

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets mixed –with S&P500 futures lower–, USD weaker, and government bond yields positive, with investors awaiting employment figures in the week to evaluate upcoming actions from the Fed
- Tensions escalate in the Middle East after comments from Iran vowing revenge for what they say was an Israeli attack on their embassy in Syria. This has pressured oil, with expectations on the OPEC+ meeting tomorrow also impacting dynamics. In other news, a speech from Xi Jinping suggests that the PBoC could start trading bonds to regulate market liquidity. The remarks were made in October but were only made public recently
- On the monetary front, attention will be on comments from Bowman, Williams, Mester, and Daly. In Chile we will have a monetary policy decision, with consensus expecting -75bps to 6.50%
- Regarding economic data, February's manufacturing PMIs in the Eurozone and the UK were revised marginally higher, with the print for the latter returning to positive territory to 50.3pts. March's inflation in Germany was slightly lower than expected at 2.3%. In the US we will be looking into February's factory orders and JOLTS, along March's auto sales, while in Mexico we anticipate Banxico's survey

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
10:00	Factory orders* - Feb	% m/m	--	1.0	-3.6
10:00	Ex transportation* - Feb	% m/m	--	--	-0.8
10:00	Durable goods orders* - Feb (F)	% m/m	--	1.4	1.4
10:00	Ex transportation* - Feb (F)	% m/m	--	--	0.5
10:00	JOLTS Job Openings - Feb	thousands	--	8,770	8,863
12:05	Fed's Mester Gives Remarks on Economic Outlook				
13:30	Fed's Daly Participates in Fireside Chat				
	Total vehicle sales** - Mar	millions	--	15.9	15.8
Mexico					
11:00	Survey of expectations (Banxico)				
11:00	International reserves - Mar 27	US\$bn	--	--	216.9
13:30	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 30-year Mbono (Jul'53), 10-year Udibono (Aug'34) and 2-, 5-, and 10-year Bondes F				
Chile					
17:00	Monetary policy decision (BCCh)	%	--	6.50	7.25
China					
21:45	Services PMI (Caixin)* - Mar	index	--	52.7	52.5
21:45	Composite PMI (Caixin)* - Mar	index	--	--	52.5

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 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.
Equity indices		
S&P 500 Futures	5,268.75	-0.5%
Euro Stoxx 50	5,087.70	0.1%
Nikkei 225	39,838.91	0.1%
Shanghai Composite	3,074.96	-0.1%
Currencies		
USD/MXN	16.65	0.2%
EUR/USD	1.07	0.0%
DXY	104.89	-0.1%
Commodities		
WTI	84.96	1.5%
Brent	88.59	1.3%
Gold	2,255.47	0.2%
Copper	408.35	0.9%
Sovereign bonds		
10-year Treasury	4.40	9pb

Source: Bloomberg

Equities

- Mixed movements with negative bias in equity markets as investors weigh the monetary and growth outlook
- In Asia the markets closed mixed. In Europe, the markets also register divergent movements, while the Eurostoxx shows little change. Shares from energy and technology sectors lead gains, while those from industrials and utilities superhead losses. In turn, in the US the futures of main indices point to a negative opening by falling 0.5% on average. Health insurance company stocks retreat on pre-market after regulators did not raise payments for private Medicare plans as the industry anticipated
- In Mexico, the Mexbol Index may stand below the 57,400pts

Sovereign fixed income, currencies and commodities

- Sell off in sovereign bonds extends with US Treasuries adjusting 2-6bps from the 2-year zone onwards and with the 30-year note reaching its highest since December at 4.99%. European rates mark losses of 10bps, on average, with markets reopening after the holidays. Yesterday, the Mbonos curve sold-off ~10bps
- Slightly weaker USD with all G10 positive except for modest losses in JPY and CHF. In EM balance is mixed with ranges denoted by ZAR (+0.6%) and THB (-0.6%). The MXN trades mostly unchanged at 16.60 per dollar
- Crude oil gains for the third consecutive session in WTI and reaches its highest since October at 85 \$/bbl. Metals show a positive tone with gold rising 0.3% and reaching a new record high of up to 2,267 \$/oz t

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	39,566.85	-0.6%
S&P 500	5,243.77	-0.2%
Nasdaq	16,396.83	0.1%
IPC	57,653.23	0.5%
Ibovespa	126,990.45	-0.9%
Euro Stoxx 50	5,083.42	0.0%
FTSE 100	7,952.62	0.0%
CAC 40	8,205.81	0.0%
DAX	18,492.49	0.0%
Nikkei 225	39,803.09	-1.4%
Hang Seng	16,541.42	0.0%
Shanghai Composite	3,077.38	1.2%
Sovereign bonds		
2-year Treasuries	4.71	9pb
10-year Treasuries	4.31	11pb
28-day Cetes	11.02	2pb
28-day TIIE	11.25	0pb
2-year Mbono	10.17	8pb
10-year Mbono	9.40	11pb
Currencies		
USD/MXN	16.61	0.3%
EUR/USD	1.07	-0.4%
GBP/USD	1.26	-0.6%
DX	105.02	0.5%
Commodities		
WTI	83.71	0.6%
Brent	87.42	-0.1%
Mexican mix	76.73	-1.4%
Gold	2,251.44	1.0%
Copper	404.85	1.0%

Source: Bloomberg

Corporate Debt

- Cetelem informed that, pending the corresponding governmental authorizations, on March 31, 2024, Banco Inbursa concluded the acquisition process of 80% of Cetelem Mexico's equity
- PCR Verum affirmed the ratings of Almacénadora Mercader at 'AA-/M' with Stable outlook and at '1/M' for the short term. The ratings are based on its relevant market position, as it is the leader in the Mexican stock sector
- Fibra Mty announced the acquisition of an industrial real estate portfolio in the State of Nuevo León for a total amount of approximately US\$206.6 million. The transaction consists of the acquisition of eight industrial warehouses with 100% occupancy

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