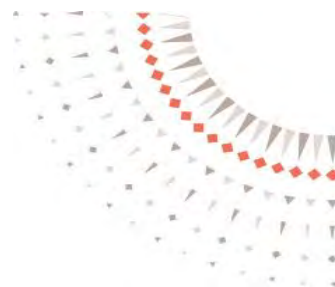


Financial Markets Daily



March 10, 2022

Main drivers for the financial markets today...

- **Negative stock markets, with Asia and the USD up, while government bond yields are down amid concerns that US inflation has accelerated for a sixth successive month and that the Russian attack on Ukraine will continue after the first talks between their foreign ministers since the invasion began**
- **Regarding monetary policy, the ECB kept reference rates unchanged and removed from its statement the sentence explaining that rates could be below current levels. Likewise, the central bank will ensure smooth liquidity conditions**
- **On economic figures, the US inflation report for February will be released. We estimate CPI at 0.8% m/m with core inflation at 0.5% m/m. With these data, the annual variation will be 7.9% while the Core will stand at 6.4%. In addition, jobless claims for the week ending March 5 will be announced. We estimate them at 215k, with no changes from the previous week**
- **In Brazil, January's retail sales were published, with a 0.3% m/m decline, and with a strong downward revision in the previous data, with which the annual variation stood at -1.5%, continuing with the signs of economic weakness at the beginning of the year**
- **In Mexico, ANTAD same-store sales and wage negotiations for February will be published**

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Winners of the award for best economic
forecasters for Mexico in 2021, granted by
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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Brazil</i>					
7:00	Retail sales* - Jan	% m/m	--	0.1	-0.1
<i>Eurozone</i>					
7:45	Monetary policy decision (ECB)	%	0.000	0.000	0.000
<i>United States</i>					
8:30	Consumer prices* - Feb	% m/m	0.8	0.8	0.6
8:30	Ex. food & energy* - Feb	% m/m	0.5	0.5	0.6
8:30	Consumer prices - Feb	% y/y	7.9	7.9	7.5
8:30	Ex. food & energy - Feb	% y/y	6.4	6.4	6.0
8:30	Initial jobless claims* - Mar 5	thousands	215	220	215
<i>Peru</i>					
18:00	Monetary policy decision (BCRP)	%	--	4.00	3.50
<i>Mexico</i>					
	ANTAD same-store sales - Feb	% y/y	--	--	20.6
	Wage negotiations - Feb	% y/y	--	--	5.6

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	4,223.50	-1.0%
Euro Stoxx 50	3,637.20	-3.4%
Nikkei 225	25,690.40	3.9%
Shanghai Composite	3,296.09	1.2%
<i>Currencies</i>		
USD/MXN	21.04	0.6%
EUR/USD	1.11	0.1%
DX-Y	97.83	-0.1%
<i>Commodities</i>		
WTI	112.87	3.8%
Brent	115.54	4.0%
Gold	2,003.90	0.6%
Copper	459.35	0.6%
<i>Sovereign bonds</i>		
10-year Treasury	1.97	1pb

Source: Bloomberg

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Equities

- **Stock markets mixed, with a negative bias, after the peace talks between Russia and Ukraine showed no progress, and with the attention focused on the inflation data in the US. Sony, Heineken and McDonald's have already suspended operations in Russia. In turn, ECB's decision remained unchanged, suggesting that it will do the necessary to maintain adequate liquidity conditions**
- **Futures in the US anticipate a negative opening, with the S&P500 trading 1.0% below its theoretical value, after the rise observed in the previous session. Likewise, Europe trades with average falls of more than 2.0% and the Eurostoxx falls 3.4%. On the other hand, Asia closed positive, highlighting the rise of the Nikkei with 3.9% and the Hang Seng with 1.3%**
- **On the corporate front, Amazon is planning to split its shares by 20 to 1 ratio with a \$10 billion share-buyback proposal, boosting the price in premarket**

Sovereign fixed income, currencies and commodities

- **Slightly positive balance in sovereign rates with European assets adjusting - 2bps, on average. Furthermore, US Treasuries trade virtually unchanged. In Mexico, the Mbonos' yield curve closed yesterday with a 7bps rally, on average**
- **Dollar strengthens against most of the G10 currencies except for NZD (+0.3%) and AUD (+0.2%). In EM, the bias is mixed with HUF (-1.5%) and RUB (+3.1%) at the extremes. Meanwhile, MXN trades at 21.01 (-0.5%), after registering its greatest appreciation since June 2020 (+2.2%)**
- **Crude-oil rebounds after recording its biggest drop in almost two years yesterday (-13%) in a backdrop of high volatility due to the war in Ukraine. Mixed balance in metals with aluminum increasing +4.7% and gold trading beyond 2,000 \$/oz t (+0.5%)**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	33,286.25	2.0%
S&P 500	4,277.88	2.6%
Nasdaq	13,255.55	3.6%
IPC	53,911.75	1.2%
Ibovespa	113,900.30	2.4%
Euro Stoxx 50	3,766.02	7.4%
FTSE 100	7,190.72	3.3%
CAC 40	6,387.83	7.1%
DAX	13,847.93	7.9%
Nikkei 225	24,717.53	-0.3%
Hang Seng	20,627.71	-0.7%
Shanghai Composite	3,256.39	-1.1%
<i>Sovereign bonds</i>		
2-year Treasuries	1.68	8pb
10-year Treasuries	1.95	11pb
28-day Cetes	6.25	-2pb
28-day TIIE	6.24	0pb
2-year Mbono	8.16	-2pb
10-year Mbono	8.40	-5pb
<i>Currencies</i>		
USD/MXN	20.91	-2.2%
EUR/USD	1.11	1.6%
GBP/USD	1.32	0.6%
DX-Y	97.97	-1.1%
<i>Commodities</i>		
WTI	108.70	-12.1%
Brent	111.14	-13.2%
Mexican mix	105.97	-11.4%
Gold	1,991.83	-2.9%
Copper	457.25	-2.9%

Source: Bloomberg

Corporate Debt

- **HR Ratings affirmed Circle K's rating at 'HR A-' and changed the outlook to Stable from Negative. According to the agency, the modification of the outlook is based on the commercial agreements entered into with its main suppliers, as well as on a better debt profile**
- **HR Ratings upgraded Vinte and its unsecured issuances ratings to 'HR AA-' from 'HR A+'. Likewise, the rating of VINTE 18X was upgraded to 'HR AAA' from 'HR AA+'. The outlook on all ratings has been changed to Stable from Positive. According to the agency, the rating upgrade is based on the generation of Free Cash Flow during 4Q21**
- **Alsea informed that on March 16, 2022 it will carry out the total early amortization of the ALSEA 17 issuance for MXN 1 billion**

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, David Alejandro Arenas Sánchez, Paola Soto Leal, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Daniela Olea Suarez, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalia Orozco Vélez, Gerardo Daniel Valle Trujillo and Isaías Rodríguez Sobrino, 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
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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