

## Financial Markets Daily

### Main drivers for the financial markets today...

- Stock markets down, government bond yields mixed, and USD biased lower. Patience among investors after the recent market gains, with profit taking in tech stocks from hedge funds and waiting economic data to define the next leg in asset prices
- Republican presidential candidate Donald Trump won the primary election in South Carolina, home state of rival Nikki Haley
- Scarce information for the trading session, only with January's new home sales in the US. Later today, Schmid from the Kansas City Fed will speak today
- Market attention this week on China's economy with February PMI indicators, along with the PCE deflator (Jan) and monetary policy in the US on the back of a hefty agenda of Fed speakers, especially in a backdrop of more modest bets about rate cuts soon
- Going to monetary policy, decisions in Israel, Hungary, and New Zealand. On the other hand, Banxico will publish its 4Q23 Quarterly Report
- US releases include housing prices (Dec), personal income & spending, durable goods orders, trade balance (Jan), 4Q23 GDP (2<sup>nd</sup> estimate), ISM manufacturing, vehicle sales, and U. of Michigan consumer confidence (Feb)
- In other regions, unemployment rate (Jan), inflation, consumer and economic confidence (Feb) in the Eurozone; as well as 4Q23 GDP, unemployment rate (Jan), and inflation (1H-Feb) in Brazil
- Among figures in Mexico, the trade balance, unemployment rate, banking credit, family remittances, public finance report (Jan), IMEF's PMI indicators (Feb), and the expectations survey compiled by Banxico. Presidential campaigns begin on March 1st

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>United States</b>					
10:00	New home sales** - Jan	thousands	--	680	664

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

February 26, 2024



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Winners of the awards as the best economic forecasters in Mexico by LSEG and Focus Economics in 2023



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### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	5,097.50	-0.1%
Euro Stoxx 50	4,866.94	-0.1%
Nikkei 225	39,233.71	0.3%
Shanghai Composite	2,977.02	-0.9%
<b>Currencies</b>		
USD/MXN	17.09	-0.1%
EUR/USD	1.09	0.3%
DXY	103.76	-0.2%
<b>Commodities</b>		
WTI	76.09	-0.5%
Brent	81.25	-0.5%
Gold	2,031.38	-0.2%
Copper	383.00	-1.3%
<b>Sovereign bonds</b>		
10-year Treasury	4.25	0pb

Source: Bloomberg

## Equities

- Cautiousness after new highs in the US last week, with investors assessing the economic outlook with data in coming days
- US futures anticipate a flat opening. Berkshire Hathaway stands out, up more than 4.5% in pre-market after results beat estimates. Meanwhile, Europe declines, with the Eurostoxx down 0.1%. Mining companies (Rio Tinto and Anglo American) fall in London due to concerns about weak demand in China. For the Mexbol Index we anticipate a weekly trading range between 55,800 and 57,500pts. In addition, March rebalancing changes will be announced on Friday 1st at the close
- On the corporate front, 40 S&P500 companies are expected this week. In Mexico, we await 6 IPC companies (February 27 last day to report), highlighting: Alsea, Asur, Gap, Livepol and Volar

## Sovereign fixed income, currencies and commodities

- Mixed balance in sovereign bonds. European 10-year rates adjust +2bps, while Treasuries print slight gains. The Mbonos' curve steepened as a result of a 13bps rally at the short- and mid-end, while the long-end registered few changes
- Dollar begins with losses amid a mixed performance in G10 and EM currencies. In the former, SEK (+0.4%) and NZD (-0.3%) stand at the extremes. In EM, MXN trades at 17.09 per dollar (+0.1%), after its first negative week (-0.4%) during February
- Crude-oil extends last week's losses as traders await fresh clues on global demand and supply balances. This week, the focus will be on a clutch of energy industry conferences in London, including the International Energy Week

## Corporate Debt

- Total Play Telecomunicaciones announced a swap agreement with a group of investors for US\$213.5 million of its Senior Notes due 2025 (US\$575 million). The new notes resulting from the swap are backed by designated receivables, have an annual interest rate of 10.5% and an increasing amortization schedule of 20% in 2026, 30% in 2027 and 50% in 2028
- S&P Global Ratings affirmed the ratings of the Libramiento de Matehuala MATCB 05U issue at 'mxAAA'; the outlook remained Stable. The agency expects the toll road to maintain its stable performance in coming months and to be able to fully repay its senior debt in December 2024, before the legal maturity in 2032, as a result of the early repayments it made between 2006 and 2016, which substantially reduced the outstanding debt balance

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	39,131.53	0.2%
S&P 500	5,088.80	0.0%
Nasdaq	15,996.82	-0.3%
IPC	56,659.80	-0.9%
Ibovespa	129,418.73	-0.6%
Euro Stoxx 50	4,872.57	0.4%
FTSE 100	7,706.28	0.3%
CAC 40	7,966.68	0.7%
DAX	17,419.33	0.3%
Nikkei 225	39,098.68	0.0%
Hang Seng	16,725.86	-0.1%
Shanghai Composite	3,004.88	0.6%
<b>Sovereign bonds</b>		
2-year Treasuries	4.69	-2pb
10-year Treasuries	4.25	-7pb
28-day Cetes	11.16	-4pb
28-day TIIE	11.49	0pb
2-year Mbono	10.08	1pb
10-year Mbono	9.20	-3pb
<b>Currencies</b>		
USD/MXN	17.12	0.1%
EUR/USD	1.08	0.0%
GBP/USD	1.27	0.1%
DX	103.94	0.0%
<b>Commodities</b>		
WTI	76.49	-2.7%
Brent	81.62	-2.5%
Mexican mix	72.22	-2.8%
Gold	2,035.40	0.5%
Copper	390.05	-0.4%

Source: Bloomberg

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