

## Financial Markets Daily

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

- **Stock markets positive, government bond yields down and USD up, with tech stocks leading the charge, as investors reignited optimism after Federal Reserve policymakers kept their outlook for three rate cuts this year**
- **On the monetary policy front, Bank of England left its benchmark rate unchanged at 5.25%, while Switzerland surprised with a -25bps cut to 1.50%. On the other hand, Turkey hiked +500bps its reference rate to 50%. Markets will focus on Barr's comments from Fed**
- **For Banxico's decision we anticipate a 25bp cut to 11.00%. The decision will probably not be unanimous. We believe the monetary authority could emphasize that decisions ahead will be made meeting-by-meeting, without signaling that this is the start of an easing cycle. This would support our view of a pause in May**
- **In terms of economic figures, in the US the manufacturing indicator Philly Fed for March, was published standing at +3.2pts (consensus: -2.5pts; previous: +5.2 pts). In addition, initial jobless claims were released, remaining relatively stable at 210k. Later, the existing home sales report for February and the PMIs for March will be released**

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### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>Turkey</b>					
7:00	Monetary policy decision (C. Bank of Turkey)	%	--	45.00	45.00
<b>UK</b>					
8:00	Monetary policy decision (BoE)	%	--	5.25	5.25
<b>Mexico</b>					
8:00	Retail sales - Jan	% y/y	0.9	1.3	-0.2
8:00	Retail sales* - Jan	% m/m	0.2	0.3	-0.9
15:00	Monetary policy decision (Banxico)	%	11.00	11.00	11.25
<b>United States</b>					
8:30	Philadelphia Fed* - Mar	index	-3.0	-2.3	5.2
8:30	Initial jobless claims* - Mar 16	thousands	213	215	209
9:45	Manufacturing PMI*-Mar (P)	index	51.0	51.8	52.2
9:45	Services PMI*-Mar (P)	index	52.0	52.0	52.3
9:45	Composite PMI*-Mar (P)	index	--	52.1	52.5
10:00	Existing home sales** - Feb	millions	--	3.9	4.0

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

### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	5,310.50	0.4%
Euro Stoxx 50	5,033.04	0.7%
Nikkei 225	40,815.66	2.0%
Shanghai Composite	3,077.11	-0.1%
<b>Currencies</b>		
USD/MXN	16.75	0.4%
EUR/USD	1.09	-0.1%
DXY	103.60	0.2%
<b>Commodities</b>		
WTI	81.12	-0.7%
Brent	85.82	-0.2%
Gold	2,205.82	0.9%
Copper	406.30	0.6%
<b>Sovereign bonds</b>		
10-year Treasury	4.25	-3pb

Source: Bloomberg

## Equities

- Increases in the main stock indexes and greater optimism prevail among investors, supported by the positive economic outlook following recent monetary policy decisions around the world
- In the US, futures anticipate a bullish opening and the Nasdaq rises 0.9% above its theoretical value. In particular, Micron Technology is up more than 17% before the open after delivering a solid revenue forecast for the current quarter, supported by demand for artificial intelligence chips. On the back of the above, semiconductor companies register rises (Nvda, Amd, Intc)
- Stock markets in Europe trade mainly with gains, with some of them close to new record highs. The Eurostoxx is increasing 0.7%, supported by the solid rise of technology companies. In turn, Asia closed with a positive bias, with the Nikkei rising 2.0% and the Hang Seng 1.9%

## Sovereign fixed income, currencies and commodities

- Slightly positive balance in sovereign bonds. European 10-year rates decline 4bps, on average. Meanwhile, Treasuries' curve records a flattening bias with gains of 4bps at the long-end. Yesterday, Mbonos advanced 6bps, on average, and the 10-year reference closed at 9.26% (-7bps)
- Dollar gains against most G10 currencies with CHF (-0.9%) as the weakest. In EM, the bias is mixed bounded by KRW (+1.3%) and CZK (-0.2%). The MXN trades at 16.72 per dollar (-0.3%), offsetting part of the gains from the previous session (+0.8%)
- Crude-oil is trading near to yearly highs supported by prospects for three US rate cuts this year. With this, Brent and WTI are around 86 and 81 \$/bbl, respectively. Widespread gains in metals, with gold hitting fresh highs at 2,205 \$/oz t

## Corporate Debt

- Naturgy México bond, NM 24, is expected to be issued today. The bond will be placed under the program (MXN 10 billion) for an amount of MXN 3 billion, which may be increased up to MXN 4 billion through over-allotment. The issue will have a three-year term and will pay a floating rate pegged to TIIE-28. Amortization will be made through a single payment on the maturity date. The ratings assigned were 'mxAA+' by S&P Global and 'AAA(mex)' by Fitch Ratings
- S&P Global Ratings assigned 'mxAAA' ratings to long-term issues of Toyota Financial Services México, TOYOTA 24 and TOYOTA 24-2, derived from its view of the entity as a strategically important subsidiary for its holding company, Toyota Motor Corp. (A+/Stable/A-1+)

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	39,512.13	1.0%
S&P 500	5,224.62	0.9%
Nasdaq	16,369.41	1.3%
IPC	56,618.01	1.9%
Ibovespa	129,124.83	1.3%
Euro Stoxx 50	5,000.31	-0.2%
FTSE 100	7,737.38	0.0%
CAC 40	8,161.41	-0.5%
DAX	18,015.13	0.2%
Nikkei 225	40,003.60	0.0%
Hang Seng	16,543.07	0.1%
Shanghai Composite	3,079.69	0.6%
<b>Sovereign bonds</b>		
2-year Treasuries	4.60	-8pb
10-year Treasuries	4.27	-2pb
28-day Cetes	11.02	3pb
28-day TIIE	11.48	0pb
2-year Mbono	10.05	-9pb
10-year Mbono	9.29	-6pb
<b>Currencies</b>		
USD/MXN	16.68	-0.8%
EUR/USD	1.09	0.5%
GBP/USD	1.28	0.5%
DX	103.39	-0.4%
<b>Commodities</b>		
WTI	81.68	-2.1%
Brent	85.95	-1.6%
Mexican mix	76.34	-2.0%
Gold	2,186.39	1.3%
Copper	405.15	-0.6%

Source: Bloomberg

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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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