

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets positive, government bond yields mixed, and USD down, with investors awaiting US labor market report tomorrow to assess the Federal Reserve rate path after comments from Powell noting that cuts are on the horizon but not yet imminent
- Inflation fears are being fanned by strength in commodity prices, with crude-oil futures near to 5-month highs, copper reaching highs not seen since June 2022, and gold trading at record levels around \$2,300 per ounce
- Today, attention is on Fed speakers speeches from Harker, Barkin, Goolsbee, Mester, Kashkari, Musalem, and Kugler looking for further signals on the central bank's next actions
- As for economic figures, in the US, the trade balance for February was published with a larger than expected deficit for the third consecutive month, standing at US\$68.9 billion, the largest in almost a year. Regarding the labor market, the Challenger indicator was published, posting 90,309 layoffs, an increase compared to the previous month (84,638), while initial jobless claims also increased to 221k for the week ending March 30 (previous: 212k)
- In Mexico, INEGI released March's consumer confidence, standing at 47.3pts, up 0.1pts vs the previous month. Inside, 2 of the 5 categories were higher, with one unchanged. Later, the attention will be in Banxico's minutes

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone and UK					
3:55	GER Services PMI* - Mar (F)	index	--	49.8	49.8
3:55	GER Composite PMI* - Mar (F)	index	--	47.4	47.4
4:00	EZ Services PMI* - Mar (F)	index	--	51.1	51.1
4:00	EZ Composite PMI* - Mar (F)	index	--	49.9	49.9
4:30	UK Services PMI* - Mar (F)	index	--	53.4	53.4
Mexico					
8:00	Consumer confidence* - Mar	index	47.3	--	47.0
11:00	Banxico's minutes				
United States					
8:30	Trade balance* - Feb	US\$bn	--	-67.6	-67.4
8:30	Initial jobless claims* - Mar 30	thousands	--	214	210
12:45	Fed's Goolsbee Participates in Moderated Q&A				
14:00	Fed's Mester Gives Remarks on Economic Outlook				

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	5,290.75	0.5%
Euro Stoxx 50	5,072.33	0.1%
Nikkei 225	39,773.14	0.8%
Shanghai Composite	3,069.30	0.0%
Currencies		
USD/MXN	16.53	-0.1%
EUR/USD	1.09	0.3%
DX	104.08	-0.2%
Commodities		
WTI	85.04	-0.5%
Brent	89.04	-0.3%
Gold	2,286.57	-0.6%
Copper	422.80	0.8%
Sovereign bonds		
10-year Treasury	4.34	-1pb

Source: Bloomberg

Equities

- Positive equity markets after a start of the quarter characterized by sideways movements. In this sense, US futures point to a positive opening with an average increase of 0.3%
- Europe trades mostly higher, although with no clear trend in the Eurostoxx. Shares of companies in the utilities and energy sectors lead gains. In particular, Volvo Cars rises 6.2% after reporting record sales in March. Meanwhile, markets in Asia closed mixed, highlighting the Hang Seng's 1.2% decline
- In corporate news, Televisa announced yesterday an agreement with AT&T to acquire Sky Mexico and become the holder of 100% of the company's shares. The transaction would be paid in 2027 and 2028. Volar's passenger traffic in March continued to show a further deceleration, although the increase in the occupancy factor was noteworthy

Sovereign fixed income, currencies and commodities

- On the one hand, 10-year rates in Europe decrease 2bps on average, on the other hand the Treasuries curve loses 2bps. US rates are at four-month highs, with the 10- and 30-year benchmark at 4.37% and 4.53%, respectively. Similarly, Mbonos closed yesterday very close to highs not seen since November, with the 10-year reference at 9.44%, accumulating losses of 28bps in the last three sessions
- Dollar weakens against most of the developed currencies, with AUD (+0.6%). In EM, the bias is positive with CLP (+0.8%) leading gains. The MXN trades at 16.53 per dollar (-0.1%), with a key resistance at the psychological level of 16.50
- Crude-oil futures holds near 5-month high as OPEC+ reaffirms supply curbs adding to a deficit outlook and heightened tensions in the Middle East

Corporate Debt

- Today, AC Bebidas will auction two sustainability-linked bonds, ACBE 24L / 24-2L, for up to MXN 7.4 billion. The bonds will have terms of 3.2 and 8 years. The assigned ratings were 'AAA' by S&P Global and Fitch Ratings
- Grupo Televisa announced that it reached an agreement with AT&T for the acquisition of its stake in the capital stock of Sky Mexico, which would make the company the holder of 100% of Sky's equity
- Fibra Danhos announced a project to install a photovoltaic system with a capacity of 6.02 MWp, energizing approximately 20% of its operation with clean sources

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	39,127.14	-0.1%
S&P 500	5,211.49	0.1%
Nasdaq	16,277.46	0.2%
IPC	57,503.39	-0.1%
Ibovespa	127,318.39	-0.2%
Euro Stoxx 50	5,069.25	0.5%
FTSE 100	7,937.44	0.0%
CAC 40	8,153.23	0.3%
DAX	18,367.72	0.5%
Nikkei 225	39,451.85	-1.0%
Hang Seng	16,725.10	-1.2%
Shanghai Composite	3,069.30	-0.2%
Sovereign bonds		
2-year Treasuries	4.67	-2pb
10-year Treasuries	4.35	0pb
28-day Cetes	10.90	2pb
28-day TIIE	11.25	0pb
2-year Mbono	10.23	1pb
10-year Mbono	9.49	1pb
Currencies		
USD/MXN	16.54	-0.1%
EUR/USD	1.08	0.6%
GBP/USD	1.27	0.6%
DX	104.25	-0.5%
Commodities		
WTI	85.43	0.3%
Brent	89.35	0.5%
Mexican mix	78.54	0.5%
Gold	2,300.00	0.8%
Copper	419.40	3.0%

Source: Bloomberg

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