

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets negative, government bond yields mixed, and USD down** with investors assimilating a slew of corporate statements that reinforced concerns about trade war's damaging impact on companies and the world economy
- **US Treasury Secretary Scott Bessent will attend a hearing in the House of Representatives to focus on fiscal and economic policy.** In addition, ECB policymakers start a two-day informal retreat in Porto, hosted by Banco de Portugal, where they will conduct their first in-depth debate on an ongoing review of their monetary-policy strategy
- **The European Union plans to impose new tariffs on the US if negotiations fail.** The measures could be presented to member states tomorrow, with consultations extending for a month
- **Regarding economic figures, the US published its March trade balance, posting a larger-than estimated deficit of -\$140.498 billion and a revision to the previous month showing a larger deficit than previously reported**
- **In Mexico, INEGI published investment for February at +0.1% m/m (previous: -1.6%), which implies -7.8% y/y. Construction rose 1.7% m/m, with machinery and equipment at -1.1%. INEGI also announced private consumption for the second month of 2025. It came in at +1.2% m/m (previous: -0.3%), pushed by the imported component (2.7%). In annual terms it fell 1.9%**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
8:00	Gross fixed investment - Feb	% y/y	-5.1	-5.0	-6.7
8:00	Gross fixed investment* - Feb	% m/m	1.5	1.0	-1.5
8:00	Private consumption - Feb	% y/y	-2.1	-2.0	-1.3
8:00	Private consumption* - Feb	% m/m	1.1	--	-0.3
11:00	International reserves - May 2	US\$bn	--	--	239.1
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 3-year Mbono (Mar'28), 20-year Udibono (Nov'43) and 1-, 3- and 7-year Bondes F				
16:30	Citi Survey of Economists				
United States					
8:30	Trade balance* - Mar	US\$bn	--	-137.2	-122.7

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	5,621.00	-0.9%
Euro Stoxx 50	5,251.94	-0.6%
Nikkei 225	36,830.69	0.0%
Shanghai Composite	3,316.11	1.1%
Currencies		
USD/MXN	19.76	0.3%
EUR/USD	1.13	0.2%
DXY	99.48	-0.4%
Commodities		
WTI	58.55	2.5%
Brent	61.65	2.4%
Gold	3,389.75	1.7%
Copper	469.20	0.8%
Sovereign bonds		
10-year Treasury	4.33	-2pb

Source: Bloomberg

Equities

- Losses on the major exchanges, reflecting caution among investors as some reports suggest concerns about the impact that tariffs will have on earnings growth. In that regard, Nasdaq futures decline 1.2% and Palantir Technologies falls more than 7.5%, the top performer in the S&P500 this year, following a report that fell short of expectations
- Europe trades mostly lower with the Eurostoxx down 0.6%. Royal Philips and Vestas Wind Systms warned that the trade war is generating uncertainty. Finally, Asia closed with a positive bias, highlighting the Shanghai's 1.1% increase
- For today, out of 31 S&P500 companies releasing their results, 17 have already done so. The market's attention will be on AMD's report after the market close. In Mexico, Asur reported that total passenger traffic increased 3.8% y/y in April

Sovereign fixed income, currencies and commodities

- Mixed balance in sovereign bonds. The Treasuries' curve registers gain of up to 3bps at the short-end. By contrast, 10-year rates in Europe are up around 2bps. Yesterday, Mbonos' curve in Mexico marked a slight steepening with few changes at the short-end and losses of 3bps in the long-end. The 10-year benchmark closed at 9.43% (+3bps)
- The USD falls against most developed currencies, with JPY (+0.7%) being the strongest. In EM, bias is mixed. Meanwhile, the MXN is trading at 19.76 per dollar (-0.3%), extending yesterday's losses (-0.5%)
- Crude-oil futures are rising from the lowest close in four years after technical measures suggested the recent decline may have overstretched. Gains in metals with gold and copper up more than 1.0%

Corporate Debt

- Today, an issue backed by the collection rights of credit and lease agreements originated and managed by Serfimex Capital, will be offered. Th target amount is MXN 300 million (max. MXN 400 million) and will have a 4.5-year term
- Coca-Cola FEMSA announced the placement of a public offering of US\$500 million Senior Notes due 2035 with a 5.100% coupon. KOF will use the net proceeds for general corporate purposes
- Moody's Ratings commented that Total Play's 'B3' ratings remain unchanged following the company's announcement that it has upsized its 11.125% Backed Senior Secured Global Notes due 2032 to US\$1,021 million from US\$821 million

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	41,218.83	-0.2%
S&P 500	5,650.38	-0.6%
Nasdaq	17,844.24	-0.7%
IPC	55,836.00	0.0%
Ibovespa	133,491.23	-1.2%
Euro Stoxx 50	5,283.05	0.0%
FTSE 100	8,596.35	0.0%
CAC 40	7,727.93	-0.5%
DAX	23,344.54	1.1%
Nikkei 225	36,830.69	0.0%
Hang Seng	22,504.68	0.0%
Shanghai Composite	3,279.03	0.0%
Sovereign bonds		
2-year Treasuries	3.83	1pb
10-year Treasuries	4.34	4pb
28-day Cetes	8.74	-8pb
28-day TIIE	9.28	-7pb
2-year Mbono	8.28	-4pb
10-year Mbono	9.44	2pb
Currencies		
USD/MXN	19.69	0.5%
EUR/USD	1.13	0.2%
GBP/USD	1.33	0.2%
DX	99.83	-0.2%
Commodities		
WTI	57.13	-2.0%
Brent	60.23	-1.7%
Mexican mix	54.68	0.0%
Gold	3,334.12	2.9%
Copper	469.90	0.6%

Source: Bloomberg

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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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