

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets with positive bias, government bond yields mixed and USD up as investors digest the better-than-expected US nonfarm payroll report, reflecting the resilience of the labor market**
- **US employment figures showed a creation of 147k jobs (consensus: 106k; previous: 139k), while the unemployment rate fell to 4.1% from 4.2%. The May trade balance was also released posting a deficit of \$71.5 billion, higher than estimated and the previous months. The June ISM services report will be published later**
- **Additionally, Atlanta Fed's Bostic will speak on monetary policy**
- **It is worth noting that US financial markets close early ahead of Independence Day**
- **In Mexico, INEGI published investment for April at -1.7% m/m (previous: +0.2%), which implies -12.5% y/y. Machinery and equipment fell 2.2% m/m, with construction at -1.1%**
- **Also announced private consumption for the fourth month of 2025. It came in at +1.1% m/m (previous: -0.2%), boosted by the domestic component (+1.5%). In annual terms it contracted 1.7%**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
7:30	ECB Minutes				
Mexico					
8:00	Gross fixed investment - Apr	% y/y	-11.5	-9.0	-0.2
8:00	Gross fixed investment* - Apr	% m/m	-1.1	-0.5	0.3
8:00	Private consumption - Apr	% y/y	-2.4	-3.6	1.2
8:00	Private consumption* - Apr	% m/m	0.7	--	-0.2
United States					
8:30	Trade balance* - May	US\$bn	--	-71.0	-61.6
8:30	Nonfarm payrolls* - Jun	thousands	125	110	139
8:30	Unemployment rate* - Jun	%	4.3	4.3	4.2
8:30	Initial jobless claims* - Jun 28	thousands	235	240	236
10:00	ISM services* - Jun	index	50.1	50.8	49.9
10:00	Factory orders* - May	% m/m	--	8.2	-3.7
10:00	Ex transportation* - May	% m/m	--	--	-0.5
10:00	Durable goods orders* - May (F)	% m/m	--	16.4	16.4
10:00	Ex transportation* - May (F)	% m/m	--	0.5	0.5
11:00	Fed's Bostic Gives Speech on Monetary Policy				

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	6,279.00	0.1%
Euro Stoxx 50	5,308.98	-0.2%
Nikkei 225	39,785.90	0.1%
Shanghai Composite	3,461.15	0.2%
Currencies		
USD/MXN	18.78	-0.1%
EUR/USD	1.17	-0.5%
DX	96.85	0.1%
Commodities		
WTI	67.37	-0.1%
Brent	68.91	-0.3%
Gold	3,326.86	-0.9%
Copper	514.50	-0.1%
Sovereign bonds		
10-year Treasury	4.34	6pb

Source: Bloomberg

Equities

- US futures are trading little changed and with a positive bias, after the S&P 500 reached another record high at yesterday's close. Investors are assimilating employment figures and are keeping an eye on the US fiscal situation, which will help them identify the Fed's path
- Meanwhile, the Eurostoxx is slightly negative, with the communications and technology sectors showing the worst performance. In Asia, the performance is mixed, with the Nikkei rising marginally 0.1% and the Hang Seng falling 0.6%
- In corporate markets, software providers Synopsis and Cadence Design Systems are rising in premarket trading after the Trump administration lifted export licensing requirements for sales in China. In Mexico, we could see few changes, with Mexbol consolidating above 58,000 points

Sovereign fixed income, currencies and commodities

- The Treasuries' curve flattened as a result of broad losses at the short-end after the US employment report surpassed expectations. The 2-year rate rose by +12bps, while the longer-term rate adjusted by +6bps. Meanwhile, 10-year bonds in Europe reduced their gains from 4bps to 1bp. Yesterday, the Mbonos' curve averaged gains of 3bps and the 10-year benchmark (Feb'36) closed at 9.28% (-2bps)
- The dollar strengthened against all G10 currencies, with the NZD (-1.0%) being the weakest. The dynamics in EM are mixed, bounded by TWD (+0.7%) and KRW (-0.9%). Meanwhile, the MXN is trading at 18.78 per dollar, practically unchanged versus yesterday's close
- Widespread losses in energy, with crude-oil futures falling 0.2%. In metals, precious are trading in negative territory. Gold declines more than 1.0% and silver adjusts -0.1%

Corporate Debt

- HR Ratings affirmed the rating of the PAMMCB 14U issuance (Red Estatal de Autopistas de Nuevo León's Future Flow) at 'HR AAA (E)', and its subordinated issuance PAMMSCB 14U at 'HR AA+ (E)'. The outlook is Stable. The affirmation reflects the robust performance metrics achieved, underscoring an average Debt Service Coverage Ratio (DSCR) estimated at 2.68x
- Grupo Traxión announced the completion of its acquisition of Solistica (a subsidiary of Grupo FEMSA) for a total consideration of MXN 4.04 billion. Subsequently, Traxión disclosed the divestment of Solistica's operations in Brazil and Colombia for MXN 2.39 billion, resulting in a net investment of MXN 1.65 billion for the company's exposure to Solistica's operations in Mexico

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,484.42	0.0%
S&P 500	6,227.42	0.5%
Nasdaq	20,393.13	0.9%
IPC	58,346.72	0.9%
Ibovespa	139,050.93	-0.4%
Euro Stoxx 50	5,318.72	0.7%
FTSE 100	8,774.69	-0.1%
CAC 40	7,738.42	1.0%
DAX	23,790.11	0.5%
Nikkei 225	39,762.48	-0.6%
Hang Seng	24,221.41	0.6%
Shanghai Composite	3,454.79	-0.1%
Sovereign bonds		
2-year Treasuries	3.78	1pb
10-year Treasuries	4.28	4pb
28-day Cetes	7.71	1pb
28-day TIIIE	8.29	-11pb
2-year Mbono	8.22	-3pb
10-year Mbono	9.30	-2pb
Currencies		
USD/MXN	18.80	0.3%
EUR/USD	1.18	-0.1%
GBP/USD	1.36	-0.8%
DX-Y	96.78	0.0%
Commodities		
WTI	67.45	3.1%
Brent	69.11	3.0%
Mexican mix	63.47	3.1%
Gold	3,357.45	0.6%
Copper	519.75	1.9%

Source: Bloomberg

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