

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets mixed with a modest positive bias, government bond yields down, and USD flat. Investors observe lower liquidity amid holidays and position ahead of end of quarter rebalancing, with eyes on the PCE deflator in the US due on Friday
- The yen appreciated (+0.4%) after Japanese authorities signaled they will intervene as appropriate amid excessive movements in the FX market, after the currency reached its lowest level against the USD since 1990
- Today's agenda is light, including the 7-year note auction from US Treasury, while Waller from the Federal Reserve will speak after the close. Separately, the South African central bank will announce its monetary policy decision, where it is estimated that it will keep its reference rate unchanged at 8.25%
- In Mexico, INEGI released February's trade balance, posting a US\$584.7 million deficit. Exports rose 4.2% m/m (13.0% y/y), driven by manufacturing. Imports rebounded 6.9% m/m (9.7% y/y), noting widespread improvements
- INEGI also released February's employment report. The unemployment rate fell to 2.45% (-40bps), with 492.1 thousand jobs gained. With seasonally adjusted figures the rate came in at 2.58% (-16bps). Later, banking credit and the public finance report for February will also be published

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
6:00	Consumer confidence* - Mar (F)	index	--	--	-14.9
6:00	Economic confidence* - Mar	index	--	96.2	95.4
South African					
8:00	Monetary policy decision (S. African R. Bank)	%	--	8.25	8.25
Mexico					
8:00	Unemployment rate - Feb	%	2.63	2.80	2.85
8:00	Trade balance - Feb	US\$m	822.3	545.0	-4,314.7
11:00	Banking credit - Feb	% y/y	5.1	--	5.3
16:30	Public finances (PSBR, year-to-date) - Feb	MXNbn	--	--	-149.5
United States					
18:00	Fed's Waller Speaks on Economic Outlook				

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

March 27, 2024



Alejandro Padilla Santana
Chief Economist and Head of Research
alejandropadilla@banorte.com



Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research
and Market Strategy
juan.alderete.macal@banorte.com



Alejandro Cervantes Llamas
Executive Director of Quantitative
Analysis
alejandrocervantes@banorte.com



Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com



[@analisis_fundam](http://www.banorte.com/analisis-economico)

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



Document for distribution among public

A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,287.00	0.4%
Euro Stoxx 50	5,089.09	0.5%
Nikkei 225	40,762.73	0.9%
Shanghai Composite	2,993.14	-1.3%
Currencies		
USD/MXN	16.60	-0.2%
EUR/USD	1.08	-0.1%
DXY	104.41	0.1%
Commodities		
WTI	81.05	-0.7%
Brent	85.60	-0.8%
Gold	2,186.75	0.4%
Copper	398.05	-0.7%
Sovereign bonds		
10-year Treasury	4.22	-1pb

Source: Bloomberg

Equities

- Positive movements in equity markets (except in Asia, which was mixed), with most indexes aiming to close another month with advances
- In Europe gains prevailed, the Eurostoxx adds 0.5%. Shares from health care and communication services sectors lead the increases, while those from energy are the only ones dropping. Notably, H&M's share price rise more than 13% after reporting earnings that exceeded expectations. Meanwhile, in the US the futures of main indices point to a positive opening with an average increase of 0.4%
- In Mexico, the Mexbol Index may remain around the 57,200pts after the previous session's rally

Sovereign fixed income, currencies and commodities

- Sovereign bonds gain with Europe leading and strengthening by ~4bps. UTSs gain 1-2bp and with a stronger performance in the long-end of the yield curve. Yesterday the Mbonos's curve rallied 5bps from Sep'26 onwards. Meanwhile, the 2Q24 auction calendar from the MoF highlighted a greater increase of floating rate emissions vs fixed rate
- USD trades sideways and with a positive bias against G10, only with the JPY (+0.4%) positive, backed by speculation on potential intervention after comments from Japanese authorities. In EM balance is mixed with a negative bias. The MXN gains 0.2% to 16.60
- Crude oil falls for the second day with the API estimating an inventory build. Gold holds close to recent highs and the collapse of the Baltimore bridge adds uncertainty to global disruptions

Corporate Debt

- Fitch affirmed Kimberly Clark de México's (KCM) rating at 'AAA(mex)' with a Stable outlook. The action reflects KCM's market leadership position, strong cash flow generation, conservative capital structure, robust liquidity position, proven track record of debt repayment and Kimberly-Clark Corporation's (KMB, 'BBB+') shareholding, whose rating is two notches above Mexico's sovereign ceiling
- Fitch affirmed Bimbo's national rating at 'AAA(mex)' with a Stable outlook. The affirmation was derived from Bimbo's operating performance in 2023 that was very good and resilient to challenging macroeconomic environments in all geographies. Fitch expects Bimbo's profitability and leverage metrics to remain relatively stable over the next 18 to 24 months

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	39,282.33	-0.1%
S&P 500	5,203.58	-0.3%
Nasdaq	16,315.70	-0.4%
IPC	57,209.70	1.2%
Ibovespa	126,863.02	-0.1%
Euro Stoxx 50	5,064.18	0.4%
FTSE 100	7,930.96	0.2%
CAC 40	8,184.75	0.4%
DAX	18,384.35	0.7%
Nikkei 225	40,398.03	0.0%
Hang Seng	16,618.32	0.9%
Shanghai Composite	3,031.48	0.2%
Sovereign bonds		
2-year Treasuries	4.59	-3pb
10-year Treasuries	4.23	-1pb
28-day Cetes	10.99	9pb
28-day TIE	11.25	0pb
2-year Mbono	10.08	2pb
10-year Mbono	9.35	0pb
Currencies		
USD/MXN	16.64	-0.2%
EUR/USD	1.08	-0.1%
GBP/USD	1.26	-0.1%
DX	104.30	0.1%
Commodities		
WTI	81.62	-0.4%
Brent	86.25	-0.6%
Mexican mix	76.50	-0.7%
Gold	2,178.80	0.3%
Copper	400.85	-0.2%

Source: Bloomberg

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

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, 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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
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.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.



Raquel Vázquez Godínez
Assistant
raquel.vazquez@banorte.com
(55) 1670 - 2967



María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research



Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.mactal@banorte.com
(55) 1103 - 4046



Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Market Strategy



Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751



José Itzamna Espitia Hernández
Senior Strategist, Equity
jose.espitia@banorte.com
(55) 1670 - 2249



Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698



Paula Lozoya Valadez
Analyst, Equity
paula.lozoya.valadez@banorte.com
(55) 1103 - 4000

Quantitative Analysis



Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972



José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000



Andrea Muñoz Sánchez
Analyst, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1103 - 4000



Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043



Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251



Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957



Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1103 - 4000



Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719



Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 - 2250



Gerardo Daniel Valle Trujillo
Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248



José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608



Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124



Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611



Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821



Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707



Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800



Hugo Armando Gómez Solís
Senior Analyst, Corporate Debt
hugoa.gomez@banorte.com
(55) 1670 - 2247



Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746



Miguel Alejandro Calvo Domínguez
Senior Analyst, Quantitative Analysis
miguel.calvo@banorte.com
(55) 1670 - 2220



Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1103 - 4000