Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

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Main drivers for the financial markets today...

- **Stock markets negative, government bond yield are down, and USD with positive bias, with investors awaiting more economic data that may give more clues on the outlook for the US interest rates**
- **After the US Supreme Court ruled that Trump has at least some immunity from criminal prosecution for official actions he took while president, his lawyers are now taking steps to ask a judge in New York to set aside the jury's verdict against him in the case of hush money**
- **Today, participations by Powell, Lagarde and Campos Neto are expected at the European Central Bank forum in Sintra, Portugal**
- **Regarding economic figures, in the US the JOLTS report on job vacancies for May will be published. Later, in China the PMI indicators will be announced**
- **In Mexico, INEGI published investment for April at +0.9% m/m (previous: +0.9%). Construction grew 1.6%, with machinery and equipment negative at -0.8%. In annual terms, GFI came in at +18.1%. INEGI also announced private consumption for the fourth month of 2024. It came in at -0.9% m/m (previous: +0.9%), dragged by the domestic component (-1.0%)**


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Winners of the award as the best economic forecasters in Mexico by LSEG in 2023

LSEG STARMINE AWARD FOR REUTERS POLLS
Best Forecaster Economic Indicators for Mexico 2023

Document for distribution among public

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Consumer prices - Jun	% y/y	--	2.5	2.6
5:00	Core - Jun (P)	% y/y	--	2.8	2.9
Mexico					
8:00	Gross fixed investment - Apr	% y/y	20.7	20.5	3.0
8:00	Gross fixed investment* - Apr	% m/m	1.2	1.0	0.8
8:00	Private consumption - Apr	% y/y	8.3	8.3	1.6
8:00	Private consumption* - Apr	% m/m	-0.6	--	0.8
11:00	International reserves - Jun 28	US$bn	--	--	220.0
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 10-year Mbono (Nov'34), 10-year Udibono (Aug'34), 1-, and 3-year Bondes F				
United States					
8:30	Powell, Lagarde, Bailey, Campos Neto Speak in Sintra				
10:00	JOLTS Job Openings - May	thousands	--	7,864	8,059
0:00	Total vehicle sales** - Jun	millions	--	15.9	15.9
China					
21:45	Services PMI (Caixin)* - Jun	index	--	53.4	54.0
21:45	Composite PMI (Caixin)* - Jun	index	--	--	54.1

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	5,511.50	-0.4%
Euro Stoxx 50	4,888.71	-0.8%
Nikkei 225	40,074.69	1.1%
Shanghai Composite	2,997.01	0.1%
Currencies		
USD/MXN	18.30	-0.3%
EUR/USD	1.07	-0.1%
DXY	105.89	0.0%
Commodities		
WTI	84.21	1.0%
Brent	87.33	0.8%
Gold	2,326.29	-0.2%
Copper	445.30	0.6%
Sovereign bonds		
10-year Treasury	4.43	-3pb

Source: Bloomberg

Equities

- **Negative movements, with profit-taking in the shares of large companies in the technology sector. Investors show cautious as they continue to weigh the monetary and growth outlook**

- **In Asia the markets closed mixed. In Europe stocks decline, the Eurostoxx sheds 0.8%. Shares from financial and consumer discretionary sectors lead losses, while those from energy are the only ones with gains. In turn, in the US the futures of main indices point to a negative opening by falling 0.4% on average, following the Nasdaq reaching a new all-time high in the previous session**

- **In Mexico, the Mexbol Index may stand below the 52,700pts**

Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. 10-year European rates decline 2bps, on average. Meanwhile, Treasuries' curve records gain of up to 4bps at the belly. Yesterday, the Mbonos' curve recorded a 10bps sell-off. The 10-year benchmark closed 9.96% (+11bps) and the local risk premium rose to 550bps (+6bps)**

- **Dollar advances against most of the G10 currencies, except for CAD (+0.1%) and GBP (+0.1%). In EM, the bias is negative but the only in positive domain are Latam currencies. The MXN is the strongest at 18.30 per dollar (+0.3%), followed by BRL (+0.2%) and CLP (+0.2%)**

- **Crude-oil rebound, trading near two-month high on an escalation in tensions in the Middle East and concerns over the rapid start to the Atlantic hurricane season. Widespread gains in metals, with copper adjusting +0.8%**

Corporate Debt

- **Sigma Productos announced that it redeemed the remaining principal amount of US$400 million of its 4.125% Senior Notes due 2026. According to the statement, Sigma used part of the proceeds through the reopening of SIGMA 24 and the new issuance SIGMA 24-3, placed in May, as well as a bilateral bank credit line of US$200 million with multiple amortizations that extend until 2034**

- **CIBanco (Trustee) reported the partial early amortization of principal of the VANRTCB 21 issue (Vanrenta's ABS) for next July 3, 2024, for MXN18.7 million. It is important to remember that on March 19, HR Ratings upgraded VANRTCB 21 issue to 'HR AAA (E)' from 'HR AA+ (E)'. Currently, the issuance has an outstanding amount of MXN104 million and its maturity is scheduled for June 2026**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	39,169.52	0.1%
S&P 500	5,475.09	0.3%
Nasdaq	17,879.30	0.8%
IPC	52,883.97	0.8%
Ibovespa	124,718.07	0.7%
Euro Stoxx 50	4,929.99	0.7%
FTSE 100	8,166.76	0.0%
CAC 40	7,561.13	1.1%
DAX	18,290.66	0.3%
Nikkei 225	39,631.06	0.1%
Hang Seng	17,718.61	0.0%
Shanghai Composite	2,994.73	0.9%
Sovereign bonds		
2-year Treasuries	4.76	0pb
10-year Treasuries	4.46	7pb
28-day Cetes	10.94	3pb
28-day TIIE	11.25	0pb
2-year Mbono	10.77	4pb
10-year Mbono	9.98	7pb
Currencies		
USD/MXN	18.37	0.3%
EUR/USD	1.07	0.3%
GBP/USD	1.27	0.0%
DXY	105.90	0.0%
Commodities		
WTI	83.38	2.3%
Brent	86.60	0.2%
Mexican mix	77.72	1.3%
Gold	2,331.90	0.2%
Copper	441.80	0.6%

Source: Bloomberg

BANORTE

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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