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, Europe down and US Futures up, USD and government bond yields up as investors wait for the day's economic data looking for clues on the interest rate outlook, and after Nvidia's positive earnings report and president Trump's threat of tariffs on European Union imports**

- **The European Union has warned that the moment the tariffs are announced, it will trigger tough countermeasures in key US industries**

- **The economic agenda includes final 4Q24 GDP, durable goods orders, and weekly jobless claims in the US**

- **Regarding monetary policy, attention on comments from Fed's Shmid, Hammack, Harker, Barr and Bowman, and ECB minutes**

- **In Mexico, INEGI published January's trade balance, posting a US$4,558 million deficit. Exports rose 1.0% m/m (5.5% y/y), with gains in non-oil. Imports grew 0.5% m/m (5.9% y/y), boosted by the oil component. INEGI also released January's employment report. The unemployment rate rose to 2.70% (+27bps), with 123.4 thousand jobs gained. With seasonally adjusted figures the rate came in at 2.61% (+1bp)**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
4:00	Monetary aggregates (M3)* - Jan	% y/y	--	3.8	3.5
5:00	Consumer confidence* - Feb (F)	index	--	--	-13.6
5:00	Economic confidence* - Feb	index	--	95.9	95.2
7:30	ECB Minutes				
Brazil					
7:00	Unemployment rate - Jan	%	--	6.6	6.2
Mexico					
7:00	Trade balance - Jan	US$mn	-4,773.2	-4,200.0	2,566.8
7:00	Unemployment rate - Jan	%	2.70	2.70	2.43
United States					
8:30	Gross domestic product** - 4Q24 (F)	% q/q	2.3	2.3	2.3
8:30	Personal consumption**-4Q24 (F)	% q/q	--	4.1	4.2
8:30	Durable Goods Orders*-Jan (P)	% m/m	--	2.0	-2.2
8:30	Ex transportation*-Jan (P)	% m/m	--	0.3	0.3
8:30	Initial jobless claims* - Feb 22	thousands	216	221	219
13:15	Fed's Hammack Gives Keynote Speech at Conference				
15:15	Fed's Harker Gives Speech on Economic Outlook				

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	6,010.25	0.7%
Euro Stoxx 50	5,494.86	-0.6%
Nikkei 225	38,256.17	0.3%
Shanghai Composite	3,388.06	0.2%
Currencies		
USD/MXN	20.39	-0.2%
EUR/USD	1.05	0.0%
DXY	106.62	0.2%
Commodities		
WTI	69.38	1.1%
Brent	73.42	1.2%
Gold	2,886.27	-1.0%
Copper	457.05	0.7%
Sovereign bonds		
10-year Treasury	4.29	4pb

Source: Bloomberg

Equities

- **Mixed sentiment in the main stock markets. The tariffs issue continues to weigh, affecting this time mostly European markets (Eurostoxx -0.6%), mainly automakers**

- **On the other hand, US futures traded above their theoretical value (+0.6%), after Nvidia's report yesterday, with slightly better than expected results, but with mixed projections due to tighter margins in order to hasten the launch of the new 'Blackwell' chip**

- **In Mexico, Gentera reported solid 4Q24 results and guidance for 2025 anticipating double-digit portfolio and earnings growth, despite the challenging environment. Lacomer reported the strongest growth in the sector, but below expectations. Finally, Lab reported positive figures, but in line with our forecasts. Today, the last day to report, we expect results from Bimbo, Femsa and Liverpool**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. The 10-year European rates rise 2bps, on average. Meanwhile, the Treasuries' yield curve steepens due to higher losses at the long-end of 4bps. Yesterday, Mbonos' curve averaged gains of 6bps, with the 10-year benchmark closing at 9.53% (-8bps)**

- **Dollar advances against all G10 currencies, with JPY (-0.3%) as the weakest. In EM, the bias is negative with Asian currencies falling of up to 0.7%. Meanwhile, the Mexican peso trades virtually unchanged at 20.42 per dollar**

- **Widespread gain in energy commodities. Crude-oil prices are supported by threats to global oil supplies, including tighter sanctions against Iran. Negative balance in metals, with copper and gold falling 0.3% and 1.1%, respectively**

Corporate Debt

- **Gentera informed that, following the solid performance of its subsidiary ConCrédito, in 2025 it will evaluate the possibility of acquiring the remaining shares that are not under its control (~25.1%)**

- **HR Ratings affirmed the rating of the issue ATLASCB 22 (ABS of Corporación Financiera Atlas) at 'HR AAA (E)' with Stable outlook. The ratification was based on the Maximum Delinquency of 24.1% that it is able to withstand under a stress scenario**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,433.12	-0.4%
S&P 500	5,956.06	0.0%
Nasdaq	19,075.26	0.3%
IPC	53,296.71	0.5%
Ibovespa	124,768.71	-1.0%
Euro Stoxx 50	5,527.99	1.5%
FTSE 100	8,731.46	0.7%
CAC 40	8,143.92	1.2%
DAX	22,794.11	1.7%
Nikkei 225	38,142.37	-0.2%
Hang Seng	23,787.93	3.3%
Shanghai Composite	3,380.21	1.0%
Sovereign bonds		
2-year Treasuries	4.07	-2pb
10-year Treasuries	4.26	-4pb
28-day Cetes	9.45	1pb
28-day TIIE	9.75	0pb
2-year Mbono	8.85	-1pb
10-year Mbono	9.56	-7pb
Currencies		
USD/MXN	20.42	-0.2%
EUR/USD	1.05	-0.3%
GBP/USD	1.27	0.1%
DXY	106.42	0.1%
Commodities		
WTI	68.62	-0.4%
Brent	72.53	-0.7%
Mexican mix	64.90	-1.1%
Gold	2,916.39	0.0%
Copper	458.65	1.3%

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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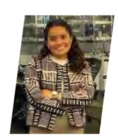

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