

## Financial Markets Daily

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

- **Stock markets positive, government bond yields down, and USD up.** Markets increased bets that the Fed will cut rates in December. Moreover, it assesses the landslide Republican victory that suggest greater room of maneuver for Trump on policy. This comes after the Republicans yesterday reached the 218 seats in the House of Representatives that are needed to have a majority, making the Red Wave materialize
- **On the monetary policy front, attention is on Banxico's decision.** We anticipate a 25bps cut to the reference rate, placing it at 10.25%. This would mark a third cut in a row, reaffirming that the monetary easing cycle has already begun and could continue in the following meetings. On the other hand, there will be interventions by Powell, who will speak about the economic outlook, Barkin, Williams, and Kugler of the Fed. While the ECB will publish the minutes of its last meeting
- **As for economic figures, in the US, producer prices for October and jobless claims for the week ending November 9<sup>th</sup> will be published.** In addition, Japan's 3Q24 GDP; as well as industrial production, retail sales, and fixed investment in China will be released. In Mexico, no relevant economic data will be published

### The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>Eurozone</b>					
5:00	Industrial production* - Sep	% m/m	--	-1.4	1.8
5:00	Gross domestic product* - 3Q24 (P)	% q/q	--	0.4	0.4
<b>United States</b>					
8:30	Producer prices* - Oct	% m/m	--	0.2	0.0
8:30	Ex. food & energy* - Oct	% m/m	--	0.3	0.2
8:30	Initial jobless claims* - Nov 9	thousands	220	220	221
9:15	Fed's Barkin Discusses Economy in Fireside Chat				
15:00	Powell Speaks at Event in Dallas				
16:15	Fed's Williams Speaks at NYFed Event				
<b>Mexico</b>					
14:00	Monetary policy decision (Banxico)	%	10.25	10.25	10.50
<b>Japan</b>					
18:50	Gross domestic product* - 3Q24 (P)	% q/q	--	0.2	0.7
<b>China</b>					
21:00	Industrial production - Oct	% y/y	--	5.6	5.4
21:00	Retail sales - Oct	% y/y	--	3.8	3.2
21:00	Gross fixed investment (YTD) - Oct	% y/y	--	3.5	3.4

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

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### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	6,023.25	0.1%
Euro Stoxx 50	4,810.45	1.5%
Nikkei 225	38,535.70	-0.5%
Shanghai Composite	3,379.84	-1.7%
<b>Currencies</b>		
USD/MXN	20.63	0.6%
EUR/USD	1.05	-0.2%
DX	106.80	0.3%
<b>Commodities</b>		
WTI	68.88	0.7%
Brent	72.73	0.6%
Gold	2,553.62	-0.8%
Copper	402.45	-1.4%
<b>Sovereign bonds</b>		
10-year Treasury	4.44	-1pb

Source: Bloomberg

## Equities

- Positive movements in the main indices reacting to the good results of technology companies
- As a result, US futures are above their theoretical value, with the main stock markets rising by an average of 0.1%. In the same way, Eurostoxx is up 1.5%, driven by the technology sector. In this sector, ASML Holding stands out for its better growth prospects towards 2030, which boosted its shares by more than 5%. Finally, Asia closed negative, with declines of 0.5% in the Nikkei and 2.0% in the Hang Seng
- In the final stretch of the US reporting season, Disney narrowly beat estimates thanks to the momentum of streaming in the entertainment segment. At the close of the market, Applied Materials' earning results are expected

## Sovereign fixed income, currencies and commodities

- Gains in sovereign bonds. In Europe, 10-year rates decrease 3bps, on average. Meanwhile, the Treasuries' curve gains 2bps. Yesterday, the Mbonos' curve advanced 5bps. The 10-year benchmark closed at 10.01% (-5bps) and the local risk premium decreased to 556bps from 563bps yesterday
- Dollar advances against all G10 currencies, with AUD (-0.5%) and GBP (-0.4%) as the weakest. In EM, the bias is negative, although CLP (+0.4%) outperformed. The Mexican peso trades with a 0.6% depreciation at 20.63 per dollar, offsetting yesterday's gains (+0.4%)
- Crude-oil futures steady against the backdrop of an oversupply warning for 2025 from the International Energy Agency and a surging dollar that's weighing on commodities more broadly

## Corporate Debt

- Moody's Local Mexico assigned a rating of 'ML A-2.mx' to the short-term portion of Total Play Telecomunicaciones' certificates program. The rating reflects the company's solid revenue growth, which amounted to MXN 44.0 billion in the 12 months to 3Q24, registering a constant annual growth rate (CAGR) of 28.2% over the last five years, as well as a significant improvement in its EBITDA margin from 27.7% to 45.9%
- Vinte announced the publication of the notice of tender offer to acquire up to 100% of Javier at a price of MXN 14.94 per share

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	43,958.19	0.1%
S&P 500	5,985.38	0.0%
Nasdaq	19,230.72	-0.3%
IPC	50,747.63	-0.7%
Ibovespa	127,733.88	0.0%
Euro Stoxx 50	4,740.34	-0.1%
FTSE 100	8,030.33	0.1%
CAC 40	7,216.83	-0.1%
DAX	19,003.11	-0.2%
Nikkei 225	38,721.66	-1.7%
Hang Seng	19,823.45	-0.1%
Shanghai Composite	3,439.28	0.5%
<b>Sovereign bonds</b>		
2-year Treasuries	4.29	-5pb
10-year Treasuries	4.45	2pb
28-day Cetes	10.08	-2pb
28-day TIIE	10.68	-1pb
2-year Mbono	10.09	-4pb
10-year Mbono	10.05	-5pb
<b>Currencies</b>		
USD/MXN	20.51	-0.4%
EUR/USD	1.06	-0.6%
GBP/USD	1.27	-0.3%
DX	106.48	0.4%
<b>Commodities</b>		
WTI	68.43	0.5%
Brent	72.28	0.5%
Mexican mix	63.80	0.6%
Gold	2,572.98	-1.0%
Copper	408.30	-1.3%

Source: Bloomberg

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