

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive but S&P Futures negative, government bond yields with positive bias, and USD down as traders await economic data releases and Fed speakers, including Powell tomorrow, for clues on the path for interest rates**
- **The US agenda includes Job Openings (JOLTS) and total vehicle sales. Later, PMI indicators in China will be released**
- **In the monetary front, Federal Reserve Kugler and Goolsbee will speak**
- **In Mexico, INEGI released October's employment report. The unemployment rate fell to 2.50% (-42bps), with 445.8 thousand jobs gained. With seasonally adjusted figures the rate came in at 2.48% (-23bps)**
- **INEGI also published investment for September at -0.8% m/m (previous: -2.2%). Construction fell 0.4%, with machinery and equipment at -1.1%. In annual terms GFI came in at -3.3%**
- **Finally, It also announced private consumption for the ninth month of 2024. It came in at -0.3% m/m (previous: +0.1%), dragged by the imported component (-4.1%). This implies +1.0% in annual terms**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
7:00	Gross domestic product* - 3Q24	% q/q	--	0.8	1.4
Mexico					
7:00	Gross fixed investment - Sep	% y/y	-0.5	-0.5	-1.9
7:00	Gross fixed investment* - Sep	% y/y	-0.2	0.5	-1.9
7:00	Private consumption - Sep	% m/m	1.4	1.4	2.3
7:00	Private consumption* - Sep	% m/m	0.2	--	0.2
7:00	Unemployment rate - Oct	%	2.91	2.89	2.92
10:00	International reserves - Nov 29	US\$bn	--	--	225.4
12:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 30-year Mbono (Jul'53), * 20-year Udibono (Nov'43), and 1-, 3- and 7-year Bondes F				
United States					
10:00	JOLTS Job Openings - Oct	thousands	--	7,495	7,443
	Total vehicle sales** - Nov	thousands	--	16.0	16.0
China					
20:45	Services PMI (Caixin)* - Nov	index	--	52.4	52.0
20:45	Composite PMI (Caixin)* - Nov	index	--	--	51.9

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

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



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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	6,064.00	0.0%
Euro Stoxx 50	4,872.85	0.5%
Nikkei 225	39,248.86	1.9%
Shanghai Composite	3,378.81	0.4%
Currencies		
USD/MXN	20.37	-0.2%
EUR/USD	1.05	0.1%
DX	106.27	-0.2%
Commodities		
WTI	69.23	1.7%
Brent	72.94	1.5%
Gold	2,638.21	0.0%
Copper	411.70	1.0%
Sovereign bonds		
10-year Treasury	4.21	2pb

Source: Bloomberg

Equities

- Mixed movements, with a positive bias in the stock markets. Investors are assessing the direction of monetary policy and weighing geopolitical risks to growth
- In the US, futures anticipate an unchanged opening. Europe trades with widespread gains with the Eurostoxx up 0.5%, driven by the energy sector. Particularly noteworthy was the rise of Germany's Dax index, which surpassed 2,000 points for the first time in its history on the outlook for a healthy economy
- Asia closed mainly with increases, with the Nikkei rising by 1.9% and the Hang Seng by 1.0%. In this sense, the favorable sentiment was driven by the expectation of the start of the Central Economic Work Conference in China next Wednesday, where the economic objectives and stimulus plans for 2025 will be outlined

Sovereign fixed income, currencies and commodities

- Negative balance in sovereign bonds. In Europe, 10-year rates rise 2bps, on average. Meanwhile, the Treasuries' curve steepens due to larger losses at the long-end of 3bps. Yesterday, short- and mi-term Mbonos sold-off 5bps, while longer securities printed few changes. The 10-year benchmark closed at 9.95% (+5bps)
- Dollar weakens against most all G10 currencies, with NOK (+0.5%) as the strongest. In EM, the bias is positive lead by LatAm currencies. CLP advances 0.4% followed by MXN that trades with a 0.2% appreciation at 20.37 per dollar, offsetting yesterday's depreciation
- Crude-oil rise ahead of an OPEC+ supply meeting, buoyed by hopes China will approve more stimulus at a major leadership summit next week. In a similar fashion, industrial metals advance, with copper gaining almost 1.0%

Corporate Debt

- Fitch Ratings affirmed Minera Frisco's local scale ratings at 'BBB+(mex)' and revised the outlook to Stable from Negative. The outlook revision reflects higher operating cash flow generation than previously anticipated by Fitch and the expectation of positive free cash flow for the next 24 months
- HR Ratings affirmed Instituto Fonacot's ratings at 'HR AAA' with Stable outlook. The ratification is based on the implicit support from the Federal Government due to the relevance of the Institute for the origination of consumer loans in Mexico

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,782.00	-0.3%
S&P 500	6,047.15	0.2%
Nasdaq	19,403.95	1.0%
IPC	50,414.16	1.2%
Ibovespa	125,235.54	-0.3%
Euro Stoxx 50	4,846.73	0.9%
FTSE 100	8,312.89	0.3%
CAC 40	7,236.89	0.0%
DAX	19,933.62	1.6%
Nikkei 225	38,513.02	0.8%
Hang Seng	19,550.29	0.7%
Shanghai Composite	3,363.98	1.1%
Sovereign bonds		
2-year Treasuries	4.18	3pb
10-year Treasuries	4.19	2pb
28-day Cetes	10.00	-6pb
28-day TIIE	10.47	0pb
2-year Mbono	9.76	-20pb
10-year Mbono	9.99	-7pb
Currencies		
USD/MXN	20.40	0.1%
EUR/USD	1.05	-0.7%
GBP/USD	1.27	-0.6%
DX	106.45	0.7%
Commodities		
WTI	68.10	0.1%
Brent	71.83	-1.5%
Mexican mix	63.59	-1.1%
Gold	2,639.13	-0.2%
Copper	413.05	-0.2%

Source: Bloomberg

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