

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets positive, USD up and government bond yields mixed with European stocks snapping two days of declines as the expectation of restrictions on chip equipment sales to China from the US may be lighter than feared
- Markets closed in the US for Thanksgiving holiday
- Few economic figures are expected today including consumer confidence in the Eurozone
- According to the rating agency Fitch Ratings, the housing crisis in China will extend into 2025, as prices and sales remain weak despite government's stimulus to spur demand. They estimate that new home prices will fall another 5.0% next year
- In Mexico, minutes from Banxico's last monetary policy meeting will be released. We will focus on the forward guidance, specifically on possible proposals to increase the magnitude of cuts

November 28, 2024



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



[@analisis_fundam](http://www.banorte.com/analisiseconomico)

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



Document for distribution among public

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
	Markets closed due to the Thanksgiving holiday				
Eurozone					
4:00	EZ Monetary aggregates (M3)* - Oct	% y/y	--	3.4	3.2
5:00	EZ Consumer confidence* - Nov (F)	index	--	--	-13.7
5:00	EZ Economic confidence* - Nov	index	--	95.2	95.6
8:00	GER Consumer prices - Nov (P)	% y/y	--	2.3	2.0
Mexico					
10:00	Banxico's minutes - Nov 14				

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	6,024.25	0.2%
Euro Stoxx 50	4,763.30	0.6%
Nikkei 225	38,349.06	0.6%
Shanghai Composite	3,295.70	-0.4%
Currencies		
USD/MXN	20.35	-1.2%
EUR/USD	1.06	-0.2%
DX	106.23	0.1%
Commodities		
WTI	69.05	0.5%
Brent	73.27	0.6%
Gold	2,646.52	0.4%
Copper	405.60	-0.3%
Sovereign bonds		
10-year Treasury	4.26	0pb

Source: Bloomberg

Equities

- Advances in most stock markets with a positive sentiment prevailing, driven by the technology sector; however, in France, the stock market could be affected by the budget impasse. In the US, there will be no activity due to the Thanksgiving holiday, which will affect trading volume in the rest of the markets
- In Europe, the Eurostoxx is up 0.6% as investors expect US restrictions on sales of semiconductors and artificial intelligence chips to China to be softer than feared. Asia closed mixed, with the Nikkei up 0.6% and the Hang Seng down 1.2%
- In Mexico, investors remain cautious, and catalysts are unclear. In this sense, the MEXBOL could consolidate around 50,000pts

Sovereign fixed income, currencies and commodities

- Session with low liquidity due to the closure of US markets. Ten-year rates in Europe fluctuate between ± 3 bps. Yesterday, Mbonos curve recorded gains of 7bps on average, with the 10-year reference (Nov '34) closing at 9.96% (-7bps)
- USD positive against most of G10 currencies, with the JPY (-0.4%) and CAD (+0.2%) at the extremes. In EM, the bias is mixed, with most currencies trading in a narrow range of $\pm 0.4\%$. The MXN diverges from its peers, appreciating 1.4% to 20.31 per dollar, extending the previous day's gains (+0.3%)
- Mixed performance in commodities. Crude-oil futures are up by 0.6%. OPEC+ issued a statement announcing that its next Ministerial Meeting would be delayed until December 5, leading investors to maintain expectations of a potential delay in production increases. Precious metals are rising, while industrial metals are down

Corporate Debt

- Today, we expect the auction of three long-term issues by FEFA, FEFA 24-3 / 24-4 / 24B, for a target amount of MXN 5.0 billion (max. MXN 7.0 billion), with 1.5-, 1.8- and 6-year terms. The assigned local scale ratings were 'AAA' by S&P Global Ratings and HR Ratings
- Also, the offering of issue CAMSCB 24U, backed by the future flows from the Monterrey-Salttillo highway, will take place for a target amount in Udis equivalent to MXN 5.0 billion, with a 30-year term. The assigned local scale ratings were 'AAA' by Fitch Ratings and HR Ratings

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,722.06	-0.3%
S&P 500	5,998.74	-0.4%
Nasdaq	19,060.48	-0.6%
IPC	49,787.82	0.1%
Ibovespa	127,668.61	-1.7%
Euro Stoxx 50	4,733.15	-0.6%
FTSE 100	8,274.75	0.2%
CAC 40	7,143.03	-0.7%
DAX	19,261.75	-0.2%
Nikkei 225	38,134.97	-0.8%
Hang Seng	19,603.13	2.3%
Shanghai Composite	3,309.78	1.5%
Sovereign bonds		
2-year Treasuries	4.23	-3pb
10-year Treasuries	4.26	-4pb
28-day Cetes	10.15	20pb
28-day TIIE	10.49	0pb
2-year Mbono	9.92	0pb
10-year Mbono	10.06	0pb
Currencies		
USD/MXN	20.59	-0.3%
EUR/USD	1.06	0.7%
GBP/USD	1.27	0.9%
DX	106.08	-0.9%
Commodities		
WTI	68.72	-0.1%
Brent	72.83	0.0%
Mexican mix	64.31	0.0%
Gold	2,636.02	0.1%
Copper	413.90	0.5%

Source: Bloomberg

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

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 Thalia 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, Luis Leopoldo López Salinas, Marcos Saúl García Hernandez, Juan Carlos Mercado Garduño, Ana Gabriela Martínez Mosqueda, Ana Laura Zaragoza Félix, 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.

The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.



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



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

Quantitative Analysis



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



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



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



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



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



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



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



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



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



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