BANORTE

Economic and Financial Markets Research

Economic Research and Market Strategy

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Main drivers for the financial markets today...

- **Stock markets positive, government bond yields up and USD down, as the threat of a US government shutdown receded, while expectations that China will unveil measures next Monday to boost consumer demand have grown. Still, uncertainty around the potential economic impacts of a trade war keep rising as trade tensions between US and the European Union escalate**

- **Democrats have expressed willingness to support a GOP funding bill, ending the threat of a partial government shutdown. After intense negotiations within the party, Senate Minority Leader Chuck Schumer (Democrat), said he will vote for the Republican initiative to fund the government for the remainder of the year**

- **ECB's Lagarde said the European Commission has no choice but to respond to Trump's tariffs on aluminum and steel, but she hopes the parties will come to the table to negotiate**

- **Mark Carney will be sworn in as Canada's prime minister today. Carney is former governor of the Bank of Canada and the Bank of England and has indicated he will take a tough stance on Trump's tariffs**

- **Regarding economic figures, the University of Michigan's preliminary March consumer sentiment will be released. We expect a deterioration amid uncertainty surrounding Trump's economic policy**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Germany and UK					
2:00	GER Consumer prices - Feb (F)	% y/y	--	2.3	2.3
2:00	UK Industrial production* - Jan	% m/m	--	-0.1	0.5
Brazil					
8:00	Retail sales - Jan	% y/y	--	2.2	2.0
8:00	Retail sales* - Jan	% m/m	--	-0.2	-0.1
United States					
10:00	U. of Michigan Confidence* - Mar (P)	index	64.0	63.1	64.7

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	5,575.00	0.9%
Euro Stoxx 50	5,397.01	1.3%
Nikkei 225	37,053.10	0.7%
Shanghai Composite	3,419.56	1.8%
Currencies		
USD/MXN	20.03	-0.3%
EUR/USD	1.09	0.4%
DXY	103.66	-0.2%
Commodities		
WTI	67.21	1.0%
Brent	70.56	1.0%
Gold	2,997.77	0.3%
Copper	488.60	-0.3%
Sovereign bonds		
10-year Treasury	4.29	3pb

Source: Bloomberg

Equities

- **We conclude the week with widespread gains in the main stock indices, reacting on dip-buying after recent declines**

- **Futures in the US anticipate a positive opening, with the S&P500 trading 0.9% above its theoretical value. This, after the losses of the last few weeks extended yesterday above 10% from the February high, being the technical threshold for a correction. In Europe, gains of more than 1% are observed, highlighting the sectors related to consumption. In Asia, the advance of the stock markets in China stands out, with the Hang Seng rising 2.1% and the Shanghai index 1.8% in anticipation of the announcement of measures to boost consumption**

- **In Mexico, the Mexbol Index may recover to 52,200pts, after yesterday's close at 51,877pts**

Sovereign fixed income, currencies and commodities

- **After a breakthrough by the German government in negotiations for an increase in debt to invest in defense and infrastructure, the sell-off of sovereign bonds in Europe was reactivated. Ten-year rates are up 5bps on average. Meanwhile, the US Treasuries curve prints a steepness, with losses of 2bps to 5bps**

- **USD with losses against most of the G10, with SEK (+0.7%) being the strongest. In EM, the bias is also positive, with ZAR (+0.9%) leading the gains. The MXN appreciates by 0.6% to 19.97 per dollar, its best level since November 2024**

- **Crude-oil futures rise by 0.8% after the U.S. tightens sanctions against Iran and Russia, offsetting a decline due to a low demand forecast, according to IEA figures. Positive bias in metals, with gold trading at historical highs**

Corporate Debt

- **Fitch Ratings affirmed TRATON Financial Services Mexico's long- and short-term ratings at ‘AAA(mex)’ with Stable outlook and ‘F1+(mex)’, respectively. The ratings are based on Fitch's assessment of the holding company, TRATON SE's, ability and propensity to support them if necessary**

- **Fitch Ratings assigned an ‘AAA(mex)’ rating to Molibdenos y Metales’ proposed issue, MOLYMET 25. Molymet’s rating reflects its global leadership position in the molybdenum and rhenium markets, together with its moderate capital structure**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	40,813.57	-1.3%
S&P 500	5,521.52	-1.4%
Nasdaq	17,303.01	-2.0%
IPC	51,877.12	-0.3%
Ibovespa	125,637.11	1.4%
Euro Stoxx 50	5,328.39	-0.6%
FTSE 100	8,542.56	0.0%
CAC 40	7,938.21	-0.6%
DAX	22,567.14	-0.5%
Nikkei 225	36,790.03	-0.1%
Hang Seng	23,462.65	-0.6%
Shanghai Composite	3,358.73	-0.4%
Sovereign bonds		
2-year Treasuries	3.96	-3pb
10-year Treasuries	4.27	-4pb
28-day Cetes	9.20	3pb
28-day TIIE	9.77	2pb
2-year Mbono	8.76	-4pb
10-year Mbono	9.51	-9pb
Currencies		
USD/MXN	20.09	-0.5%
EUR/USD	1.09	-0.3%
GBP/USD	1.30	-0.1%
DXY	103.83	0.2%
Commodities		
WTI	66.55	-1.7%
Brent	69.88	-1.5%
Mexican mix	63.31	-1.4%
Gold	2,989.18	1.9%
Copper	492.55	1.6%

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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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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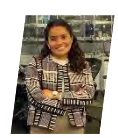

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