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 positive, government bond yields are up, and USD slightly positive. Investors are focused on Japan's central bank decision where there is speculation about a possible rate hike, while awaiting signs that the Federal Reserve will cut 25bps in September**
- **Kamala Harris will participate in an event in Georgia's largest city. The vice president is seeking support in the Sun Belt states that Democrats had all but written off (Georgia, Arizona, and Nevada), as well as in the Democrats' so-called Blue Wall (Michigan, Wisconsin, and Pennsylvania)**
- **The US economic figures agenda includes the release of house prices in May, JOLTS job openings for June, and consumer confidence for July. Elsewhere, China will later release July PMI indicator**
- **In Mexico, INEGI published 2Q24 preliminary GDP at +0.2% q/q (2.2% y/y nsa). By sectors, primary activities fell 1.7% q/q (-2.7% y/y), with industry at +0.3% q/q (1.9% y/y), and services also at +0.3% q/q (2.7% y/y)**

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com

Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com

Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com

www.banorte.com/analisiseconomico
@analisis_fundam

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
Mexico					
8:00	Gross domestic product - 2Q24 (P)	% y/y	2.4	2.4	1.6
8:00	Gross domestic product* - 2Q24 (P)	% q/q	0.3	0.4	0.3
11:00	International reserves - Jul 29	US$bn	--	--	221.6
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 20-year Mbono (Nov'42), 20-year Udibono (Nov'43), 1-, and 3-year Bondes F				
16:30	Public finances (PSBR, year-to-date) - Jun	MXNbn	--	--	-645.7
United States					
9:00	S&P/CoreLogic housing prices - May	% y/y	--	6.5	7.2
10:00	JOLTS Job Openings - Jun	thousands	--	8,000	8,140
10:00	Consumer confidence* - Jul	index	100.0	99.7	100.4
China					
21:30	Manufacturing PMI* - Jul	index	--	49.4	49.5
21:30	Non-manufacturing PMI* - Jul	index	--	50.2	50.5
21:30	Composite PMI Output SA*-Jul	index	--	--	50.5
Japan					
	Monetary policy decision BoJ (Upper Bound)	%	--	0.10	0.10
	Monetary policy decision BoJ (Lower Bound)	%	--	0.00	0.00

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	5,513.50	0.2%
Euro Stoxx 50	4,844.92	0.6%
Nikkei 225	38,525.95	0.1%
Shanghai Composite	2,879.30	-0.4%
Currencies		
USD/MXN	18.69	0.3%
EUR/USD	1.08	-0.1%
DXY	104.71	0.1%
Commodities		
WTI	75.36	-0.6%
Brent	79.23	-0.7%
Gold	2,387.21	0.1%
Copper	403.70	-0.6%
Sovereign bonds		
10-year Treasury	4.18	1pb

Source: Bloomberg

Equities

- **Favorable movements in the main indexes, reflecting caution among investors. At market close, the focus will be on the results of AMD and Microsoft, the latter being part of the 'Magnificent 7' group**

- **In the US, futures anticipate a slightly positive opening with the Nasdaq rising 0.3% above its theoretical value. Europe, meanwhile, trades mostly higher with the Eurostoxx up 0.6%, driven by gains in the technology sector. Asia closed with a negative bias, with the Hang Seng falling by 1.4% and the Shanghai by 0.4%**

- **Of 44 companies in the S&P500 that release their results today, 23 have already released them, most of them better than expected. Notably, PayPal Holdings is climbing in pre-market (+6.5%) after improving its earnings forecast for 2024**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. The 10-year European rates increase between 1bp and 6bps. Meanwhile, the Treasuries' curve prints modest losses of 1bp. Yesterday, the Mbonos' curve flattened due to a 8bps rally at the long-end**

- **Dollar slightly positive amid a mixed performance in G10 and EM currencies. In the latter, ZAR (+0.3%) and HUF (-0.5%) stand at the extremes. The MXN trades at 18.69 per dollar (-0.3%), after a 0.9% depreciation yesterday**

- **Crude-oil futures trade at seven-week low due to concerns over global demand. Widespread losses in metals, excluding gold (+0.1%), while aluminum and nickel fall more than 1.0%**

Corporate Debt

- **Grupo Aeroportuario del Pacífico (GAP) announced that it signed modifications to the Concession Contracts with the Jamaican airport authority, derived from the effects suffered during the pandemic. The main modification for the Montego Bay Airport was that the concession period will expire 31 years after the start date of the contract (March 2034), representing an additional year to the original period**

- **Fitch Ratings affirmed Fibra Inn ratings and its FINN 18 issuance at ‘A-(mex)’. The outlook is Stable. According to the agency, the ratings incorporate Fibra’s growth strategy, which could consist of acquisitions of stabilized and/or under-development properties, and the business profile focused on the business traveler**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	40,539.93	-0.1%
S&P 500	5,463.54	0.1%
Nasdaq	17,370.20	0.1%
IPC	52,515.79	-0.6%
Ibovespa	126,953.86	-0.4%
Euro Stoxx 50	4,815.39	-1.0%
FTSE 100	8,292.35	0.1%
CAC 40	7,443.84	-1.0%
DAX	18,320.67	-0.5%
Nikkei 225	38,468.63	2.1%
Hang Seng	17,238.34	1.3%
Shanghai Composite	2,891.85	0.0%
Sovereign bonds		
2-year Treasuries	4.40	2pb
10-year Treasuries	4.17	-2pb
28-day Cetes	11.01	5pb
28-day TIIE	11.24	0pb
2-year Mbono	10.67	-3pb
10-year Mbono	9.87	-3pb
Currencies		
USD/MXN	18.63	0.9%
EUR/USD	1.08	-0.3%
GBP/USD	1.29	0.0%
DXY	104.56	0.2%
Commodities		
WTI	75.81	-1.7%
Brent	79.78	-1.7%
Mexican mix	70.59	-1.9%
Gold	2,384.19	-0.1%
Copper	408.45	-1.0%

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, 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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Directory
Research and Strategy

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251

Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611

María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com
(55) 1103 - 4046

Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957

Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821

Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438

Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707

Market Strategy

Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751

Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719

Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800

Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 – 2250

Hugo Armando Gómez Solís
Senior Analyst, Corporate Debt
hugoa.gomez@banorte.com
(55) 1670 - 2247

Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698

Marcos Saúl García Hernandez
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296

Gerardo Daniel Valle Trujillo
Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248

Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 5261 - 4882

Paula Lozoya Valadez
Analyst, Equity
paula.lozoya.valadez@banorte.com
(55) 1103 - 4000 x 2060

Quantitative Analysis

Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608

Miguel Alejandro Calvo Domínguez
Senior Analyst, Quantitative Analysis
miguel.calvo@banorte.com
(55) 1670 - 2220

José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000

Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124

Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1670 - 2904

Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430

BANORTE