

# Financial Markets Daily

March 31, 2022

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

- **Negative stock markets, USD up, while government bond yields and oil prices are down amid a potential release of US strategic oil reserves, concerns about a growth slowdown and with the war in Ukraine driving volatility in commodity markets**
- **Biden is expected to announce today a plan to release roughly a million barrels of oil a day from US reserves for several months, to reach a total of 180 million, in order to avoid rising gasoline prices and reduce pressures on inflation and the negative impact on disposable income**
- **Regarding economic figures, in the US personal income and spending figures for February were published at 0.5% m/m and 0.2% m/m respectively, with real consumer spending falling by 0.4% m/m. In addition, the PCE inflation for the second month of the year was released, standing at 6.4% y/y, above the previous 6.0% y/y, while the PCE Core stood at 5.4% y/y. Jobless claims were also published at 202k, slightly above the estimate and the figure for the previous week. Regarding interventions by Fed members, we highlight the participation of Williams**
- **In Mexico, bank credit figures for March will be released. We estimate credit to the real private sector at -1.2% y/y in February**

Alejandro Padilla  
Chief Economist and  
Head of Research  
alejandro.padilla@banorte.com



Juan Carlos Alderete Macal, CFA  
Executive Director of Economic Research  
and Financial Markets Strategy  
juan.alderete.macal@banorte.com

Alejandro Cervantes Llamas  
Executive Director of Quantitative Analysis  
alejandro.cervantes@banorte.com

Manuel Jiménez Zaldivar  
Director of Market Strategy  
manuel.jimenez@banorte.com

Winners of the award for best economic  
forecasters for Mexico in 2021, granted by  
Refinitiv



 www.banorte.com  
 @analisis\_fundam

## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
8:30	Personal income* - Feb	% m/m	--	0.5	0.0
8:30	Personal spending* - Feb	% m/m	--	0.5	2.1
8:30	Real personal spending* - Feb	% m/m	0.0	-0.2	1.5
8:30	PCE Deflator* - Feb	% m/m	--	0.6	0.6
8:30	Core* - Feb	% m/m	--	0.4	0.5
8:30	PCE Deflator - Feb	% y/y	--	6.4	6.1
8:30	Core - Feb	% y/y	--	5.5	5.2
8:30	Initial jobless claims* - Mar 26	thousands	195	200	187
9:00	Fed's Williams Makes Opening Remarks				
Mexico					
11:00	Banking credit - Feb	% y/y	--	--	-1.8
Colombia					
14:00	Monetary policy decision (BanRep)	%	--	5.50	4.00
China					
21:45	Manufacturing PMI (Caixin)* - Mar	index	--	50.0	50.4

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; \* Seasonally adjusted, \*\* Seasonally adjusted annualized rate.

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

## A glimpse to the main financial assets

	Last	Daily chg.
<i>Equity indices</i>		
S&P 500 Futures	4,595.00	0.0%
Euro Stoxx 50	3,940.50	-0.5%
Nikkei 225	27,821.43	-0.7%
Shanghai Composite	3,252.20	-0.4%
<i>Currencies</i>		
USD/MXN	19.93	0.3%
EUR/USD	1.11	-0.5%
DXY	98.16	0.4%
<i>Commodities</i>		
WTI	101.89	-5.5%
Brent	107.62	-5.1%
Gold	1,933.15	0.0%
Copper	473.00	-0.4%
<i>Sovereign bonds</i>		
10-year Treasury	2.33	-1pb

Source: Bloomberg

## Equities

- **Stock markets with negative sentiment, highlighting the impact on the energy companies' shares due to the possible massive release of crude oil from US reserves, while investors continue to assess the prospect of less global economic dynamism in the face of ongoing challenges**
- **Futures in the US anticipate a mixed opening, albeit with little change. In Europe the markets fall, the Eurostoxx loses 0.5%, with the real estate sector showing the major corrections. In turn, Asia closed with slip mostly, with the Hang Seng down 1.1% and the Nikkei with 0.7%, while US-listed Chinese stocks decline in premarket due to limited prospects of a deal with the SEC to allow companies to keep trading on US exchanges**
- **In Mexico, the Mexbol Index may stand around the 55,800pts**

## Sovereign fixed income, currencies and commodities

- **Positive balance on sovereign rates. European rates adjust -9bps, while US Treasuries' curve print gains of 3bps, on average. In Mexico, the Mbonos' yield curve closed yesterday with an 8bps rally. The 10-year reference ended at 8.31% (-6bps)**
- **Dollar strengthens against all G10 currencies with NOK (-1.9%) as the weakest. In EM, the bias is mixed bounded by RUB (+1.7%) and HUF (-1.0%). Meanwhile, USD/MXN trades at 19.90 (-0.2%), after an appreciation of 0.5% yesterday**
- **Crude-oil slumps on signs the US is considering tapping 1Mbbbl/d from its strategic reserves to face inflation. Moreover, OPEC+ decided to increase its output by 432 Kbbbl/d in May, as expected. In metals, the performance is mixed**

## Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	35,228.81	-0.2%
S&P 500	4,602.45	-0.6%
Nasdaq	14,442.27	-1.2%
IPC	55,814.99	-0.5%
Ibovespa	120,259.76	0.2%
Euro Stoxx 50	3,959.14	-1.1%
FTSE 100	7,578.75	0.6%
CAC 40	6,741.59	-0.7%
DAX	14,606.05	-1.4%
Nikkei 225	28,027.25	-0.8%
Hang Seng	22,232.03	1.4%
Shanghai Composite	3,266.60	2.0%
<i>Sovereign bonds</i>		
2-year Treasuries	2.31	-6pb
10-year Treasuries	2.35	-5pb
28-day Cetes	6.45	-7pb
28-day TIE	6.73	0pb
2-year Mbono	8.35	-11pb
10-year Mbono	8.33	-8pb
<i>Currencies</i>		
USD/MXN	19.88	-0.5%
EUR/USD	1.12	0.7%
GBP/USD	1.31	0.3%
DXY	97.79	-0.6%
<i>Commodities</i>		
WTI	107.82	3.4%
Brent	113.45	2.9%
Mexican mix	104.04	3.0%
Gold	1,932.87	0.7%
Copper	475.05	0.4%

Source: Bloomberg

## Corporate Debt

- **Grupo Televisa announced that it concluded the partial prepayment of its Senior Notes 6.625% due 2025 for US\$200 million. The notes have an outstanding amount of US\$400 million**
- **Notice of total early amortization of issuance DESCB 18 (Dalton Efectivo Seguro's ABS) for next April 7. The amortization is subject to the condition of the placement of issuance DESCB 22 at least for MXN 300 million**
- **HR Ratings affirmed Corporación Financiera Atlas' ratings at 'HR BBB+' with a Stable outlook and its short-term rating at 'HR3', based on an adequate solvency position, that closed the 4Q21 with an Adjusted Capitalization Ratio of 27.5%**

## 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, Yazmin 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.

## Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

## Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

## Last-twelve-month activities of the business areas.

**Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.**

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

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

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

## Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

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.

## Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

*The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.*

GRUPO FINANCIERO BANORTE S.A.B. de C.V.

#### Research and Strategy

Alejandro Padilla Santana	Chief Economist and Head of Research	alejandro.padilla@banorte.com	(55) 1103 - 4043
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251
Lourdes Calvo Fernandez	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

#### Economic Research

Juan Carlos Alderete Macal, CFA	Executive Director of Economic Research and Financial Markets Strategy	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Francisco José Flores Serrano	Director of Economic Research, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Katia Celina Goya Ostos	Director of Economic Research, Global	katia.goya@banorte.com	(55) 1670 - 1821
Yazmín Selene Pérez Enríquez	Senior Economist, Mexico	yazmin.perez.enriquez@banorte.com	(55) 5268 - 1694
Luis Leopoldo López Salinas	Economist, Global	luis.lopez.salinas@banorte.com	(55) 1103 - 4000 x 2707

#### Market Strategy

Manuel Jiménez Zaldivar	Director of Market Strategy	manuel.jimenez@banorte.com	(55) 5268 - 1671
-------------------------	-----------------------------	----------------------------	------------------

#### Fixed income and FX Strategy

Leslie Thalía Orozco Vélez	Senior Strategist, Fixed Income and FX	leslie.orozco.velez@banorte.com	(55) 1670 - 1698
Isaías Rodríguez Sobrino	Analyst, Fixed Income, FX and Commodities	isaias.rodriguez.sobrino@banorte.com	(55) 1670 - 2144

#### Equity Strategy

Marissa Garza Ostos	Director of Equity Strategy	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Senior Strategist, Equity	jose.espitia@banorte.com	(55) 1670 - 2249
Carlos Hernández García	Senior Strategist, Equity	carlos.hernandez.garcia@banorte.com	(55) 1670 - 2250
David Alejandro Arenas Sánchez	Senior Strategist, Equity	david.arenas.sanchez@banorte.com	(55) 1103 - 4000 x 2755
Victor Hugo Cortés Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
Paola Soto Leal	Analyst	paola.soto.leal@banorte.com	(55) 1103 - 4000 x 1746

#### Corporate Debt

Hugo Armando Gómez Solís	Senior Analyst, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248

#### Quantitative Analysis

Alejandro Cervantes Llamas	Executive Director of Quantitative Analysis	alejandro.cervantes@banorte.com	(55) 1670 - 2972
José Luis García Casales	Director of Quantitative Analysis	jose.garcia.casales@banorte.com	(55) 8510 - 4608
Daniela Olea Suarez	Senior Analyst, Quantitative Analysis	daniela.olea.suarez@banorte.com	(55) 1103 - 4000
Miguel Alejandro Calvo Domiguez	Senior Analyst, Quantitative Analysis	miguel.calvo@banorte.com	(55) 1670 - 2220

#### Wholesale Banking

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5004 - 1282
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Frigolet Vázquez Vela	Head of Sólida Banorte	alejandro.frigolet.vazquezvela@banorte.com	(55) 5268 - 1656
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 5140
Carlos Alberto Arciniega Navarro	Head of Treasury Services	carlos.arciniega@banorte.com	(81) 1103 - 4091
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8173 - 9127
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5249 - 6423
Lizza Velarde Torres	Executive Director of Wholesale Banking	lizza.velarde@banorte.com	(55) 4433 - 4676
Osvaldo Brondo Menchaca	Head of Specialized Banking Services	osvaldo.brondo@banorte.com	(55) 5004 - 1423
Raúl Alejandro Arauzo Romero	Head of Transactional Banking	alejandro.arauzo@banorte.com	(55) 5261 - 4910
René Gerardo Pimentel Ibarrola	Head of Corporate Banking	pimentelr@banorte.com	(55) 5004 - 1051
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Victor Antonio Roldan Ferrer	Head of Commercial Banking	victor.roldan.ferrer@banorte.com	(55) 1670 - 1899