

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets mixed, government bond yields pressured higher and the USD strengthens. Investors await new drivers after historical highs yesterday in the S&P 500 and also assimilate the latest stimulus measures in China, while expectations of rate cuts by several central banks consolidate
- In China, the PBoC announced a 30bps –the largest in its history– to the 1-year loan rate, taking it to 2.00%. This comes on top of other measures announced in the week which are aimed to combat economic weakness that has prevailed in the last months
- The OECD published the update to their economic expectations, noting revisions to their growth estimates for 2024 and 2025, both coming in at 3.2%. In addition, the organization signaled that they expect inflation to keep moderating. For Mexico, growth estimates were revised down, with the forecast for 2024 at 1.4% and the one for 2025 at 1.2%
- Light economic agenda, with new home sales figures in the US. We also note the downward surprise in Brazil's inflation for the 1st half of September, with the annual print moderating to 4.12%
- In the monetary front, the Riksbank in Sweden cut its interest rate by 25bps to 3.25%, although signaling that upcoming adjustments could be larger. Similarly, the monetary authority in the Czech Republic reduced its reference rate by -25bps to 4.25%. In the US we will be looking into comments from Kugler. In addition, in the evening the BoJ will release the minutes of its July meeting
- On the Middle East, Israeli attacks on southern Lebanon continued for a third consecutive day. Meanwhile, the Iranian government signaled that plans to discuss a new nuclear plan could gather some traction after positive talks with French President, Emmanuel Macron

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
8:00	Consumer prices - Sep	% m/m	--	0.28	0.19
8:00	Consumer prices - Sep	% y/y	--	4.29	4.35
United States					
10:00	New home sales** - Aug	millions	--	700	739
Japan					
19:50	BOJ minutes				

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.
Equity indices		
S&P 500 Futures	5,790.75	0.0%
Euro Stoxx 50	4,932.45	-0.2%
Nikkei 225	37,870.26	-0.2%
Shanghai Composite	2,896.31	1.2%
Currencies		
USD/MXN	19.48	0.8%
EUR/USD	1.12	0.1%
DX	100.40	-0.1%
Commodities		
WTI	70.16	-2.0%
Brent	73.84	-1.8%
Gold	2,658.67	0.1%
Copper	448.75	-0.1%
Sovereign bonds		
10-year Treasury	3.76	3pb

Source: Bloomberg

Equities

- Stock markets are mixed, although the positive bias prevails. Particularly in the US, futures are little changed after the S&P 500 and Dow Jones reached new all-time highs in the previous session
- Europe trades with mixed variations and the Eurostoxx declines 0.2%. Within the index, energy and technology stocks are the most under pressure. SAP falls 3.0% following the news that it is under investigation by the US Department of Justice for alleged price fixing. Meanwhile, Asia closed mostly positive as the optimism of the last day prevails
- In corporate news, yesterday it was announced that Amentum Holdings will enter the S&P 500 sample in place of Bath & Body Works. This will be effective prior to the open on Monday, September 30

Sovereign fixed income, currencies and commodities

- Treasuries weaker with the curve pressured up to 3bps, mirroring a similar move in European rates. Today, the US continues its issuance cycle with the auction of the 5-year note. Yesterday, local securities maintained positive performance on the short-end of the Mbonos curve, with inflation coming in below expectations and widespread gains in TIIEs ahead of Banxico's decision tomorrow
- USD strengthening, with JPY (-0.7%) leading losses in the G10 group, although EM performance is mixed. MXN depreciates 0.8% to 19.48 per dollar, after a 0.5% gain yesterday
- Oil reversing yesterday's gains, which were underpinned by optimism over stimulus in China and with DOE inventory data today, with API estimating a drawdown. Gold at highs and industrial metals advancing

Corporate Debt

- Alfa announced that it received the consent from holders representing approximately 90% in aggregate principal amount of its outstanding 6.875% Senior Notes due 2044 to make certain amendments to its Indenture, while offering holders the opportunity to move closer to Sigma via guarantees
- Fibra Prologis reported that it acquired an industrial park from a third party with eight buildings, located in Mexico City, for a total purchase price of US\$190.1 million
- HR Ratings affirmed the rating of issues MXPUCB 18 / 18U at 'HR AAA (E)' with a Stable outlook. The ratification is based on the stress level that the underlying payment source is able to withstand

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,208.22	0.2%
S&P 500	5,732.93	0.3%
Nasdaq	18,074.52	0.6%
IPC	53,653.95	2.3%
Ibovespa	132,155.76	1.2%
Euro Stoxx 50	4,940.72	1.1%
FTSE 100	8,282.76	0.3%
CAC 40	7,604.01	1.3%
DAX	18,996.63	0.8%
Nikkei 225	37,940.59	0.6%
Hang Seng	19,000.56	4.1%
Shanghai Composite	2,863.13	4.2%
Sovereign bonds		
2-year Treasuries	3.54	-5pb
10-year Treasuries	3.73	-2pb
28-day Cetes	10.35	-16pb
28-day TIIE	10.94	0pb
2-year Mbono	9.54	-9pb
10-year Mbono	9.24	1pb
Currencies		
USD/MXN	19.33	-0.5%
EUR/USD	1.12	0.6%
GBP/USD	1.34	0.5%
DX	100.47	-0.4%
Commodities		
WTI	71.56	1.7%
Brent	75.17	1.7%
Mexican mix	67.31	1.7%
Gold	2,657.10	1.1%
Copper	449.15	3.3%

Source: Bloomberg

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