

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive, government bond yields & USD up with investors awaiting comments from the Chair of the Fed and the President of the ECB, in addition to expecting that the policy makers are done hiking interest rates**
- **On the monetary policy front, markets will be attentive to the Fed members' agenda which includes comments from Powell, Barkin, Bostic and Paese. Likewise, attention will focus on Banxico's monetary policy decision. We expect the central bank to hold the target rate at 11.25%, level where it has been since the March 30th decision. The statement will maintain a hawkish tone, consistent with a complex outlook for monetary policy. In the afternoon, Peru's central bank will announce its decision**
- **There is no significant progress in the US Congress to avoid a shutdown as the November 17 deadline approaches**
- **Regarding economic figures, the initial jobless claims will be published in the US for the week ending November 4. Consensus expects them to remain stable around current levels (217k)**
- **In Mexico, INEGI published October's inflation at 0.38% m/m, with the core at 0.39%, mostly in line with expectations. As such, annual inflation fell to 4.26% (previous: 4.45%), with the core also lower at 5.50% (previous: 5.76%)**

The most relevant economic data...

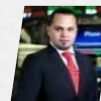
	Event/Period	Unit	Banorte	Survey	Previous
Mexico					
7:00	Consumer prices - Oct	% m/m	0.36	0.39	0.44
7:00	Core - Oct	% m/m	0.39	0.38	0.36
7:00	Consumer prices - Oct	% y/y	4.24	4.26	4.45
7:00	Core - Oct	% y/y	5.51	5.49	5.76
14:00	Monetary policy decision (Banxico)	%	11.25	11.25	11.25
United States					
8:30	Initial Jobless Claims* - Nov 4	thousands	215	219	217
10:30	Fed's Bostic and Barkin Speak on Survey Data				
13:00	Fed's Paese speaks about the economy and monetary policy				
15:00	Fed's Powell Speaks on Panel at IMF Conference				
Peru					
18:00	Monetary policy decision (BCRP)	%	--	7.00	7.25

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	4,405.25	0.1%
Euro Stoxx 50	4,215.62	0.9%
Nikkei 225	32,646.46	1.5%
Shanghai Composite	3,053.28	0.0%
Currencies		
USD/MXN	17.56	0.1%
EUR/USD	1.07	-0.2%
DXY	105.68	0.1%
Commodities		
WTI	75.98	0.9%
Brent	80.22	0.9%
Gold	1,945.94	-0.2%
Copper	363.50	-0.1%
Sovereign bonds		
10-year Treasury	4.55	5pb

Source: Bloomberg

Equities

- Positive equity markets, continuing yesterday's optimism, as investors digest comments that could provide clues on the path for interest rates and favorable corporate reports
- US futures with small changes, with the S&P500 trading 0.1% above its theoretical value, positioning it for its ninth consecutive day of gains. Europe trades positive and the Eurostoxx advanced 0.9%, with the largest increase in the materials sector. Similarly, Asia closed higher, with the Nikkei rising 1.5%
- Only 9 S&P500 companies expected to release their results today. Walt Disney's shares surge 4.0% on pre-market trading after reporting yesterday an increase in streaming users and further than expected cost cuts

Sovereign fixed income, currencies and commodities

- Negative balance in sovereign bonds. 10-year European rates adjusts up to +4bps. The Treasuries' curve registers a steepening bias with losses of 2bps at the short-end, while the long-end adjusts +7bps. Yesterday, Mbonos' curve gained 4bps, on average, and the 10-year benchmark closed at 9.65% (-4bps)
- The dollar advances, causing a negative bias in developed currencies with GBP (-0.2%) leading the losses. In EM, the bias is also negative with ZAR (-0.7%) as the weakest. Meanwhile, MXN depreciates 0.1% to 17.56 per dollar, widening yesterday's losses of 0.3%
- Crude-oil advances 0.6%, after plunging to a three-month low on concerns about global demand. In this sense, Brent edged back to 80 \$/bbl. Metals trade in negative domain with gold and palladium falling 0.3% and 1.9%, respectively

Corporate Debt

- Grupo Aeroportuario del Pacífico informed that it drew down a bank credit line for MXN 1.5 billion for a 12-month term. Interest will be paid monthly at a rate of TIIE-28 plus 38bp, with payment of principal at maturity. According to the press release, the loan proceeds were used to repay a MXN 1.5 billion bank loan
- Desarrollos Hidráulicos de Cancún informed that on November 17, 2023, a partial Voluntary Early Amortization of its DHIC 22B issuance, for an amount of MXN 88.88 million, will be paid. The bond has an outstanding amount of MXN 1,089 million and is scheduled to mature in May 2026. The issue is currently rated 'AA+(mex)' by Fitch Ratings and 'HR AA+' by HR Ratings

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	34,112.27	-0.1%
S&P 500	4,382.78	0.1%
Nasdaq	13,650.41	0.1%
IPC	51,016.30	-0.4%
Ibovespa	119,176.67	-0.1%
Euro Stoxx 50	4,178.49	0.6%
FTSE 100	7,401.72	-0.1%
CAC 40	7,034.16	0.7%
DAX	15,229.60	0.5%
Nikkei 225	32,166.48	-0.3%
Hang Seng	17,568.46	-0.6%
Shanghai Composite	3,052.37	-0.2%
Sovereign bonds		
2-year Treasuries	4.93	1pb
10-year Treasuries	4.49	-7pb
28-day Cetes	10.95	0pb
28-day TIIE	11.51	0pb
2-year Mbono	10.71	-4pb
10-year Mbono	9.67	-6pb
Currencies		
USD/MXN	17.54	0.3%
EUR/USD	1.07	0.1%
GBP/USD	1.23	-0.1%
DXY	105.59	0.0%
Commodities		
WTI	75.33	-2.6%
Brent	79.54	-2.5%
Mexican mix	71.26	-2.9%
Gold	1,950.20	-1.0%
Copper	363.80	-1.1%

Source: Bloomberg

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