

# Financial Markets Daily

June 27, 2023

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

- **Stock markets mixed with S&P Futures slightly up, government bond yields slightly up, and USD down as expectations of further monetary tightening in developed countries persist (Fed, ECB and BoE) despite potential for China stimulus measures to stem the slowdown**
- **Today, market's attention will be on the World Economic Forum (WEF) "Annual Meeting of the New Champions" in Tianjin, China. In addition, there will be interventions from members of the ECB and BoE, including Christine Lagarde at the ECB's Annual Central Banking Forum**
- **As for economic figures, in the US durable goods orders for May were published, surprising on the upside at +1.7% m/m. Later, the new home sales report for May will be released, as well as the Conference Board's consumer confidence for June. Meanwhile, inflation in Brazil stood at 0.04% 2s/2s, above consensus (0.02%), with the annual variation at 3.40% from the previous 4.07%**
- **In Mexico, INEGI released May's trade balance, posting a US\$74.1 million deficit. Exports rose 2.8% m/m (5.8% y/y) -boosted by manufacturing-, while imports fell 2.6% m/m (1.4% y/y) -dragged by oil categories-**

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economic forecasters, granted by Focus  
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#1 OVERALL FORECASTER - MEXICO



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## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<i>Mexico</i>					
8:00	Trade balance - May	US\$m	-1,028.4	-1,100.0	-1,508.5
11:00	International reserves - Jun 23	US\$bn	--	--	203.3
13:30	Government weekly auction: 1-, 3-, 6-, 12- month CETES; 10-year Mbono (May'33); 20-year Udibono (Nov'43) and 2-, and 5-year Bondes F				
<i>Brazil</i>					
7:00	COPOM minutes				
8:00	Consumer prices - Jun	% m/m	--	0.01	0.51
8:00	Consumer prices - Jun	% y/y	--	3.38	4.07
<i>United States</i>					
8:30	Durable goods orders* - May (P)	% m/m	--	-0.8	1.1
8:30	Ex transportation* - May (P)	% m/m	--	0.0	-0.3
9:00	S&P/CoreLogic housing prices - Apr	% y/y	--	-2.6	-1.2
10:00	New home sales** - May	thousands	--	675	683
10:00	Consumer confidence* - Jun	index	103.4	104.0	102.3

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	4,378.00	0.2%
Euro Stoxx 50	4,280.43	0.0%
Nikkei 225	32,538.33	-0.5%
Shanghai Composite	3,189.44	1.2%
<i>Currencies</i>		
USD/MXN	17.07	-0.4%
EUR/USD	1.10	0.6%
DX	102.38	-0.3%
<i>Commodities</i>		
WTI	68.88	-0.7%
Brent	73.65	-0.7%
Gold	1,928.63	0.3%
Copper	378.25	0.0%
<i>Sovereign bonds</i>		
10-year Treasury	3.71	-1pb

Source: Bloomberg

## Equities

- **Mixed movements in equity markets as investors are cautious while weighing the outlook for monetary policy and economic growth, but hopeful that a recession will be less severe than expected**
- **In Asia the markets closed mixed. In Europe most stocks retreated, with the Stoxx 600 index falling 0.4%, being its seventh day down and heading for its longest losing streak since February 2018. Shares from energy and technology sectors lead the declines, while those from real estate and utilities are the biggest gainers. In turn, in the US the futures of main indices are mixed and show little changes**
- **In Mexico, the Mexbol Index may stand above the 53,300 pts**

## Sovereign fixed income, currencies and commodities

- **Modest negative balance in sovereign bonds. European rates increase 2bps, on average, while Treasuries' curve print a steepening bias with gains of up to 5bps at the short-end and losses of 1bp at the long-end. Yesterday, the Mbonos' curve closed with gains of 4bps, on average**
- **The dollar records losses and most G10 currencies advance, with EUR (+0.5%) as the strongest. In EM, the bias is also positive, with ZAR (+0.9%) leading gains. The MXN appreciates 0.4% to 17.07 per dollar after gaining 0.2% yesterday**
- **Crude-oil futures fell on concerns of higher interest rates that could affect the outlook for global economic growth. On the other hand, metals register gains, excluding copper, which falls 0.4%**

## Previous closing levels

	Last	Daily chg.
<i>Equity indices</i>		
Dow Jones	33,714.71	0.0%
S&P 500	4,328.82	-0.4%
Nasdaq	13,335.78	-1.2%
IPC	53,335.74	0.0%
Ibovespa	118,242.95	-0.6%
Euro Stoxx 50	4,280.57	0.2%
FTSE 100	7,453.58	-0.1%
CAC 40	7,184.35	0.3%
DAX	15,813.06	-0.1%
Nikkei 225	32,698.81	-0.3%
Hang Seng	18,794.13	-0.5%
Shanghai Composite	3,150.62	-1.5%
<i>Sovereign bonds</i>		
2-year Treasuries	4.74	0pb
10-year Treasuries	3.72	-1pb
28-day Cetes	11.31	0pb
28-day TIIE	11.50	-1pb
2-year Mbono	10.01	-6pb
10-year Mbono	8.56	-6pb
<i>Currencies</i>		
USD/MXN	17.14	-0.2%
EUR/USD	1.09	0.1%
GBP/USD	1.27	0.0%
DX	102.69	-0.2%
<i>Commodities</i>		
WTI	69.37	0.3%
Brent	74.18	0.4%
Mexican mix	63.98	0.8%
Gold	1,923.26	0.1%
Copper	380.45	-0.3%

Source: Bloomberg

## Corporate Debt

- **Fibra Mty informed that it received the VAT refund corresponding to the acquisition of the 'Zeus' portfolio. The amount of the refund occurred approximately three months after the acquisition and amounts to MXN 1.42 billion. According to the press release, the proceeds of the refund will be used for the full payment of the US\$80 million revolving portion of the 2023 syndicated loan. This transaction would conclude the prepayment of all revolving credit lines used for the acquisition of the aforementioned portfolio**
- **Fibra Mty has one bond outstanding in the long-term debt market, FMTY 20D, with an outstanding amount of US\$215 million (MXN 3.91 billion), including a US\$115 million reopening in July 2021**

## 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, Juan Carlos Mercado Garduño, 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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