

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive –with US futures lower–, the USD weakens, and government bond yields mixed after a 56th record high for the S&P500 this year and with positive comments from Powell on the economy**
- **On economic figures, October's retail sales in the Eurozone came in below expectations at -0.5% m/m. In the US we wait for the release of the weekly jobless claims, along the trade balance for the tenth month of the year. In Mexico we will have the private sector's expectations survey**
- **On the monetary front, we will be looking into Barkin's comments (Richmond), this after Powell's speech in which he talked about a strong economy. In this sense, statements from other members –such as Musalem and Daly– have signaled that there is no rush in cutting rates**
- **According to a delegate, OPEC+ members would have agreed to delay a hike in output levels by three months, with this now starting in April. In addition, the pace of the increase would also be lower than planned. In this sense, oil reference prices are adjusting lower**
- **Regarding more Trump appointments, the person in charge of leading the SEC will be Paul Atkins, a strong crypto proponent. This has pushed Bitcoin above the US\$100,000 level**
- **In France, a televised speech from President Emmanuel Macron is expected at 2:00pm ET. It is worth noting that yesterday a no confidence vote went through that ousted the PM given a lack of consensus on budget proposals. Currently, it is speculated that a constitutional provision might be used that will allow 2024's budget to be rolled-over into 2025**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
	OPEC+ Ministerial Meeting & Joint Ministerial Monitoring Committee (JMMC)				
Eurozone					
5:00	Retail sales* - Oct	% m/m	--	-0.3	0.5
United States					
8:30	Trade balance* - Oct	US\$bn	--	-74.9	-84.4
8:30	Initial jobless claims* - Nov 30	thousands	215	215	213
Mexico					
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.

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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	6,096.25	0.0%
Euro Stoxx 50	4,940.92	0.4%
Nikkei 225	39,395.60	0.3%
Shanghai Composite	3,368.86	0.1%
Currencies		
USD/MXN	20.27	-0.1%
EUR/USD	1.05	0.2%
DX	106.18	-0.1%
Commodities		
WTI	68.79	0.4%
Brent	72.56	0.3%
Gold	2,650.91	0.0%
Copper	414.70	0.1%
Sovereign bonds		
10-year Treasury	4.22	4pb

Source: Bloomberg

Equities

- Mixed movements in the main indexes. US stock markets remain little changed and slightly negative (-0.1%). The above after the S&P500 hit another record high (+27.6% YTD), thus putting a pause to what could be the best one-year performance since 2019
- In Europe, the Eurostoxx and CAC 40 are up 0.4% and 0.1%, respectively, reacting to the ouster of France's premier and maintaining the 2025 budget impasse. Asia closed mixed, with the Nikkei up 0.3% and the KOSPI down 0.9%, as a result of the impeachment initiative for the South Korean president
- In Mexico, Gap's passenger traffic posted a 1.8% y/y increase in November, which should be welcomed by the market as it was the first rise since February. The figure was driven mainly by international passengers (+3.5% y/y) and to a lesser extent by domestic passengers (+0.6% y/y)

Sovereign fixed income, currencies and commodities

- Mixed balance in sovereign bonds. 10-year rates in Europe fluctuate around ± 2 bps. Meanwhile, the US Treasury curve registers losses of 1 to 4bps, with a larger adjustment at the belly. Yesterday, Mbonos had an average adjustment of +1bp
- USD negative against most of G10 currencies, with the EUR (+0.2%) as the strongest. In EM, the bias is also positive, with Asian currencies leading the gains. The MXN appreciates slightly to 20.27 per dollar, marking three consecutive sessions of gains
- Negative performance in commodities. Crude-oil futures show little changes after the OPEC+ announcement of a three-month pause in increasing supply, with investors concerned about a potential supply glut next year. Metals are down, with industrials performing the worst

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	45,014.04	0.7%
S&P 500	6,086.49	0.6%
Nasdaq	19,735.12	1.3%
IPC	51,249.80	0.8%
Ibovespa	126,087.02	0.0%
Euro Stoxx 50	4,919.02	0.8%
FTSE 100	8,335.81	-0.3%
CAC 40	7,303.28	0.7%
DAX	20,232.14	1.1%
Nikkei 225	39,276.39	0.1%
Hang Seng	19,742.46	0.0%
Shanghai Composite	3,364.65	-0.4%
Sovereign bonds		
2-year Treasuries	4.13	-5pb
10-year Treasuries	4.18	-4pb
28-day Cetes	9.90	0pb
28-day TIIE	10.46	-1pb
2-year Mbono	9.63	-6pb
10-year Mbono	10.02	4pb
Currencies		
USD/MXN	20.30	-0.1%
EUR/USD	1.05	0.0%
GBP/USD	1.27	0.2%
DX	106.32	0.0%
Commodities		
WTI	68.54	-2.0%
Brent	72.31	-1.8%
Mexican mix	64.19	-1.5%
Gold	2,649.90	0.2%
Copper	420.15	0.0%

Source: Bloomberg

Corporate Debt

- Today the offer of three unsecured bonds from Banobras (BANOB 24-2 / 24-3 / 24U) will take place for a target amount of MXN 10.0 billion (max. MXN 13.0 billion) and terms of 3.3, 12 and 10 years, respectively
- HR Ratings affirmed Unifin's rating at 'HR D' with Under Review status. The rating considers that the company is in process of implementing mechanisms for restructure and liquidate 100% of its debt, as well as restructuring loans with two development banks
- HR Ratings affirmed Navistar Financial's ratings at 'HR AAA' with a Stable outlook based on the rating of the holder of all its shares, Traton SE. The company's capitalization ratio decreased to 20.2%, below expectations

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