

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets mixed and biased negative, bond yields mixed and USD up. Caution ahead of Big Tech earnings after strong results from Alphabet yesterday. Sovereign bond's sell-off takes a breather yet USTs react to strong US data, while focus is also on the UK's new budget details
- In the US, the 3Q24 GDP was published at 2.8% q/q saar (consensus 2.9%), after a 3.0% increase in 2Q24. The personal consumption remains very solid with an increase of 3.7%, above the consensus estimate of 3.3%
- Also, the ADP report on private sector employment was released posting a creation of 233k jobs in October, well above the 111k estimated by the consensus. This despite the negative impact of hurricanes Helene and Milton and the Boeing strike
- In Mexico, INEGI published 3Q24 preliminary GDP at +1.0% q/q (1.5% y/y nsa). By sectors, primary activities grew 4.6% q/q (4.1% y/y), with industry at 0.9% q/q (0.6% y/y), and services also at 0.9% q/q (2.0% y/y)

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	GER Gross domestic product* - 3Q24 (P)	% q/q	--	-0.1	-0.1
6:00	EZ Consumer confidence* - Oct (F)	index	--	--	-12.5
6:00	EZ Economic confidence* - Oct	index	--	96.3	96.2
6:00	EZ Gross domestic product* - 3Q24 (F)	% q/q	--	0.2	0.2
9:00	GER Consumer prices - Oct (P)	% y/y	--	1.8	1.6
Mexico					
8:00	Gross domestic product - 3Q24 (P)	% y/y	1.2	1.3	2.1
8:00	Gross domestic product* - 3Q24 (P)	% q/q	0.8	0.8	0.2
16:30	Public finances (PSBR, year-to-date) - Sep	MXNbn	--	--	-1,109.8
United States					
8:15	ADP employment* - Oct	thousands	90.0	112	143
8:30	Gross domestic product** - 3Q24 (P)	% q/q	3.0	3.0	3.0
8:30	Personal consumption** - 3Q24 (P)	% q/q	3.0	3.3	2.8
China					
21:30	Manufacturing PMI* - Oct	index	--	49.8	49.8
21:30	Non-manufacturing PMI* - Oct	index	--	50.4	50.0
21:30	Composite PMI* - Oct	index	--	--	50.4
Japan					
	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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Winners of the award as the best
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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,870.25	0.0%
Euro Stoxx 50	4,872.19	-1.6%
Nikkei 225	39,277.39	1.0%
Shanghai Composite	3,266.24	-0.6%
Currencies		
USD/MXN	20.16	0.5%
EUR/USD	1.08	0.0%
DXY	104.40	0.1%
Commodities		
WTI	68.45	1.8%
Brent	72.48	1.9%
Gold	2,784.13	0.3%
Copper	433.65	-0.6%
Sovereign bonds		
10-year Treasury	4.25	0pb

Source: Bloomberg

Equities

- Negative bias in stock markets with investors reacting to corporate reports with mixed figures. In particular, Alphabet rises 6.7% pre-market after beating expectations and presenting solid growth in its cloud business. In contrast, Eli Lilly falls -10.8% after lowering its earnings guidance for the year. The focus will be on Meta and Microsoft figures in the after-hours trading
- US futures point to a sideways opening. The Nasdaq trades 0.1% above its theoretical value, positioning it to remain at all-time highs. Europe trades with widespread declines, highlighting adjustments in consumer staples and discretionary stocks
- In Mexico, Lacomar reported growth figures in line with our expectations, for which we reiterate it as a top pick. Fibrapl reported significant growth by consolidating Terrafina's figures

Sovereign fixed income, currencies and commodities

- Treasuries are paring initial gains after hard data in the US, with the curve flattening and printing losses of up to 5bps on the front-end. The session also witnesses a rebound in European rates, excluding Gilts in the UK. Yesterday, Mbonos gained 7bps
- The USD is strengthening, reacting positively to stronger than expected US data. Most G10 currencies are weakening, with EM generally in negative territory, except for a few Asian pairs. The MXN depreciates by 0.5%, trading at 20.16 per dollar
- Oil is stabilizing, advancing for the first session this week as geopolitical premium from Middle East tensions was partially unwound. Metals are mixed, with copper edging lower, while precious metals ease from a stronger opening

Corporate Debt

- Today, a tap issue of Nacional Financiera's social bond, NAFR 24S, will be auctioned for a target amount of MXN 3.0 billion (max. MXN 6.0 billion) with a 2.5 year-term. The bond pays a floating rate of Overnight TIIE plus a 25bps spread. The assigned ratings were 'AAA' by Fitch Ratings and HR Ratings
- Fitch Ratings upgraded the State of Oaxaca's rating to 'A+(mex)' from 'A(mex)' and revised the outlook to Positive. The rating upgrade reflects the strengthening of the operating balance for the second consecutive year, as well as a liquidity position recorded at historical levels

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,233.05	-0.4%
S&P 500	5,832.92	0.2%
Nasdaq	18,712.75	0.8%
IPC	51,166.29	-1.3%
Ibovespa	130,729.93	-0.4%
Euro Stoxx 50	4,950.02	-0.4%
FTSE 100	8,219.61	-0.8%
CAC 40	7,511.11	-0.6%
DAX	19,478.07	-0.3%
Nikkei 225	38,903.68	0.8%
Hang Seng	20,701.14	0.5%
Shanghai Composite	3,286.41	-1.1%
Sovereign bonds		
2-year Treasuries	4.10	-4pb
10-year Treasuries	4.25	-3pb
28-day Cetes	10.20	-27pb
28-day TIIE	10.72	0pb
2-year Mbono	10.24	-4pb
10-year Mbono	10.05	-8pb
Currencies		
USD/MXN	20.07	0.1%
EUR/USD	1.08	0.1%
GBP/USD	1.30	0.3%
DX	104.32	0.0%
Commodities		
WTI	67.21	-0.3%
Brent	71.12	-0.4%
Mexican mix	62.20	-0.6%
Gold	2,774.74	1.2%
Copper	436.05	0.0%

Source: Bloomberg

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