

Financial Markets Daily

April 12, 2023

Main drivers for the financial markets today...

- **Positive stock markets, government bond yields and USD down. Optimism amid a positive inflation reading for March in the US, which was below estimates and with a significant moderation compared to the previous month**
- **In the US, inflation for the third month of the year was released at +0.1% m/m, below the +0.2% estimated by the consensus, with which the annual variation moderated sharply from 6.0% prior to 5.0%. The CPI Core stood at 0.4% m/m, in line with the consensus estimate. The annual variation rose slightly from 5.5% to 5.6%. A sharp drop of 3.5% m/m in energy prices and a decrease in used car costs stands out. While shelter prices moderated their pace. On the other hand, increases were observed in transportation services and in new cars**
- **Now the attention is on the publication of the FOMC's last meeting minutes and on the interventions by Daly and Barkin. The Bank of Canada will announce its monetary policy decision in which no changes are expected, with the rate remaining at 4.50% for the second consecutive time. In the evening, China will publish the trade balance for March**
- **G20 finance ministers and central bankers to meet in Washington**

Alejandro Padilla Santana

Chief Economist and

Head of Research

alejandropadilla@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

alejandrocervantes@banorte.com

Manuel Jiménez Zaldivar

Director of Market Strategy

manuel.jimenez@banorte.com



www.banorte.com



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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
8:00	Retail sales - Jan	% y/y	--	1.5	0.4
8:00	Retail sales* - Jan	% m/m	--	2.9	-2.6
United States					
8:30	Consumer prices* - Mar	% m/m	0.4	0.2	0.4
8:30	Ex. food & energy* - Mar	% m/m	0.4	0.4	0.5
8:30	Consumer prices - Mar	% y/y	5.2	5.1	6.0
8:30	Ex. food & energy - Mar	% y/y	5.6	5.6	5.5
14:00	FOMC Meeting Minutes				
China					
23:00	Trade balance - Mar	USDbn	--	--	77.6
23:00	Exports - Mar	% y/y	--	--	-9.9
23:00	Imports - Mar	% y/y	--	--	-7.5

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	4,168.50	0.8%
Euro Stoxx 50	4,338.67	0.1%
Nikkei 225	28,082.70	0.6%
Shanghai Composite	3,327.18	0.4%
Currencies		
USD/MXN	18.07	-0.6%
EUR/USD	1.10	0.6%
DX	101.58	-0.6%
Commodities		
WTI	82.22	0.8%
Brent	86.31	0.8%
Gold	2,025.09	1.1%
Copper	401.85	0.0%
Sovereign bonds		
10-year Treasury	3.36	-7pb

Source: Bloomberg

Equities

- Stock markets with a positive bias, where investors assimilate the US inflation data, as well as the possibility of less monetary tightening, while waiting for signs of strength or deceleration that might be triggered by the upcoming earnings season
- US futures anticipate an opening with a positive trend, with the S&P500 trading 0.8% above its theoretical value. Europe trades higher, with the Eurostoxx rising 0.1%, with the largest gains in the real estate and utilities sectors, offset by declines in consumer staples and technology. Asia closed mixed, but the Nikkei rose 0.6% and the Hang Seng decreased 0.9%
- In Mexico, the Mexbol Index could continue to consolidate above 54,000pts, following its international peers

Sovereign fixed income, currencies and commodities

- Positive performance in sovereign bonds. European assets trade with gains of up to 7bps while the Treasury curve an appreciation of 7bps on average. Yesterday, the Mbonos' curve closed with flattening bias as a result of losses of up to 7bps on the short-end and gains of up to 5bps on the long-end
- The dollar trades with a negative bias (DXY -0.6%) while most of the G-10 currencies trade with gains and in EM we observe mixed variations. In the first group, SEK (+1.2%) leads the gains while in the second group, RUB (-1.1%) is the weakest. The Mexican peso is the fourth strongest among its peers, appreciating 0.6% to 18.07 per dollar.
- Crude-oil futures are little changed pending further data. In metals, performance is mixed, industrials trade with losses while precious metals show moderate gains

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	33,684.79	0.3%
S&P 500	4,108.94	0.0%
Nasdaq	12,031.88	-0.4%
IPC	54,604.63	1.0%
Ibovespa	106,213.76	4.3%
Euro Stoxx 50	4,333.29	0.6%
FTSE 100	7,785.72	0.6%
CAC 40	7,390.28	0.9%
DAX	15,655.17	0.4%
Nikkei 225	27,923.37	1.0%
Hang Seng	20,485.24	0.8%
Shanghai Composite	3,313.57	-0.1%
Sovereign bonds		
2-year Treasuries	4.02	1pb
10-year Treasuries	3.43	1pb
28-day Cetes	11.22	0pb
28-day TIE	11.52	0pb
2-year Mbono	10.47	2pb
10-year Mbono	8.82	-2pb
Currencies		
USD/MXN	18.18	0.1%
EUR/USD	1.09	0.5%
GBP/USD	1.24	0.3%
DXY	102.20	-0.4%
Commodities		
WTI	81.53	2.2%
Brent	85.61	1.7%
Mexican mix	72.36	1.8%
Gold	2,003.62	0.6%
Copper	401.95	1.1%

Source: Bloomberg

Corporate Debt

- CIBanco (Common Rep.) informed that Fovissste will exercise its right to repurchase the entire trust equity of the TFOVICB 13U issue on April 27th. The issue has an outstanding amount of MXN 1.1 billion
- Moody's Local MX affirmed the rating of four Infonavit's BRHs transactions at 'AAA.mx' considering the historical performance of the main metrics of each issue, as well as the fulfillment of the different eligibility criteria and triggers
- Fitch Ratings rated the first tap issue of Genomma Lab's LAB 23-2 bond at 'AA+(mex)'. The rating reflects the company's financial profile, supported by controlled debt levels, consistently strong operating cash flow generation, and the expectation of a gradual improvement in profitability

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HOLD	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
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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 Enriquez	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 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	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, Equity	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.cebaldos@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