

# Financial Markets Daily

December 13, 2021

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

- Stock markets up, government bond yields lower, but USD mixed with a favorable bias against G10, with investors optimistic about possible stimulus measures in China, albeit also waiting for the Fed decision as well as from a plethora of central banks, while fears about the omicron variant remain high
- No relevant economic data today in the US, while in Mexico we will only know same-store sales by ANTAD (Nov)
- Investors' focus this week on monetary policy decisions by the Fed – expecting an acceleration of the tapering–, ECB, BoE, BoJ, as well as in Turkey, Chile and Colombia, among others. We anticipate Banxico to hike the reference rate by 50bps, to 5.50% In addition, European Union leaders will meet to discuss if mandatory vaccinations are needed during the European Council
- In the economic agenda, we highlight December's PMIs in Germany, Eurozone, UK and the US. In the latter, we will also know producer prices for the same period, retail sales, industrial production, housing starts and permits (Nov) and the Philly Fed and Empire manufacturing indicators (Dec)
- Going to other regions, releases include activity data in China (Nov); industrial production and trade balance in the Eurozone (Oct); consumer prices in the UK (Nov), IFO survey in Germany (Dec); as well as minutes and Quarterly Report by the BCB and economic activity in Brazil (Oct)
- During the weekend, Mexico informed that 165,463 new jobs affiliated to IMSS were created in November. The agenda includes only the survey of analysts' expectations from Banxico

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## The most relevant economic data...

Event/Period	Unit	Banorte	Survey	Previous
<i>Mexico</i>				
ANTAD same-store sales - Nov	% y/y	--	--	11.6

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	4,716.25	0.3%
Euro Stoxx 50	4,230.02	0.7%
Nikkei 225	28,640.49	0.7%
Shanghai Composite	3,681.08	0.4%
<i>Currencies</i>		
USD/MXN	20.88	0.0%
EUR/USD	1.13	-0.4%
DX	96.34	0.2%
<i>Commodities</i>		
WTI	71.43	-0.3%
Brent	74.88	-0.4%
Gold	1,788.04	0.3%
Copper	429.40	0.3%
<i>Sovereign bonds</i>		
10-year Treasury	1.47	-1pb

Source: Bloomberg

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## Equities

- The week starts with positive movements in main stock indices, with investors' attention focused on monetary policy decisions, while worries from high inflation and the impact of the 'Omicron' variant continue
- As such, futures in the US anticipate a positive opening, with the S&P500 trading 0.3% above its theoretical value, in which gains in technology stocks stand out
- Asia closed mixed, with Japan and China rising 0.7% and 0.4%, respectively, while Hong Kong dropped 0.2%. Europe trades with almost widespread gains, supported by the advance in the mining sector. In Mexico, the Mexbol Index may keep consolidating between 51,000 and 51,500pts

## Sovereign fixed income, currencies and commodities

- Positive balance in global rates, with European securities adjusting -2bps on average. Meanwhile, US Treasuries print gains of 2bps after a sell-off of up to 22bps in long-term securities. In Mexico, the Mbonos' yield curve appreciated last week 3bps, on average, excluding short-term securities
- USD slightly positive amid a negative performance in all G10 currencies with NOK as the weakest (-0.6%). In the EM universe, MXN is trading at 20.87 per dollar (-0.1%) after a weekly appreciation of 1.9% the previous week
- Crude-oil starts the week lower, with setbacks after registering the largest weekly rally in three months. Market participants focus on news about 'Omicron' variant and new information on the use of strategic crude-oil reserves in US and Asia. Widespread gains in metals

## Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	35,970.99	0.6%
S&P 500	4,712.02	1.0%
Nasdaq	15,630.60	0.7%
IPC	51,213.48	0.0%
Ibovespa	107,758.30	1.4%
Euro Stoxx 50	4,199.16	-0.2%
FTSE 100	7,291.78	-0.4%
CAC 40	6,991.68	-0.2%
DAX	15,623.31	-0.1%
Nikkei 225	28,437.77	-1.0%
Hang Seng	23,995.72	-1.1%
Shanghai Composite	3,666.35	-0.2%
<i>Sovereign bonds</i>		
2-year Treasuries	0.65	-3pb
10-year Treasuries	1.48	-2pb
28-day Cetes	5.28	1pb
28-day TIE	5.24	0pb
2-year Mbono	6.94	2pb
10-year Mbono	7.35	-1pb
<i>Currencies</i>		
USD/MXN	20.88	-0.4%
EUR/USD	1.13	0.2%
GBP/USD	1.33	0.4%
DXY	96.10	-0.2%
<i>Commodities</i>		
WTI	71.67	1.0%
Brent	75.15	1.0%
Mexican mix	66.74	0.6%
Gold	1,782.84	0.4%
Copper	428.65	-1.1%

Source: Bloomberg

## Corporate Debt

- CI Banco (Common Rep.) Informed CIE's intention to carry out the full early amortization of its CIE 20 bond on December 17, 2021. The issuance outstanding amount is MXN 500 million. CIE is rated 'A (mex)' and 'HR AA-' by Fitch Ratings and HR Ratings
- PCR Verum affirmed Fibra HD's ratings at 'AA / M' and '1 + / M', changed the outlook to Negative, and withdrew the Observation status. According to the agency, the Negative outlook responds to the complicated economic and social environment that they estimate will prevail at least in the coming months at the national level
- Moody's affirmed the rating of Mexican Tower Partners' MTPCB 17 issuance at 'Aaa.mx (sf)'. It is important to note that the securitization is supported by wireless transmission towers and sponsored by Mexican Tower Partners

## 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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	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>

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