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Economic and Financial Markets Research

Economic Research and Market Strategy

# Financial Markets Daily

August 5, 2025

## Main drivers for the financial markets today...

- **Stock markets higher, government bond yields positive, and the USD strengthens. Markets are assimilating solid corporate earnings in the US as bets over a rate cut by the Fed as soon as September increase**

- **On the trade front, Swiss President Karin Keller-Sutter and members of her administration will visit the US with the goal of reducing the tariffs her country faces, which is one of the highest at 39%. Japan's chief trade negotiator will also visit the US to seek a cut in auto tariffs**

- **In economic data, the services and composite PMIs in the Eurozone came out largely in line with preliminary data, with figures in China accelerating, and the same data is expected in the US later. In the latter, the trade balance in June showed a narrower deficit of US$60.2 billion. In Mexico, domestic demand data for May was released, with investment up 0.9% m/m (-7.1% y/y) and consumption at -0.9% (-1.6% y/y)**

- **On the monetary front, minutes from the last COPOM meeting in Brazil suggest that the central bank will remain on hold, although ready to act if higher inflation materializes, especially considering the uncertain effects of the imposition of tariffs. In the US, we have no comments from Fed speakers**

- **The White House could announce an executive order as early as this week penalizing banks that ditch clients for their political stance, amid perceptions that 'conservatives' have been discriminated against**


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### The most relevant economic data...

| | Event/Period | Unit | Banorte | Survey | Previous |
|---|---|---|---|---|---|
| ***Brazil*** | | | | | |
| **7:00** | COPOM minutes | | | | |
| ***Mexico*** | | | | | |
| **8:00** | Gross fixed investment - May | % y/y | -8.7 | -6.3 | -12.5 |
| **8:00** | Gross fixed investment* - May | % m/m | -0.2 | 0.3 | -1.7 |
| **8:00** | Private consumption - May | % y/y | -0.3 | -- | -1.7 |
| **8:00** | Private consumption* - May | % m/m | -0.4 | -- | 1.1 |
| **11:00** | International reserves - Aug 1 | US$bn | -- | -- | 242.3 |
| **13:30** | Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 20-year Mbono (Nov'42), 10-year Udibono (Aug'34) and 2- and 5-year Bondes F | | | | |
| **16:30** | Citi Survey of Economists | | | | |
| ***United States*** | | | | | |
| **8:30** | Trade balance* - Jun | US$bn | -- | -61.4 | -71.5 |
| **9:45** | Services PMI* - Jul (F) | index | 55.2 | 55.1 | 55.2 |
| **9:45** | Composite PMI* - Jul (F) | index | 54.6 | -- | 54.6 |
| **10:00** | ISM services* - Jul | index | 51.0 | 51.5 | 50.8 |

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 | 6,374.75 | 0.3% |
| Euro Stoxx 50 | 5,264.94 | 0.4% |
| Nikkei 225 | 40,549.54 | 0.6% |
| Shanghai Composite | 3,617.60 | 1.0% |
| ***Currencies*** | | |
| USD/MXN | 18.90 | 0.0% |
| EUR/USD | 1.15 | -0.3% |
| DXY | 99.01 | 0.2% |
| ***Commodities*** | | |
| WTI | 65.17 | -1.7% |
| Brent | 67.75 | -1.5% |
| Gold | 3,359.59 | -0.4% |
| Copper | 441.15 | -0.6% |
| ***Sovereign bonds*** | | |
| 10-year Treasury | 4.21 | 2pb |

Source: Bloomberg

## Equities

- Increased confidence among investors is driven by solid corporate results leading to rises in the major indices. Today, the focus will be on the figures and growth prospects for AMD's AI business after the market close

- In the US, futures anticipate a positive opening and the Nasdaq rises 0.4% above its theoretical value. Europe, meanwhile, trades with gains and the Eurostoxx is climbing 0.4%, supported by energy companies. Likewise, Asia closed with gains, with the Shanghai jumping 1.0% and the Hang Seng 0.7%

- Of the 38 companies in the S&P500 that report results today, 23 have already done so, most of them better than expected. In particular, Pfizer (+2.0%) and Palantir Technologies (+6.1%) are climbing in pre-market after beating estimates and raising their 2025 earnings outlook

## Sovereign fixed income, currencies and commodities

- Slightly negative balance in sovereign bonds. The Treasuries' curve flattens in the face of greater upward pressures at the short-end (+3bps). Meanwhile, 10-year rates in Europe rise around 2bps. Yesterday, Mbonos ended the session with modest gains. The 10-year reference (Feb'36) closed at 9.26% (-4bps)

- The dollar strengthens against all developed currencies, with JPY (-0.4%) being the weakest. The dynamic in EM is also negative with losses of up to 0.5% in ZAR and BRL. Meanwhile, the MXN trades at 18.90 per dollar, virtually unchanged from yesterday's close

- Crude-oil continues its decline for three days as investors assess risks to Russian supplies as Trump intensified the threat to penalize India for buying crude from Moscow. In metals, performance is negative with losses of 0.6% in copper

## Corporate Debt

- Today's agenda includes the auction of an unsecured issuance by Fibra Storage, STORAGE 25, for up to MXN 500 million with a five-year tenor. The notes are rated 'AA-(mex)' by Fitch Ratings and 'HR AA+' by HR Ratings

- Moody's Local México downgraded Grupo Fonderia's GASA 24 / 24-2 issuances to 'AA.mx' from 'AA+.mx.' The downgrade reflects a deterioration in the issuer's credit profile, as gross leverage surged materially, reaching 6.6x at the close of 2Q25

**Previous closing levels**

| | Last | Daily chg. |
|---|---|---|
| ***Equity indices*** | | |
| Dow Jones | 44,173.64 | 1.3% |
| S&P 500 | 6,329.94 | 1.5% |
| Nasdaq | 21,053.58 | 2.0% |
| IPC | 56,650.26 | -0.4% |
| Ibovespa | 132,971.20 | 0.4% |
| Euro Stoxx 50 | 5,242.32 | 1.5% |
| FTSE 100 | 9,128.30 | 0.7% |
| CAC 40 | 7,632.01 | 1.1% |
| DAX | 23,757.69 | 1.4% |
| Nikkei 225 | 40,290.70 | -1.2% |
| Hang Seng | 24,733.45 | 0.9% |
| Shanghai Composite | 3,583.31 | 0.7% |
| ***Sovereign bonds*** | | |
| 2-year Treasuries | 3.68 | -1pb |
| 10-year Treasuries | 4.19 | -2pb |
| 28-day Cetes | 7.80 | -7pb |
| 28-day TIIE | 8.24 | -7pb |
| 2-year Mbono | 8.03 | -1pb |
| 10-year Mbono | 9.27 | -2pb |
| ***Currencies*** | | |
| USD/MXN | 18.90 | 0.2% |
| EUR/USD | 1.16 | -0.1% |
| GBP/USD | 1.33 | 0.0% |
| DXY | 98.78 | -0.4% |
| ***Commodities*** | | |
| WTI | 66.29 | -1.5% |
| Brent | 68.76 | -1.3% |
| Mexican mix | 63.92 | -1.9% |
| Gold | 3,373.59 | 0.3% |
| Copper | 443.75 | 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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|---|---|
| **BUY** | When the share expected performance is greater than the MEXBOL estimated performance. |
| **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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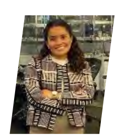

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