Financial Markets Daily

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Main drivers for the financial markets today...

- **Stock markets down, with the USD and government bond yields negative, with investors focusing on progress in trade talks in the US, as the July 9 deadline nears, as well as on the completion of President Trump's tax bill**

- **In the US, senators continued working on President Trump's tax bill, although eight Republican lawmakers still appear reluctant to support it. According to a Yale study, the new package would cost the bottom 20% of taxpayers US$560 a year, while the richest would gain US$6,055**

- **Regarding economic data, inflation in the Eurozone in June accelerated marginally to 2.0% y/y, with the core unchanged at 2.3%. Meanwhile, the region's manufacturing PMI for the same month was flat at 49.5 points. In the US, we will also be paying close attention to manufacturing indicators, along with the JOLTS report for May and auto sales for June. In Mexico, we await May's family remittances, along June's Banxico expectations survey and IMEF's indicators**

- **On the monetary front, the ECB's central banking forum continues in Portugal, with particular attention to the panel featuring Jerome Powell (Fed), Christine Lagarde (ECB), Andrew Bailey (BoE), and Kazuo Ueda (BoJ)**

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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	Consumer prices - Jun (P)	% y/y	--	2.0	1.9
5:00	Core - Jun (P)	% y/y	--	2.3	2.3
United States					
9:30	Powell Particiaptes in Panel with Lagarde, Bailey, Ueda				
9:45	Manufacturing PMI* - Jun (F)	index	52.0	52.0	52.0
10:00	ISM manufacturing* - Jun	index	49.0	48.8	48.5
10:00	JOLTS Job Openings - May	thousands	--	7300	7391
	Total vehicle sales** - Jun	millions	--	15.4	15.7
Mexico					
11:00	International reserves - Jun 27	US$bn	--	--	241.3
11:00	Family remittances - May	US$bn	5083.9	5234.5	4761.2
11:00	Survey of expectations (Banxico)				
13:30	Government weekly auction: 1-, 3-, 6-, and 24-month Cetes, 30-year Mbono (Jul'53), 3-year Udibono (Aug'29) and 1-, 3- and 7-year Bondes F				
14:00	Manufacturing PMI (IMEF)* - Jun	index	46.8	--	47.4
14:00	Non-manufacturing PMI (IMEF)* - Jun	index	48.9	--	49.4

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	6,235.00	-0.3%
Euro Stoxx 50	5,282.53	-0.4%
Nikkei 225	39,986.33	-1.2%
Shanghai Composite	3,457.75	0.4%
Currencies		
USD/MXN	18.67	-0.4%
EUR/USD	1.18	0.2%
DXY	96.53	-0.4%
Commodities		
WTI	65.60	0.8%
Brent	67.24	-0.5%
Gold	3,353.00	1.5%
Copper	511.15	1.6%
Sovereign bonds		
10-year Treasury	4.21	-2pb

Source: Bloomberg

Equities

- **The month starts with some profit taking in the main stock markets with investors assessing growth prospects. June ended with an average dollar gain of 3.7% in the sample of 30 indices that we regularly follow**

- **In the US, futures anticipate a slightly negative opening with the S&P500 down 0.3% after two consecutive record closes. Europe, meanwhile, trades with losses and the Eurostoxx is falling 0.4%, dragged down by industrial and financial companies. Finally, Asia closed mixed, highlighting the Nikkei down 1.2% and the Shanghai up 0.4%**

- **Tesla is down more than 4.8% in pre-market after Trump again threatened to withdraw subsidies to the company. Separately, Apple may be considering OpenAI or Antrophic PBC for its new version of Siri**

Sovereign fixed income, currencies and commodities

- **Gains in sovereign bonds. Treasuries curve slightly flattened with gains of up to 3bps in the long end. In Europe, 10-year bonds down 4-6bps with Gilts outperforming. In Mexico, the Mbonos' curve averaged gains of 6bps yesterday**

- **The USD losses against most of G10 currencies, with JPY (-0.8%) as the strongest. In emerging markets, bias also positive, with TWD (+1.4%) standing out. The MXN appreciates 0.4% to 18.67 per dollar, the lowest level YTD, following a rally of six positive days**

- **Oil rises 0.7% with focus on OPEC+ output decision this weekend. In metals, gold and copper up 1.6% and 1.0%, respectively**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,094.77	0.6%
S&P 500	6,204.95	0.5%
Nasdaq	20,369.73	0.5%
IPC	57,450.88	0.1%
Ibovespa	138,854.60	1.5%
Euro Stoxx 50	5,303.24	-0.4%
FTSE 100	8,760.96	-0.4%
CAC 40	7,665.91	-0.3%
DAX	23,909.61	-0.5%
Nikkei 225	40,487.39	0.8%
Hang Seng	24,072.28	-0.9%
Shanghai Composite	3,444.43	0.6%
Sovereign bonds		
2-year Treasuries	3.72	-3pb
10-year Treasuries	4.23	-5pb
28-day Cetes	8.03	-4pb
28-day TIIE	8.30	2pb
2-year Mbono	8.20	-1pb
10-year Mbono	9.31	-9pb
Currencies		
USD/MXN	18.75	-0.4%
EUR/USD	1.18	0.6%
GBP/USD	1.37	0.1%
DXY	96.88	-0.5%
Commodities		
WTI	65.11	-0.6%
Brent	67.61	-0.2%
Mexican mix	61.11	-0.3%
Gold	3,303.14	0.9%
Copper	508.25	-0.8%

Source: Bloomberg

Corporate Debt

- **Today, Médica Sur will carry out the auction of two sustainable bonds (MEDICA 25X / 25-2X) for a combined amount of up to MXN 1.0 billion, with maturities of three and five years, respectively. The issuances have been rated 'AA(mex)' by Fitch Ratings and 'HR AAA' by HR Ratings**

- **PCR Verum placed Fibra HD's 'AA/M' ratings under Watch, reflecting the varying expectations the agency holds regarding the REIT's short- and medium-term financial profile following shareholder approval of a strategic repositioning plan. The strategy involves the acquisition of four industrial assets currently owned by Fibra Plus**

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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	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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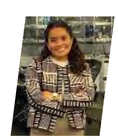

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