

Financial Markets Daily

Main drivers for the financial markets today...

- **Stk mkts(+), govt bond yields(+)** and **USD** mixed as speculation grows that the **@federalreserve** may delay tapering after last week's weaker than expected employment report. Moreover, aluminum reaches a one-decade high
- **This week, markets will turn their attention to ECB monetary policy decision, along with announcements in Australia, Canada, Poland, Malaysia, Russia, Ukraine and Peru**
- **In the US, markets will be closed today for Labor Day holiday. Later, consumer credit (Jul), PPI (Aug), weekly initial jobless claims, as well as the Beige Book and comments by several Fed members**
- **Additionally, investors are speculating that Joe Biden could decide about a possible extension of Jerome Powell for a second term as Fed chair. It will also be important to see the US stance on Afghanistan and the expiration of additional employment benefits**
- **Final GDP and employment (2Q21) will be published in the Eurozone, together with the ZEW expectations survey (Aug). In China, consumer and producer inflation, trade balance and investment (Aug)**
- **In Mexico, June's gross fixed investment (-1.8% m/m) and private consumption (-0.8%) were released earlier. Other figures include industrial production (Jul), inflation, wage negotiations and auto sector figures (Aug), along with the survey of expectations from Citibanamex. In addition, the Mexican government will deliver the FY2022 budget proposal to Congress on September 8th**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Mexico</i>					
7:00	Gross fixed investment - Jun	% y/y	17.6	--	46.5
7:00	Gross fixed investment* - Jun	% m/m	-1.6	--	0.7
7:00	Private consumption - Jun	% y/y	--		28.8
7:00	Private consumption* - Jun	% m/m	--		0.9
<i>China</i>					
22:00	Trade balance - Aug	USDbn	--	51.0	56.6
22:00	Exports - Aug	% y/y	--	17.2	19.3
22:00	Imports - Aug	% y/y	--	27.0	28.1

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	4,543.50	0.2%
Euro Stoxx 50	4,240.13	0.9%
Nikkei 225	29,659.89	1.8%
Shanghai Composite	3,621.86	1.1%
<i>Currencies</i>		
USD/MXN	19.89	-0.2%
EUR/USD	1.19	-0.1%
DX	92.27	0.3%
<i>Commodities</i>		
WTI	68.90	-0.6%
Brent	72.22	-0.5%
Gold	1,824.00	-0.2%
Copper	430.50	-0.5%
<i>Sovereign bonds</i>		
10-year Treasury	1.32	0pb

Source: Bloomberg

Equities

- **Positive sentiment in stock markets, while investors continue assimilating weak labor market figures in the US, which have risen speculations that tapering may be somewhat delayed. In the US, futures rise, though markets will remain closed for “Labor Day” holiday, which will affect traded volume in other markets**
- **In Asia the session concluded with widespread gains, standing out Japan, with the Nikkei reaching new highs, with the expectation that new economic policies may be implemented once PM Yoshihide Suga steps down. Europe trades positive, supported by the rise in technology stocks, while aluminum producers are reacting to the new highs in metal prices, after Guinea’s political tensions.**
- **In México, the preliminary rebalancing results for the S&P S&P/BMV IPC Index show VOLAR A shares to be included by September 20th**

Sovereign fixed income, currencies and commodities

- **Today US market will be closed due to Labor Day decreasing the trading volume. Modest pressures in European rates adjusting +1bp. In Mexico, the Mbonos' yield curve flattened last week, with the 10-year benchmark closing at 6.99% (unchanged w/w)**
- **The USD trades with gains against most of developed currencies with AUD leading losses (-0.3%). In EM, bias is mixed with TRY as the strongest (+0.5%), while MXN trades at 19.89 per dollar (+0.2%), after a 1.4% weekly appreciation**
- **Crude-oil falls as Saudi Arabia cut prices for Asian buyers raising competition amid uncertainty in the demand outlook. Negative performance in metals except for aluminum which gains 1.1% reaching multi-year highs**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	35,369.09	-0.2%
S&P 500	4,535.43	0.0%
Nasdaq	15,363.52	0.2%
IPC	51,835.09	-0.5%
Ibovespa	116,933.20	0.2%
Euro Stoxx 50	4,201.98	-0.7%
FTSE 100	7,138.35	-0.4%
CAC 40	6,689.99	-1.1%
DAX	15,781.20	-0.4%
Nikkei 225	29,128.11	2.0%
Hang Seng	25,901.99	-0.7%
Shanghai Composite	3,581.73	-0.4%
<i>Sovereign bonds</i>		
2-year Treasuries	0.21	0pb
10-year Treasuries	1.32	4pb
28-day Cetes	4.47	1pb
28-day TIIIE	4.74	0pb
2-year Mbono	5.59	5pb
10-year Mbono	6.99	2pb
<i>Currencies</i>		
USD/MXN	19.93	-0.2%
EUR/USD	1.19	0.0%
GBP/USD	1.39	0.3%
DXY	92.04	-0.2%
<i>Commodities</i>		
WTI	69.29	-1.0%
Brent	72.61	-0.6%
Mexican mix	65.39	-0.4%
Gold	1,827.73	1.0%
Copper	433.40	0.7%

Source: Bloomberg

Corporate Debt

- **S&P Global Ratings upgraded the rating for Metrofinanciera’s MBS, METROCB 04U, to ‘mxAA+ (sf)’ from ‘mxAA (sf)’ following the increasing credit protection levels derived from the full turbo amortization scheme where the transaction stands now**
- **Moody’s assigned ratings to Coca-Cola FEMSA’s proposed sustainability linked bonds (KOF 21L / 21-2L, MXN 10.0 billion) of ‘A2’ on a global scale and ‘Aaa.mx’ on a local scale. KOF’s ratings benefit from its position as the largest bottler worldwide of the Coca-Cola franchise**
- **S&P Global Ratings assigned ratings for Cetelem’s proposed unsecured notes (CETELEM 21-3 / 21-4, MXN 2.0 billion) of ‘mxAAA’. The ratings are based on the unconditional and irrevocable guarantee granted by its holding company based in France, BNP Paribas**

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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, 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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	Reference
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HOLD	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
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