

## Financial Markets Daily

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

- **Stock markets and government bond yields mixed, with the USD higher. Investors remain on the look to comments from Fed speakers, this with the aim to calibrate their expectations regarding the future path for interest rates and their potential effect on economic activity**
- **On the monetary front we highlight participations from several Fed members, noting comments from Chairman Jerome Powell, as well as from Cook (Fed Board), Williams (New York), Barr (Fed Board), and Jefferson (Fed Vice Chair). In other regions we will have comments from Andrew Bailey (BoE) and several functionaries from the ECB**
- **Regarding figures, October's inflation in Germany came in line with the preliminary figure at 3.0% y/y. Retail sales in the Eurozone during September fell 0.3% m/m. Meanwhile, 1-year inflation expectations in the region increased significantly to 4.0% from 3.5%, with those for 3-years more stable at 2.5%. In Brazil, September's retail sales rose 0.6% m/m. Later tonight we await October's inflation in China, where consensus expects a moderation to -0.1% y/y**
- **In yesterday's local elections in the US, we highlight wins by Democrats in conservative states such as Ohio and Kentucky, this despite approval ratings for President Joe Biden having declined recently. They also won control of the Legislative power in Virginia, where the Governor is a Republican**
- **The Israeli offense in Gaza continues, with military forces entering Gaza City. Nevertheless, calls from G-7 and other countries' ministers to call for a humanitarian cease fire**

### The most relevant economic data...

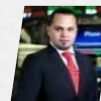
	Event/Period	Unit	Banorte	Survey	Previous
<b>Eurozone</b>					
2:00	GER Consumer prices - Oct (F)	% y/y	--	3.8	3.0
5:00	EZ Retail sales* - Sep	% m/m	--	-0.2	-1.2
<b>United States</b>					
6:15	Fed's Cook speaks on financial stability				
10:15	Fed's Powell delivers opening remarks				
<b>Brazil</b>					
7:00	Retail sales - Sep	% y/y	--	2.7	2.3
7:00	Retail sales* - Sep	% m/m	--	0.3	-0.2
<b>China</b>					
20:30	Consumer prices - Oct	% y/y	--	-0.1	0.0

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.
<b>Equity indices</b>		
S&P 500 Futures	4,396.75	0.0%
Euro Stoxx 50	4,158.96	0.1%
Nikkei 225	32,166.48	-0.3%
Shanghai Composite	3,052.37	-0.2%
<b>Currencies</b>		
USD/MXN	17.54	0.3%
EUR/USD	1.07	-0.2%
DXY	105.75	0.2%
<b>Commodities</b>		
WTI	76.23	-1.5%
Brent	80.61	-1.2%
Gold	1,963.66	-0.3%
Copper	367.25	-0.2%
<b>Sovereign bonds</b>		
10-year Treasury	4.58	1pb

Source: Bloomberg

## Equities

- Mixed equity markets with some cautious sentiment, where investors are waiting for further clues on the upcoming monetary policy moves by central banks
- Futures in the US anticipate an unchanged opening. Meanwhile, Europe recorded mixed movements and the Eurostoxx without a clear trend, with the largest increases in the industrials sector and declines in materials companies. Particularly, Marks & Spencer Group shares are up more than 9.5% in London, this after reporting revenue growth that exceeded expectations coupled with reinstating a dividend for the first time since 2019. Asia closed mixed, although highlighting the Hang Seng down 0.6%
- Of 13 of S&P500 companies releasing results today, only 2 have already done so, being better than expected. After the market close, Walt Disney's figures are expected

## Sovereign fixed income, currencies and commodities

- Mixed performance in sovereign bonds. European 10-year rates trade with adjustments of +/- 1bp. The Treasuries yield curve posts losses of up to 2bps on the short-end and gains of 1bp on long-term tenors. Yesterday, the Mbonos' curve gained 7bps, on average, and the 10-year benchmark closed at 9.70% (-10bps)
- The dollar strengthens (BBDXY +0.1%) against almost all G10 and emerging currencies. In the first group, GBP (-0.3%) leads the decliners. In EM, trading is capped by PHP (+0.2%) and ZAR (-1.0%). The Mexican peso loses 0.4% to trade at 17.54 per dollar
- Crude-oil futures extend yesterday's losses by dropping 0.6% on a drop of US gasoline consumption forecast, another indicator suggesting a deterioration in demand. Metals prices are mixed, with silver dropping 0.9%

## Corporate Debt

- Today, Fonadin (Fondo Nacional de Infraestructura) is scheduled to place a significant portion of the month's expected amount with three bonds, FONADIN 23U / 23-2U / 22-2U (Tap issue) for up to MXN 20 billion. The three issuances will be pegged to a real fixed rate (Udis) and will have terms of 15, 21 and 29.1 years, respectively
- In addition, yesterday the two issuances of BBVA Mexico for a combined amount of MXN 13.5 billion were placed with a demand of 1.19x, while the bond of Fortaleza Materiales, FORTALE 23, for an amount of MXN 2 billion had a demand of 1.0x

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	34,152.60	0.2%
S&P 500	4,378.38	0.3%
Nasdaq	13,639.86	0.9%
IPC	51,209.85	-0.8%
Ibovespa	119,268.06	0.7%
Euro Stoxx 50	4,153.37	-0.1%
FTSE 100	7,410.04	-0.1%
CAC 40	6,986.23	-0.4%
DAX	15,152.64	0.1%
Nikkei 225	32,271.82	-1.3%
Hang Seng	17,670.16	-1.6%
Shanghai Composite	3,057.27	0.0%
<b>Sovereign bonds</b>		
2-year Treasuries	4.92	-2pb
10-year Treasuries	4.57	-8pb
28-day Cetes	10.95	-16pb
28-day TIEE	11.51	0pb
2-year Mbono	10.75	-4pb
10-year Mbono	9.73	-9pb
<b>Currencies</b>		
USD/MXN	17.48	-0.4%
EUR/USD	1.07	-0.2%
GBP/USD	1.23	-0.4%
DXY	105.54	0.3%
<b>Commodities</b>		
WTI	77.37	-4.3%
Brent	81.61	-4.2%
Mexican mix	73.37	-4.4%
Gold	1,969.45	-0.4%
Copper	367.90	-1.1%

Source: Bloomberg

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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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