Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

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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

Main drivers for the financial markets today...

- **Stock markets mixed, government bond yields lower, and USD down. Some optimism on progress in US trade negotiations with partners such as China, Europe, and India. Also because of Canada's return to the negotiating table after backtracking on a digital services tax**

- **On the other hand, investors are following closely the negotiations of President Trump's tax bill proposal, with Republican senators still debating to find enough votes for an approval**

- **No more US data today, with speeches from Bostic and Goolsbee of the Fed. In Mexico, banking credit (May) and public finances. At night, China will release its PMI manufacturing (Caixin) for June**

- **Market attention this week on several fronts. Among them, June's nonfarm payrolls in the US. We estimate 125k thousand jobs, below the 135k of the previous month. The unemployment rate would climb to 4.3% from 4.2% in May. That would suggest a cooler job market**

- **Moreover, on the ongoing negotiations at the US Congress for the potential approval of President Trump's fiscal initiative known a "*One Big Beautiful Bill Act*", with the goal of being signed by July 4th**

- **Other US data includes factory orders, trade balance, job vacancies (May), ISMs, vehicle sales, and ADP employment (Jun). US markets will be closed on July 4th on the remembrance of Independence Day**

- **In Mexico, gross fixed investment, consumption (Apr), remittances (May), PMIs from IMEF (Jun), and Banxico's survey**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone and UK					
	ECB forum on Central Banking begins in Sintra, Portugal				
2:00	UK Gross domestic product* - 1Q25 (F)	% q/q	--	0.7	0.7
4:00	EZ Monetary aggregates (M3)* - May	% y/y	--	4.0	3.9
8:00	GER Consumer prices - Jun (P)	% y/y	--	2.2	2.1
United States					
10:00	Fed's Bostic Speaks on the Economic Outlook				
13:00	Fed's Goolsbee Speaks in a Moderated Discussion				
Mexico					
11:00	Banking credit - May	% y/y	7.7	--	8.0
16:30	Public finances (PSBR, year-to-date) - May	MXNbn	--	--	-159.2
China					
21:45	Manufacturing PMI (Caixin)* - Jun	index	--	49.3	48.3

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	6,245.75	0.4%
Euro Stoxx 50	5,319.53	-0.1%
Nikkei 225	40,487.39	0.8%
Shanghai Composite	3,444.43	0.6%
Currencies		
USD/MXN	18.87	0.3%
EUR/USD	1.17	-0.1%
DXY	97.28	-0.1%
Commodities		
WTI	65.47	-0.1%
Brent	67.77	0.0%
Gold	3,285.07	0.3%
Copper	503.45	-0.7%
Sovereign bonds		
10-year Treasury	4.26	-2pb

Source: Bloomberg

Equities

- **Main stock exchanges are mixed but maintain a bullish bias amid signs of progress in trade negotiations between the US and key partners. Notably, Canada withdrew the digital services tax for tech companies**

- **US futures anticipate a positive opening, with the S&P500 rising 0.4%. Most of the Magnificent Seven advance ahead of the open, led by Meta Platforms (+1.9%). The Eurostoxx falls 0.2%, pressured by the Communications and Financial sectors. Asia closed mixed, with the Nikkei up 0.8%**

- **Juniper Networks shares (+8.4%) soar after the US Justice Department closed the case that stopped Hewlett Packard's USD$13 billion purchase of the company**

Sovereign fixed income, currencies and commodities

- **Gains in sovereign bonds. Treasuries flatten due to better performance at the long-end (-2bp) vs the short-end. Meanwhile, 10-year rates in Europe decrease by 2bps. Last week, the Mbonos' curve in Mexico averaged gains of 7bps. The 10-year benchmark (Feb'36) closed at 9.38% (-9bps w/w)**

- **The dollar is weakening, with CHF (+0.2%) and JPY (+0.2%) leading in G10. In EM, the bias is positive with Asian currencies as the strongest (+0.5%). Meanwhile, the MXN trades at 18.87 per dollar (-0.3%). For this week, we expect a range between 18.65 and 19.15 per dollar**

- **Widespread losses in energy after an Iran-Israel truce and awaiting an OPEC+ supply hike ahead of the next meeting on July 6th. In metals, gold advances 0.3% and copper falls 0.7%**

Corporate Debt

- **S&P Global Ratings downgraded CIBanco's rating to 'mxCCC+' from 'mxA-' and placed it on negative CreditWatch, following the Financial Crimes Enforcement Network's (FinCEN) ban on transfers from US financial institutions involving CIBanco**

- **Fitch Ratings lowered the ratings of Intercam, CIBanco, and Vector Casa de Bolsa to 'B(mex)', assigning a Negative Watch. The downgrade reflects the imminent adverse impact on the entities' business and financial profiles from the US Treasury Department's findings regarding potential deficiencies in anti-money laundering controls related to illicit opioid trafficking**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	43,819.27	1.0%
S&P 500	6,173.07	0.5%
Nasdaq	20,273.46	0.5%
IPC	57,391.51	-0.1%
Ibovespa	136,865.79	-0.2%
Euro Stoxx 50	5,325.64	1.6%
FTSE 100	8,798.91	0.7%
CAC 40	7,691.55	1.8%
DAX	24,033.22	1.6%
Nikkei 225	40,150.79	1.4%
Hang Seng	24,284.15	-0.2%
Shanghai Composite	3,424.23	-0.7%
Sovereign bonds		
2-year Treasuries	3.75	3pb
10-year Treasuries	4.28	4pb
28-day Cetes	8.07	6pb
28-day TIIE	8.28	-49pb
2-year Mbono	8.21	7pb
10-year Mbono	9.40	5pb
Currencies		
USD/MXN	18.82	-0.3%
EUR/USD	1.17	0.1%
GBP/USD	1.37	-0.1%
DXY	97.40	0.3%
Commodities		
WTI	65.52	0.4%
Brent	67.77	0.1%
Mexican mix	61.32	0.3%
Gold	3,274.33	-1.6%
Copper	512.30	0.0%

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, 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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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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Directory
Research and Strategy

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

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

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

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

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

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

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

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

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

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

Market Strategy

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

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

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

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

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

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

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

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

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

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

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

Quantitative Analysis

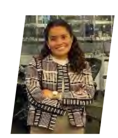
Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

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

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

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

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



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

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