

Financial Markets Daily

March 30, 2023

Main drivers for the financial markets today...

- **Stock markets higher, with government bond yields negative and the USD lower, with investors still watching for news on the banking sector in the US and Europe that support the idea of a contained situation. In addition, they keep recalibrating expectations over future Fed actions**
- **On the monetary policy front, we highlight Banxico's decision, expecting +25bps to 11.25%. There will also be decisions in Colombia (+25bps to 13.00%) and South Africa (+25bps to 7.50%). In the US we will have speeches from Barkin, Collins, and Kashkari**
- **On economic data, March's inflation in Germany came in slightly above expectations at 7.8% y/y, albeit with the same metric in Spain surprising to the downside at 3.1%. In the US, 4Q22 GDP was lower at 2.6% q/q saar, while jobless claims climbed to 198 thousand. Tonight, we await PMIs in China**
- **In other news, its expected that Brazil will unveil a new fiscal plan to shore up the country's public finances. Meanwhile, China's Premier, Li Qiang, mentioned that his country offers an anchor to world peace, this in a context in which tensions with the US keep climbing given the visit of Taiwan's President, Tsai Ing-wen, to New York**

Alejandro Padilla Santana
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

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
8:30	Initial jobless claims* - Mar 25	thousands	197	196	191
8:30	Gross domestic product** - 4Q22	% q/q	2.8	2.7	2.7
8:30	Personal consumption** - 4Q22	% q/q	1.5	1.4	1.4
12:45	Fed's Barkin speaks at Virginia Council of CEOs Event				
12:45	Fed'S Collins speaks at the annual NABE conference in Washington				
Colombia					
14:00	Monetary policy decision (BanRep)	%	--	13.00	12.75
Mexico					
15:00	Monetary policy decision (Banxico)	%	11.25	11.25	11.00
16:30	Public finances (PSBR, year-to-date) - Feb	MXNmn	--	--	-15.9
China					
21:30	Manufacturing PMI* - Mar	index	--	51.8	52.6
21:30	Non-manufacturing PMI* - Mar	index	--	54.3	56.3
21:30	Composite PMI* - Mar	index	--	--	56.4
South African					
	Monetary policy decision (S. African R. Bank)	%	--	7.50	7.25

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	4,082.75	0.6%
Euro Stoxx 50	4,284.37	1.3%
Nikkei 225	27,782.93	-0.4%
Shanghai Composite	3,261.25	0.7%
Currencies		
USD/MXN	18.13	0.2%
EUR/USD	1.09	0.6%
DX	102.20	-0.4%
Commodities		
WTI	73.83	1.2%
Brent	79.06	1.0%
Gold	1,969.86	0.3%
Copper	411.15	-0.1%
Sovereign bonds		
10-year Treasury	3.59	2pb

Source: Bloomberg

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Equities

- Positive equity markets, where risk appetite is supported by the expectation that central banks could be less restrictive going forward and where fears of a contagion in the banking sector have diminished
- US futures anticipate an upward opening, with the S&P500 trading 0.6% above its theoretical value and the Nasdaq 0.7%. Europe also trades with widespread gains, with the Eurostoxx climbing 1.3%, driven by the real estate sector with a 3.1% advance. In Asia, markets closed with a positive bias, with the Hang Seng rising 0.6%
- Finally, in Mexico, the Mexbol Index could hover around 54,200pts, following its international peers. While on the corporate front, we will be keeping an eye on Alsea's investor day

Sovereign fixed income, currencies and commodities

- Negative performance in sovereign bonds. European assets lose 3bps, on average. The Treasuries' curve trades with losses of 4bps. Yesterday, the Mbonos' curve closed with gains of 5bps, on average, and the 10-year benchmark, May'33, closed at 8.93% (-5bps)
- The dollar retreats, DXY (-0.3%) allowing most G10 currencies to trade in positive territory with EUR (+0.6%) leading the gains. In EM, the bias is also positive with BRL (+1.0%) as the strongest. Meanwhile, MXN derericiates 0.2% at 18.11 per dollar, after gaining 0.8% yesterday
- Crude-oil futures advance around 1.0%, driven by weakness in the dollar and a strengthening in the banking sector. Metals trade with positive bias with copper gaining 0.7%, while gold trades at 1,967 \$/oz t (+0.2%)

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	32,717.60	1.0%
S&P 500	4,027.81	1.4%
Nasdaq	11,926.24	1.8%
IPC	53,882.95	1.3%
Ibovespa	101,792.52	0.6%
Euro Stoxx 50	4,231.27	1.5%
FTSE 100	7,564.27	1.1%
CAC 40	7,186.99	1.4%
DAX	15,328.78	1.2%
Nikkei 225	27,883.78	1.3%
Hang Seng	20,192.40	2.1%
Shanghai Composite	3,240.06	-0.2%
Sovereign bonds		
2-year Treasuries	4.10	2pb
10-year Treasuries	3.56	-1pb
28-day Cetes	11.22	0pb
28-day TIIE	11.41	1pb
2-year Mbono	10.54	-5pb
10-year Mbono	8.96	-3pb
Currencies		
USD/MXN	18.09	-0.8%
EUR/USD	1.08	0.0%
GBP/USD	1.23	-0.2%
DXY	102.64	0.2%
Commodities		
WTI	72.97	-0.3%
Brent	78.28	-0.5%
Mexican mix	62.38	-0.5%
Gold	1,964.70	-0.4%
Copper	408.65	0.0%

Source: Bloomberg

Corporate Debt

- Notice of full early amortization of the GANACB 11U issue for next April 4, 2023. The issue is backed by toll collection rights for the Amozoc-Perote section and Libramiento de Perote (connecting the cities of Puebla and Xalapa). It currently has an outstanding amount of MXN 1.8 billion and its legal maturity is scheduled for March 2031. The issuance is rated 'AAA(mex)' / 'HR AAA' by Fitch and HR Ratings, respectively
- Desarrollos Hidráulicos de Cancún reported that on April 10, 2023 the payment of a partial Voluntary Early Amortization for MXN 44.4 million of the DHIC 22B issuance will be made. The bond has an outstanding amount of MXN 1.4 billion and its maturity is scheduled for May 2026. Currently, the issue is rated 'AA+(mex)' by Fitch Ratings and 'HR AA+' by HR Ratings

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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, 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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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
María Fernanda Vargas Santoyo	Analyst	maria.vargas.santoyo@banorte.com	(55) 1103 - 4000

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
Cintia Gisela Nava Roa	Senior Economist, Mexico	cintia.nava.roa@banorte.com	(55) 1103 - 4000
Luis Leopoldo López Salinas	Manager Global Economist	luis.lopez.salinas@banorte.com	(55) 1103 - 4000

Market Strategy

Manuel Jiménez Zaldivar	Director of Market Strategy	manuel.jimenez@banorte.com	(55) 5268 - 1671
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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	Strategist, 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
Víctor Hugo Cortés Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
Paola Soto Leal	Strategist	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
Miguel Alejandro Calvo Domínguez	Senior Analyst, Quantitative Analysis	miguel.calvo@banorte.com	(55) 1670 - 2220
José De Jesús Ramírez Martínez	Senior Analyst, Quantitative Analysis	jose.ramirez.martinez@banorte.com	(55) 1103 - 4000
Daniel Sebastián Sosa Aguilar	Analyst, Quantitative Analysis	daniel.sosa@banorte.com	(55) 1103 - 4000
Andrea Muñoz Sánchez	Analyst, Quantitative Analysis	andrea.munoz.sanchez@banorte.com	(55) 1103 - 4000

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
Víctor Antonio Roldan Ferrer	Head of Commercial Banking	victor.rolan.ferrer@banorte.com	(55) 1670 - 1899