BANORTE

Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

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Main drivers for the financial markets today...

- **Stock markets with few changes and mixed, government bond yields lower, and USD mixed. Investors waiting central banks and corporate reports, cautious as oil rises due to Middle East tensions, China's orders to liquidate Evergrande along with measures in the latter country to support the stock market**

- **Few drivers in terms of economic figures today as we do not have relevant data in the US and Mexico**

- **Attention this week on the Fed's monetary policy decision. Although no interest rate changes are expected, the focus will be on comments from Powell on upcoming actions. Also, the BoE decision. In this same front, monetary policy announcements in Brazil, Chile, Colombia, and Sweden, among the most relevant**

- **On economic figures, we highlight January's employment report in the US, expecting +155 thousand jobs and an unemployment rate at 3.8%. In addition, 4Q23 GDP in the Eurozone, Germany, and Mexico, expecting a 0.3% expansion for the latter**

- **Going to the events, a meeting of the US-EU Trade and Technology Council in Washington, along with a meeting of leaders of the latter region to discuss aid to Ukraine. In Mexico, Congress starts sessions after the winter break**

- **On the rest of US data, we await housing prices (Nov) trade balance, durable and factory orders (Dec), ADP employment, manufacturing PMI and ISM, University of Michigan and the Conference Board consumer confidence, and Wards auto sales (Jan)**

- **In other regions, CPI in the Eurozone and Germany (Jan); unemployment (Dec), consumer and economic confidence (Jan) in the Eurozone; industrial production and unemployment in Brazil (Dec)**

- **In Mexico, domestic demand figures (Nov), remittances, banking credit, public finances (Dec), Banxico's survey and IMEF indicators (Jan)**

The most relevant economic data...

Event/Period	Unit	Banorte	Survey	Previous
No relevant economic data will be released today				

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.


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Winners of the 2023 award for best Mexico economic, forecasters, granted by Focus Economics

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	4,920.25	0.1%
Euro Stoxx 50	4,630.70	-0.1%
Nikkei 225	36,026.94	0.8%
Shanghai Composite	2,883.36	-0.9%
Currencies		
USD/MXN	17.16	0.0%
EUR/USD	1.08	-0.2%
DXY	103.58	0.1%
Commodities		
WTI	78.07	0.1%
Brent	83.72	0.2%
Gold	2,030.35	0.6%
Copper	385.40	0.1%
Sovereign bonds		
10-year Treasury	4.10	-3pb

Source: Bloomberg

Equities

- **Equity markets mixed, with investors awaiting a greater flow of corporate reports. This week's figures are expected from 106 S&P500 companies (today only 5), highlighting big tech in coming days: Alphabet, Amazon, Apple, Meta, and Microsoft**

- **In Asia, markets closed mixed. Evergrande's shares halted trading following a Hong Kong court's order to liquidate the company. In Europe declines predominate, with the Eurostoxx down 0.1%. The news that Holcim (stock is up 4%) plans to spin off its North American business (worth ~US$30 billion) in a New York share offering stood out. In turn, US futures of main indices are mixed and show little changes**

- **In Mexico, following the Mexbol's closing at 56,856pts last Friday, we expect a trading range between 55,800 - 57,600pts this week**

Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. European 10Y rates average gains of 6bps, while Treasuries' print a slight flattening with an adjustment of -3bps at the long-end. Last week, most Mbonos had modest losses, with the 10-year benchmark (Nov'34) ending at 9.33% (+2bps w/w)**

- **Dollar with few changes amid a mixed performance in G10, with NZD (+0.5%) and SEK (-0.3%) at the extremes. In EM, the bias is also mixed, although the drop in HUF (-0.7%) stands out. The MXN trades virtually unchanged at 17.16 per dollar after two consecutive weeks of losses**

- **Crude-oil steady after its biggest weekly gain since October following a wider conflict in the Middle East due to a Houthi missile strike Friday on a vessel operated on behalf of Trafigura Group carrying Russian fuel. Meanwhile, gold advances 0.6%**

Corporate Debt

- **No auctions are scheduled in the pipeline for the rest of the month. However, we expect the pace to accelerate in February with five placements for MXN 7 billion in corporates, as well as greater activity in the banking market with nine bonds to be auctioned for up to MXN 24.5 billion**

- **HR Ratings ratified the rating of HYCSA 24 (Grupo Hyc) at 'HR AA' with a Stable outlook. According to the agency, the ratification is based on the company's rating of 'HR A+' with Stable outlook, in addition to the irrevocable and unconditional partial guarantee for up to 33% of the outstanding balance by Bancomext. The issuance is expected to be placed for an amount of MXN 500 million, with a term of approximately three years and will pay a floating rate pegged to TIIE-28**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	38,109.43	0.2%
S&P 500	4,890.97	-0.1%
Nasdaq	15,455.36	-0.4%
IPC	56,855.88	1.2%
Ibovespa	128,967.32	0.6%
Euro Stoxx 50	4,635.47	1.2%
FTSE 100	7,635.09	1.4%
CAC 40	7,634.14	2.3%
DAX	16,961.39	0.3%
Nikkei 225	35,751.07	-1.3%
Hang Seng	15,952.23	-1.6%
Shanghai Composite	2,910.22	0.1%
Sovereign bonds		
2-year Treasuries	4.35	6pb
10-year Treasuries	4.14	2pb
28-day Cetes	11.28	-1pb
28-day TIIE	11.50	0pb
2-year Mbono	10.02	3pb
10-year Mbono	9.31	4pb
Currencies		
USD/MXN	17.16	-0.2%
EUR/USD	1.09	0.1%
GBP/USD	1.27	0.0%
DXY	103.43	-0.1%
Commodities		
WTI	78.01	0.8%
Brent	83.55	1.4%
Mexican mix	73.37	0.9%
Gold	2,018.52	-0.1%
Copper	385.20	-0.4%

Source: Bloomberg

Analyst Certification.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Santiago Leal Singer, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Carlos Hernández García, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, José De Jesús Ramírez Martínez, Daniel Sebastián Sosa Aguilar, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Juan Carlos Mercado Garduño, Jazmin Daniela Cuautencos Mora, Andrea Muñoz Sánchez and Paula Lozoya Valadez, 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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	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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