BANORTE

Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets mixed although biased negative, government bond yields positive and the USD higher. Caution among investors after a stronger start of the week yesterday following the sell-off last week. Focus on US CPI tomorrow that will help to have a clearer sense of the Federal Reserve's path**

- **No relevant economic data will be published in the US today, although the agenda highlights the first presidential debate between Harris and Trump at 7 p.m. Mexico's Central time. It will be the first time they face, which is even more relevant given the strong momentum that the Democratic candidate maintains. The event will be held at the National Constitution Center in Philadelphia and will be moderated by "World News Tonight" host David Muir and ABC News Live's "Prime" host Linsey Davis. The duration will be 90 minutes**

- **Federal Reserve Barr and Bowman will speak, but their interventions will not be about monetary policy or economic prospects**

- **In Brazil, August inflation was published at -0.02% m/m (consensus +0.01%), with the annual variation at 4.24% from 4.50% previously**

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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
Germany and UK					
2:00	GER Consumer prices - Aug (F)	% y/y	--	2.0	2.0
2:00	UK Unemployment rate* - Jul	%	--	4.1	4.2
Brazil					
8:00	Consumer prices - Aug	% m/m	--	0.00	0.38
8:00	Consumer prices - Aug	% y/y	--	4.27	4.50
Mexico					
11:00	International reserves - Sep 6	US$bn	--	--	224.8
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 5-year Mbono (Mar'29), 20-year Udibono (Nov'43) and 1-, 3-, and 7-year Bondes F				
	Wage negotiations - Aug	% y/y	--	--	6.5
United States					
20:00	First presidential debate between candidates Kamala Harris and Donald Trump				

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	5,493.25	0.3%
Euro Stoxx 50	4,775.92	-0.1%
Nikkei 225	36,159.16	-0.2%
Shanghai Composite	2,744.19	0.3%
Currencies		
USD/MXN	19.95	0.3%
EUR/USD	1.10	-0.1%
DXY	101.60	0.0%
Commodities		
WTI	68.15	-0.8%
Brent	71.24	-0.8%
Gold	2,510.30	0.2%
Copper	412.75	-0.4%
Sovereign bonds		
10-year Treasury	3.70	0pb

Source: Bloomberg

Equities

- **Mixed movements in the stock markets. Investors are becoming increasingly cautious as they are weighing growth prospects and the level of current valuations**

- **In the US, futures anticipate a positive opening with the Nasdaq up 0.2% below its theoretical value. Europe trades mostly lower and the Eurostoxx declines, dragged down by the consumer discretionary sector. Finally, Asia closed mixed, with the Hang Seng up 0.2% and the Nikkei down 0.2%**

- **In corporate news, Oracle is up more than 7.8% in pre-market after reporting results that beat market expectations, reflecting solid demand for Artificial Intelligence that boosted its cloud business. In other news, Apple (-1.1%) lost a US$14.4 billion legal dispute in Ireland, related to tax exemptions that led to greater advantages for the company**

Sovereign fixed income, currencies and commodities

- **Modest pressure on sovereign bonds, with Europe leading the move by 1-2bps, influenced by long-term auctions in the region. The Treasury curve steepens with 1-2bps sell-off in the long end. Yesterday, Mbonos appreciated by an average of 5bps, with a slight flattening bias**

- **The USD is modestly positive in index terms, driven by a more negative balance in EM currencies vs the G10, although both remain within narrow ranges. The MXN is trading at 19.95 (-0.3%) after gaining 0.5% yesterday**

- **Oil is down around 1%, reversing most of yesterday's gains amid persistent concerns over global demand. The metals space is mixed, with base metals mostly lower and precious trending higher. Copper is down 0.4% while gold is up 0.2%**

Corporate Debt

- **Fitch Ratings downgraded Compañía Minera Autlán's long- and short-term national ratings to 'BBB+(mex)' and 'F2(mex)' from 'A-(mex)' and 'F1(mex)', respectively. The downgrade reflects a greater deterioration than anticipated by Fitch in the company's cash flow generation and leverage, as well as a more stressed liquidity position**

- **Gentera informed that its subsidiary in Peru, Compartamos Financiera, placed 70 million soles (approx. MXN 365 million), through a public issuance of Negotiable Certificates of Deposit in the Peruvian debt market. The issue has a term of 1 year, with a fixed rate of 5.00% and had a demand of 2.69x**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	40,829.59	1.2%
S&P 500	5,471.05	1.2%
Nasdaq	16,884.60	1.2%
IPC	51,136.05	0.1%
Ibovespa	134,737.21	0.1%
Euro Stoxx 50	4,778.66	0.9%
FTSE 100	8,270.84	1.1%
CAC 40	7,425.26	1.0%
DAX	18,443.56	0.8%
Nikkei 225	36,215.75	-0.5%
Hang Seng	17,196.96	-1.4%
Shanghai Composite	2,736.49	-1.1%
Sovereign bonds		
2-year Treasuries	3.67	2pb
10-year Treasuries	3.70	-1pb
28-day Cetes	10.70	10pb
28-day TIIE	10.96	-1pb
2-year Mbono	9.97	-3pb
10-year Mbono	9.44	-7pb
Currencies		
USD/MXN	19.89	-0.5%
EUR/USD	1.10	-0.4%
GBP/USD	1.31	-0.4%
DXY	101.55	0.4%
Commodities		
WTI	68.71	1.5%
Brent	71.84	1.1%
Mexican mix	63.89	1.0%
Gold	2,506.38	0.4%
Copper	414.45	1.7%

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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