BANORTE

Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

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Main drivers for the financial markets today...

- **Stock markets, USD and government bond yields up with calm among markets after rumors of a possible firing of Powell were dismissed by Trump. On the trade front, the US president said he would send letters to more than 150 countries notifying them their tariff rates could be 10% or 15%**

- **On the monetary policy front, there will be comments from Kugler, Daly, Cook, and Waller of the Fed. One of Powell's potential replacements when his term ends in May 2026, Kevin Warsh, spoke on CNBC and said there is a credibility crisis at the Fed and Trump is right to publicly pressure the central bank**

- **Regarding economic figures, US retail sales for June were released, coming in at +0.6%m/m, well above the consensus estimate of +0.1% m/m. Meanwhile, the control group, which excludes autos, gasoline, and construction materials, posted a 0.5% increase (consensus +0.3%). The figures confirm that consumption remains resilient. Meanwhile, the Philadelphia Fed's July regional manufacturing indicator also exceeded expectations, reaching 15.9pts (estimation -1.0pts). Finally, jobless claims stood at 221k in the week ending July 12, down from the previous 228k**


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The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone and UK					
2:00	UK Unemployment rate* - May	%	--	4.6	4.6
5:00	EZ Consumer prices - Jun (F)	% y/y	--	2.0	2.0
5:00	Core - Jun (F)	% y/y	--	2.3	2.3
United States					
8:30	Advance retail sales* - Jun	% m/m	0.0	0.1	-0.9
8:30	Ex autos & gas* - Jun	% m/m	--	0.2	-0.1
8:30	Control group* - Jun	% m/m	0.3	0.3	0.4
8:30	Philadelphia Fed* - Jul	index	-2.5	-1.0	-4.0
8:30	Initial jobless claims* - Jul 12	thousands	230	234	227
10:00	Fed´s Kugler speaks on housing and the US economic outlook				
13:30	Fed´s Cook speaks on AI and innovation				
18:30	Fed´s Waller speaks on US economic outlook and monetary policy				

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	6,302.50	0.0%
Euro Stoxx 50	5,348.35	0.9%
Nikkei 225	39,901.19	0.6%
Shanghai Composite	3,516.83	0.4%
Currencies		
USD/MXN	18.81	0.5%
EUR/USD	1.16	-0.5%
DXY	98.83	0.4%
Commodities		
WTI	67.05	1.0%
Brent	68.91	0.6%
Gold	3,312.08	-1.0%
Copper	546.80	-0.5%
Sovereign bonds		
10-year Treasury	4.47	1pb

Source: Bloomberg

Equities

- **Positive sentiment in the stock markets, although US futures are trading little changed. Investors are digesting a lower probability of rate cuts, solid corporate results, and paying special attention to the impact of tariffs on consumer health. They are also assimilating a positive outlook on the technology sector, where TSMC raised its outlook for 2025, significantly boosting AI demand**

- **Europe is trading mostly positive, with the Eurostoxx up +0.9%, with the industrial and technology sectors showing the best performance. In Asia, the Nikkei rose 0.6% and the Hang Seng fell 0.1%**

- **In corporates, of the 12 S&P 500 companies reporting results today, nine have already reported better-than-expected results. Netflix's report is expected this afternoon. In Mexico, reports from Arca and Kimber are expected. FMTY also announced the completion of the sale of the "Fortaleza" office space for MXN 360 million**

Sovereign fixed income, currencies and commodities

- **Losses across sovereign bonds. The US Treasury slightly flattens, with front-end yields up 3bps and long-end yields 1bp. In Europe, 10-year benchmark yields rise between 1-2bps**

- **The USD advanced in indices and against all G10 currencies, with AUD (-1.1%) posting the steepest losses. A similar pattern played out across EM, though some Asian currencies saw marginal gains. The MXN trades at 18.81 (-0.5%), partially erasing the previous session's gains**

- **In commodities, oil benchmarks are trading higher, while metals are broadly negative, gold declined 0.7% and copper 0.2%**

Corporate Debt

- **Minera Frisco announced that it will carry out the full early redemption of its MFRISCO 24 issuance on July 23, 2025. The notes currently have MXN 1.0 billion in outstanding principal**

- **HR Ratings affirmed Fibra HD's ratings at 'HR AA' and placed them Under Review, driven by a shift in the Trust's strategic direction, which involves a repositioning plan centered on the acquisition of four industrial assets currently held by Fibra Plus, alongside the transfer of all non-industrial properties to Fibra Plus**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,254.78	0.5%
S&P 500	6,263.70	0.3%
Nasdaq	20,730.49	0.3%
IPC	56,503.04	0.0%
Ibovespa	135,510.99	0.2%
Euro Stoxx 50	5,298.07	-1.0%
FTSE 100	8,926.55	-0.1%
CAC 40	7,722.09	-0.6%
DAX	24,009.38	-0.2%
Nikkei 225	39,663.40	0.0%
Hang Seng	24,517.76	-0.3%
Shanghai Composite	3,503.78	0.0%
Sovereign bonds		
2-year Treasuries	3.89	-5pb
10-year Treasuries	4.46	-3pb
28-day Cetes	7.76	11pb
28-day TIIE	8.24	0pb
2-year Mbono	8.18	-3pb
10-year Mbono	9.45	-1pb
Currencies		
USD/MXN	18.72	-0.5%
EUR/USD	1.16	0.3%
GBP/USD	1.34	0.3%
DXY	98.39	-0.2%
Commodities		
WTI	66.38	-0.2%
Brent	68.52	-0.3%
Mexican mix	62.91	-0.4%
Gold	3,347.13	0.7%
Copper	552.60	-0.9%

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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	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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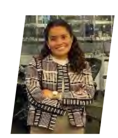

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