

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive, USD higher, and government bond yields positive after President Trump's comments on higher tariffs to reshape supply chains. US futures had a small rebound as traders bought the dip after yesterday's tech-fueled selloff**
- **Donald Trump's announcements continue. He has now said he wants to impose across-the-board tariffs of more than 2.5%. He will also order the construction of a missile defense system that will be produced entirely in the US**
- **Regarding federal spending, Trump ordered a broad pause in the granting of loans and financial assistance. The pause could continue until mid-February and would be a first step in the pursuit of obtaining the ability to unilaterally halt spending approved by Congress**
- **On the economic agenda, in the US durable goods orders in December will be released. In addition, January's consumer confidence will be published. Finally, Chile will hold a monetary policy decision, where the rate is expected to remain at 5.00%**
- **China's consumer subsidy program is not convincing economists, who are skeptical about its long-term benefits. In Japan, the government risks having to alter its annual budget if it does not concede more ground to an opposition party seeking larger tax breaks. In India, Prime Minister Narendra Modi could have a state visit from Trump as early as next month. The possibility of India buying more US-made security equipment has been mentioned**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
United States					
8:30	Durable goods orders* - Dec (P)	% m/m	--	0.5	-1.2
8:30	Ex transportation* - Dec (P)	% m/m	--	0.4	-0.2
9:00	S&P/CoreLogic housing prices - Nov	% y/y	--	4.3	4.2
10:00	Consumer confidence* - Jan	index	--	105.6	104.7
Mexico					
10:00	International reserves - Jan 24	US\$bn	--	--	229.5
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				
Chile					
16:00	Monetary policy decision (BCCh)	%	--	5.00	5.00

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.
Equity indices		
S&P 500 Futures	6,053.25	0.1%
Euro Stoxx 50	5,213.45	0.5%
Nikkei 225	39,016.87	-1.4%
Shanghai Composite	3,250.60	0.0%
Currencies		
USD/MXN	20.66	-0.1%
EUR/USD	1.04	-0.6%
DXY	107.96	0.6%
Commodities		
WTI	73.67	0.7%
Brent	77.63	0.7%
Gold	2,744.47	0.1%
Copper	425.95	0.7%
Sovereign bonds		
10-year Treasury	4.56	3pb

Source: Bloomberg

Equities

- Moderate increases in the main stock exchanges. Traders bought the dip after yesterday's tech-fueled selloff. In that sense, US futures anticipate a positive opening, and the Nasdaq rises 0.1%, highlighting some increases such as: Broadcom (+2.9%) and Nvidia (+3.4%), the latter standing out with a ~17% drop in the previous close
- Europe trades with gains and the Eurostoxx is climbing 0.5%, driven by positive earnings results. SAP shares reached a new all-time high after cloud revenues exceeded expectations. Asia closed mixed, albeit with a negative bias. China remains closed for public holidays
- On the corporate front, of 17 S&P500 companies releasing results today, only 7 have already released, with mixed figures. On the other hand, in Mexico, the focus will be on the results of Gcc and Gfnorte after the market closes

Sovereign fixed income, currencies and commodities

- Negative balance in sovereign bonds. Ten-year rates in Europe are pressured by ~1bp. Meanwhile, Treasuries print losses ranging from 1bp to 3bps. Yesterday, the Mbonos curve steepened with gains of 4bps at the short-end and pressures of +6bps at the long-end
- USD positive against all G10 currencies, with AUD (-0.8%) being the weakest. In EM, the bias is also negative, with emerging Europe leading the losses. The MXN is trading little changed at 20.66 per dollar
- Crude-oil futures rise by 0.7%, driven by supply threats following protests at two Libyan ports, which could disrupt approximately a third of OPEC+ members' crude exports. Industrial metals are down, and precious metals are little changed

Corporate Debt

- Desarrollos Eólicos Mexicanos de Oaxaca 1 informed that, due to a lack of liquidity derived from problems in the operation of its assets, it did not make the debt service payment for interest and principal scheduled for January 27, 2025 for MXN 134.5 million
- Fibra Uno informed that it exercised its option to prepay its unsecured bond maturing in January 2026 for US\$800 million. The payment will be made on February 24, 2025

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,713.58	0.7%
S&P 500	6,012.28	-1.5%
Nasdaq	19,341.83	-3.1%
IPC	51,687.45	0.6%
Ibovespa	124,861.50	2.0%
Euro Stoxx 50	5,188.45	-0.6%
FTSE 100	8,503.71	0.0%
CAC 40	7,906.58	-0.3%
DAX	21,282.18	-0.5%
Nikkei 225	39,565.80	-0.9%
Hang Seng	20,197.77	0.7%
Shanghai Composite	3,250.60	-0.1%
Sovereign bonds		
2-year Treasuries	4.20	-7pb
10-year Treasuries	4.53	-9pb
28-day Cetes	9.76	1pb
28-day TIEE	10.29	-1pb
2-year Mbono	9.43	-10pb
10-year Mbono	10.07	3pb
Currencies		
USD/MXN	20.68	2.0%
EUR/USD	1.05	0.0%
GBP/USD	1.25	0.1%
DXY	107.34	-0.1%
Commodities		
WTI	73.17	-2.0%
Brent	77.08	-1.8%
Mexican mix	69.22	-2.1%
Gold	2,740.81	-1.1%
Copper	423.15	-2.1%

Source: Bloomberg

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