BANORTE

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 up, and USD with gains. Cautiousness as investors await the Federal Reserve decision –no change in interest rate expected– and Powell's comments –who could take a more hawkish turn– tomorrow**

- **Regarding economic figures, in the US housing prices for February and the Conference Board's consumer confidence for April will be released, which we estimate will moderate compared to the previous month due to persistent inflationary pressures**

- **Eurozone's GDP grew 0.3% q/q in 1Q24, above consensus (0.1%); meanwhile, April's inflation stood at 2.4% y/y (vs 2.4%e). Later, Colombia's monetary policy decision will be announced**

- **In Mexico, INEGI published 1Q24 preliminary GDP at +0.2% q/q (1.6% y/y nsa). By sectors, primary activities fell 1.1% q/q (0.6% y/y), with industry at -0.4% q/q (0.8% y/y), and services at +0.7% q/q (2.2% y/y)**

- **Mexico will also release banking credit for March and the public finance report for the same month**

April 30, 2024

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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

Document for distribution among public

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
4:00	GER Gross domestic product* - 1Q24 (P)	% q/q	--	0.1	-0.3
5:00	EZ Consumer prices - Apr (P)	% y/y	--	2.4	2.4
5:00	Core - Apr (P)	% y/y	--	2.6	2.9
5:00	EZ Gross domestic product - 1Q24 (P)	% y/y	--	0.2	0.1
5:00	EZ Gross domestic product* - 1Q24 (P)	% q/q	--	0.1	-0.1
Mexico					
8:00	Gross domestic product - 1Q24 (P)	% y/y	2.1	2.3	2.5
8:00	Gross domestic product* - 1Q24 (P)	% q/q	0.5	0.1	0.1
11:00	Banking credit - Mar	% y/y	5.5	--	5.6
11:00	International reserves - Apr 26	US$bn	--	--	217.3
16:30	Public finances (PSBR, year-to-date) - Mar	MXNbn	--	--	-459.5
United States					
9:00	S&P/CoreLogic housing prices - Feb	% y/y	--	6.7	6.6
10:00	Consumer confidence* - Apr	index	103.0	104.0	104.7
Colombia					
14:00	Monetary policy decision (BanRep)	%	--	11.75	12.25

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	5,127.00	-0.4%
Euro Stoxx 50	4,952.48	-0.6%
Nikkei 225	38,405.66	1.2%
Shanghai Composite	3,104.83	-0.3%
Currencies		
USD/MXN	17.02	0.1%
EUR/USD	1.07	-0.1%
DXY	106.04	0.4%
Commodities		
WTI	82.98	0.4%
Brent	88.55	0.2%
Gold	2,304.04	-1.4%
Copper	457.25	-1.9%
Sovereign bonds		
10-year Treasury	4.67	5pb

Source: Bloomberg

Equities

- **Negative movements as investors weigh the monetary outlook, while assimilating a flow of corporate information with a positive bias, albeit with some divergent signals. Out of the 48 S&P500 companies scheduled to report today, 27 have already updated investors with most outperforming estimates, including: 3M, American Tower, Coca-Cola, and Eli Lilly & Co. The focus will be on Amazon's figures after the market close**

- **In Asia, the markets closed mixed. In Europe stocks decline (except for the FTSE 100), the Eurostoxx sheds 0.6%. Shares from consumer discretionary and financial sectors lead losses, while those from consumer staples and energy are the biggest gainers. In the US, the futures of main indices point to a slightly negative opening by falling 0.1% on average**

- **In Mexico, the Mexbol Index may stand below the 57,800pts**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. 10-year rates in Europe increase 5bps on average, while the Treasuries curve loses of up to 6bps at the belly. Yesterday, Mbonos' curve flattened due to modest losses at the short-end and gains of 3bps at the long-end**

- **Dollar up against all developed currencies, with AUD (-0.9%) as the weakest. In EM, the bias is also negative with ZAR (-0.7%) leading losses. Meanwhile, the MXN trades at 17.02 per dollar (-0.1%), partially offsetting yesterday's rally of 0.9%**

- **Crude-oil futures advance as gap between Israel and Hamas on hostage agreement seen closing. On the contrary, most of metals decline. Gold falls more than 1.0%, approaching to 2,300 $/t oz figure**

Corporate Debt

- **HR Ratings affirmed Grupo Elektra's long-term rating at 'HR AA', keeping a Stable outlook, and its short-term rating at 'HR1'**

- **The ratification was based on the results observed in 2023, which were in line with the agency's projections in its last review, with free cash flow generation of MXN 9.5 billion, against a negative free cash flow in 2022 and 23.3% above the base scenario**

- **Grupo Elektra currently has 11 issues in the local market, with an outstanding amount of MXN 23.7 billion**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	38,386.09	0.4%
S&P 500	5,116.17	0.3%
Nasdaq	15,983.08	0.3%
IPC	57,827.86	0.0%
Ibovespa	127,351.79	0.7%
Euro Stoxx 50	4,981.09	-0.5%
FTSE 100	8,147.03	0.1%
CAC 40	8,065.15	-0.3%
DAX	18,118.32	-0.2%
Nikkei 225	37,934.76	0.0%
Hang Seng	17,746.91	0.5%
Shanghai Composite	3,113.04	0.8%
Sovereign bonds		
2-year Treasuries	4.98	-2pb
10-year Treasuries	4.61	-5pb
28-day Cetes	10.95	-7pb
28-day TIIE	11.25	0pb
2-year Mbono	10.78	-1pb
10-year Mbono	9.98	-4pb
Currencies		
USD/MXN	17.01	-0.9%
EUR/USD	1.07	0.3%
GBP/USD	1.26	0.6%
DXY	105.58	-0.3%
Commodities		
WTI	82.63	-1.5%
Brent	88.40	-1.2%
Mexican mix	76.89	-1.2%
Gold	2,335.66	-0.1%
Copper	467.65	2.2%

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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