

14 FEBRUARY 2019
MARKET SNAPSHOT

US

In the US stocks traded up on Wednesday – Dow Jones added 0.46%, S&P and Nasdaq gained 0.30% and 0.08% respectively. The market reacted positively to Trump's statements on prolonging the truce against raising tariffs with China for another 60 days. The US President also spoke out about not wanting to see another government shutdown but was cautious about signing a bipartisan deal. The Dollar index was up 0.5%. The yield on 10Y UST further appreciated 1bps to 2.71%.

UK

Theresa May faces another vote on her deal later today in the House of Commons. Most experts conclude that a defeat is to be expected. The Prime Minister's chief civil servant, Olly Robbins, was overheard revealing the current plan for Brexit – stall for time until late March, at which point give the MPs a choice between May's deal or a long extension of Article 50. The Pound traded slightly lower on Wednesday, finishing the day at 1.2846, while the yield on 10Y UKT traded almost flat on Wednesday.

ASIA

Asia is trading mixed this morning with Hang Seng down 0.46%, while NIKKEI and CSI300 are trading up 0.07% and 0.01% respectively. Trade data released this morning showed a 9.1% increase in Chinese exports for January following a disappointing 4.4% decline.

EU

The German GDP slightly underperformed expectations as it stayed flat QoQ instead of the 0.1 increase expectation. The yield on 10Y DBR slid slightly over 1bps to 1.126%. President of the European Council, Donald Tusk, publicly stated that there has been no progression to the current Brexit deal and that it is a situation "when no news does not mean good news". The Euro slipped from 1.1326 to 1.1261 USD level.

RUSSIA

The ruble lost 1% yesterday and closed at 66.50 after the US Senators had introduced a new sanctions bill. The MinFin OFZ auctions without an upper placement limit were a success yesterday – RUB 38.1 bn was sold as RFLB 6.5% 24 and RUB 3.9 bn in RFLB 29 while the demand was very strong. RUSSIA 47 remained unchanged at lower 98, most of the corporates traded flat as well. GPBRU 6 20 outperformed, the bond advanced by 70 bps.

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