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Economic and Financial Markets Research

Economic Research and Market Strategy

Financial Markets Daily

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Main drivers for the financial markets today…

- **Stock markets with small changes, though biased positive, government bond yields up, and USD with losses, as US markets will resume operations after Thanksgiving Day holiday, in a low-volume session with only half a day of operations. Oil steady on news that OPEC+ will hold its delayed meeting online on Nov 30th**

- **Focus on Black Friday sales in the US, marking the traditional kick-off for the holiday shopping season. The National Retail Federation estimates in its annual survey released last week that 182 million people plan to shop - the highest number since the institution began the survey in 2017- in stores and online from Thanksgiving to Cyber Monday this year. Meanwhile, some analysts predict that a considerable moderation will be observed**

- **Regarding economic figures, in the US the preliminary PMI indicators for November will be published, where manufacturing is expected to remain below the neutral level of 50pts**

- **In Mexico, INEGI published 3Q23 final GDP, up 1.1% q/q (preliminary: 0.9%). In annual terms (nsa) activity stood at 3.3% (preliminary: 3.3%). By sectors, primary activities grew 2.6% q/q (5.7% y/y), with industry at +1.3% q/q (4.3% y/y), and services at +0.9% q/q (2.7% y/y)**

- **INEGI also released September's GDP-proxy IGAE, up 0.6% m/m (+3.3% y/y). By sectors, both industry (0.2% m/m) and services (+0.9%) grew, with primary activities falling 3.0%**

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

Document for distribution among public

The most relevant economic data…

	Event/Period	Unit	Banorte	Survey	Previous
Germany					
2:00	Gross domestic product* - 3Q23 (F)	% q/q	--	-0.1	-0.1
4:00	IFO Survey (business climate)* - Nov	index	--	87.5	86.9
Mexico					
7:00	Economic activity indicator (IGAE) - Sep	% y/y	3.1	3.0	3.7
7:00	Economic activity indicator (IGAE)* - Sep	% m/m	0.5	0.2	0.4
7:00	Gross domestic product - 3Q23 (F)	% y/y	3.2	3.2	3.3
7:00	Gross domestic product* - 3Q23 (F)	% q/q	0.9	0.8	0.9
10:00	Current account - 3Q23	US$bn	3.4	3.0	6.2
United States					
9:45	Manufacturing PMI* - Nov (P)	index	49.8	49.9	50.0
9:45	Services PMI* - Nov (P)	index	--	50.3	50.6
9:45	Composite PMI* - Nov (P)	index	--	50.2	50.7

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

A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	4,573.25	0.1%
Euro Stoxx 50	4,369.50	0.2%
Nikkei 225	33,625.53	0.5%
Shanghai Composite	3,040.97	-0.7%
Currencies		
USD/MXN	17.14	-0.3%
EUR/USD	1.09	0.2%
DXY	103.64	-0.3%
Commodities		
WTI	76.73	-0.5%
Brent	81.72	0.4%
Gold	1,996.60	0.2%
Copper	377.40	0.3%
Sovereign bonds		
10-year Treasury	4.46	5pb

Source: Bloomberg

Equities

- **Mixed returns, although positive bias prevails in stock markets, as investors continue to elucidate the impact of high interest rates on growth, expecting the tightening cycle to end soon**

- **Futures in the US anticipate a marginally positive opening, with the S&P500 trading 0.1% above its theoretical value, resuming operations from yesterday's Thanksgiving holiday, in a low-volume session with only half a day of trading**

- **In Europe, we observe almost widespread increases, although of moderate magnitude, averaging 0.2%, with the only exception being the United Kingdom. Asia closed mixed, with China and Hong Kong down, while Japan returns from the holiday on a positive note. In Mexico, the Mexbol Index could consolidate near 52,800pts after closing yesterday at 53,059pts**

Sovereign fixed income, currencies and commodities

- **Negative balance in sovereign bonds in a day with low trading volume. European 10-year rates post losses of 2bps on average and the Treasuries yield curve trades with pressures of 5bps. Yesterday, the Mbonos' curve registered few changes and the 10-year benchmark closed at 9.57% (-1bp)**

- **The dollar trades with a negative bias while advanced economies currencies strengthen, with NZD (+0.8%) as the strongest. In emerging markets, CLP (+0.7%) and KRW (-0.7%) are at the ends of the spectrum. The Mexican peso is the second strongest, appreciating 0.3% to trade at 17.13 per dollar**

- **Crude-oil futures are mixed due to difficulties within OPEC+ to reach agreements on production quotas for African countries. Industrial metals are negative, while gold and silver are up 0.2%**

Corporate Debt

- **HR Ratings ratified at 'HR AA+' the ratings with a Stable Outlook for Montepío and its bonds MONTPIO 21 and 23 due to its strong solvency position. According to the agency, the strengthening of the solvency profile is related to a lower placement of credit by the Pawn Shop, which has been affected by the macroeconomic environment**

- **HR Ratings ratified the 'HR AAA' rating with a Stable Outlook for Médica Sur and its MEDICA 20 issuance due to its negative Debt Service indicator for the analysis period (2022-2026). The rating agency expects the company to achieve an increase in its operating results through volume efficiencies, which is why it estimates an average annual growth rate of 11.0% for the EBITDA until 2026**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	35,273.03	0.0%
S&P 500	4,556.62	0.0%
Nasdaq	14,265.86	0.0%
IPC	53,059.54	0.7%
Ibovespa	126,575.75	0.4%
Euro Stoxx 50	4,361.32	0.2%
FTSE 100	7,483.58	0.2%
CAC 40	7,277.93	0.2%
DAX	15,994.73	0.2%
Nikkei 225	33,451.83	0.0%
Hang Seng	17,910.84	1.0%
Shanghai Composite	3,061.86	0.6%
Sovereign bonds		
2-year Treasuries	4.90	0pb
10-year Treasuries	4.40	0pb
28-day Cetes	10.76	22pb
28-day TIIE	11.50	0pb
2-year Mbono	10.43	0pb
10-year Mbono	9.59	1pb
Currencies		
USD/MXN	17.19	-0.1%
EUR/USD	1.09	0.2%
GBP/USD	1.25	0.3%
DXY	103.92	0.0%
Commodities		
WTI	77.10	0.0%
Brent	81.42	-0.7%
Mexican mix	73.35	0.0%
Gold	1,992.25	0.1%
Copper	380.85	0.0%

Source: Bloomberg

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

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