

# Financial Markets Daily

February 17, 2022

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

- **Mixed stock markets, S&P Futures and government bond yields down, while the USD posts small changes amid investors showing concerns about geopolitical tensions in Ukraine and a hawkish rhetoric inside FOMC's minutes released yesterday, offsetting corporate earnings**
- **European Union leaders are discussing in Brussels tensions in Russia before the G7 foreign ministers meet on Saturday. This while Russia denies US and UK accusations that it added as many as 7,000 troops to bolster the 150,000 already near Ukraine's borders**
- **Attention on G20 finance ministers and central bankers meeting. On the other hand, after yesterday's release of the FOMC's latest meeting minutes, eyes are on the interventions of two of the Fed members who have struck a hawkish tone recently, Bullard and Mester**
- **As for economic figures, in the US the regional manufacturing indicator Philly Fed for February will be released. We estimate it at 21pts, down from 23.2pts previously. Jobless claims for the week ending February 12, will also be released. We estimate them at 215k, down from 223k the previous week, in line with the labor market's recovery**

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forecasters for Mexico in 2021, granted by  
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## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Turkey</i>					
6:00	Monetary policy decision (Central Bank of Turkey)	%	--	14.00	14.00
<i>United States</i>					
8:30	Housing starts** - Jan	thousands	--	1,700	1,702
8:30	Building permits** - Jan	thousands	--	1,750	1,885
8:30	Initial jobless claims* - Feb 12	thousands	215	220	223
8:30	Philadelphia Fed* - Feb	index	21.0	20.0	23.2
11:00	Fed's Bullard Discusses the Economy and Policy Outlook				
17:00	Fed's Mester Speaks on Economic and Policy Outlook				

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	4,459.50	-0.2%
Euro Stoxx 50	4,141.52	0.1%
Nikkei 225	27,232.87	-0.8%
Shanghai Composite	3,468.04	0.1%
<i>Currencies</i>		
USD/MXN	20.25	-0.1%
EUR/USD	1.14	0.0%
DXY	95.74	0.0%
<i>Commodities</i>		
WTI	92.06	-1.7%
Brent	93.34	-1.6%
Gold	1,886.08	0.9%
Copper	452.35	-0.3%
<i>Sovereign bonds</i>		
10-year Treasury	2.00	-3pb

Source: Bloomberg

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## Equities

- **Mixed equity markets, with negative bias, reflecting caution among investors due to geopolitical tensions prevailing in Ukraine and monetary outlook with a hawkish tone, already discounted by the market, while the flow of corporate earnings continues**
- **Futures in the US register downward movements, with the S&P trading 0.4% below its theoretical value. Asia closed with mixed movements, while in Europe caution prevails, with the Eurostoxx practically unchanged**
- **On the corporate front, today 17 companies from the S&P500 will their figures, highlighting the positives results of Southern and Walmart already published. In Mexico, Walmex's quarterly figures reflectes solid dynamism in revenue, although with pressure on margins, mainly in Central America (CA) due to royalty payments. After the markets close, Cuervo and Vesta will release their results**

## Sovereign fixed income, currencies and commodities

- **Positive balance in global sovereign rates with European securities printing gains of 3bps, on average. Moreover, US Treasuries adjust -4bps in mid-term securities. In Mexico, the Mbonos' yield curve closed yesterday with gains of 4bps, on average**
- **USD trades with few changes amid a mixed performance in developed and emerging currencies. In the former, movements are bounded by +/-0.4%. In EM, negative bias predominates with RUB as the weakest (-0.6%). Meanwhile, USD/MXN trades at 20.25 per dollar (+0.1%), scoring five positive days in a row**
- **Crude-oil registers losses with market attentive on Iran talks about a return of its supply as well as geopolitical tensions over Ukraine. In metals, copper falls 0.6%, pairing three favorable sessions and gold jumps 0.9% to 1,886 \$/oz t, reaching 8-month highs**

## Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	34,934.27	-0.2%
S&P 500	4,475.01	0.1%
Nasdaq	14,124.09	-0.1%
IPC	53,680.86	0.9%
Ibovespa	115,181.00	0.3%
Euro Stoxx 50	4,137.22	-0.2%
FTSE 100	7,603.78	-0.1%
CAC 40	6,964.98	-0.2%
DAX	15,370.30	-0.3%
Nikkei 225	27,460.40	2.2%
Hang Seng	24,718.90	1.5%
Shanghai Composite	3,465.83	0.6%
<i>Sovereign bonds</i>		
2-year Treasuries	1.52	-6pb
10-year Treasuries	2.04	-1pb
28-day Cetes	5.98	3pb
28-day TIIE	6.24	0pb
2-year Mbono	7.78	-4pb
10-year Mbono	7.80	-3pb
<i>Currencies</i>		
USD/MXN	20.28	-0.6%
EUR/USD	1.14	0.1%
GBP/USD	1.36	0.4%
DXY	95.70	-0.3%
<i>Commodities</i>		
WTI	93.66	1.7%
Brent	94.81	1.6%
Mexican mix	87.44	1.4%
Gold	1,869.80	0.9%
Copper	454.10	0.1%

Source: Bloomberg

## Corporate Debt

- **Fitch Ratings affirmed the ratings for Concesionaria Mexiquense's issuance, CONMEX 14U, at 'AAA(mex)' on a local scale, and its 'BBB' global scale ratings. The outlook is Stable. The ratings reflect the credit quality of the asset which is located in Mexico's largest metropolitan area, and that offers travel efficiencies to a traffic base mainly composed of light vehicles**
- **Moody's affirmed the ratings for issuance TUCACCB 08 (Acapulco's Tunnel's FF) at 'Ba3' on a global scale and its local scale ratings at 'Baa1.mx' and changed the outlook to Stable from Negative. The ratings affirmation reflects a relevant improvement in traffic and revenue during 2021, through which there was a recovery of its key indicators**

## Certification of Analysts.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, José Luis García Casales, Yazmín Selene Pérez Enríquez, José Itzamna Espitia Hernández, Carlos Hernández García, Paola Soto Leal, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Daniela Olea Suarez, 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
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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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