Financial Markets Daily

Main drivers for the financial markets today…

- Stock markets biased lower, government bond yields up, and USD mixed. Cautiousness due to the recent rebound in oil prices, which could complicate central banks' fight against inflation, while representing a renewed risk for the economy and a potential source of a recession ahead

- In this backdrop, investors will listen closely the comments from the Saudi Energy Minister at the World Petroleum Congress, inventory levels, and the production of gasolines and refined products in refineries, among other catalysts. No additional data in the US and Mexico for the rest of the trading session. Moreover, no speeches from central bank members scheduled today

- Market attention on the Fed decision. In line with consensus, we expect the Fed funds rate to remain at 5.25% - 5.50%. Nevertheless, it will be very important to see possible changes in the dot plot, macroeconomic estimates, and on Powell's press conference

- Moreover, PMI indicators for September, especially in Germany, the United Kingdom, and the Eurozone, after recent data that suggests heightened risks about an economic contraction. These indicators also in the US, which is in a better cyclical position

- In monetary policy, decisions also by the BoE (+25bps), BoJ (unchanged), Brazil, Indonesia, Switzerland, Sweden, Norway, Turkey, South Africa, and Egypt, along with 1- and 5-year prime loan rates by the PBoC in China

- In events, the 78th General Assembly of the UN, which will be held throughout September 26th. On the other hand, the OECD will publish its Economic Outlook report

- The rest of the US data agenda includes housing starts, building permits, existing home sales (Aug) and the *Philly Fed* (Sep). In the Eurozone, current account (Jul) and consumer confidence (Sep). Lastly, consumer prices in the UK (Aug)

- In Mexico, aggregate supply and demand for 2Q23 grew 1.3% q/q (4.8% y/y). Releases in coming days include retail sales, IGAE (Jul), inflation (1H-Sep), and the banking sector survey
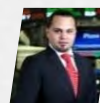
Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com

Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com

Manuel Jiménez Zaldivar
Director of Market Strategy
manuel.jimenez@banorte.com

www.banorte.com/analisiseconomico
@analisis_fundam

Winners of the 2023 award for best Mexico economic, forecasters, granted by Focus Economics

Document for distribution among public

A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	4,488.50	-0.2%
Euro Stoxx 50	4,248.39	-1.1%
Nikkei 225	33,533.09	0.0%
Shanghai Composite	3,125.93	0.3%
Currencies		
USD/MXN	17.08	0.0%
EUR/USD	1.07	0.1%
DXY	105.29	0.0%
Commodities		
WTI	91.26	0.5%
Brent	94.41	0.5%
Gold	1,926.38	0.1%
Copper	376.35	0.0%
Sovereign bonds		
10-year Treasury	4.34	1pb

Source: Bloomberg

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
8:00	Aggregate supply and demand- 2Q23	% q/q	4.2	4.2	5.2

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.

Equities

- **Cautious sentiment, reflecting the possibility of continued monetary policy tightening in light of signs that suggest renewed inflationary pressures in some regions of the world**

- **In the US, futures anticipate a negative opening, with the Nasdaq down 0.3% below its theoretical value. However, among corporates, some analysts remain positive on pre-orders for Apple's latest iPhone 15. In turn, Europe trades mainly with lower, with the Eurostoxx falling 1.1%, dragged by the consumer discretionary sector. Meanwhile, Societe Generale drops more than 10% after the bank cut its profitability targets. Asia closed with a negative bias**

- **In Mexico, this week we anticipate a trading range for the Mexbol index between 50,500 and 53,000 points**

Sovereign fixed income, currencies and commodities

- **Modest losses in sovereign bonds. European 10-year rates up 3bps, while the US Treasuries yield curve trades with few changes. Last week, Mbonos' curve gained 7bps at the short-end and lost 2bps at the long-end. The 10-year reference (May'33) closed at 9.58% (+4bps)**

- **Dollar is little changed amid a mixed performance in both G10 and EM. In the first group, CAD (+0.2%) and NOK (-0.6%) stand at the extremes. In EM, the Mexican peso is virtually unchanged at 17.08 per dollar after its largest weekly appreciation since December 2021 of 3.0%**

- **Crude-oil at fresh 10-month highs, with Brent closer to 95 dollars per barrel, after a 14% rally in the last 30 days as OPEC+ curbs production and the demand outlook brightens, indicating tight supplies ahead**

Corporate Debt

- **This week, we expect the auction of two sustainability-linked bonds by Cemex -which returns to the long-term market after its last maturity in 2017- for MXN 4 billion (max. MXN 6 billion); as well as a structured issuance, backed by future cash flows from credit card sales of airline tickets and additional services by Volaris, for up to MXN 1.5 billion**

- **Fibra Storage informed that, on August 14, it formalized the acquisition of the land identified as "Picacho Ajusco", which is expected to begin its construction process for the use of mini warehouses during 2024. According to the press release, the acquisition price of the property was for a total of MXN 90 million, including closing costs**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	34,618.24	-0.8%
S&P 500	4,450.32	-1.2%
Nasdaq	13,708.33	-1.6%
IPC	51,351.60	-0.8%
Ibovespa	118,757.53	-0.5%
Euro Stoxx 50	4,295.05	0.4%
FTSE 100	7,711.38	0.5%
CAC 40	7,378.82	1.0%
DAX	15,893.53	0.6%
Nikkei 225	33,533.09	1.1%
Hang Seng	18,182.89	0.7%
Shanghai Composite	3,117.74	-0.3%
Sovereign bonds		
2-year Treasuries	5.03	2pb
10-year Treasuries	4.33	5pb
28-day Cetes	11.31	0pb
28-day TIIE	11.51	0pb
2-year Mbono	10.44	-2pb
10-year Mbono	9.60	-2pb
Currencies		
USD/MXN	17.08	-0.2%
EUR/USD	1.07	0.1%
GBP/USD	1.24	-0.2%
DXY	105.32	-0.1%
Commodities		
WTI	90.77	0.7%
Brent	93.93	0.2%
Mexican mix	87.50	0.7%
Gold	1,923.91	0.7%
Copper	380.10	-0.5%

Source: Bloomberg

Analyst Certification.

Relevant statements.

BANORTE

Directory
Research and Strategy

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251

Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611

María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com
(55) 1103 - 4046

Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957

Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821

Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1103 - 4000

Luis Leopoldo López Salinas
Economist, Global Internacional
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707

Market Strategy

Manuel Jiménez Zaldívar
Director of Market Strategy
manuel.jimenez@banorte.com
(55) 5268 - 1671

Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719

Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800

José Itzamna Espitia Hernández
Senior Strategist, Equity
jose.espitia@banorte.com
(55) 1670 - 2249

Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com (55) 1670 - 2250

Hugo Armando Gómez Solís
Senior Analyst, Corporate Debt
hugoa.gomez@banorte.com
(55) 1670 - 2247

Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698

Isaías Rodríguez Sobrino
Analyst, Fixed Income, FX and Commodities
isaias.rodriguez.sobrino@banorte.com
(55) 1670 - 2144

Gerardo Daniel Valle Trujillo
Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248

Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Quantitative Analysis

Alejandro Cervantes Llamas   Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608

Miguel Alejandro Calvo Domínguez
Senior Analyst, Quantitative Analysis
miguel.calvo@banorte.com
(55) 1670 - 2220

José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000

Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124

Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1103 - 4000

Andrea Muñoz Sánchez
Analyst, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1103 - 4000

BANORTE