Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

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LSEG STARMINE AWARD FOR REUTERS POLLS
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Main drivers for the financial markets today...

- **Stock markets and govt bond yields lower, with USD mixed. Risk aversion as tech stocks fell after the Chinese startup DeepSeek unveiled an AI model with a good relative performance, more effective cost model and running on less-advanced chips. To the latter we add 25% tariffs from the US to all Colombian imports. Nevertheless, the measure was reversed some hours later after a favorable agreement for President Trump**

- **Today's agenda includes only December's new home sales in the US, without releases in Mexico**

- **Market attention this week on the monetary policy decisions of the Fed and ECB. In the former, a wide consensus exists of an unchanged stance. Nonetheless, potential signals about the pace of cuts ahead would be relevant. In contrast, we anticipate a 25bps cut in the latter, with the deposit rate reaching 2.75%. We believe President Lagarde will strike a dovish tone, albeit probably reinforcing the institution's data dependency**

- **Along with them, central bank decisions in Sweden, Hungary, Chile, Canada, Brazil, South Africa, and Colombia. The ECB will publish its Bank Lending Survey, and the BoJ the minutes of its latest decision**

- **The rest of the US agenda includes the first estimate of 4Q24 GDP, housing prices (Nov), durable goods orders, personal income & spending, PCE deflator, trade balance (Dec), and consumer confidence (Jan)**

- **Going to other regions, we highlight also 4Q24 GDP, along with the unemployment rate (Dec), consumer and economic confidence (Jan) in the Eurozone**

- **In Mexico, December´s trade balance showed a US$2,566.8 million surplus. Moreover, we expect 4Q24 GDP at -0.2% q/q (1.0% y/y). Other figures include banking credit, the public finance report, and the unemployment rate in December**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Germany					
4:00	IFO Survey (business climate)* - Jan	index	--	84.8	84.7
Mexico					
7:00	Trade balance - Dec	US$mn	1,945.8	3,494.0	-133.0
United States					
10:00	New home sales** - Dec	millions	--	670	664

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	5,994.25	-2.3%
Euro Stoxx 50	5,158.13	-1.2%
Nikkei 225	39,565.80	-0.9%
Shanghai Composite	3,250.60	-0.1%
Currencies		
USD/MXN	20.43	0.8%
EUR/USD	1.05	0.2%
DXY	107.15	-0.3%
Commodities		
WTI	74.23	-0.6%
Brent	78.15	-0.4%
Gold	2,762.26	-0.3%
Copper	429.05	-0.7%
Sovereign bonds		
10-year Treasury	4.51	-11pb

Source: Bloomberg

Equities

- **Negative performance in stock markets, pressured by US tech as the Chinese company DeepSeek sparked concerns about the competitiveness and leadership of US AI. This week, the focus will be on some of the "Magnificent Seven": Meta, Microsoft, Tesla, and tentatively Apple**

- **US futures point to a negative open, with the Nasdaq 4.1% below its theoretical value. In particular, Nvidia is down 12%. The Eurostoxx falls 1.2%, dragged down by semiconductor companies such as ASML (-9.5%). Asia closed mixed, with a 0.9% adjustment in the Nikkei and a 0.7% advance in the Hang Seng**

- **In Mexico, we expect a weekly trading range for the Mexbol between 50,000 and 52,200pts. In addition, the results of 5 companies of the sample are expected. At markets close, Qualitas and Regional**

Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. Ten-year rates in Europe appreciate 5bps on average. Meanwhile, the US Treasury curve gains 5bps to 11bps, with the belly benefiting the most. Last week, Mbonos averaged gains of 30bps**

- **USD negative against most of the G10. The JPY appreciates by 1.2%, with investors seeking safe-haven assets after the selloff in tech stocks. In EM, the bias is negative, with LatAm showing the worst performance. The MXN depreciates by 0.8% to 20.43 per dollar**

- **Crude-oil futures drop by 0.6% after Trump's tariff threats to Colombia, which caused a strong movement in the markets. The performance in metals is also negative. Copper and gold fall**

Corporate Debt

- **This week we expect the first offering of the year by Grupo Aeroportuario del Pacífico (GAP) for MXN 5.0 billion in two series**

- **Ahead. the auction pipeline for 1Q25 begins to consolidate with five issuances for around MXN 16.0 billion, with the presence of recurring issuers such as Grupo Bimbo and NR Finance Mexico**

- **Moody's Local assigned an 'ML A-1.mx' rating to Crediclub's short-term debt program, taking into consideration the positive trend in the recovery of its asset quality and an improvement in profitability**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,424.25	-0.3%
S&P 500	6,101.24	-0.3%
Nasdaq	19,954.30	-0.5%
IPC	51,357.31	0.6%
Ibovespa	122,446.94	0.0%
Euro Stoxx 50	5,219.37	0.0%
FTSE 100	8,502.35	-0.7%
CAC 40	7,927.62	0.4%
DAX	21,394.93	-0.1%
Nikkei 225	39,931.98	-0.1%
Hang Seng	20,066.19	1.9%
Shanghai Composite	3,252.63	0.7%
Sovereign bonds		
2-year Treasuries	4.27	-2pb
10-year Treasuries	4.62	-2pb
28-day Cetes	9.75	1pb
28-day TIIE	10.30	2pb
2-year Mbono	9.53	5pb
10-year Mbono	10.04	2pb
Currencies		
USD/MXN	20.27	-0.6%
EUR/USD	1.05	0.8%
GBP/USD	1.25	1.1%
DXY	107.44	-0.6%
Commodities		
WTI	74.66	0.1%
Brent	78.50	0.3%
Mexican mix	70.69	0.2%
Gold	2,770.58	0.6%
Copper	432.10	-0.2%

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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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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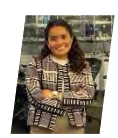

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