BANORTE

Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive, USD and government bond yields up as traders look ahead to Nvidia's results, which will influence sentiment for the tech sector and the broader market into year-end. Investors are also monitoring Trump's administration picks**

- **The next US president has chosen Howard Lutnick, chairman and chief executive of Cantor Fitzgerald to lead the Commerce Department. This is one of the most important nominations, especially considering his campaign promises to implement tariff increases on all US imports**

- **Regarding monetary policy, attention on interventions by Barr, Cook, Bowman and Collins of the Fed**

- **As for economic figures, UK's October inflation was published at +0.6% m/m, above the consensus estimate of +0.5%, with the annual change going from 1.7% to 2.3%. While the PCE Core rose slightly from 3.2% y/y to 3.3%**

- **In Mexico, INEGI released October's Timely Indicator of Economic Activity, expecting -0.1% m/m (0.4% y/y sa). Inside, both industry (0.0% m/m) and services (0.0%) would be unchanged. Later today we expect the banking sector survey**

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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
UK					
2:00	Consumer prices - Oct	% y/y	--	2.2	1.7
2:00	Core - Oct	% y/y	--	3.1	3.2
Mexico					
7:00	Timely Indicator of Economic Activity* - Oct	% y/y	--	--	0.5
10:00	International reserves - Nov 15	US$bn	--	--	226.1
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	5,950.75	0.2%
Euro Stoxx 50	4,761.49	0.2%
Nikkei 225	38,352.34	-0.2%
Shanghai Composite	3,367.99	0.7%
Currencies		
USD/MXN	20.21	0.5%
EUR/USD	1.06	-0.3%
DXY	106.55	0.3%
Commodities		
WTI	69.90	0.7%
Brent	73.72	0.6%
Gold	2,629.83	-0.1%
Copper	417.45	0.8%
Sovereign bonds		
10-year Treasury	4.43	3pb

Source: Bloomberg

Equities

- **Stock markets with a positive bias. Investors await Nvidia's report at markets close. The company is expected to report an 83% increase in revenue and a 98% surge in earnings. Investor attention will be particularly focused on management's outlook, which could serve as a key market catalyst, especially regarding the demand performance of its new AI chip, Blackwell**

- **In the US, futures point to a slightly positive opening by rising 0.1% on average. Target (-17% pre-market) reported disappointing figures. The company trimmed its full-year earnings outlook after a flat sales quarter and a buildup in inventories that affected profitability**

- **In Europe, markets advance. Shares of companies in the technology and communications sectors led gains. Asia closed mixed**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. The 10-year European rates rise 4bps, on average. Meanwhile, the Treasuries' yield curve steepens with losses of up to 3bps at the long-end. Yesterday, Mbonos' curve rallied 12bps, with the 10-year benchmark closing at 9.84% (-11bps). Due to a better performance vs Treasuries, the local risk premium declined to 544bps (-11bps)**

- **Dollar advances against all G10 currencies, with JPY (-0.7%) as the weakest. In EM, the bias is negative with HUF (-0.8%) leading losses following by MXN. The latter trades at 20.21 per dollar (-0.5%), halting five positive sessions in a row**

- **Crude-oil futures edge higher for a third day as traders weighed escalating geopolitical risks against signs of increasing inventories in the US. Industrial metals advance, while precious fall (silver -0.9%)**

Corporate Debt

- **Moody's Ratings affirmed CFE's 'Baa2' ratings and changed the outlook to Negative from Stable, following the same rating action on the Government of Mexico, given CFE's intrinsic credit linkages to the sovereign and the agency's assumption of government support. The baseline credit assessment (BCA) was affirmed at 'ba3' incorporating Moody's view that cash flow generation will remain strong in the next 12-18 months**

- **HR Ratings upgraded Corpovael's (CADU) ratings to 'HR A-' from 'HR BBB', changing the outlook to Stable from Positive. The upgrade was based on the debt reduction and the strength of its debt metrics over the last twelve months as of 3Q24**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,268.94	-0.3%
S&P 500	5,916.98	0.4%
Nasdaq	18,987.47	1.0%
IPC	50,222.39	-0.5%
Ibovespa	128,197.25	0.3%
Euro Stoxx 50	4,751.23	-0.8%
FTSE 100	8,099.02	-0.1%
CAC 40	7,229.64	-0.7%
DAX	19,060.31	-0.7%
Nikkei 225	38,414.43	0.5%
Hang Seng	19,663.67	0.4%
Shanghai Composite	3,346.01	0.7%
Sovereign bonds		
2-year Treasuries	4.28	0pb
10-year Treasuries	4.40	-2pb
28-day Cetes	10.05	-24pb
28-day TIIE	10.49	0pb
2-year Mbono	9.96	-8pb
10-year Mbono	9.88	-10pb
Currencies		
USD/MXN	20.11	-0.5%
EUR/USD	1.06	0.0%
GBP/USD	1.27	0.0%
DXY	106.21	-0.1%
Commodities		
WTI	69.39	0.3%
Brent	73.31	0.0%
Mexican mix	64.90	0.4%
Gold	2,632.08	0.8%
Copper	418.20	0.4%

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, José De Jesús Ramírez Martínez, Daniel Sebastián Sosa Aguilar, Gerardo Daniel Valle Trujillo, Ana Laura Zaragoza Félix, 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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	Reference
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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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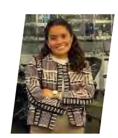

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