

## Financial Markets Daily

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

- Stock markets positive, government bond yields up and USD with gains with tech stocks offsetting the underperformance in the European banking and luxury sectors, and with investors now turning their attention to the Meta results of the Magnificent Seven group
- The April survey by Bloomberg and Morning Consult Pro showed that Biden lost support in the swing states, only leading in Michigan with +2pts, while in the other six states Trump has an average advantage of +6pts
- On the monetary policy front, Indonesia hiked its benchmark interest rate by 25bps to 6.25%, expecting this action could boost its currency
- Regarding economic figures, durable goods orders for March were published in the US, at 2.6% (consensus: 2.5%; previous: 0.7%). Excluding transportation the figure was in line with expectations at 0.2%
- In Mexico, INEGI released inflation for 1H-April at 0.09% 2w/2w –above expectations–, with the core at 0.16%. As such, the annual print for the headline accelerated to 4.63% from 4.37% in the previous fortnight, with the core at 4.39% (previous: 4.41%)

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>Germany</b>					
4:00	IFO Survey (business climate)* - Apr	index	--	88.8	87.8
<b>Mexico</b>					
8:00	Consumer prices - Apr 15	% 2w/2w	0.00	-0.02	-0.03
8:00	Core - Apr 15	% 2w/2w	0.16	0.14	0.02
8:00	Consumer prices - Apr 15	% y/y	4.54	4.49	4.37
8:00	Core - Apr 15	% y/y	4.39	4.28	4.41
<b>United States</b>					
8:30	Durable goods orders* - Mar (P)	% m/m	--	2.5	1.3
8:30	Ex transportation*-Mar (P)	% m/m	--	0.2	0.3

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.
<b>Equity indices</b>		
S&P 500 Futures	5,116.50	0.2%
Euro Stoxx 50	5,025.16	0.3%
Nikkei 225	38,460.08	2.4%
Shanghai Composite	3,044.82	0.8%
<b>Currencies</b>		
USD/MXN	17.00	0.2%
EUR/USD	1.07	-0.1%
DXY	105.94	0.3%
<b>Commodities</b>		
WTI	83.24	-0.1%
Brent	88.24	-0.2%
Gold	2,322.17	0.0%
Copper	446.85	0.8%
<b>Sovereign bonds</b>		
10-year Treasury	4.65	5pb

Source: Bloomberg

## Equities

- Positive movements as investors assimilate the flow of corporate reports, with a positive bias. Tesla reported below expectations yesterday; however, the announcement that it will accelerate the launch of more affordable vehicles is supporting the stock price (+11% pre-opening) and the technology sector
- In Asia the markets closed positive. In Europe gains predominate, the Eurostoxx adds 0.3%. In turn, in the US the futures of main indices point to a positive opening by rising 0.3% on average
- Out of the 40 S&P500 companies scheduled to report today, 24 have already updated investors with most outperforming estimates, including AT&T and Boeing. The focus will be on Meta's figures after the markets close. In Mexico, Alfa reported better than expected; Chdraui, Gcc, and Liverpool were in line; and Alsea below. Today we expect results from Bbajio, Bolsa, Cuervo, Gentera, Kof, Lab, Lacomer, Oma, Orbia, and Walmex

## Sovereign fixed income, currencies and commodities

- Negative balance in sovereign bonds. The 10-year European rates rise 6bps, on average, and the Treasuries' yield curve adjusts +4bps at the belly and long-end. Yesterday, Mbonos closed with few changes, adjusting +/-1bp. The 10-year benchmark finished at 9.88% (-1bp)
- Dollar slightly positive against most of G10 currencies. JPY weakens to 155 per dollar for the first time in more than three decades, adding to intervention risk. In EM, the bias is mixed with MXN trading well close the psychological level of 17.00 per dollar (-0.3%) after a 1.0% rally yesterday
- Crude-oil futures decline as market expects US stockpile data from US Department of Energy after API reported a drop. In addition, US Senate approved fresh round of curbs against Iranian crude in response to its attack on Israel

## Corporate Debt

- HR Ratings assigned a 'HR AAA' rating to Grupo Carso's proposed issuances, GCARSO 24/24-2. The outlook is Stable. The ratings reflect the company's higher than expected Free Cash Flow generation in 2023 compared to the agency's estimates. The GCARSO 24/24-2 issues are intended to be placed on May 15th for an amount of MXN 5 billion (max. MXN 10 billion) and 3-year and 7-year term, respectively
- HR Ratings affirmed the 'HR AAA (E)' rating with a Stable outlook for the CAMSCB 13U and CAMSCB 19U bonds (FF of Concesionaria Autopista Monterrey – Saltillo). The ratification is based on the metric levels achieved with an Annualized Stress Rate of 3.38% and an average Debt Service Coverage Ratio, estimated for the remaining term (1.96x and 2.36x)

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	38,503.69	0.7%
S&P 500	5,070.55	1.2%
Nasdaq	15,696.64	1.6%
IPC	56,633.75	0.1%
Ibovespa	125,148.07	-0.3%
Euro Stoxx 50	5,008.17	1.4%
FTSE 100	8,044.81	0.3%
CAC 40	8,105.78	0.8%
DAX	18,137.65	1.6%
Nikkei 225	37,552.16	0.3%
Hang Seng	16,828.93	1.9%
Shanghai Composite	3,021.98	-0.7%
<b>Sovereign bonds</b>		
2-year Treasuries	4.93	-4pb
10-year Treasuries	4.60	-1pb
28-day Cetes	11.04	4pb
28-day TIIE	11.25	0pb
2-year Mbono	10.67	-1pb
10-year Mbono	9.91	0pb
<b>Currencies</b>		
USD/MXN	16.96	-1.0%
EUR/USD	1.07	0.4%
GBP/USD	1.24	0.8%
DX	105.68	-0.4%
<b>Commodities</b>		
WTI	83.36	0.6%
Brent	88.42	1.6%
Mexican mix	77.51	2.2%
Gold	2,322.02	-0.2%
Copper	446.00	-1.0%

Source: Bloomberg

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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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