

## Financial Markets Daily

### Main drivers for the financial markets today...

- Stock markets biased higher despite an upward movement in government bond yields, with the USD stronger. All eyes on the kickoff of the new US federal administration, with investors also watching the evolution of the ceasefire in Gaza and strength in the cryptocurrency market
- US markets will be closed today because of Martin Luther King Jr Day and Inauguration Day, in which Donald Trump will become the 47<sup>th</sup> President. The oath is expected around 12:00pm ET at the US Capitol. No relevant data will be released today
- Market attention this week will be on the first measures of President Trump. This includes the possibility of a series of executive orders that would reverse some policies from Joe Biden, as well as on issues related to trade, migration and national security, among others
- On economic data, we highlight January's PMIs in the Eurozone, United Kingdom, Germany, US, and China. Regional divergences remain in investors' spotlight due to their potential effect and impact on the path for monetary and fiscal policies
- In monetary policy, we note the BoJ decision as speculation has been rising as to whether they will hike the reference rate by 25bps or not. Also, announcements in Malaysia, Norway, and Turkey. A speech from Lagarde along with other ECB members
- Among the events, the World Economic Forum will begin in Davos. Moreover, several hearings will be held to ratify various members of the cabinet nominated by President Trump
- The rest of the US agenda includes only existing home sales (Dec). In other regions, the unemployment rate (Nov) in the UK; consumer confidence (Jan) in the Eurozone; the ZEW survey in Germany (Jan); and inflation (1H-Jan) in Brazil
- In Mexico, we estimate inflation in the first half of January at 0.23% 2w/2w. Other figures include retail sales, the monthly GDP-proxy IGAE (Nov) and the banking sector survey

### The most relevant economic data...

Event/Period	Unit	Banorte	Survey	Previous
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#### United States

Markets closed for Martin Luther King Jr. Day and Donald Trump's inauguration

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

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### A glimpse to the main financial assets

	Last	Daily chg.
<b>Equity indices</b>		
S&P 500 Futures	6,027.75	-0.1%
Euro Stoxx 50	5,145.92	0.0%
Nikkei 225	38,902.50	1.2%
Shanghai Composite	3,244.38	0.1%
<b>Currencies</b>		
USD/MXN	20.85	0.3%
EUR/USD	1.03	0.4%
DX	109.05	-0.3%
<b>Commodities</b>		
WTI	78.01	0.2%
Brent	80.62	-0.2%
Gold	2,707.80	0.2%
Copper	435.45	-0.3%
<b>Sovereign bonds</b>		
10-year Treasury	4.63	0pb

Source: Bloomberg

## Equities

- Stock indices with a positive bias, as investors await Donald Trump's inauguration and prepare for a week with increased activity in corporate earnings. In this regard, figures from 40 S&P500 companies are expected, with Netflix and 3M standing out
- US markets will remain closed for a holiday due to Martin Luther King Jr.'s Day. Europe trades mixed. Meanwhile, Trump's call with Xi Jinping boosted Asian stocks, with the Hang Seng up 1.8% and the Nikkei 1.2%
- In Mexico, we expect a weekly Mexbol trading range between 48,200 and 51,000pts. On the other hand, the earnings season will begin with Kimberly Clark's results

## Sovereign fixed income, currencies and commodities

- Low liquidity due as US markets are closed. Ten-year yields in Europe rise by 2bps on average. Gilts are diverging from their peers, up by +4bps. Last week, the Mbonos curve steepened with a 3bps loss at the short-end and a +13bps adjustment at the long-end
- USD lower against most G10 currencies, with DKK (+0.4%) leading. In EM, the bias is positive, with emerging Europe performing better. The MXN ranks as the second weakest in the group, depreciating 0.3% to 20.85 per dollar
- Crude-oil futures mixed, with Brent down but WTI up. Markets remain attentive to Trump's energy sector announcements. Gold appreciates 0.2%

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	43,487.83	0.8%
S&P 500	5,996.66	1.0%
Nasdaq	19,630.20	1.5%
IPC	49,940.89	0.0%
Ibovespa	122,350.38	0.9%
Euro Stoxx 50	5,148.30	0.8%
FTSE 100	8,505.22	1.4%
CAC 40	7,709.75	1.0%
DAX	20,903.39	1.2%
Nikkei 225	38,451.46	-0.3%
Hang Seng	19,584.06	0.3%
Shanghai Composite	3,241.82	0.2%
<b>Sovereign bonds</b>		
2-year Treasuries	4.28	5pb
10-year Treasuries	4.63	1pb
28-day Cetes	9.97	0pb
28-day TIIIE	10.27	0pb
2-year Mbono	9.73	4pb
10-year Mbono	10.36	4pb
<b>Currencies</b>		
USD/MXN	20.79	-0.3%
EUR/USD	1.03	-0.3%
GBP/USD	1.22	-0.6%
DX	109.35	0.4%
<b>Commodities</b>		
WTI	77.88	-1.0%
Brent	80.79	-0.6%
Mexican mix	73.01	-0.7%
Gold	2,703.25	-0.4%
Copper	436.85	-1.6%

Source: Bloomberg

## Corporate Debt

- The next long-term issuances will be unsecured bonds scheduled by Grupo Aeroportuario del Pacífico, GAP 25 / 22-2\*, and by Grupo Bimbo, BIMBO 25 / 25-2, in February
- Banco Santander México announced the early prepayment of its 5.375% Senior Notes due 2025. The payment date has been set for January 28, 2025. The price associated with the prepayment will be calculated three business days prior to the payment date

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