

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets positive, government bond yields negative, and the USD to the downside as tensions between China and US ease, and President Donald Trump's administration appears to soften its approach to trade negotiations. Investors still consider the Fed will lower rates this year under current conditions
- Regarding trade issues, President Trump stated that he will set tariff rates for US trading partners in the next two to three weeks. Meanwhile, the US is preparing to blacklist more Chinese chipmakers, which some officials saying this might hurt trade negotiations
- Also in the US, negotiations on the fiscal package will continue over the weekend. The expectation is that it will be approved before May 26th. Some of the most debated topics are local and state tax deductions, creating pressures within the Republican Party
- In Japan, in a context of economic contraction (-0.2% q/q in 1Q25), a member of the more dovish wing of the BoJ Board warned against fast rate hikes. Meanwhile, Finance Minister Katsunobu Kato aims to discuss currency matters with Scott Bessent next week
- On the economic agenda, we highlight US figures, with the release of real estate market data, specifically building permits (+1,412k) and housing starts (+1,361k) for April. The University of Michigan's consumer sentiment for May will be released later
- Hopes for the Russia-Ukraine talks set for today in Istanbul faded. The focus now shifts to when Trump might meet with President Putin. US Secretary of State Marco Rubio said the likelihood of progress on this front is low without Trump's presence

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Trade balance* - Mar	EURbn	--	--	21.0
United States					
--	Fed's Barkin Gives Commencement Speech				
8:30	Housing starts** - Apr	thousands	--	1,364	1,324
8:30	Building permits** - Apr	thousands	--	1,450	1,467
10:00	U. of Michigan Confidence* - May (P)	index	51.0	53.2	52.2
21:40	Fed's Daly Gives Commencement Address at Vance-Granville Community College in Henderson, North				

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

May 16, 2025



Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com



Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com



Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com



Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com



[@analisis_fundam](http://www.banorte.com/analisiseconomico)

Document for distribution among public

A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	5,953.75	0.3%
Euro Stoxx 50	5,439.29	0.5%
Nikkei 225	37,753.72	0.0%
Shanghai Composite	3,367.46	-0.4%
Currencies		
USD/MXN	19.46	-0.2%
EUR/USD	1.12	0.1%
DX	100.81	-0.1%
Commodities		
WTI	61.71	0.1%
Brent	64.70	0.3%
Gold	3,162.33	-2.4%
Copper	458.40	-1.3%
Sovereign bonds		
10-year Treasury	4.41	-3pb

Source: Bloomberg

Equities

- Appetite for risk assets continues, while we observe widespread gains in main stock indices. Futures in the US anticipate a positive opening with the S&P500 trading 0.3% above its theoretical value, on track for the best week this year
- In Europe, the Eurostoxx is heading for the fifth consecutive week of gains, while in Asia, although we see mixed closings, adjustments in China and Hong Kong predominated. In Mexico, the Mexbol Index may continue to consolidate above 57,000pts
- We already have 92% of the results of the S&P500 companies and an increase in profits of 11.9% vs. 6.7% is accumulated. Applied Materials falls on disappointing expectations for the next quarter. Charter will combine with Cox Communications in a US\$34.5 billion transaction, bringing together two of the largest cable providers in the US

Sovereign fixed income, currencies and commodities

- Positive performance in sovereign bonds. The US Treasury curve is flattening, with 2bps gains at the short-end and 4bps at the long-end. In Europe, 10-year yields are down by an average of 4bps. Yesterday, Mbonos curve strengthened by 11bps, led by better performance at short-duration instruments
- USD prints a mixed performance against G10 currencies, with NZD (+0.3%) and SEK (-0.4%) at the extremes. Among EM, the bias is also mixed, with Asian currencies mostly on the positive side. The MXN is trading near its previous close at 19.50 per dollar
- Crude-oil futures are posting modest gains, despite renewed uncertainty surrounding US–Iran negotiations. Metals are trading lower, with precious metals underperforming

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,322.75	0.6%
S&P 500	5,916.93	0.4%
Nasdaq	19,112.32	-0.2%
IPC	57,959.72	0.5%
Ibovespa	139,334.38	0.7%
Euro Stoxx 50	5,412.08	0.2%
FTSE 100	8,633.75	0.6%
CAC 40	7,853.47	0.2%
DAX	23,695.59	0.7%
Nikkei 225	37,755.51	-1.0%
Hang Seng	23,453.16	-0.8%
Shanghai Composite	3,380.82	-0.7%
Sovereign bonds		
2-year Treasuries	3.96	-9pb
10-year Treasuries	4.43	-10pb
28-day Cetes	8.30	-1pb
28-day TIIE	9.27	-1pb
2-year Mbono	8.27	-19pb
10-year Mbono	9.43	-10pb
Currencies		
USD/MXN	19.49	0.6%
EUR/USD	1.12	0.1%
GBP/USD	1.33	0.3%
DX	100.88	-0.2%
Commodities		
WTI	61.62	-2.4%
Brent	64.53	-2.4%
Mexican mix	57.71	-2.8%
Gold	3,240.10	2.0%
Copper	468.35	0.7%

Source: Bloomberg

Corporate Debt

- Today, the auction of two bonds by Fibra Shop will take place, FSHOP 25 / 25U, for a target amount of MXN 3.0 billion and with 5- and 6.5-year terms
- Also, the auction of the tap issue of Banobras, BANO 25, will take place for a target amount of MXN 5.0 billion and with 3.2-year term
- Moody's Local affirmed the 'AA-mx' long-term issuer rating of CYDSA and its subsidiaries, and changed the outlook to Stable from Positive. The outlook change reflects that the expected benefits of the investment projects completed in 2024 didn't materialize in a timely manner

This document is provided for the reader's convenience only. The translation from the original Spanish version was made by Banorte's staff. Discrepancies may possibly arise between the original document in Spanish and its English translation. For this reason, the original research paper in Spanish is the only official document. The Spanish version was released before the English translation. The original document entitled "Apertura de Mercados Financieros" was released earlier today.

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 Thalia 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.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
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.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

The information contained hereby has been obtained from sources that we consider to be reliable, but we make no representation as to its accuracy or completeness. The information, estimations and recommendations included in this document are valid as of the issue date, but are subject to modifications and changes without prior notice; Grupo Financiero Banorte S.A.B. of C.V. does not commit to communicate the changes and also to keep the content of this document updated. Grupo Financiero Banorte S.A.B. of C.V. takes no responsibility for any loss arising from the use of this report or its content. This document may not be photocopied, quoted, disclosed, used, or reproduced in whole or in part without prior written authorization from Grupo Financiero Banorte S.A.B. of C.V.



Raquel Vázquez Godínez
Assistant
raquel.vazquez@banorte.com
(55) 1670 - 2967



María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research



Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com
(55) 1103 - 4046



Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Market Strategy



Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751



Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 - 2250



Marcos Saúl García Hernández
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296



Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Quantitative Analysis



Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972



Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124



Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043



Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251



Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957



Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438



Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719



Hugo Armando Gómez Solís
Senior Strategist, Equity
hugo.gomez@banorte.com
(55) 1670 - 2247



Gerardo Daniel Valle Trujillo
Senior Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248



Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 5261 - 4882



José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608



Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1670 - 2904



Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611



Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821



Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707



Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800



Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698



Ana Laura Zaragoza Félix
Strategist, Corporate Debt
ana.zaragoza.felix@banorte.com
(55) 1103 - 4000



Paula Lozoya Valadez
Analyst, Equity
paula.losoya.valadez@banorte.com
(55) 1103 - 4000 x 2060



José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000



Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430