

## Financial Markets Daily

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

- Stock markets mixed, with the S&P500 futures negative, government bond yields down and USD up, with the investors assessing economic data, including PMIs in the Eurozone which shrank unexpectedly under contraction level, and comments from Federal Reserve members, which will help to define the path for rates going forward
- Else, while geopolitical tensions among Russia and Ukraine continue rising, investors remain cautious on elected US President Trump's policy agenda
- Regarding economic figures, attention is focused on November's preliminary manufacturing and services PMI indicators, and final University of Michigan confidence in the US. On monetary policy, focus on comments from Fed's Bowman
- In Mexico, INEGI released inflation for 1H-November at 0.37% 2w/2w –surprising to the downside–, with the core at 0.04%. As such, the annual print moderated to 4.56% from 4.83% in the previous fortnight, with the core at 3.58% (previous: 3.74%)
- INEGI also published 3Q24 final GDP at 1.1% q/q (preliminary: 1.0%). In annual terms (nsa) activity stood at 1.6% (preliminary: 1.5%). By sectors, primary activities grew 4.9% q/q, with industry at +0.9%, and services at +1.1%

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### The most relevant economic data...

|                      | Event/Period                              | Unit    | Banorte | Survey | Previous |
|----------------------|---|---------|---------|--------|----------|
| <b>Germany</b>       |   |         |         |        |          |
| 2:00                 | Gross domestic product* - 3Q24 (F)        | % q/q   | --      | 0.2    | 0.2      |
| <b>Mexico</b>        |   |         |         |        |          |
| 8:00                 | Gross domestic product - 3Q24 (F)         | % y/y   | 1.5     | 1.5    | 1.5      |
| 8:00                 | Gross domestic product* - 3Q24 (F)        | % q/q   | 1.0     | 1.0    | 1.0      |
| 8:00                 | Economic activity indicator (IGAE) - Sep  | % y/y   | -0.1    | 0.4    | 0.4      |
| 8:00                 | Economic activity indicator (IGAE)* - Sep | % m/m   | 0.1     | 0.1    | -0.3     |
| 8:00                 | Consumer prices - Nov 15                  | % 2w/2w | 0.42    | 0.44   | 0.26     |
| 8:00                 | Core - Nov 15                             | % 2w/2w | 0.16    | 0.17   | 0.05     |
| 8:00                 | Consumer prices - Nov 15                  | % y/y   | 4.62    | 4.64   | 4.83     |
| 8:00                 | Core - Nov 15                             | % y/y   | 3.70    | 3.71   | 3.74     |
| <b>United States</b> |   |         |         |        |          |
| 9:45                 | Manufacturing PMI* - Nov (P)              | index   | 49.0    | 48.9   | 48.5     |
| 9:45                 | Services PMI* - Nov (P)                   | index   | --      | 55.1   | 55.0     |
| 9:45                 | Composite PMI* - Nov (P)                  | index   | --      | 54.4   | 54.1     |
| 10:00                | U. of Michigan Confidence* - Nov (F)      | index   | 74.0    | 74.0   | 73.0     |

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. |
|------------------------|-----------|------------|
| <b>Equity indices</b>  |           |            |
| S&P 500 Futures        | 5,963.00  | -0.1%      |
| Euro Stoxx 50          | 4,740.64  | -0.3%      |
| Nikkei 225             | 38,283.85 | 0.7%       |
| Shanghai Composite     | 3,267.19  | -3.1%      |
| <b>Currencies</b>      |           |            |
| USD/MXN                | 20.46     | 0.2%       |
| EUR/USD                | 1.04      | -0.6%      |
| DXY                    | 107.47    | 0.5%       |
| <b>Commodities</b>     |           |            |
| WTI                    | 69.71     | -0.6%      |
| Brent                  | 73.88     | -0.5%      |
| Gold                   | 2,698.98  | 1.1%       |
| Copper                 | 406.80    | -1.4%      |
| <b>Sovereign bonds</b> |           |            |
| 10-year Treasury       | 4.39      | -3pb       |

Source: Bloomberg

## Equities

- The week concludes with mixed movements in the main stock indices and cautious investors
- Futures in the US anticipate a negative opening, with the S&P500 trading 0.1% below its theoretical value, reflecting some profit-taking. In Europe, movements are mixed; the Eurostoxx falls 0.3% after the weakness in the recently published economic figures. In Asia, the Shanghai stock market fell by 3.1% and the Hang Seng by 1.9%
- The earnings season in the US is all but over. With 96% of the results of S&P 500 companies, profits have risen by 8.2% vs. 5.1% and the positive surprise rate stands at 75.6%. Next Tuesday, November 26, Marathon Oil will leave the S&P500 sample, and Texas Pacific Land will replace it

## Sovereign fixed income, currencies and commodities

- Positive balance in sovereign bonds. 10-year rates in Europe drop by 8bps on average. The Treasuries curve records gains of 3bps, with a better performance at the belly. Yesterday, Mbonos recorded losses of 7bps on average, with a larger adjustment in long-duration instruments
- USD positive against most G10 currencies, with the EUR (-0.7%) being the weakest. In EM, the bias is negative, with emerging European currencies leading the losses. The MXN depreciates 0.2% to 20.46 per dollar, marking three consecutive sessions of losses
- Negative performance in commodities. Crude-oil futures are down 0.7%, due to a stronger dollar overshadowing the risk premium from the Russia-Ukraine conflict. Industrial metals are down, but precious metals are up. Gold is on track for a 5% weekly gain

## Corporate Debt

- Today, the offering of an unsecured bond from Organización Soriana, SORIANA 24, will take place for a target amount of MXN 3.0 billion (max. MXN 5.0 billion), with a three-year term, which will pay a floating rate linked to TIIE-28. The assigned ratings were 'AAA(mex)' by Fitch Ratings and 'HR AAA' by HR Ratings
- PCR Verum upgraded the rating for Grupo Viva Aerobus' sustainability-linked bond, VIVAACB 22L (ABS), to 'AAA/M (e)' from 'AA+/M (e)'. The outlook remained Stable. The upgrade follows that the issuer reported sustained and significant improvements in its credit quality by showing growth in cash flow generation and a strong liquidity position

## Previous closing levels

|                        | Last       | Daily chg. |
|------------------------|------------|------------|
| <b>Equity indices</b>  |            |            |
| Dow Jones              | 43,870.35  | 1.1%       |
| S&P 500                | 5,948.71   | 0.5%       |
| Nasdaq                 | 18,972.42  | 0.0%       |
| IPC                    | 50,174.64  | 0.0%       |
| Ibovespa               | 126,922.11 | -1.0%      |
| Euro Stoxx 50          | 4,755.83   | 0.6%       |
| FTSE 100               | 8,149.27   | 0.8%       |
| CAC 40                 | 7,213.32   | 0.2%       |
| DAX                    | 19,146.17  | 0.7%       |
| Nikkei 225             | 38,026.17  | -0.9%      |
| Hang Seng              | 19,601.11  | -0.5%      |
| Shanghai Composite     | 3,370.40   | 0.1%       |
| <b>Sovereign bonds</b> |            |            |
| 2-year Treasuries      | 4.35       | 3pb        |
| 10-year Treasuries     | 4.42       | 1pb        |
| 28-day Cetes           | 10.03      | 1pb        |
| 28-day TIIE            | 10.50      | 0pb        |
| 2-year Mbono           | 9.91       | 2pb        |
| 10-year Mbono          | 9.96       | 8pb        |
| <b>Currencies</b>      |            |            |
| USD/MXN                | 20.42      | 0.7%       |
| EUR/USD                | 1.05       | -0.7%      |
| GBP/USD                | 1.26       | -0.5%      |
| DX                     | 106.97     | 0.3%       |
| <b>Commodities</b>     |            |            |
| WTI                    | 70.10      | 1.8%       |
| Brent                  | 74.23      | 2.0%       |
| Mexican mix            | 65.89      | 2.3%       |
| Gold                   | 2,669.72   | 0.7%       |
| Copper                 | 416.40     | -0.6%      |

Source: Bloomberg

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|      | 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.   |

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