

## Financial Markets Daily

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

- **Stock markets mixed, government bond yields negative, and the USD higher.** Markets assimilate actions from the BoJ ahead of a busy week for central banks across the globe. In addition, investors are also factoring in news from Nvidia on new AI chips. Mexican markets were closed yesterday in remembrance of Benito Juárez's birth
- **On the monetary front, we highlight the decision yesterday from the BoJ, ending its policy of negative rates by hiking its target rate to a range between 0% and 0.10%, on top of including changes to their yield curve control policies and asset purchase programs.** Meanwhile, the monetary authority in Australia kept its rate at 4.35%, signaling that hikes are over. In the week, attention will center on decisions from the Fed (Wednesday) –not expecting changes– and Banxico (Thursday) –forecasting -25bps to 11.00%. In addition, we will have decisions from the BoE, in Brazil, China, and Turkey, to note a few
- **Regarding economic figures, in Germany, March's ZEW expectations index surprised higher at 31.7pts.** In the US, February's figures from the real estate sector were rather positive. Finally, in Mexico, 4Q23 aggregate supply and demand grew 0.3% q/q (2.6% y/y), noting the increase in private consumption (0.9% q/q), with investment more modest (0.1%), while imports and exports expanded 0.4%
- **In other news, in the US there is a tentative agreement between lawmakers to fund the government through September 30th.** We must remember that the deadline to avoid a partial government shutdown is this Friday. Meanwhile, the EU is mulling imposing tariffs on grain imports from Russia and Belarus

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>Germany</b>					
<b>6:00</b>	ZEW Survey (Expectations)* - Mar	index	--	20.4	19.9
<b>Mexico</b>					
<b>8:00</b>	Aggregate supply and demand - 4Q23	% y/y	2.8	2.5	2.7
<b>13:30</b>	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 20-year Mbono (Nov'42), 3-year Udibono (Dec'26) and 2-, and 5-year Bondes F				
<b>United States</b>					
<b>8:30</b>	Housing starts** - Feb	thousands	--	1,430	1,331
<b>8:30</b>	Building permits** - Feb	thousands	--	1,500	1,470
<b>China</b>					
<b>21:15</b>	Rate decision 1-year Loan Prime Rate	%	3.45	3.45	3.45
<b>21:15</b>	Rate decision 5-year Loan Prime Rate	%	3.45	3.95	3.95

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.
<b>Equity indices</b>		
S&P 500 Futures	5,197.75	-0.3%
Euro Stoxx 50	4,992.68	0.2%
Nikkei 225	40,003.60	0.7%
Shanghai Composite	3,062.76	-0.7%
<b>Currencies</b>		
USD/MXN	16.89	0.3%
EUR/USD	1.09	-0.2%
DX	103.91	0.3%
<b>Commodities</b>		
WTI	82.63	-0.1%
Brent	86.83	-0.1%
Gold	2,157.71	-0.1%
Copper	406.85	-1.5%
<b>Sovereign bonds</b>		
10-year Treasury	4.30	-2pb

Source: Bloomberg

## Equities

- Mixed movements, with investors weighing monetary outlook, while digesting some corporate news. Nvidia (-2.5% on pre-market) touted at a conference a new processor design called Blackwell, which is a significantly more powerful successor to its chips that power a multitude of AI operations. However, analysts considered that there were 'no big surprises' at the event. In turn, AstraZeneca agreed to buy Fusion Pharmaceuticals for as much as US\$2.4 billion
- In Asia most markets closed negative. In Europe gains predominate. US the futures of main indices point to a negative opening by falling 0.5%, on average
- In Mexico, operations will resume after yesterday's holiday. After the Mexbol Index closed last Friday at 56,228 points, we expect this week a trading range between 54,700 - 56,800pts

## Sovereign fixed income, currencies and commodities

- Positive performance for sovereign bonds, extending a modestly stronger earlier session and with a limited reaction to the BoJ. US Treasuries gain 1-3bps although trade near YTD highs ahead of the 20-year bond auction
- The USD strengthens broadly highlighting losses in SEK (-2.2%) and JPY (-1.9%), with the latter reacting to the neutral to dovish tone of the BoJ, despite its interest rate hike. In EM bias is also widely negative. The MXN weakens 0.3% to 16.89
- Crude oil holds gains after closing yesterday at its highest since October for Brent prices (87 \$/bbl) amid Ukrainian attacks to Russian refineries and with OPEC+ cuts in focus. Gold trades slightly downwards after falling close to 1% last week

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	38,790.43	0.2%
S&P 500	5,149.42	0.6%
Nasdaq	16,103.45	0.8%
IPC	56,228.40	0.0%
Ibovespa	126,954.18	0.2%
Euro Stoxx 50	4,982.76	-0.1%
FTSE 100	7,722.55	-0.1%
CAC 40	8,148.14	-0.2%
DAX	17,932.68	0.0%
Nikkei 225	39,740.44	2.7%
Hang Seng	16,737.12	0.1%
Shanghai Composite	3,084.93	1.0%
<b>Sovereign bonds</b>		
2-year Treasuries	4.73	0pb
10-year Treasuries	4.32	2pb
28-day Cetes	11.24	0pb
28-day TIIE	11.48	0pb
2-year Mbono	10.12	0pb
10-year Mbono	9.35	0pb
<b>Currencies</b>		
USD/MXN	16.83	0.7%
EUR/USD	1.09	-0.2%
GBP/USD	1.27	-0.1%
DX	103.58	0.1%
<b>Commodities</b>		
WTI	82.72	2.1%
Brent	86.89	1.8%
Mexican mix	75.80	0.0%
Gold	2,160.36	0.2%
Copper	413.00	0.1%

Source: Bloomberg

## Corporate Debt

- Fibra Uno informed that it made the prepayment of the total amount of its Senior Notes 2024 due in December of this year for US\$600 million
- Moody's Local Mexico affirmed Grupo Televisa's long-term rating at 'AA.mx' with Stable outlook as a result of its annual portfolio review
- Molibdenos y Metales announced its intention to carry out the total early redemption of its issue MOLYMET 21 on March 26, 2024. The issue has an outstanding amount of MXN 3,520 million

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