

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets higher, government bond yields positive, and the USD slightly stronger, with investors processing the first US presidential debate and inflation figures that suggest a some room for maneuver for the Fed in upcoming decisions
- Regarding the presidential debate yesterday, according to several polls, Trump was the winner. The debate was characterized by exaggerated comments and some falsehoods from the former president, although with greater confidence. Meanwhile, Biden seemed more hesitant, supporting concerns about his age
- On the economic agenda, in the US, May's PCE report was published. Figures on income and spending were mixed, while the PCE deflator came in in line with expectations at 0.0% m/m (2.6% a/a), with the core at 0.1% (2.6% a/a). In the monetary front, Colombia's decision stands out, where a 25bps cut is expected. In the US we will be looking into Bowman's comments
- Ursula von der Leyen has been nominated for a second term as head of the European Commission. This weekend, the first round election will take place in France, with Marine Le Pen's far-right party expected to win

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
UK					
2:00	Gross domestic product - 1Q24 (F)	% y/y	--	0.2	0.2
2:00	Gross domestic product* - 1Q24 (F)	% q/q	--	0.6	0.6
United States					
6:00	Fed's Barkin Gives Keynote Speech				
8:30	Personal income* - May	% m/m	--	0.4	0.3
8:30	Personal spending* - May	% m/m	--	0.3	0.2
8:30	Real personal spending* - May	% m/m	--	0.2	-0.1
8:30	PCE Deflator* - May	% m/m	0.1	0.0	0.3
8:30	Core* - May	% m/m	0.1	0.1	0.2
8:30	PCE Deflator - May	% y/y	2.6	2.6	2.7
8:30	Core - May	% y/y	2.6	2.6	2.8
10:00	U. of Michigan confidence* - Jun (F)	index	65.6	66.0	65.6
12:00	Fed's Bowman participates in moderated conversation with Q&A				
Mexico					
11:00	Banking credit - May	% y/y	5.7	--	5.6
16:30	Public finances (PSBR, year-to-date) - May	MXNbn	--	--	-425.3
Colombia					
14:00	Monetary policy decision (BanRep)	%	--	11.25	11.75

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.
Equity indices		
S&P 500 Futures	5,564.25	0.3%
Euro Stoxx 50	4,890.42	-0.2%
Nikkei 225	39,583.08	0.6%
Shanghai Composite	2,967.40	0.7%
Currencies		
USD/MXN	18.31	-0.7%
EUR/USD	1.07	0.0%
DXY	105.87	0.0%
Commodities		
WTI	82.12	0.5%
Brent	86.80	0.5%
Gold	2,335.25	0.3%
Copper	439.45	1.5%
Sovereign bonds		
10-year Treasury	4.26	-2pb

Source: Bloomberg

Equities

- Positive movements in most stock indexes, with investors assessing economic figures and weighing the monetary outlook
- In Asia the markets closed positive. Notably, Japan's Topix rose 0.6%, reaching a 34-year high. In Europe stocks are mixed, although the Eurostoxx is down slightly 0.2%. Shares from technology and energy sectors lead gains, while those from consumer staples and materials superhead losses. In turn, in the US the futures of main indices point to a positive opening by rising 0.4% on average
- In corporate news, Nike's share price falls ~15% on pre-market, after it reported lower-than-expected sales data for the quarter yesterday and a revenue full-year guidance that disappointed investors

Sovereign fixed income, currencies and commodities

- European bonds under upward pressure, printing a sell-off of around 3bps, with France leading losses ahead of the first round of legislative elections on Sunday. Treasuries are reversing losses of up to 4bps, easing post-debate and consolidating after US price data
- The USD weakens with a positive balance in developed currencies. The JPY also appreciates (+0.2%) after extending losses in the Asian session to new lows since 1986, driving focus on potential intervention. The MXN strengthens by 0.9% to 18.28
- Oil reaches nearly two-month highs, marking its third consecutive week of gains, with recent sessions supported by a higher geopolitical risk premia and expectations of tighter supply-demand balances. The tone is generally positive for metals

Corporate Debt

- Grupo Vasconia announced that on June 25, 2024 the Standby Agreements granted by the holders of the VASCONI 19 and 22L issues were terminated, with the understanding that, once the Standby Agreements are terminated, the ordinary interest will be payable. The issuer is working on renewing current agreements or agreeing new terms
- HR Ratings ratified Banco Actinver's ratings at 'HR AA' with Stable Outlook based on the adequate financial evolution and on the fact that, although there is a contingent liability, the Bank has increased its solvency in case of facing it

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	39,164.06	0.1%
S&P 500	5,482.87	0.1%
Nasdaq	17,858.68	0.3%
IPC	52,310.96	-0.3%
Ibovespa	124,307.83	1.4%
Euro Stoxx 50	4,902.60	-0.3%
FTSE 100	8,179.68	-0.6%
CAC 40	7,530.72	-1.0%
DAX	18,210.55	0.3%
Nikkei 225	39,341.54	-0.8%
Hang Seng	17,716.47	-2.1%
Shanghai Composite	2,945.85	-0.9%
Sovereign bonds		
2-year Treasuries	4.71	-4pb
10-year Treasuries	4.29	-4pb
28-day Cetes	10.92	4pb
28-day TIIE	11.24	0pb
2-year Mbono	10.73	-4pb
10-year Mbono	9.94	-3pb
Currencies		
USD/MXN	18.44	0.6%
EUR/USD	1.07	0.2%
GBP/USD	1.26	0.1%
DX	105.91	-0.1%
Commodities		
WTI	81.74	1.0%
Brent	86.39	1.3%
Mexican mix	76.63	1.2%
Gold	2,327.73	1.3%
Copper	434.85	-0.4%

Source: Bloomberg

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