

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets biased higher but the US inches downwards, government bond yields and USD higher. Caution among investors as they wait for more economic and corporate information to assess the outlook, especially given the high uncertainty related to international trade. In this backdrop, US Treasury Secretary Scott Bessent stated that the administration is working with 17 key partners on bilateral trade deals, albeit excluding China
- No more relevant economic information in Mexico or the US. Canada's election of a new prime minister will be held today
- Market attention this week on hard data in the US, highlighting April's nonfarm payrolls. We estimate 155 thousand jobs, with the unemployment rate unchanged at 4.2%. Moreover, March's personal income & spending, trade balance, JOLTS job openings, factory orders, and PCE deflator. These figures will be relevant due to lingering fears about a strong deceleration after a deep deterioration in confidence data
- Monetary policy decisions in Hungary, Chile, Thailand, Colombia, and Japan. No comments from Fed members as the silence period has started, with the ECB publishing its survey of 1- and 3-year inflation expectations
- Other US data includes 1Q25 GDP, housing prices (Feb), ADP employment, consumer confidence, ISM manufacturing, and vehicle sales (Apr)
- In Mexico, March's unemployment rate stood at 2.6% (seasonally adjusted data). Moreover, the trade balance for the same month showed a US\$3,442 million surplus. Upcoming releases include 1Q25 GDP, remittances, public finances, banking credit (Mar), PMIs from IMEF (Apr), and Banxico's survey
- Lastly, US tariffs of 25% on auto parts could begin on May 3rd despite heightened pressures from local automotive companies and other countries about its possible effects on sales and prices in the industry

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
8:00	Unemployment rate - Mar	%	2.35	2.35	2.51
8:00	Trade balance - Mar	US\$m	2,800.2	2,800.2	2,212.4
13:30	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 20-year Mbono (Nov'42), 10-year Udibono (Aug'34) and 2-, 5- and 10-year Bondes F				

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	5,543.25	-0.1%
Euro Stoxx 50	5,186.04	0.6%
Nikkei 225	35,839.99	0.4%
Shanghai Composite	3,288.42	-0.2%
Currencies		
USD/MXN	19.53	0.2%
EUR/USD	1.14	-0.1%
DX	99.67	0.2%
Commodities		
WTI	62.92	-0.2%
Brent	66.67	-0.3%
Gold	3,292.59	-0.8%
Copper	482.80	-0.2%
Sovereign bonds		
10-year Treasury	4.28	4pb

Source: Bloomberg

Equities

- Stock markets with a positive bias as investors prepare to analyze 183 reports from the S&P500 sample, given that this is the most active week in the season. We keep special focus on *Amazon, Apple, Meta, and Microsoft*
- US futures anticipate a negative opening, with the S&P500 down 0.1%. The shares of PDD Holdings (-0.4%) stand out after Shein increased its prices 377% for the US in the face of new tariffs. The Eurostoxx rises 0.6% driven by the financial sector. Asia closed mixed
- Cemex reported mixed figures. Operational weakness was greater than expected, although the company kept its 2025 guidance unchanged. Net income was favored by the sale of operations in the Dominican Republic. We believe that the share price could remain pressured in the short term

Sovereign fixed income, currencies and commodities

- Negative performance in Sovereign Bonds. The US Treasury curve steepens, with the short-end up 1bp and longer-duration instruments higher by 4bps. In Europe, 10-year rates adjust +4bps on average. Last week, M Bonos averaged gains of 10bps
- USD weakens against most G10 currencies. EM is mixed, with the ZAR (+0.5%) and the THB (-0.3%) at the extremes. MXN falls slightly to 19.53 per dollar
- Crude-oil futures post modest losses as investors await further developments in China-US trade talks. Metal markets are mixed: industrials are trending higher, while precious edge lower

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	40,113.50	0.1%
S&P 500	5,525.21	0.7%
Nasdaq	17,382.94	1.3%
IPC	56,720.12	0.6%
Ibovespa	134,739.28	0.1%
Euro Stoxx 50	5,154.12	0.8%
FTSE 100	8,415.25	0.1%
CAC 40	7,536.26	0.4%
DAX	22,242.45	0.8%
Nikkei 225	35,705.74	1.9%
Hang Seng	21,980.74	0.3%
Shanghai Composite	3,295.06	-0.1%
Sovereign bonds		
2-year Treasuries	3.75	-5pb
10-year Treasuries	4.24	-8pb
28-day Cetes	8.78	1pb
28-day TIIE	9.28	-1pb
2-year Mbono	8.26	2pb
10-year Mbono	9.31	-3pb
Currencies		
USD/MXN	19.50	-0.4%
EUR/USD	1.14	-0.2%
GBP/USD	1.33	-0.2%
DX	99.47	0.1%
Commodities		
WTI	63.02	0.4%
Brent	66.87	0.5%
Mexican mix	60.23	0.1%
Gold	3,319.72	-0.9%
Copper	489.50	-0.3%

Source: Bloomberg

Corporate Debt

- This week, the auction of two bonds backed by HIR Casa's real estate loans, with ticker symbol HIRCB 25, are scheduled for up to MXN 2.0 billion
- Fitch Ratings affirmed Grupo Herdez's 'AA(mex)' rating with Stable outlook. The rating reflects its solid business profile with a diversified product portfolio
- HR Ratings affirmed Banco Afirme's rating at 'HR A+' with Stable outlook. The ratification is based on the adequate evolution of the bank's financial situation over the last 12 months

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