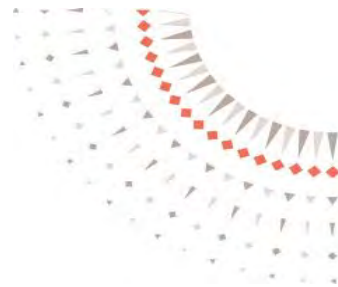


Financial Markets Daily



November 9, 2021

Main drivers for the financial markets today...

- **Positive stock markets, with mixed closes in Asia ahead of several inflation reports in the world this week and with good corporate results still supporting risk appetite. Government bond yields and USD down, while commodities trade mostly positive**
- **Markets speculate on who will be the Fed chairman starting in February next year, after it was said yesterday that Lael Brainard was interviewed last week at the White House, making it clear that Powell's re-election is not yet a fact. Brainard is considered to have a likely more dovish bias and President Biden's decision is expected towards the end of the month**
- **In today's agenda, besides Powell's comments from the Federal Reserve, Bullard, Daly and Kashkari will also speak. Regarding economic figures, in US October's producer prices will be released, and later in the night, China publishes CPI data**
- **In Mexico, INEGI released October's inflation at +0.84% m/m, once again surprising higher, with the core up 0.49% m/m. As such, annual inflation came in at 6.24% (previous: 6.00%), with the core at 5.19% (previous: 4.92%)**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Germany</i>					
5:00	ZEW Survey (Expectations) - Nov	index	--	20.0	22.3
<i>Mexico</i>					
7:00	Consumer prices - Oct	% m/m	0.79	0.77	0.62
7:00	Core - Oct	% m/m	0.49	0.47	0.46
7:00	Consumer prices - Oct	% y/y	6.19	6.19	6.00
10:00	International reserves - Nov 5	US\$bn	--	--	198.9
12:30	Government weekly auction: 1-, 3-, 6- 12- month CETES; 3-year Mbono (Sep'24); 30-year Udibono (Nov'50) and 5-year Bondes F				
<i>United States</i>					
8:30	Producer prices* - Oct	% m/m	--	0.6	0.5
8:30	Ex. food & energy*-Oct	% m/m	--	0.5	0.2
9:00	ECB's Knot, Fed's Bullard on UBS Panel				
9:00	Powell to Speak at Joint Fed, ECB and BoC Diversity Conference				
11:35	Fed's Daly, apeak at NABE conference				
13:30	Fed's Kashkari takes part in moderated discussion				
<i>China</i>					
20:30	Consumer prices - Oct	% y/y	--	1.4	0.7

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.
<i>Equity indices</i>		
S&P 500 Futures	4,689.00	-0.1%
Euro Stoxx 50	4,359.52	0.2%
Nikkei 225	29,285.46	-0.8%
Shanghai Composite	3,507.00	0.2%
<i>Currencies</i>		
USD/MXN	20.37	0.2%
EUR/USD	1.16	-0.1%
DX	94.09	0.0%
<i>Commodities</i>		
WTI	82.32	0.5%
Brent	83.67	0.3%
Gold	1,824.10	0.0%
Copper	442.50	0.6%
<i>Sovereign bonds</i>		
10-year Treasury	1.46	-3pb

Source: Bloomberg

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Equities

- **Mixed movements in equity markets as investors await the publication of inflation data these days, amid positive corporate earnings that have supported several indices in the world to near record highs. In the corporate front, out of the 5 S&P 500 companies scheduled to report today, 3 have already updated investors with most outperforming estimates, including DR Horton and Westrock**
- **In Asia the markets closed mixed. In Europe stocks advance, the Euro Stoxx adds 0.2%. Shares from real estate and health care sectors lead gains, while those from financial and technology show losses. In turn, in the US the futures of main indices are mixed and show small changes, after all three hit new all-time highs in the previous session**
- **In Mexico, the Mexbol may stand above the 52,250 pts**

Sovereign fixed income, currencies and commodities

- **Positive performance in global rates registering gains of ~3bps in European securities, while the US curve prints gains of 2bps, on average, resuming last week’s rally after a profit taking yesterday. Yesterday Mbonos sold-off ~4bps**
- **The USD weakens amid a mixed performance in G10 currencies under narrow ranges, with JPY leading the appreciation (+0.2%). In EM FX bias is similar though with a wider trading band where USD/MXN limits slightly stronger levels in the session trading at 20.37 (-0.2%)**
- **Crude oil marks modest gains amid a similar performance in other commodities, highlighting this Tuesday the EIA’s STEO release which could provide some guide about the possible release of US strategic oil reserves to tackle the price surge. The grains WASDE supply and demand report is also due today**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	36,432.22	0.3%
S&P 500	4,701.70	0.1%
Nasdaq	15,982.36	0.1%
IPC	52,251.48	0.5%
Ibovespa	104,781.10	0.0%
Euro Stoxx 50	4,352.53	-0.2%
FTSE 100	7,300.40	0.0%
CAC 40	7,047.48	0.1%
DAX	16,046.52	0.0%
Nikkei 225	29,507.05	-0.4%
Hang Seng	24,763.77	-0.4%
Shanghai Composite	3,498.63	0.2%
<i>Sovereign bonds</i>		
2-year Treasuries	0.44	4pb
10-year Treasuries	1.49	4pb
28-day Cetes	5.19	4pb
28-day TIIE	5.00	0pb
2-year Mbono	6.85	3pb
10-year Mbono	7.32	0pb
<i>Currencies</i>		
USD/MXN	20.34	0.0%
EUR/USD	1.16	0.2%
GBP/USD	1.36	0.5%
DXY	94.05	-0.3%
<i>Commodities</i>		
WTI	81.93	0.8%
Brent	83.43	0.8%
Mexican mix	76.63	1.3%
Gold	1,824.18	0.3%
Copper	439.90	1.3%

Source: Bloomberg

Corporate Debt

- **Notice of additional amortization of principal for ZKCCB 17 (ZKC Administración’s ABS) for MXN 54.1 million for next November 16. The ZKCCB 17 issuance is backed by securitized lease contracts for commercial spaces and offices located mainly in Mexico City and the State of Mexico**
- **Notice of early partial amortization of ABCCB 18 (ABS of AB&C Leasing) for next November 17 for MXN 57.7 million. The ABCCB 18 issuance is backed by the collection rights of a portfolio of leases originated by AB&C Leasing de México, has an outstanding amount of MXN 429 million and is rated ‘mxAAA / HR AAA’ by S&P Global and HR Ratings**

Certification of Analysts.

We, Alejandro Padilla Santana, 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, and Gerardo Daniel Valle Trujillo, 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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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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