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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 mixed, with Europe up while Asia and S&P Futures are down. USD and government bond yields down with concerns over tariffs and President Trump's apparent withdrawal of support for Ukraine and its European allies. Gold reached a new record amid geopolitical tensions**

- **Trump called Zelensky a dictator and warned that the Ukrainian leader should act quickly to reach a deal with Russia. Meanwhile, European leaders are looking for a strategy to secure a possible ceasefire in Kyiv. The UK and France are drawing up plans for what they call a European-led "reassurance force" for Ukraine**

- **On the monetary policy front, attention on comments from Fed's Golsbee and Musalem and the minutes of the latest Banxico meeting**

- **Regarding economic figures in the US, jobless claims and the Philadelphia Fed's regional manufacturing indicator for January will be published. While in the Eurozone, consumer confidence will be released**

- **In Mexico, INEGI published retail sales for December, up 0.1% m/m (-0.2% y/y). Inside, 6 out of the 9 sectors improved**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
7:00	Retail sales - Dec	% y/y	-2.2	-1.5	-1.9
7:00	Retail sales* - Dec	% m/m	-0.6	-0.4	-0.1
10:00	Banxico's minutes				
15:30	Citi Survey of Economists				
United States					
8:30	Philadelphia Fed* - Feb	index	15.0	20.0	44.3
8:30	Initial jobless claims* - Feb 15	thousands	215	215	213
9:35	Fed's Goolsbee Speaks in Moderated Q&A				
12:05	Fed's Musalem Speaks to Economic Club of NY				
Eurozone					
10:00	Consumer confidence* - Feb (P)	index	--	-14.0	-14.2

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	6,145.25	-0.3%
Euro Stoxx 50	5,494.56	0.6%
Nikkei 225	38,678.04	-1.2%
Shanghai Composite	3,350.78	0.0%
Currencies		
USD/MXN	20.36	-0.4%
EUR/USD	1.04	0.2%
DXY	106.92	-0.2%
Commodities		
WTI	72.29	0.1%
Brent	76.30	0.3%
Gold	2,944.23	0.4%
Copper	460.65	1.0%
Sovereign bonds		
10-year Treasury	4.51	-2pb

Source: Bloomberg

Equities

- **Mixed movements in the main stock markets. US futures show a negative bias amid concerns about trade tariffs, geopolitical tensions, and comments about cutting military spending. European markets show a slight recovery after yesterday's drop (the biggest in 2 months) on the back of gloomy reports**
- **US futures trade below their theoretical value, retreating on average 0.3%. Walmart reported solid results, but forward earnings expectations disappointed, suggesting an uncertain and challenging future economic environment**
- **In Mexico, Fmty reported positive year-end results. It highlighted inorganic growth, increased rents and margin expansion, in addition to its solid financial position, attractive valuation and positive guidance for 2025, all of which make it one of our favorites. In addition, today we expect the reports of Mega, Orbia, and Televisa**

Sovereign fixed income, currencies and commodities

- **In Europe, Ten-year rates fluctuate between ±1bp. Meanwhile, US Treasuries flatten, recording gains of 1bp to 4bps. Yesterday, the Mbonos curve steepened, resulting from a -5bps adjustment at the short-end and losses of 7bps at the long-end**
- **USD negative against all G10 currencies, with JPY (+1.0%) being the strongest. In EM, the bias is also positive, with PLN (+0.6%) leading the gains. The MXN appreciates 0.4% to 20.36 per dollar, recovering part of the previous day's losses (+1.0%)**
- **Crude-oil futures maintain their gains despite a rise in US reserves according to API data, with attention still on uncertainty regarding global supplies. Metals are up, with copper and gold trading at +0.8% and +0.4%, respectively**

Corporate Debt

- **Desarrollos Eólicos Mexicanos de Oaxaca 1 (DMXI) reported that the bondholders of its DMXI 15 issue approved not to declare early maturity, after the default on the interest payment and principal amortization, for a period of up to 60 days**
- **Sigma Alimentos announced in its guidance that it will invest US$350 million in 2025 to increase its production in Mexico and the US. Capital expenditures will be 43% higher compared to 2024**
- **BBVA informed that it received authorization from the CNBV to acquire indirect control of Banco Sabadell's subsidiary in Mexico. Thus, the bank has all the authorizations requested from Mexican regulators**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,627.59	0.2%
S&P 500	6,144.15	0.2%
Nasdaq	20,056.25	0.1%
IPC	54,096.52	-0.7%
Ibovespa	127,308.80	-1.0%
Euro Stoxx 50	5,461.17	-1.3%
FTSE 100	8,712.53	-0.6%
CAC 40	8,110.54	-1.2%
DAX	22,433.63	-1.8%
Nikkei 225	39,164.61	-0.3%
Hang Seng	22,944.24	-0.1%
Shanghai Composite	3,351.54	0.8%
Sovereign bonds		
2-year Treasuries	4.27	-4pb
10-year Treasuries	4.53	-2pb
28-day Cetes	9.45	8pb
28-day TIIE	9.76	-1pb
2-year Mbono	9.02	-9pb
10-year Mbono	9.95	8pb
Currencies		
USD/MXN	20.45	1.0%
EUR/USD	1.04	-0.2%
GBP/USD	1.26	-0.2%
DXY	107.17	0.1%
Commodities		
WTI	72.25	0.6%
Brent	76.04	0.3%
Mexican mix	68.54	0.7%
Gold	2,933.39	-0.1%
Copper	461.40	-0.6%

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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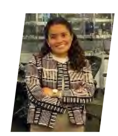

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