

## Financial Markets Daily

### Main drivers for the financial markets today...

- Stock markets mixed, government bond yields positive, and the USD with small changes, with investors awaiting the US labor market report, looking for more evidence that may support the beginning of the easing cycle by the Fed and help define the monetary policy path going forward
- Thus, in economic figures, attention will be focused on the US, where we expect 180k new jobs, with the unemployment rate unchanged at 3.9%. In addition, another point of attention will be wages. Considering the latest sector data, signs of some weakness in the labor market are beginning to gain relevance, which has boosted bets that the Fed will begin with cuts next year
- In China, the Politburo has vowed to implement an expansionary fiscal policy to boost demand. At the same time, they also indicated that monetary policy should be flexible, appropriate, targeted and effective. Considering this, it is estimated that the growth target for next year will be set above 2023's estimate of 5%.
- In Russia, it was confirmed that Vladimir Putin will seek another term as president. The announcement was already expected after the constitution was amended in 2020 to allow Putin to stay in power until 2036. The election is scheduled for March 17th
- The EU is considering reopening a WTO case against the US over a Trump-era steel and aluminum dispute. However, they mentioned they will refrain from immediately imposing retaliatory tariffs. In other news, the region's finance ministers have failed to reach an agreement on new fiscal rules after hours of negotiation. Some believe that it is possible to reach a deal by the end of the year

### The most relevant economic data...

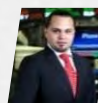
	Event/Period	Unit	Banorte	Survey	Previous
<b>Germany</b>					
2:00	Consumer prices - Nov (F)	% y/y	--	3.2	3.2
<b>United States</b>					
8:30	Nonfarm payrolls* - Nov	thousands	180	190	150
8:30	Unemployment rate* - Nov	%	3.9	3.9	3.9
10:00	U. of Michigan Confidence* - Dec (P)	index	62.5	62.0	61.3
<b>China</b>					
20:30	Consumer prices - Nov	% y/y	--	-0.2	-0.2

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.
<b>Equity indices</b>		
S&P 500 Futures	4,582.25	-0.2%
Euro Stoxx 50	4,493.64	0.4%
Nikkei 225	32,307.86	-1.7%
Shanghai Composite	2,969.56	0.1%
<b>Currencies</b>		
USD/MXN	17.42	-0.3%
EUR/USD	1.08	-0.1%
DXY	103.75	0.2%
<b>Commodities</b>		
WTI	70.44	1.6%
Brent	75.26	1.6%
Gold	2,029.85	0.1%
Copper	380.00	0.4%
<b>Sovereign bonds</b>		
10-year Treasury	4.18	3pb

Source: Bloomberg

## Equities

- Main stock indexes show mixed movements, while investors remain cautious ahead of US jobs data, while futures show little changes, though bias is negative. In particular, the S&P 500 is trading 0.2% below its theoretical value and the Nasdaq is doing the same by 0.4%, following the boost in technology stocks on the appetite for artificial intelligence stocks
- Europe is trading with almost widespread gains, with the Eurostoxx up 0.5%, stringing together four weeks of consecutive gains. In Asia, stock markets closed mixed. The Nikkei's 1.7% drop in Japan stands out, amid the speculation that the BoJ will soon start raising its benchmark rates
- In Mexico, the Mexbol Index could consolidate close to 54,300pts, after closing yesterday at 54,457pts

## Sovereign fixed income, currencies and commodities

- Sovereign bonds yields rise. European 10-year rates post losses of up to 9bps while the Treasuries yield curve is pressured by 3bps on average. Yesterday, the Mbonos' curve closed with gains of 3bps, except for the long-end which adjusted +2bps. The 10-year benchmark closed at 9.19% (-2bps)
- The dollar trades sideways while G10 and emerging market currencies trade with mixed movements. In the first group, CAD (+0.1%) and SEK (-0.5%) are at the ends. In EM, the range is wider with RUB (+1.4%) and ZAR (-0.8%). Mexican peso gains 0.3% to trade at 17.42 per dollar
- Crude-oil futures gain 1.5% as Vladimir Putin pressures some OPEC+ members to meet production quotas. Metals print gains of 1%, except for precious metals which trade with few changes

## Corporate Debt

- Cemex announced that it agreed to refinance its bilateral credit facility with Banorte, extending the maturity of the credit agreement to 2028. Following the refinancing, the credit agreement will consist of a MXN 6.0 billion 5-year amortizing term loan, which represents an increase of MXN 760 million. The agreement will have an interest rate margin dependent on the leverage ratio, with a maximum leverage ratio of 3.75x and a minimum interest coverage ratio of 2.75x
- Moody's Local Mexico assigned a rating of 'ML A-1.mx' to América Móvil's short-term debt program. According to the agency, the rating reflects its strong competitive position as one of the world's largest telecommunications companies, its broad geographic diversification with presence in the Americas and Europe

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	36,117.38	0.2%
S&P 500	4,585.59	0.8%
Nasdaq	14,339.99	1.4%
IPC	54,456.79	0.7%
Ibovespa	126,009.57	0.3%
Euro Stoxx 50	4,473.77	-0.2%
FTSE 100	7,513.72	0.0%
CAC 40	7,428.52	-0.1%
DAX	16,628.99	-0.2%
Nikkei 225	32,858.31	-1.8%
Hang Seng	16,345.89	-0.7%
Shanghai Composite	2,966.21	-0.1%
<b>Sovereign bonds</b>		
2-year Treasuries	4.59	0pb
10-year Treasuries	4.15	5pb
28-day Cetes	11.20	-5pb
28-day TIIE	11.50	0pb
2-year Mbono	10.19	-2pb
10-year Mbono	9.20	-3pb
<b>Currencies</b>		
USD/MXN	17.47	1.1%
EUR/USD	1.08	0.3%
GBP/USD	1.26	0.3%
DX	103.54	-0.6%
<b>Commodities</b>		
WTI	69.34	-0.1%
Brent	74.05	-0.3%
Mexican mix	64.86	-0.7%
Gold	2,028.47	0.1%
Copper	379.75	1.7%

Source: Bloomberg

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