

Financial Markets Daily

Main drivers for the financial markets today...

- Stock markets lower, government bond yields positive while the USD declines. Investors remain cautious, weighing the recent rally in risk assets, a high interest rate backdrop, and comments from some central bankers on a still uncertain outlook
- Yesterday, Israel and Hamas agreed to extend the truce reached last week until Thursday morning, this after 11 more Israeli hostages were released. With this pause, additional humanitarian aid has entered Gaza
- In China, PBoC Governor, Pan Gongsheng, mentioned that the economy is facing a long and difficult transportation, with the real estate sector seeking a new equilibrium. The latter is relevant considering that expectations point to Chinese banks having to extend unsecured loans to companies from the sector as pressures from the government mount
- Regarding economic data, in the US we expect November's consumer confidence along some figures for the housing market in September. In Brazil, inflation in the 1st half of November came in at 4.84%, moderating from 5.05% in the previous report
- On the monetary front, attention will be on speeches from Goolsbee (Chicago), Waller (Fed Board), Bowman (Fed Board), Barr (Fed Board), and Pease (St. Louis). At night we highlight the monetary policy decision in New Zealand, where consensus suggests that the rate will stand at 5.50%

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Brazil					
7:00	Consumer prices 2w/2w - Nov	% m/m	--	0.31	0.21
7:00	Consumer prices 2w/2w - Nov	% y/y	--	4.82	5.05
United States					
9:00	S&P/CoreLogic housing prices - Sep	% y/y	--	4.2	2.2
10:00	Consumer confidence* - Nov	index	103.0	101.0	102.6
10:00	Fed's Goolsbee Delivers Opening Remarks				
10:00	Fed's Waller Speaks on the Economic Outlook				
Mexico					
10:00	International reserves - Nov 24	US\$bn	--	--	205.6
12:30	Government weekly auction: 1-, 3-, 6-, and 12-month Cetes, 30-year Mbono (Jul'53), 3-year Udibono (Dec'26) and 2-, 5-, and 10-year Bondes F				

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	4,556.50	-0.1%
Euro Stoxx 50	4,334.78	-0.5%
Nikkei 225	33,408.39	-0.1%
Shanghai Composite	3,038.56	0.2%
Currencies		
USD/MXN	17.15	-0.1%
EUR/USD	1.10	0.0%
DXY	103.17	0.0%
Commodities		
WTI	75.58	1.0%
Brent	80.83	1.1%
Gold	2,015.90	0.1%
Copper	376.10	0.1%
Sovereign bonds		
10-year Treasury	4.39	0pb

Source: Bloomberg

Equities

- Negative bias continues for the second consecutive trading session, after the gains registered by the equity indexes during November
- US futures anticipate a marginally negative opening, with the S&P500 trading 0.1% below its theoretical value. Meanwhile, Europe trades lower and the Eurostoxx declines 0.5%, with the largest adjustments in the consumer staples and discretionary sectors, while the largest gainers are energy and industrials. In Asia, movements were mixed, although the Hang Seng fell 1.0%.
- In Mexico, the Mexbol Index could consolidate around 52,200 pts

Sovereign fixed income, currencies and commodities

- Negative balance in sovereign bonds. European 10-year rates register pressures of up to 5bps. Meanwhile, Treasuries trade with losses of 1bp on average. Yesterday, the Mbonos' curve closed with gains of 8bps and the 10-year benchmark at 9.55% (-10bps)
- The USD trades with a slight negative bias while G10 and EM currencies post mixed movements. In the first group, CAD (+0.3%) and NOK (-0.3%) are at the ends of the spectrum. In EM, trading is capped by KRW (+0.8%) and CZK (-0.2%). MXN appreciates 0.1% to trade at 17.15 per dollar
- Crude-oil futures advance 1.0% on the possibility of additional OPEC+ production cuts. Metals mixed, gold and silver trade little changed after yesterday's rally

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	35,333.47	-0.2%
S&P 500	4,550.43	-0.2%
Nasdaq	14,241.02	-0.1%
IPC	52,220.49	-1.4%
Ibovespa	125,731.45	0.2%
Euro Stoxx 50	4,354.41	-0.4%
FTSE 100	7,460.70	-0.4%
CAC 40	7,265.49	-0.4%
DAX	15,966.37	-0.4%
Nikkei 225	33,447.67	-0.5%
Hang Seng	17,525.06	-0.2%
Shanghai Composite	3,031.70	-0.3%
Sovereign bonds		
2-year Treasuries	4.89	-6pb
10-year Treasuries	4.39	-8pb
28-day Cetes	11.12	37pb
28-day TIIE	11.50	0pb
2-year Mbono	10.37	-11pb
10-year Mbono	9.58	-9pb
Currencies		
USD/MXN	17.17	0.3%
EUR/USD	1.10	0.1%
GBP/USD	1.26	0.2%
DX	103.20	-0.2%
Commodities		
WTI	74.86	-0.9%
Brent	79.98	-0.7%
Mexican mix	71.50	-2.5%
Gold	2,014.13	0.7%
Copper	380.00	-0.8%

Source: Bloomberg

Corporate Debt

- Consorcio Ara informed that it will carry out the total prepayment of its unsecured note ARA 21X on November 29, 2023. The total payable amount is MXN 1.0 billion.
- PCR Verum affirmed Corpovael's rating at 'BBB/M' and revised the outlook to Stable from Negative. The revision follows the decline in CADU's leverage to moderate levels, along with a broader debt maturity profile for the short and medium term
- HR Ratings affirmed Finamex's rating at 'HR A+' with a Stable outlook, based on its stable earnings and risk profile

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