

# Financial Markets Daily

September 30, 2022

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

- **Stock markets to the upside, government bond yields and USD negative, rebounding after recent losses, as risk aversion sentiment seems to ease past recent turmoil. However, caution continues as fears of global recession keep rising on prospects of continued policy tightening**
- **On economic figures, inflation in the Eurozone in September stood at 10.0% y/y, advancing at double-digit pace for the first time. China's PMIs for September were mixed, with improvements in manufacturing but with a slowdown in services**
- **Later, in US we highlight the release of August's personal income and spending report, as well as speeches from Brainard and Williams. In Mexico, banking credit and public finances (Aug) will be released. In Colombia, the central bank is expected to hike its rate to 10.50% (+150bps)**
- **EU energy ministers reached an agreement to intervene in the energy market, setting goals to cut energy consumption (-5% of use at peak times) and to benefit from the extraordinary windfall of companies in the sector**

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Winners of the award for best economic forecasters for Mexico in 2021, granted by Refinitiv



**STARMINE AWARDS  
FOR REUTERS POLLS  
FROM REFINITIV**

## The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
<b>Eurozone</b>					
5:00	Consumer prices - Sep (P)	% y/y	--	9.7	9.1
5:00	Core - Sep (P)	% y/y	--	4.7	4.3
<b>United States</b>					
8:30	Personal income* - Aug	% m/m	--	0.3	0.2
8:30	Personal spending* - Aug	% m/m	--	0.2	0.1
8:30	Real personal spending* - Aug	% m/m	0.3	0.2	0.2
8:30	PCE Deflator* - Aug	% m/m	--	0.1	-0.1
8:30	Core* - Aug	% m/m	--	0.5	0.1
8:30	PCE Deflator - Aug	% y/y	--	6.0	6.3
8:30	Core - Aug	% y/y	--	4.7	4.6
9:00	Brainard Speaks at Fed Conference on Financial Stability				
10:00	U. of Michigan confidence* - Sep (F)	index	59.5	59.5	59.5
16:15	Williams Speaks at Fed Conference on Financial Stability				
<b>Mexico</b>					
10:00	Banking credit - Aug	% y/y	3.4	--	3.2
15:30	Public finances (PSBR, year-to-date) - Aug	MXNmn	--	--	-304.3
<b>Colombia</b>					
14:00	Monetary policy decision (Banco de la Repúbl	%	--	10.50	9.00

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.
<b>Equity indices</b>		
S&P 500 Futures	3,658.50	0.1%
Euro Stoxx 50	3,283.15	0.1%
Nikkei 225	25,937.21	-1.8%
Shanghai Composite	3,024.39	-0.6%
<b>Currencies</b>		
USD/MXN	20.15	-0.1%
EUR/USD	0.98	-0.6%
DX	112.63	0.3%
<b>Commodities</b>		
WTI	80.90	-0.4%
Brent	88.50	0.0%
Gold	1,663.83	0.2%
Copper	342.55	0.2%
<b>Sovereign bonds</b>		
10-year Treasury	3.70	-8pb

Source: Bloomberg

## Equities

- Stock markets rallied this morning, on dip-buying, following recent significant losses, although caution continues in the face of latent recession risk
- Futures in the US anticipate a positive opening, with the S&P500 advancing 0.8% above its theoretical value, after hitting two-year lows. In Europe, the gains are close to 1% on average, seeking to reduce the losses of the quarter. In Asia, stock markets showed mixed closings, although the negative bias prevailed, highlighting the adjustments in Japan's indices of 1.8% on average
- In Mexico, the Mexbol Index could continue consolidating near 45,000pts. In corporate news, Femsa announced the final result, although still provisional, of its acquisition offer on Valora, with a 96.9% participation

## Sovereign fixed income, currencies and commodities

- Positive performance in sovereign bonds. European assets trade with gains of 11bps, on average, while Treasuries trades with a flattening bias and adjustments of up to -9bps on the long-end. Yesterday, the Mbonos' curve ended with 5bps pressures on the short-end and 1bp gains on the long-end
- The dollar trades with a slight appreciation (DXY +0.2%) as developed currencies slumps and emerging currencies trade with mixed changes. In the first group, NOK (-1.0%) is the weakest while in the second, THB (+1.0%) and RUB (-2.6%) are at the ends of the spectrum. The Mexican peso appreciates 0.1% to 20.14 per dollar, coinciding with the 100-day MA
- Crude oil futures average 0.5% higher on lower risk-off mood and ahead of OPEC+ decision on production next week. Metals print gains and aluminum advances as it is uncertain whether Russian metals will be banned from LME

## Previous closing levels

	Last	Daily chg.
<b>Equity indices</b>		
Dow Jones	29,225.61	-1.5%
S&P 500	3,640.47	-2.1%
Nasdaq	10,737.51	-2.8%
IPC	45,102.55	-0.7%
Ibovespa	107,664.35	-0.7%
Euro Stoxx 50	3,279.04	-1.7%
FTSE 100	6,881.59	-1.8%
CAC 40	5,676.87	-1.5%
DAX	11,975.55	-1.7%
Nikkei 225	26,422.05	0.9%
Hang Seng	17,165.87	-0.5%
Shanghai Composite	3,041.21	-0.1%
<b>Sovereign bonds</b>		
2-year Treasuries	4.19	6pb
10-year Treasuries	3.79	5pb
28-day Cetes	9.28	2pb
28-day TIIE	9.02	3pb
2-year Mbono	10.39	5pb
10-year Mbono	9.72	3pb
<b>Currencies</b>		
USD/MXN	20.17	0.2%
EUR/USD	0.98	0.8%
GBP/USD	1.11	2.1%
DXY	112.25	-0.3%
<b>Commodities</b>		
WTI	81.23	-1.1%
Brent	88.49	-0.9%
Mexican mix	77.79	-0.6%
Gold	1,660.54	0.0%
Copper	341.80	1.8%

Source: Bloomberg

## Corporate Debt

- CEMEX announced it accepted for purchase in the previously announced cash tender offer US\$468.1 million aggregate principal amount of the tendered 2031, 2030 and 2029 Notes. The early settlement date on which CEMEX will make payment of such Notes accepted in the tender offer is expected to be September 30, 2022
- Fitch Ratings affirmed Sofoplus' long-term rating at 'A-(mex)' with Positive outlook and at 'F2(mex)' for the short-term. The positive Outlook reflects the franchise's constant growth in the last twelve months, joined by a good financial performance and controlled leveraging and non-performing loans levels

## Certification of Analysts.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Carlos Hernández García, Leslie Thalia Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, Daniela Olea Suárez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal, Oscar Rodolfo Olivos Ortiz, Daniel Sebastián Sosa Aguilar and Salvador Austria Valencia certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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	Reference
<b>BUY</b>	<i>When the share expected performance is greater than the MEXBOL estimated performance.</i>
<b>HOLD</b>	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
<b>SELL</b>	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

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