



# Pandemic shutdown: economic coma

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## SUMMARY

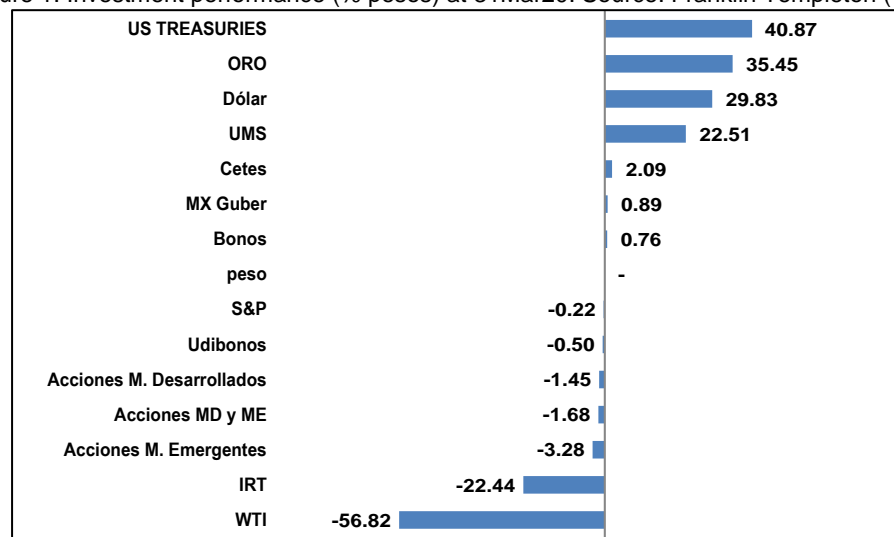
- Global. COVID19 ended the longest expansion since WWII, affecting investments drastically in 1Q20. Globally and locally, the crisis (and investments) will depend on the virus and on health, monetary and fiscal policies.
- Mexico. COVID19's effect on investments was amplified by peso depreciation and the government's late and confused reaction. AMLO approval at lowest level of presidency.
- Global foreseeable risks: COVID19, failure of government policies, global coordination, oil, US elections.
- Local risks: governance, private sector mistrust, credit rating.
- Scenarios with probabilities: positive (25%), negative (25%), middle (50%).
- Confidence and valuation indicators historically low. For peso investments, overweight low duration ILS, look for opportunities to increase duration and weighting in risk assets, including stocks and REITs.

"After all it really is all of humanity that is under threat during a pandemic." – Margaret Chan

## New pandemic, global economy on hold

In March, COVID19 ended the longest expansion since WWII. Risk investments fell, oil the most, and investments considered safe rose (Figure 1). The pandemic has spread in different ways in different countries, depending on climatic and demographic conditions and health infrastructure and policies. Monetary and fiscal stimuli have been announced by both countries and global institutions such as the IMF and the World Bank. As a result, growth forecasts for 2020 have been drastically reduced, with annualized declines of up to -40% for the 2nd quarter, and up to -8% for the year 2020, but with recovery in 2021. In Mexico, the virus appears to have arrived later, and the problem has been exacerbated by the government's slow and confused reaction in its health, monetary and fiscal policy.

Figure 1. Investment performance (% pesos) at 31Mar20. Source: Franklin Templeton ("FT")



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## INTERNATIONAL PANDEMIC

### Preliminary diagnosis

On 12 March 2020, WHO declared the COVID19 disease caused by the coronavirus disease a pandemic with more than 120,000 confirmed cases and more than 4,300 deaths, the first official pandemic in the third millennium since H1N1 (swine flu) in 2009. There are now almost 1.3 mn. confirmed cases, more than 70,000 deaths and more than 270,000 recoveries (Figure 2). Most cases have moved from China to the US and Europe and are in the northern hemisphere.

Figure 2. Confirmed cases by country as of April 6, 2020. Source: Johns Hopkins



Adjusted by population, most cases and deaths are in Europe (Figure 3). This situation is explained by more sophisticated measurement capacity, climate, and the percentage of people over 60 years of age in the population (because of their lower immunity).

Figure 3. Cases recorded by country as of April 6 (ordered by deaths/population). Source: <https://www.worldometers.info/coronavirus/>

Country, Other	Total Cases	New Cases	Total Deaths	New Deaths	Total Recovered	Active Cases	Serious, Critical	Tot Cases/ 1M pop	Deaths/ 1M pop	Total Tests	Tests/ 1M pop
<a href="#">San Marino</a>	266		32		35	199	14	7,839	943	586	17,270
<a href="#">Spain</a>	135,032	+3,386	13,055	+414	40,437	81,540	6,931	2,888	279	355,000	7,593
<a href="#">Italy</a>	128,948		15,887		21,815	91,246	3,977	2,133	263	691,461	11,436
<a href="#">Andorra</a>	501		18		26	457	12	6,484	233		
<a href="#">Belgium</a>	20,814	+1,123	1,632	+185	3,986	15,196	1,257	1,796	141	70,000	6,040
<a href="#">Sint Maarten</a>	37	+12	6	+2	1	30		863	140	105	2,449
<a href="#">France</a>	92,839		8,078		16,183	68,578	6,838	1,422	124	224,254	3,436
<a href="#">Netherlands</a>	18,803	+952	1,867	+101	250	16,686	1,409	1,097	109	75,415	4,401
<a href="#">Switzerland</a>	21,652	+552	734	+19	7,298	13,620	391	2,502	85	162,500	18,776
<a href="#">UK</a>	47,806		4,934		135	42,737	1,559	704	73	195,524	2,880

With preliminary data, at different stages, there is a difference between confirmed cases and deaths for developed countries between the US and Europe, and Asia (Figures 4 and 5). In Asian countries the rate of infection and deaths appears to have been slowed down by a number of sanitary measures including extensive testing, social distancing, contact tracing, travel bans, and the use of masks, which Europeans and Americans took longer to implement and at different levels of enforcement. For emerging countries, climate and demographics may in many cases be favorable, but measurement and health systems are poor, which may result in Europe-like curves. In most countries there is a curve that lasts between 2 and 3 months, between the outbreak and the stage when there are more recoveries than new cases, or each person infected infects less than one other person.

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Figure 4. Confirmed cases in the first 44 days after 100 cases

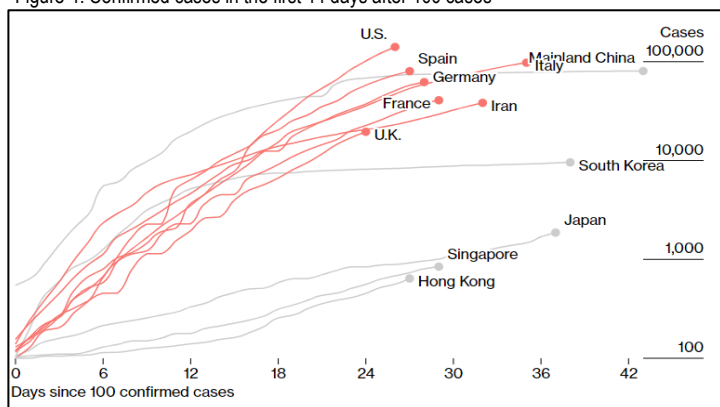
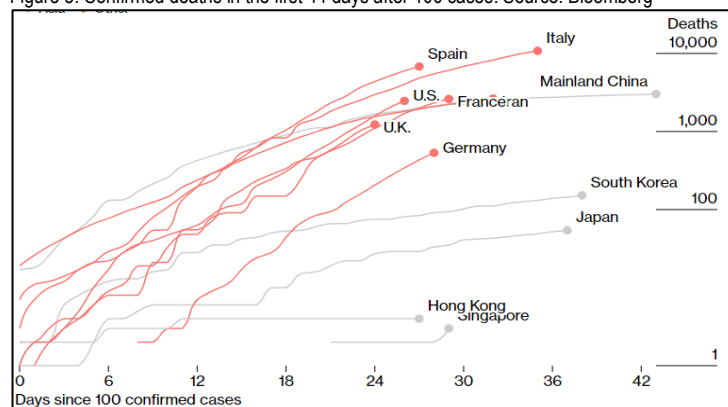


Figure 5. Confirmed deaths in the first 44 days after 100 cases. Source: Bloomberg



### Tests, cures and vaccines

Research is accelerating in countries and companies, on more than 140 experimental drug treatments and vaccines. Immunity tests may or may not indicate a prior infection, or the level of immunity. A promising infection test, which takes only 5 minutes, was announced by Abbott Laboratories. For cures, existing and new drugs are being researched: a promising, but controversial, existing one appears to be a combination of an anti-malarial drug (hydroxychloroquine) and an antibacterial (azithromycin). It is estimated that an effective vaccine could take between 12 and 18 months. In this effort it is possible that globalization, the cause of the pandemic, will help in its cure.

### Monetary and fiscal policies against COVID19

Figure 6. Quantitative and fiscal monetary stimulus: major countries (US\$trn.). Source: Cornerstone

	Central Bank Liquidity Injection		Govt Fiscal Stimulus		Central Bank Liquidity Injection and Govt Fiscal Stimulus	
	\$ Tln	% GDP	\$ Tln	% GDP	\$ Tln	% GDP
U.S.	\$2.50	11.7%	\$2.71	12.7%	\$5.21	24.3%
Eurozone	\$1.10	8.3%	\$0.48	3.6%	\$1.58	11.9%
Japan	\$0.20	3.9%	\$0.55	10.7%	\$0.75	14.6%
U.K.	\$0.25	9.0%	\$0.04	1.4%	\$0.29	10.4%
China	\$1.22	8.5%	\$0.11	0.8%	\$1.33	9.4%
Others*	\$0.62		\$1.63		\$2.25	
<b>Global</b>	<b>\$5.88</b>	<b>6.8%</b>	<b>\$5.53</b>	<b>6.4%</b>	<b>\$11.41</b>	<b>13.2%</b>

To counteract the economic effects of COVID19, central banks have allocated a total of US\$5.9trn. and governments US\$5.5trn., a total of US\$11.4trn. (Figure 6). Monetary policy includes rate cuts, quantitative easing, credit lines for dollar swaps, bond purchases, and lines of credit for companies. Many of these measures were used in the 2008-9 financial crisis. The pandemic is unique nature because of its spread to more than 200 countries, and because of the tools used against it. Social distancing (in its extreme form, total isolation) has been the most effective tool, but, because of its drastic economic effect, it is comparable to an induced coma, with fiscal stimulus used to alleviate its effects (Figure 6). In the US the \$2.7trn. package approved by the legislature at the end of March includes: 1) higher payments for unemployed people, 2) checks to families for US\$1,200 for each adult and \$500 for each child belonging to families with incomes below \$75,000 for single people and US\$150,000 for married couples, 3) small and large business subsidies, and 4) capital injections into the health sector. In Europe the ECB has offered up to €750bn. for similar programs.

### Emerging markets

In emerging markets, especially Africa, Central and South America, there are fewer confirmed cases, possibly due to climate, demography, and deficient medical infrastructure and measurement systems. The World Health Organization (WHO) has called on global institutions such as the International Monetary Fund and the World Bank. In early March, the IMF offered emerging countries up to US\$50bn. in rapidly disbursable financial services to deal with COVID19. The World Bank offered up to US\$160bn. over the next 15 months.

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## OIL

The oil price war between Saudi Arabia and Russia coincided with the COVID19 crisis, causing the steepest oil price fall in history (Figure 7). The US as the largest oil producer (Figure 8) on Thursday 2 April appeared to have brokered a production reduction agreement, contributing to a significant price rebound, but another meeting was postponed until Thursday, April 9.

Figure 7. WTI price (US\$) 1984-April 2020. Source: Bloomberg

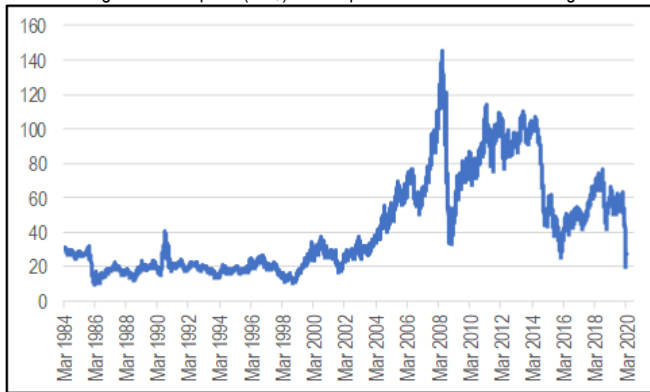
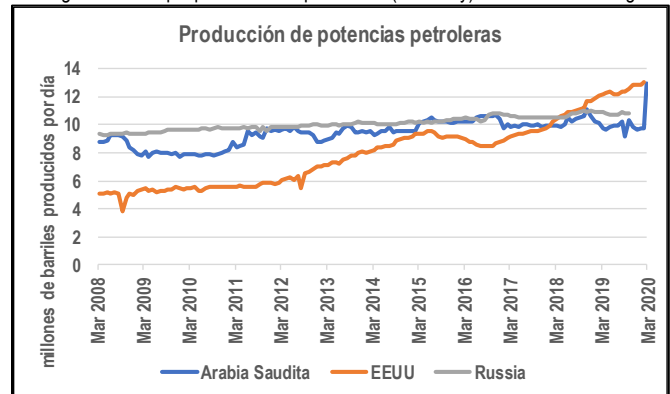


Figure 8. Principal producers: oil production (mmb/day). Source: Bloomberg



## US presidential race

After his victory on Super Tuesday (March 3), Joe Biden is consolidating his position as the favorite for the Democratic party nomination for President, as he now has 1,217 of the 1,991 necessary delegates. Although markets prefer a more orthodox candidate like Biden, Trump could recover from his initial slow and insufficient reaction to the COVID crisis due to the fiscal stimulus package, for which he achieved extraordinary bipartisan support and which he can use, as an executive power, in his election strategy (Figure 9).. In the crisis, his popularity has reached the highest level of his presidency (Figure 10).

Figure 9. Presidential Election Bets EEUU. Source: PredictIt

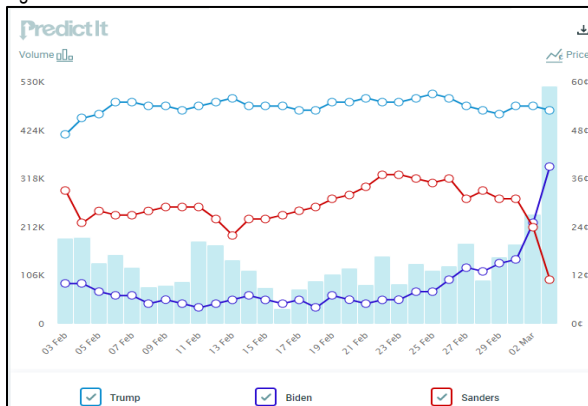
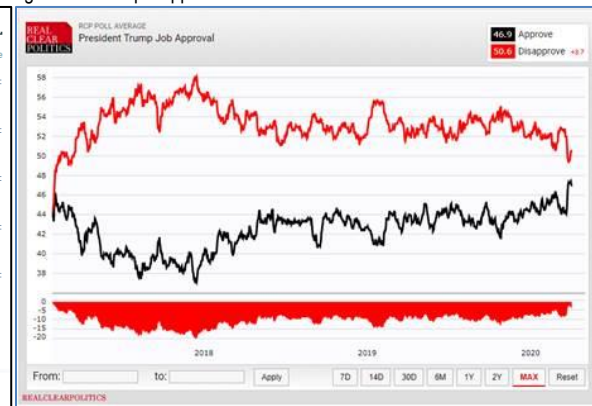


Figure 10. Trump's approval. Source: RealClearPolitics



## MEXICO COVID19

Figure 11. COVID19: cases by state. Source: INFOBAE



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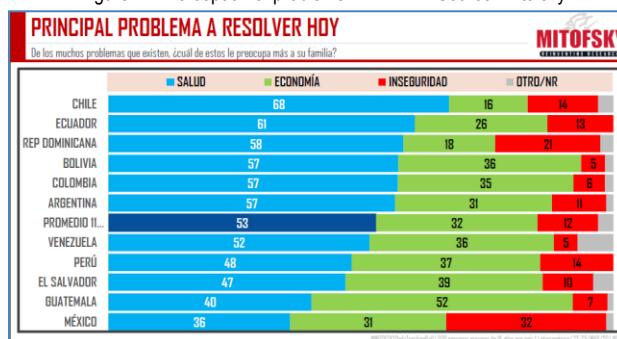
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As of April 6, there were 2,143 cumulative cases, 1416 active cases, 94 deaths, and 633 recovered in Mexico (Figure 11). Of the confirmed cases, 48% are concentrated in 4 states with the highest population: CDMX, State of Mexico, Jalisco, and Puebla. As of April 6, 140 tests/mn. inhabitants had been conducted, putting Mexico in 109<sup>th</sup> place of the 134 countries where this measurement has been made (or disclosed). It seems that, compared to COVID19, Mexico has had a climatic (semitemperal) and demographic advantage (with a low percentage of over 65 years of age), compared to the mostly developed countries where COVID19 has caused the most damage. In a situation of ignorance of the virus and the disparate figures even in developed countries, distrust of official figures increases even further.

### Government actions

On 24 March, it was announced that the spread of the virus in Mexico was in phase 2, recognizing the severity of the crisis. The government announced measures for the health and military sector to use its health infrastructure, and transfers of funds to states. On 30 March, the health emergency was declared, with more restrictive measures to prevent crowds, isolation of vulnerable groups and the order to avoid non-essential activities until 30 April. So far, the measures have had limited results, as the informal sector (estimated at more than 50% of the economy) is vulnerable because staying at home would deprive people of their livelihood (Figure 12).

Figure 12. Perception of problems in LATAM. Source: Mitofsky.



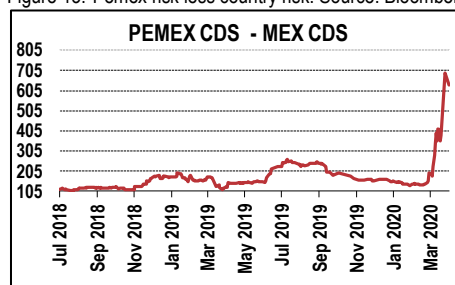
### Monetary and fiscal policy

On March 20, faced with lower growth forecasts, Banxico surprisingly decided to lower its interest rate by 50bp from 7.00% to 6.5%. It announced additional measures to increase liquidity, including lowering the target interest rate for commercial banks and auctioning US\$60bn. to credit institutions financed by Fed swaps. On March 12, Treasury Secretary Arturo Herrera announced a stimulus package for companies facing a lack of liquidity due to the pandemic, through loans from development banks and the postponement of tax payments. However, they were ruled out by AMLO who said that lower gasoline prices should be sufficient stimulus. On April 5, AMLO presented his quarterly message to the nation. An emergency economic program was expected, but he announced no change to his development plan, repeating his social programs and investment plans. However, he mentioned that a plan would be announced this week for the energy sector, as well as the reduction of taxes on Pemex.

### Credit rating and Pemex

Since the crisis began, Mexico had received two ratings cuts, the first from S&P (March 26) and the second from HR (April 1), and a third of Moodys is likely, which has maintained the highest rating for Mexico since 2014. Among the points relevant for these decisions are: 1) Global impact on supply and demand due to COVID19, 2) the oil price fall and low demand decreasing revenues, 3) deterioration of government finance and 4) increase in uncertainty due to government treatment of foreign investors. On April 3, Fitch lowered Pemex's rating to BB (Figure 13).

Figure 13. Pemex risk less country risk. Source: Bloomberg



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## AMLO

AMLO has minimized the crisis, ignoring social distancing by continuing his presidential tours around Mexico with large crowds. The morning after his quarterly report, on April 6, he said the crisis was a "ring for the finger" (*anillo al dedo*) because it signified the failure of the "neoliberal" economic model. In March, a referendum, with 4% representation, cancelled the construction of a brewery by Constellation Brands in Mexicali, Baja California, in which US\$900mn. had already been invested. On the same tour, AMLO criticized a wind farm for being an anti-ecological "neoliberal" project and met with the family of "El Chapo", an important Mexican drug capo currently incarcerated in the US. AMLO's popularity has fallen below 50% (Figure 14). This decline in his popularity could affect the 2021 midterm elections.

Figure 14. Approval of the presidents of Mexico during their administration. Source: GEA-ISA.



## ECONOMY

### Global growth 2020

Growth estimates for 2020 have changed as COVID19 has progressed and monetary and fiscal policies have been introduced to counter it. The most recent is the survey of the Economist magazine (Figure 15). While almost all agree on a sharp decline in global and Mexican economic activity between -20% and -40% (annualized) in the 2nd quarter of 2020, there is disagreement about the strength and speed of recovery in the following quarters, between a V, U, or L. This will depend on the trajectory of the virus and measures to combat it, and the effectiveness of monetary and fiscal policies. We incorporate these forecasts into our three scenarios (page 7).

Figure 15. Growth estimates for 2020 before and after the pandemic was declared. Source: The Economist

Country	New forecast	Previous forecast	Country	New forecast	Previous forecast
World	-2.2	2.3	Mexico	-5.4	1.1
US	-2.8	1.7	South Korea	-1.8	2.2
China	1	5.9	Russia	-2	1.6
Japan	-1.5	0.4	Brazil	-5.5	2.4
UK	-5	1.1	India	2.1	6
Australia	-0.4	2	Argentina	-6.7	-2
France	-5	1			
Germany	-6.8	0.9			
Italy	-7	0.4			
Canada	-1.3	1.8			

### Mexico growth

The recently published "preliminary criteria" for the economy in 2020 are considered relatively optimistic, with a base growth estimate of -2% (maximum 0.1% and minimum -3.99% - Figure 16).

Figure 16. Mexico: economic forecasts 2020-2021. Source: SHCP.

	2020		2021	
	Antes	Ahora	Antes	Ahora
PIB México	2.0%	-2.0%	2.3%	2.5%
Inflación	3.0%	3.5%	3.0%	3.2%
Tipo de cambio (pesos por USD)	20.0	22.9	20.1	21.4
Tasa de interés (Cetes 28)	7.10%	5.80%	6.80%	5.80%
Déficit cuenta corriente (% PIB)	-1.80%	-0.80%	-1.80%	-1.40%
Precio mezcla mexicana	US\$49	US\$24	US\$52	US\$30
Plataforma producción petróleo (mdb)	1,951	1,850	2,073	2,027
Superávit/déficit primario (% PIB)	0.7%	-0.4%	1.0%	
RFSP (% PIB)	-2.6%	-4.4%	-2.2%	-4.0%
SHRFSP (% PIB)	45.6%	52.1%	45.4%	52.1%
Ingreso presupuestario (% PIB)	21.0%	21.5%	21.3%	
Ingreso tributario (% PIB)	13.3%	13.8%	13.4%	
Gasto neto total (% PIB)	23.1%	24.8%	23.1%	

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## RISKS AND SCENARIOS FOR 2020

The goal is Mexico's economic growth. In the positive scenario, all risks turn out favorable to growth, in the negative scenario, unfavorable, and in the middle scenario, mixed. Economic estimates for each scenario are provided in Figure 17.

Risks	
<i>Global</i>	<ul style="list-style-type: none"> <li>Pandemic</li> <li>Global: monetary and fiscal policies</li> <li>US elections.</li> <li>Geopolitics: Saudi Arabia, Europe, Middle East, Russia, China, North Korea, Latin America</li> <li>Oil</li> <li>Emerging Markets (EM).</li> </ul>
<i>Mexican</i>	<ul style="list-style-type: none"> <li>Governance</li> <li>Security</li> <li>Corruption</li> <li>Credit rating</li> </ul>
Scenarios	
<i>Positive (25%)</i>	<ul style="list-style-type: none"> <li>Pandemic controlled in 2Q20, V shaped recovery.</li> <li>Global: well-executed monetary and fiscal policies.</li> <li>USA: positive elections.</li> <li>Geopolitical risks do not materialize.</li> <li>Oil: price maintained</li> <li>EM: crisis overcome..</li> <li>Mexico: improved governance, security, private sector confidence improves, credit upgrade..</li> </ul>
<i>Negative (25%)</i>	<ul style="list-style-type: none"> <li>Pandemic controlled after 4Q20. L shaped recovery.</li> <li>Global: poorly executed monetary and fiscal policies.</li> <li>USA; negative outcome.</li> <li>Geopolitical risks materialize.</li> <li>Petroleum: price collapse</li> <li>EM: crisis</li> <li>Mexico: loss of governance, insecurity, private sector confidence worse, credit downgrade.</li> </ul>
<i>Medium (50%)</i>	<ul style="list-style-type: none"> <li>Pandemic controlled in 3Q20, U shaped recovery.</li> <li>Global: partially well-executed monetary and fiscal policies.</li> <li>USA: mixed election outcome.</li> <li>Geopolitical risks partially materialize.</li> <li>ME: partial crisis.</li> <li>Mexico: governance ambivalent, insecurity, private sector confidence unchanged, credit rating unchanged.</li> </ul>

Figure 17. Estimates for 2020 scenarios (\*estimated 2019) Source: FT

	Escenarios para 2020			2019
	Alto	Bajo	Base	Observados
Probabilidad	25%	25%	50%	
<b>EU</b>				
Crecimiento PIB	> 0.9%	< 0.9%	0.9%	2.30%
Inflación	> 1.60%	< 1.60%	1.60%	1.80%
Déficit fiscal	< 5.20%	> 5.20%	5.20%	4.70%
Déficit cuenta corriente	< 2.30%	> 2.30%	2.30%	2.30%
Tasa T-Bills	> 0.45%	< 0.45%	0.45%	1.75%
TNote 10 US	> 1.10%	< 1.10%	1.10%	1.92%
Petróleo (WTI)	> \$33.74	< \$33.74	33.74	61.06
<b>México</b>				
Crecimiento PIB	> -3.99%	< -3.99%	-3.99%	-0.10%
Inflación	> 3.75%	< 3.75%	3.75%	2.83%
Déficit fiscal	< 4.40%	> 4.40%	4.40%	1.60%
Déficit cuenta corriente	< 1.00%	> 1.00%	1.00%	0.5%*
Cetes28 (fin de año)	> 5.70%	< 5.70%	5.70%	7.30%
Peso/US\$ (fin de año)	< \$22.27	> \$22.27	22.27	18.86

Fuentes Franklin Templeton, SHCP, Bloomberg y Encuesta Banxico (publicada el 1 de abril de 2020). \* Pronósticos

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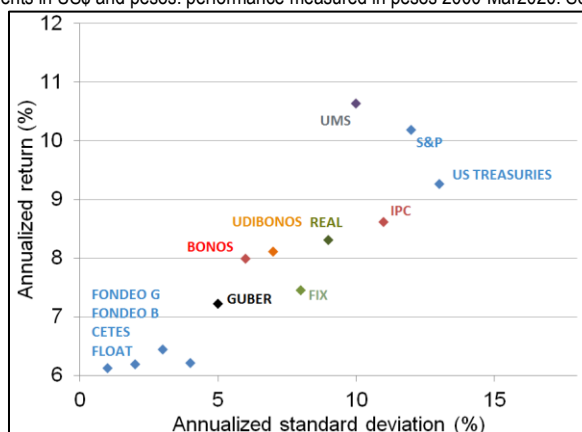
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## MARKETS

### Investments in US\$ and pesos: comparative performance

Following further peso depreciation due to the pandemic, in the long term (2000-2020) investments in US\$ yielded higher returns (converted to pesos) than those denominated in pesos (albeit with higher risk), for the first time since 2015 (Figure 18).

Figure 18. Investments in US\$ and pesos: performance measured in pesos 2000-Mar2020. Source: FT



### US\$ and peso

Owing to the pandemic, all currencies have depreciated against the US\$, including the peso (Figures 19 and 20). Sentiment surveyed by Banxico is at its worst historical level: 3% better (previous 21%), 3% no change (62%) and 94% worse (18%) (Figure 21).

Figure 19. Peso vs. US\$: 1980-3Apr2020. Source: FT

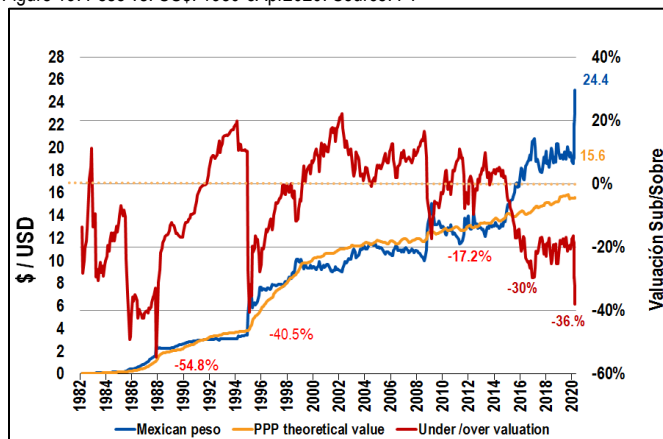


Figure 20. Emerging currencies vs. US\$. YTD to 3Apr20 Source: Bloomberg.

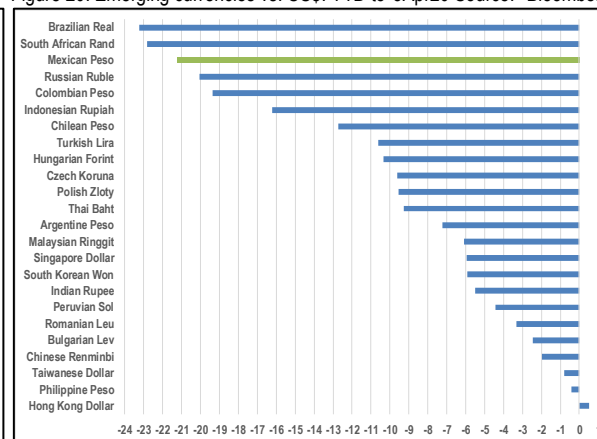
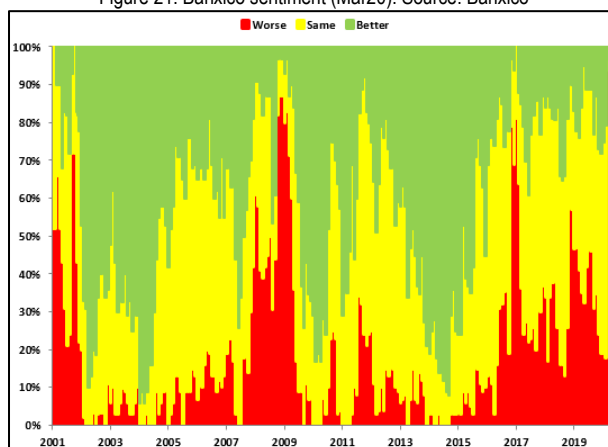


Figure 21. Banxico sentiment (Mar20). Source: Banxico



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## Debt

Due to the pandemic, developed market interest rates have fallen sharply, while emerging market rates have risen due to higher perceived risk, except China, India and South Korea (Figure 22).

Figure 22. DM and EM: changes in nominal 10 year rates (1abr120). Source: Bloomberg, FT

Developed				Emerging			
local 10y yields (%)				local 10y yields (%)			
	Current	YE19	(bps)		Current	YE19	(bps)
US	0.58	1.92	-134.2	China	2.55	3.14	-59.2
Euro Area	(0.46)	(0.19)	-27.3	India	6.14	6.56	-41.7
Japan	-	(0.03)	2.5	Rusia	6.66	6.26	39.4
Britain	0.31	0.82	-50.8	Brasil	8.62	6.79	182.9
Australia	0.76	1.37	-61.4	México	7.15	6.91	23.6
Canada	0.62	1.70	-108.7	Corea del sur	1.56	1.67	-11.7
Germany	(0.46)	(0.19)	-27.3	Indonesia	7.98	7.06	91.3
France	0.01	0.12	-11.1	Turquia	13.66	12.21	145

## Stocks

The pandemic affected all stock markets (Figure 23). P/E and P/BV ratios for the Mexican and US stock markets are at historically low levels (Figures 24 and 25).

Figure 23. Shares: DM and EM YTD 3abr2020 (US\$). Source: Bloomberg

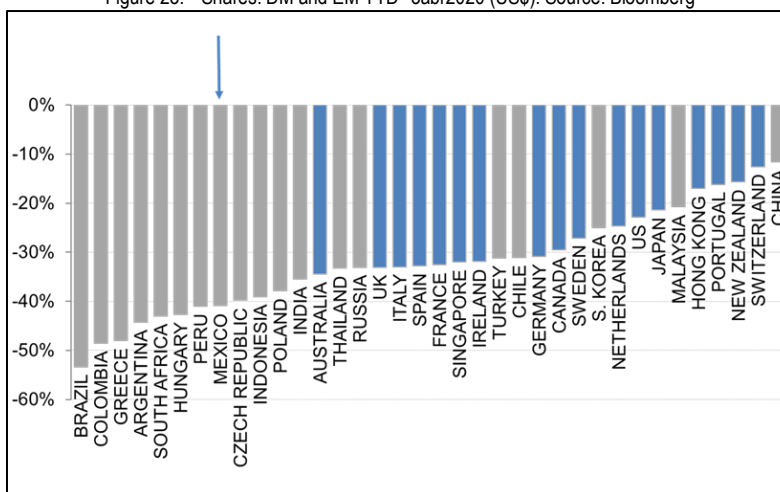


Figure 24. IPC and S&P500: PE ratios 3abr20. Source: FT

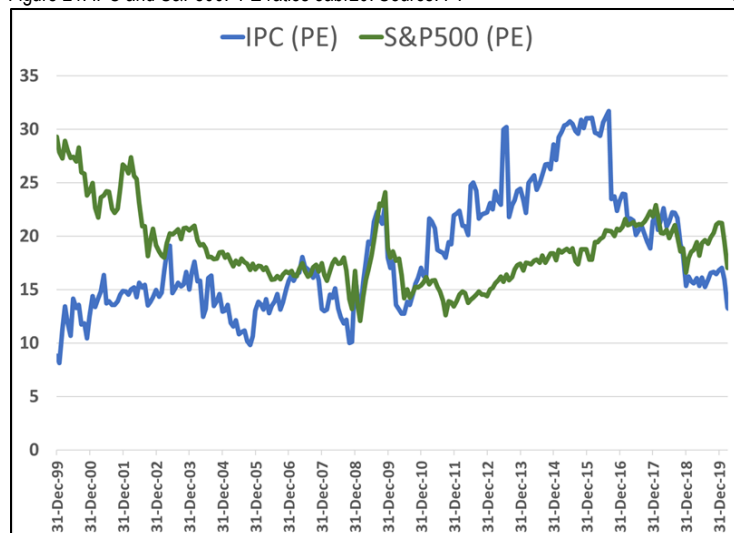
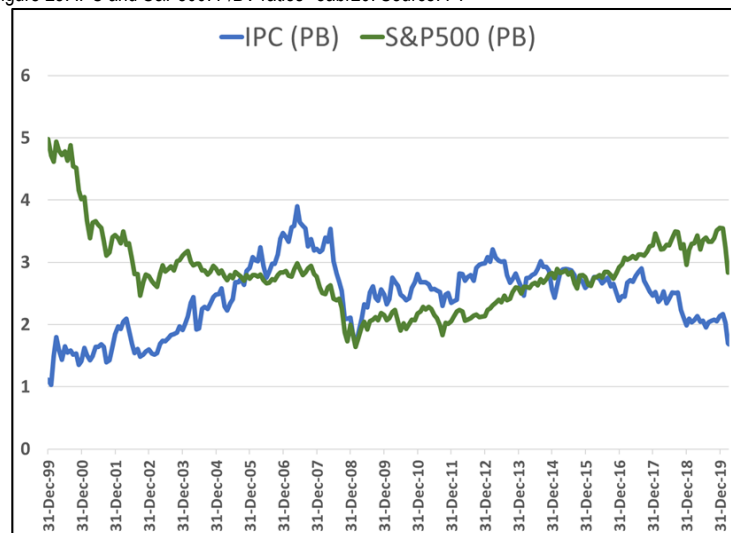


Figure 25. IPC and S&P500: P/BV ratios 3abr20. Source: FT



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## REITS (Fibras)

REITs have outperformed stocks since inception, but not during 2020 (Figures 26 and 27).

Figure 26. REITs vs. IRT since inception (mar2011) Source: Bloomberg

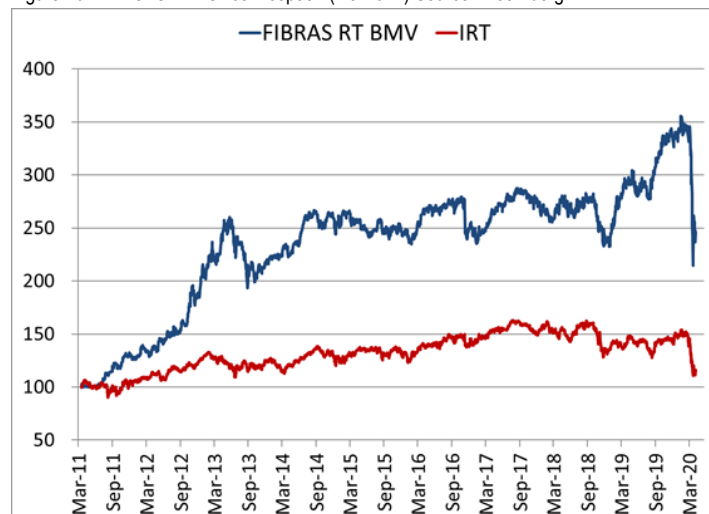


Figure 27. REITs: key indicators. Source:BTG

	Market Cap		Dividend Yield %				Price / NAV		
	(US\$m)	Current	2019	2020E	2021E	2019	2020E	2021E	
Mexican FIBRAs									
Fibra Uno	3,169	12.5%	12.3%	12.0%	12.0%	0.44	0.46	0.46	
Fibra MQ	664	9.1%	8.7%	9.8%	9.8%	0.58	0.51	0.47	
Fibra Shop	154	11.1%	11.1%	10.4%	7.9%	0.33	0.31	0.30	
Fibra Terrafina	842	10.1%	2.8%	9.3%	10.5%	0.72	0.69	0.67	
Fibra Danhos	1,197	12.8%	12.3%	12.2%	12.5%	0.49	0.50	0.51	
Fibra Prologis	1,002	7.5%	6.5%	6.4%	6.4%	0.79	0.80	0.80	
Fibra Hotelera	151	17.8%	17.9%	18.5%	19.1%	0.28	0.28	0.28	
Fibra Inn	111	9.7%	7.4%	7.4%	7.4%	0.30	0.30	0.30	
Fibra Monterrey	369	11.9%	11.6%	10.5%	11.8%	0.49	0.70	0.70	

## Conclusion

A unique pandemic has changed medical paradigms, with unprecedented economic, political, social and financial consequences for the world and Mexico. Confidence and value indicators are at historically low levels. We have changed our scenarios and their odds: positive 25%, negative 25%, and middle 50%. We recommend caution for portfolios denominated in pesos, overweight in inflation-linked instruments, and the search for opportunities to increase duration and exposure to risk assets, including stocks and REITs.

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Luis Gonzalí  
Jorge Marmolejo  
Nadia Montes de Oca  
April 7, 2020

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**Key financial variables: performance as of March 31, 2020**

During March, in Mexico, IRT fell 16.2% and RT FIBRAS 22.9%. Nominal rates up to 5 years fell, while long-term rates rose. The US\$ strengthened 18.7% against the peso. In the US: Nasdaq, DJ and S&P500 fell. Nominal and real rates fell in all timeframes. The WTI oil price dropped 54%. Regarding the business climate according to Banxico, optimism fell to 3% (previous 21%), no change fell to 3% (62%), and pessimism rose to 94% (18%).

Mexico					
Stock market and oil					
	31-Mar-20	28-Feb-20	Month	YTD	2019
IRT	48,737.54	58,173.22	-16.22%	-20.45%	7.92%
BIVA RT	749.32	901.89	-16.92%	-20.80%	8.97%
FIBRAS BMV RT	255.42	331.38	-22.92%	-23.00%	42.34%
Local currency (USD/MXN)	23.48	19.78	18.75%	24.49%	-4.00%
Mexican oil mix (USD/bbl)	10.76	39.76	-72.94%	-80.83%	25.62%
Nominal rates					
	31-Mar-20	28-Feb-20	Month	YTD	2019
CETES 28	6.52%	7.07%	-55 bps	-78 bps	-112 bps
CETES 360	6.10%	6.56%	-46 bps	-80 bps	-179 bps
M5	6.55%	6.66%	-12 bps	-20 bps	-177 bps
M10	7.14%	6.85%	29 bps	29 bps	-180 bps
M30	7.92%	7.18%	73 bps	72 bps	-170 bps
Real rates					
	31-Mar-20	28-Feb-20	Month	YTD	2019
UDIBONO 10	3.64%	3.16%	48 bps	24 bps	-72 bps
UDIBONO 30	3.73%	3.35%	38 bps	28 bps	-67 bps
Commodities					
	31-Mar-20	28-Feb-20	Month	YTD	2019
Gold	1,585.93	1,598.97	-0.07%	4.32%	18.70%
WTI (USD/b)	20.48	44.76	-54.24%	-66.46%	38.63%
UMS					
	31-Mar-20	28-Feb-20	Month	YTD	2019
UMS 10 years	3.77%	2.54%	123 bps	58 bps	-173 bps
UMS 20 years	5.09%	4.01%	108 bps	97 bps	-186 bps
UMS 30 years	5.66%	4.41%	127 bps	108 bps	-123 bps
Stock markets (US\$)					
	31-Mar-20	28-Feb-20	Month	YTD	2019
MSCI Developed	7,890.18	9,086.79	-13.17%	-20.93%	28.40%
MSCI Emerging	1,965.16	2,322.26	-15.38%	-23.57%	18.90%
MSCI Mexico	5,746.09	8,120.72	-29.24%	-35.44%	11.77%
MSCI Brazil	3,989.44	6,451.48	-38.16%	-60.20%	26.66%

US					
Stock market					
	31-Mar-20	28-Feb-20	Month	YTD	2019
DJ	21,917.16	25,409.36	-13.74%	-23.20%	22.34%
S&P	2,564.59	2,954.22	-12.51%	-20.00%	28.68%
Nasdaq	7,700.10	8,667.37	-10.12%	-14.16%	35.23%
Nominal rates					
	31-Mar-20	28-Feb-20	Month	YTD	2019
Tbill 90	0.11%	1.27%	-115 bps	-144 bps	-90 bps
Tnote 5	0.37%	0.89%	-52 bps	-132 bps	-82 bps
Tnote 10	0.70%	1.13%	-43 bps	-122 bps	-77 bps
Tbond 30	1.35%	1.65%	-30 bps	-104 bps	-59 bps
Real rates					
	31-Mar-20	28-Feb-20	Month	YTD	2019
Tp 5	-0.12%	-0.44%	32 bps	-13 bps	-99 bps
Tp 10	-0.17%	-0.28%	11 bps	-32 bps	-83 bps
Tp 30	0.16%	0.24%	-8 bps	-42 bps	-63 bps
Bank of Mexico survey					
Indicator	2020	2020 anterior			
PIB	-3.99%	0.91%			
Inflation	3.75%	3.52%			
Cetes 28	5.70%	6.45%			
Local currency	22.27	19.57			
Business conditions					
	31-Mar-20	28-Feb-20			
Optimism	3%	21%			
No change	3%	62%			
Pessimism	94%	18%			

Source: Bloomberg, Bank of Mexico

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