BANORTE

Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today…

- Stock markets positive, government bond yields up, and USD down with all eyes on US election. Americans vote for president, the House of Representatives and one-third of the Senate, with state and local votes also taking place

- For the US presidential election, voting intentions reflect a tie between Democrat Kamala Harris and Republican Donald Trump at 48.5%. With this, the attention will be on the swing states, which on this occasion, with their respective electoral votes, are Pennsylvania (19), North Carolina (16), Georgia (16), Michigan (15), Arizona (11), Wisconsin (10), and Nevada (6). Since there are 538 electoral votes, whoever obtains at least 270 will win. In the betting market, Trump's lead has completely vanished and Harris is now ahead

- As for Congress, conditions are expected to reverse with the Republicans winning the Senate and the Democrats the House of Representatives

- Regarding economic figures, the US will publish the trade balance for September and the ISM services for October

- In Mexico, the survey of expectations of the banking sector will be released

- In other regions, ECB President Lagarde will give an inaugural speech at an event held in Paris before the French Competition Authority

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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
United States					
	Election Day				
8:30	Trade balance* - Sep	US$bn	--	-84.1	-70.4
10:00	ISM services* - Oct	index	--	53.8	54.9
Mexico					
10:00	International reserves - Nov 1	US$bn	--	--	226.1
12:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 3-year Mbono (Sep'26),				
	20-year Udibono (Nov'43), and 1-, 3- and 7-year Bondes F				
15:30	Citibanamex Survey of Economists				

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	5,751.75	0.1%
Euro Stoxx 50	4,858.10	0.1%
Nikkei 225	38,474.90	1.1%
Shanghai Composite	3,386.99	2.3%
Currencies		
USD/MXN	20.14	0.2%
EUR/USD	1.09	0.2%
DXY	103.74	-0.1%
Commodities		
WTI	71.93	0.6%
Brent	75.52	0.6%
Gold	2,739.75	0.1%
Copper	446.35	0.7%
Sovereign bonds		
10-year Treasury	4.32	4pb

Source: Bloomberg

Equities

- **Mixed movements in the main indices. Cautious sentiment prevails as investors are assessing the evolution of the US elections and 3Q24 results. Out of 17 S&P500 companies releasing their figures today, 10 have already released them, most of them better than expected**

- **In the US, futures anticipate a bullish opening with the Nasdaq rising 0.4% above its theoretical value. In particular, Palantir Technologies is up more than 13% in pre-market after beating estimates in the quarter. Europe trades mixed with Eurostoxx little changed. Asia closed positive, highlighting the Hang Seng (+2.1%)**

- **In Mexico, Alpek announced plans to discontinue production at its Beaver Valley, Pennsylvania EPS facility by January 2025. Following this, it expects to realize ~US$20 million in savings on an annualized basis. Aligned to its cost reduction plan**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. In Europe, 10-year rates increase 5bps, on average. Meanwhile, the Treasuries' curve records a steepening bias with losses of 3bps at the long-end. Yesterday, the Mbonos' curve flattened with a 15bps rally at the long-end. The 10-year benchmark closed at 10.10% (-13bps)**

- **Dollar weakens against all G10 currencies, with AUD (+0.6%) as the strongest. In EM, the bias is mostly positive, but MXN and BRL underperformed. The Mexican peso trades with a 0.2% depreciation at 20.14 per dollar, after a 0.9% appreciation yesterday**

- **Widespread gains in commodities. Crude-oil futures extend yesterday's gains pushed by OPEC+'s supply-curb extension and tensions in the Middle East. Gold and copper advance 0.2% and 0.6%, respectively**

Corporate Debt

- **HR Ratings downgraded the rating of the issue APPCVCB 17 to 'HR AA- (E)' from 'HR AAA (E)' and kept the Stable outlook. The downgrade is based on the delays in monthly payments for the provision of services by the Ministry of Infrastructure, Communications and Transport (SICT) during the period from February to August 2024**

- **Fitch Ratings affirmed Fibra Shop's rating at 'A+(mex)' and revised the outlook to Positive from Stable. The Positive outlook reflects continued improvement in Fibra Shop's financial profile, with progress in profitability and a clear deleveraging trend**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	41,794.60	-0.6%
S&P 500	5,712.69	-0.3%
Nasdaq	18,179.98	-0.3%
IPC	50,882.54	0.5%
Ibovespa	130,514.79	1.9%
Euro Stoxx 50	4,852.10	-0.5%
FTSE 100	8,184.24	0.1%
CAC 40	7,371.71	-0.5%
DAX	19,147.85	-0.6%
Nikkei 225	38,053.67	0.0%
Hang Seng	20,567.52	0.3%
Shanghai Composite	3,310.21	1.2%
Sovereign bonds		
2-year Treasuries	4.16	-5pb
10-year Treasuries	4.28	-10pb
28-day Cetes	10.29	8pb
28-day TIIE	10.72	0pb
2-year Mbono	10.31	0pb
10-year Mbono	10.12	-11pb
Currencies		
USD/MXN	20.11	-0.9%
EUR/USD	1.09	0.4%
GBP/USD	1.30	0.3%
DXY	103.89	-0.4%
Commodities		
WTI	71.47	2.8%
Brent	75.08	2.7%
Mexican mix	66.57	2.8%
Gold	2,736.78	0.0%
Copper	443.15	1.4%

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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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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