

14 JANUARY 2019  
MARKET SNAPSHOT

## US

The US stocks closed slightly lower on Friday, S&P slid 0.01%, DOW lost 0.02%. The yield on 10Y USTs fell 4 bps to 2.7%. The December consumer prices data surprised the investors, they fell for the first time in nine months, by -0.1%. The government shutdown continues with no signs of an end as President Trump's budget team is drawing up plans for a shutdown that extends through February.



## ASIA

Asian markets are trading in the red zone today after the release of disappointing export statistics in China. Figures showed a 4.4% decrease YoY in December compared to the 3% increase consensus expectations. Heng Seng fell by 1.6% this morning, CSI 300 is currently at a 1% loss.



## UK

Prime Minister Theresa May has spoken out on the possibility of Brexit being blocked in case she will not gain sufficient support in tomorrow's House of Commons vote, which in her words would be a "catastrophe for democracy". In case the Prime Minister loses the vote by a margin of less than 100 votes as most experts expect, she will be able to go back to Brussels and renegotiate the conditions of the current deal, however if she was to lose by 200 or more votes, that would not be an option. The pound gained 0.7% on Friday but is trading 0.1% lower today ahead of the vote, while the yield on 10y UKTs advanced by 2 bps to 1.287% on Friday.



## EU

The president of the European Commission, Jean-Claude Juncker, is expected to give Prime Minister May assurances in order to decrease the chance of a 200-vote loss margin. Officials from Brussels have stated they expect Britain to request an extension before the 29th March deadline, given the current political climate. European industrial production data for November will be announced later this morning. The Euro has been trading in the 1.439-1.1542 USD range, trading at 1.1469 this morning, while the yield on 10Y DBR has slipped 1bps from 0.1931% to 0.1822%.



## RUSSIA

The restart of FX purchases by CBR is a topic of focus for Russian investors. After the 5-month pause, the central bank will start purchasing foreign currency in the open market again starting today. The Central Bank plans to buy USD 4 bn in the period between January 15th and February 6th. The ruble closed almost unchanged on Friday at 66.89 per USD level but slightly weakening this morning, currently trading at 67.12 per USD. On the fixed income market – RUSSIA 47 slightly advanced to a 97 level while the corporates traded mixed. ALFARU 9 1/2 25 and GAZPRU 7.288 37 both gained half a point while SBERRU 21 and 22, AKBHC 9 1/4 PERP and RURAIL 4 3/8 24 lost 30 bps on average.

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