Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

March 12, 2025

Main drivers for the financial markets today…

- **Stock markets positive, with the USD strengthening, and government bond yields higher with investors taking a pause after yesterday's sell-off. Also, comments from President Trump that he doesn't see a US economic recession, as well as Ukraine's decision to accept a truce aided the positive sentiment**

- **The 25% tariffs imposed by President Donald Trump on steel and aluminum imports went into effect on Wednesday, prompting an immediate retaliation from the European Union. Specifically, the EU announced that it plans to impose duties on US products worth US$28.3 billion**

- **On the economic agenda, in the US, February consumer prices came in at 0.2% m/m, with the core at 0.2%. In this regard, annual metrics for both the headline and core indexes adjusted downward to 2.8% and 3.1%, respectively. Meanwhile, in Brazil, inflation in the same month accelerated to 1.3% m/m, boosting the annual comparison to 5.1%**

- **On the monetary front, we await the decision from the Bank of Canada, where the market anticipates -25bps to 2.75%, with a dovish tone prevailing. Meanwhile, BOJ Governor Kazuo Ueda noted that he is not overly concerned that the country's government bond yields have reached their highest level since 2008**

- **In other news, the US government reached an agreement with Ukraine for a 30-day ceasefire in the conflict with Russia after a series of meetings between officials from both countries in Saudi Arabia. With this, Trump will press Russia, starting today, to join the agreement. However, Putin could put his own conditions on the table, which would not necessarily be accepted by Ukraine and its European allies**

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
8:00	Consumer prices - Feb	% m/m	--	1.31	0.16
8:00	Consumer prices - Feb	% y/y	--	5.06	4.56
United States					
8:30	Consumer prices* - Feb	% m/m	0.3	0.3	0.5
8:30	Ex. food & energy* - Feb	% m/m	0.3	0.3	0.4
8:30	Consumer prices - Feb	% y/y	2.9	2.9	3.0
8:30	Ex. food & energy - Feb	% y/y	3.2	3.2	3.3
Canada					
9:45	Monetary policy decision (BoC)	%	--	2.75	3.00

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	5,640.25	1.1%
Euro Stoxx 50	5,397.73	1.7%
Nikkei 225	36,819.09	0.1%
Shanghai Composite	3,371.92	-0.2%
Currencies		
USD/MXN	20.23	-0.2%
EUR/USD	1.09	-0.2%
DXY	103.64	0.2%
Commodities		
WTI	67.15	1.4%
Brent	70.44	1.3%
Gold	2,918.93	0.1%
Copper	484.25	2.2%
Sovereign bonds		
10-year Treasury	4.31	3pb

Source: Bloomberg

Equities

- **Slight recovery in the main stock indexes. Investors make some opportunity purchases after the significant falls registered in the previous sessions, while positive sentiment strengthens after the inflation data in the US**

- **In this sense, US futures anticipate an upward opening, with the S&P 500 up 1.1% and the Nasdaq up 1.4%. In Europe, markets advance after four consecutive days of losses, driven by the industrial and financial sectors. Meanwhile, in Asia we see mixed closes, with the Japanese stock markets showing moderate gains**

- **In corporate news, Intel shares are up 8.0% pre-market following a report revealing the possible creation of a joint venture with TSMC, Nvidia, AMD and Broadcom to operate their chip factories**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds. Ten-year rates in Europe rise by 2bps on average. Bunds are at their highest level since October 2023 at 2.93% (+4bps). Meanwhile, the US Treasury curve prints losses between 2bps and 3bps**

- **USD with gains against most of the G10, with SEK (-0.7%) and JPY (-0.6%) as the weakest. In EM, the bias is negative, with LatAm separating from the group, posting slight gains. The MXN appreciates 0.2% to 20.23 per dollar, extending the previous day's gains (+0.5%)**

- **Crude-oil futures appreciate by just over 1%, due to a reduction in the global supply forecast, according to IEA data. In metals, the bias is positive, with copper and gold gaining 1.3% and 0.2%, respectively**

Corporate Debt

- **KUO announced that it renewed its US$300 million committed revolving credit facility, extending its maturity to 2030**

- **Fitch Ratings affirmed KUO's international (IDR) ratings at 'BB' and national scale ratings at 'A(mex)' and revised the outlook to Positive from Stable, reflecting Fitch's expectation that KUO will maintain a strong financial position following the prepayment of US$210 million of debt**

- **Fitch Ratings assigned a 'AAA(mex)' rating to Ferrocarril Mexicano's proposed issues, FERROMX 25 / 25-2. The ratings consider the company's solid position in the Mexican railroad industry, revenue diversification, and strong liquidity position**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	41,433.48	-1.1%
S&P 500	5,572.07	-0.8%
Nasdaq	17,436.10	-0.2%
IPC	51,510.68	-0.4%
Ibovespa	123,507.35	-0.8%
Euro Stoxx 50	5,309.90	-1.4%
FTSE 100	8,495.99	-1.2%
CAC 40	7,941.91	-1.3%
DAX	22,328.77	-1.3%
Nikkei 225	36,793.11	-0.6%
Hang Seng	23,782.14	0.0%
Shanghai Composite	3,379.83	0.4%
Sovereign bonds		
2-year Treasuries	3.94	6pb
10-year Treasuries	4.28	7pb
28-day Cetes	9.14	-12pb
28-day TIIE	9.74	2pb
2-year Mbono	8.80	-7pb
10-year Mbono	9.60	6pb
Currencies		
USD/MXN	20.27	-0.5%
EUR/USD	1.09	0.8%
GBP/USD	1.30	0.6%
DXY	103.42	-0.5%
Commodities		
WTI	66.25	0.3%
Brent	69.56	0.4%
Mexican mix	62.93	0.2%
Gold	2,915.90	0.9%
Copper	476.60	2.1%

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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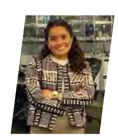

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