

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive, government bond yields mixed and USD with small changes with investors attentive to Fed's Chair Powell's speech at Jackson Hole's Symposium (10:00 am NY time, 8:00 am Mexico time), looking for clearer signals on upcoming steps from the central bank, the path for interest rate cuts and its long term outlook**
- **Given that we don't think there will be a rate cut at the next Fed's meeting, and the market already assumes a high probability of one (65%), we expect Powell's tone to be less dovish, slightly dampening this speculation. Added to this is the likely presentation of the Statement on Longer-Term Objectives and Monetary Policy Strategy. In our view, he will reduce the role of the full-employment objective, which would give him a more hawkish tone**
- **In Mexico, INEGI released inflation for 1H-August at -0.02% 2w/2w –lower than expected–, with the core at 0.09%. As such, the annual print accelerated to 3.49% from 3.48% in the previous fortnight, with the core at 4.21% (previous: 4.22%). INEGI published 2Q25 final GDP at 0.6% q/q (preliminary: 0.7%). In annual terms (nsa) activity stood at 0.0% (preliminary: 0.1%). By sectors, primary activities fell 2.4% q/q, with industry up 0.7% and services slightly higher at 0.8%. INEGI also announced June's GDP-proxy IGAE at 0.2% m/m (1.3% y/y). By sectors, industry and agriculture fell 0.1% m/m, with services up 0.3%**
- **Foreign Direct Investment in Mexico reached US\$34.265 billion in the first half of the year, 10.2% higher than the same period in 2024, presenting a new historical high for the fifth consecutive year**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Germany					
2:00	Gross domestic product* - 2Q25 (F)	% q/q	--	-0.1	-0.1
Mexico					
8:00	Gross domestic product - 2Q25 (F)	% y/y	0.0	0.0	0.1
8:00	Gross domestic product* - 2Q25 (F)	% q/q	0.6	0.7	0.7
8:00	Economic activity indicator (IGAE) - Jun	% y/y	1.4	1.4	-0.2
8:00	Economic activity indicator (IGAE)* - Jun	% m/m	0.4	0.3	0.0
8:00	Consumer prices -Aug 15	% 2w/2w	0.12	0.12	0.07
8:00	Core - Aug 15	% 2w/2w	0.21	0.14	0.11
8:00	Consumer prices - Aug 15	% y/y	3.63	3.63	3.48
8:00	Core - Aug 15	% y/y	4.33	4.27	4.22
United States					
10:00	Fed's Powell speaks at the annual Jackson Hole Symposium				

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	6,401.75	0.2%
Euro Stoxx 50	5,475.69	0.2%
Nikkei 225	42,633.29	0.1%
Shanghai Composite	3,825.76	1.4%
Currencies		
USD/MXN	18.70	-0.3%
EUR/USD	1.16	0.1%
DXY	98.67	0.1%
Commodities		
WTI	63.66	0.2%
Brent	67.73	0.1%
Gold	3,327.19	-0.3%
Copper	443.40	-0.2%
Sovereign bonds		
10-year Treasury	4.32	-1pb

Source: Bloomberg

Equities

- Positive bias in main stock indices, on dip-buying, after the adjustments of recent days. Futures in the US anticipate a positive open, with the S&P500 trading 0.2% above its theoretical value. Europe trades with widespread, though moderate gains, with the Eurostoxx very close to all-time highs
- In corporate news, the announcement of Nvidia stands out, which has informed its component suppliers such as Samsung and Amkor Technology that it will stop manufacturing its H20 AI chip. Meanwhile, Meta agreed a deal with Google (Alphabet) for cloud computing services worth at least \$10 billion
- In the final stretch of the earnings season, we have 95% of the results of S&P500 companies and an accumulated increase in earnings per share of 11.0% vs. 2.8%e. Next week the attention will be monopolized by Nvidia

Sovereign fixed income, currencies and commodities

- The US Treasury curve posted slight gains of 1bp, with attention focused on Powell's speech at the Jackson Hole symposium. In Europe, 10-year yields are trading within ± 2 bps. Yesterday, Mbonos averaged losses of 2bps, with the 10-year benchmark (Feb'36) closing at 9.17% (+2bps)
- USD prints mixed performance against the G10, with JPY (-0.2%) and CHF (+0.1%) at the extremes. In EM, the bias is positive, led by KRW (+0.6%). The MXN ranks as the third strongest in the group, appreciating 0.4% to 18.69 per dollar
- Crude-oil futures show little change, as the market weighs prospects for Russian crude flows to India, following increased criticism from the Trump administration over such imports. Metals are down

Corporate Debt

- CYDSA announced that yesterday it carried out a public offering of long-term securities in the local debt market for a total amount of MXN 700 million, with a 7-year maturity. The bonds were rated "HR AA+" by HR Ratings and "AA-.mx" by Moody's Local MX
- Grupo Herdez announced that McCormick & Company will increase its stake in McCormick de México from 50% to 75% through a transaction valued at US\$750 million

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,785.50	-0.3%
S&P 500	6,370.17	-0.4%
Nasdaq	21,100.31	-0.3%
IPC	58,663.97	0.8%
Ibovespa	134,510.85	-0.1%
Euro Stoxx 50	5,462.16	-0.2%
FTSE 100	9,309.20	0.2%
CAC 40	7,938.29	-0.4%
DAX	24,293.34	0.1%
Nikkei 225	42,610.17	-0.6%
Hang Seng	25,104.61	-0.2%
Shanghai Composite	3,771.10	0.1%
Sovereign bonds		
2-year Treasuries	3.79	4pb
10-year Treasuries	4.33	4pb
28-day Cetes	7.67	-1pb
28-day TIIE	8.03	1pb
2-year Mbono	7.90	2pb
10-year Mbono	9.18	3pb
Currencies		
USD/MXN	18.76	-0.1%
EUR/USD	1.16	-0.4%
GBP/USD	1.34	-0.3%
DX	98.62	0.4%
Commodities		
WTI	63.52	0.5%
Brent	67.67	1.2%
Mexican mix	62.52	1.3%
Gold	3,338.71	-0.3%
Copper	451.15	0.0%

Source: Bloomberg

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