

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets and bond yields mixed, with the USD up. Cautious session with investors assessing the latest commercial threats from the US which include a 50% tariff for copper and 200% to pharmaceuticals
- Focus today on the minutes from the Federal Reserve. We expect the central bank's cautious and prudent stance to be reaffirmed. The document could lose some relevance given Powell's recent interventions after the decision
- South Korea will announce its monetary policy decision and the Bank of England will publish its report on financial stability
- In events, the annual Allen & Co. conference will be held, featuring technology magnates such as Sam Altman, Jeff Bezos, Tim Cook, and Mark Zuckerberg. The 9th OPEC International Seminar will also take place in Vienna
- In Mexico, INEGI released June's inflation at 0.28% m/m –slightly above expectations–, with the core at 0.39%. As such, the annual print moderated to 4.32% from 4.42% in the previous month, with the core at 4.24% (previous: 4.06%)
- Banorte's Housing Price Index (INBAPREVI) for June will also be published

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
8:00	Consumer prices - Jun	% m/m	0.28	0.26	0.28
8:00	Core -Jun	% m/m	0.38	0.38	0.30
8:00	Consumer prices - Jun	% y/y	4.31	4.30	4.42
8:00	Core - Jun	% y/y	4.22	4.22	4.06
11:00	Banorte’s Housing Price Index (INBAPREVI): June 2025				
United States					
14:00	FOMC Meeting Minutes				
South Korea					
	Monetary policy decision (C.bank S. Korea)	%	--	2.50	2.50

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	6,286.00	0.2%
Euro Stoxx 50	5,432.76	1.1%
Nikkei 225	39,821.28	0.3%
Shanghai Composite	3,493.05	-0.1%
Currencies		
USD/MXN	18.59	-0.1%
EUR/USD	1.17	-0.2%
DX	97.62	0.1%
Commodities		
WTI	68.25	-0.1%
Brent	70.23	0.1%
Gold	3,294.24	-0.2%
Copper	557.20	-2.0%
Sovereign bonds		
10-year Treasury	4.41	1pb

Source: Bloomberg

Equities

- Equity markets mixed, with investors closely monitoring updates on the tariffs announced by President Trump
- In the US, futures point to a slightly positive open, with the S&P 500 and Nasdaq up 0.2% above their fair value. Verona Pharma, specialized in respiratory treatments, rises 20% on reports that Merck & Co. plans to acquire it for US\$10 billion
- Europe trades higher, with the Eurostoxx on track for a third consecutive day of gains, driven by the financial sector. Société Générale leads the advance after reaching its highest level since 2017. EssilorLuxottica, the world's largest eyewear manufacturer, up ~7.1% following a minority investment by Meta. In contrast, Asian markets extended their decline, marking its third straight negative session, highlighted by a 1.1% drop in the Hang Seng

Sovereign fixed income, currencies and commodities

- Sovereign bonds trade in tight ranges. 10-year benchmarks in Europe gain modestly by ~1bps, with the exception of the UK, while USTs face upward pressure of 1–2bps, more pronounced at the long end. Market focus today is on the reopening of the 10-year note in the US
- The USD is modestly firmer across indices, with the DXY extending its winning streak to a third consecutive session. Within the G10, the balance skews negative, albeit within narrow bands, led by the CAD (-0.3%) as the session's underperformer. A similar pattern plays out across EM, with the MXN slightly lagging, trading at 18.59 (+0.1%)
- Base metals are under pressure, with copper down 2% on both the LME and COMEX, retracing on the latter after a 13% rally yesterday that pushed prices to fresh all-time highs amid renewed US tariff threats. Crude is up 0.1% ahead of today's DOE inventory data

Corporate Debt

- Vinte announced that on July 16, 2025, it will proceed with the voluntary early redemption of its sustainable issue VINTE18X. The principal payment will total MXN 804.8 million, plus accrued interest
- HR Ratings affirmed Banco Azteca's credit rating at 'HR AA-' with Stable outlook, supported by the implicit backing from and strategic relationship with Grupo Elektra, which is rated 'HR AA' with Stable outlook

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,240.76	-0.4%
S&P 500	6,225.52	-0.1%
Nasdaq	20,418.46	0.0%
IPC	57,183.32	-0.4%
Ibovespa	139,302.85	-0.1%
Euro Stoxx 50	5,371.95	0.6%
FTSE 100	8,854.18	0.5%
CAC 40	7,766.71	0.6%
DAX	24,206.91	0.6%
Nikkei 225	39,688.81	0.3%
Hang Seng	24,148.07	1.1%
Shanghai Composite	3,497.48	0.7%
Sovereign bonds		
2-year Treasuries	3.89	0pb
10-year Treasuries	4.40	2pb
28-day Cetes	7.85	-9pb
28-day TIIIE	8.24	0pb
2-year Mbono	8.18	-1pb
10-year Mbono	9.43	5pb
Currencies		
USD/MXN	18.61	-0.3%
EUR/USD	1.17	0.1%
GBP/USD	1.36	-0.1%
DXY	97.52	0.0%
Commodities		
WTI	68.33	0.6%
Brent	70.15	0.8%
Mexican mix	64.59	0.8%
Gold	3,301.92	-1.0%
Copper	568.55	13.1%

Source: Bloomberg

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