

## Financial Markets Daily

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

- Stock markets mixed –with Asia lower, Europe to the upside, and US futures mixed–, government bond yields down, and the USD stronger. Focus turns to the quarterly results of main tech companies today after the close (following a rebound in this sector's stocks yesterday) as well as on political developments in the US
- Regarding the US presidential election, Kamala Harris now has more than enough pledged delegates to clinch the Democratic nomination. Moreover, her campaign collected a record \$81 million in the first 24 hours after announcing her candidacy
- In China, the government announced a plan to try to fix local debt woes in the country. Among the measures we highlight the transfer of more resources to local governments. However, some analysts have expressed that the plan would be just a marginal solution considering the size of the problem
- Scarce economic agenda, awaiting June's existing home sales in the US and July's consumer confidence in Eurozone On the monetary front, ECB Vice President, Luis de Guindos, stated that the central bank will be in a better position to decide on interest rates at its next meeting in September, with more information as well as new macroeconomic projections from the institution. In other monetary decisions, in Turkey, the central bank kept its reference rate unchanged at 50.00%
- India's 2025 budget proposal includes a US\$23.9 billion stimulus package, with plans to boost employment, improve education, and increase aid to new allies. Despite this, they would aim to reduce the fiscal deficit to 4.9% of GDP, establishing a new capital gains tax

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>Turkey</b>					
7:00	Monetary policy decision (C. Bank of Turkey)	%	--	50.00	50.00
<b>Eurozone</b>					
10:00	Consumer confidence* - Jul (P)	index	--	-13.5	-14.0
<b>United States</b>					
10:00	Existing home sales** - Jun	millions	--	4.0	4.1
<b>Mexico</b>					
11:00	International reserves - Jul 19	US\$bn	--	--	221.2
13:30	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 3-year Mbono (Sep'26), 10-year Udibono (Aug'34) and 2-, 5-, and 10-year Bondes F				

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



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### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	5,608.75	0.0%
Euro Stoxx 50	4,922.60	0.5%
Nikkei 225	39,594.39	0.0%
Shanghai Composite	2,915.37	-1.6%
<b>Currencies</b>		
USD/MXN	18.06	0.6%
EUR/USD	1.09	-0.3%
DX	104.46	0.1%
<b>Commodities</b>		
WTI	77.75	-2.5%
Brent	81.73	-0.8%
Gold	2,405.59	0.4%
Copper	415.25	-1.1%
<b>Sovereign bonds</b>		
10-year Treasury	4.23	-2pb

Source: Bloomberg

## Equities

- Positive bias in the major stock markets as investors are assessing recent corporate reports. Attention will be on the start of the 'Magnificent Seven' results with Alphabet and Tesla at the market close
- In the US, futures are flat. In Europe, meanwhile, gains predominate. In particular, Porsche shares fall by more than 4.0% after cutting its growth outlook for the year. Asia closed mixed, although the Shanghai shares dropped 1.7%
- Of 34 of the S&P500 companies releasing results today, 22 have already released them, most of them better than expected. In that sense, General Motors and Coca-Cola increased their growth guidance for this year. In Mexico, Alsea, Asur, Bolsa, Gcc, Gfnorte, Liverpool and Tlevisa are expected to release their results today

## Sovereign fixed income, currencies and commodities

- Gains in sovereign bonds driven by in European assets. Rates in this region appreciate 2-4bps, led by bunds. Treasuries strengthen by 1-2bps, modestly more robust on the long-end, resulting in a flatter curve
- The dollar strengthens, supported by a negative balance in G10 currencies, with only JPY (+0.5%) on the positive side. In EMFX, a bias toward losses is observed, with some Asian currencies diverging and appreciating modestly. The MXN trades at 18.06 (-0.6%)
- Oil is slightly negative, holding near three-week lows after falling more than 3% in the last 2 sessions, partly on the back of concerns about demand in China. Negative tone in metals, both in industrial and precious, excluding gold, which rises 0.4%

## Corporate Debt

- Genomma Lab reported that it contracted an amortizing credit line of MXN 1.5 billion for a 10-year term with Bancomext. The disbursement was made during 1Q24 and 2Q24
- HR Ratings downgraded Grupo Hema's rating to 'HR BBB+' from 'HR A-' and changed the outlook to Stable from Positive, based on the growth of total debt and net debt above the rating agency's estimates and with a short-term profile
- HR Ratings withdrew the green bond label and the impact level of 'HR GB 1+' with Stable outlook for IDEI 23+V because the entity did not provide HR Ratings with the complementary documentation

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	40,415.44	0.3%
S&P 500	5,564.41	1.1%
Nasdaq	18,007.57	1.6%
IPC	54,006.92	0.6%
Ibovespa	127,859.63	0.2%
Euro Stoxx 50	4,897.44	1.5%
FTSE 100	8,198.78	0.5%
CAC 40	7,622.02	1.2%
DAX	18,407.07	1.3%
Nikkei 225	39,599.00	-1.2%
Hang Seng	17,635.88	1.3%
Shanghai Composite	2,964.22	-0.6%
<b>Sovereign bonds</b>		
2-year Treasuries	4.52	1pb
10-year Treasuries	4.25	1pb
28-day Cetes	11.03	-1pb
28-day TIIE	11.25	0pb
2-year Mbono	10.76	-1pb
10-year Mbono	9.97	-3pb
<b>Currencies</b>		
USD/MXN	17.94	-0.6%
EUR/USD	1.09	0.1%
GBP/USD	1.29	0.1%
DX	104.31	-0.1%
<b>Commodities</b>		
WTI	79.78	-0.4%
Brent	82.40	-0.3%
Mexican mix	73.72	-0.5%
Gold	2,396.59	-0.2%
Copper	419.75	-0.9%

Source: Bloomberg

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	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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