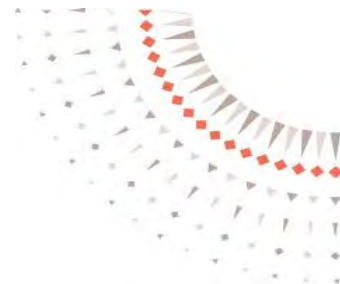


Financial Markets Daily



March 14, 2022

Main drivers for the financial markets today...

- **Stock markets higher excluding China, government bond yields up and USD mixed on optimism of a breakthrough in a new round of talks between Russia and Ukraine. Meanwhile, US and China officials will meet to discuss on the matter after reports that Russia sought military assistance from the latter country**
- **This week, market focus on central bank decisions given new challenges because of the war in Ukraine, which remains a key catalyst. Among them, we highlight the Fed, BoE and BoJ, as well as in Brazil, Hungary, Turkey, Russia and China**
- **Moreover, an extraordinary meeting between NATO defense ministers will take place. On the other hand, the ECB's Christine Lagarde will speak and the minutes of the last monetary policy decision in Korea and Australia will be released**
- **In economic data, the US will publish producer prices, gross fixed investment, retail sales, industrial production, existing home sales and housing starts, building permits (Feb) and the regional indicators *Empire manufacturing* and *Philly Fed* (Mar)**
- **Going to other regions, we highlight industrial production, fixed investment and retail sales in China (Jan-Feb); consumer prices in the Eurozone (Feb); unemployment rate in the UK (Jan); ZEW survey in Germany (Mar); as well as economic activity and unemployment rate in Brazil (Jan)**
- **In Mexico, the data agenda is very limited in coming days. Daylight Savings Time in the US started yesterday, so stock market operations in our country will start at 7:30am local time**

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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>China</i>					
22:00	Industrial production - Jan-Feb	% y/y	--	4.0	9.6
22:00	Retail sales - Jan-Feb	% y/y	--	3.0	12.5
22:00	Gross fixed investment (YTD) - Jan-Feb	% y/y	--	5.0	4.9

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	4,205.50	0.3%
Euro Stoxx 50	3,730.00	1.2%
Nikkei 225	25,307.85	0.6%
Shanghai Composite	3,223.53	-2.6%
<i>Currencies</i>		
USD/MXN	20.91	0.0%
EUR/USD	1.09	0.3%
DXY	99.01	-0.1%
<i>Commodities</i>		
WTI	103.98	-4.9%
Brent	108.12	-4.0%
Gold	1,966.35	-1.1%
Copper	450.00	-2.5%
<i>Sovereign bonds</i>		
10-year Treasury	2.07	7pb

Source: Bloomberg

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Equities

- **Main stock indices start the week with positive bias, with the expectation that some progress will be made in negotiations between Russia and Ukraine. In the US, futures anticipate a higher opening, with the S&P500 trading 0.3% above its theoretical value, although caution remains ahead of Wednesday's FOMC meeting**
- **Europe trades with widespread gains, with the Eurostoxx rising about 1.2% as car producers lead higher after the confirmation of a confident outlook by Volkswagen, albeit mitigated by declines in energy and basic-resources stocks. In contrast, in Asia we see mixed closes, albeit highlighting the declines of ~5% in the Hang Seng and of -2.6% in Shanghai, dragged by the technology sector in the face of regulatory challenges, and new restrictions due to the rise in infections in the province of Shenzhen. In Mexico, we consider Mexbol may consolidate around 53,500pts**

Sovereign fixed income, currencies and commodities

- **Widespread pressures on sovereign rates. European rates adjust +10bps on average, while US Treasuries lose up to 9bps in the 5-year reference. In Mexico, Mbonos' yields closed last week with an average negative balance of 36bps**
- **Dollar mixed against most G10 currencies except for SEK (+1.0%) and EUR (+0.4%). In EM, performance is enclosed by KRW (-0.6%) and HUF (+2.4%) at the extremes. Meanwhile, MXN trades at 20.91 (unchanged), after a volatile week with a trading range of 65 cents**
- **Pressures across commodities are easing due to a new round of talks between Ukraine and Russia to discuss a potential ceasefire. Crude-oil extends losses from the previous week, with Brent and WTI about 15% below recent highs**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	32,944.19	-0.7%
S&P 500	4,204.31	-1.3%
Nasdaq	12,843.81	-2.2%
IPC	53,300.70	-0.2%
Ibovespa	111,713.10	-1.7%
Euro Stoxx 50	3,686.78	1.0%
FTSE 100	7,155.64	0.8%
CAC 40	6,260.25	0.9%
DAX	13,628.11	1.4%
Nikkei 225	25,162.78	-2.1%
Hang Seng	20,553.79	-1.6%
Shanghai Composite	3,309.75	0.4%
<i>Sovereign bonds</i>		
2-year Treasuries	1.75	5pb
10-year Treasuries	1.99	1pb
28-day Cetes	6.31	1pb
28-day TIIIE	6.24	0pb
2-year Mbono	8.30	3pb
10-year Mbono	8.50	2pb
<i>Currencies</i>		
USD/MXN	20.91	-0.1%
EUR/USD	1.09	-0.7%
GBP/USD	1.30	-0.4%
DXY	99.12	0.6%
<i>Commodities</i>		
WTI	109.33	3.1%
Brent	112.67	3.1%
Mexican mix	104.96	2.4%
Gold	1,988.46	-0.4%
Copper	462.55	-0.6%

Source: Bloomberg

Corporate Debt

- **This week, we expect issuance to continue with the participation of GAP and Corporación Financiera Atlas for approximately MXN 4.5 billion, followed by high dynamism in the last week of the month**
- **Grupo Aeroméxico informed bondholders of its AEROMEX 01119 / 01219 / 00120 / 00220 / 00320 issuances of the payment that will be made to said series, in terms and for the purposes of the Aeroméxico Joint Restructuring Plan approved by the Court. Payments will be made starting on the Closing Date (March 17, 2022)**
- **Notice of partial early amortization of the DESCB 18 issuances (Dalton Efectivo Seguro ABS) on March 22 for MXN 13.2 million. Currently, the bond has an outstanding amount of MXN 25 million**

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 Thalía 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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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
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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