Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

March 25, 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...

- **Stocks markets higher, government bond yields positive, and the USD lower, with investors incorporating President Trump's latest tariff threats and comments from Fed members about the likelihood of fewer rate cuts than currently priced**

- **In the US, Defense Secretary Pete Hegseth said that "...nobody was texting war plans..." This after the release of private texts that, according to The Atlantic, were between him, Vice President J.D. Vance and other Cabinet members**

- **In China, some cities are opting to relax their policies to boost the real estate market, including making housing provision funds more accessible**

- **On the economic agenda, the US will release February's new home sales and March's consumer confidence. In Mexico, INEGI published January's retail sales, up 0.6% m/m (2.7% y/y). Inside, 6 of the 9 sectors improved. Meanwhile, in Germany, the IFO survey for March surprised to the upside, reaching levels not seen since June 2024, driven by expectations of increased government spending**

- **In other news, Ukraine unconditionally supports the idea of a full ceasefire with Russia, according to comments from Ukraine's ambassador to the US, Oksana Markarova. Lastly, Canada joined other countries in updating its travel warnings in response to the US government's crackdown on immigration**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Germany					
5:00	IFO Survey (business climate)* - Mar	index	--	86.7	85.2
Brazil					
7:00	COPOM minutes				
Mexico					
8:00	Retail sales - Jan	% y/y	-0.3	1.0	-0.2
8:00	Retail sales* - Jan	% m/m	-0.3	0.0	0.1
11:00	International reserves - Mar 21	US$bn	--	--	236.6
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 20-year Mbono (Nov'42), 30-year Udibono (Oct'54) and 1- and 3-year Bondes F				
United States					
9:00	S&P/CoreLogic housing prices - Jan	% y/y	--	4.7	4.5
10:00	New home sales** - Feb	millions	--	680	657
10:00	Consumer confidence* - Mar	index	95.5	93.9	98.3

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	5,829.75	0.2%
Euro Stoxx 50	5,485.27	1.3%
Nikkei 225	37,780.54	0.5%
Shanghai Composite	3,369.98	0.0%
Currencies		
USD/MXN	20.01	-0.1%
EUR/USD	1.08	0.2%
DXY	104.04	-0.2%
Commodities		
WTI	69.61	0.7%
Brent	73.51	0.7%
Gold	3,018.02	0.2%
Copper	512.35	1.2%
Sovereign bonds		
10-year Treasury	4.35	2pb

Source: Bloomberg

Equities

- **Positive bias in the major indices, reflecting some dip buying. However, cautious sentiment continues among investors as they assess the possibility of higher tariffs from the US**

- **In the US, futures anticipate a slightly positive opening. In Europe, gains prevailed and the Eurostoxx rose 1.3%, supported by the energy and healthcare sectors. Although Asia closed mixed, the Hang Seng declined 2.4%, reflecting the fall of technology companies due to the lack of positive earnings surprises**

- **In corporate news, Fibra Monterrey (FMTY) announced the signing of a binding agreement to acquire an industrial property in Guanajuato, representing a Gross Leasable Area (GLA) of ~82,250 m². On the other hand, it was reported that Tesla sales continued to fall during the month of February in Europe**

Sovereign fixed income, currencies and commodities

- **The Treasuries' curve marks a steepness bias in the face of adjustments of only +1bp at the-short end and losses at the long-end of 3bp. In Europe, 10-year rates also increase by around 5bps. Yesterday, Mbonos' curve lost 3bps on average**

- **The dollar retreated against all developed currencies, with SEK (+1.0%) being the strongest. In EM, the bias is positive, with CLP (+0.7%) leading the gains. MXN appreciates 0.1% to 20.01 per dollar, extending yesterday's gains (+1.0%)**

- **Crude-oil extends its recovery following President Trump's threat to punish any nation that buys crude from Venezuela with additional tariffs. In metals, the bias is positive and gold (+0.3%) remains trading above $3,000 per troy ounce**

Corporate Debt

- **Today, the auction of a bond by Grupo Elektra will take place, ELEKTRA 25, for a target amount of MXN2.1 billion and with 1.3-year term. The bond is rated at 'HR AA' by HR Ratings, 'AA-.mx' by Moody´s Local and 'AA/M' by PCR Verum**

- **Fibra MTY announced an agreement with AC2 Fund and Frontier Industrial & Logistics to acquire an industrial property for a total amount of US$105 million. The property is an industrial warehouse located in León, Guanajuato**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,583.32	1.4%
S&P 500	5,767.57	1.8%
Nasdaq	18,188.59	2.3%
IPC	52,674.84	0.0%
Ibovespa	131,321.44	-0.8%
Euro Stoxx 50	5,415.79	-0.1%
FTSE 100	8,638.01	-0.1%
CAC 40	8,022.33	-0.3%
DAX	22,852.66	-0.2%
Nikkei 225	37,608.49	-0.2%
Hang Seng	23,905.56	0.9%
Shanghai Composite	3,370.03	0.2%
Sovereign bonds		
2-year Treasuries	4.03	9pb
10-year Treasuries	4.33	9pb
28-day Cetes	9.13	0pb
28-day TIIE	9.77	0pb
2-year Mbono	8.72	8pb
10-year Mbono	9.52	3pb
Currencies		
USD/MXN	20.04	-1.0%
EUR/USD	1.08	-0.2%
GBP/USD	1.29	0.0%
DXY	104.26	0.2%
Commodities		
WTI	69.11	1.2%
Brent	73.00	1.2%
Mexican mix	66.25	1.2%
Gold	3,011.04	-0.4%
Copper	509.25	-0.4%

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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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

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