

Financial Markets Daily

Main drivers for the financial markets today...

- **Stock markets positive, government bond yields and USD up, reacting to lower-than-expected Eurozone inflation, signs of a US slowdown and dovish comments from the Federal Reserve, fueling expectations for rate cuts**
- **Regarding economic figures, in the US the personal income and spending report for October will be published, with special attention to the PCE price deflator in search of signs that a disinflationary process is on the way. Additionally, jobless claims for the week ending November 25 will be released. Markets will be watching comments of Williams from the Fed for signs on the central bank's next actions**
- **In the Eurozone, November inflation was published below estimates (2.4% y/y vs. 2.7%). In China, the manufacturing PMI (Caixin) for November will be released**
- **In México, INEGI released October's employment report. The unemployment rate fell to 2.75% (-13bps), with 321.5 thousand jobs gained. With seasonally adjusted figures the rate came in at 2.65 (-5bps). Focus on banking credit and the public finance report for October**

The most relevant economic data...

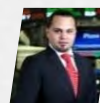
	Event/Period	Unit	Banorte	Survey	Previous
	OPEC+ Ministerial Meeting and Joint Ministerial Monitoring Committee				
Eurozone					
5:00	Consumer prices - Nov (P)	% y/y	--	2.7	2.9
5:00	Core - Nov (P)	% y/y	--	3.9	4.2
Mexico					
7:00	Unemployment rate - Oct	%	2.86	2.85	2.88
10:00	Banking credit - Oct	% y/y	6.0	--	5.8
15:30	Public finances (PSBR, year-to-date) - Oct	MXNbn	--	--	-813.6
United States					
8:30	Personal income* - Oct	% m/m	--	0.2	0.3
8:30	Personal spending* - Oct	% m/m	--	0.2	0.7
8:30	Real personal spending* - Oct	% m/m	0.2	0.1	0.4
8:30	PCE Deflator* - Oct	% m/m	0.1	0.1	0.4
8:30	Core* - Oct	% m/m	0.2	0.2	0.3
8:30	PCE Deflator - Oct	% y/y	3.1	3.1	3.4
8:30	Core - Oct	% y/y	3.5	3.5	3.7
8:30	Initial jobless claims* - Nov 25	thousands	213	218	209
China					
20:45	Manufacturing PMI (Caixin)* - Nov	index	--	49.3	49.5

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	4,572.75	0.3%
Euro Stoxx 50	4,388.71	0.4%
Nikkei 225	33,486.89	0.5%
Shanghai Composite	3,029.67	0.3%
Currencies		
USD/MXN	17.41	0.8%
EUR/USD	1.09	-0.4%
DXY	103.20	0.4%
Commodities		
WTI	78.39	0.7%
Brent	83.98	1.1%
Gold	2,038.39	-0.3%
Copper	379.00	0.1%
Sovereign bonds		
10-year Treasury	4.29	3pb

Source: Bloomberg

Equities

- Positive sentiment among investors and advances in equity indices, reflecting the possibility of less monetary tightening. At the close market, MSCI index rebalancing changes will be effective, so there could be high volatility in the operation; in the case of Mexico, Fibrapl and Oma will be incorporated to the sample, while the exit of Tlevisa is expected
- Futures in the US anticipate a positive opening with the S&P500 rising 0.3% above its theoretical value. Meanwhile, Europe trades mainly with gains and the Eurostoxx es climbing 0.4%, driven by energy companies. Asia closed positive
- In corporate events, Funo informed that NEXT IPO will not take place at this time and is postponed. Procaps announced a strategic agreement with Lab to develop, manufacture and commercialize five softgel products for Latin American countries

Sovereign fixed income, currencies and commodities

- Negative performance in sovereign bonds. 10-year European rates adjust up to +4bps. The Treasuries' curve trades with a steepening bias with 1bp losses at the short-end, while the long-end adjusts +4bps. Yesterday, Mbonos' curve gained 13bps, on average, and the 10-year benchmark, May'33, closed at 9.25% (-14bps)
- The dollar advances, causing all of the developed currencies to trade in negative domain with SEK (-1.0%) leading the losses. In EM, the bias is also negative with THB (-1.1%) as the weakest. Meanwhile, MXN depreciates 0.8% trading at 17.42 per dollar
- Crude-oil advances near 1.0% as investors expect further production restrictions to be agreed at OPEC'+ meeting. Currently, Brent trades at 84 \$/bbl and WTI at 78 \$/bbl Metals trade with negative bias highlighting gold with a retreat of 0.4%

Corporate Debt

- Today we expect the auction of an unsecured bond from Daimler México, DAIMLER 23, for up to MXN 2.5 billion and a two-year term. The note's local scale ratings are 'AAA' by S&P Global and Moody's Local
- Moody's Local MX affirmed Grupo Minisa's ratings at 'BBB+.mx' and kept the outlook Negative, reflecting a moderate recovery on its EBITDA margins, thanks to a decline on cost of goods sold, which was set off by the stabilization of corn prices
- HR Ratings affirmed the long- and short-term ratings for Navistar Financial at 'HR AAA' and 'HR+1', respectively. The outlook is Stable. The rating affirmation was based on Traton SE's ratings, which is the owner of all Navistar International Corporation's shares

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	35,430.42	0.0%
S&P 500	4,550.58	-0.1%
Nasdaq	14,258.49	-0.2%
IPC	52,792.81	0.8%
Ibovespa	126,165.64	-0.3%
Euro Stoxx 50	4,370.53	0.5%
FTSE 100	7,423.46	-0.4%
CAC 40	7,267.64	0.2%
DAX	16,166.45	1.1%
Nikkei 225	33,321.22	-0.3%
Hang Seng	16,993.44	-2.1%
Shanghai Composite	3,021.69	-0.6%
Sovereign bonds		
2-year Treasuries	4.65	-9pb
10-year Treasuries	4.26	-7pb
28-day Cetes	11.01	23pb
28-day TIIE	11.50	0pb
2-year Mbono	10.20	-6pb
10-year Mbono	9.27	-16pb
Currencies		
USD/MXN	17.28	0.8%
EUR/USD	1.10	-0.2%
GBP/USD	1.27	0.0%
DX	102.77	0.0%
Commodities		
WTI	77.86	1.9%
Brent	83.10	1.7%
Mexican mix	74.39	1.9%
Gold	2,044.24	0.2%
Copper	382.55	-0.4%

Source: Bloomberg

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