Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

March 5, 2025


Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com


Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com


Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com


Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com

Main drivers for the financial markets today...

- **Stock markets positive, USD down and government bond yields up following the presentation of Germany's spending plan that includes hundreds of billions of euros for defense and infrastructure, which support favorable expectations for European stocks and induces a strong fall in the region's bonds**

- **Also, markets improved from yesterday's comments by US Commerce Secretary Howard Lutnick, who hinted a compromise on tariffs, which could include a relief on Mexican and Canadian goods covered by USMCA**

- **In his speech last night, Trump touted his immigration policies, calling on Congress to approve additional funding for border security, while highlighting his efforts to boost domestic energy production and reduce the fiscal deficit**

- **Economic agenda for the day includes ADP employment, PMIs, factory orders, ISM services and Fed's Beige Book in the US**

- **In Mexico, INEGI published investment for December at -2.6% m/m (previous: -0.2%), which implies -4.0% y/y. Construction fell 1.8% m/m, with machinery and equipment at -3.8%. In full-year 2024 GFI grew 3.4%. INEGI also announced private consumption for the last month of 2024. It came in at -1.1% m/m (previous: +0.5%), dragged by the imported component (-4.2%). In the year, consumption expanded 2.8%. Later, attention on the banking sector survey**

www.banorte.com/analisiseconomico
@analisis_fundam

Document for distribution among public

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
7:00	Gross fixed investment - Dec	% y/y	-2.8	-2.5	-0.7
7:00	Gross fixed investment* - Dec	% m/m	-2.1	-1.7	0.1
7:00	Private consumption - Dec	% y/y	-0.2	0.6	0.3
7:00	Private consumption* - Dec	% m/m	-0.8	--	0.5
15:30	Citi Survey of Economists				
United States					
8:15	ADP employment* - Feb	thousands	150	140	183
9:45	Services PMI* - Feb (F)	index	49.7	49.7	49.7
9:45	Composite PMI* - Feb (F)	index	50.4	--	50.4
10:00	Factory orders* - Jan	% m/m	--	1.7	-0.9
10:00	Ex transportation* - Jan	% m/m	--	--	0.3
10:00	Durable goods orders* - Jan (F)	% m/m	--	3.1	3.1
10:00	Ex transportation* - Jan (F)	% m/m	--	--	0.0
10:00	ISM services* - Feb	index	53.3	52.5	52.8
14:00	Beige Book				

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	5,812.25	0.4%
Euro Stoxx 50	5,519.58	2.5%
Nikkei 225	37,418.24	0.2%
Shanghai Composite	3,341.97	0.5%
Currencies		
USD/MXN	20.59	0.0%
EUR/USD	1.07	0.8%
DXY	104.97	-0.7%
Commodities		
WTI	67.05	-1.8%
Brent	70.14	-1.3%
Gold	2,915.31	-0.1%
Copper	473.20	4.5%
Sovereign bonds		
10-year Treasury	4.23	-1pb

Source: Bloomberg

Equities

- **Widespread gains in major indices, reacting to the possibility that tariffs could be lowered. In that sense, futures in the US anticipate a positive opening, with the S&P500 trading 0.6% above its theoretical value and with auto, bank and semiconductor stocks leading the advance**

- **Europe trades with significant gains, supported by Germany's plans for investment in defense and infrastructure. Industrial stocks are leading the rise, with names such as Heidelberg Materials and Bilfinger standing out. Asia closed positive, with the Hang Seng excelling by showing a 2.8% advance and reacting positively to China's 5% growth expectation for its economy this year**

- **In Mexico, Gap released February's passenger traffic, rising 1.6% y/y, and supported by the recovery in domestic passenger traffic. The figure continues to show signs of stabilization, supporting a positive outlook ahead**

Sovereign fixed income, currencies and commodities

- **In Europe, following Germany's announcement of a proposal to exempt defense and security spending from fiscal spending limits, 10-year rates rose 18bps on average, with Bonds recording greater losses, adjusting by +21bps. Meanwhile, US Treasuries gained between 1bp and 4bps, with better performance at the belly**

- **USD negative against the entire G10, with SEK (+1.2%) as the strongest. In EM, the bias is positive, with European currencies leading the gains. MXN unchanged at 20.59 per dollar**

- **Crude-oil futures maintain losses due to uncertainty on the trade front, following statements by Lutnick, who mentioned that Trump might limit some tariffs on Mexico and Canada. Industrial metals are up, but precious metals are down**

Corporate Debt

- **The upcoming placements from Fondo Especial para Financiamientos Agropecuarios (FEFA), FEFA 25 /25G, were announced, for a target amount of MXN 4.0 billion and with 1.5- and 3-year terms. It is important to highlight that the issue FEFA 25G will be placed with a Social Gender label. The issues are rated at 'mxAAA' by S&P Global Ratings and at 'HR AAA' by HR Ratings**

- **The upcoming placements from Orbia Advance Corporation, ORBIA 25 /25-2, were announced, for a target amount of MXN 4.4 billion and with 3- and 10-year terms. The issues are rated at 'AAA(mex)' by Fitch Ratings and at 'HR AAA' by HR Ratings**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,520.99	-1.6%
S&P 500	5,778.15	-1.2%
Nasdaq	18,285.16	-0.4%
IPC	52,384.72	0.6%
Ibovespa	122,799.09	0.0%
Euro Stoxx 50	5,387.31	-2.8%
FTSE 100	8,759.00	-1.3%
CAC 40	8,047.92	-1.9%
DAX	22,326.81	-3.5%
Nikkei 225	37,331.18	-1.2%
Hang Seng	22,941.77	-0.3%
Shanghai Composite	3,324.21	0.2%
Sovereign bonds		
2-year Treasuries	3.99	4pb
10-year Treasuries	4.24	9pb
28-day Cetes	9.21	-24pb
28-day TIIE	9.76	-3pb
2-year Mbono	8.94	8pb
10-year Mbono	9.61	15pb
Currencies		
USD/MXN	20.59	-0.4%
EUR/USD	1.06	1.3%
GBP/USD	1.28	0.7%
DXY	105.74	-0.9%
Commodities		
WTI	68.26	-0.2%
Brent	71.04	-0.8%
Mexican mix	64.37	-1.0%
Gold	2,917.89	0.9%
Copper	455.65	-1.1%

Source: Bloomberg

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
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.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

Directory
Research and Strategy

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251

Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611

María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com
(55) 1103 - 4046

Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957

Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821

Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438

Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707

Market Strategy

Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751

Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719

Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800

Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 – 2250

Hugo Armando Gómez Solís
Senior Strategist, Equity
hugoa.gomez@banorte.com
(55) 1670 - 2247

Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698

Marcos Saúl García Hernandez
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296

Gerardo Daniel Valle Trujillo
Senior Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248

Ana Laura Zaragoza Félix
Strategist, Corporate Debt
ana.zaragoza.felix@banorte.com
(55) 1103 - 4000

Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 5261 - 4882

Paula Lozoya Valadez
Analyst, Equity
paula.lozoya.valadez@banorte.com
(55) 1103 - 4000 x 2060

Quantitative Analysis

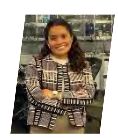
Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608

José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000

Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124

Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1670 - 2904



Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430

BANORTE