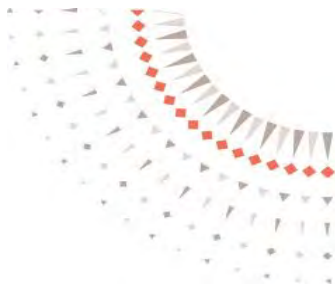


# Financial Markets Daily



December 2, 2021

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

- **Stock markets and government bond yields mixed, with the USD lower assimilating comments form Powell yesterday, news on the virus and government actions surrounding the new variant, analyzing their potential effects on the economy and inflation. Attention also on OPEC+ meeting today**
- **On the monetary front, Jerome Powell reinforced his message that the Fed should consider accelerating the pace of tapering. In this context, today we will be looking into comments from Bostic, Quarles and Daly, awaiting possible clues on this. Meanwhile, the possibility of a new government shutdown in the US have increased due to the lack of consensus on a stopgap bill that would fund this. The deadline to avoid it is tomorrow, so we will be looking into progress during the day**
- **On economic data, in the Eurozone, October’s unemployment rate fell marginally to 7.3%. Brazil’s 3Q21 GDP fell 0.1% t/t. In the US, weekly jobless claims will be released. In Mexico, the National Minimum Wage Commission announced that the minimum wage increase in 2022 will stand at 22%. This would be a new high for the administration**
- **More cases of the ‘Omicron’ variant have been detected in additional countries, including the US. On a positive note, according to medical authorities in Australia, the new strain does not seem to be deadlier than previous ones. In addition, Pfizer mentioned that they expect their vaccine to be effective, expecting more data in two to three weeks**

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## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Unemployment rate* - Oct	%	--	7.3	7.4
Brazil					
7:00	Gross domestic product - 3Q21	% y/y	--	4.3	12.4
7:00	Gross domestic product* - 3Q21	% q/q	--	0.0	-0.1
United States					
8:30	Fed's Bostic Discusses the High Cost of Housing				
8:30	Initial jobless claims* - nov 27	thousands	230	250	199
11:00	Fed's Powell and Treasury Secretary Janet Yellen take part in an oversight hearing before the House Financial S				
11:30	Fed's Bostic Takes Part in a Reuters Event				
11:30	Fed's Daly and Barkin speak at Peterson Institute				
China					
20:45	Services PMI (Caixin)* - Nov	index	--	51.0	53.8
20:45	Composite PMI (Caixin)* - Nov	index	--	--	51.5

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	4,518.25	0.2%
Euro Stoxx 50	4,095.35	-2.0%
Nikkei 225	27,753.37	-0.7%
Shanghai Composite	3,573.84	-0.1%
<i>Currencies</i>		
USD/MXN	21.35	-0.8%
EUR/USD	1.13	0.2%
DX-Y	95.88	-0.2%
<i>Commodities</i>		
WTI	65.69	0.2%
Brent	69.02	0.2%
Gold	1,779.62	-0.1%
Copper	426.35	0.4%
<i>Sovereign bonds</i>		
10-year Treasury	1.42	2pb

Source: Bloomberg  
Document for distribution among public

### Equities

- **Mixed movements in equity markets as investors assessed the outlook for monetary policy in the US, following comments from Fed Chairman Jerome Powell pointing to a tightening, while concerns about the impact of the new variant of COVID-19 on economic growth continue to weigh on investor sentiment. In turn, on the corporate front, Apple's announcement about a slowdown in iPhone sales stood out**
- **In Asia the markets closed mixed. In Europe stocks drop, the Euro Stoxx decreases 1.9%. Shares from technology, communication services and utilities sectors lead losses. In turn, in the US the futures of main indices are mixed, with the S&P500 rising 0.3%**
- **In Mexico, the Mexbol may stand around the 50,000 pts**

### Sovereign fixed income, currencies and commodities

- **Mixed performance in sovereign bonds with European assets adjusting -2bps on average while the US Treasuries curve recorded pressures of 4bps on average. Yesterday, the Mbonos' curve ended with pressures of 5bps on average, concentrated in the short- and mid-end. The 10-year benchmark closed at 7.50% (+1bp)**
- **The dollar weakens (DXY -0.1%) while developed currencies show a mixed performance with GBP (+0.3%) and NOK(-0.4%) at the extremes. In the EM group, dynamics are also mixed, with ZAR (+1.1%) leading the gains and MXN the second strongest appreciating 0.8% to 21.35 per dollar**
- **Crude oil prices advance 1.2% with investors awaiting the OPEC+ ministerial meeting and its decision on production. In metals, gold trades at 1,777 \$/oz t (-0.2%) and industrials are slightly positive**

### Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	34,022.04	-1.3%
S&P 500	4,513.04	-1.2%
Nasdaq	15,254.05	-1.8%
IPC	50,007.16	0.6%
Ibovespa	100,774.60	-1.1%
Euro Stoxx 50	4,179.15	2.9%
FTSE 100	7,168.68	1.5%
CAC 40	6,881.87	2.4%
DAX	15,472.67	2.5%
Nikkei 225	27,935.62	0.4%
Hang Seng	23,658.92	0.8%
Shanghai Composite	3,576.89	0.4%
<i>Sovereign bonds</i>		
2-year Treasuries	0.55	-1pb
10-year Treasuries	1.40	-4pb
28-day Cetes	5.14	4pb
28-day TIIIE	5.23	0pb
2-year Mbono	6.95	10pb
10-year Mbono	7.50	-2pb
<i>Currencies</i>		
USD/MXN	21.51	0.3%
EUR/USD	1.13	-0.2%
GBP/USD	1.33	-0.2%
DXY	96.03	0.0%
<i>Commodities</i>		
WTI	65.57	-0.9%
Brent	68.87	-2.4%
Mexican mix	61.23	-7.9%
Gold	1,781.73	0.4%
Copper	424.75	-0.8%

Source: Bloomberg

### Corporate Debt

- **Today we expect the auction of a structured bond from Fin Útil (ConCrédito) backed by a credit contracts portfolio. The issuance FUTILCB 21 will have a 3.5-year term (42 months) and will pay a floating rate. The assigned ratings were ‘mxAAA’ by S&P Global and ‘HR AAA’ by HR Ratings**
- **Viva Aerobus informed it reached a commercial alliance with Allegiant with the objective of expanding the low-cost direct flight alternatives between the US and Mexico. Allegiant will also make an investment in Viva Aerobus through a convertible debt scheme for an amount of US\$50 million**
- **Fitch Ratings affirmed Naturgy México’s long-term, national scale rating at ‘AAA(mex)’ with a Stable outlook**

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

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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
<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.

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