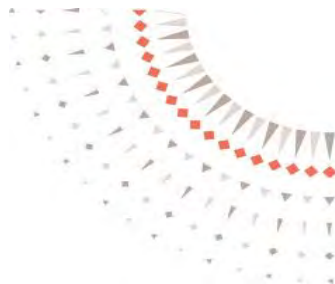


# Financial Markets Daily



September 10, 2021

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

- **Stock markets higher, with the USD on the downside and government bond yields up amid optimism that US-China geopolitical tensions might ease after a call between presidents Joe Biden and Xi Jinping to improve the relationship between both countries, separating topics in which there can be an agreement**
- **Market participants will pay attention to several Fed speakers, as well as August’s PPI in the US. In Mexico, we will watch the release of contractual wage negotiations**
- **President Biden said he will order all executive branch employees, federal contractors and millions of health-care workers to be vaccinated against COVID-19. Moreover, his administration will issue rules requiring large private employees to mandate shots or testing**
- **The UK barely grew 0.1% m/m in July, suggesting that the recovery is moderating despite completing the reopening during the period as it was affected by the rise in the spread of the ‘delta variant’, among other factors**
- **In Mexico, July’s industrial production grew 1.1% m/m (+7.3% y/y), surprising consensus to the upside despite a complex backdrop. There were increases in manufacturing (1.4%) and construction (0.6%), albeit with an additional decline in mining (-0.3%)**

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>Germany and UK</i>					
2:00	GER Consumer prices - Aug (F)	% y/y	--	3.9	3.9
2:00	UK Industrial production* - Jul	% m/m	--	--	-0.7
<i>Mexico</i>					
7:00	Industrial production - Jul	% y/y	6.4	7.2	13.5
7:00	Industrial production* - Jul	% m/m	0.3	0.2	-0.5
7:00	Manufacturing output - Jul	% y/y	5.2	5.4	16.3
	Wage negotiations - Aug	% y/y	--	--	5.6
<i>Brazil</i>					
8:00	Retail sales - Jul	% y/y	--	3.0	6.3
8:00	Retail sales* - Jul	% m/m	--	0.5	-1.7
<i>United States</i>					
8:30	Producer prices* - Aug	% m/m	--	0.6	1.0
8:30	Ex. food & energy* - Aug	% m/m	--	0.5	1.0
9:00	Fed's Mester Speaks at Bank of Finland Conference				

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; \* Seasonally adjusted, \*\* Seasonally adjusted annualized rate.

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

## A glimpse to the main financial assets

	Last	Daily chg.
<i>Equity indices</i>		
S&P 500 Futures	4,502.50	0.4%
Euro Stoxx 50	4,200.51	0.6%
Nikkei 225	30,381.84	1.2%
Shanghai Composite	3,703.11	0.3%
<i>Currencies</i>		
USD/MXN	19.90	-0.2%
EUR/USD	1.18	0.1%
DXY	92.46	0.0%
<i>Commodities</i>		
WTI	69.32	1.7%
Brent	72.70	1.7%
Gold	1,796.48	0.1%
Copper	434.90	1.5%
<i>Sovereign bonds</i>		
10-year Treasury	1.32	2pb

Source: Bloomberg  
Document for distribution among public

### Equities

- **Equity markets conclude the week with positive movements as concerns about an abrupt stimulus tapering by central banks seem to ease (after the ECB announcement yesterday), as well as the hope that the geopolitical tension between the US and China will decrease. In addition, there were news about online games in China that point to a less harsh regulation than the one previously mentioned**
- **In Asia the markets closed positive. In Europe stocks advance, the Euro Stoxx adds 0.6%. Shares from technology and consumer discretionary lead gains, while those from communication services and utilities show losses. In turn, in the US the futures of main indices point to a positive open by rising 0.4% on average**
- **In Mexico, the Mexbol may stand above the 51,500 pts**

### Sovereign fixed income, currencies and commodities

- **Global rates pressure modestly, with US Treasuries steepening amid an adjustment of +2bps in the long-end, while in European securities performance is similar with an adjustment of +2bps, on average. This week, Mbonos print a gain of 4bps, on average, while Udibonos a 2bps loss**
- **The USD trades slightly negative amid a strong performance in most of G10 currencies, although under narrow ranges, while in EM FX balance is also positive. In the latter, ZAR leads the gains (+0.8%) and the MXN appreciates 0.2% to 19.90 per dollar**
- **Crude oil picks up close to 2%, limiting a weaker negative balance, with the market assimilating the announcement of the release of oil from Chinese strategic reserves, while the last sessions have also been affected by the Gulf of Mexico’s climate and US stock draws. Metals positive, especially industrials**

### Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	34,879.38	-0.4%
S&P 500	4,493.28	-0.5%
Nasdaq	15,248.25	-0.3%
IPC	51,395.06	-0.1%
Ibovespa	115,360.90	1.7%
Euro Stoxx 50	4,177.11	0.0%
FTSE 100	7,024.21	-1.0%
CAC 40	6,684.72	0.2%
DAX	15,623.15	0.1%
Nikkei 225	30,008.19	-0.6%
Hang Seng	25,716.00	-2.3%
Shanghai Composite	3,693.13	0.5%
<i>Sovereign bonds</i>		
2-year Treasuries	0.21	0pb
10-year Treasuries	1.30	-4pb
28-day Cetes	4.55	2pb
28-day TIIE	4.74	0pb
2-year Mbono	5.53	-4pb
10-year Mbono	6.95	-4pb
<i>Currencies</i>		
USD/MXN	19.94	0.0%
EUR/USD	1.18	0.1%
GBP/USD	1.38	0.5%
DXY	92.48	-0.2%
<i>Commodities</i>		
WTI	68.14	-1.7%
Brent	71.45	-1.6%
Mexican mix	64.38	-1.3%
Gold	1,794.58	0.3%
Copper	428.55	1.2%

Source: Bloomberg

### Corporate Debt

- **Grupo Carso informed the assignment of "Trabajos llave en mano para perforar y terminar pozos de desarrollo para campos terrestres de PEP" to its subsidiary GSM-Bronco for a minimum amount of US\$196 million. The works will be carried out between September 2021 and December 2023**
- **Fibra Storage announced the acquisition of the “Roma” branch for a total price of MXN 379 million. Fibra Storage has two outstanding issuances in the national debt market, the STORAGE 21V / 21-2V Green Bonds, placed in June, with an outstanding amount of MXN 1.5 billion. Fibra Storage and its bonds are rated 'AA- (mex)' by Fitch Ratings and 'HR AA' by HR Ratings**

## 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.

## Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

## Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

## Last-twelve-month activities of the business areas.

*Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.*

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

## Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

## Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

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
<b>BUY</b>	<i>When the share expected performance is greater than the MEXBOL estimated performance.</i>
<b>HOLD</b>	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
<b>SELL</b>	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

## Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V., since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

*The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.*

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 Fernández	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
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
Alik Daniel García Álvarez	Senior Strategist, Equity	alik.garcia.alvarez@banorte.com	(55) 1670 - 1800
Víctor Hugo Cortés Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
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 Solida Banorte	alejandro.frigolet.vazquezvela@banorte.co	(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 Roldán Ferrer	Head of Commercial Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454