Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

March 6, 2025

Main drivers for the financial markets today...

- **Stock markets down, the USD weakens, with government bond yields positive. Trade war fears and disappointing tech earnings supported the negative sentiment. Markets will focus on the behavior of global bonds and the fallout of the trade war**

- **Attention on the ECB's monetary policy decision, expecting a 25bps cut, while also awaiting the press conference of its president, Christine Lagarde. Meanwhile, in Turkey, the monetary authority cut its target rate by 250bps to 42.50%. On the monetary front, we will also be watching for comments from Harker, Waller, and Bostic. In economic data, January retail sales in the Eurozone disappointed to the downside at -0.3% m/m. In the US, weekly jobless claims will be released, as well as the trade balance for the first month of the year. In China, international trade figures for February will be released in the evening**

- **Yesterday, the White House announced that cars and parts complying with USMCA rules will be exempt for one month from the 25% tariffs that went into effect on Tuesday. In addition, the Secretary of Agriculture, Brooke Rollins, indicated that exemptions could be announced for certain products and inputs in the industry. In Germany, the government announced that they will amend the constitution to relax fiscal rules, seeking to increase spending on infrastructure and defense. In this context, German bonds have adjusted sharply. In addition, EU leaders are holding an emergency meeting to discuss the war in Ukraine and defense spending**


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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Retail sales* - Jan	% m/m	--	0.1	-0.2
8:15	Monetary policy decision (ECB)	%	2.50	2.50	2.75
8:45	ECB President Christine Lagarde Holds Press Conference				
Turkey					
6:00	Monetary policy decision (C. Bank of Turkey)	%	--	42.50	45.00
United States					
8:30	Trade balance* - Jan	US$bn	--	-92.8	-98.4
8:30	Initial jobless claims* - Mar 1	thousands	235	233	242
8:45	Fed's Harker Gives Speech on Economic Education				
15:30	Fed's Waller Speaks on the Economic Outlook				
19:00	Fed's Bostic Speaks on Economy, Birmingham				
China					
21:30	Trade balance - Jan-Feb	USDbn	--	140.4	124.6
21:30	Exports - Jan-Feb	% y/y	--	6.8	5.9
21:30	Imports - Jan-Feb	% y/y	--	1.0	1.1

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	5,785.50	-1.1%
Euro Stoxx 50	5,478.77	-0.2%
Nikkei 225	37,704.93	0.8%
Shanghai Composite	3,381.10	1.2%
Currencies		
USD/MXN	20.39	-0.1%
EUR/USD	1.08	0.1%
DXY	104.11	-0.2%
Commodities		
WTI	66.76	0.7%
Brent	69.74	0.6%
Gold	2,903.67	-0.5%
Copper	474.80	-0.4%
Sovereign bonds		
10-year Treasury	4.29	1pb

Source: Bloomberg

Equities

- **Sentiment is mostly negative on major stock markets, except Asia. Investors are concerned about disappointing results from some tech companies, tariffs that could trigger a trade war and rising global bond yields**

- **In this way, futures in the US are trading below their theoretical value, falling on average 1.0%. Marvell Technology falls 15% after missing estimates. Also, other chipmakers were affected after Alibaba introduced its cheaper rival to DeepSeek. The Eurostoxx falls 0.1%, and Asia closed positively, highlighted by the rises of the Nikkei by 0.8% and the Hang Seng by 3.3%**

- **In Mexico, Asur passenger traffic in February fell 2.6% y/y, affected by the decrease in Mexico (7.5% y/y) and partially offset by Puerto Rico (+8.6%) and Colombia (+3.3%)**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. Ten-year rates in Europe rise by 6bps on average. Meanwhile, the US Treasury curve steepens, resulting from gains of 2bps at the short-end and losses of 3bps at the long-end. Yesterday, the Mbonos averaged gains of 9bps**

- **USD negative against most of the G10, with SEK (+0.9%) being the strongest. In EM, the bias is negative, with CLP (+0.2%) and HUF (-0.5%) at the extremes. The MXN appreciates 0.1% to 20.39 per dollar**

- **Crude-oil futures rise 0.8%, after recording sharp declines that led prices to trade at 3-year lows, with the market weighing the tariffs imposed by Trump on the main US trading partners. Industrial metals rise, but precious metals fall**

Corporate Debt

- **HR Ratings affirmed the 'HR AA+' rating for Organización de Proyectos de Infraestructura's issue, OPI 15U, with Stable outlook. The rating takes into account the modifications made in 2024 to its debt structure, such as the modification in the OPI credit amortization schedule**

- **S&P Global Ratings confirmed the 'mxAAA' rating to the upcoming issue of GM Financial de México, GMFIN 25, and its outstanding issue GMFIN 24-2. The ratings are based on the agency's EBITDA margins expectations between 9% and 10% until 2026**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,006.59	1.1%
S&P 500	5,842.63	1.1%
Nasdaq	18,552.73	1.5%
IPC	52,709.40	0.6%
Ibovespa	123,046.85	0.2%
Euro Stoxx 50	5,489.12	1.9%
FTSE 100	8,755.84	0.0%
CAC 40	8,173.75	1.6%
DAX	23,081.03	3.4%
Nikkei 225	37,418.24	0.2%
Hang Seng	23,594.21	2.8%
Shanghai Composite	3,341.97	0.5%
Sovereign bonds		
2-year Treasuries	4.00	1pb
10-year Treasuries	4.28	3pb
28-day Cetes	9.25	4pb
28-day TIIE	9.77	1pb
2-year Mbono	8.83	-11pb
10-year Mbono	9.48	-13pb
Currencies		
USD/MXN	20.41	-0.9%
EUR/USD	1.08	1.5%
GBP/USD	1.29	0.8%
DXY	104.28	-1.4%
Commodities		
WTI	66.31	-2.9%
Brent	69.30	-2.4%
Mexican mix	62.90	-2.3%
Gold	2,919.39	0.1%
Copper	479.40	5.2%

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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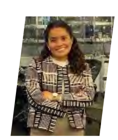

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