

## Financial Markets Daily

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

- Stock markets mixed –with S&P futures slightly positive–, government bond yield down, and USD slightly positive. Investors focused on corporate earnings results in the US, with financials surpassing expectations
- Today's economic agenda is scarce, with attention on September's inflation in the UK. The headline figure came in at 1.7% –below the 2% target for the first time first time in three and a half years. As a result, markets now expect the BoE to move forward with two 25bps cuts in November and December, a situation that is also pushing the pound lower
- Continuing with monetary affairs, Seiji Adachi, a board member of the BoJ, emphasized the need of taking a gradual approach to raising rates, although he declined to give a date for the next increase. Later, we will be pay attention to the speech of ECB President, Christine Lagarde, in Slovenia
- Regarding the US elections, the latest survey from Marquette Law School shows that preferences show that Harris has a slight advantage over Trump, at 48% vs 47%, respectively. Elon Musk has also become one of the top donors to Trump's campaign, giving around \$75 million to his efforts
- In Italy, Prime Minister, Georgia Meloni announced that the government will tap its banks and insurance companies to contribute EUR 3.5 billion to the country's budget. Most of the amount will be raised by postponing tax deductions
- Israel carried out airstrikes on Beirut for the first time in almost a week. According to Lebanon, these attacks and those carried out in the south of the country resulted in the deaths of at least 20 people including a mayor
- Similar to what is happening in China, the Hong Kong government announced that it will relax its mortgage rules and cut taxes on alcoholic beverages to try to stimulate the region's economy

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>UK</b>					
2:00	Consumer prices - Sep	% y/y	--	1.9	2.2
2:00	Core - Sep	% y/y	--	3.4	3.6

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

October 16, 2024



**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



[@analisis\\_fundam](http://www.banorte.com/analisiseconomico)

Winners of the award as the best  
economic forecasters in Mexico by  
LSEG in 2023



Document for distribution among public

### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	5,863.00	0.0%
Euro Stoxx 50	4,915.14	-0.6%
Nikkei 225	39,180.30	-1.8%
Shanghai Composite	3,202.95	0.1%
<b>Currencies</b>		
USD/MXN	19.88	0.9%
EUR/USD	1.09	0.0%
DX	103.30	0.0%
<b>Commodities</b>		
WTI	70.80	0.3%
Brent	74.43	0.2%
Gold	2,681.41	0.7%
Copper	437.40	0.8%
<b>Sovereign bonds</b>		
10-year Treasury	4.02	-1pb

Source: Bloomberg

## Equities

- Negative bias in stock markets, as investors digest the latest corporate reports with mixed results
- In the US, futures advance slightly 0.1%. Highlights include Morgan Stanley's report (+3.4%), which exceeded expectations, and Abbott Laboratories (-1.0%), which narrowed its earnings guidance for the year. In Europe, the negative report from ASML (-4.1%), that lowered its sales guidance for 2025, pressures the technology sector. Meanwhile, luxury stocks are dragged down by weak sales from LVMH (-4.7%). Asia closed negative with the Nikkei down 1.8%
- In Mexico, Amx reported surprisingly favorable operating figures, supported by advances in Mexico and Brazil. In our opinion, the growth trend is confirmed, which should be well received by the market

## Sovereign fixed income, currencies and commodities

- Modest gains in sovereign bonds. In Europe, 10-year rates decline 4bps, on average. Meanwhile, the Treasuries' curve averaged gains of 2bps. Yesterday, Mbonos' curve recorded losses of 5bps, with the 10-year benchmark closing at 9.69% (+5bps). With this, the local risk premia moved to 566bps from 554bps a day before
- Dollar records few changes amid losses in most of the G10 currencies. In EM, the bias is mixed. The CLP (+0.5%) lead gains, driven by the copper (+1.0%). Meanwhile, the MXN is the weakest trading at 19.88 per dollar (-0.9%)
- Crude-oil futures advance as traders monitor the risk of escalation in the Middle East and the outlook for the next year. Mixed balance in metals, but gold and copper adjust +1.0% and +0.6%, respectively

## Corporate Debt

- The auction of two unsecured bonds of GM Financial de México, GMFIN 24 (tap issue) and 24-2, will take place today, for a target amount of MXN 1.0 billion (maximum MXN 2.0 billion) and terms of 2.4 and 6 years. The bonds are guaranteed by its parent company, General Motors Financial Company, Inc. and the assigned credit ratings are 'mxAAA' by S&P Global and 'AAA(mex)' by Fitch Ratings
- A long-term bond of Instituto Fonacot, FNCOT 24-2, will also be auctioned today for a target amount of MXN 2.5 billion (maximum MXN 3.7 billion) and a term of approximately three years. The bond is rated 'AAA(mex)' by Fitch Ratings and 'HR AAA' by HR Ratings

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	42,740.42	-0.8%
S&P 500	5,815.26	-0.8%
Nasdaq	18,315.59	-1.0%
IPC	52,377.78	0.7%
Ibovespa	131,043.27	0.0%
Euro Stoxx 50	4,946.73	-1.9%
FTSE 100	8,249.28	-0.5%
CAC 40	7,521.97	-1.1%
DAX	19,486.19	-0.1%
Nikkei 225	39,910.55	0.8%
Hang Seng	20,318.79	-3.7%
Shanghai Composite	3,201.29	-2.5%
<b>Sovereign bonds</b>		
2-year Treasuries	3.95	-1pb
10-year Treasuries	4.03	-7pb
28-day Cetes	10.21	-5pb
28-day TIIE	10.74	0pb
2-year Mbono	9.96	1pb
10-year Mbono	9.72	5pb
<b>Currencies</b>		
USD/MXN	19.70	1.6%
EUR/USD	1.09	-0.1%
GBP/USD	1.31	0.1%
DX	103.26	0.0%
<b>Commodities</b>		
WTI	70.58	-4.4%
Brent	74.25	-4.1%
Mexican mix	65.44	-4.8%
Gold	2,662.58	0.5%
Copper	433.75	-1.6%

Source: Bloomberg

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

## 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 Hernández, Juan Carlos Mercado Garduño, Ana Gabriela Martínez Mosqueda, Jazmín 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.

## Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

## Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

## Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

## Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

## Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

## Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
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.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

## Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

*The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.*



**Raquel Vázquez Godínez**  
Assistant  
raquel.vazquez@banorte.com  
(55) 1670 - 2967



**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



**Yazmín Selene Pérez Enríquez**  
Senior Economist, Mexico  
yazmin.perez.enriquez@banorte.com  
(55) 5268 - 1694

#### Market Strategy



**Santiago Leal Singer**  
Director of Market Strategy  
santiago.leal@banorte.com  
(55) 1670 - 1751



**Carlos Hernández García**  
Senior Strategist, Equity  
carlos.hernandez.garcia@banorte.com  
(55) 1670 - 2250



**Marcos Saúl García Hernandez**  
Analyst, Fixed Income, FX and Commodities  
marcos.garcia.hernandez@banorte.com  
(55) 1670 - 2296



**Ana Gabriela Martínez Mosqueda**  
Strategist, Equity  
ana.martinez.mosqueda@banorte.com  
(55) 5261 - 4882

#### Quantitative Analysis



**Alejandro Cervantes Llamas**  
Executive Director of Quantitative Analysis  
alejandro.cervantes@banorte.com  
(55) 1670 - 2972



**José De Jesús Ramírez Martínez**  
Senior Analyst, Quantitative Analysis  
jose.ramirez.martinez@banorte.com  
(55) 1103 - 4000



**Andrea Muñoz Sánchez**  
Strategist, Quantitative Analysis  
andrea.muñoz.sanchez@banorte.com  
(55) 1105 - 1430



**Alejandro Padilla Santana**  
Chief Economist and Head of  
Research  
alejandro.padilla@banorte.com  
(55) 1103 - 4043



**Itzel Martínez Rojas**  
Analyst  
itzel.martinez.rojas@banorte.com  
(55) 1670 - 2251



**Francisco José Flores Serrano**  
Director of Economic Research, Mexico  
francisco.flores.serrano@banorte.com  
(55) 1670 - 2957



**Cintia Gisela Nava Roa**  
Senior Economist, Mexico  
cintia.nava.roa@banorte.com  
(55) 1105 - 1438



**Marissa Garza Ostos**  
Director of Equity Strategy  
marissa.garza@banorte.com  
(55) 1670 - 1719



**Hugo Armando Gómez Solís**  
Senior Strategist, Equity  
hugo.gomez@banorte.com  
(55) 1670 - 2247



**Gerardo Daniel Valle Trujillo**  
Senior Analyst, Corporate Debt  
gerardo.valle.trujillo@banorte.com  
(55) 1670 - 2248



**Paula Lozoya Valadez**  
Analyst, Equity  
paula.lozoya.valadez@banorte.com  
(55) 1103 - 4000 x 2060



**José Luis García Casales**  
Director of Quantitative Analysis  
jose.garcia.casales@banorte.com  
(55) 8510 - 4608



**Daniel Sebastián Sosa Aguilar**  
Senior Analyst, Quantitative Analysis  
daniel.sosa@banorte.com  
(55) 1103 - 4000 x 2124



**Lourdes Calvo Fernández**  
Analyst (Edition)  
lourdes.calvo@banorte.com  
(55) 1103 - 4000 x 2611



**Katia Celina Goya Ostos**  
Director of Economic Research,  
Global  
katia.goya@banorte.com  
(55) 1670 - 1821



**Luis Leopoldo López Salinas**  
Economist, Global  
luis.lopez.salinas@banorte.com  
(55) 1103 - 4000 x 2707



**Víctor Hugo Cortes Castro**  
Senior Strategist, Technical  
victorh.cortes@banorte.com  
(55) 1670 - 1800



**Leslie Thalía Orozco Vélez**  
Senior Strategist, Fixed Income and FX  
leslie.orozco.velez@banorte.com  
(55) 5268 - 1698



**Juan Carlos Mercado Garduño**  
Strategist, Equity  
juan.mercado.garduno@banorte.com  
(55) 1103 - 4000 x 1746



**Miguel Alejandro Calvo Domínguez**  
Senior Analyst, Quantitative Analysis  
miguel.calvo@banorte.com  
(55) 1670 - 2220



**Jazmin Daniela Cuautencos Mora**  
Strategist, Quantitative Analysis  
jazmin.cuautencos.mora@banorte.com  
(55) 1670 - 2904