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Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

April 8, 2025

Main drivers for the financial markets today...

- **Stock markets up, government bond yields positive, and the USD lower. Calm returns to the markets after one of the biggest selloffs in years yesterday, amid signs that President Trump may be willing to relax certain points of his trade stance**

- **Treasury Secretary Scott Bessent said that 'all measures are on the table' in tariff discussions, although agreements will probably not be reached before they take effect on April 9th. He added that Japan will have the priority as they were the first to contact the country. In addition, the official noted that China's decision to put countervailing measures in place was 'a big mistake'. China vowed to fight the trade war 'to the end', announcing several measures to support its markets. These included a relaxation in yuan controls by the PBOC –allowing further depreciation of the currency–**

- **Separately, President Trump rejected a proposal by the European Union to eliminate all tariffs on bilateral trade in industrial goods with the US, arguing that the proposal is not enough to 'reset' the relationship, in addition to criticizing other barriers that would remain in place**

- **The meeting of finance ministers and central bankers from the Association of Southeast Asian Nations (ASEAN) countries begins today in Malaysia, where the focus will be on their response to the imposition of tariffs by the US**

- **On the monetary front, Austan Goolsbee (Chicago) noted that tariffs could reignite inflation and disruptions to supply chains. Today we will be watching for comments from Mary Daly (San Francisco), as well as a decision in India, where the central bank is expected to cut its reference rate by 25bps to 6.00%**

- **In other news, according to an NBC report, the Trump administration is considering launching drone strikes on cartels in Mexico. They note that discussions are in the early stages, and it is unclear whether they have consulted with the Mexican government on this**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
11:00	International reserves - Apr 4	US$bn	--	--	237.0
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 3-year Mbono (Mar'28), 20-year Udibono (Nov'43) 1-, 3- and 7-year Bondes F				
United States					
14:00	Fed's Daly Speaks in Discussion on Economic Outlook				

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.


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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,230.75	2.6%
Euro Stoxx 50	4,760.17	2.2%
Nikkei 225	33,012.58	6.0%
Shanghai Composite	3,145.55	1.6%
Currencies		
USD/MXN	20.56	-0.7%
EUR/USD	1.10	0.5%
DXY	103.03	-0.2%
Commodities		
WTI	61.19	0.8%
Brent	64.66	0.7%
Gold	3,009.11	0.9%
Copper	425.90	1.7%
Sovereign bonds		
10-year Treasury	4.23	5pb

Source: Bloomberg

Equities

- **Stock markets take a breather after the sharp declines in previous days and generalized rises are observed. In that sense, investors are weighing the possibility of countries' trade negotiations with the US. The VIX index drops to 39.8pts after reached levels not seen since 20220 of ~47.0pts yesterday**

- **In the US, futures anticipate a positive opening and the Dow rises 3.2% above its notional value. In Europe, gains predominated, with the Eurostoxx climbing 2.2%. Likewise, Asia closed with important increases, highlighting the Nikkei's 6.0% rise after Japan made progress in trade negotiations with the US**

- **In corporate news, Asur reported that passenger traffic rose 1.2% y/y in March, while Oma registered a total increase of 11.8% y/y. Volar reported a 12.3% y/y increase in traffic**

Sovereign fixed income, currencies and commodities

- **The Treasuries' curve prints losses of 3bps on average, extending the adjustments of up to +21bps yesterday. In Europe, 10-year rates also increase by around 3bps. Yesterday, the Mbonos' curve in Mexico corrected upwards by around 20bps, with the 10-year benchmark rising to 9.37% (+22bps)**

- **The dollar weakens against all developed currencies with AUD (+1.2%) as the strongest. In emerging markets, the bias is mixed, bounded by ZAR (+1.5%) and IDR (-1.8%). Meanwhile, the MXN appreciates 0.6% to 20.57 per dollar, diluting part of yesterday's depreciation of 1.2%**

- **Positive balance in commodities. Crude-oil futures are stabilizing but holding near four-year lows on concerns about a slowdown that could jeopardize energy demand. In metals, gold advances 0.8%**

Corporate Debt

- **Moody's Local México affirmed the 'AAA.mx' ratings to three issuances (RMBS) of Fideicomiso Hipotecario, FHIPOCB 20/21/21-2, after its annual review. The affirmation reflects the performance expectations of each bond's collateral, as well as the strength of the private manager**

- **Also, Moody's Local México affirmed the 'AAA.mx' ratings to the issuances (RMSB) of Fovissste, after its annual review. The affirmation is based on the stable level of delinquency on the assigned collateral backing the issuances**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	37,965.60	-0.9%
S&P 500	5,062.25	-0.2%
Nasdaq	15,603.26	0.1%
IPC	50,458.32	-1.9%
Ibovespa	125,588.09	-1.3%
Euro Stoxx 50	4,656.41	-4.5%
FTSE 100	7,702.08	-4.4%
CAC 40	6,927.12	-4.8%
DAX	19,789.62	-4.1%
Nikkei 225	31,136.58	-7.8%
Hang Seng	19,828.30	-13.2%
Shanghai Composite	3,096.58	-7.3%
Sovereign bonds		
2-year Treasuries	3.76	11pb
10-year Treasuries	4.18	19pb
28-day Cetes	9.11	7pb
28-day TIIE	9.25	-1pb
2-year Mbono	8.40	6pb
10-year Mbono	9.39	22pb
Currencies		
USD/MXN	20.70	1.2%
EUR/USD	1.09	-0.4%
GBP/USD	1.27	-1.3%
DXY	103.26	0.2%
Commodities		
WTI	60.70	-2.1%
Brent	64.21	-2.1%
Mexican mix	57.67	-3.2%
Gold	2,983.28	-1.8%
Copper	418.60	-4.9%

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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