BANORTE

Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today…

- **Stock markets and government bond yields mixed, with the USD up. Investors digest potential antitrust actions against Google by US DoJ, who is considering breaking up the company. News impact the tech sector. There is also reduced momentum in China, after earlier optimism on stimulus dilutes, although waiting potential additional announcements next Saturday**

- **Attention on FOMC's last meeting minutes. Focus will be on any indication of the central bankers' willingness to lower the rate again by -50bp. In addition, we will have the interventions of Bostic, Logan, Goolsbee, Jefferson, Collins, and Daly**

- **In Brazil, September inflation was published at 0.44% m/m, slightly below the consensus estimate, with the annual variation standing at 4.42% (previous 4.24%). The increase was driven by electricity prices**

- **In Mexico, INEGI released September's inflation at 0.05% m/m –practically in line with our forecast but below consensus–, with the core at 0.28%. As such, the annual print moderated to 4.58% from 4.99% in the previous month, with the core at 3.91% (previous: 4.00%)**

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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
Brazil					
8:00	Consumer prices - Sep	% m/m	--	0.46	-0.02
8:00	Consumer prices - Sep	% y/y	--	4.45	4.24
Mexico					
8:00	Consumer prices - Sep	% m/m	0.06	0.07	0.01
8:00	Core - Sep	% m/m	0.31	0.31	0.22
8:00	Consumer prices - Sep	% y/y	4.60	4.61	4.99
8:00	Core - Sep	% y/y	3.94	3.94	4.00
United States					
8:00	Fed's Bostic Gives Welcome Remarks				
9:15	Fed's Logan Speaks at Houston Energy Conference				
10:30	Fed's Goolsbee Gives Opening Remarks at Payments Conference				
14:00	FOMC Meeting Minutes				
17:00	Fed's Collins Speaks at Worcester Event				
18:00	Fed's Daly Speaks in Moderated Conversation				

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	5,797.50	-0.1%
Euro Stoxx 50	4,950.03	0.0%
Nikkei 225	39,277.96	0.9%
Shanghai Composite	3,258.86	-6.6%
Currencies		
USD/MXN	19.34	-0.1%
EUR/USD	1.10	-0.2%
DXY	102.73	0.2%
Commodities		
WTI	73.46	-0.1%
Brent	77.06	-0.2%
Gold	2,615.77	-0.2%
Copper	441.00	-1.0%
Sovereign bonds		
10-year Treasury	4.04	3pb

Source: Bloomberg

Equities

- **Mixed movements in the main stock indexes. Participants' attention will be focused on the upcoming quarterly reports from banks by the end of the week**

- **In Asia, China led losses after concerns grew that the latest round of stimulus may be insufficient. The Hang Seng (-1.4%) remains under pressure after posting its biggest drop in 16 years in yesterday's session. In Europe, the Eurostoxx trades without a clear trend. Internally, the biggest advance is registered in the consumer sector, while healthcare stocks lead losses**

- **In the US, futures show little change. Alphabet falls 1.0% after the Department of Justice indicated it is considering asking a federal judge to force Google to sell part of its business to mitigate the dominance of its search engine**

Sovereign fixed income, currencies and commodities

- **Losses in sovereign bonds, yet more contained compared to previous sessions, with the Treasuries' curve resuming its steepening bias. 10-year benchmarks in Europe edged higher by 1-2bps, while in the US, pressures reached up to 3bps on the long-end. Today, the Treasury Department will reopen the 10-year note**

- **The USD is trading strong across indices, with all G10 currencies down, led by NZD (-1.1%). In EM, the bias is also negative, although some Asian currencies diverge with modest gains. The MXN appreciates by 0.1% to 19.34 per dollar**

- **Oil is stable after correcting nearly -5% yesterday, following recent gains driven by the escalation of conflicts in the Middle East. Metals are showing a negative bias in both precious and industrial segments**

Corporate Debt

- **Vanrenta announced its intention to call the whole amount of its structured issue VANRTCB 21 on October 17th. The outstanding amount is MXN 30.7 million. The prepayment is subject to the condition that the new notes, VANRTCB 24, are issued. The issuer intends to place the new bond for up to MXN 500 million**

- **HR Ratings affirmed the rating of the bond CHIHCB 13, backed by the toll fees of nine highways in Chihuahua, at 'HR AAA (E)' with a Stable outlook. The ratification is based on stress levels that the payment source is able to withstand**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,080.37	0.3%
S&P 500	5,751.13	1.0%
Nasdaq	18,182.92	1.4%
IPC	51,764.64	-0.5%
Ibovespa	131,511.73	-0.4%
Euro Stoxx 50	4,949.00	-0.4%
FTSE 100	8,190.61	-1.4%
CAC 40	7,521.32	-0.7%
DAX	19,066.47	-0.2%
Nikkei 225	38,937.54	-1.0%
Hang Seng	20,926.79	-9.4%
Shanghai Composite	3,489.78	4.6%
Sovereign bonds		
2-year Treasuries	3.96	-4pb
10-year Treasuries	4.01	-1pb
28-day Cetes	10.30	-17pb
28-day TIIE	10.74	0pb
2-year Mbono	9.92	-6pb
10-year Mbono	9.56	-2pb
Currencies		
USD/MXN	19.36	0.4%
EUR/USD	1.10	0.0%
GBP/USD	1.31	0.2%
DXY	102.55	0.0%
Commodities		
WTI	73.57	-4.6%
Brent	77.18	-4.6%
Mexican mix	68.65	-4.6%
Gold	2,621.83	-0.8%
Copper	445.65	-2.4%

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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