

## Financial Markets Daily

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

- Stock markets negative, USD with gains and government bond yields up, except in the United States. Investors await the inflation report in the latter amid concerns that the President-elect's policies will reignite price growth, and traders pricing in fewer interest rate cuts by the Federal Reserve next year
- Yesterday afternoon, Trump announced John Ratcliffe as director of the CIA and nominated Pete Hegseth as Secretary of Defense. He also mentioned that Elon Musk and Vivek Ramaswamy will lead a new Department of Government Efficiency tasked to dismantle Government Bureaucracy, slash excess regulations, cut wasteful expenditures, and restructure Federal Agencies, adding to recent appointments he made over the weekend
- On the monetary policy front, comments are expected from Williams, Schmid, Logan, Kashkari and Musalem of the Federal Reserve, where the focus will be on the signals they can give and indicate the position for their next actions
- As for economic figures, for October inflation in the US we expect +0.2% m/m for the headline, with the annual figures increasing to 2.6% from 2.4%. While, for the core component, we expect +0.3% m/m, with the annual change remaining at 3.3%
- In Mexico, the focus will be on the presentation of the Pemex Plan

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
	The Federal Government will present its Energy Plan in Oil (Pemex)				
United States					
8:30	Consumer prices* - Oct	% m/m	0.2	0.2	0.2
8:30	Ex. food & energy* - Oct	% m/m	0.3	0.3	0.3
8:30	Consumer prices - Oct	% y/y	2.6	2.6	2.4
8:30	Ex. food & energy - Oct	% y/y	3.3	3.3	3.3
9:45	Fed's Logan Gives Opening Remarks at Energy Conference				
13:00	Fed's Musalem Speaks on Economy, Monetary Policy				
13:30	Fed's Schmid Gives Keynote Remarks at Energy Conference				

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

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**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



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



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### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	6,000.75	-0.2%
Euro Stoxx 50	4,735.27	-0.2%
Nikkei 225	38,721.66	-1.7%
Shanghai Composite	3,439.28	0.5%
<b>Currencies</b>		
USD/MXN	20.53	-0.3%
EUR/USD	1.06	0.1%
DX	105.93	-0.1%
<b>Commodities</b>		
WTI	68.24	0.2%
Brent	71.99	0.1%
Gold	2,609.95	0.4%
Copper	412.45	-0.3%
<b>Sovereign bonds</b>		
10-year Treasury	4.42	-1pb

Source: Bloomberg

## Equities

- Negative movements in the main stock indexes. The focus will be on the monetary outlook after the US inflation data, while investors will continue to weigh growth expectations
- In the US, futures anticipate a negative opening with the Dow declining 0.2% below its theoretical value. In turn, Europe trades with declines and the Eurostoxx is falling 0.2%, dragged down by technology companies. However, Siemens Energy shares reached a record high following the recent 14% increase after raising its medium-term growth targets. Asia closed mainly with losses, highlighted by the Nikkei with -1.7%
- For the S&P500, today only awaits Cisco Systems figures at the market close. On the other hand, Rocket Lab surges in pre-market than +37.3% after beating earnings estimates

## Sovereign fixed income, currencies and commodities

- Mixed balance in sovereign bonds. 10-year rates in Europe rise by 1 to 4bps. Treasuries' curve prints a slight flattening bias, with +1bp adjustment at the short-end and 1bp gains at the long-end. Yesterday, Mbonos recorded an average loss of 3bps
- USD with mixed bias against G10 currencies, with NZD (+0.1%) and JPY (-0.2%) at the extremes. In EM, the bias is positive, with KRW (+0.6%) leading the gains. The MXN appreciates by 0.3% to 20.53 per dollar, halting three sessions of losses
- Mixed performance in commodities. Crude-oil futures rise slightly, due to concerns about a potential supply glut limiting gains. Industrial metals are down, but precious metals are up. Copper and gold move -0.4% and +0.5%, respectively

## Corporate Debt

- Today we expect the offering of a sustainable bond from Vinte, VINTE 24X, for up to MXN 500 million and will have a 7-year term, during which it will pay a fixed rate. The bond is rated at 'AA-' by HR Ratings and PCR Verum
- S&P Global Ratings removed the 'mxBBB-' rating of the issue APPVCB 17 (Future Flow of APP Coatzacoalcos - Villahermosa) from the negative CreditWatch list. The outlook is Stable. The project's liquidity position improved after receiving availability payments due more than 90 days ago from the SICT; the payment was approximately MXN 409 million

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	43,910.98	-0.9%
S&P 500	5,983.99	-0.3%
Nasdaq	19,281.40	-0.1%
IPC	51,096.64	-0.7%
Ibovespa	127,698.32	-0.1%
Euro Stoxx 50	4,744.69	-2.3%
FTSE 100	8,025.77	-1.2%
CAC 40	7,226.98	-2.7%
DAX	19,033.64	-2.1%
Nikkei 225	39,376.09	-0.4%
Hang Seng	19,846.88	-2.8%
Shanghai Composite	3,421.97	-1.4%
<b>Sovereign bonds</b>		
2-year Treasuries	4.34	9pb
10-year Treasuries	4.43	12pb
28-day Cetes	10.10	-7pb
28-day TIIE	10.70	0pb
2-year Mbono	10.14	6pb
10-year Mbono	10.10	8pb
<b>Currencies</b>		
USD/MXN	20.59	1.2%
EUR/USD	1.06	-0.3%
GBP/USD	1.27	-0.9%
DX	106.02	0.5%
<b>Commodities</b>		
WTI	68.12	0.1%
Brent	71.89	0.1%
Mexican mix	63.44	-0.1%
Gold	2,598.39	-0.8%
Copper	413.65	-2.2%

Source: Bloomberg

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	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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**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 Hernández**  
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