Financial Markets Daily

Main drivers for the financial markets today…

- Stock markets negative, government bond yields mixed, and the USD stable at the margin. Investors are digesting activity figures in the US while pressures for tech giants increase after a disappointing outlook from Meta. In addition, attention remains over the timing of easing from the Fed

- In the US, 1Q24 GDP posted a 1.6% q/q saar expansion, surprising to the downside. Within the report, the 2.5% progress in consumption stands out. Meanwhile, weekly jobless claims were relatively stable at 207 thousand. Later we expect the last figures for the real estate sector in March

- On the monetary front, we await the BoJ's decision tonight, with expectations pointing to no changes, although possibly having additional information on measures going forward along possible actions on the yen. Meanwhile, Turkey's central bank held its reference rate at 50.00%

- Regarding trade issues, during his visit to China, US State Secretary, Anthony Blinken, talked about unfair trade practices. Nevertheless, he reiterated that both countries have the obligation to manage their relation in a responsible manner in order to benefit the world. In this context, there is speculation over possible economic sanctions given support from the nation to Russia

- In other news, the US Supreme Court will hear Donald Trump's arguments regarding his immunity bid to shield him from this efforts to overturn the results from the 2020 election

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,048.25	-1.2%
Euro Stoxx 50	4,934.56	-1.1%
Nikkei 225	37,628.48	-2.2%
Shanghai Composite	3,052.90	0.3%
Currencies		
USD/MXN	17.17	0.6%
EUR/USD	1.07	-0.1%
DXY	105.89	0.0%
Commodities		
WTI	82.77	0.0%
Brent	88.06	0.0%
Gold	2,331.60	0.7%
Copper	452.65	1.5%
Sovereign bonds		
10-year Treasury	4.72	8pb

Source: Bloomberg

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Turkey					
7:00	Monetary policy decision (C. Bank Turkey)	%	--	50.00	50.00
United States					
8:30	Gross domestic product** - 1Q24 (P)	% q/q	2.4	2.5	3.4
8:30	Personal consumption** - 1Q24 (P)	% q/q	2.5	3.0	3.3
8:30	Trade balance* - Mar	US$bn	--	-91.1	-90.3
8:30	Initial jobless claims* - Apr 20	thousands	215	215	212
Japan					
	Monetary policy decision BoJ (Upper Bound)	%	--	0.10	0.10
	Monetary policy decision BoJ (LowerBound)	%	--	0.00	0.00

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

Equities

- Negative stock markets, after Meta's report (-15% pre-market), which, although it exceeded expectations, revenue guidance was lower than expected, and announced an increase in expenses for 2024. The news pulls down other technology companies and Nasdaq futures fall 1.5%

- Of the 60 S&P500 companies reporting today, most have posted positive surprises. At close, the focus will be on Google and Microsoft. In Mexico, Oma reported better than expected results, while Lacomer and Lab's profitability improved. Walmex and Gentera showed favorable performances. Ac, Tlevisa and Vesta report today

- Cemex showed EBITDA and profitability improvements in line with expectations. Cash flow was more negative and leverage rose marginally. It announced the divestment of assets in Asia. We believe the impact on the stock should be neutral

Sovereign fixed income, currencies and commodities

- Negative balance in sovereign bonds. The 10-year European rates rise 3bps, on average, and the Treasuries' yield curve adjusts of up to +7bps at the short-end. Yesterday, Mbonos averaged losses of 5bps with adjustments of up to +8bps at the belly. The 10-year benchmark closed at 9.94% (+5bps)

- Dollar slightly negative against most of G10 currencies, with AUD (+0.3%) leading gains. In EM, the bias is mixed with MXN as the weakest, trading at 17.18 per dollar (-0.6%) extending yesterday's 0.7% depreciation

- Widespread gains in commodities aided by a modestly lower dollar. Crude-oil futures jump following a bigger-than-expected drawdown in US stockpiles. In metals, copper hit fresh 2-year highs and gold advances 0.6%, halting three negative days in a row

Corporate Debt

- HR Ratings affirmed Fibra Uno's (FUNO) rating at 'HR AAA' with a Stable outlook. The ratification is due to the decrease in total debt levels as part of the prepayments of debt with resources from the operation of the Trust, as well as the sale of non-strategic properties

- HR Ratings upgraded the rating from 'HR A+' to 'HR AA-', and changed the outlook from Positive to Stable for Grupo Axo. The upgrade revision of the rating is based on a level of net debt in 2023, 29.3% lower compared to the agency's estimates for this period. It also noted that after the consolidation of Komax, from 2022 to 2023, there was a significant improvement in revenues and EBITDA of 29.7% and 34.8%, respectively

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	38,460.92	-0.1%
S&P 500	5,071.63	0.0%
Nasdaq	15,712.75	0.1%
IPC	56,463.99	-0.3%
Ibovespa	124,740.69	-0.3%
Euro Stoxx 50	4,989.88	-0.4%
FTSE 100	8,040.38	-0.1%
CAC 40	8,091.86	-0.2%
DAX	18,088.70	-0.3%
Nikkei 225	38,460.08	2.4%
Hang Seng	17,201.27	2.2%
Shanghai Composite	3,044.82	0.8%
Sovereign bonds		
2-year Treasuries	4.93	0pb
10-year Treasuries	4.64	4pb
28-day Cetes	11.06	2pb
28-day TIIE	11.25	0pb
2-year Mbono	10.76	9pb
10-year Mbono	9.96	5pb
Currencies		
USD/MXN	17.07	0.7%
EUR/USD	1.07	0.0%
GBP/USD	1.25	0.1%
DXY	105.86	0.2%
Commodities		
WTI	82.81	-0.7%
Brent	88.02	-0.5%
Mexican mix	77.15	-0.5%
Gold	2,316.17	-0.3%
Copper	448.65	0.6%

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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