

# Financial Markets Daily

June 12, 2023

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

- **Stock markets higher, with government bond yields and USD mixed. Positive news on companies such as Tesla, Carnival, and Adidas help the indices, while investors wait for central bank decisions and weakness persists in oil prices on concerns about the outlook for global demand**
- **No relevant economic data today in the US, while highlighting only ANTAD same-store sales for May in our country**
- **Important week for the monetary policy outlook, with decisions from the Fed (unchanged), ECB (+25bps), BoJ (unchanged), and China's PBoC. Moreover, May inflation in the US (Banorte: 0.2% m/m, consensus: 0.2%) and the Eurozone**
- **In events, NATO Secretary General will meet with President Biden in Brussels, where Defense Ministers will also gather on the week. We will also have the release of monthly reports from OPEC and IEA**
- **Apart from the abovementioned, US data includes retail sales, industrial production (May), the Philly Fed, and U. of Michigan consumer confidence**
- **In other regions, we highlight industrial production, retail sales, and gross fixed investment (May) in China; trade balance and industrial production in the Eurozone (Apr); ZEW survey (Jun) in Germany; as well as retail sales and economic activity (Apr) in Brazil**
- **In Mexico, the Financial Stability Report from Banxico**

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economic forecasters, granted by Focus  
Economics



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## The most relevant economic data...

Event/Period	Unit	Banorte	Survey	Previous
<i>Mexico</i>				
ANTAD same-store sales - May	% y/y	--	--	6.2

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.
<i>Equity indices</i>		
S&P 500 Futures	4,358.25	0.2%
Euro Stoxx 50	4,318.86	0.7%
Nikkei 225	32,434.00	0.5%
Shanghai Composite	3,228.83	-0.1%
<i>Currencies</i>		
USD/MXN	17.27	-0.1%
EUR/USD	1.08	0.2%
DXY	103.46	-0.1%
<i>Commodities</i>		
WTI	68.50	-2.4%
Brent	73.29	-2.0%
Gold	1,965.06	0.2%
Copper	376.70	-0.6%
<i>Sovereign bonds</i>		
10-year Treasury	3.73	-1pb

Source: Bloomberg

## Equities

- **Equity markets higher, continuing last week's almost widespread gains, with investors awaiting monetary policy decisions in coming days. In corporate news, Tesla (+1.3% on pre-market) could reach its 12th consecutive trading day higher (record) on expectations that its electric-car charging system will become an industry standard. Meanwhile, UBS announced that they completed the takeover of Credit Suisse**
- **In Asia most markets closed positive. European stocks advance, with the Eurostoxx up 0.7%. Shares from consumer discretionary and consumer staples lead gains. In turn, US futures of main indices point to a positive open by rising 0.2% on average**
- **In Mexico, following the Mexbol's closing at 54,512pts last Friday, we expect this week a trading range between 53,200 - 55,500pts**

## Sovereign fixed income, currencies and commodities

- **Positive balance in sovereign bonds. European assets adjust up to -8bps. The Treasuries' curve gains 2bps on average. Last week, the Mbonos' curve closed steepened as a result of 16bps gains at the short-end, while the long-end posted mixed movements between +/-4bps**
- **The dollar retreats, DXY (-0.1%), while G10 currencies register a slight positive bias with SEK (+0.3%) leading. In EM, the performance is mixed with ZAR (+1.1%) and TRY (-0.7%) at the extremes. The MXN appreciates 0.1% to 17.27 per dollar, after gaining 1.6% last week**
- **Crude-oil futures fall more than 2.0% amid concerns about the outlook for demand after Goldman Sachs cut its year-end price forecast to 86 \$/bbl (previous: 95 \$/bbl). Metals trade with a mixed bias as copper falls 0.4%**

## Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	33,876.78	0.1%
S&P 500	4,298.86	0.1%
Nasdaq	13,259.14	0.2%
IPC	54,512.14	0.3%
Ibovespa	117,019.48	1.3%
Euro Stoxx 50	4,289.79	-0.2%
FTSE 100	7,562.36	-0.5%
CAC 40	7,213.14	-0.1%
DAX	15,949.84	-0.3%
Nikkei 225	32,265.17	2.0%
Hang Seng	19,389.95	0.5%
Shanghai Composite	3,231.41	0.6%
<i>Sovereign bonds</i>		
2-year Treasuries	4.60	8pb
10-year Treasuries	3.74	2pb
28-day Cetes	11.31	0pb
28-day TIIE	11.51	0pb
2-year Mbono	10.26	0pb
10-year Mbono	8.88	3pb
<i>Currencies</i>		
USD/MXN	17.28	-0.6%
EUR/USD	1.07	-0.3%
GBP/USD	1.26	0.1%
DXY	103.56	0.2%
<i>Commodities</i>		
WTI	70.17	-1.6%
Brent	74.79	-1.5%
Mexican mix	64.56	-1.7%
Gold	1,961.19	-0.2%
Copper	378.90	-0.2%

Source: Bloomberg

## Corporate Debt

- **Comisión Federal de Electricidad (CFE) informed that it signed a contract with New Fortress Energy for the supply of natural gas off the coast of Altamira, Tamaulipas, which will allow CFE to create liquefaction plants and build offshore gas platforms**
- **Fitch Ratings affirmed Megacable Holdings' rating at 'AAA(mex)' with a Stable outlook. The rating reflects the issuer's market position as one of the leading providers of fixed pay-TV, internet and telephone services in Mexico**
- **S&P Global Ratings affirmed Grupo Rotoplas' rating at 'mxAA-' with a Stable outlook. The agency mentions that the issuer strengthened its pricing strategy to mitigate the negative effects caused by higher inflation and commodity price volatility**

## Certification of Analysts.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldivar, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Carlos Hernández García, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal, Daniel Sebastián Sosa Aguilar and Andrea Muñoz Sánchez, 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
<b>BUY</b>	<i>When the share expected performance is greater than the MEXBOL estimated performance.</i>
<b>HOLD</b>	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
<b>SELL</b>	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

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