

## Financial Markets Daily

### Main drivers for the financial markets today...

- **Stock markets negative, government bond yields up and USD with small changes, with investors reacting to US inflation data published yesterday and changing their estimates for Federal Reserve interest-rate cuts, now expecting the first one after summer**
- **Attention on the ECB's decision which kept its reference rates unchanged, but opened the door for the first cut in June. In the afternoon, Peru will announce its monetary policy decision, In US, focus on comments from Federal Reserve speakers Williams, Collins and Bostic**
- **Regarding economic figures, in the US producer prices for March were published at +0.2% m/m (consensus: +0.3%), with the annual change at 2.1% (previous 1.6%). In China March's trade balance will be released**
- **In Mexico, INEGI published February's industrial production at -0.1% m/m (3.3% y/y). Weakness centered in construction (-2.5%) and mining (-0.8%). On the contrary, manufacturing grew 0.5%**

### The most relevant economic data...

|                      | Event/Period   | Unit      | Banorte | Survey | Previous |
|----------------------|--|-----------|---------|--------|----------|
| <b>Mexico</b>        |  |           |         |        |          |
| 8:00                 | Industrial production - Feb                            | % y/y     | 5.1     | 3.2    | 2.9      |
| 8:00                 | Industrial production* - Feb                           | % m/m     | 0.8     | 0.3    | 0.4      |
| 8:00                 | Manufacturing output - Feb                             | % y/y     | --      | 1.6    | 0.1      |
| <b>Eurozone</b>      |  |           |         |        |          |
| 8:15                 | Monetary policy decision (ECB)                         | %         | --      | 4.00   | 4.00     |
| 8:45                 | ECB President Christine Lagarde Holds Press Conference |           |         |        |          |
| <b>United States</b> |  |           |         |        |          |
| 8:30                 | Producer prices* - Mar                                 | % m/m     | --      | 0.3    | 0.6      |
| 8:30                 | Ex. food & energy* - Mar                               | % m/m     | --      | 0.2    | 0.3      |
| 8:30                 | Initial jobless claims* - Abr 6                        | thousands | 217     | 215    | 221      |
| 8:45                 | Fed's Williams Gives Keynote Remarks                   |           |         |        |          |
| 12:00                | Fed's Collins Speaks at Economic Club of New York      |           |         |        |          |
| 13:30                | Fed's Bostic Participates in Moderated Conversation    |           |         |        |          |
| <b>Peru</b>          |  |           |         |        |          |
| 19:00                | Monetary policy decision (BCRP)                        | %         | --      | 6.25   | 6.25     |
| <b>China</b>         |  |           |         |        |          |
| 23:00                | Trade balance - Mar                                    | %         | --      | 70.2   | 39.7     |
| 23:00                | Exports - Mar  | USDbn     | --      | -1.8   | 5.6      |
| 23:00                | Imports - Mar  | % y/y     | --      | 1.0    | -8.2     |
| <b>South Korea</b>   |  |           |         |        |          |
|                      | Monetary policy decision (C. bank of S. Korea)         | % y/y     | --      | 3.50   | 3.50     |

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

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### A glimpse to the main financial assets

|                        | Last      | Daily chg. |
|------------------------|-----------|------------|
| <b>Equity indices</b>  |           |            |
| S&P 500 Futures        | 5,213.00  | 0.1%       |
| Euro Stoxx 50          | 4,990.55  | -0.2%      |
| Nikkei 225             | 39,442.63 | -0.4%      |
| Shanghai Composite     | 3,034.25  | 0.2%       |
| <b>Currencies</b>      |           |            |
| USD/MXN                | 16.42     | -0.2%      |
| EUR/USD                | 1.07      | -0.1%      |
| DX                     | 105.13    | -0.1%      |
| <b>Commodities</b>     |           |            |
| WTI                    | 85.64     | -0.7%      |
| Brent                  | 90.04     | -0.5%      |
| Gold                   | 2,339.73  | 0.2%       |
| Copper                 | 428.10    | 0.0%       |
| <b>Sovereign bonds</b> |           |            |
| 10-year Treasury       | 4.53      | -1pb       |

Source: Bloomberg

## Equities

- Negative sentiment in equity markets, reflecting caution among investors following yesterday's US inflation data. Meanwhile, participants' attention will be focused on the quarterly corporate reports of major banks tomorrow
- In Europe, markets fall with the Eurostoxx decreasing 0.2%. Shares of companies in the communications and technology sectors led losses, while energy and utilities firms are the only ones to rise. In Asia, equity indexes closed negative. In the same direction, in the US, futures of the main stock indexes point to a negative opening, falling 0.4% on average
- In corporate news, used-car retailer CarMax fell 9.2% premarket after reporting lower-than-expected results on weaker sales and challenges in vehicle affordability

## Sovereign fixed income, currencies and commodities

- US Treasuries pair initial losses following yesterday's sharp sell-off, as this morning markets also factor PPI figures in the US. The yield curve strengthens by ~4pbs in the belly and holds slightly pressured at the longest-end. Yesterday, Mbonos sold-off 22bps on average
- The USD erases previous gains and trades with losses against all of the G10 currencies with CHF with CHF leading the group (+0.6%). In EM, balance is mixed with ranges defined by KRW (-0.7%) and HUF (+0.4%). The MXN appreciates 0.3% to 16.40 per dollar
- Crude oil consolidates recent gains and holds close to its highest since October as the market monitors the mounting tensions in the Middle East and a potential deficit scenario in the short-term. Metals trade mixed with precious slightly upwards

## Corporate Debt

- Grupo Televisa announced the execution of a credit agreement, including a MXN 10 billion loan facility with a 5-year term and a US\$500 million revolving credit facility. According to the press release, the proceeds from the credit agreement will be used primarily to refinance existing debt
- CYDSA announced that it has initiated a partial tender offer for its 6.25% Senior Notes due 2027, for a total purchase price value of up to US\$50 million. The current principal amount of the Notes is US\$252.01 million. According to the press release, the compensation offered is US\$940 per US\$1,000 and an early tender payment of US\$50 per US\$1,000 for those tendered through April 22nd, 2024. The offer will expire on May 7th, 2024

## Previous closing levels

|                        | Last       | Daily chg. |
|------------------------|------------|------------|
| <b>Equity indices</b>  |            |            |
| Dow Jones              | 38,461.51  | -1.1%      |
| S&P 500                | 5,160.64   | -0.9%      |
| Nasdaq                 | 16,170.36  | -0.8%      |
| IPC                    | 56,636.54  | -1.6%      |
| Ibovespa               | 128,053.74 | -1.4%      |
| Euro Stoxx 50          | 5,000.83   | 0.2%       |
| FTSE 100               | 7,961.21   | 0.3%       |
| CAC 40                 | 8,045.38   | 0.0%       |
| DAX                    | 18,097.30  | 0.1%       |
| Nikkei 225             | 39,581.81  | -0.5%      |
| Hang Seng              | 17,139.17  | 1.8%       |
| Shanghai Composite     | 3,027.34   | -0.7%      |
| <b>Sovereign bonds</b> |            |            |
| 2-year Treasuries      | 4.97       | 23pb       |
| 10-year Treasuries     | 4.54       | 18pb       |
| 28-day Cetes           | 10.98      | 6pb        |
| 28-day TIIE            | 11.25      | 0pb        |
| 2-year Mbono           | 10.52      | 19pb       |
| 10-year Mbono          | 9.83       | 22pb       |
| <b>Currencies</b>      |            |            |
| USD/MXN                | 16.44      | 0.3%       |
| EUR/USD                | 1.07       | -1.1%      |
| GBP/USD                | 1.25       | -1.1%      |
| DX                     | 105.25     | 1.1%       |
| <b>Commodities</b>     |            |            |
| WTI                    | 86.21      | 1.1%       |
| Brent                  | 90.48      | 1.2%       |
| Mexican mix            | 78.55      | 0.0%       |
| Gold                   | 2,334.04   | -0.8%      |
| Copper                 | 428.20     | -0.1%      |

Source: Bloomberg

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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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