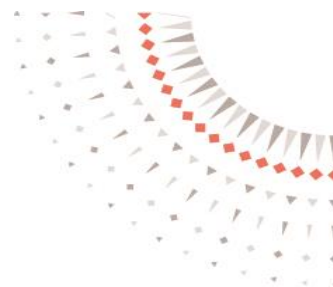


Financial Markets Daily



June 15, 2021

Main drivers for the financial markets today...

- Stock markets positive, with government bond yields higher, and the USD stable with investors squaring positions ahead of the Fed's decision tomorrow and important economic figures due today amid a positive backdrop for risky assets with several stock indices trading close to their historical highs
- In the trade front, the US and the European Union (EU) announced a 5-year truce in the aircraft market, impacting Boeing and Airbus sales. It should be noted that the dispute had been ongoing for 17 years. Nevertheless, tensions between the US and China seem to be on the rise, with efforts to form a front to counter the Asian nation by Biden in the G7 and NATO meetings not seen as positive by diplomats in Beijing
- On the virus, the EU might remove travel restrictions from visitors from the US, with the goal of increasing tourism to the region in a context in which conditions surrounding have improved. Pfizer will begin studies over if a booster shot is needed to maintain protection. In this context, globally, around 2.4 billion shots have been administered
- We have a busy schedule in the US regarding economic indicators, including a lot of figures for May, with retail sales, PPI, and industrial production. On a forward-looking basis, we have the Empire manufacturing index for June. Finally, later tonight, China will release activity figures for May

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
8:30	Advance retail sales* - May	% m/m	-0.5	-0.7	0.0
8:30	Control Group* - May	% m/m	--	-0.6	-1.5
8:30	Producer prices* - May	% m/m	--	0.5	0.6
8:30	Ex. food & energy* - May	% m/m	--	0.5	0.7
8:30	Empire manufacturing* - Jun	index	22.5	22.0	24.3
9:15	Industrial production* - May	% m/m	0.5	0.6	0.5
9:15	Manufacturing production* - May	% m/m	0.6	0.8	0.4
Mexico					
10:00	International reserves - Jun 11	US\$b	--	--	193.8
12:30	Government weekly auction: 1-12M CETES; 20Y Mbono, 20Y Udibono, Bondes D				
China					
22:00	Industrial production - May	% y/y	--	9.2	9.8
22:00	Retail sales - May	% y/y	--	14.0	17.7
22:00	Gross fixed investment (YTD) - May	% y/y	--	17.0	19.9

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.
Equity indices		
S&P 500 Futures	4,249.75	0.1%
Euro Stoxx 50	4,153.26	0.5%
Nikkei 225	29,441.30	1.0%
Shanghai Composite	3,556.56	-0.9%
Currencies		
USD/MXN	19.93	-0.2%
EUR/USD	1.21	-0.1%
DX	90.63	0.1%
Commodities		
WTI	71.90	1.4%
Brent	73.75	1.2%
Gold	1,865.32	0.0%
Copper	436.25	-3.6%
Sovereign bonds		
10-year Treasury	1.50	0pb

Source: Bloomberg

Equities

- Stock markets mostly positive, although with modest variations. This comes after new record highs (S&P500 and Nasdaq) in the previous session and while investors are cautious ahead of the start of the Fed's two-day meeting, where the focus will be on comments regarding interest rates, inflation, and economic recovery, which could trigger global market movements
- In the US, futures anticipate an upward opening, with the S&P500 and the Nasdaq trading at +0.1%, as we see a renewed appetite for growth stocks. Meanwhile, in Europe, the Stoxx 600 rises 0.5%, supported by the consumer staples and industrials sectors
- In Asia, markets closed mixed, where the Nikkei increased 1.0% and the Shanghai Comp fell 0.9%

Sovereign fixed income, currencies and commodities

- Rates from sovereign bonds slightly pressured following yesterday's global sell-off in which the 10-year US Treasury registered an adjustment of +4bps. Today the US Treasuries' curve rises by 1bp in the long-end. Mbonos started the week strengthening 4bps in short- and mid-term tenors, while the long-end pressured by 2bps, on average
- The USD trades stable with a modestly positive bias amid a negative balance in G10 and emerging currencies, although under narrow ranges. In EM TRY underperforms (-1.3%), while RUB and MXN are the only positive with the peso appreciating 0.2% to 19.93 per dollar
- Crude oil gains ~1% amid a positive backdrop in demand recovery expectations, with API inventories due later today. In metals coppers' 4% fall is a highlight with prices reaching a 7-week low on the back of some uncertainty on Chinese demand. Precious metals are also trading down today

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	34,393.75	-0.2%
S&P 500	4,255.15	0.2%
Nasdaq	14,174.14	0.7%
IPC	51,029.54	-0.5%
Ibovespa	130,208.00	0.6%
Euro Stoxx 50	4,132.67	0.1%
FTSE 100	7,146.68	0.2%
CAC 40	6,616.35	0.2%
DAX	15,673.64	-0.1%
Nikkei 225	29,161.80	0.7%
Hang Seng	28,842.13	0.0%
Shanghai Composite	3,589.75	0.0%
Sovereign bonds		
2-year Treasuries	0.16	1pb
10-year Treasuries	1.49	4pb
28-day Cetes	4.07	0pb
28-day TIIE	4.29	0pb
2-year Mbono	4.91	-4pb
10-year Mbono	6.66	0pb
Currencies		
USD/MXN	19.96	0.4%
EUR/USD	1.21	0.1%
GBP/USD	1.41	0.0%
DXY	90.52	0.0%
Commodities		
WTI	70.88	0.0%
Brent	72.86	0.2%
Mexican mix	67.24	0.2%
Gold	1,866.18	-0.6%
Copper	452.70	-0.2%

Source: Bloomberg

Corporate Debt

- Banco Actinver (Trustee) informed that on June 22, 2021, the total voluntary early amortization of the ACTLECB 19 issue (Active Leasing ABS) will be carried out for MXN 203.95 million. Likewise, it reported that the principal payment does not foresee that a premium will be generated
- Fitch Ratings ratified the ratings of Federal Agencies (Nafin, Infonavit, Banobras, Infonacot, SHF and Bancomext) in line with the sovereign ratings of Mexico, and on a national scale at the highest end of the scale ('BBB- / AAA(mex)'), driven by the high support capacity of the Mexican government or, where appropriate, by the explicit support in the law
- Fitch Ratings upgraded Inmobiliaria Ruba and its RUBA 17 issue ratings to 'AA- (mex)' from 'A+ (mex)' due to the consistency of results distinguished by sustained growth and expectation of positive free cash flow

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, 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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	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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