Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

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Main drivers for the financial markets today…

- **Stock markets mixed but S&P Futures down, government bond yields up, and USD slightly up as traders await the Fed's final interest-rate decision for 2024 and its monetary policy forecasts, tomorrow. The market is convinced that the Fed will cut the benchmark rate by 25bps**

- **Today, the economic figures agenda in the US includes November retail sales and industrial production reports. In the first case, we estimate +0.5% m/m, with total sales supported by the advance of the automotive sector. Meanwhile, the increase in the price of gasoline will also help as these are nominal figures. Excluding autos, gasoline, food services and construction materials, known as the control group, we expect +0.4% m/m. In the second case we see that the signals in the sector remain mixed. We estimate an advance of +0.2% m/m after the 0.3% contraction reported in October**

- **Later, Chile will announce its monetary policy decision, with the consensus anticipating a 25bps rate cut**

- **In Mexico, INEGI published retail sales for October, down 0.3% m/m (-1.2% y/y). Inside, 4 out of the 9 sectors declined, with weakness centered in home goods (-1.3% m/m) and vehicles (-1.0%)**

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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
Brazil					
6:00	COPOM minutes				
Mexico					
7:00	Retail sales - Oct	% y/y	-0.9	-0.1	-1.5
7:00	Retail sales* - Oct	% m/m	-0.1	0.2	0.1
10:00	International reserves - Dec 13	US$bn	--	--	228.8
12:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 3-year Mbono (Mar'28), 30-year Udibono (Oct'54) and 1- and 3-year Bondes F				
United States					
8:30	Advance retail sales* - Nov	% m/m	0.5	0.5	0.4
8:30	Ex autos & gas* - Nov	% m/m	--	0.4	0.1
8:30	Control group* - Nov	% m/m	0.4	0.4	-0.1
9:15	Industrial production* - Nov	% m/m	0.2	0.3	-0.3
9:15	Manufacturing production* - Nov	% m/m	--	0.5	-0.5
Chile					
16:00	Monetary policy decision (BCCh)	%	--	5.00	5.25

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	6,133.50	-0.3%
Euro Stoxx 50	4,953.06	0.1%
Nikkei 225	39,364.68	-0.2%
Shanghai Composite	3,361.49	-0.7%
Currencies		
USD/MXN	20.11	-0.1%
EUR/USD	1.05	-0.2%
DXY	106.98	0.1%
Commodities		
WTI	69.84	-1.2%
Brent	73.26	-0.9%
Gold	2,643.11	-0.4%
Copper	410.00	-1.0%
Sovereign bonds		
10-year Treasury	4.43	4pb

Source: Bloomberg

Equities

- **Mixed movements with a negative bias in main stock indices. Investors remain cautious due to concerns about the Chinese economy**

- **US futures point to a negative open, with the S&P500 trading 0.3% below its theoretical value. However, Pfizer shares are up 3.4% pre-market after forecasting revenues between US$61 billion and US$64 billion for 2025, in line with analysts' expectations**

- **In Europe, Eurostoxx rises 0.1%, supported by the technology and consumer discretionary sectors, offsetting the decline in energy, affected by the fall in oil prices. Asia closed mostly negative, with the Hang Seng and Nikkei down 0.5% and 0.2%, respectively**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. In Europe, 10-year rates rise 1bp, on average. Meanwhile, the Treasuries' curve record losses of up to 4bps at the 10-year zone. Yesterday, Mbonos adjusted between +1bp and +4bps. The 10-year benchmark (Mbono Nov'34) closed at 10.13% (+4bps)**

- **Dollar advances against most all G10 currencies, except for JPY (+0.2%) and GBP (+0.2%). In EM, the bias is negative but BRL (+0.5%) and MXN (+0.1%) overperformed. The latter trades at 20.11 per dollar, offsetting yesterday's depreciation (-0.1%)**

- **Crude-oil decline for a second day after Chinese economic data failed to dispel concerns about slowing consumption in the biggest crude importer. Widespread losses, with gold and copper falling 0.4% and 0.9%, respectively**

Corporate Debt

- **PCR Verum downgraded Fundación Rafael Dondé's rating to 'AA-/M' from 'AA/M' with Negative outlook. The rating reflects the affectations on its profitability due to narrower margins and the relevant investments made**

- **Grupo GICSA announced the redemption of 3,250,000 outstanding notes of its issuance GICSA 18U on December 18th, 2024, and the agreements on GICSA 16U will become effective**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,717.48	-0.3%
S&P 500	6,074.08	0.4%
Nasdaq	20,173.89	1.2%
IPC	50,849.43	-1.5%
Ibovespa	123,560.06	-0.8%
Euro Stoxx 50	4,947.03	-0.4%
FTSE 100	8,262.05	-0.5%
CAC 40	7,357.08	-0.7%
DAX	20,313.81	-0.5%
Nikkei 225	39,457.49	0.0%
Hang Seng	19,795.49	-0.9%
Shanghai Composite	3,386.33	-0.2%
Sovereign bonds		
2-year Treasuries	4.25	0pb
10-year Treasuries	4.40	0pb
28-day Cetes	9.95	-6pb
28-day TIIE	10.43	-1pb
2-year Mbono	9.63	4pb
10-year Mbono	10.15	4pb
Currencies		
USD/MXN	20.14	0.0%
EUR/USD	1.05	0.1%
GBP/USD	1.27	0.5%
DXY	106.86	-0.1%
Commodities		
WTI	70.71	-0.8%
Brent	73.91	-0.8%
Mexican mix	65.78	-0.7%
Gold	2,652.72	0.2%
Copper	419.10	-0.1%

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, 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.

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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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