

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive, government bond yields negative with the USD stable. Investors are more optimistic after less restrictive comments from several Fed speakers surrounding the end of the monetary tightening cycle**
- **Negotiations between Hamas and Israel continue to try and extend the cease fire beyond tomorrow, with the possibility that more hostages are released to achieve this. In other news, it is expected that the House of Representatives drops a provision within the Defense spending bill that limits US investment in Chinese technology companies**
- **The OECD released its economic outlook report, maintaining a view of modest growth, hindered by the impact of monetary tightening. As such, they expect global growth in 2023 at 2.9%, moderating to 2.7% in 2024. For the case of Mexico, the forecast for 2024 is a 2.5% expansion**
- **Regarding data, attention will be on the revision to 3Q23 GDP in the US. We will also have a speech from Mester (Cleveland) along the release of the Beige Book by the Fed. In Mexico, Banxico will publish its 3Q23 Quarterly Report, expecting upward revisions to GDP estimates and with attention on comments from Board members on the path for interest rates**

The most relevant economic data...

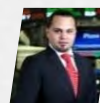
	Event/Period	Unit	Banorte	Survey	Previous
Eurozone					
5:00	OECD Publishes biannual Economic Outlook				
5:00	Consumer confidence* - Nov (F)	index	--	--	-16.9
5:00	Economic confidence* - Nov	index	--	93.5	93.3
8:00	GER Consumer prices - Nov (P)	% y/y	--	3.5	3.8
United States					
8:30	Trade balance* - Oct	US\$bn	--	-59.3	-61.5
8:30	Gross domestic product** - 3Q23 (F)	% q/q	5.0	5.0	4.9
8:30	Personal consumption** - 3Q23 (F)	% q/q	4.0	4.0	4.0
13:45	Fed's Mester Speaks on Financial Stability				
14:00	Beige Book				
Mexico					
13:30	Banxico's Quarterly Report				
China					
20:30	Manufacturing PMI* - Nov	index	--	49.6	49.5
20:30	Non-manufacturing PMI* - Nov	index	--	51.1	50.6
20:30	Composite PMI* - Nov	index	--	--	50.7

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

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

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A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	4,581.75	0.4%
Euro Stoxx 50	4,374.78	0.6%
Nikkei 225	33,321.22	-0.3%
Shanghai Composite	3,021.69	-0.6%
Currencies		
USD/MXN	17.18	0.3%
EUR/USD	1.10	-0.1%
DXY	102.82	0.1%
Commodities		
WTI	77.73	1.7%
Brent	82.96	1.6%
Gold	2,041.62	0.0%
Copper	380.35	0.1%
Sovereign bonds		
10-year Treasury	4.29	-3pb

Source: Bloomberg

Equities

- Positive movements, excepto in Asia, in equity markets as investors are encouraged by the expectation that the Fed may have already reached the end of the monetary tightening cycle. It should be noted that as of today there could be greater volatility due to the rebalancing of MSCI indexes, whose changes will be effective tomorrow after the market close
- In Asia most markets closed negative. In Europe stocks advance, the Eurostoxx adds 0.6%. In turn, in the US the futures of main indices point to a positive opening by rising 0.4% on average. General Motors (+9% on pre-market) announced that it will increase its dividend by 33% and implemented a \$10 billion share buyback program
- The pricing of FIBRA NEXT's IPO may be revealed today (range from MXN 51 to MXN 56 per CBF). The base amount is expected at MXN 15 billion, with the first day of trading at the Mexbol starting tomorrow

Sovereign fixed income, currencies and commodities

- Positive performance in sovereign bonds amid of a less restrictive tone from Fed members. European 10-year rates show adjustments of up to -8bps. Meanwhile, the Treasuries yield curve registers gains of 4bps on average. Yesterday, the Mbonos' curve closed with a 15bps appreciation and the 10-year benchmark at 9.39% (-16bps)
- Dollar little changed on BBDXY as advanced and emerging market currencies trade mixed. NZD (+0.3%) and AUD (-0.4%) are at the extremes in the G10. In EM, trading is capped by TWD (+0.7%) and PLN (-0.7%). Mexican peso trades at 17.18 per dollar with a depreciation of 0.3%
- Crude-oil futures are up 1.7% as differences over OPEC+ production quotas continue. Metals performs negatively

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	35,416.98	0.2%
S&P 500	4,554.89	0.1%
Nasdaq	14,281.76	0.3%
IPC	52,359.00	0.3%
Ibovespa	126,538.32	0.6%
Euro Stoxx 50	4,348.02	-0.1%
FTSE 100	7,455.24	-0.1%
CAC 40	7,250.13	-0.2%
DAX	15,992.67	0.2%
Nikkei 225	33,408.39	-0.1%
Hang Seng	17,354.14	-1.0%
Shanghai Composite	3,038.55	0.2%
Sovereign bonds		
2-year Treasuries	4.73	-15pb
10-year Treasuries	4.32	-7pb
28-day Cetes	10.78	-34pb
28-day TIIE	11.50	0pb
2-year Mbono	10.26	-11pb
10-year Mbono	9.42	-15pb
Currencies		
USD/MXN	17.14	-0.1%
EUR/USD	1.10	0.4%
GBP/USD	1.27	0.5%
DX	102.75	-0.4%
Commodities		
WTI	76.41	2.1%
Brent	81.68	2.1%
Mexican mix	73.02	2.1%
Gold	2,040.97	1.3%
Copper	383.95	1.0%

Source: Bloomberg

Corporate Debt

- Today we expected the auction of the first tap issue of Nacional Financiera's social bond, NAFR 23-3S, for a target amount of MXN 5.0 billion (max. MXN 10.0 billion) with a term of 3.2 years
- Also, two sustainability-linked bonds will be auctioned by Fibra Uno, FUNO 23-3L and 23-4L, for a target amount of MXN 1.5 billion (max. MXN 2 billion), with terms of 7 and 3 years, respectively. The issues have local scale ratings of 'AAA' by Fitch Ratings and HR Ratings
- Fitch Ratings affirmed Mercader Financial's long- and short-term ratings at 'A-(mex)' and 'F2(mex)', respectively. The outlook is Stable. Mercader has a long operating record, and a stable business model specialized in lending and leasing to small and medium-size companies

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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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