Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today…

- **Stock markets lower, with government bond yields and the USD higher. Weakness on concerns that the Fed will limit rate cuts on the back of economic strength, coupled with losses on tech stocks and a move higher in oil prices that is raising concerns about the outlook for inflation**

- **Today's agenda includes only the New York Fed's inflation expectations survey. President Sheinbaum will present the 'Mexico Plan'**

- **Market attention this week will be on December inflation in the US, UK, and the Eurozone (final estimate). For the former, we anticipate 0.2% m/m (2.8% y/y). As a result, full-year 2024 inflation would have reached 2.9% on average**

- **In monetary policy, we highlight comments from several Fed members and the ECB minutes. Moreover, decisions in Indonesia, Romania, Korea, and Poland, along with 1- and 5-year prime loan rates in China**

- **Events will accelerate after the year-end holiday season. NATO allies will meet during the week. The World Bank will present its flagship report *Global Economic Prospects*, and the World Economic Forum its Global Risks report**

- **The rest of the US agenda includes producer prices, housing starts, building permits, industrial production, retail sales (Dec), as well as regional manufacturing indicators Empire and Philly Fed (Jan)**

- **In other regions, 4Q24 GDP and other activity figures in China; trade balance, industrial production, and current account (Nov) in the Eurozone; industrial production (Nov) in the UK; and the economic activity indicator (Nov) in Brazil**

- **In Mexico, data includes only gross fixed investment and private consumption in October**

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
United States					
11:00	New York Fed 1-yr inflation expectations - Dec	%	--	--	2.97

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

January 13, 2025


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

www.banorte.com/analisiseconomico
@analisis_fundam

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

A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,821.50	-0.8%
Euro Stoxx 50	4,928.85	-1.0%
Nikkei 225	39,190.40	0.0%
Shanghai Composite	3,160.76	-0.2%
Currencies		
USD/MXN	20.80	0.4%
EUR/USD	1.02	-0.5%
DXY	110.01	0.3%
Commodities		
WTI	78.15	2.1%
Brent	81.12	1.7%
Gold	2,678.35	-0.4%
Copper	430.95	0.1%
Sovereign bonds		
10-year Treasury	4.78	2pb

Source: Bloomberg

Equities

- **Major indices down, with investors awaiting the US earnings season that begins on Wednesday with major banks: Bank of New York Mellon, BlackRock, Citigroup, Goldman Sachs, JPMorgan, and Wells Fargo. Bloomberg consensus estimates a 7.5% rise in S&P500 earnings vs. 8.5% in the previous quarter**

- **US futures anticipate a negative opening. The Nasdaq trades 1.3% below its theoretical value, dragged by tech giants: Nvidia, Tesla and Broadcom, while the S&P500 falls 0.8%, which could extend the losses posted last week**

- **Europe lower, with the Eurostoxx declining 1.0%. Technology and Industrials lead losses. Asia closed negative, with the Hang Seng down 1.0%**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. Ten-year rates in Europe rise by 3bps on average. Meanwhile, the US Treasury curve flattens, with pressures of +3bps at the short-end and +1bp at the long-end. Last week, Mbonos averaged gains of 10bps**

- **USD positive against most G10 currencies, with GBP (-0.8%) as the weakest. In EM, the bias is also negative, with Asia and emerging Europe leading the losses. The MXN depreciates by 0.4% to 20.80 per dollar, marking five consecutive days of losses**

- **Positive performance in commodities. Crude-oil futures rise about 1.5%, following a new wave of US sanctions on the Russian energy sector. Industrial metals up, but precious metals lower. Aluminum and silver trade at +0.3% and -2.5%, respectively**

Corporate Debt

- **HR Ratings and PCR Verum assigned 'HR1' and '1/M' ratings, respectively, to Grupo Viva Aerobus' short-term certificates program for up to MXN 1.5 billion. From HR Ratings, the rating reflects its cash flow growth during the last twelve months, while PCR Verum's rating is based on the Group's growth plan**

- **HR Ratings affirmed the rating of issue VANRTCB 24 at 'HR AAA (E)' with Stable outlook. The rating action was based on the maximum delinquency of 15.3% that the issue could withstand in a stress scenario**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	41,938.45	-1.6%
S&P 500	5,827.04	-1.5%
Nasdaq	19,161.63	-1.6%
IPC	49,596.70	-0.4%
Ibovespa	118,856.48	-0.8%
Euro Stoxx 50	4,977.26	-0.8%
FTSE 100	8,248.49	-0.9%
CAC 40	7,431.04	-0.8%
DAX	20,214.79	-0.5%
Nikkei 225	39,190.40	-1.0%
Hang Seng	19,064.29	-0.9%
Shanghai Composite	3,168.52	-1.3%
Sovereign bonds		
2-year Treasuries	4.38	12pb
10-year Treasuries	4.76	7pb
28-day Cetes	9.98	0pb
28-day TIIE	10.25	-1pb
2-year Mbono	9.72	12pb
10-year Mbono	10.28	4pb
Currencies		
USD/MXN	20.72	1.0%
EUR/USD	1.02	-0.5%
GBP/USD	1.22	-0.8%
DXY	109.65	0.4%
Commodities		
WTI	76.57	3.6%
Brent	79.76	3.7%
Mexican mix	71.46	3.9%
Gold	2,689.76	0.8%
Copper	430.40	-0.1%

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.

BANORTE

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.

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.

Directory

Research and Strategy

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251

Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611

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

Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957

Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821

Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438

Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707

Market Strategy

Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751

Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719

Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800

Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 – 2250

Hugo Armando Gómez Solís
Senior Strategist, Equity
hugoa.gomez@banorte.com
(55) 1670 - 2247

Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698

Marcos Saúl García Hernandez
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296

Gerardo Daniel Valle Trujillo
Senior Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248

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

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

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

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

Quantitative Analysis

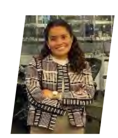
Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

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

José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000

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

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



Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430

BANORTE