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, USD and government bond yields down with investors seeking safer assets in the face of fears on economic growth following President Trump's decision to impose a tariff on all their trading partners**

- **The US will impose a 10% tariff on all countries, effective April 5. It will also impose a higher individualized reciprocal tariff on countries with which the US has the largest trade deficits, effective April 9. Mexico and Canada will not be subject to reciprocal tariffs. Separately, tariffs on automobiles and auto parts go into effect today**

- **Regarding economic figures, the US trade balance for February was released at US$122.7 billion. Jobless claims were also reported at 219k, down from 225k the previous week. Later, the ISM services index will be released**

- **On the monetary policy front, Lisa Cook of the Federal Reserve will speak about the economic outlook. Meanwhile, the minutes of the last ECB meeting explained that both a rate cut and a pause are on the table for April's meeting**

- **In Mexico, INEGI published investment for January at -1.5% m/m (previous: -2.8%), which implies -6.7% y/y. Construction fell 1.4% m/m, with machinery and equipment at -1.8%. INEGI also announced private consumption for the first month of 2025. It came in at -0.3% m/m (previous: -1.2%), dragged by the domestic component (-0.3%). In the annual comparison the result was -1.3%**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
7:30	ECB publishes account of March 5-6 policy meeting				
Mexico					
8:00	Gross fixed investment - Jan	% y/y	-6.3	-5.7	-4.0
8:00	Gross fixed investment* - Jan	% m/m	-1.7	-1.0	-2.6
8:00	Private consumption - Jan	% y/y	-0.7	-0.4	-0.7
8:00	Private consumption* - Jan	% m/m	0.0	--	-1.1
United States					
8:30	Trade balance* - Feb	US$bn	--	-123.5	-131.4
8:30	Initial jobless claims* - Mar 29	thousands	224	225	224
9:45	Services PMI* - Mar (F)	index	--	54.2	54.3
9:45	Composite PMI* - Mar (F)	index	--	53.4	53.5
10:00	ISM services* - Mar	index	--	53.0	53.5
12:30	Fed's Jefferson Gives Keynote on Communication				
14:30	Fed's Cook Speaks on Economic Outlook				

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	5,511.25	-3.5%
Euro Stoxx 50	5,158.81	-2.7%
Nikkei 225	34,735.93	-2.8%
Shanghai Composite	3,342.01	-0.2%
Currencies		
USD/MXN	19.99	-1.0%
EUR/USD	1.11	2.3%
DXY	101.70	-2.0%
Commodities		
WTI	66.82	-6.8%
Brent	70.20	-6.3%
Gold	3,072.50	-2.0%
Copper	487.45	-3.3%
Sovereign bonds		
10-year Treasury	4.03	-10pb

Source: Bloomberg

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Equities

- **Strong risk aversion sentiment in the main stock markets and appetite for safe haven assets in light of the tariffs announcement, while fears of recession and higher inflation increase**

- **In this context, US futures trade below their theoretical value, falling an average of 3.2%. Companies linked to world trade are among the most affected, with clothing and footwear manufacturers such as Nike, Lululemon Athletica and Deckers falling ~12%; as well as large technology companies such as Apple, Amazon, Nvidia and Tesla, all falling more than 5%**

- **In Europe, the Eurostoxx fell 2.7%, also affecting consumer goods companies such as Adidas and Puma, which fell ~10%. Finally, in Asia, the Nikkei closed negative, dropping 2.8% and the Hang Seng 1.5%**

Sovereign fixed income, currencies and commodities

- **Broad gains in sovereign bonds. In Europe, 10-year rates decline by 6bps on average. Meanwhile, the Treasuries curve marks an appreciation of up to 11bps in belly. Yesterday, the Mbonos curve averaged gains of 4bps. The 10-year benchmark closed at 9.21% (-6bps)**

- **The dollar weakens against all developed currencies with SEK (+1.0%) as the strongest. In emerging markets, the bias is mixed, limited by HUF (+1.0%) and ZAR (-2.2%). Meanwhile, the MXN is the third strongest by trading close to the psychological level of 20.00 per dollar with an appreciation of 1.0%, stringing together three positive days**

- **Crude-oil prices fall significantly by just over 6% after OPEC+ agreed to make a larger-than-expected supply increase in May. Widespread losses in metals and grains, with gold retreating 2.1% after hitting record highs yesterday**

Corporate Debt

- **Banco Actinver (Trustee) informed that the voluntary prepayment of the INVTACB 23 issue will take place today following the second issue of certificates. The payment amount will be composed by the principal amount of MXN 300 million, as well as a prepayment premium of MXN 0.69 million**

- **Fitch Ratings affirmed Fibra Mty's national scale rating at 'AA+(mex)' and its international rating at 'BBB-' with Stable outlook. The ratings are based on its good asset quality, significant geographic presence in the industrial sector, and stable rental revenue**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,225.32	0.6%
S&P 500	5,670.97	0.7%
Nasdaq	17,601.05	0.9%
IPC	53,800.93	0.9%
Ibovespa	131,190.34	0.0%
Euro Stoxx 50	5,303.95	-0.3%
FTSE 100	8,608.48	-0.3%
CAC 40	7,858.83	-0.2%
DAX	22,390.84	-0.7%
Nikkei 225	35,725.87	0.3%
Hang Seng	23,202.53	0.0%
Shanghai Composite	3,350.13	0.1%
Sovereign bonds		
2-year Treasuries	3.86	-2pb
10-year Treasuries	4.13	-4pb
28-day Cetes	9.02	14pb
28-day TIIE	9.32	0pb
2-year Mbono	8.47	-2pb
10-year Mbono	9.23	-7pb
Currencies		
USD/MXN	20.19	-0.8%
EUR/USD	1.09	0.6%
GBP/USD	1.30	0.7%
DXY	103.81	-0.4%
Commodities		
WTI	71.71	0.7%
Brent	74.95	0.6%
Mexican mix	68.59	0.6%
Gold	3,134.17	0.7%
Copper	504.05	0.1%

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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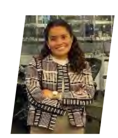

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