BANORTE

Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

Main drivers for the financial markets today…

- **Stock markets up, bond mixed with USD down. Risk appetite despite trade tensions between the US and China, joining greater tariffs from the former to steel and aluminum. Investors digest hard data from the US**

- **The White House expects a call between Trump and Xi Jinping to happen later this week, but China has yet to confirm plans, and the two sides have different understandings of what was agreed on rare earths at last month's trade talks**

- **Regarding central banks, Canada will announce its monetary policy decision. The Fed will publish the Beige Book, in addition to remarks from Bostic and Cook**

- **In terms of economic data, the ADP private employment report for May was released in the U.S., adding only 37k jobs (consensus 114k). The goods-producing sector lost 2k jobs**

- **In Mexico, INEGI published investment for March at +0.3% m/m (previous: +0.3%), which implies -0.2% y/y. Construction rose 0.8% m/m, with machinery and equipment at -0.7%. INEGI also announced private consumption for the third month of 2025. It came in at -0.2% m/m (previous: +1.4%), dragged by the domestic component (-0.5%). In annual terms it expanded 1.2%**

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The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
8:00	Gross fixed investment - Mar	% y/y	-1.3	-1.3	-7.8
8:00	Gross fixed investment* - Mar	% m/m	0.1	0.1	0.1
8:00	Private consumption - Mar	% y/y	1.2	--	-1.9
8:00	Private consumption* - Mar	% m/m	-0.1	--	1.2
United States					
8:15	ADP employment* - May	thousands	100	110	62
8:30	Fed's Bostic, Cook Moderate Fed Listens Event				
9:45	Services PMI* - May (F)	index	--	52.3	52.3
9:45	Composite PMI* - May (F)	index	--	--	52.1
10:00	ISM services* - May	index	--	52.1	51.6
14:00	Beige Book				
Canada					
9:45	Monetary policy decision (BoC)	%	--	2.50	2.75
China					
21:45	Services PMI (Caixin)* - May	index	--	51.0	50.7
21:45	Composite PMI (Caixin)* - May	index	--	--	51.1

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	5,981.75	0.0%
Euro Stoxx 50	5,394.93	0.4%
Nikkei 225	37,747.45	0.8%
Shanghai Composite	3,376.20	0.4%
Currencies		
USD/MXN	19.21	-0.2%
EUR/USD	1.14	0.3%
DXY	99.05	-0.2%
Commodities		
WTI	63.03	-0.6%
Brent	65.19	-0.7%
Gold	3,355.42	0.1%
Copper	486.10	0.6%
Sovereign bonds		
10-year Treasury	4.40	-5pb

Source: Bloomberg

Equities

- US futures little changed after rising in the previous session, supported by gains in tech stocks, particularly Nvidia, which rose nearly 3% and overtook Microsoft as the world's most valuable publicly traded company

- In Europe, equities advance, supported by strength in the technology and industrial sectors. Asian markets also closed with gains, driven by semiconductor manufacturers and reflecting the global momentum in the tech sector. The MSCI Global Index hit a record high after broad-based gains across both regions

- CrowdStrike shares are down over 6% in pre-market after issuing weak revenue guidance for the current quarter. In contrast, Hewlett Packard is up 3% after exceeding expectations on both revenue and earnings

Sovereign fixed income, currencies and commodities

- Sovereign bonds trade mixed, with modest upward pressures in Europe of up to +2bps, while US Treasuries reverse these losses, gaining 2–5bps across the curve following a downside surprise in the ADP report. The curve flattens as long-end tenors outperform

- The dollar weakens, with USD indexes also softening after the ADP release. All G10 currencies appreciate, though within relatively narrow ranges. In EM, the tone is also positive, with the MXN among the more modest gainers, appreciating 0.2% to 19.21

- Commodities show little change, with oil futures consolidating recent gains after two sessions of recovery driven by Canadian supply disruptions. Metals also trade sideways, with copper flat and gold slightly firmer on the week after a 2% sell-off the previous week

Corporate Debt

- Moody's Local and PCR Verum assigned ratings to the proposed issues of Vinte, VINTE 25V / 25-2V, at 'AA-.mx' and 'AA/M', respectively. The outlook of PCR Verum is Stable. For both agencies, the assigned ratings consider the recent acquisition of Servicios Corporativos Javer as a revenue driver

- Moody's Local affirmed the 'AAA.mx' long-term rating to América Móvil after its annual review. The agency also considered the company's strong position as one of the largest telecommunications companies

- Moody's Local affirmed the 'AA-.mx' long-term rating to Grupo Elektra after its annual review. It also highlighted the company's business model with high barriers to entry

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,519.64	0.5%
S&P 500	5,970.37	0.6%
Nasdaq	19,398.96	0.8%
IPC	57,639.07	-0.1%
Ibovespa	137,546.26	0.6%
Euro Stoxx 50	5,375.70	0.4%
FTSE 100	8,787.02	0.1%
CAC 40	7,763.84	0.3%
DAX	24,091.62	0.7%
Nikkei 225	37,446.81	-0.1%
Hang Seng	23,512.49	1.5%
Shanghai Composite	3,361.98	0.4%
Sovereign bonds		
2-year Treasuries	3.95	1pb
10-year Treasuries	4.45	1pb
28-day Cetes	8.10	-30pb
28-day TIIE	8.78	-4pb
2-year Mbono	8.14	-5pb
10-year Mbono	9.30	-6pb
Currencies		
USD/MXN	19.25	0.1%
EUR/USD	1.14	-0.6%
GBP/USD	1.35	-0.2%
DXY	99.23	0.5%
Commodities		
WTI	63.41	1.4%
Brent	65.63	1.5%
Mexican mix	59.15	1.6%
Gold	3,353.43	-0.8%
Copper	483.40	-0.5%

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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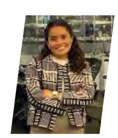

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