

Financial Markets Daily

September 8, 2022

Main drivers for the financial markets today...

- **Mixed stock markets with small changes, USD and government bond yields down, with investors awaiting the announcement from the ECB, who is expected to raise its benchmark rate by 75bps, as well as comments from Powell (ahead of the next decision on September 21)**
- **UK Prime Minister, Liz Truss, announced a 150 billion pound package to tackle soaring energy prices**
- **In addition to Powell's monetary policy conference, there will be interventions by Evans and Kashkari. Regarding economic figures, in the US jobless claims for the week ending on September 3 and consumer credit for July will be released. Later, China will publish August CPI**
- **In Mexico, INEGI published August's inflation at +0.70% m/m, with the core higher (0.80%) and the non-core moderating at the margin (0.39%). As such, annual inflation reached 8.70% (previous: 8.15%), with the core at 8.05 % (previous: 7.65%)**

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



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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Mexico</i>					
	Deadline for the delivery of the 2023 Budget Proposal to Congress				
7:00	Consumer prices - Aug	% m/m	0.69	0.68	0.74
7:00	Core - Aug	% m/m	0.83	0.79	0.62
7:00	Consumer prices - Aug	% y/y	8.69	8.66	8.15
7:00	Core - Aug	% y/y	8.09	8.05	7.97
<i>Eurozone</i>					
8:15	Monetary policy decision (ECB)	%	1.250	1.250	0.500
<i>United States</i>					
8:30	Initial Jobless Claims* - Sep 2	thousands	237	240	232
9:10	Powell Speaks at Monetary Policy Conference				
15:00	Consumer credit* - Jul	USDbn	--	32.5	40.2
<i>Peru</i>					
19:00	Monetary policy decision (BCRP)	%	--	7.00	6.50
<i>China</i>					
21:30	Consumer Prices - Aug	% y/y	--	2.8	2.7

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	3,981.50	0.0%
Euro Stoxx 50	3,489.83	-0.4%
Nikkei 225	28,065.28	2.3%
Shanghai Composite	3,235.59	-0.3%
<i>Currencies</i>		
USD/MXN	19.99	0.0%
EUR/USD	1.00	0.2%
DX	109.36	-0.4%
<i>Commodities</i>		
WTI	82.46	0.6%
Brent	88.50	0.6%
Gold	1,726.19	0.5%
Copper	352.10	2.4%
<i>Sovereign bonds</i>		
10-year Treasury	3.22	-5pb

Source: Bloomberg

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Equities

- **Mixed stock markets, where there is no clear trend. As cautious sentiment continues and as investors become more conservative due to inflation and high volatility, following their concerns about economic slowdown and interest rate hikes by various central banks**
- **In the US, futures remain largely unchanged while awaiting Jerome Powell's comments on fighting inflation, with the S&P500 trading 0.1% above its theoretical value. In turn, for Europe, initial gains were adjusted, with investors focused on the ECB's monetary policy decision, the Eurostoxx trading at -0.4%. Finally, Asia closed mixed, highlighting the Nikkei's advance of 2.3%**
- **In Mexico, the Mexbol index could hover around the 45,800pts**

Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. European rates adjust up to -2bps. Meanwhile, the Treasury curve gains 4bps, on average. Yesterday, the Mbonos curve adjusted -4bps, on average, with the 10-year benchmark at 9.92% (-4bps)**
- **The dollar retreats while developed currencies trade with mixed returns with CHF (+0.5%) and NOK (-0.3%) at the extremes. In EM, the bias is positive with RUB (+1.5%) leading the gains. Meanwhile, MXN depreciates 0.1% to 19.99 per dollar, after yesterday's gain of 0.8%**
- **Crude-oil recovers after yesterday's 5.4% drop on a weak economic data in China and with Chengdu lockdown dragging on for more than a week. Metals trade in positive territory with copper up 2.2%**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	31,581.28	1.4%
S&P 500	3,979.87	1.8%
Nasdaq	11,791.90	2.1%
IPC	46,056.97	0.3%
Ibovespa	109,763.77	0.0%
Euro Stoxx 50	3,502.09	0.1%
FTSE 100	7,237.83	-0.9%
CAC 40	6,105.92	0.0%
DAX	12,915.97	0.3%
Nikkei 225	27,430.30	-0.7%
Hang Seng	19,044.30	-0.8%
Shanghai Composite	3,246.29	0.1%
<i>Sovereign bonds</i>		
2-year Treasuries	3.43	-7pb
10-year Treasuries	3.26	-9pb
28-day Cetes	8.62	4pb
28-day TIIE	8.84	2pb
2-year Mbono	9.69	-4pb
10-year Mbono	9.05	-3pb
<i>Currencies</i>		
USD/MXN	19.98	-0.8%
EUR/USD	1.00	1.0%
GBP/USD	1.15	0.1%
DX	109.84	-0.3%
<i>Commodities</i>		
WTI	81.94	-5.7%
Brent	88.00	-5.2%
Mexican mix	78.48	-5.6%
Gold	1,718.37	1.0%
Copper	343.05	-0.9%

Source: Bloomberg

Corporate Debt

- **MAC Health announced that it closed the acquisition of two hospitals called "Hospitales H+" located in the cities of Queretaro and Los Cabos. According to the release, MAC Health turned into the second hospital chain with the largest number of private hospitals operating in Mexico**
- **HR Ratings upgraded Comerercializadora Círculo CCK's ratings to 'HR A+' from 'HR A-' and kept the outlook Stable. The rating upgrades was based on the Free Cash Flow generation in the projected period (2022-2025), as well as the refinancing of its issuance CIRCLEK 18**

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We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Carlos Hernández García, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, Daniela Olea Suárez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal, Oscar Rodolfo Olivares Ortiz, Daniel Sebastián Sosa Aguilar and Salvador Austria Valencia 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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HOLD	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
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