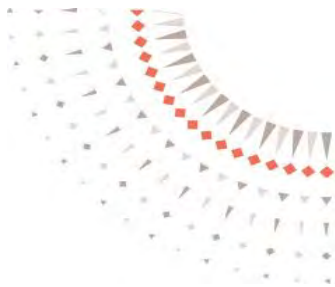


Financial Markets Daily



March 7, 2023

Main drivers for the financial markets today...


- **Stock markets mixed, government bond yields are down and the USD slightly higher, with investors awaiting Jerome Powell’s testimony amid an increase in geopolitical tensions between China and the US, along a new round of layoffs by Meta Platforms**
- **On the monetary front, attention will be on Fed Chairman, Jerome Powell’s testimony before the Senate Banking Committee, where we will focus on information regarding upcoming moves by the institution and the terminal rate. Meanwhile, the monetary authority in Australia hiked its reference rate by 25bps to 3.60%**
- **Tensions between China and the US remain to the upside, with several comments from Chinese authorities, including President Xi Jinping, talking about overcoming some containment that the US is applying on his country. To this, representatives from the US commented that China is being reckless with the future of humanity**
- **China announced the creation of a new financial regulator that will supervise all sectors except securities, absorbing current banking and insurance regulators. Another specific entity will be established for securities that will operate under direct supervision of the State Council**
- **On economic data, China’s trade balance for the first two months of the year showed a mixed performance, with higher optimism on exports, albeit with imports somewhat limited. In Mexico, February’s consumer confidence increased to 44.8pts, with upward adjustments in four of the five categories. In addition, we will have the expectations survey from the banking sector**


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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
7:00	Consumer confidence* - Feb	index	43.8	--	44.2
10:00	International reserves - Mar 3	US\$bn	--	--	200.1
12:30	Government weekly auction: 1-, 3-, 6-, and 12- month CETES; 20-year Mbono (Nov'42); 20-year Udibono (Nov'35) and 2-, and 5-year Bondes F				
15:30	Survey of expectations (Citibanamex)				
United States					
10:00	Senate Banking Panel Hears Semi-Annual Monetary Policy Report presented by Fed Chairman Jerome Powell				
15:00	Consumer credit* - Jan	USDbn	--	25.0	11.6

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.
Equity indices		
S&P 500 Futures	4,057.75	0.1%
Euro Stoxx 50	4,307.80	-0.1%
Nikkei 225	28,309.16	0.3%
Shanghai Composite	3,285.10	-1.1%
Currencies		
USD/MXN	18.01	0.1%
EUR/USD	1.07	-0.2%
DX-Y	104.49	0.1%
Commodities		
WTI	80.08	-0.5%
Brent	85.80	-0.4%
Gold	1,839.60	-0.4%
Copper	408.00	-0.5%
Sovereign bonds		
10-year Treasury	3.94	-2pb

Source: Bloomberg

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Equities

- **Mixed movements in equity markets as investors await Fed Chairman Jerome Powell's speech and focus their attention on any signals regarding the magnitude of the next interest rate hikes**
- **In Asia the markets closed mixed. In Europe stocks are mixed, although the Eurostoxx is down 0.1%. Shares from health care and utilities sectors lead gains, while those from real estate and financials super head losses. In turn, in the US the futures of main indices are mixed and show little change. According to media reports, Meta Platforms could be carrying out a new round of layoffs as early as this week. The stock is up more than 1.0% on pre-market**
- **In Mexico, Walmex Day will take place today**

Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. European bond yields decline 8bps, on average. Moreover, Treasuries register gains of 2bps and the 10-year reference is trading below 4.00%. In Mexico, the Mbonos' yield curve started the week with a steepening bias as a result of modest gains at the short-end and pressures of 5bps at the long-end**
- **USD advances modestly amid a negative performance in developed currencies, with AUD (-1.0%) as the weakest. In EM, the bias is mixed, with THB (+0.4%) and ZAR (-0.8%) at the extremes. The MXN trades at 18.01 per dollar (-0.1%), after a 0.3% depreciation yesterday**
- **Crude-oil futures decline although they remain close to 5-weeks highs. Price dynamics will be driven by concerns over further interest rate hikes from the Fed and China's economic recovery. In metals, copper accumulates a 5.4% drop from its highest level in the year**

Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	33,431.44	0.1%
S&P 500	4,048.42	0.1%
Nasdaq	11,675.74	-0.1%
IPC	53,924.19	-0.5%
Ibovespa	104,700.32	0.8%
Euro Stoxx 50	4,313.78	0.4%
FTSE 100	7,929.79	-0.2%
CAC 40	7,373.21	0.3%
DAX	15,653.58	0.5%
Nikkei 225	28,237.78	1.1%
Hang Seng	20,603.19	0.2%
Shanghai Composite	3,322.03	-0.2%
<i>Sovereign bonds</i>		
2-year Treasuries	4.89	3pb
10-year Treasuries	3.96	1pb
28-day Cetes	11.09	0pb
28-day TIIE	11.29	0pb
2-year Mbono	11.10	0pb
10-year Mbono	9.31	0pb
<i>Currencies</i>		
USD/MXN	18.00	0.3%
EUR/USD	1.07	0.4%
GBP/USD	1.20	-0.1%
DX-Y	104.35	-0.2%
<i>Commodities</i>		
WTI	80.46	1.0%
Brent	86.18	0.4%
Mexican mix	70.37	0.7%
Gold	1,846.86	-0.5%
Copper	408.85	0.5%

Source: Bloomberg

Corporate Debt

- **Fibra Storage informed that on March 1st, 2023, the new branch named “Condesa” began operating. The property is located in the Miguel Hidalgo borough in Mexico City. Both the land space and the buildings are wholly owned by Fibta Storage and it represents the 28th operating property**
- **PCR Verum affirmed Fibra HD’s long-term ratings at ‘AA/M’ and the short-term ratings at ‘1+/M’. The outlook was changed to Stable from Negative. According to the agency, the outlook revision reflects the considerable improvement in the maturity profile of Fibra HD’s debt after refinancing its main liability (FIBRAHD 19) last November**

Certification of Analysts.

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, Daniel Sebastián Sosa Aguilar and Andrea Muñoz Sánchez, 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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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>

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.

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