Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today…

- **Stock markets negative, government bond yields higher, and the USD advancing, with investors processing the inflation report in the US –and awaiting the Fed's minutes– and its implications for the monetary policy in said country**

- **In the US, March's CPI posted a 0.4% m/m increase, with the core also at 0.4%, both slightly above expectations. As such, the annual comparison for these came in at 3.5% and 3.8%, respectively. This boosts a view that the Fed could wait further before starting with rate cuts**

- **Regarding other releases, inflation in Brazil in the third month of the year showed a 0.16% m/m increase, taking the annual comparison to 3.93%. Tonight, we will be looking to this same figure in China. Throughout the morning we expect ANTAD sales in Mexico**

- **On the monetary front, we await for the Fed's minutes, along with comments from Bowman, Goolsbee, and Barkin. In addition, we will have the decision from the Bank of Canada, where consensus anticipates the rate unchanged at 5.00%**

- **In other news, Fitch Ratings revised the outlook on China's foreign debt from stable to negative, although maintaining the rating at 'A+'. The agency mentions that the adjustment is driven by increased risks on the fiscal outlook and more uncertain economic prospects**

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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

FOCUS ECONOMICS ANALYST FORECAST AWARDS 2023

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The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
8:00	Consumer prices - Mar	% m/m	--	0.23	0.83
8:00	Consumer prices - Mar	% y/y	--	4.00	4.50
United States					
8:30	Consumer prices* - Mar	% m/m	0.3	0.3	0.4
8:30	Ex. food & energy* - Mar	% m/m	0.3	0.3	0.4
8:30	Consumer prices - Mar	% y/y	3.4	3.4	3.2
8:30	Ex. food & energy - Mar	% y/y	3.7	3.7	3.8
12:45	Fed's Goolsbee Participates in Panel Discussion				
14:00	FOMC Meeting Minutes				
China					
21:30	Consumer prices - Mar	% y/y	--	0.4	0.7
Mexico					
	ANTAD same-store sales - Mar	% y/y	--	--	9.2
	Wage negotiations - Mar	% y/y	--	--	8.6

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.
Equity indices		
S&P 500 Futures	5,212.00	-0.9%
Euro Stoxx 50	5,023.77	0.7%
Nikkei 225	39,581.81	-0.5%
Shanghai Composite	3,027.34	-0.7%
Currencies		
USD/MXN	16.43	0.3%
EUR/USD	1.08	-0.7%
DXY	104.55	0.4%
Commodities		
WTI	85.70	0.6%
Brent	89.85	0.5%
Gold	2,344.66	-0.3%
Copper	430.60	0.5%
Sovereign bonds		
10-year Treasury	4.49	13pb

Source: Bloomberg

Equities

- **Negative bias in equity markets with investors digesting the March US inflation data**

- **In Asia, most markets closed negative. In Europe stocks are mixed. Technology shares show gains as TSMC's quarterly revenue beat expectations, supported by booming AI development. In addition, communication services and energy companies are also among the ones that are increasing the most, while those that are decreasing are the materials and utilities companies. In turn, in the US the futures of main indices point to a negative opening by falling 1.0% on average. Delta share price rises more than 3% on pre-market after better-than-expected 1Q24 earnings report**

- **In Mexico, the Mexbol Index may stand below the 57,700pts**

Sovereign fixed income, currencies and commodities

- **Widespread losses in sovereign bonds following a US CPI print above expectations. 10-year rates in Europe rise 3bps on average, while the Treasuries yields spike, with an increase of up to 18bps at the short-end, hitting new highs in the year**

- **Dollar advances against all developed currencies, with SEK (-1.3%) as the strongest. In EM, the bias is negative with HUF (-0.9%) leading losses. The MXN trades at 16.43 per dollar (-0.3%), extending yesterday's losses of 0.4%**

- **Crude-oil futures jump supported by deficit expectations and geopolitical tensions despite an increase in inventories according to API. Widespread gains in idustrial metals, with copper reaching new highs since Jun 2022**

Corporate Debt

- **BBVA Mexico is expected to offer to issues today, BBVAMX 24 / 24-2, for an amount of MXN 10 billion, with an over-allotment option of up to 50% to reach up to MXN 15 billion. Series 24 will be issued for a 3.5-year term and will be pegged to the Overnight TIIE plus a spread. The series 24-2 will have a 7-year term and will pay a fixed rate. The ratings are 'mxAAA/AAAA(mex)' by S&P Global Ratings and Fitch Ratings**

- **In addition, Navistar Financial's NAVISTS 24 / 24-2 bonds will be auctioned for an aggregate amount of up to MXN 2 billion. The series 24 will have a 3-year term and will pay a floating rate referenced to TIIE-28, and the series 24-2 will have a 5-year term and will pay a fixed rate. The ratings assigned were 'AAA(mex)' by Fitch Ratings and 'HR AAA' by HR Ratings**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	38,883.67	0.0%
S&P 500	5,209.91	0.1%
Nasdaq	16,306.64	0.3%
IPC	57,571.16	-0.7%
Ibovespa	129,890.37	0.8%
Euro Stoxx 50	4,990.90	-1.1%
FTSE 100	7,934.79	-0.1%
CAC 40	8,049.17	-0.9%
DAX	18,076.69	-1.3%
Nikkei 225	39,773.13	1.1%
Hang Seng	16,828.07	0.6%
Shanghai Composite	3,048.54	0.0%
Sovereign bonds		
2-year Treasuries	4.74	-5pb
10-year Treasuries	4.36	-6pb
28-day Cetes	10.92	-15pb
28-day TIIE	11.25	0pb
2-year Mbono	10.33	-10pb
10-year Mbono	9.62	-3pb
Currencies		
USD/MXN	16.39	0.4%
EUR/USD	1.09	0.0%
GBP/USD	1.27	0.2%
DXY	104.15	0.0%
Commodities		
WTI	85.23	-1.4%
Brent	89.42	-1.1%
Mexican mix	78.55	-1.2%
Gold	2,352.78	0.6%
Copper	428.55	0.2%

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, Ana Gabriela Martínez Mosqueda, 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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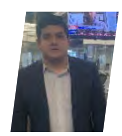

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