

Financial Markets Daily

April 13, 2023

Main drivers for the financial markets today...

- Positive stock markets, USD down and government bond yields up with investors digesting inflation data and analyzing comments from policymakers to try to determine the terminal rate by global central banks
- After the publication yesterday of the minutes of the FOMC's last meeting where the members of the central bank estimated a mild recession towards the end of the year, today the White House said that the US data does not point to a recession on the horizon
- Regarding economic figures, China's exports grew surprisingly in March as demand from Asian and European countries picked up, with factories resuming production, giving positive signs for economic recovery
- In the US, producer prices for March were released posting a 0.5% m/m decline (consensus 0.0%), with which the annual variation moderated sharply from 4.9% previously to 2.7%. This is added to the signs observed yesterday in the CPI of a scenario of lower inflationary pressures. Jobless claims rose to 239k from 228k the previous week. Despite the rise, the labor market remains very solid
- In Mexico, the attention is on Banxico's minutes and the publication of the ANTAD figures for March. In terms of monetary policy, the central bank of Peru will also announce its decision

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone and UK					
2:00	UK Industrial production* - Feb	% m/m	--	0.2	-0.3
2:00	GER Consumer prices - Mar (F)	% y/y	--	7.4	7.4
5:00	EZ Industrial production* - Feb	% m/m	--	1.0	0.7
United States					
8:30	Initial jobless claims* - Apr 8	thousands	201	235	228
8:30	Producer prices* - Mar	% m/m	--	0.0	-0.1
8:30	Ex. food & energy* - Mar	% m/m	--	0.2	0.0
Mexico					
11:00	Central Bank Monetary Policy Minutes				
	ANTAD same-store sales - Mar	% y/y	--	--	6.5
Peru					
18:00	Monetary policy decision (BCRP)	%	--	7.75	7.75

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	4,127.00	0.2%
Euro Stoxx 50	4,352.91	0.4%
Nikkei 225	28,156.97	0.3%
Shanghai Composite	3,318.36	-0.3%
Currencies		
USD/MXN	18.09	0.1%
EUR/USD	1.10	0.4%
DX	101.26	-0.2%
Commodities		
WTI	82.83	-0.5%
Brent	86.83	-0.6%
Gold	2,039.95	1.2%
Copper	410.95	0.7%
Sovereign bonds		
10-year Treasury	3.39	0pb

Source: Bloomberg

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Equities

- Mixed equity markets with investors weighing recession risks, as well as the level of the terminal rate following yesterday's inflation data
- With this, US futures anticipate a higher opening, with the Nasdaq trading 0.3% above its theoretical value. While markets in Europe are positive, the Eurostoxx is up 0.4%. Where companies' shares in the consumer discretionary sector lead the gains, while those in technology and utilities sectors register the biggest falls. Finally, markets in Asia closed mixed
- On the corporate front, today 3 S&P 500 companies will release their quarterly figures, of which 2 have already done so. Delta Airlines stands out, which published results below estimates, but forecasted revenue and profit growth for the year above analysts' expectations

Sovereign fixed income, currencies and commodities

- Mixed performance in sovereign bonds. European assets adjust +1bps, on average. The Treasuries' curve trades with losses of 2bps at the long-end, while the short-end gains 1bp. Yesterday, the Mbonos' curve closed with 4bps losses at the longer-end and the 10-year benchmark, May'33, closed at 8.77% (-1bp)
- The dollar retreats, DXY (-0.2%) allowing most G10 currencies to trade in positive territory with AUD (+0.7%) leading the gains. In EM, the bias is mostly positive with ZAR (+1.5%) as the strongest. Meanwhile, MXN dereciates 0.1% at 18.09 per dollar, after gaining 0.6% yesterday
- Crude-oil futures stabilize after gaining more than 2.0% yesterday after the US announced possible purchases to increase its strategic crude oil reserve. Metals trade with positive bias with gold and copper gaining 0.8% and 0.6%, respectively

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	33,646.50	-0.1%
S&P 500	4,091.95	-0.4%
Nasdaq	11,929.34	-0.9%
IPC	54,333.12	-0.5%
Ibovespa	106,889.71	0.6%
Euro Stoxx 50	4,334.03	0.0%
FTSE 100	7,824.84	0.5%
CAC 40	7,396.94	0.1%
DAX	15,703.60	0.3%
Nikkei 225	28,082.70	0.6%
Hang Seng	20,309.86	-0.9%
Shanghai Composite	3,327.18	0.4%
Sovereign bonds		
2-year Treasuries	3.96	-6pb
10-year Treasuries	3.39	-4pb
28-day Cetes	11.22	0pb
28-day TIIE	11.53	1pb
2-year Mbono	10.50	3pb
10-year Mbono	8.80	-2pb
Currencies		
USD/MXN	18.07	-0.6%
EUR/USD	1.10	0.7%
GBP/USD	1.25	0.5%
DXY	101.50	-0.7%
Commodities		
WTI	83.26	2.1%
Brent	87.33	2.0%
Mexican mix	74.01	2.3%
Gold	2,014.93	0.6%
Copper	408.10	1.5%

Source: Bloomberg

Corporate Debt

- Moody's Local MX affirmed the ratings of CABEL, Corporación Andina de Fomento, IDB Invest and North American Development Bank at 'AAA.mx' after concluding the annual review of its portfolio of Multilateral Development Banks. The ratings reflect the agency's expectation that the low leverage, strong asset performance and moderate asset quality will remain stable
- Fibra Mty announced the prepayment of US\$103 million of three revolving lines of credit. The lines of credit were used for the acquisition of the Zeus portfolio and were paid with proceeds from the Preferred Equity Subscription
- HR Ratings affirmed the rating of Genomma Lab's note, LAB 23-2, at 'HR AA+' with Stable Outlook after the proposed tap issue for up to MXN 1.1 billion.

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HOLD	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
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