Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

June 26, 2025

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Main drivers for the financial markets today…

- **Stock markets positive, government bond yields mixed, and USD down as traders ramped up bets for faster US interest-rate cuts, spurred by a report that Trump may fast-track his nomination for the next Federal Reserve chair that will success Powell when his period ends in May 2026**

- **The US economic agenda includes the final GDP figure for 1Q25, revised downward from -0.2% q/q annualized to -0.5%, primarily due to the adjustment in personal consumption from 1.2% to 0.5%. Meanwhile, the goods trade balance for the fifth month of the year posted a larger-than-expected deficit. Regarding interventions by Fed members, Goolsbee, Daly, Hammack, Barr, Barkin, and Kashkari will speak**

- **In Mexico, Banxico will announce its monetary policy decision, where we estimate a 50bps cut, placing the reference rate at 8.00%. We will be attentive to the forward guidance**

- **Regarding economic data, INEGI released May's trade balance, posting a US$1,029.4 million surplus. Exports fell 0.5% m/m (-0.3% y/y), noting weakness in non-oil. Imports contracted 0.3% m/m (1.4% y/y), dragged by the oil component**

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The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
8:00	Consumer prices - Jun 15	% m/m	--	0.30	0.36
8:00	Consumer prices - Jun 15	% y/y	--	5.31	5.40
Mexico					
8:00	Trade balance - May	US$mn	279.9	365.0	-88.1
15:00	Monetary policy decision (Banxico)	%	8.00	8.00	8.50
United States					
	Fed´s Barkin speaks on the economy during an event hosted by the New York Association for Business Economics				
8:30	Gross domestic product** - 1Q25 (F)	% q/q	-0.2	-0.2	-0.2
8:30	Personal consumption** - 1Q25 (F)	% q/q	1.2	1.2	1.2
8:30	Durable goods orders* - May (P)	% m/m	--	8.5	-6.3
8:30	Ex transportation* - May (P)	% m/m	--	0.0	0.2
8:30	Trade balance* - May	US$bn	--	--	-61.6
8:30	Initial jobless claims* - Jun 21	thousands	245	243	245
9:00	Fed's Hammack Gives Opening Remarks				
13:15	Fed's Barr Speaks on Community Development				

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	6,166.75	0.3%
Euro Stoxx 50	5,249.60	0.0%
Nikkei 225	39,584.58	1.6%
Shanghai Composite	3,448.45	-0.2%
Currencies		
USD/MXN	18.87	-0.3%
EUR/USD	1.17	0.3%
DXY	97.29	-0.4%
Commodities		
WTI	65.21	0.4%
Brent	67.89	0.3%
Gold	3,336.65	0.1%
Copper	506.85	3.1%
Sovereign bonds		
10-year Treasury	4.28	-1pb

Source: Bloomberg

Equities

- **Positive sentiment in stock markets. US futures are trading above their theoretical value, rising an average of 0.3%, with the S&P 500 approaching all-time highs. The technology sector stands out, with Nvidia reaching a record high and Micron showing robust demand for AI chips**
- **Meanwhile, the Eurostoxx index is slightly positive, with the industrial and financial sectors posting the best performance. In Asia, the performance was mixed, with the Nikkei up 1.7% and the Hang Seng falling 0.6%**
- **In corporates, McCormick and Walgreens Boots released their results, which were better than expected; Nike's report is expected in the afternoon. In Mexico, we could see the market consolidate above 57,000 points**

Sovereign fixed income, currencies and commodities

- **Mixed balance in sovereign bonds. The Treasuries' curve shows a steepening bias after gains of 1bp at the short-end and losses of 1bp at the long-end. Meanwhile, 10-year rates in Europe decrease by an average of 3bps. Yesterday, the Mbonos' curve averaged gains of 4bps, and the 10-year reference (Feb'36) closed at 9.34% (-6bps)**
- **The dollar weakens against all G10 currencies, with JPY (+0.6%) being the strongest. The dynamic in emerging markets is broadly positive, with Asian currencies leading the advance. The MXN is the strongest in the LatAm region, appreciating by 0.3% to 18.87 per dollar**
- **Gains in energy markets with attention on talks with Iran and OPEC+'s plans ahead of their next meeting on July 6th. In metals, most industrial and precious gain ground, with copper advancing by 1.3%**

Corporate Debt

- **Yesterday's auction of the new unsecured debt issuances by Grupo Aeroportuario del Centro Norte (OMA 25 / 25-2) saw robust demand, with a bid-to-cover ratio of 4.33x. Notably, investors showed a clear preference for the fixed-rate tranche, which attracted 65.9% of total demand**
- **Sigma Alimentos announced a recovery plan to restore its production capacity in Spain, following flood-related damage at its Torrente plant during 4Q24. The company estimates a €134 million investment for the construction of a new facility, alongside an additional €23 million allocated to expanding an existing plant. Funding will primarily come from insurance reimbursements and government incentives**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	42,982.43	-0.2%
S&P 500	6,092.16	0.0%
Nasdaq	19,973.55	0.3%
IPC	56,933.19	0.3%
Ibovespa	135,767.29	-1.0%
Euro Stoxx 50	5,252.01	-0.9%
FTSE 100	8,718.75	-0.5%
CAC 40	7,558.16	-0.8%
DAX	23,498.33	-0.6%
Nikkei 225	38,942.07	0.4%
Hang Seng	24,474.67	1.2%
Shanghai Composite	3,455.97	1.0%
Sovereign bonds		
2-year Treasuries	3.78	-4pb
10-year Treasuries	4.29	0pb
28-day Cetes	8.00	0pb
28-day TIIE	8.77	-2pb
2-year Mbono	8.16	-3pb
10-year Mbono	9.35	-4pb
Currencies		
USD/MXN	18.93	-0.3%
EUR/USD	1.17	0.4%
GBP/USD	1.37	0.4%
DXY	97.68	-0.2%
Commodities		
WTI	64.92	0.9%
Brent	67.68	0.8%
Mexican mix	61.24	0.6%
Gold	3,332.33	0.3%
Copper	497.15	1.0%

Source: Bloomberg

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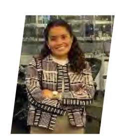

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