BANORTE

Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

November 21, 2024

Main drivers for the financial markets today...

- **Stock markets positive, USD higher, and government bond yields positive as Nvidia's revenue forecasts failed to meet expectations. Oil and gold climbed with fears around the Russia-Ukraine war growing. Traders will be watching economic figures for signs on the strength of the economy and the Fed's rate path**

- **In Japan, PM Shigeru Ishiba, will announce a US$140 billion stimulus package to address challenges on several fronts, from inflation to wage growth. In China, the PBoC set the yuan's reference stronger-than-expected (7.1934 per dollar). In Japan, the yen strengthened after BOJ Governor, Ueda, remarked that he would not be able to predict the outcome of the next monetary policy decision**

- **On the economic agenda, in the US, November's Philly Fed manufacturing index stands out. In Mexico, INEGI published retail sales for September, coming in at +0.1% m/m (-1.5% y/y), with the strength concentrated in online sales and household goods**

- **In other news, Ukraine continues to receive support from Biden. His administration is sending to Congress a plan to cancel US$4.65 billion of said country's debt. Meanwhile, Russia launched an intercontinental missile at Ukraine, which has the capacity to carry nuclear weapons**


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

www.banorte.com/analisiseconomico
@analisis_fundam

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
Turkey					
6:00	Monetary policy decision (C. Bank of Turkey)	%	--	50.00	50.00
Mexico					
7:00	Retail sales - Sep	% y/y	-1.5	-1.2	-0.8
7:00	Retail sales* - Sep	% m/m	0.1	0.2	0.1
United States					
8:30	Philadelphia Fed* - Nov	index	7.0	8.0	10.3
8:30	Initial jobless claims* - Nov 16	thousands	218	220	217
8:45	Fed's Hammack Gives Welcome Remarks				
10:00	Existing home sales** - Oct	millions	--	3.9	3.8
12:25	Fed's Goolsbee Participates in Moderated Q&A				
12:30	Fed's Hammack Moderates Conversation				
Eurozone					
10:00	Consumer confidence* - Nov (P)	index	--	-12.4	-12.5
South African					
	Monetary policy decision (S. African Reser	%	--	7.75	8.00

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	5,955.25	0.3%
Euro Stoxx 50	4,732.29	0.1%
Nikkei 225	38,026.17	-0.9%
Shanghai Composite	3,370.40	0.1%
Currencies		
USD/MXN	20.37	0.4%
EUR/USD	1.05	-0.2%
DXY	106.70	0.0%
Commodities		
WTI	70.34	2.1%
Brent	74.34	2.1%
Gold	2,664.93	0.5%
Copper	413.00	-0.6%
Sovereign bonds		
10-year Treasury	4.39	-2pb

Source: Bloomberg

Equities

- **Stock markets erased losses on the back of strong Snowflake results that helped boost software stocks. This is leaving aside the escalation of geopolitical tensions and yesterday's Nvidia results, which, although the guidance is positive, were not enough to meet investors' expectations**

- **As a result, futures in the US are trading positive. The Nasdaq is 0.2% above its theoretical value and the Dow Jones is up 0.4% before the opening, driven by the health sector. Within the latter, United Health, and some other health insurance companies, are up, considering the positive election of Mehmet Oz to President Trump's cabinet**

- **Finally, Eurostoxx is up 0.1%, driven by the communications sector. Asia closed negative, highlighted by the falls of the Nikkei of 0.9% and the Hang Seng of 0.5%**

Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. 10-year rates in Europe record gains of 2bps on average. The Treasuries curve follows this dynamic with a -2bps adjustment. Yesterday, Mbonos printed a steepening bias with gains of 3bps at the short-end and losses of the same magnitude at the long-end**

- **USD with losses against some G10 currencies, with JPY (+0.6%) being the strongest. In EM, the bias is slightly negative, with emerging European currencies leading the losses. The MXN depreciates 0.4% to 20.37 per dollar, extending the previous day's losses (-0.8%)**

- **Positive performance in commodities. Crude-oil futures rise 1.4%, driven by signals of increased escalation in the Russia-Ukraine war. Industrial metals are down, but precious metals are up. Copper and gold move -0.2% and +0.6%, respectively**

Corporate Debt

- **Today we expect the auction of the structured issue FIMUBCB 24, backed by a portfolio of payroll loans originated by Fimubac, for up to MXN 2.0 billion and a 4.5-year term. The assigned local scale ratings were 'AAA' by Fitch Ratings and HR Ratings**

- **HR Ratings affirmed Alsea's rating at 'HR A+' with Stable outlook. The ratification follows the performance observed in its operating results (revenue and EBITDA), above the agency's expectations.**

- **HR Ratings affirmed Desarrollos Hidráulicos de Cancún's rating at 'HR AA+' with Negative Watch status. The latter was held due to legal uncertainty regarding the concession**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,408.47	0.3%
S&P 500	5,917.11	0.0%
Nasdaq	18,966.14	-0.1%
IPC	50,168.88	-0.1%
Ibovespa	128,197.25	0.0%
Euro Stoxx 50	4,729.71	-0.5%
FTSE 100	8,085.07	-0.2%
CAC 40	7,198.45	-0.4%
DAX	19,004.78	-0.3%
Nikkei 225	38,352.34	-0.2%
Hang Seng	19,705.01	0.2%
Shanghai Composite	3,367.99	0.7%
Sovereign bonds		
2-year Treasuries	4.31	3pb
10-year Treasuries	4.41	1pb
28-day Cetes	10.02	-3pb
28-day TIIE	10.49	0pb
2-year Mbono	9.89	-7pb
10-year Mbono	9.89	1pb
Currencies		
USD/MXN	20.28	0.8%
EUR/USD	1.05	-0.5%
GBP/USD	1.27	-0.2%
DXY	106.68	0.4%
Commodities		
WTI	68.87	-0.7%
Brent	72.81	-0.7%
Mexican mix	64.42	-0.7%
Gold	2,650.60	0.7%
Copper	419.00	0.2%

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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
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.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

Directory
Research and Strategy

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251

Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611

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

Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957

Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821

Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438

Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707

Market Strategy

Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751

Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719

Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800

Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 – 2250

Hugo Armando Gómez Solís
Senior Strategist, Equity
hugoa.gomez@banorte.com
(55) 1670 - 2247

Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698

Marcos Saúl García Hernandez
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296

Gerardo Daniel Valle Trujillo
Senior Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248

Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 5261 - 4882

Paula Lozoya Valadez
Analyst, Equity
paula.lozoya.valadez@banorte.com
(55) 1103 - 4000 x 2060

Ana Laura Zaragoza Félix
Strategist, Corporate Debt
ana.zaragoza.felix@banorte.com
(55) 1103 - 4000

Quantitative Analysis

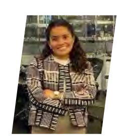
Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608

José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000

Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124

Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1670 - 2904



Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430

BANORTE