context, we will be looking into comments from its President, Christine Lagarde, at 8:30am ET for more information**
- **In other news, discussions in the trade front between the US and China continue, with a call among commerce ministers of both countries, in which they committed to keep negotiations going on this topic. On the virus, the US pledged to buy 500 million doses of the Pfizer/BioNTech vaccine to donate to the rest of the world. It is expected that remaining G7 nations joins this project to ensure dosis for 80% of the world's population in the following year**
- **On other data, in the US attention will center on May's inflation, expecting +0.4% m/m, and the core at the same level. With this, annual inflation would accelerate to 4.6% y/y, which will probably be the peak in the year. Also in the US, weekly jobless claims will be published, expecting a slight deceleration. In other relevant data, in Mexico we will be looking into May's wage negotiations and ANTAD's sales, while in Peru the central bank will hold a policy meeting**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Eurozone</i>					
5:00	Monetary policy decision (ECB)	%	0.00	0.00	0.00
<i>United States</i>					
8:30	Consumer prices* - May	% m/m	0.4	0.4	0.8
8:30	Ex. food & energy* - May	% m/m	0.4	0.4	0.9
8:30	Consumer prices - May	% y/y	4.6	4.7	4.2
8:30	Ex. food & energy - May	% y/y	3.3	3.4	3.0
8:30	Initial jobless claims* - Jun 5	thousands	--	370	385
<i>Peru</i>					
19:00	Monetary policy decision (BCRP)	%	--	--	0.25
<i>Mexico</i>					
	ANTAD's same-store sales - May	% y/y	--	--	46.8
	Wage negotiations - May	% y/y	--	--	5.5

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.
<i>Equity indices</i>		
S&P 500 Futures	4,209.50	0.0%
Euro Stoxx 50	4,093.63	-0.1%
Nikkei 225	28,958.56	0.3%
Shanghai Composite	3,610.86	0.5%
<i>Currencies</i>		
USD/MXN	19.74	0.0%
EUR/USD	1.22	-0.1%
DX	90.17	0.1%
<i>Commodities</i>		
WTI	70.01	0.1%
Brent	72.39	0.2%
Gold	1,873.94	-0.8%
Copper	446.60	-1.4%
<i>Sovereign bonds</i>		
10-year Treasury	1.50	1pb

Source: Bloomberg

Equities

- **Stock markets show mixed movements as investors' attention remains on the US inflation report, which could shed light on the path that monetary policy will take. Thus, US futures anticipate a sideline opening, the S&P500 trades with little change**
- **Europe displays marginal variations, with the declining 0.3%, reacting to the ECB's comments. Meanwhile, the session in Asia ended with advances mostly, after the agreement to boost trade and investment ties between the US and China supported sentiment in this region. The Shenzhen advanced 1.1% and the CSI 0.7%**
- **In Mexico, the Mexbol could remain above 50,800 points, following its international peers' movements**

Sovereign fixed income, currencies and commodities

- **Sovereign bonds trading under narrow ranges with European securities losing 1-2bps, while the US Treasury curve depicts few variations and a slightly negative bias in the long end. Yesterday the Mbonos' curve sold-off 9bps, on average**
- **US dollar stable amid a performance under narrow ranges as well for most of G10 currencies where NOK stands as the weakest (-0.4%). In EM FX TRY leads the gains (+0.7%) amid a mixed balance in which the USD/MXN trades close to yesterday's close at 19.73**
- **Crude oil futures trade modestly positive with the market assimilating the latest US stock figures with gasoline inventories rising, although holding a positive expectation on the demand recovery outlook. Metals trade mostly negative with copper falling 1.5%**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	34,447.14	-0.4%
S&P 500	4,219.55	-0.2%
Nasdaq	13,911.75	-0.1%
IPC	50,823.30	-0.1%
Ibovespa	129,906.80	0.1%
Euro Stoxx 50	4,096.85	0.0%
FTSE 100	7,081.01	-0.2%
CAC 40	6,563.45	0.2%
DAX	15,581.14	-0.4%
Nikkei 225	28,860.80	-0.4%
Hang Seng	28,742.63	-0.1%
Shanghai Composite	3,591.40	0.3%
<i>Sovereign bonds</i>		
2-year Treasuries	0.15	0pb
10-year Treasuries	1.49	-4pb
28-day Cetes	4.09	5pb
28-day TIIE	4.28	0pb
2-year Mbono	4.95	8pb
10-year Mbono	6.61	10pb
<i>Currencies</i>		
USD/MXN	19.74	0.1%
EUR/USD	1.22	0.1%
GBP/USD	1.41	-0.3%
DXY	90.12	0.0%
<i>Commodities</i>		
WTI	69.96	-0.1%
Brent	72.22	0.0%
Mexican mix	66.51	0.4%
Gold	1,888.57	-0.2%
Copper	453.10	-0.5%

Source: Bloomberg

Corporate Debt

- **Grupo Axo informed the total early call of its unsecured notes AXO 18 on June 29th, and AXO 19 and the short-term note AXO 00120 on June 17th**
- **HR Ratings affirmed Banco Actinver's ratings at 'HR AA-' with a Stable outlook, based on the stability shown in terms of solvency, with a net capitalization ratio of 13.6% on 1Q21**
- **HR Ratings affirmed the ratings for Corporación Actinver and Arrendadora Actinver at 'HR A+' and at 'HR1' for the short-term. The rating action is based in the stronger observed solvency ratios, derived from a constant profit generation**

Certification of Analysts.

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	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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