Economic and Financial Markets Research
Economic Research and Market Strategy

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Main drivers for the financial markets today...

- **Stock markets and government bond yields mixed, S&P500 Futures up and USD down, as recent economic data and corporate earnings in the US continue supporting a resilient economy with investors still elucidating the path for rate cuts going forward**

- **China launched new measures to support its stock market. This came after 3Q24 GDP slowed to 4.6% y/y, the slowest growth in six quarters. However, the advance was slightly better than expected; with the rest of the published figures exceeding estimates: retail sales, industrial production and fixed investment, generating expectations that the bottom may have been reached**

- **In the US, housing starts and building permits for September were released. The former fell in line with estimates, after a downward revision the previous month, while the latter contracted more than expected**

- **On the monetary policy front, attention is on comments from Bostic, Kashkari and Waller of the Federal Reserve**

- **Israeli killed Hamas leader Yahya Sinwar, the architect of the October 7 attack, generating US pressure for Prime Minister Benjamin Netanyahu to end the war**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
4:00	Current account* - Aug	EURbn	--	--	39.6
United States					
8:30	Housing starts** - Sep	thousands	--	1,350	1,356
8:30	Building permits** - Sep	thousands	--	1,446	1,470
10:00	Fed's Kashkari Moderates Panel				

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	5,896.75	0.2%
Euro Stoxx 50	4,980.16	0.7%
Nikkei 225	38,981.75	0.2%
Shanghai Composite	3,261.56	2.9%
Currencies		
USD/MXN	19.74	-0.5%
EUR/USD	1.08	0.1%
DXY	103.63	-0.2%
Commodities		
WTI	70.63	-0.1%
Brent	74.32	-0.2%
Gold	2,711.19	0.7%
Copper	439.20	1.5%
Sovereign bonds		
10-year Treasury	4.10	1pb

Source: Bloomberg

Equities

- **We conclude the week with mixed movements in main stock indices, although the prevailing bias is positive. Investors assimilate the measures implemented by China as well as earnings reports that support the appetite for technology stocks**

- **Futures in the US anticipate a positive opening, with the S&P500 trading 0.2% above its theoretical value. Netflix added more than 5 million customers and its results far exceeded expectations. In today's earnings, American Express, Procter & Gamble, Regions Financial and Schlumberger reported better than expected**

- **In Europe, the advance in mining companies stands out, while in Asia, stock markets in China excelled after the PBoC established a relending mechanism for listed companies and for major shareholders to buy back shares. The Mexbol Index may consolidate near 52,800pts**

Sovereign fixed income, currencies and commodities

- **Positive bias in sovereign bonds. The 10-year European rates decline 2bps, on average. Meanwhile, the Treasuries' yield curve adjust -1bp. Yesterday, Mbonos' curve recorded gains of 4bps, with the 10-year benchmark closing at 9.80% (-4bps). Whit this, the local risk premium moved to 571bps from 582bps the previous day**

- **Dollar weakens against most G10 currencies, with NOK (+0.3%) as the weakest. In EM, the bias is positive with gains of up to 1.1%. Meanwhile, the MXN trades at 19.68 per dollar (+0.8%), scoring two favorable sessions in a row**

- **Crude-oil trades with few changes but head for a weekly decline, with eyes on developments in the Middle East after the death of Hamas leader. Mixed balance in metals, but gold and copper advance 0.8% and 1.3%, respectively**

Corporate Debt

- **HR Ratings affirmed Betterware de México's rating at 'HR AA' with a Stable outlook, based on the free cash flow levels (FCF) reported in the last twelve months, which support the agency's projections for the 2024-2026 period, where they estimate an average FCFE of MXN 1.88 billion**

- **Fitch Ratings affirmed Scotiabank Mexico's 'AAA(mex)' rating with Stable outlook, based on Fitch's view that the bank is likely to receive extraordinary support from its shareholder, The Bank of Nova Scotia (with 'AA-' global scale ratings), should the bank require it**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,239.05	0.4%
S&P 500	5,841.47	0.0%
Nasdaq	18,373.61	0.0%
IPC	52,463.66	0.0%
Ibovespa	130,793.41	-0.7%
Euro Stoxx 50	4,947.30	0.8%
FTSE 100	8,385.13	0.7%
CAC 40	7,583.73	1.2%
DAX	19,583.39	0.8%
Nikkei 225	38,911.19	-0.7%
Hang Seng	20,079.10	-1.0%
Shanghai Composite	3,169.38	-1.0%
Sovereign bonds		
2-year Treasuries	3.97	3pb
10-year Treasuries	4.09	8pb
28-day Cetes	10.36	9pb
28-day TIIE	10.74	0pb
2-year Mbono	10.13	6pb
10-year Mbono	9.82	-3pb
Currencies		
USD/MXN	19.84	-0.2%
EUR/USD	1.08	-0.3%
GBP/USD	1.30	0.2%
DXY	103.83	0.2%
Commodities		
WTI	70.67	0.4%
Brent	74.45	0.3%
Mexican mix	65.54	0.4%
Gold	2,692.71	0.7%
Copper	432.50	-1.0%

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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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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