BANORTE

Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

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Main drivers for the financial markets today...

- **Stock markets positive, government bond yields and USD down following strong company reports in Europe, mainly in the financial sector, and the expectation of record results from Apple later today. Bonds in Europe gained after weaker-than-expected 4Q24 GDP figures in Germany and France**

- **On the monetary policy front, attention is on the ECB's decision, where we estimate a 25bps cut, to place the deposit rate at 2.75%. Later, actions could be taken more cautiously as they approach the neutral rate. Therefore, focus is on Lagarde's conference for signs in the forward guidance**

- **Regarding economic figures, the preliminary GDP for 4Q24 will be published in the US, where we estimate a growth of 2.8% saar. We expect that the main driver will have been household spending, due to the continued strength of the labor market. In addition, the initial jobless claims for the week ending January 25 will be published**

- **In Mexico, INEGI published 4Q24 preliminary GDP at -0.6% q/q (0.6% y/y). By sectors, primary activities fell 8.9% q/q (-4.6% y/y), with industry at -1.2% q/q (-1.7% y/y), and services at +0.2% q/q (2.1% y/y). As such, GDP grew 1.5% in 2024**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
2:00	GER Gross domestic product* - 4Q24 (P)	% q/q	--	-0.1	0.1
5:00	EZ Gross domestic product* - 4Q24 (P)	% q/q	--	0.1	0.4
5:00	EZ Consumer confidence*-Jan (F)	index	--	--	-14.2
5:00	EZ Economic confidence* - Jan	index	--	94.1	93.7
5:00	EZ Unemployment rate* - Dec	%	--	6.3	6.3
8:15	Monetary policy decision (ECB)	%	2.75	2.75	3.00
8:45	ECB President Christine Lagarde Holds Press Conference				
Mexico					
7:00	Gross domestic product - 4Q24 (P)	% y/y	1.0	1.1	1.6
7:00	Gross domestic product* - 4Q24 (P)	% q/q	-0.2	-0.2	1.1
15:30	Public finances (PSBR, year-to-date) - Dec	MXNbn	--	--	-1,412.9
United States					
8:30	Gross domestic product** - 4Q24 (P)	% q/q	2.8	2.7	3.1
8:30	Personal consumption** - 4Q24 (P)	% q/q	--	3.2	3.7
8:30	Initial jobless claims* - Jan 25	thousands	--	225	223
South Africa					
	Monetary policy decision (S. African Reser	%	--	7.50	7.75

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	6,078.25	0.2%
Euro Stoxx 50	5,269.14	0.7%
Nikkei 225	39,513.97	0.3%
Shanghai Composite	3,250.60	0.0%
Currencies		
USD/MXN	20.52	0.0%
EUR/USD	1.04	-0.2%
DXY	108.03	0.0%
Commodities		
WTI	72.53	-0.1%
Brent	76.57	0.0%
Gold	2,780.64	0.8%
Copper	429.85	0.4%
Sovereign bonds		
10-year Treasury	4.49	-4pb

Source: Bloomberg

Equities

- Positive movements in the main stock markets, while China remains closed for a public holiday. With the technology sector being the most advanced, highlighting Meta that increases hopes of gains in AI, IBM shows a strong sales outlook and the market awaits Apple's record results. Microsoft expects slower growth due to lack of data centers for further AI development
- US futures are trading above their theoretical value with the Nasdaq up 0.3% and the S&P500 up 0.2% before the open. Meanwhile, the Eurostoxx is up 0.7%, driven mainly by good results from Spanish banks (BBVA and Caixa Bank). Finally, the Nikkei climbed 0.3%
- In the corporate sector, of the 39 companies in the S&P 500 that are due to publish results today, 11 have already released their results, most of them better than estimated. In Mexico, FMTY is trading ex-coupon today (monthly yield ~0.8%)

Sovereign fixed income, currencies and commodities

- Positive balance in sovereign bonds. Ten-year rates in Europe rise by 6bps. Meanwhile, the US Treasury curve flattens with a 1bp gain at the short-end and a -3bps adjustment at the long-end. Yesterday, Mbonos averaged losses of 4bps
- USD positive against most G10 currencies. The JPY deviates from the group, appreciating by 0.4%, following comments from Ryozo Himino of the BoJ reaffirming the view that the central bank will continue raising rates this year. In EM, the bias is negative. The MXN slightly appreciates to 20.52 per dollar
- Crude-oil futures trade little changed, following comments from Howard Lutnick, Donald Trump's candidate for Secretary of Commerce, mentioning that Canada and Mexico might avoid high tariffs. Metals are up, with precious metals performing the best

Corporate Debt

- Today, the auction of the new issue GAP 25 and the tap issue GAP 22-2 of Grupo Aeroportuario del Pacífico, will take place for a target amount of MXN 5.0 billion (max. MXN 6.0 billion). The bonds are rated at 'AAA.mx' by Moody's Local and 'mxAAA' by S&P Global Ratings
- PCR Verum downgraded IDEI's corporate rating to 'C/M' from 'B+/M'. The downgrade corresponds to a higher probability of default of the IDEI 23+V certificates given the company 's proposal to place an exemption related to its deficit in the debt service fund

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,713.52	-0.3%
S&P 500	6,039.31	-0.5%
Nasdaq	19,632.32	-0.5%
IPC	51,555.78	0.0%
Ibovespa	123,432.12	-0.5%
Euro Stoxx 50	5,230.66	0.7%
FTSE 100	8,557.81	0.3%
CAC 40	7,872.48	-0.3%
DAX	21,637.53	1.0%
Nikkei 225	39,414.78	1.0%
Hang Seng	20,225.11	0.0%
Shanghai Composite	3,250.60	0.0%
Sovereign bonds		
2-year Treasuries	4.21	2pb
10-year Treasuries	4.53	0pb
28-day Cetes	9.85	-2pb
28-day TIIE	10.30	2pb
2-year Mbono	9.46	-1pb
10-year Mbono	10.06	2pb
Currencies		
USD/MXN	20.52	-0.2%
EUR/USD	1.04	-0.1%
GBP/USD	1.25	0.1%
DXY	108.00	0.1%
Commodities		
WTI	72.62	-1.6%
Brent	76.58	-1.2%
Mexican mix	69.63	0.0%
Gold	2,759.36	-0.2%
Copper	428.30	0.9%

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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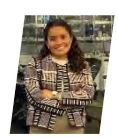

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