

## Financial Markets Daily

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

- **Stock markets positive, with S&P Futures up, while the USD and the government bond yields are down as stocks rallied globally after the Fed's 50bps cut yesterday, which reignited investor sentiment. US equity futures soared, putting the S&P500 on course to test a record high in the day**
- **On the monetary policy front, the Bank of England left its benchmark rate unchanged at 5.00% and Turkey's central bank kept its one-week repo rate at 50.00%. Decisions in South Africa and Japan will be announced later**
- **A group of Republicans rejected House Speaker Mike Johnson's proposal to fund the government for six more months through a continuing resolution. The failure of the bill complicates efforts to avoid a shutdown at the end of the month**
- **As for economic figures, in the US, the Philly Fed regional manufacturing indicator for September was published at 1.7pts (consensus 0.0pts, previous -7.0) adding to the mixed signals in the sector**
- **In Mexico, INEGI released August's Timely Indicator of Economic Activity, expecting +0.3% m/m (1.1% y/y sa). Inside, industry would grow 0.3% m/m, with services stronger at 0.4%**

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>UK</b>					
7:00	Monetary policy decision (BoE)	%	--	5.00	5.00
<b>Turkey</b>					
7:00	Monetary policy decision (Central Bank of	%	--	50.00	50.00
<b>Mexico</b>					
8:00	Timely Indicator of Economic Activity* - Aug	% y/y	--	--	1.1
<b>United States</b>					
8:30	Philadelphia Fed* - Sep	index	-1.0	2.7	-7.0
8:30	Initial jobless claims* - Sep 14	thousands	231	230	230
10:00	Existing home sales** - Aug	millions	--	3.9	4.0
<b>China</b>					
21:00	Rate decision 1-year Loan Prime Rate	%	--	3.35	3.35
21:00	Rate decision 5-year Loan Prime Rate	%	--	3.85	3.85
<b>South African</b>					
	Monetary policy decision (S. African Reserve B	%	--	8.00	8.25
<b>Japan</b>					
	Monetary policy decision (BoJ)	%	--	0.25	0.25

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

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### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	5,771.25	1.6%
Euro Stoxx 50	4,929.67	2.0%
Nikkei 225	37,155.33	2.1%
Shanghai Composite	2,736.02	0.7%
<b>Currencies</b>		
USD/MXN	19.28	0.0%
EUR/USD	1.11	0.1%
DX	100.86	0.3%
<b>Commodities</b>		
WTI	71.64	1.0%
Brent	74.48	1.1%
Gold	2,577.66	0.7%
Copper	431.00	1.7%
<b>Sovereign bonds</b>		
10-year Treasury	3.75	5pb

Source: Bloomberg

## Equities

- Positive movements in the main indices, with investors digesting yesterday's monetary policy decision, reinforcing expectations of a soft landing for the US economy. On this basis, S&P500 futures are up 1.6% above their theoretical value and are shaping up for an all-time high
- Optimism spread to Europe and the Eurostoxx advanced 2.0%, supported by the technology sector and consumer companies. Finally, Asia closed mainly higher, with the Nikkei rising 2.1%
- In Mexico, we estimate that the IPC could once again surpass 53,000pts, following the positive sentiment of its international peers

## Sovereign fixed income, currencies and commodities

- Mixed performance in sovereign bonds. 10-year rates in Europe lose 2bps on average, while the US Treasuries curve shows a steepening bias with a 2bps gain in the short-end and a 5bps sell-off in the long-end. Yesterday, Mbonos adjusted by -2bps
- The USD trades negatively vis-à-vis most G10 currencies, with NOK (+1.0%) leading the gains. In EM, bias is also positive, with MYR (+0.9%) and BRL (+0.8%) as the strongest performers. The MXN appreciates 0.4% to 19.22 per dollar, partially offsetting the previous day's losses (-1.0%)
- Positive performance in commodities. Crude futures rise by 1.0%, driven by the Fed's rate cuts and statements from Israel's defense minister about a "new phase" in the Middle East conflict. Metals are on the rise, with gold nearing historical highs

## Corporate Debt

- HR Ratings upgraded Banca Mifel's rating to 'HR AA-' from 'HR A+', changing the outlook to Stable from Positive. The upgrade is based on the bank's good financial performance over the last 12 months, as by the end of 2Q24 it had a good solvency position
- HR Ratings affirmed Círculo K's rating at 'HR A+' with a Stable outlook. The ratification is based on the expectation of higher levels of Free Cash Flow for the following years, with respect to that generated in the 12 months to 2Q24

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	41,503.10	-0.2%
S&P 500	5,618.26	-0.3%
Nasdaq	17,573.30	-0.3%
IPC	52,582.89	0.6%
Ibovespa	133,747.69	-0.9%
Euro Stoxx 50	4,835.30	-0.5%
FTSE 100	8,253.68	-0.7%
CAC 40	7,444.90	-0.6%
DAX	18,711.49	-0.1%
Nikkei 225	36,380.17	0.5%
Hang Seng	17,660.02	0.0%
Shanghai Composite	2,717.28	0.5%
<b>Sovereign bonds</b>		
2-year Treasuries	3.62	1pb
10-year Treasuries	3.70	6pb
28-day Cetes	10.51	11pb
28-day TIIE	10.95	-1pb
2-year Mbono	9.78	-6pb
10-year Mbono	9.17	-2pb
<b>Currencies</b>		
USD/MXN	19.29	1.0%
EUR/USD	1.11	0.0%
GBP/USD	1.32	0.4%
DX	100.60	-0.3%
<b>Commodities</b>		
WTI	70.91	-0.4%
Brent	73.65	-0.1%
Mexican mix	65.61	-0.1%
Gold	2,558.91	-0.4%
Copper	429.90	0.6%

Source: Bloomberg

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