Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

April 9, 2024

Main drivers for the financial markets today…

- **Stock markets mixed and biased negative, government bond yields and USD down. Investors are cautious ahead of the US CPI report tomorrow, key for market expectations on the next actions of the Federal Reserve. This week also includes the ECB decision and the start of the corporate earnings season**

- **After her trip to China, Treasury Secretary Janet Yellen warned against any support to strengthen Russia's military capacity**

- **In Mexico, INEGI published March's inflation at 0.29% m/m –surprising slightly lower–, with the core at 0.44%. As such, annual inflation climbed to 4.42% (previous: 4.40%), with the core lower at 4.55% (previous: 4.64%)**

- **Today's agenda has no further relevant economic data for markets**

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
8:00	Consumer prices - Mar	% m/m	0.33	0.37	0.09
8:00	Core - Mar	% m/m	0.49	0.51	0.49
8:00	Consumer prices - Mar	% y/y	4.47	4.51	4.40
8:00	Core - Mar	% y/y	4.60	4.63	4.39
11:00	International reserves - Apr 5	US$bn	--	--	217.2
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 3-year Mbono (Sep'26), 30-year Udibono (Nov'50) and 1-, and 3-year Bondes F				

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

LSEG STARMINE AWARD FOR REUTERS POLLS
Best Forecaster Economic Indicators for Mexico 2023

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,266.25	0.2%
Euro Stoxx 50	5,033.28	-0.3%
Nikkei 225	39,773.13	1.1%
Shanghai Composite	3,048.54	0.0%
Currencies		
USD/MXN	16.32	0.0%
EUR/USD	1.09	0.2%
DXY	103.95	-0.2%
Commodities		
WTI	86.31	-0.1%
Brent	90.38	0.0%
Gold	2,350.70	0.5%
Copper	431.55	0.9%
Sovereign bonds		
10-year Treasury	4.38	-4pb

Source: Bloomberg

Equities

- **Mixed movements, as investors weigh monetary and growth perspectives**

- **In Asia most markets closed positive. On the other hand, in Europe declines predominated. Shares from industrial and consumer discretionary sectors are the biggest losers, while those from consumer staples and energy lead gains. BP' s share price rose to its highest level since October after it said it expected higher upstream production in oil and gas in the first quarter. In turn, in the US the futures of main indices point to a slightly positive opening**

- **In Mexico, the normalized comparative base in Colombia and the positive calendar effect of Easter Week boosted Asur's passenger growth in March to 6.6% y/y, although lower than expected**

Sovereign fixed income, currencies and commodities

- **Sovereign bonds take a breather, with a good performance in European securities rallying ~5bps and supported by strong demand in the 20-year Gilt auction. US Treasuries strengthen by ~4bps. Yesterday the Mbonos' curve averaged a ~5bps sell-off**

- **The USD weakens for the second session with all the G10 universe strengthening and with NZD leading (+0.5%). In EM, balance is mixed with ZAR (+0.9%) as the strongest and TRY (-0.6%) underperforming. The MXN trades at 16.32 (unchanged)**

- **Crude oil hovers near its highest in 5 months, with few changes vs yesterday's close and marginally negative for WTI, with the market monitoring the tension context in the Middle East. Metals advance broadly with gold breaching new highs of up to 2,365 $/oz t, adding to a gain of 14% YTD**

Corporate Debt

- **Fitch Ratings affirmed Fibra Mty's national rating at 'AA+(mex)'. It also affirmed the international default rating (IDR) at 'BBB-'. The outlook is Stable. According to the agency, the ratings are based on Fibra Mty's good asset quality, with a significant presence in the industrial sector, and stable rental income, supported by high occupancy rates and medium-term leases**

- **It was reported that Value Arrendadora intends to early redeem its MXN 1 billion VALARRE 19 issuance on April 16th. There will be no indemnification or premium. This redemption will be subject to the placement of its VALARRE 24 issue next Friday, April 12th, for the same amount and a 5-year term**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	38,892.80	0.0%
S&P 500	5,202.39	0.0%
Nasdaq	16,253.96	0.0%
IPC	57,989.94	-0.2%
Ibovespa	128,857.16	1.6%
Euro Stoxx 50	5,046.05	0.6%
FTSE 100	7,943.47	0.4%
CAC 40	8,119.30	0.7%
DAX	18,318.97	0.8%
Nikkei 225	39,347.04	0.9%
Hang Seng	16,732.85	0.1%
Shanghai Composite	3,047.05	-0.7%
Sovereign bonds		
2-year Treasuries	4.79	4pb
10-year Treasuries	4.42	2pb
28-day Cetes	11.07	6pb
28-day TIIE	11.25	0pb
2-year Mbono	10.43	5pb
10-year Mbono	9.65	8pb
Currencies		
USD/MXN	16.32	-0.8%
EUR/USD	1.09	0.2%
GBP/USD	1.27	0.1%
DXY	104.14	-0.2%
Commodities		
WTI	86.43	-0.6%
Brent	90.38	-0.9%
Mexican mix	79.54	-0.8%
Gold	2,339.03	0.4%
Copper	427.60	0.9%

Source: Bloomberg

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, Marcos Saúl García Hernandez, 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.

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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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