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 slightly down, government bond yields higher, and USD mixed. Caution on low liquidity, economic weakness in China -which could hurt company earnings- and in some industrial metal prices. Investors are also waiting for more data in coming days**

- **US markets will be closed today because of Labor Day. Hence, liquidity during the session will likely be low. In Mexico, releases include family remittances (Jul), PMI indicators from IMEF (Aug), and the survey of expectations from Banxico**

- **Investors' attention this week on August's employment report in the US. We estimate 170k jobs (consensus: 165k) and the unemployment rate an inch lower from 4.3% to 4.2% (consensus: 4.2%)**

- **Monetary policy decisions in Chile, Canada, Poland, Malaysia, and Egypt. The Fed will publish the *Beige Book* and there will be a series of speeches from its members, along from those of the ECB and BoE**

- **On economic data, the rest of the US agenda includes also the trade balance, JOLTS job openings, factory orders (Jul), ISM indicators, vehicle sales, and the ADP private employment report (Aug)**

- **Going to other regions, final 2Q24 GDP in Japan, Brazil, and the Eurozone, with the latter region also releasing retail sales (Jul); in China, *Caixin* PMIs and inflation (Aug); and in Germany, industrial production and trade balance (Jul)**

- **A plethora of data in Mexico, including gross fixed investment, private consumption (Jun), unemployment rate (Jul) and the banking sector survey. We will also follow closely the ongoing discussions about new laws as the ordinary period of Congress started yesterday**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
	Markets closed for Labor Day				
Eurozone					
3:55	GER Manufacturing PMI* - Aug (F)	index	--	42.1	42.1
4:00	EZ Manufacturing PMI* - Aug (F)	index	--	45.6	45.6
4:30	UK Manufacturing PMI* - Aug (F)	index	--	52.5	52.5
Mexico					
11:00	Family remittances - Jul	US$bn	5,927.2	5,927.2	6,213.2
11:00	Survey of expectations (Banxico)				
14:00	Manufacturing PMI (IMEF)* - Aug	index	47.6	--	47.1
14:00	Non-manufacturing PMI (IMEF)* - Aug	index	50.4	--	50.9

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.

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

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

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,657.50	-0.1%
Euro Stoxx 50	4,959.28	0.0%
Nikkei 225	38,700.87	0.1%
Shanghai Composite	2,811.04	-1.1%
Currencies		
USD/MXN	19.70	-0.2%
EUR/USD	1.11	0.1%
DXY	101.72	0.0%
Commodities		
WTI	73.45	-0.1%
Brent	76.92	-2.4%
Gold	2,500.54	-0.1%
Copper	410.50	-1.0%
Sovereign bonds		
10-year Treasury	3.90	0pb

Source: Bloomberg

Equities

- **September starts with negative movements in main stock markets after an average rise of 2.3% in USD terms in August in the sample of 29 indices that we regularly track**

- **US futures negative, reflecting some profit taking after high levels reached in the previous session. Losses in Europe, albeit with the Eurostoxx little changed and with no clear trend after Friday's record high. Asia closed mixed, highlighting Hang Seng's 1.7% drop**

- **As of today, Elektra is no longer part of the Mexbol sample. On the other hand, on Friday, September 6th, the preliminary changes to the index's rebalancing will be announced. We expect Lacomer's entry to be confirmed**

Sovereign fixed income, currencies and commodities

- **Low liquidity, with US markets closed for Labor Day. In Europe, 10-year rates are under pressure, printing average losses of 3bps. Last week, Mbonos averaged a sell-off of 14bps, with the 10-year Nov'34 benchmark at 9.65% (+13bps)**

- **USD with a positive bias against G10 currencies, with JPY (-0.5%) and NZD (-0.4%) as the weakest. EM is mixed, trading within a narrow range of ±1.0%. The MXN slightly appreciates to 19.70 per dollar after last week's 1.5% drop**

- **Commodities lower. Crude futures are experiencing slight losses as investors await the planned production increase by OPEC+. Metals are mostly down, with industrials underperforming**

Corporate Debt

- **This week we expect the auction of GAP's (Grupo Aeroportuario del Pacífico) issuance for a target amount of MXN 5 billion and a maximum of MXN 6.25 billion. In addition, the unsecured bond of Paccar Financial Mexico is expected for a target amount of MXN 1 billion and a maximum of MXN 2 billion**

- **HR Ratings ratified the rating of 'HR D' with Ongoing Review for Grupo Vasconia's VASCONI 19 issuance as it remains in default with respect to the payment of principal and interest on said bond**

- **Partial early amortization of principal of VANRTCB 21 (ABS of Vanrenta) was announced for September 3rd, 2024 for MXN 17.5 million**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	41,563.08	0.6%
S&P 500	5,648.40	1.0%
Nasdaq	17,713.63	1.1%
IPC	51,985.87	-2.2%
Ibovespa	136,004.01	0.0%
Euro Stoxx 50	4,957.98	-0.2%
FTSE 100	8,376.63	0.0%
CAC 40	7,630.95	-0.1%
DAX	18,906.92	0.0%
Nikkei 225	38,647.75	0.7%
Hang Seng	17,989.07	1.1%
Shanghai Composite	2,842.21	0.7%
Sovereign bonds		
2-year Treasuries	3.92	2pb
10-year Treasuries	3.90	4pb
28-day Cetes	10.63	-2pb
28-day TIIE	11.00	0pb
2-year Mbono	10.16	-10pb
10-year Mbono	9.68	-6pb
Currencies		
USD/MXN	19.73	-0.6%
EUR/USD	1.10	-0.3%
GBP/USD	1.31	-0.3%
DXY	101.70	0.4%
Commodities		
WTI	73.55	-3.1%
Brent	78.80	-1.4%
Mexican mix	69.75	-1.8%
Gold	2,503.39	-0.7%
Copper	421.15	-0.3%

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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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 Strategist, Equity
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