Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today…

- **Stock markets negative, USD down and government bond yields mixed, with markets pricing in President Trump's announcement yesterday where new 25% tariffs on auto imports will be imposed, as well as the threat of more levies in the short-term, mainly directed to the EU and Canada**

- **In the US, final 4Q24 GDP was released at 2.4% q/q annualized (consensus 2.3%). Likewise, the February goods trade balance was released, posting a larger-than-estimated deficit, largely due to a rise in gold imports. Also, companies appear to have brought forward their purchases before the tariffs go into effect, similar to what was seen in January. Finally, jobless claims for the week of March 22 were also released at 224k, very close to the consensus and the previous week. Comments from Fed's Barkin will follow later**

- **In Mexico, all eyes are on Banxico's monetary policy decision, where we expect a 50bps cut**

- **Regarding economic figures, INEGI released February's trade balance, posting a US$2,212.4 million surplus. Exports were unchanged at 0.0% m/m (-2.9% y/y), noting a decline in non-oil. Imports contracted 2.1% m/m (-8.3% y/y), with widespread losses**

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The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Monetary aggregates (M3)* - Feb	% y/y	--	3.8	3.6
Brazil					
7:00	Central Bank Quarterly Monetary Policy Report				
8:00	Consumer prices - Mar	% y/y	--	0.68	1.23
8:00	Consumer prices - Mar	% m/m	--	5.30	4.96
Mexico					
8:00	Trade balance - Feb	US$mn	-1,121.2	-527.5	-4,558.0
15:00	Monetary policy decision (Banxico)	%	9.00	9.00	9.50
United States					
8:30	Gross domestic product** - 4Q24 (F)	% q/q	2.5	2.3	2.3
8:30	Personal consumption** - 4Q24 (F)	% q/q	--	4.2	4.2
8:30	Trade balance* - Feb	US$bn	--	-135.0	-155.6
8:30	Initial jobless claims* - Mar 22	thousands	225	225	223
16:30	Fed's Barkin Gives Speech, Q&A				

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	5,759.50	0.0%
Euro Stoxx 50	5,379.79	-0.6%
Nikkei 225	37,799.97	-0.6%
Shanghai Composite	3,373.75	0.1%
Currencies		
USD/MXN	20.27	0.8%
EUR/USD	1.08	0.4%
DXY	104.26	-0.3%
Commodities		
WTI	69.59	-0.1%
Brent	73.72	-0.1%
Gold	3,050.14	1.0%
Copper	518.90	-0.5%
Sovereign bonds		
10-year Treasury	4.37	1pb

Source: Bloomberg

Equities

- **Mostly negative sentiment in major stock markets, with investors concerned about the impact on global economic growth in the face of harsh tariffs on automakers by the US and the threat of more trade levies. This calls into question the recent outperformance of European stocks versus their US peers**

- **As such, US futures trade with little change before the open. The Eurostoxx falls 0.6%, with automotive stocks such as Stellantis and Mercedes-Benz retreating ~3%. Finally, Asia closed mixed, with the Nikkei down 0.6% and the Hang Seng up 0.4%**

- **In Mexico, the IPC could fall towards 52,400pts, also impacted by international nervousness**

Sovereign fixed income, currencies and commodities

- **In Europe, 10-year rates register gains of 2bps on average, except for Gilts which are pressured +4bps, following the announcement of a lower-than-expected government borrowing plan. Meanwhile, the US Treasury curve prints steepening with a 1bp gain at the short-end and a 2bps loss at the long-end**

- **USD with losses against most of the G10, with GBP (+0.4%) being the strongest. In EM, the bias is positive, with better performance in emerging Europe. The MXN is trading as the weakest of the group, depreciating 0.8% to 20.27 per dollar**

- **Crude-oil futures are trading with slight losses, despite the biggest drop of the year in US inventories. Metal performance is mixed, with industrial metals down, but precious metals up, with gold trading near historic highs**

Corporate Debt

- **Desarrollos Hidráulicos de Cancún announced that it will prepay a portion of its DHIC 22B issue on April 4, 2025, with a prepayment price of MXN 50.0 million**

- **HR Ratings affirmed the 'HR AAA' rating to Concesionaria Autopista Monterrey Saltillo's issues, CAMSCB 13U / 19U / 24U. The affirmation is based on the agency's expectations of the payment source, in addition to an estimated debt service coverage ratio of 1.50x until December 2037**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,454.79	-0.3%
S&P 500	5,712.20	-1.1%
Nasdaq	17,899.02	-2.0%
IPC	52,806.89	-0.7%
Ibovespa	132,519.63	0.3%
Euro Stoxx 50	5,411.69	-1.2%
FTSE 100	8,689.59	0.3%
CAC 40	8,030.68	-1.0%
DAX	22,839.03	-1.2%
Nikkei 225	38,027.29	0.7%
Hang Seng	23,483.32	0.6%
Shanghai Composite	3,368.70	0.0%
Sovereign bonds		
2-year Treasuries	4.02	0pb
10-year Treasuries	4.35	4pb
28-day Cetes	9.04	2pb
28-day TIIE	9.77	0pb
2-year Mbono	8.73	4pb
10-year Mbono	9.49	1pb
Currencies		
USD/MXN	20.11	0.3%
EUR/USD	1.08	-0.3%
GBP/USD	1.29	-0.4%
DXY	104.55	0.3%
Commodities		
WTI	69.65	0.9%
Brent	73.79	1.1%
Mexican mix	66.80	0.6%
Gold	3,019.38	0.0%
Copper	524.30	0.6%

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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	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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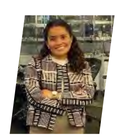

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