BANORTE

Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today…

- **Stock markets mixed, USD up, government bond yields mixed and US Treasuries with gains for the first time in the week. Global bonds remain pressured as the US economy continues to expand at a solid pace, and inflation keeps threatening to keep rates high**

- **Stock markets will be closed today in the US for the National Day of Mourning for former President Jimmy Carter. Regarding monetary policy, market focus is on comments from Fed's Harker, Collins, Barkin, Schmid and Bowman**

- **Regarding economic figures, inflation in China closed 2024 at 0.1% y/y, slowing for the fourth consecutive month. Meanwhile, the Core CPI rose, completing three months on the rise, reaching 0.4% y/y**

- **In Mexico, INEGI released December's inflation at 0.38% m/m –in line with expectations–, with the core at 0.51%. As such, the annual print closed 2024 at 4.21%, with the core at 3.65%, both lower relative to the levels seen in 2023**

- **INEGI also published the update to the 'Unidad de Medida y Actualización' (UMA), with a daily value of $113.14. In addition, monthly and annual references for it came in at $3,439.46 and $41,273.52, respectively**

- **Later, the minutes from Banxico's December meeting will be released**

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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
Eurozone					
2:00	GER Industrial production* - Nov	% m/m	--	0.5	-1.0
2:00	GER Trade balance - Nov	EURbn	--	14.5	13.4
5:00	EZ Retail sales* - Nov	% m/m	--	0.3	-0.5
Brazil					
7:00	Retail sales - Nov	% y/y	--	4.7	6.5
7:00	Retail sales* - Nov	% m/m	--	-0.3	0.4
Mexico					
7:00	Consumer prices - Dec	% m/m	0.33	0.37	0.44
7:00	Core - Dec	% m/m	0.48	0.48	0.05
7:00	Consumer prices - Dec	% y/y	4.16	4.24	4.55
7:00	Core - Dec	% y/y	3.62	3.62	3.58
10:00	Banxico's minutes				
United States					
9:00	Fed's Harker Speaks on Economic Outlook				
12:40	Fed's Barkin Speaks to Virginia Bankers Association				

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	5,946.50	-0.2%
Euro Stoxx 50	5,003.10	0.1%
Nikkei 225	39,605.09	-0.9%
Shanghai Composite	3,211.39	-0.6%
Currencies		
USD/MXN	20.46	0.3%
EUR/USD	1.03	-0.2%
DXY	109.16	0.1%
Commodities		
WTI	73.60	0.4%
Brent	76.47	0.4%
Gold	2,672.96	0.4%
Copper	431.25	1.3%
Sovereign bonds		
10-year Treasury	4.65	-4pb

Source: Bloomberg

Equities

- **Few changes in the main European stock markets, while in Asia they showed greater pressure, all awaiting more information on the strength of the global economy. However, the US stock markets will remain closed in mourning for the death of former President Jimmy Carter**

- **In this sense, the Eurostoxx up 0.1% driven by the communication and basic consumption sectors. Asia closed negatively, highlighting the drop of the Nikkei by 0.9% and the Hang Seng by 0.2%**

- **In Mexico, OMA passenger traffic in December rose 9.1% y/y, driven by both domestic traffic (+6.2%) and international traffic (+26.1%). For its part, Volaris reported a fall in its traffic in the same month of 1.9% y/y, dragged down mainly by the domestic side (-5.9%), while international traffic improved (+10.1%). Finally, today the baseball team Diablos Rojos del México (DIABLOS) will be listed on the BMV**

Sovereign fixed income, currencies and commodities

- **Mixed balance in sovereign bonds. Ten-year rates in Europe rise by 2bps on average. Meanwhile, Treasuries register gains of 1bp to 4bps, with a better performance at the long end. Yesterday, the Mbonos curve steepened due to gains of 4bps at the short-end and losses of 1bp at the long end**

- **USD positive against most G10 currencies, with the GBP (-0.6%) being the weakest. In EM, there is a limited movement with CLP (+0.2%) and TWD (-0.2%). The MXN depreciates slightly to 20.46 per dollar, extending losses from the previous day (-0.3%)**

- **Positive performance in commodities. Crude-oil futures show a modest rise, after new signs of economic weakness in China and a decrease in U.S. reserves. Metals are up, with copper and silver rising by +0.4% and +0.8%, respectively**

Corporate Debt

- **Total Play Telecomunicaciones launched an exchange offer to holders of its US$600 million senior notes due 2028 with an interest rate of 6.375%, in exchange for new senior secured notes due 2032 and with interest rate of 11.125%**

- **Fibra Storage announced the opening of their new location called "Añil" in Mexico City, which started operations on December 30, 2024 and its 100% owned by the REIT**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,635.20	0.3%
S&P 500	5,918.25	0.2%
Nasdaq	19,478.88	-0.1%
IPC	49,634.26	-0.9%
Ibovespa	119,624.51	-1.3%
Euro Stoxx 50	4,996.39	-0.3%
FTSE 100	8,251.03	0.1%
CAC 40	7,452.42	-0.5%
DAX	20,329.94	-0.1%
Nikkei 225	39,981.06	-0.3%
Hang Seng	19,279.84	-0.9%
Shanghai Composite	3,230.17	0.0%
Sovereign bonds		
2-year Treasuries	4.28	-1pb
10-year Treasuries	4.69	0pb
28-day Cetes	10.01	13pb
28-day TIIE	10.27	-1pb
2-year Mbono	9.67	-5pb
10-year Mbono	10.32	-2pb
Currencies		
USD/MXN	20.40	0.4%
EUR/USD	1.03	-0.2%
GBP/USD	1.24	-0.9%
DXY	109.09	0.5%
Commodities		
WTI	73.32	-1.3%
Brent	76.16	-1.2%
Mexican mix	68.25	-1.0%
Gold	2,661.94	0.5%
Copper	425.85	1.5%

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
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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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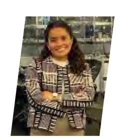

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