

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets mixed, government bond yields biased positive and USD negative, with investors cautious on mixed earnings, but still assimilating with some optimism the willingness from President Trump to negotiate to avoid the imposition of reciprocal tariffs before they take effect on April 2nd
- World leaders met in Munich with President Trump's approach to end the Russia-Ukraine war, while an explosion at the former Chernobyl nuclear plant raised concerns
- Regarding economic figures, in the US January retail sales and industrial production will be released
- In the Eurozone, preliminary 4Q24 GDP came in at 0.1% q/q, slightly above expectations. The ECB expects headwinds to growth to continue this year, but sees a faster pace of expansion than in 2024
- On the monetary policy front, there will be comments from Fed's Logan. Elsewhere, the Russian central bank kept its key rate unchanged at 21.0%, as expected

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Gross domestic product - 4Q24 (P)	% y/y	--	0.9	0.9
5:00	Gross domestic product* - 4Q24 (P)	% q/q	--	0.0	0.0
United States					
8:30	Advance retail sales* - Jan	% m/m	0.1	-0.2	0.4
8:30	Ex autos & gas* - Jan	% m/m	--	0.3	0.3
8:30	Control group* - Jan	% m/m	0.4	0.3	0.7
9:15	Industrial production* - Jan	% m/m	0.3	0.3	0.9
9:15	Manufacturing production* - Jan	% m/m	0.2	0.1	0.6

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	6,124.75	-0.2%
Euro Stoxx 50	5,512.54	0.2%
Nikkei 225	39,149.43	-0.8%
Shanghai Composite	3,346.72	0.4%
Currencies		
USD/MXN	20.40	0.0%
EUR/USD	1.05	0.0%
DXY	107.01	-0.3%
Commodities		
WTI	71.79	0.7%
Brent	75.63	0.8%
Gold	2,930.66	0.1%
Copper	478.05	0.1%
Sovereign bonds		
10-year Treasury	4.53	1pb

Source: Bloomberg

Equities

- Stock markets conclude the week with much greater caution. Futures in the US anticipate a negative opening with the S&P500 trading 0.2% below its theoretical value, after approaching near all-time highs yesterday. Europe is mixed, while luxury stocks advancing in the face of positive earnings (e.g. Hermes). In Asia, the Hang Seng rose 3.7% on AI optimism
- With ~77% of the reports of companies in the S&P500, there is a cumulative increase in profits of 10.7% vs. 7.5%. Palo Alto Networks shares fall on disappointing expectations, but Airbnb rises after beating forecasts. Moderna reported weaker than expected
- In Mexico, Walmex reported higher-than-expected pressures on profitability in Mexico, which may not be well received by the market. The Mexbol Index may consolidate near 54,000pts

Sovereign fixed income, currencies and commodities

- Mixed performance in sovereign bonds. Ten-year rates in Europe rise by 2bps on average. Meanwhile, the US Treasury curve steepens, with 1bp gains at the short-end and losses of the same magnitude at the long-end. Yesterday, Mbonos averaged gains of a 3bps
- USD negative against most G10 currencies, with the NZD (+0.5%) being the strongest. In EM, the bias is positive, with better performance in Asian currencies. The MXN appreciates by 0.2% to 20.37 per dollar, marking its fourth consecutive day of gains
- Crude-oil futures rise by 0.7%, following comments from U.S. Treasury Secretary Scott Bessent, stating that the Trump administration remains committed to reducing Iranian oil exports. Metals are up, with industrial metals leading the way; copper appreciates by 1.8%

Corporate Debt

- Fitch Ratings upgraded Inmobiliaria Ruba's long-term rating to 'AA(mex)' from 'AA-(mex)' with Stable outlook. The rating considers that Ruba will keep a strong and consistent operating performance, as well as a strong financial structure in the coming years
- Grupo Collado announced its intention to call its issues COLLAD 08 / 08-2 on February 28, 2025. The bonds have an outstanding amount of MXN 330 million and the prepayment considers a MXN 8.23 million premium

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,711.43	0.8%
S&P 500	6,115.07	1.0%
Nasdaq	19,945.64	1.5%
IPC	54,160.11	0.2%
Ibovespa	124,850.18	0.4%
Euro Stoxx 50	5,500.50	1.8%
FTSE 100	8,764.72	-0.5%
CAC 40	8,164.11	1.5%
DAX	22,612.02	2.1%
Nikkei 225	39,461.47	1.3%
Hang Seng	21,814.37	-0.2%
Shanghai Composite	3,332.48	-0.4%
Sovereign bonds		
2-year Treasuries	4.31	-5pb
10-year Treasuries	4.53	-9pb
28-day Cetes	9.38	0pb
28-day TIIE	9.77	0pb
2-year Mbono	9.22	-1pb
10-year Mbono	9.91	-3pb
Currencies		
USD/MXN	20.41	-0.6%
EUR/USD	1.05	0.8%
GBP/USD	1.26	1.0%
DX	107.31	-0.6%
Commodities		
WTI	71.29	-0.1%
Brent	75.02	-0.2%
Mexican mix	67.30	-0.6%
Gold	2,928.21	0.8%
Copper	482.55	1.6%

Source: Bloomberg

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