

Financial Markets Daily

April 12, 2022

Main drivers for the financial markets today...

- Mixed stock markets with negative bias, S&P Futures down, mixed government bond yields, while USD and crude-oil prices are up, amid high uncertainty due to the Ukraine's war and supply chains issues
- Attention to the March inflation report in the US, which we estimate at +1.2% m/m, with the annual variation standing at 8.4% from the previous 7.9%. Regarding the Core CPI, we anticipate +0.5% m/m, with which the annual change will be 6.6% from 6.4%. With this, new highs will be reached, giving additional arguments to the central bank to accelerate the pace of rate hikes, at least at the May meeting
- We also highlight the interventions of Brainard and Barkin of the Fed, with markets looking for signs of what could happen with monetary policy after the decision of the fifth month of the year
- Attention on OPEC and EIA monthly reports
- In Mexico, March's ANTAD figures will be released

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Germany					
2:00	Consumer prices - Mar (F)	% y/y	--	7.3	7.3
5:00	ZEW Survey (Expectations) - Apr	index	--	-48.5	-39.3
United States					
8:30	Consumer prices* - Mar	% m/m	1.2	1.2	0.8
8:30	Ex. food & energy* - Mar	% m/m	0.5	0.5	0.5
8:30	Consumer prices - Mar	% y/y	8.4	8.4	7.9
8:30	Ex. food & energy - Mar	% y/y	6.6	6.6	6.4
12:10	Fed's Brainard takes part in WII Street Journal event				
18:45	Fed's Barkin to Discuss the Economy				
Mexico					
10:00	International reserves - Abr 8	US\$b	--	--	200.7
	ANTAD same-store sales - Mar	% y/y	--	--	11.7
China					
22:00	Trade balance - Mar	USD\$b	--	20.5	94.4
22:00	Exports - Mar	% y/y	--	12.9	20.9
22:00	Imports - Mar	% y/y	--	8.6	19.5

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.
Equity indices		
S&P 500 Futures	4,418.00	0.2%
Euro Stoxx 50	3,818.79	-0.5%
Nikkei 225	26,334.98	-1.8%
Shanghai Composite	3,213.33	1.5%
Currencies		
USD/MXN	19.86	-0.4%
EUR/USD	1.09	-0.2%
DX	100.12	0.2%
Commodities		
WTI	98.35	4.3%
Brent	102.97	4.6%
Gold	1,959.59	0.3%
Copper	466.40	0.6%
Sovereign bonds		
10-year Treasury	2.76	-2pb

Source: Bloomberg

Document for distribution among public

Equities

- Stock markets mixed, with a negative bias, as investors focus their attention on the US inflation report, as well as on the implications that point to a tighter monetary policy by the Fed. This, under a context of persistent pressures due to increases in commodity prices coupled with a lower global economic dynamism
- Futures in the US anticipate an opening with little change. On the other hand, Europe trades with drops, of 0.5% on average, where the Eurostoxx loses 0.5%, with the largest declines in the health and real estate sectors. In turn, Asia closed mixed, highlighting the fall of the Nikkei with 1.8% and the increase of Shanghai with 1.5%, as opportunistic buying were made hoping that policymakers take measures aimed at reactivating economic growth
- In Mexico, the Mexbol Index may stand below the 54,400pts

Sovereign fixed income, currencies and commodities

- Mixed balance in sovereign rates, with European assets adjusting +/-2bps, while the US Treasuries print a 6bps sell-off at the short-end and few changes at the long-end. In local terms, the Mbonos' curve closed yesterday with losses of 10bps, on average
- The dollar strengths amid a mixed performance in G10 currencies limited by NOK (+0.3%) and EUR (-0.2%). In the EM group, the bias is negative with CZK (-0.3%) as the weakest; however, MXN is overperforming at 19.86 (+0.4%) followed by SGD (+0.1%)
- Positive performance in commodities. Crude-oil rebounds following the easing of some virus restrictions in Shanghai. Grains print gains with corn trading at 10-year highs and wheat advances 2.6%. In metals, gold trades with few changes at 1,952 \$/oz t

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	34,308.08	-1.2%
S&P 500	4,412.53	-1.7%
Nasdaq	13,411.96	-2.2%
IPC	54,463.83	-0.4%
Ibovespa	116,952.85	-1.2%
Euro Stoxx 50	3,839.62	-0.5%
FTSE 100	7,618.31	-0.7%
CAC 40	6,555.81	0.1%
DAX	14,192.78	-0.6%
Nikkei 225	26,821.52	-0.6%
Hang Seng	21,208.30	-3.0%
Shanghai Composite	3,167.13	-2.6%
Sovereign bonds		
2-year Treasuries	2.50	-1pb
10-year Treasuries	2.78	8pb
28-day Cetes	6.51	-10pb
28-day TIIE	6.73	0pb
2-year Mbono	8.64	5pb
10-year Mbono	8.86	14pb
Currencies		
USD/MXN	19.94	-0.5%
EUR/USD	1.09	0.1%
GBP/USD	1.30	0.0%
DXY	99.93	0.1%
Commodities		
WTI	94.29	-4.0%
Brent	98.48	-4.2%
Mexican mix	91.93	-3.6%
Gold	1,953.52	0.3%
Copper	463.40	-1.9%

Source: Bloomberg

Corporate Debt

- HR Ratings upgraded HIR Casa's rating to 'HR AA-' from 'HR A+' and changed the outlook to Stable from Positive. According to the agency, the upgrade is based in a stronger financial situation, as well as a strong position in ESG factors
- Fitch Ratings affirmed Mercader Financial's ratings at 'A-(mex)' and 'F2(mex)' and revised the outlook to Stable from Negative, based on the issuer's sustained general credit profile despite the challenges of the pandemic
- Fitch Ratings affirmed Mexarrend's global scale ratings at 'B+' and its local scale ratings at 'BBB+(mex)' and 'F2(mex)'; the outlook in both scales remains Negative. The ratings reflect the issuers improved capital position, its profit before tax that remains very low, and Fitch's funding, liquidity and coverage assessment

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