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 and government bond yields lower, with losses on the USD. Investor fears on the rise about the potential economic impact of the policies pursued by Trump after an interview yesterday and warnings from some financial institutions about the possible effect to the stock market**

- **Germany's industrial production in January surprised to the upside at 2.0% m/m. Nevertheless, the annual rate fell 1.2%. Meanwhile, the trade balance in the same month showed a 16 billion surplus**

- **Today's agenda includes the New York Fed's survey of inflation expectations for February, along with wage negotiations (Feb) in Mexico. At night, Japan will release its final print of 4Q24 GDP**

- **Market attention this week will be on February's consumer prices in the US. We estimate 0.3% m/m, in line with consensus. As a result, the annual print would stand at 2.9% from 3.0% in the previous month. The core would reach 3.2% from 3.3%**

- **In monetary policy, decisions in Canada, Poland, and Peru. No speeches from Fed members due to the silence period. Nevertheless, several comments from ECB members, including Lagarde, which will be made in a conference of the institution on March 12**

- **The rest of the US agenda includes JOLTS job openings (Jan), producer prices (Feb), and U. of Michigan confidence (Mar). In addition, global US tariffs to steel and aluminum imports could kick in on March 12th**

- **In Mexico, February's consumer confidence reached 46.3pts, which was below the previous month at 46.6pts. We will get to know industrial production (Jan)**

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Germany					
3:00	Industrial production* - Jan	% m/m	--	1.5	-2.4
3:00	Trade balance - Jan	EURbn	--	19.9	20.7
Mexico					
8:00	Consumer confidence* - Feb	index	46.3	--	46.7
	Wage negotiations - Feb	% y/y	--	--	8.0
United States					
11:00	New York Fed 1-yr inflation expectations - Feb	%	--	--	3.00
Japan					
19:50	Gross domestic product* - 4Q24 (F)	% q/q	--	0.7	0.7

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,691.00	-1.5%
Euro Stoxx 50	5,405.61	-1.1%
Nikkei 225	37,028.27	0.4%
Shanghai Composite	3,366.16	-0.2%
Currencies		
USD/MXN	20.22	-0.2%
EUR/USD	1.09	0.2%
DXY	103.72	-0.1%
Commodities		
WTI	67.52	0.7%
Brent	70.81	0.6%
Gold	2,904.97	-0.1%
Copper	466.25	-0.4%
Sovereign bonds		
10-year Treasury	4.22	-8pb

Source: Bloomberg

Equities

- **Negative bias in stock markets as concerns grow over the potential consequences of US trade policies on corporate earnings**

- **US futures point to a negative open, extending last week's losses, with the S&P500 falling 1.5% and the Nasdaq down 1.7%. Mega-cap stocks stand out as they exert the most strain on the benchmark: Tesla (-3.0%), Nvdia (-2.5%) and Amazon (-1.7%). The Eurostoxx drop 1.1%, pressured by the Technology and Industrial sectors. Asia closed mixed, highlighting the Nikkei (0.4%) and the Hang Seng (-1.9%)**

- **In corporate matters, on Friday the preliminary result of the six-month reconstitution for the MSE and S&P Dow Jones Indices was announced, in which there were no changes**

Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. European ten-year rates down 3bps on average. Amid concerns about a possible slowdown in US growth and risk aversion, the US Treasury curve gains between 4bps to 8bps, with a stronger performance at the belly**

- **USD loses against most of the G10, with NOK (+1.2%) and CAD (-0.2%) at the extremes. In EM, the bias is negative, with the worst performance in Asia. The MXN trades as the second strongest of the group, appreciating 0.2% to 20.22 per dollar**

- **Crude-oil futures stronger despite weak economic data from China. In metals, the bias is negative, with industrial metals down and precious metals showing little changes**

Corporate Debt

- **Fitch placed the 'AAA(mex)vra' rating of Desarrollo y Operación de Infraestructura Hospitalaria de Ixtapaluca's issue, DOIHICB 13, on Negative Watch. The rating action reflects the agency's perceived deterioration in the support provided by the Federal Government due to the unclear allocation of resources to the services provision contract payments in the 2025 Federal Budget**

- **Fitch Ratings affirmed Molibdenos y Metales' (Molymet) global scale ratings at 'BBB-' and its local scale ratings at 'AAA(mex)' with Stable outlook, reflecting its global leadership position in the molybdenum and rhenium markets**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,801.72	0.5%
S&P 500	5,770.20	0.6%
Nasdaq	18,196.22	0.7%
IPC	52,839.63	0.0%
Ibovespa	125,034.63	1.4%
Euro Stoxx 50	5,468.41	-0.9%
FTSE 100	8,679.88	0.0%
CAC 40	8,120.80	-0.9%
DAX	23,008.94	-1.8%
Nikkei 225	36,887.17	-2.2%
Hang Seng	24,231.30	-0.6%
Shanghai Composite	3,372.55	-0.3%
Sovereign bonds		
2-year Treasuries	4.00	4pb
10-year Treasuries	4.30	2pb
28-day Cetes	9.26	2pb
28-day TIIE	9.72	-5pb
2-year Mbono	8.90	3pb
10-year Mbono	9.51	0pb
Currencies		
USD/MXN	20.25	-0.2%
EUR/USD	1.08	0.4%
GBP/USD	1.29	0.3%
DXY	103.84	-0.2%
Commodities		
WTI	67.04	1.0%
Brent	70.36	1.3%
Mexican mix	63.66	1.3%
Gold	2,909.10	-0.1%
Copper	471.00	-2.0%

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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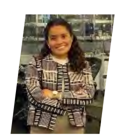

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