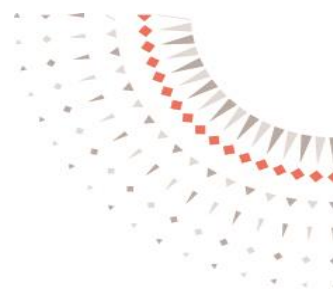


# Financial Markets Daily



September 1, 2021

## Main drivers for the financial markets today...

- **Stock markets positive, USD stable and government bond yields mostly positive** given an extension on optimism regarding global growth, supported by solid earnings results and expecting a cautious and gradual unwinding of the Fed's QE
- **OPEC increased their oil demand forecast for 2022, now expected at 4.2 million barrels per day (previous: 3.3 million barrels per day).** This happens just before their meeting today, in which it is expected they will ratify an increase to output of 400kbpd
- **In the US, Democrats have not reached consensus on a capital gains tax for those earning more than US\$1 million.** Currently the rate stands at 20%, with some seeking for it to go up to 39.6%, with others pushing for a more modest level of 28%. On data we highlight the release of ADP's private sector employment report and the Manufacturing ISM (August). On Fed speakers, we will have comments from Raphael Bostic (Atlanta)
- **In the Eurozone, manufacturing PMIs surprised mostly higher, except for Germany.** Nevertheless, the reports show that unfilled factory orders rose to an unprecedented level due to bottlenecks on supply chains
- **In México, President López Obrador will deliver his Annual Address, with rumors about potential cabinet changes, while Congress will start its fall session.** Regarding economic figures we will have family remittances (July), Banxico's expectations survey and IMEF's PMIs (August)

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## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>United States</b>					
8:15	ADP employment* - Aug	thousands	700	650	330
10:00	ISM manufacturing* - Aug	index	58.5	58.5	59.5
12:00	Fed's Bostic discusses bringing about an inclusive economy				
<b>Mexico</b>					
10:00	Family remittances - Jul	US\$m	3,195.8	4,182.5	4,440.0
10:00	Survey of expectations (Banxico)				
13:00	PMI manufacturing (IMEF)* - Aug	index	51.8	--	52.2
13:00	PMI non-manufacturing (IMEF)* - Aug	index	51.5	--	52.9
	Annual Presidential Address and Congress resumes sessions after summer break				

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.
<b>Equity indices</b>		
S&P 500 Futures	4,536.25	0.3%
Euro Stoxx 50	4,238.08	1.0%
Nikkei 225	28,451.02	1.3%
Shanghai Composite	3,567.10	0.7%
<b>Currencies</b>		
USD/MXN	20.03	-0.2%
EUR/USD	1.18	0.1%
DX	92.65	0.0%
<b>Commodities</b>		
WTI	68.70	0.3%
Brent	71.83	-1.6%
Gold	1,813.26	0.0%
Copper	425.35	-2.4%
<b>Sovereign bonds</b>		
10-year Treasury	1.32	1pb

Source: Bloomberg

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## Equities

- Stock markets start the month of September with positive movements, as investors have confidence in the continuity of economic recovery, despite the still latent risks related to the pandemic. Moreover, the expectation of a gradual and orderly transition in the monetary policy of central banks adds to market's optimism
- In the US, futures anticipate an upward opening, with the S&P500 trading at +0.3% after posting in August the seventh consecutive month of gains. Meanwhile, in Europe, the main equity markets are up and the Stoxx 600 rises 0.6%, highlighting the advance in cyclical sectors
- In Asia, trading session ended in positive territory, with the Shanghai Comp and the Nikkei gaining 0.7% and 1.3%, respectively. In Mexico, yesterday the Mexbol closed at 53,304.74 pts, reaching a new record high

## Sovereign fixed income, currencies and commodities

- Negative balance in global rates with European assets adjusting +2bps. In addition, US Treasuries print a 1bp sell-off from the 5-year node onwards. In Mexico, the Mbonos' yield curve flattened slightly yesterday, the short-term assets adjusted +2bps and the long-term securities rallied 3bps
- The USD trades fairly unchanged amid a mixed performance in G10 under ranges limited by +/-0.3%. In EM, bias is positive with ZAR as the strongest (+0.6%), while MXN trades close its 100-day MA at 20.03 per dollar (+0.2%), extending the week's gains
- Crude-oil falls after posting its biggest monthly loss since October. Attention is focused on the OPEC+ Ministerial Meeting with a supply increase expected. In metals, balance registers widespread losses with copper adjusting -2.0%

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	35,360.73	-0.1%
S&P 500	4,522.68	-0.1%
Nasdaq	15,259.24	0.0%
IPC	53,304.74	1.3%
Ibovespa	118,781.00	-0.8%
Euro Stoxx 50	4,196.41	-0.1%
FTSE 100	7,119.70	-0.4%
CAC 40	6,680.18	-0.1%
DAX	15,835.09	-0.3%
Nikkei 225	28,089.54	1.1%
Hang Seng	25,878.99	1.3%
Shanghai Composite	3,543.94	0.4%
<b>Sovereign bonds</b>		
2-year Treasuries	0.21	1pb
10-year Treasuries	1.31	3pb
28-day Cetes	4.39	-5pb
28-day TIIE	4.75	0pb
2-year Mbono	5.48	0pb
10-year Mbono	6.99	1pb
<b>Currencies</b>		
USD/MXN	20.07	-0.3%
EUR/USD	1.18	0.1%
GBP/USD	1.38	0.0%
DXY	92.63	0.0%
<b>Commodities</b>		
WTI	68.50	-1.0%
Brent	72.99	-0.6%
Mexican mix	66.02	-0.7%
Gold	1,813.62	0.2%
Copper	437.50	0.0%

Source: Bloomberg

## Corporate Debt

- Corporación Actinver announced it signed an Investment Agreement with Acon Investments LLC through which ACON will make an investment in the company through the subscription of stock convertible liabilities for an amount equivalent to up to 15% of the total equity
- Fitch Ratings downgraded Fibra Inn's and its unsecured note FINN 18's ratings to 'BBB+(mex)' from 'A(mex)' and revised the outlook to Stable from Negative. The ratings downgrade reflects the weak revenue and EBITDA caused by the coronavirus pandemic
- Fitch Ratings affirmed the ratings for issuance TENIXCB 14U (Tenango – Ixtapan de la Sal highway Future Flow) at 'AA+(mex)vra' and changed the outlook to Positive from Stable reflecting the fact that financial metrics stand way above the indicative range for the current rating category

## 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, Alik Daniel García Álvarez, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, and Juan Barbier Arizmendi, 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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