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 negative, USD and government bond yields down with focus on President Trump's announcement after market close where his reciprocal tariffs plan will be revealed with immediate effect. There is still uncertainty over the details of the plan**

- **In the US, the March private sector employment ADP report was released, posting a creation of 155k jobs, above the consensus estimate of 120k. The goods-producing sector generated 24k while services added 132k. Factory orders for February will be released later. In China, the PMI indicators will be published**

- **On the monetary policy front, there will be comments from Kugler of the Federal Reserve**

- **In Mexico, the Ministry of Finance (SHCP) published the 2026 Preliminary Economic Policy Criteria, highlighting the publication of macroeconomic and fiscal estimates for that year, as well as updates for current-year figures. GDP estimates were revised downward, highlighting a range of 1.5% to 2.3% for 2025, and between 1.5% and 2.5% for 2026. For next year, they expect the fiscal deficit between -3.2% and -3.5% of GDP**


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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
8:00	Industrial production - Feb	% y/y	--	2.2	1.4
8:00	Industrial production* - Feb	% m/m	--	0.4	0.0
United States					
8:15	ADP employment* - Mar	thousands	100	120	77
10:00	Factory orders* - Feb	% m/m	--	0.5	1.7
10:00	Ex transportation* - Feb	% m/m	--	0.4	0.2
10:00	Durable goods orders* - Feb (F)	% m/m	--	0.9	0.9
10:00	Ex transportation* - Feb (F)	% m/m	--	0.7	0.7
16:30	Fed's Kugler Speaks on Inflation Expectations				
China					
21:45	Services PMI (Caixin)* - Mar	index	--	51.5	51.4
21:45	Composite PMI (Caixin)* - Mar	index	--	--	51.5

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	5,620.50	-1.0%
Euro Stoxx 50	5,260.04	-1.1%
Nikkei 225	35,725.87	0.3%
Shanghai Composite	3,350.13	0.1%
Currencies		
USD/MXN	20.37	0.1%
EUR/USD	1.08	0.1%
DXY	104.03	-0.2%
Commodities		
WTI	70.78	-0.6%
Brent	74.00	-0.7%
Gold	3,123.90	0.3%
Copper	506.30	0.6%
Sovereign bonds		
10-year Treasury	4.13	-4pb

Source: Bloomberg

Equities

- **Negative equity markets as investors take a pre-emptive stance ahead of the imminent announcement of new tariffs in the US**

- **US futures point to a negative open, with the S&P 500 trading 1.0% below its theoretical value and the Nasdaq down 1.2%. In Europe, major indexes are also declining, with the Eurostoxx falling 1.1%. The healthcare and industrial sectors are among the hardest hit. Notably, Mercedes-Benz shares are down following reports that the company could withdraw its most affordable models from the US market if the new tariffs make their sale unfeasible**

- **In Mexico, AC trades ex-coupon today, with a dividend of $4.12 per share (yield of ~1.9%); ALFA, with $0.31 per share (~1.9%); and KIMBER, with $0.51 per share (~1.5%)**

Sovereign fixed income, currencies and commodities

- **Profits in sovereign bonds as global trade tensions rise. In Europe, 10-year rates are down 2bps on average. Meanwhile, the US Treasury curve prints gains between 1bp and 4bps, with a better performance at the belly. Yesterday, Mbonos had an adjustment of -8bps**

- **USD declines in the indices, as a result of losses against most of the G10 currencies, with NZD (+0.7%) leading. In emerging markets, the bias is mixed. The MXN depreciates by 0.1% to 20.37 per dollar**

- **Crude-oil futures fell 0.6% amid the start of the OPEC+ process to reactivate suspended production and awaiting Trump's tariff announcement. Performance in metals is mixed, with industrial down but precious up, with gold trading at historic highs**

Corporate Debt

- **Cemex informed that it issued a notice of total redemption for the whole US$1.0 billion principal amount of its 9.125% Subordinated Notes. The redemption date will be April 10, 2025, and the price will be 101% of the principal amount of the Notes. Cemex expects to cover the payment with available cash and a drawdown of a revolving credit facility**

- **Fibra Storage reported that it completed the acquisition of a property in Mexico City called 'Hamburgo' for MXN 181.5 million. The company also reported that it started operations at its new branch called 'Anáhuac' in Mexico City**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	41,989.96	0.0%
S&P 500	5,633.07	0.4%
Nasdaq	17,449.89	0.9%
IPC	53,337.90	1.6%
Ibovespa	131,147.29	0.7%
Euro Stoxx 50	5,320.30	1.4%
FTSE 100	8,634.80	0.6%
CAC 40	7,876.36	1.1%
DAX	22,539.98	1.7%
Nikkei 225	35,624.48	0.0%
Hang Seng	23,206.84	0.4%
Shanghai Composite	3,348.44	0.4%
Sovereign bonds		
2-year Treasuries	3.88	0pb
10-year Treasuries	4.17	-4pb
28-day Cetes	8.88	-14pb
28-day TIIE	9.32	5pb
2-year Mbono	8.48	-8pb
10-year Mbono	9.30	-6pb
Currencies		
USD/MXN	20.36	-0.6%
EUR/USD	1.08	-0.2%
GBP/USD	1.29	0.0%
DXY	104.26	0.0%
Commodities		
WTI	71.20	-0.4%
Brent	74.49	-0.3%
Mexican mix	68.15	2.1%
Gold	3,113.38	-0.3%
Copper	503.50	0.0%

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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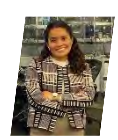

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